The Ontario Securities Commission

OSC Bulletin

May 10, 2012

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

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1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

May 10, 2012

CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

- -

Unless otherwise indicated in the date column, all hearings will take place at the following location:

The Harry S. Bray Hearing Room
Ontario Securities Commission
Cadillac Fairview Tower
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Christopher Portner	—	CP
Judith N. Robertson	—	JNR
Charles Wesley Moore (Wes) Scott	—	CWMS

SCHEDULED OSC HEARINGS

May 14-18 and May 23-25, 2012 10:00 a.m.	**Crown Hill Capital Corporation and Wayne Lawrence Pushka** s. 127 A. Perschy in attendance for Staff Panel: JEAT/CP/JNR
May 15, 2012 10:00 a.m.	**Frank Andrew Devcich and Gobinder Kular Singh** s. 127 J. Feasby in attendance for Staff Panel: EPK
May 15, 2012 11:00 a.m.	**Nicholas David Reeves** s. 127 J. Feasby in attendance for Staff Panel: EPK
May 16-18, May 23-25, June 4 and June 6, 2012 10:00 a.m.	**Nest Acquisitions and Mergers, IMG International Inc., Caroline Myriam Frayssignes, David Pelcowitz, Michael Smith, and Robert Patrick Zuk** s. 37, 127 and 127.1 C. Price in attendance for Staff Panel: JDC/MCH
May 18, 2012 10:00 a.m.	**Majestic Supply Co. Inc., Suncastle Developments Corporation, Herbert Adams, Steve Bishop, Mary Kricfalusi, Kevin Loman and CBK Enterprises Inc.** s. 37, 127 and 127.1 D. Ferris in attendance for Staff Panel: EPK/PLK

May 22, 2012 2:30 p.m.	**Merax Resource Management Ltd. carrying on business as Crown Capital Partners, Richard Mellon and Alex Elin** s. 127 T. Center in attendance for Staff Panel: MGC/SOA
May 28-29, May 31 – June 1, June 8, June 20 and June 22, 2012 10:00 a.m. May 30, 2012 9:00 a.m.	**Juniper Fund Management Corporation, Juniper Income Fund, Juniper Equity Growth Fund and Roy Brown (a.k.a. Roy Brown-Rodrigues)** s. 127 and 127.1 D. Ferris in attendance for Staff Panel: VK/MCH
May 29 – June 1, 2012 10:00 a.m.	**Peter Beck, Swift Trade Inc. (continued as 7722656 Canada Inc.), Biremis, Corp., Opal Stone Financial Services S.A., Barka Co. Limited, Trieme Corporation and a limited partnership referred to as "Anguilla LP"** s. 127 B. Shulman in attendance for Staff Panel: MGC/SOA/PLK
June 4, 2012 9:30 a.m.	**Morgan Dragon Development Corp., John Cheong (aka Kim Meng Cheong), Herman Tse, Devon Ricketts and Mark Griffiths** s. 127 J. Feasby in attendance for Staff Panel: EPK
June 7, 2012 11:30 a.m.	**Systematech Solutions Inc., April Vuong and Hao Quach** s. 127 J. Feasby in attendance for Staff Panel: TBA
June 11, 2012 9:00 a.m.	**Global Consulting and Financial Services, Crown Capital Management Corporation, Canadian Private Audit Service, Executive Asset Management, Michael Chomica, Peter Siklos (Also Known As Peter Kuti), Jan Chomica, and Lorne Banks** s. 127 H. Craig/C. Rossi in attendance for Staff Panel: CP
June 18 and June 20-22, 2012 10:00 a.m.	**Shallow Oil & Gas Inc., Eric O'Brien, Abel Da Silva, Gurdip Singh Gahunia aka Michael Gahunia and Abraham Herbert Grossman aka Allen Grossman** s. 127(7) and 127(8) H. Craig in attendance for Staff Panel: PLK
June 21, 2012 10:00 a.m.	**M P Global Financial Ltd., and Joe Feng Deng** s. 127 (1) M. Britton in attendance for Staff Panel: MCH
June 22, 2012 10:00 a.m.	**New Hudson Television Corporation, New Hudson Television L.L.C. & James Dmitry Salganov** s. 127 C. Watson in attendance for Staff Panel: TBA
July 5, 2012 10:00 a.m.	**North American Financial Group Inc., North American Capital Inc., Alexander Flavio Arconti, and Luigino Arconti** s. 127 M. Vaillancourt in attendance for Staff Panel: MGC

July 12, 2012 10:00 a.m.	**Sino-Forest Corporation, Allen Chan, Albert Ip, Alfred C.T. Hung, George Ho and Simon Yeung** s. 127 H. Craig in attendance for Staff Panel: MGC
July 16, 2012 10:00 a.m.	**Shane Suman and Monie Rahman** s. 127 and 127(1) C. Price in attendance for Staff Panel: JEAT/PLK
July 18, 2012 10:30 a.m.	**Energy Syndications Inc., Green Syndications Inc., Syndications Canada Inc., Land Syndications Inc. and Douglas Chaddock** s. 127 C. Johnson in attendance for Staff Panel: CP
August 1, 2012 10:00 a.m.	**Marlon Gary Hibbert, Ashanti Corporate Services Inc., Dominion International Resource Management Inc., Kabash Resource Management, Power to Create Wealth Inc. and Power to Create Wealth Inc. (Panama)** s. 127 J. Lynch/S. Chandra in attendance for Staff Panel: JDC
August 7-13, August 15-16 and August 21, 2012 10:00 a.m.	**Irwin Boock, Stanton Defreitas, Jason Wong, Saudia Allie, Alena Dubinsky, Alex Khodjaiants, Select American Transfer Co.,Leasesmart, Inc., Advanced Growing Systems, Inc., International Energy Ltd., Nutrione Corporation, Pocketop Corporation, Asia Telecom Ltd., Pharm Control Ltd., Cambridge Resources Corporation, Compushare Transfer Corporation, Federated Purchaser, Inc., TCC Industries, Inc., First National Entertainment Corporation, WGI Holdings, Inc. and Enerbrite Technologies Group** s. 127 and 127.1 D. Campbell in attendance for Staff Panel: VK
September 4-10, September 12-14, September 19-24, and September 26 – October 5, 2012 10:00 a.m.	**Portus Alternative Asset Management Inc., Portus Asset Management Inc., Boaz Manor, Michael Mendelson, Michael Labanowich and John Ogg** s. 127 H Craig in attendance for Staff Panel: TBA
September 5, 2012 10:00 a.m.	**Vincent Ciccone and Cabo Catoche Corp. (a.k.a. Medra Corp. and Medra Corporation)** s. 127 M. Vaillancourt in attendance for Staff Panel: TBA
September 5-10, September 12-14 and September 19-21, 2012 10:00 a.m.	**Vincent Ciccone and Medra Corp.** s. 127 M. Vaillancourt in attendance for Staff Panel: TBA

September 21, 2012 10:00 a.m.	**Oversea Chinese Fund Limited Partnership, Weizhen Tang and Associates Inc., Weizhen Tang Corp., and Weizhen Tang** s. 127 and 127.1 H. Craig in attendance for Staff Panel: TBA
September 24, September 26 – October 5 and October 10-19, 2012 10:00 a.m.	**New Found Freedom Financial, Ron Deonarine Singh, Wayne Gerard Martinez, Pauline Levy, David Whidden, Paul Swaby and Zompas Consulting** s. 127 A. Heydon in attendance for Staff Panel: TBA
October 11, 2012 9:00 a.m.	**New Solutions Capital Inc., New Solutions Financial Corporation, New Solutions Financial (II) Corporation, New Solutions Financial (III) Corporation, New Solutions Financial (VI) Corporation and Ron Ovenden** s. 127 S. Horgan in attendance for Staff Panel: TBA
October 19, 2012 10:00 a.m.	**Global Energy Group, Ltd., New Gold Limited Partnerships, Christina Harper, Howard Rash, Michael Schaumer, Elliot Feder, Vadim Tsatskin, Oded Pasternak, Alan Silverstein, Herbert Groberman, Allan Walker, Peter Robinson, Vyacheslav Brikman, Nikola Bajovski, Bruce Cohen and Andrew Shiff** s. 127 C. Watson in attendance for Staff Panel: PLK
October 22 and October 24 – November 5, 2012 10:00 a.m.	**MBS Group (Canada) Ltd., Balbir Ahluwalia and Mohinder Ahluwalia** s. 37, 127 and 127.1 C. Rossi in attendance for staff Panel: TBA
October 22, October 24-31, November 1-2, November 7-14, 2012 10:00 a.m.	**Peter Sbaraglia** s. 127 J. Lynch in attendance for Staff Panel: TBA
October 31 – November 5, November 7-9, December 3, December 5-17 and December 19, 2012 10:00 a.m.	**Rezwealth Financial Services Inc., Pamela Ramoutar, Justin Ramoutar, Tiffin Financial Corporation, Daniel Tiffin, 2150129 Ontario Inc., Sylvan Blackett, 1778445 Ontario Inc. and Willoughby Smith** s. 127(1) and (5) A. Heydon in attendance for Staff Panel: TBA
November 5, 2012 10:00 a.m.	**Heir Home Equity Investment Rewards Inc.; FFI First Fruit Investments Inc.; Wealth Building Mortgages Inc.; Archibald Robertson; Eric Deschamps; Canyon Acquisitions, LLC; Canyon Acquisitions International, LLC; Brent Borland; Wayne D. Robbins; Marco Caruso; Placencia Estates Development, Ltd.; Copal Resort Development Group, LLC; Rendezvous Island, Ltd.; The Placencia Marina, Ltd.; and The Placencia Hotel and Residences Ltd.** s. 127 B. Shulman in attendance for Staff Panel: TBA

November 12-19 and November 21, 2012 10:00 a.m.	**Sandy Winick, Andrea Lee Mccarthy, Kolt Curry, Laura Mateyak, Gregory J. Curry, American Heritage Stock Transfer Inc., American Heritage Stock Transfer, Inc., BFM Industries Inc., Liquid Gold International Inc., and Nanotech Industries Inc.** s. 127 J. Feasby in attendance for Staff Panel: TBA
November 21 – December 3 and December 5-14, 2012 10:00 a.m.	**Bernard Boily** s. 127 and 127.1 M. Vaillancourt/U. Sheikh in attendance for Staff Panel: TBA
January 7 – February 5, 2013 10:00 a.m.	**Jowdat Waheed and Bruce Walter** s. 127 J. Lynch in attendance for Staff Panel: TBA
January 23-25 and January 30-31, 2013 10:00 a.m.	**Sage Investment Group, C.A.D.E Resources Group Inc., Greenstone Financial Group, Fidelity Financial Group, Antonio Carlos Neto David Oliveira, and Anne Marie Ridley** s. 127 C. Watson in attendance for Staff Panel: TBA
TBA	**Yama Abdullah Yaqeen** s. 8(2) J. Superina in attendance for Staff Panel: TBA
TBA	**Microsourceonline Inc., Michael Peter Anzelmo, Vito Curalli, Jaime S. Lobo, Sumit Majumdar and Jeffrey David Mandell** s. 127 J. Waechter in attendance for Staff Panel: TBA
TBA	**Frank Dunn, Douglas Beatty, Michael Gollogly** s. 127 K. Daniels in attendance for Staff Panel: TBA
TBA	**MRS Sciences Inc. (formerly Morningside Capital Corp.), Americo DeRosa, Ronald Sherman, Edward Emmons and Ivan Cavric** s. 127 and 127(1) D. Ferris in attendance for Staff Panel: TBA
TBA	**Gold-Quest International, 1725587 Ontario Inc. carrying on business as Health and Harmoney, Harmoney Club Inc., Donald Iain Buchanan, Lisa Buchanan and Sandra Gale** s. 127 H. Craig in attendance for Staff Panel: TBA
TBA	**Gold-Quest International, Health and Harmoney, Iain Buchanan and Lisa Buchanan** s. 127 H. Craig in attendance for Staff Panel: TBA

TBA

Brilliante Brasilcan Resources Corp., York Rio Resources Inc., Brian W. Aidelman, Jason Georgiadis, Richard Taylor and Victor York

s. 127

H. Craig in attendance for Staff

Panel: TBA

TBA

Abel Da Silva

s. 127

C. Watson in attendance for Staff

Panel: TBA

TBA

Paul Azeff, Korin Bobrow, Mitchell Finkelstein, Howard Jeffrey Miller and Man Kin Cheng (a.k.a. Francis Cheng)

s. 127

T. Center/D. Campbell in attendance for Staff

Panel: TBA

TBA

Uranium308 Resources Inc., Michael Friedman, George Schwartz, Peter Robinson, and Shafi Khan

s. 127

H. Craig/C.Rossi in attendance for Staff

Panel: TBA

TBA

Paul Donald

s. 127

C. Price in attendance for Staff

Panel: TBA

TBA

Axcess Automation LLC, Axcess Fund Management, LLC, Axcess Fund, L.P., Gordon Alan Driver, David Rutledge, 6845941 Canada Inc. carrying on business as Anesis Investments, Steven M. Taylor, Berkshire Management Services Inc. carrying on business as International Communication Strategies, 1303066 Ontario Ltd. Carrying on business as ACG Graphic Communications, Montecassino Management Corporation, Reynold Mainse, World Class Communications Inc. and Ronald Mainse

s. 127

Y. Chisholm in attendance for Staff

Panel: TBA

TBA

Goldpoint Resources Corporation, Pasqualino Novielli also known as Lee or Lino Novielli, Brian Patrick Moloney also known as Brian Caldwell, and Zaida Pimentel also known as Zaida Novielli

s. 127(1) and 127(5)

C. Watson in attendance for Staff

Panel: TBA

TBA

FactorCorp Inc., FactorCorp Financial Inc. and Mark Twerdun

s. 127

C. Price in attendance for Staff

Panel: TBA

TBA

2196768 Ontario Ltd carrying on business as Rare Investments, Ramadhar Dookhie, Adil Sunderji and Evgueni Todorov

s. 127

D. Campbell in attendance for Staff

Panel: TBA

TBA

York Rio Resources Inc., Brilliante Brasilcan Resources Corp., Victor York, Robert Runic, George Schwartz, Peter Robinson, Adam Sherman, Ryan Demchuk, Matthew Oliver, Gordon Valde and Scott Bassingdale

s. 127

H. Craig/C. Watson in attendance for Staff

Panel: TBA

TBA

Innovative Gifting Inc., Terence Lushington, Z2A Corp., and Christine Hewitt

s. 127

M. Vaillancourt in attendance for Staff

Panel: TBA

TBA

Richvale Resource Corp., Marvin Winick, Howard Blumenfeld, John Colonna, Pasquale Schiavone, and Shafi Khan

s. 127(7) and 127(8)

J. Feasby in attendance for Staff

Panel: TBA

TBA

Simply Wealth Financial Group Inc., Naida Allarde, Bernardo Giangrosso, K&S Global Wealth Creative Strategies Inc., Kevin Persaud, Maxine Lobban and Wayne Lobban

s. 127 and 127.1

C. Johnson in attendance for Staff

Panel: TBA

TBA

Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton

s. 127

H. Craig in attendance for Staff

Panel: TBA

TBA

David M. O'Brien

s. 37, 127 and 127.1

B. Shulman in attendance for Staff

Panel: TBA

TBA

Ground Wealth Inc., Armadillo Energy Inc., Paul Schuett, Doug DeBoer, James Linde, Susan Lawson, Michelle Dunk, Adrion Smith, Bianca Soto and Terry Reichert

s. 127

S. Schumacher in attendance for Staff

Panel: TBA

TBA

Maitland Capital Ltd., Allen Grossman, Hanoch Ulfan, Leonard Waddingham, Ron Garner, Gord Valde, Marianne Hyacinthe, Dianna Cassidy, Ron Catone, Steven Lanys, Roger McKenzie, Tom Mezinski, William Rouse and Jason Snow

s. 127 and 127.1

D. Ferris in attendance for Staff

Panel: TBA

TBA

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

s. 127

J, Waechter/U. Sheikh in attendance for Staff

Panel: TBA

TBA

Empire Consulting Inc. and Desmond Chambers

s. 127

D. Ferris in attendance for Staff

Panel: TBA

TBA

American Heritage Stock Transfer Inc., American Heritage Stock Transfer, Inc., BFM Industries Inc., Denver Gardner Inc., Sandy Winick, Andrea Lee McCarthy, Kolt Curry and Laura Mateyak

s. 127

J. Feasby in attendance for Staff

Panel: TBA

TBA

Shaun Gerard McErlean, Securus Capital Inc., and Acquiesce Investments

s. 127

M. Britton in attendance for Staff

Panel: VK/JDC

TBA

Moncasa Capital Corporation and John Frederick Collins

s. 127

T. Center in attendance for Staff

Panel: TBA

TBA

Energy Syndications Inc. Green Syndications Inc. , Syndications Canada Inc., Daniel Strumos, Michael Baum and Douglas William Chaddock

s. 127

C. Johnson in attendance for Staff

Panel: TBA

TBA

Alexander Christ Doulis (aka Alexander Christos Doulis, aka Alexandros Christodoulidis) and Liberty Consulting Ltd.

s. 127

S. Horgan in attendance for Staff

Panel: TBA

TBA

Bunting & Waddington Inc., Arvind Sanmugam, Julie Winget and Jenifer Brekelmans

s. 127

S. Schumacher in attendance for Staff

Panel: TBA

TBA

Global Energy Group, Ltd., New Gold Limited Partnerships, Christina Harper, Vadim Tsatskin, Michael Schaumer, Elliot Feder, Oded Pasternak, Alan Silverstein, Herbert Groberman, Allan Walker, Peter Robinson, Vyacheslav Brikman, Nikola Bajovski, Bruce Cohen and Andrew Shiff

s. 37, 127 and 127.1

C. Watson in attendance for Staff

Panel: TBA

TBA **Colby Cooper Capital Inc., Colby Cooper Inc., Pac West Minerals Limited John Douglas Lee Mason**

s. 127

B. Shulman in attendance for Staff

Panel: TBA

TBA **Normand Gauthier, Gentree Asset Management Inc., R.E.A.L. Group Fund III (Canada) LP, and CanPro Income Fund I, LP**

s. 127

B. Shulman in attendance for Staff

Panel: TBA

TBA **Beryl Henderson**

s. 127

S. Schumacher in attendance for Staff

Panel: TBA

TBA **Ciccone Group, Cabo Catoche Corp. (a.k.a Medra Corp. and Medra Corporation), 990509 Ontario Inc., Tadd Financial Inc., Cachet Wealth Management Inc., Vincent Ciccone (a.k.a. Vince Ciccone), Darryl Brubacher, Andrew J Martin, Steve Haney, Klaudiusz Malinowski and Ben Giangrosso**

s. 127

M. Vaillancourt in attendance for Staff

Panel: TBA

TBA **International Strategic Investments, International Strategic Investments Inc., Somin Holdings Inc., Nazim Gillani and Ryan J. Driscoll.**

s. 127

C. Watson in attendance for Staff

Panel: TBA

ADJOURNED SINE DIE

Global Privacy Management Trust and Robert Cranston

Livent Inc., Garth H. Drabinsky, Myron I. Gottlieb, Gordon Eckstein, Robert Topol

LandBankers International MX, S.A. De C.V.; Sierra Madre Holdings MX, S.A. De C.V.; L&B LandBanking Trust S.A. De C.V.; Brian J. Wolf Zacarias; Roger Fernando Ayuso Loyo, Alan Hemingway, Kelly Friesen, Sonja A. McAdam, Ed Moore, Kim Moore, Jason Rogers and Dave Urrutia

Hollinger Inc., Conrad M. Black, F. David Radler, John A. Boultbee and Peter Y. Atkinson

1.2 Notices of Hearing

1.2.1 Vincent Ciccone 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
VINCENT CICCONE and CABO CATOCHE CORP.
(a.k.a. MEDRA CORP. and MEDRA CORPORATION)

AMENDED NOTICE OF HEARING
(Sections 127 and 127.1)

TAKE NOTICE THAT the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to sections 127 and 127.1 of the Ontario *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") at the offices of the Commission at 20 Queen Street West, 17th Floor Hearing Room on September 5, 2012 at 10:00 a.m., or as soon thereafter as the hearing can be held, to consider:

(i) whether, in the opinion of the Commission, it is in the public interest, pursuant to ss. 127 and 127.1 of the Act to order that:

(a) trading in any securities by the Respondents cease permanently or for such period as is specified by the Commission;

(b) the acquisition of any securities by the Respondents is prohibited permanently or for such other period as is specified by the Commission;

(c) any exemptions contained in Ontario securities law do not apply to the Respondents permanently or for such period as is specified by the Commission;

(d) the Respondents be reprimanded;

(e) Vincent Ciccone ("Ciccone") resign one or more positions that he holds as a director or officer of any issuer, registrant or investment fund manager;

(f) Ciccone be prohibited from becoming or acting as a director or officer of any issuer, a registrant or investment fund manager;

(g) the Respondents be prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter;

(h) the Respondents each pay an administrative penalty of not more than $1 million for each failure by that Respondent to comply with Ontario securities law;

(i) each of the Respondents disgorge to the Commission any amounts obtained as a result of non-compliance by that Respondent with Ontario securities law; and,

(j) the Respondents be ordered to pay the costs of the Commission investigation and the hearing;

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

BY REASON OF the allegations as set out in the Amended Statement of Allegations of Staff of the Commission dated May 2, 2012 and such additional allegations as counsel may advise and the Commission may permit;

AND TAKE FURTHER NOTICE that any party to the proceedings may be represented by counsel 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 that party and such party is not entitled to any further notice of the proceedings.

DATED at Toronto this 3rd day of May, 2012

"John Stevenson"

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

AND

IN THE MATTER OF
VINCENT CICCONE and CABO CATOCHE CORP.
(a.k.a. MEDRA CORP. and MEDRA CORPORATION)

AMENDED STATEMENT OF ALLEGATIONS
OF STAFF OF THE ONTARIO SECURITIES COMMISSION

Staff of the Ontario Securities Commission (the "Commission") make the following allegations:

I. OVERVIEW

1. During the period April 2008 to June 2010, over $19 million in investor funds were deposited into bank accounts belonging to Ciccone Group Inc. (“Ciccone Group”), a company controlled by Vincent Ciccone (“Ciccone”). These investor funds were raised from various distributions of securities in breach of the *Securities Act*, R.S.O. 1990, c.S.5, as amended (the “Act”) and in a manner that was contrary to the public interest.

2. In relation to three of the distributions of securities, Ciccone and Ciccone Group committed a fraud by using investor funds for purposes other than the investment purposes that were communicated to investors.

3. In general, other than using the proceeds to pay interest and redemptions to investors, proceeds from the distributions were directed to Ciccone business ventures, to charities or loaned to friends, associates and/or companies related to Ciccone in circumstances where there was no or very little prospect of ever generating returns, despite the fact that Ciccone and Ciccone Group promised over 20% returns on the Ciccone Group promissory notes they sold to investors.

4. Ciccone Group was assigned into bankruptcy on November 30th, 2010, at which time it owed over $17 million to investors.

5. The conduct at issue occurred during the period December 2007 to December 2010 (the “Material Time”).

II. BACKGROUND

A. The Respondents

6. Ciccone is a resident of Cambridge, Ontario. Ciccone was registered as a salesperson in the dealer category of a limited market dealer during the period November 1, 2004 to August 29, 2005. Ciccone was not registered in any capacity during the Material Time.

7. During the Material Time, Ciccone was the sole officer and director of Ciccone Group, an Ontario company incorporated on August 18, 1992 that was formerly named 990509 Ontario Inc. (collectively referred to as “Ciccone Group”). Ciccone Group purported to be one of the fastest growing niche financial venture companies in Canada.

8. Medra Corp. (a.k.a Medra Corporation) is a Delaware company incorporated on or about July 13, 2006 that was formerly named DCH Technology, Inc. On or about January 13, 2010, Medra Corp. changed its name to Cabo Catoche Corp. (Cabo Catoche Corp., Medra Corp. and Medra Corporation collectively referred to hereinafter as “Medra”). From about March 2008 up to and including December 2009, Ciccone was the CEO and President of Medra. During this time, Medra represented to investors that it specialized in resort real-estate development and land acquisition.

B. Illegal Distributions and trading without registration

(i) Ciccone Group Promissory Notes

9. Since approximately 2006, Ciccone Group issued promissory notes to the public. During the period November 2008 to December 31 2009 (the “Ciccone Group Distribution Period”), Ciccone Group issued promissory notes (“Ciccone Group securities”) totalling $2.7 million to approximately 46 investors.

10. During the Ciccone Group Distribution Period, Ciccone Group and Ciccone traded in Ciccone Group securities when they were not registered with the Commission and when no exemptions from registration were available to them under the Act.

11. The sale of Ciccone Group securities were trades in securities not previously issued and were therefore distributions. Ciccone Group has never filed a preliminary prospectus or a prospectus with the Commission, and no prospectus receipt has ever been issued to qualify the sale of Ciccone Group securities.

(ii) Medra shares and Founding Partners Program

12. During the period April 2008 to December 2009 (the "Medra Distribution Period"), Medra raised approximately $8 million from investors from the issuance and sale of over 85 million shares to over 370 investors and from the sale of units of Medra's Founding Partners Program to at least 15 investors. During this period, Medra was quoted on the Pink Sheets under the symbol "MDRA".

13. Each unit of Medra's Founding Partners Program was an investment contract and thereby a security under the Act.

14. In particular, each unit of Medra's Founding Partners Program was priced at $50,000 and purported to grant investors 20 weeks of lease time in Medra's Puerto Aventuras Resort during a 5 year period. At the end of the 5 year period, an investor could either seek a return of the $50,000 or could purchase a right of first refusal to purchase a share of stock of the 13 shares issued by a not-for-profit Mexican corporation that owned a condo unit in the Puerto Aventuras Resort. If that option was exercised, the investor's 1/13 share would be listed for sale by Medra and the investor would receive 50% of the net proceeds of the sale.

15. During the Medra Distribution Period, Ciccone Group, Ciccone and Medra traded in shares of Medra and in units of Medra's Founding Partners Program when they were not registered with the Commission and when no exemptions from registration were available to them under the Act.

16. The sale of Medra shares and of units of Medra's Founding Partners Program (collectively the "Medra securities") were trades in securities not previously issued and were therefore distributions. Medra has never filed a preliminary prospectus or a prospectus with the Commission, and no prospectus receipt has ever been issued to qualify the sale of Medra securities.

(iii) GEMS Capital Limited Partnership II ("GEMS II") units

17. GEMS II was registered under the Limited Partnerships Act on January 6, 2009.

18. During the period February 2009 to October 2009 (the "GEMS II Distribution Period"), GEMS II raised approximately $6.2 million from the issuance and sale of GEMS II units ("GEMS II securities") to approximately 30 investors.

19. During the GEMS II Distribution Period, Ciccone and Ciccone Group traded in GEMS II securities when they were not registered with the Commission and when no exemptions from registration were available to them under the Act.

20. The sale of GEMS II securities were trades in securities not previously issued and were therefore distributions. GEMS II has never filed a preliminary prospectus or a prospectus with the Commission, and no prospectus receipt has ever been issued to qualify the sale of GEMS II securities.

C. Misleading Statements – The GEMS II Offering Memorandum ("OM")

21. Ciccone received drafts of the GEMS II OM and provided the final GEMS II OM to investors.

22. The GEMS II OM contained statements which Ciccone and Ciccone Group knew or reasonably ought to have known, were, in a material respect and at the time and in light of the circumstances under which they were made, misleading or untrue or did not state a fact that was required to be stated or necessary to make the statements not misleading, contrary to section 126.2(1) of the Act and contrary to the public interest. In particular:

    a. Carmine Domenicucci ("Domenicucci") is referred to in the GEMS II OM as an investment advisor to the Fund Manager. This reference remained in the OM and the OM was provided to investors even when Ciccone and Ciccone Group knew or ought to have known that Domenicucci was not fulfilling that function.

    b. The OM also stated that three investment advisors to the fund were supported by an experienced network of traders, analysts and operations staff when Ciccone and Ciccone Group knew or ought to have known that this statement was not true.

c. The OM contained a certificate signed by Domenicucci to the effect that the OM contained no misrepresentations. Ciccone and Ciccone Group knew or ought to have known that this statement was not true.

23. The misleading statements referred to above would reasonably be expected to have a significant effect on the market price or value of the GEMS II securities.

D. Ciccone and Ciccone Group engaged in advising

24. During the Material Time, Ciccone and Ciccone Group provided advice to investors regarding securities, including providing opinions on the merits of investments, their level of risk and by expressly or impliedly recommending or endorsing them.

25. Ciccone and Ciccone Group thereby acted as advisers without being registered with the Commission to advise in securities.

E. Fraudulent conduct

(i) Use of Medra Investor Funds

26. Ciccone, Ciccone Group and Medra engaged in acts, practices or courses of conduct relating to Medra securities that they knew or reasonably ought to have known perpetrated a fraud on investors and that was contrary to the public interest. In particular, while Medra was marketed as a company specializing in resort real-estate development and land acquisition, Ciccone, Ciccone Group and Medra misappropriated Medra investor funds and used those funds for purposes completely unrelated to real estate development and land acquisition. Specifically, during the period April 2008 to June 2010, approximately $2.6 million in Medra investor funds were transferred to Ciccone Group and used primarily to invest either in Axcess Automation LLC ("Axcess") (a company purportedly in the business of computerized trading) or were ultimately transferred to Ciccone personally and used by him to purchase Medra shares in the secondary market to create an artificial price and/or artificial volume for Medra shares. Approximately $1.6 million was paid back to Medra by Ciccone Group, leaving an unpaid balance of approximately $1 million in misappropriated Medra investor funds.

(ii) Use of Minas and GEMS II Investor Funds

27. Ciccone and Ciccone Group engaged in acts, practices or courses of conduct relating to securities of Minas Investments Limited Partnership ("Minas"), a limited partnership registered under the *Limited Partnerships Act* on June 3, 2008 and GEMS II securities that they knew or reasonably ought to have known perpetrated a fraud on investors and that was contrary to the public interest.

28. In particular, during the period October 2008 to May 2009 (the "Minas Distribution Period"), Minas raised approximately $1.9 million from the issuance and sale of Minas units ("Minas securities") to approximately 43 investors.

29. The Minas investor funds, for the most part, were transferred to Ciccone Group in exchange for Ciccone Group Promissory Notes. Ciccone and Ciccone Group advised the General Partner of Minas that Minas investor funds would be invested in Axcess.

30. In addition, Ciccone and Ciccone Group were aware or reasonably ought to have been aware that the GEMS II OM stated that its primary investment strategy was to utilize proprietary computerized trading programs with a secondary strategy of real estate development once the funds were sufficiently capitalized.

31. However, although Ciccone Group received at least $6.9 million from Minas and GEMS II during the period November 2008 to June 2010, from November 2008 onwards, less than $950,000 was invested by Ciccone Group in computerized trading programs or real estate developments. The majority of Minas and GEMS II investor funds were used by Ciccone and Ciccone Group for purposes other than computerized trading programs or real estate.

F. Breach of Temporary Cease Trade Order by Ciccone and Ciccone Group

32. On April 21, 2010, the Commission made a temporary order that, among other things, all trading in any securities by Ciccone and 990509 Ontario Inc. (the predecessor name for Ciccone Group) shall cease (the "TCTO").

33. On April 23, 2010, Ciccone confirmed his receipt of the TCTO.

34. Commencing in 2010 and continuing after April 23, 2010, Ciccone and Ciccone Group traded in Ciccone Group Class B shares.

35. The trades in Ciccone Group Class B shares by Ciccone and Ciccone Group after April 23, 2010 were done in breach of the TCTO and were contrary to the public interest.

G. Conduct contrary to the public interest

36. The conduct referred to above was contrary to the Act and contrary to the public interest.

37. In addition, Ciccone, Medra and Ciccone Group engaged in other conduct that was contrary to the public interest. In particular, each of these Respondents was involved in a scheme whereby Medra shares were purchased in the secondary market for the specific purpose of creating an artificial price for Medra shares and/or an artificial volume for Medra shares.

STAFF'S ALLEGATIONS – Conduct Contrary to Ontario Securities Law and Contrary to the Public Interest

38. The specific allegations advanced by Staff are:

a. Ciccone and Ciccone Group traded in securities of Ciccone Group without being registered to trade in securities, contrary to subsection 25(1)(a) of the Act (as that subsection existed prior to September 28, 2009) and, after September 28, 2009, engaged in the business of trading in securities without registration contrary to subsection 25(1) of the Act and contrary to the public interest;

b. Ciccone and Ciccone Group traded in securities of Ciccone Group when a preliminary prospectus and a prospectus had not been filed and receipts had not been issued for them by the Director, contrary to section 53 of the Act and contrary to the public interest;

c. Ciccone and Ciccone Group breached the TCTO contrary to section 122(1)(c) of the Act and contrary to the public interest;

d. Ciccone, Ciccone Group and Medra traded in securities of Medra without being registered to trade in securities, contrary to subsection 25(1)(a) of the Act (as that subsection existed prior to September 28, 2009) and, after September 28, 2009, engaged in the business of trading in securities without registration contrary to subsection 25(1) of the Act and contrary to the public interest;

e. Ciccone, Ciccone Group and Medra traded in securities of Medra when a preliminary prospectus and a prospectus had not been filed and receipts had not been issued for them by the Director, contrary to section 53 of the Act and contrary to the public interest;

f. Ciccone and Ciccone Group traded in securities of GEMS II without being registered to trade in securities, contrary to subsection 25(1)(a) of the Act (as that subsection existed prior to September 28, 2009) and, after September 28, 2009, engaged in the business of trading in securities without registration contrary to subsection 25(1) of the Act and contrary to the public interest;

g. Ciccone and Ciccone Group traded in securities of GEMS II when a preliminary prospectus and a prospectus had not been filed and receipts had not been issued for them by the Director, contrary to section 53 of the Act and contrary to the public interest;

h. Ciccone and Ciccone Group engaged in advising without being registered to advise in securities, contrary to subsection 25(1)(c) of the Act (as that subsection existed prior to September 28, 2009) and, after September 28, 2009, engaged in the business of advising in securities without registration contrary to subsection 25(3) of the Act and contrary to the public interest;

i. Ciccone, Ciccone Group and Medra engaged or participated in acts, practices or courses of conduct relating to Medra securities that Ciccone, Ciccone Group and Medra knew or reasonably ought to have known perpetrated a fraud on persons or companies, contrary to section 126.1(b) of the Act and contrary to the public interest;

j. Ciccone and Ciccone Group engaged or participated in acts, practices or courses of conduct relating to GEMS II and Minas securities that Ciccone and Ciccone Group knew or reasonably ought to have known perpetrated a fraud on persons or companies, contrary to section 126.1(b) of the Act and contrary to the public interest;

k. Ciccone and Ciccone Group made statements in the GEMS II OM which they knew or reasonably ought to have known, were, in a material respect and at the time and in light of the circumstances under which they were made, misleading or untrue or did not state a fact that was required to be stated or necessary to make the statements not misleading, contrary to section 126.2(1) of the Act and contrary to the public interest;

l. Ciccone, as the sole director and officer of Ciccone Group and as the president and CEO of Medra, did authorize, permit or acquiesce in the breaches of the Act by Ciccone Group and Medra referred to above, contrary to section 129.2 of the Act; and

m. Ciccone, Ciccone Group and Medra engaged in a course of conduct related to Medra securities with a view to creating a misleading appearance of trading activity or an artificial price for Medra securities which conduct was contrary to the public interest.

39. Staff reserve the right to make such other allegations as Staff may advise and the Commission may permit.

Dated at Toronto this 2nd day of May, 2012

1.3 News Releases

1.3.1 Trapeze Asset Management Inc., Randall Abramson and Herbert Abramson Settle with the Ontario Securities Commission

FOR IMMEDIATE RELEASE
April 27, 2012

TRAPEZE ASSET MANAGEMENT INC., RANDALL ABRAMSON AND HERBERT ABRAMSON SETTLE WITH THE ONTARIO SECURITIES COMMISSION

TORONTO – The Ontario Securities Commission today approved a settlement agreement reached between Staff and Trapeze Asset Management Inc. (Trapeze), Randall Abramson and Herbert Abramson, who admitted to breaching the 'Know your client' (KYC) and 'Suitability' obligations as set out in NI 31-103, and section 129.2 of the *Securities Act* (Ontario).

Trapeze and the Abramsons admitted to inaccurately assessing the risk associated with many of the investments purchased on behalf of clients in managed accounts between September 30, 2006 and August 31, 2010, and to purchasing investments on behalf of virtually all clients in securities of the same issuers, resulting in a failure to ensure that the investments made on behalf of clients were suitable for all clients.

Trapeze and the Abramsons further admitted that in some cases they failed to adequately ascertain clients' investment needs, experience, investment objectives and risk tolerance prior to investing those clients' assets. Some of the inaccurate statements regarding the risk levels of certain securities and/or issuers were repeated in Trapeze's written marketing materials.

"Participation as a registrant in Ontario's capital markets is a privilege that comes with significant responsibilities," said Tom Atkinson, Director of Enforcement at the Ontario Securities Commission. "The KYC and Suitability obligations on registrants are key protections for investors and the appointment of a consultant at Trapeze's expense should ensure future compliance by Trapeze with these obligations."

Under the terms of the settlement agreement, Trapeze is required to retain a consultant to review its practices and procedures regarding its KYC and Suitability obligations, and to conduct client account reviews for all client accounts in accordance with those new practices and procedures (with the consultant attending a sample of such reviews in its discretion). Moreover, Trapeze and the Abramsons must pay an administrative penalty of $1 million, plus $250,000 towards the costs of Staff's investigation.

A copy of the Settlement Agreement and Order of the Commission in this matter are available on the OSC website at www.osc.gov.on.ca.

The mandate of the OSC 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. Investors are urged to check the registration of any person or company offering an investment opportunity and to review the OSC's investor materials available at www.osc.gov.on.ca.

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1.3.2 Joint Statement on Regulation of OTC Derivatives Markets

FOR IMMEDIATE RELEASE
May 4, 2012

JOINT STATEMENT ON REGULATION OF OTC DERIVATIVES MARKETS

TORONTO – The Ontario Securities Commission today released the following joint statement with other regulators:

> Leaders and senior representatives from key authorities with responsibility for the regulation of the over-the-counter (OTC) derivatives markets in their respective jurisdictions met on May 1, 2012 in Toronto. The meeting was hosted by the Ontario Securities Commission and its Chair, Mr. Howard I. Wetston, Q.C.
>
> The meeting included representatives from the Australian Securities and Investments Commission; Comissao de Valores Mobiliarios of Brazil; European Commission; European Securities and Markets Authority; Hong Kong Securities and Futures Commission; Japan Financial Services Agency; Ontario Securities Commission; l'Autorité des Marchés Financiers du Québec; Monetary Authority of Singapore; Swiss Financial Market Supervisory Authority; United States Commodity Futures Trading Commission; and United States Securities and Exchange Commission.
>
> The purpose of the meeting was to provide a forum for discussion among key OTC derivatives regulators responsible for introducing rules designed to give effect to implementing new international standards relating to OTC derivatives. This is the second time the authorities met to discuss technical issues relating to their implementation efforts.
>
> At the meeting, the authorities discussed a range of implementation issues, including: pre- and post-trade transparency, margin for uncleared derivatives, coordination of clearing mandates, access to data in trade repositories, and cross border clearing house crisis management. The participants welcomed the opportunity for continued discussion and sharing of information on implementation of OTC derivatives reform, with a view to further align regulatory requirements where possible.
>
> The authorities committed to continue to engage in bilateral discussions as necessary in their efforts to implement new requirements for OTC derivatives.

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1.4 Notices from the Office of the Secretary

1.4.1 Fibrek Inc. and the Toronto Stock Exchange

FOR IMMEDIATE RELEASE
May 2, 2012

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

AND

IN THE MATTER OF
FIBREK INC.

AND

IN THE MATTER OF
A DECISION OF THE TORONTO STOCK EXCHANGE

TORONTO – Take notice that Fairfax Financial Holdings Limited has withdrawn their Application for Hearing and Review dated March 21, 2012 in the above named matter. The hearing will not take place as scheduled on May 3, 2012.

OFFICE OF THE SECRETARY
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SECRETARY

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1.4.2 Shane Suman and Monie Rahman

FOR IMMEDIATE RELEASE
May 2, 2012

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

AND

IN THE MATTER OF
SHANE SUMAN AND MONIE RAHMAN

TORONTO – Take notice that a sanctions hearing in the above named matter is scheduled to be held on Monday, July 16, 2012 in Hearing Room B at 10:00 a.m. at the offices of the Commission, 20 Queen Street West, 17th Floor.

OFFICE OF THE SECRETARY
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1.4.3 Jowdat Waheed and Bruce Walter

FOR IMMEDIATE RELEASE
May 2, 2012

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

AND

IN THE MATTER OF
JOWDAT WAHEED AND BRUCE WALTER

TORONTO – The Commission issued an Order in the above named matter which provides that a confidential pre-hearing conference will be held on June 6, 2012, at 11:30 a.m.

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

A copy of the Order dated May 1, 2012 is available at **www.osc.gov.on.ca**.

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1.4.4 International Strategic Investments et al.

FOR IMMEDIATE RELEASE
May 2, 2012

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

AND

IN THE MATTER OF
INTERNATIONAL STRATEGIC INVESTMENTS,
INTERNATIONAL STRATEGIC INVESTMENTS INC.,
SOMIN HOLDINGS INC., NAZIM GILLANI AND
RYAN J. DRISCOLL

TORONTO – The Commission issued an Order in the above named matter which provides that a confidential pre-hearing conference will take place, as scheduled, on Wednesday, June 6, 2012 at 10:00 a.m.

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

A copy of the Order dated April 30, 2012 is available at **www.osc.gov.on.ca**.

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1.4.5 Beryl Henderson

FOR IMMEDIATE RELEASE
May 2, 2012

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

AND

IN THE MATTER OF
BERYL HENDERSON

TORONTO – The Commission issued an Order in the above named matter which provides that the hearing is adjourned to a confidential pre-hearing conference to take place on November 22, 2012 at 10:00 a.m., or on such other date as agreed to by the parties and advised by the Office of the Secretary.

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

A copy of the Order dated May 2, 2012 is available at **www.osc.gov.on.ca**.

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1.4.6 Vincent Ciccone et al.

FOR IMMEDIATE RELEASE
May 3, 2012

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

AND

IN THE MATTER OF
VINCENT CICCONE and CABO CATOCHE CORP.
(a.k.a. MEDRA CORP. and MEDRA CORPORATION)

TORONTO – The Office of the Secretary issued an Amended Notice of Hearing on May 3, 2012 setting the matter down to be heard on September 5, 2012 at 10:00 a.m. or as soon thereafter as the hearing can be held in the above named matter.

A copy of the Amended Notice of Hearing dated May 3, 2012 and Amended Statement of Allegations of Staff of the Ontario Securities Commission dated May 2, 2012 are available at **www.osc.gov.on.ca**.

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1.4.7 Ciccone Group et al.

FOR IMMEDIATE RELEASE
May 4, 2012

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

AND

IN THE MATTER OF
CICCONE GROUP, CABO CATOCHE CORP. (a.k.a MEDRA CORP. and MEDRA CORPORATION), 990509 ONTARIO INC., TADD FINANCIAL INC., CACHET WEALTH MANAGEMENT INC., VINCENT CICCONE (a.k.a. VINCE CICCONE), DARRYL BRUBACHER, ANDREW J MARTIN, STEVE HANEY, KLAUDIUSZ MALINOWSKI AND BEN GIANGROSSO

TORONTO – The Commission issued an Order in the above named matter which provides that, pursuant to subsections 127 (7) and (8) of the Act, (i) the title of the proceedings of the Temporary Order is amended to replace Medra Corp. (a.k.a. Medra Corporation) with Cabo Catoche Corp. (a.k.a. Medra Corp. and Medra Corporation); and (ii) the Temporary Order is extended as against Vincent Ciccone (a.k.a Vince Ciccone) and Cabo Catoche Corp. (a.k.a. Medra Corp. and Medra Corporation) until the conclusion of the hearing on the merits in this matter.

A copy of the Order dated May 3, 2012 is available at **www.osc.gov.on.ca**.

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1.4.8 2196768 Ontario Ltd et al.

FOR IMMEDIATE RELEASE
May 4, 2012

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

AND

IN THE MATTER OF
2196768 ONTARIO LTD carrying on business as RARE INVESTMENTS, RAMADHAR DOOKHIE, ADIL SUNDERJI and EVGUENI TODOROV

TORONTO – The Commission issued an Order in the above named matter which provides that a confidential pre-hearing conference shall be held on July 19, 2012 at 10:00 a.m., or on such other date or at such other time as is set by the Office of the Secretary and agreed to by the parties.

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

A copy of the Order dated May 2, 2012 is available at **www.osc.gov.on.ca**.

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 First Asset Investment Management Inc. and First Asset Canadian Dividend Opportunity Fund

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted to permit a closed-end fund converting into a mutual fund to show pre-conversion past performance in sales communications – the closed-end fund has complied with the investment restrictions of NI 81-102 except with respect to leverage.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 15.6(a), 15.6(d), 19.1.

April 17, 2012

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
FIRST ASSET INVESTMENT MANAGEMENT INC.
(the Filer)

AND

FIRST ASSET CANADIAN DIVIDEND
OPPORTUNITY FUND
(the Fund)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the **Legislation**) for an exemption relieving the Fund from the prohibitions in subsections 15.6(a) and (d) of National Instrument 81-102 *Mutual Funds* (**NI 81-102**) to permit the Fund to show its historic performance data in sales communications notwithstanding that it has not, as a mutual fund, distributed its securities under a simplified prospectus for 12 consecutive months and to permit sales communications relating to the Fund to contain performance data of the Fund for the period prior to the Fund offering its securities under a simplified prospectus (the **Requested Relief**).

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

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

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

Conversion means the conversion of the Fund from a closed-end investment fund to a mutual fund on or about April 19, 2012.

Conversion Date means the date upon which the Conversion is effected, being the close of business on or about April 19, 2012.

Representations

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

1. The Filer is a corporation governed by the laws of Ontario and is registered as an Exempt Market Dealer, Investment Fund Manager and Portfolio Manager in Ontario. The Filer's head office is located in Toronto, Ontario.

2. The Filer is also registered in Ontario under the *Commodity Futures Act* (Ontario) in the category of Commodity Trading Manager.

3. The Filer acts as manager and trustee of the Fund.

4. The Fund was established as a closed-end investment fund under the laws of Ontario pursuant to a declaration of trust dated March 22, 2010, as amended (the **Declaration of Trust**).

5. The Fund is a reporting issuer under the securities legislation of each of the provinces of Canada.

6. Units of the Fund were distributed pursuant to an initial public offering under a long form prospectus dated March 22, 2010 (the **Long Form Prospectus**) and are listed and traded on the Toronto Stock Exchange (the **TSX**).

7. As of April 3, 2012, there were approximately 15,149,500 units of the Fund outstanding with a net asset value (**NAV**) per unit of $10.58, for an aggregate NAV of the Fund of approximately $160,213,000.00.

8. Since its inception, the Fund has complied with the investment restrictions contained in NI 81-102, other than section 2.6(a) thereof with respect to the use of leverage.

9. Neither the Filer nor the Fund is in default of securities legislation in any province or territory of Canada.

10. The Declaration of Trust and the Long Form Prospectus provide that, effective on or about the date of the Conversion, units of the Fund will be delisted from any stock exchange on which they were listed, the Fund will convert to an open-end mutual fund, and units of the Fund will become redeemable at their NAV per unit on a daily basis.

11. A written notice regarding the Conversion was mailed to unitholders of the Fund on or about February 13, 2012.

12. The Filer filed a preliminary simplified prospectus, preliminary annual information form and preliminary fund facts on March 8, 2012 on SEDAR to qualify Class A units and Class F units of the Fund under National Instrument 81-101 *Mutual Fund Prospectus Disclosure* in Ontario and each of the Other Jurisdictions.

13. A press release announcing the Conversion was issued on April 5, 2012.

14. The Fund's units will be delisted from the TSX at the close of business on April 13, 2012 in order to permit the completion of the Conversion.

15. Following the Conversion, the investment practices of the Fund will comply in all respects with the requirements of Part 2 of NI 81-102.

16. The Fund's Class A fund facts will include information relating to the past performance of the Fund as set forth in Part I, Item 4 of Form 81-101F3 – *Contents of Fund Facts Document*, which information will include pre-Conversion past performance.

17. The Filer expects that the Fund will be managed substantially the same post-Conversion as it was pre-Conversion save and except for the use of leverage. Any changes between the Fund pre- and post-Conversion that could have a material effect on the performance of the Fund will be disclosed in sales communications and fund facts pertaining to the Fund.

18. As of the Conversion Date:

    (i) The Fund will convert to an open-end mutual fund;

    (ii) The units of the Fund will have been delisted from the TSX;

    (iii) The Fund will no longer use leverage to pursue its investment objectives;

    (iv) All outstanding units of the Fund will be redesignated as front-end load Class A units; and

    (v) The annual management fee for the Class A units will increase from 1.50% to 2.00%, by increasing the amount of the quarterly servicing fee payable out of the management fee from 0.50% per annum to 1.00% per annum.

19. A press release confirming the Conversion will be completed as of the close of business on the Conversion Date and issued soon thereafter, and will be filed, along with the related material change report, on SEDAR.

20. Without the Requested Relief:

    (i) sales communications pertaining to the Fund will not be permitted to include performance data until approximately April 19, 2013, being the date when the Fund is expected to have distributed securities, as a mutual fund, under a simplified prospectus in a jurisdiction for 12 consecutive months; and

    (ii) sales communications pertaining to the Fund will only be permitted to include performance data for the period commencing after approximately April 19, 2012, being the date on which the Fund is expected to have commenced distributing securities, as a mutual fund, under a simplified prospectus.

Decision

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

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

"Raymond Chan"
Manager, Investment Funds Branch
Ontario Securities Commission

2.1.2 Sprott Asset Management LP and Sprott Physical Platinum and Palladium Trust

Headnote

NP 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Exemptive relief granted from National Instrument 81-102 Mutual Funds to exchange traded mutual fund from investment restriction on purchases of platinum and palladium bullion, custodial provisions to allow Royal Canadian Mint to act as custodian and Via Mat to act as sub-custodian, and certain mutual fund requirements and restrictions on purchase and redemption orders, calculation and payment of redemptions and date of record for payment of distributions.

Exemptive relief granted from National Instrument 41-101 General Prospectus Requirement, Form 41-101F2 Information Required in an Investment Fund Prospectus, and National Instrument 81-106 Investment Fund Continuous Disclosure – Exemption from the requirements to include in the prospectus annual financial statements prepared in accordance with Canadian generally accepted accounting principles and to prepare on a continuing basis financial statements in accordance with Canadian generally accepted accounting principles – A mutual fund trust intending to list its units on the TSX and NYSE Arca – Issuer is a "foreign private issuer" with the SEC and permitted to file financial statements prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board with its Form F-1 registration statement – IFRS issues such as classification of puttable instruments, consolidation, and deferred income taxes are not expected to impact the Trust's financial statements.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 2.3(f), 3.3, 6.1(1), 6.1(3)(b), 6.2, 9.1, 10.2, 10.3, 10.4(1), 12.1(1), 14.1, 19.1.
National Instrument 41-101 General Prospectus Requirements, ss. 3.1(2), 4.2(2), 19.1.
Form 41-101F2 Information Required in an Investment Fund Prospectus, Item 38.
National Instrument 81-106 Investment Fund Continuous Disclosure, ss. 2.6, 17.1.

April 3, 2012

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

AND

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

AND

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

AND

IN THE MATTER OF
SPROTT PHYSICAL PLATINUM AND PALLADIUM TRUST
(the Trust)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer, in its capacity as the manager of the Trust, for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for exemptive relief:

(a) pursuant to section 19.1 of National Instrument 41-101 *General Prospectus Requirements* (**NI 41-101**) from the requirements under subsection 3.1(2) and subsection 4.2(2) of NI 41-101, and Item 38 of Form 41-101F2 *Information Required in an Investment Fund Prospectus* to permit the Trust to include financial statements prepared using International Financial Reporting Standards as issued by the International Accounting Standards Board (**IFRS-IASB**), rather than Canadian generally accepted accounting principles (**GAAP**), in the final base PREP prospectus of the Trust (the **Final Prospectus**) to be filed in each of the Canadian Jurisdictions (as hereinafter defined); and

(b) pursuant to section 17.1 of National Instrument 81-106 *Investment Fund Continuous Disclosure* (**NI 81-106**) from the requirement under section 2.6 of NI 81-106 to permit the financial statements of the Trust to be prepared in accordance with IFRS-IASB rather than Canadian GAAP,

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

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

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

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

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 herein.

Representations

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

1. The Filer is a limited partnership formed and organized under the laws of the Province of Ontario and maintains its head office in Toronto, Ontario. The general partner of the Filer is Sprott Asset Management GP Inc. (the **General Partner**), which is a corporation incorporated under the laws of the Province of Ontario. The General Partner is a wholly-owned, direct subsidiary of Sprott Inc. Sprott Inc. is a corporation incorporated under the laws of the Province of Ontario and is a public company listed on the Toronto Stock Exchange (**TSX**). Sprott Inc. is the sole limited partner of the Filer and the sole shareholder of the General Partner.

2. The Filer is registered under the securities legislation in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, and Newfoundland and Labrador as an adviser in the category of portfolio manager and in Ontario as an investment fund manager.

3. The Trust is a closed-end mutual fund trust established under the laws of the Province of Ontario pursuant to a trust agreement dated as of December 23, 2011 (the **Trust Agreement**), as the same may be amended, restated or supplemented from time to time. Pursuant to the Trust Agreement, RBC Dexia Investor Services Trust and the Filer are the trustee and the manager of the Trust, respectively.

4. In connection with an initial public offering (the **Offering**) of transferable, redeemable units of the Trust (the **Units**), a preliminary base PREP prospectus dated January 13, 2012 of the Trust was filed with the securities regulatory authorities in each province and territory of Canada (the **Canadian Jurisdictions**) and the Trust intends to become a reporting issuer, or the equivalent thereof, in such Canadian Jurisdictions following the filing of the Final Prospectus.

5. Concurrently with filing the foregoing preliminary prospectus, the Trust filed a registration statement on Form F-1 (the **Registration Statement**) under the U.S. *Securities Act of 1933*, as amended, with the United States Securities and Exchange Commission (**SEC**) in connection with the Offering of the Units in the United States.

6. The Trust subsequently filed via SEDAR an amended and restated preliminary base PREP prospectus of the Trust dated March 1, 2012 (the **Preliminary Prospectus**) amending and restating the preliminary base PREP prospectus of the Trust dated January 13, 2012 with each of the Canadian Jurisdictions. Concurrently with filing the Preliminary Prospectus, the Trust filed via EDGAR an amended version of the Registration Statement with the SEC.

7. The Trust intends to list the Units on the TSX and the New York Stock Exchange Arca (**NYSE Arca**). The Trust will not file the Final Prospectus until the TSX and the NYSE Arca have conditionally approved the listing of the Units.

8. The Trust is a "mutual fund in Ontario" as such term is defined in the *Securities Act* (Ontario) and is subject to the investment restrictions applicable to mutual funds which are prescribed by National Instrument 81-102 *Mutual Funds*. The Filer has established an independent review committee for the Trust in accordance with the requirements under National Instrument 81-107 *Independent Review Committee for Investment Funds*.

9. The Trust is not required to register as an "investment company" as such term is defined in the U.S. *Investment Company Act of 1940*, as amended (the **1940 Act**), since the Trust will invest all or substantially all of its assets in physical platinum and palladium bullion (**Bullion**). Bullion does not fall within the definition of either a "security" or an "investment security" under the 1940 Act and, accordingly, the Trust is not required to be registered as an "investment company".

10. The Filer and the Trust are not in default of securities legislation in the Canadian Jurisdictions.

11. Although the Filer and the Trust are unable to predict with any accuracy as to where sales of Units will actually occur, the Offering is expected to be marketed to investors on a global basis and, in particular, to investors resident in Canada, the United States, Europe, Asia and the Middle East.

12. As a newly established issuer, the Trust has not prepared any financial statements other than the audited statement of financial position of the Trust as at December 31, 2011 included in the Preliminary Prospectus filed with the Canadian Jurisdictions and the Registration Statement, as amended, filed with the SEC.

13. The SEC permits foreign private issuers, such as the Trust, to include in their Form F-1 filings financial statements prepared in accordance with IFRS-IASB. Preparing the Trust's financial statements in accordance with Canadian GAAP would require the Registration Statement, as amended, to include a reconciliation between U.S. GAAP and Canadian GAAP.

14. The Filer believes that reporting under a single accounting standard in each of Canada and the United States would eliminate complexity from the Trust's financial statement preparation process as well as avoid confusion for the users of the Trust's financial statements who are expected to primarily be non-Canadian investors.

15. As disclosed in an Accounting Standards Board Decision Summary dated December 12, 2011, the Canadian Accounting Standards Board decided to defer the mandatory IFRS-IASB changeover date for investment companies to January 1, 2014 to provide time for the International Accounting Standards Board to finalize its proposed investment entities standard. On February 29, 2012, the Canadian Accounting Standards Board published amendments to the Handbook of the Canadian Institute of Chartered Accountants requiring investment companies, which include investment funds such as the Trust, to prepare their financial statements in accordance with IFRS-IASB for financial years beginning on or after January 1, 2014, with earlier adoption permitted. If the Trust is permitted to prepare its financial statements since its inception date in accordance with IFRS-IASB, which is for a period prior to the date on which the Canadian Securities Administrators mandate such conversion for investment funds, the Trust, and ultimately the unitholders of the Trust (the **Unitholders**), will not be required to incur the expenses associated with a subsequent conversion to IFRS-IASB and the reconciliation to U.S. GAAP that would be required in the Registration Statement and for required periodic filings under the U.S. *Securities Exchange Act of 1934*, as amended. The Trust's financial statements will be audited in accordance with Canadian generally accepted auditing standards (**GAAS**) and the standards of the Public Company Accounting Oversight Board (United States) (**PCAOB**).

16. The Trust was created to invest and hold substantially all of its assets in Bullion. The Trust seeks to provide a secure, convenient and exchange-traded investment alternative for investors interested in holding Bullion without the inconvenience that is typical of a direct investment in Bullion. The Trust does not anticipate making regular cash distributions to Unitholders.

17. The Trust intends to achieve its objective by investing primarily in long-term holdings of unencumbered, fully allocated, Bullion and will not speculate with regard to short-term changes in platinum or palladium prices. The Trust will not invest in platinum or palladium certificates, futures or other financial instruments that represent platinum or palladium or that may be exchanged

for platinum or palladium. While the Trust will not rebalance the Trust's invested assets in Bullion back to equal weight after its initial purchases of Bullion with the proceeds of the Offering, the Trust may in the future allocate any additional proceeds raised in subsequent offerings of Units, if any, with a view to balancing the value of the Trust's holdings of Bullion at then current prices.

18. Except with respect to cash held by the Trust to pay expenses and anticipated cash redemptions of Units, the Trust expects to own only Bullion that is certified as Good Delivery. **Good Delivery** means Bullion conforming to the Good Delivery Standards of the London Platinum and Palladium Market (**LPPM**). The Filer intends to invest and hold approximately 97% of the total net assets of the Trust in Bullion, which will be stored in Good Delivery plate and/or ingot form. The Trust will purchase approximately equal dollar amounts of each of physical platinum and palladium bullion.

19. As disclosed in the Preliminary Prospectus, the investment and operating restrictions of the Trust provide that, among other things, the Trust will invest in and hold a minimum of 90% of the total net assets of the Trust in Bullion in Good Delivery plate or ingot form and hold no more than 10% of the total net assets of the Trust, at the discretion of the Filer, in Bullion (in Good Delivery plate or ingot form or otherwise), debt obligations of or guaranteed by the Government of Canada or a province thereof, or by the Government of the United States of America or a state thereof, short-term commercial paper obligations of a corporation or other person whose short-term commercial paper is rated R-1 (or its equivalent, or higher) by DBRS Limited or its successors or assigns or F-1 (or its equivalent, or higher) by Fitch Ratings or its successors or assigns or A-1 (or its equivalent, or higher) by Standard & Poor's or its successors or assigns or P-1 (or its equivalent, or higher) by Moody's Investor Service or its successors or assigns, interest-bearing accounts and short-term certificates of deposit issued or guaranteed by a Canadian chartered bank or trust company, money market mutual funds, short-term government debt or short-term investment grade corporate debt, or other short-term debt obligations approved by the Filer from time to time (for the purpose of this paragraph, the term "short-term" means having a date of maturity or call for payment not more than 182 days from the date on which the investment is made), except during the 60-day period following the closing of the Offering or additional offerings or prior to the distribution of the assets of the Trust.

20. The Filer and the Trust have made a significant commitment of time and resources to fully research and plan for the impact of the Trust's adoption of IFRS-IASB for financial periods prior to January 1, 2014 including, but not limited to, the consideration of the impact of IFRS-IASB on financial statement presentation and related disclosure requirements under applicable securities legislation, internal controls, investor relations, information technology systems, and business and contractual arrangements with service providers to the Trust.

21. The Filer and the General Partner have carefully assessed the readiness of their respective employees, management and board of directors for the Trust's adoption of IFRS-IASB for financial periods beginning on or after December 23, 2011 which is the Trust's inception date, and have concluded that all such persons are adequately prepared for the Trust's adoption of IFRS-IASB for financial periods beginning on or after December 23, 2011.

22. The Filer, in consultation with the Trust's external auditors, has determined that the Units can be classified as equity instruments under IFRS-IASB. The Trust Agreement provides that annual distributions of the Trust's net income and net realized capital gains, if any, to Unitholders will be at the discretion of the Trust rather than being a mandatory or automatic distribution to such Unitholders. Furthermore, if at any point in the future the classification of the Units has to be changed from equity to liability due to either changes in the Trust's structure or a change in accounting rules, such a change would not impact the calculation of the net asset value (the **NAV**) of the Trust pursuant to Part 14 of NI 81-106 since all liabilities represented by outstanding Units would be specifically excluded from the calculation of the NAV of the Trust.

23. The Filer, in consultation with the Trust's external auditors, has determined that the Trust will not be required to present consolidated financial statements under IFRS-IASB since, as noted in paragraphs 16, 17, 18 and 19, the Trust will invest all or substantially all of its assets in Bullion which will be valued on the basis of a fair value standard as set forth in the Trust Agreement.

24. The Filer, in consultation with the Trust's external auditors, currently expects that the Trust will not account for deferred taxes under International Accounting Standards (**IAS**) 12 *Income Taxes* of IFRS-IASB. However, the Filer notes that the application of IAS 12 *Income Taxes* to certain mutual fund trusts continues to be debated within the Canadian accounting profession. Nonetheless, the Filer and the Trust are of the view that there will be no difference in the calculation of the NAV of the Trust pursuant to Part 14 of NI 81-106 between IFRS-IASB and Canadian GAAP since the fair value of any such deferred tax liability would be nil.

25. The Preliminary Prospectus discloses, and any amendments to the Preliminary Prospectus, the Final Prospectus and any amendments thereto will disclose, the Trust's intention that its financial statements will be prepared in accordance with IFRS-IASB and audited in accordance with GAAS and the standards of the PCAOB.

26. The annual financial statements of the Trust to be included in the Final Prospectus and for subsequent financial periods, and the interim financial statements of the Trust for subsequent financial periods which will be prepared on a quarterly basis, will be prepared in accordance with IFRS-IASB.

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 notes to the financial statements of the Trust disclose an unreserved statement of compliance with:

(i) in the case of annual financial statements, IFRS-IASB; and

(ii) in the case of an interim financial report, IAS 34 *Interim Financial Reporting*; and

(b) the Exemption Sought ceases to apply upon the application of any amendment to section 2.6 of NI 81-106 that changes the acceptable accounting principles, only as applicable to financial years beginning on or after the date on which the amendment comes into force.

"Sonny Randhawa"
Manager, Investment Funds Branch
Ontario Securities Commission

2.1.3 BlackRock Investments Canada Inc. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted from subsection 2.1(1) and paragraphs 2.5(2)(a) and (c) of NI 81-102 to permit exchange traded mutual funds and exchange traded commodity pools to enter into forward agreements providing exposure to the portfolio of a reference fund – Reference funds may not be subject to NI 81-101 and NI 81-102, nor qualified for distribution in the same jurisdictions as the exchange traded mutual funds and commodity pools, contrary to paragraphs 2.5(2)(a) and (c) of NI 81-102 – Exchange traded mutual funds and commodity pools prohibited by subsection 2.1(1) from being 100% exposed to the portfolio of the reference fund through the forward agreement – Units of the reference fund sold only to the counterparty under the forward agreement on an exempt basis – National Instrument 81-102 Mutual Funds.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 2.1(1), 2.5(2)(a) and (c), 19.1.

April 17, 2012

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
BLACKROCK INVESTMENTS CANADA INC.
(the Filer)

AND

IN THE MATTER OF
iSHARES ADVANTAGED CANADIAN BOND INDEX FUND,
iSHARES ADVANTAGED CONVERTIBLE BOND INDEX FUND,
iSHARES ADVANTAGED U.S. HIGH YIELD BOND INDEX FUND (CAD-HEDGED),
iSHARES ADVANTAGED SHORT DURATION HIGH INCOME FUND,
iSHARES GLOBAL MONTHLY ADVANTAGED DIVIDEND INDEX FUND,
iSHARES MANAGED FUTURES INDEX FUND AND
iSHARES BROAD COMMODITY INDEX FUND (CAD-HEDGED)
(collectively, the Funds)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the **Legislation**) granting exemptive relief (the **Exemption Sought**) from sections 2.1(1), 2.5(2)(a) and 2.5(2)(c) of National Instrument 81-102 – *Mutual Funds* (**NI 81-102**), in respect of one or more forward purchase and sale agreements providing each Fund with exposure to the portfolio of another mutual fund (each, a **Reference Fund**). The Reference Fund of each Fund is set forth in the following table.

Fund	Reference Fund
iShares Advantaged Canadian Bond Index Fund	Claymore Canadian Bond Fund
iShares Advantaged Convertible Bond Index Fund	Claymore Convertible Bond Fund

Fund	Reference Fund
iShares Advantaged U.S. High Yield Bond Index Fund (CAD-Hedged)	Claymore High Yield Bond Fund
iShares Advantaged Short Duration High Income Fund	Claymore Short Duration High Income Fund
iShares Global Monthly Advantaged Dividend Index Fund	Claymore Global Dividend Fund
iShares Managed Futures Index Fund	Claymore Managed Futures Fund
iShares Broad Commodity Index Fund (CAD-Hedged)	Claymore Broad Commodity Fund

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

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

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

Representations

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

1. The Filer is a corporation amalgamated under the *Business Corporations Act* (Alberta) and is the manager, trustee and investment advisor of the Funds and the Reference Funds. The head office of the Filer is located in Toronto, Ontario. The Filer is registered as an investment fund manager, a portfolio manager and an exempt market dealer under the *Securities Act* (Ontario).

2. Each of iShares Advantaged Canadian Bond Index Fund, iShares Advantaged Convertible Bond Index Fund, iShares Advantaged U.S. High Yield Bond Index Fund (CAD-Hedged), iShares Advantaged Short Duration High Income Fund and iShares Global Monthly Advantaged Dividend Index Fund is organized as a trust and is a mutual fund within the meaning of the Legislation and similar legislation in each Passport Jurisdiction. Each such Fund is subject to NI 81-102, subject to any exemptions therefrom that have been, or may in the future be, granted by the securities regulatory authorities.

3. Each of iShares Managed Futures Index Fund and iShares Broad Commodity Index Fund (CAD-Hedged) is organized as a trust and is a commodity pool within the meaning of the Legislation and similar legislation in each Passport Jurisdiction. Each such Fund is subject to NI 81-102, subject to any exemptions therefrom set forth in National Instrument 81-104 – *Commodity Pools* (**NI 81-104**) or that have been, or may in the future be, granted by the securities regulatory authorities.

4. Each Fund is a reporting issuer in the Province of Ontario and each Passport Jurisdiction.

5. Each Fund is, and is generally described as, an exchange-traded fund. The units of each Fund are listed on the Toronto Stock Exchange.

6. Currently, each Fund seeks to achieve its investment objectives by obtaining exposure to the returns on the portfolio which are or may in the future be held by its Reference Fund, except for iShares Global Monthly Advantaged Dividend Index Fund, which intends to adopt this investment strategy. Each Fund gains, or will gain, exposure to the portfolio of its Reference Fund through one or more forward purchase and sale agreements (collectively, the **Forward Agreement**) with one or more counterparties (collectively, the **Counterparty**) with an approved credit rating, as defined in NI 81-102. Generally, the Forward Agreement provides 100% exposure to the portfolio of the Reference Fund such that the returns to the Fund and its unitholders are based upon the return of the portfolio of the Reference Fund.

7. The investment objectives and strategies of each Reference Fund are consistent with its Fund's investment objectives.

8. Each Reference Fund is organized as a trust and will file with the Autorité des marchés financiers a preliminary non-offering prospectus. Upon the issuance of a receipt for its final non-offering prospectus, each Reference Fund will become a reporting issuer in the Province of Québec.

9. No Reference Fund intends to list its units on a stock exchange. Units of each Reference Fund will only be offered in reliance on exemptions from the applicable prospectus requirements. The current holder of units of each Reference Fund (other than Claymore Global Dividend Fund) is the Counterparty to the Forward Agreement with the corresponding Fund. The only expected holder of units of Claymore Global Dividend Fund will be the Counterparty to the Forward Agreement with its corresponding Fund, iShares Global Monthly Advantaged Dividend Index Fund.

10. Each Reference Fund is a mutual fund within the meaning of the Legislation and similar legislation in each Passport Jurisdiction because the holder of its units is entitled to receive, on demand, an amount computed by reference to the net asset value of the Reference Fund.

11. Each of Claymore Managed Futures Fund and Claymore Broad Commodity Fund is a commodity pool within the meaning of NI 81-104 because it has adopted investment objectives that permit it to use or invest in specified derivatives in a manner that is not permitted by NI 81-102.

12. No Reference Fund will distribute any units under its final non-offering prospectus. Accordingly, each Reference Fund will be a mutual fund to which National Instrument 81-106 – *Investment Fund Continuous Disclosure* (**NI 81-106**) applies, but will not be subject to the requirements of either National Instrument 81-101 – *Mutual Fund Prospectus Disclosure* (**NI 81-101**) or NI 81-102.

13. Each of Claymore Canadian Bond Fund, Claymore Convertible Bond Fund, Claymore High Yield Bond Fund, Claymore Short Duration High Income Fund and Claymore Global Dividend Fund only makes investments as if it were subject to NI 81-102 and subject to any exemptions therefrom that have been, or may in the future be, granted by the securities regulatory authorities to iShares Advantaged Canadian Bond Index Fund, iShares Advantaged Convertible Bond Index Fund, iShares Advantaged U.S. High Yield Bond Index Fund (CAD-Hedged), iShares Advantaged Short Duration High Income Fund and iShares Global Monthly Advantaged Dividend Index Fund, respectively.

14. Each of Claymore Managed Futures Fund and Claymore Broad Commodity Fund only makes investments as if it were subject to NI 81-102, to the extent the investment restrictions in NI 81-102 are applicable to commodity pools subject to NI 81-104 and subject to any exemptions therefrom that have been, or may in the future be, granted by the securities regulatory authorities to iShares Managed Futures Index Fund and iShares Broad Commodity Index Fund (CAD-Hedged), respectively.

15. None of the Filer or the Funds is in default of any of its obligations under the Legislation or similar legislation in any Passport Jurisdiction, except in respect of the Exemption Sought by the Funds (other than iShares Global Monthly Advantaged Dividend Index Fund), which Funds inadvertently did not seek exemptive relief in connection with the Forward Agreements entered into by them.

16. In the absence of the Exemption Sought, a Fund would not be permitted to invest through the Forward Agreement in its Reference Fund because the Reference Funds are not subject to NI 81-101 or NI 81-102 and their securities are not qualified for distribution in the Province of Ontario and the Passport Jurisdictions, contrary to the requirements of sections 2.1(1), 2.5(2)(a) and 2.5(2)(c) of NI 81-102.

Decision

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

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

(a) The exposure of each Fund to the portfolio of its Reference Fund is in accordance with the fundamental investment objectives of the Fund;

(b) The indirect investment by each Fund in securities of its Reference Fund is made in compliance with the requirements of NI 81-102 other than the requirements of sections 2.1(1), 2.5(2)(a) and 2.5(2)(c) of NI 81-102;

(c) Each Reference Fund is a reporting issuer in Quebec subject to the requirements of NI 81-106;

(d) Each Fund is subject to NI 81-102 or NI 81-104, as applicable, and each Reference Fund operates in accordance with NI 81-102 or NI 81-104, as applicable;

(e) The prospectus of each Fund discloses that such Fund will obtain exposure to securities of its Reference Fund and, to the extent applicable, the risks associated with such an investment; and

(f) No securities of a Reference Fund are distributed in Canada other than to the Counterparty under its Forward Agreement.

"Raymond Chan"
Manager, Investment Funds
Ontario Securities Commission

2.1.4 Sprott Asset Management LP and Sprott Physical Platinum and Palladium Trust

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief from the prospectus requirements in connection with the use of electronic roadshow materials – cross-border offering of securities – compliance with U.S. offering rules leads to non-compliance with Canadian regime – relief required as use of electronic roadshow materials constitutes a distribution requiring compliance with prospectus requirements – relief granted from section 53 of the Securities Act (Ontario) in connection with a cross-border offering – decision subject to conditions.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25, 53, 74.
National Policy 47-201 Trading Securities Using the Internet and Other Electronic Means, s. 2.7.

March 16, 2012

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

AND

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

AND

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

AND

IN THE MATTER OF
SPROTT PHYSICAL PLATINUM AND
PALLADIUM TRUST
(the Trust)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer, in its capacity as the manager of the Trust, for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for a decision exempting the posting of certain roadshow materials on the website of one or more commercial services, such as www.retailroadshow.com and/or www.netroadshow.com, during the portion of the Waiting Period (as defined below) between the date of this decision document and the date of the final receipt for the Final Prospectus (as defined below) from the prospectus requirement under the Legislation (the **Exemption Sought**).

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

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

(b) he Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-10**2) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Québec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Nunavut and Yukon.

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 herein.

Representations

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

1. The Filer is a limited partnership formed and organized under the laws of the Province of Ontario and maintains its head office in Toronto, Ontario. The general partner of the Filer is Sprott Asset Management GP Inc. (the **General Partner**), which is a corporation incorporated under the laws of the Province of Ontario. The General Partner is a wholly-owned, direct subsidiary of Sprott Inc. Sprott Inc. is a corporation incorporated under the laws of the Province of Ontario and is a public company listed on the Toronto Stock Exchange (**TSX**). Sprott Inc. is the sole limited partner of the Filer and the sole shareholder of the General Partner.

2. The Filer is registered under the securities legislation in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, and Newfoundland and Labrador as an adviser in the category of portfolio manager and in Ontario as an investment fund manager.

3. The Trust is a closed-end mutual fund trust established under the laws of the Province of Ontario pursuant to a trust agreement dated as of December 23, 2011 (the **Trust Agreement**), as the same may be amended, restated or supplemented from time to time. Pursuant to the Trust Agreement, RBC Dexia Investor Services Trust and the Filer are the trustee and the manager of the Trust, respectively.

4. The Trust is a "mutual fund in Ontario" as such term is defined in the *Securities Act* (Ontario) and is subject to the investment restrictions applicable to mutual funds which are prescribed by National Instrument 81-102 *Mutual Funds* (**NI 81-102**). The Filer has established an independent review committee for the Trust in accordance with the requirements under National Instrument 81-107 *Independent Review Committee for Investment Funds*.

5. The Trust is not required to register as an "investment company" as such term is defined in the U.S. *Investment Company Act of 1940*, as amended (the **1940 Act**), since the Trust will invest all or substantially all of its assets in physical platinum and palladium bullion. Physical platinum and palladium bullion does not fall within the definition of either a "security" or an "investment security" under the 1940 Act and, accordingly, the Trust is not required to be registered as an "investment company".

6. The Filer and the Trust are not in default of securities legislation in any province or territory of Canada.

7. In connection with an initial public offering (the **Offering**) of transferable, redeemable units of the Trust (the **Units**), a preliminary base PREP prospectus dated January 13, 2012 of the Trust was filed with the securities regulatory authorities in each province and territory of Canada (collectively, the **Canadian Jurisdictions**) and the Trust intends to become a reporting issuer, or the equivalent thereof, in such Canadian Jurisdictions following the filing of the final base PREP prospectus of the Trust (the **Final Prospectus**).

8. Concurrently with filing the foregoing preliminary prospectus, the Trust filed a registration statement on Form F-1 (the **Registration Statement**) under the U.S. *Securities Act of 1933*, as amended (the **1933 Act**), with the United States Securities and Exchange Commission (the **SEC**) in connection with the Offering of the Units in the United States.

9. The Trust subsequently filed via SEDAR an amended and restated preliminary base PREP prospectus of the Trust dated March 1, 2012 (the **Preliminary Prospectus**) amending and restating the preliminary base PREP prospectus of the Trust dated January 13, 2012 with each of the Canadian Jurisdictions. Concurrently with filing the Preliminary Prospectus, the Trust filed via EDGAR an amended version of the Registration Statement with the SEC.

10. The Trust intends to list the Units on the TSX and the New York Stock Exchange Arca (**NYSE Arca**). The Trust will not file the Final Prospectus until the TSX and the NYSE Arca have conditionally approved the listing of the Units.

11. The interval between the date of issuance of a preliminary receipt for the Preliminary Prospectus and the date of issuance of a final receipt for the Final Prospectus under National Policy 11-202 *Process for Prospectus Reviews in Multiple Jurisdictions* is referred to as the **Waiting Period**. The Trust intends to utilize electronic roadshow materials (the **Website Materials**) during the portion of the Waiting Period between the date of this decision document and the date of the final receipt for the Final Prospectus as part of the marketing efforts for the Offering, as is now typical for an initial public offering in the United States.

12. Compliance with United States securities laws in an initial public offering requires either making a bona fide version of the roadshow, such as the Website Materials, available in a manner that affords unrestricted access to the public, or filing a copy of the roadshow on the SEC's Electronic Data-Gathering Analysis and Retrieval System (known by its acronym, **EDGAR**), which will have the same effect of affording unrestricted access. We understand that, in the view of the SEC, making documents available in a manner that affords unrestricted access to the public means that no restrictions on access or viewing may be imposed, such as password protection, both with respect to persons inside and outside of the United States.

13. The Trust and the underwriters of the Offering wish to carry out the Offering in a manner that is typical for initial public offerings in the United States, and consistent with United States federal securities law, by posting the Website Materials on an Internet-based commercial service such as www.retailroadshow.com or www.netroadshow.com, without password or other access restrictions.

14. Affording unrestricted access to Website Materials during the Waiting Period is, however, contrary to the prospectus requirement and the restrictions on permissible marketing activities during the Waiting Period, such that the Legislation would require that access to Website Materials be controlled by the Trust or the underwriters by such means as password protection and other measures, as suggested by National Policy 47-201 *Trading Securities Using the Internet and Other Electronic Means*.

15. As the Legislation does not permit Website Materials to be made generally available to prospective purchasers in Canada without restriction during the Waiting Period, the Trust and the underwriters of the Offering cannot carry out the Offering in Canada in a manner that is typical for initial public offerings in the United States unless the Exemption Sought is granted.

16. The Website Materials will contain a statement informing readers that the Website Materials do not contain all of the information in the Preliminary Prospectus, or any amendments thereto, or the Final Prospectus, or any amendments thereto, and that prospective purchasers should review all of those prospectuses, in addition to the Website Materials, for complete information regarding the Units.

17. All information about the Units is contained in the Preliminary Prospectus or will be contained in any amendments thereto.

18. The Website Materials will also contain a hyperlink to the prospectuses referred to in paragraph 16, as at and after such time as a particular prospectus is filed. The Website Materials will comply with Part 15 of NI 81-102.

19. The Website Materials will be fair and balanced.

20. The Website Materials, the Preliminary Prospectus and any amendments thereto, and the Final Prospectus and any amendments thereto, state or will state that purchasers of Units in the Canadian Jurisdictions will have a contractual right of action against the Trust and the Canadian underwriters in connection with the information contained in the Website Materials posted on the website of one or more commercial services, such as www.retailroadshow.com and/or www.netroadshow.com.

21. At least one Canadian underwriter that signed the certificate contained in the Preliminary Prospectus was, and in respect of any subsequently amended preliminary prospectus, the Final Prospectus and any subsequently amended final prospectus will be, registered in each of the Canadian Jurisdictions.

22. Canadian purchasers will only be able to purchase the Units under the Final Prospectus through an underwriter that is registered in the respective Canadian Jurisdiction of residence of the Canadian purchaser, unless an exemption from the dealer registration requirement is available.

23. The Filer and the Trust acknowledge that the Exemption Sought relates only to the posting of the Website Materials on the website of one or more commercial services, such as www.retailroadshow.com and/or www.netroadshow.com, and not in respect of the Preliminary Prospectus, any amendment to the Preliminary Prospectus or the Final Prospectus.

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 Preliminary Prospectus and any amendments thereto, and the Final Prospectus and any amendments thereto, state that purchasers of Units in each of the Canadian Jurisdictions have a contractual right of action for any misrepresentation in the Website Materials against the Trust and the Canadian underwriters who sign the certificate contained in the Final Prospectus, substantially in the following form:

> "We may make available certain materials describing the offering (the **Website** Materials) on the website of one or more commercial services, such as www.retailroadshow.com and/or www.netroadshow.com, under the heading "Sprott Physical Platinum and Palladium Trust" in accordance with U.S. securities law during the period prior to obtaining a final receipt for the final base PREP prospectus of the Trust (the **Final Prospectus**) relating to this offering from the securities regulatory authorities in each of the provinces and territories of Canada (the **Canadian Jurisdictions**). In order to give purchasers in each of the Canadian Jurisdictions the same unrestricted access to the Website Materials as provided to U.S. purchasers, we have applied for and obtained exemptive relief from the securities regulatory authorities in each of the Canadian Jurisdictions. Pursuant to the terms of that exemptive relief, we and each of the Canadian underwriters signing the certificate contained in the Final Prospectus have agreed that, in the event that the Website Materials contained any untrue statement of a material fact or omitted to state a material fact required to be stated or necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made (a **misrepresentation** within the meaning of Canadian securities laws) a purchaser resident in any of the Canadian Jurisdictions who purchases Units pursuant to the Final Prospectus during the period of distribution shall have, without regard to whether the purchaser relied on the misrepresentation, rights against the Trust and each Canadian underwriter with respect to such misrepresentations as are equivalent to the rights under section 130 of the Securities Act (Ontario) or the comparable provision of the securities legislation of the particular province or territory where that purchaser is resident, as the case may be, subject to the defences, limitations and other terms thereof, as if such misrepresentation was contained in the Final Prospectus."

(b) The Website Materials will not include information that compares the Trust to one or more other issuers (**Comparables**) unless the Comparables are also included in the Preliminary Prospectus or in any amendments thereto, and the Final Prospectus.

"Edward P. Kerwin"
Commissioner
Ontario Securities Commission

"Christopher Portner"
Commissioner
Ontario Securities Commission

2.1.5 Sprott Asset Management LP et al.

Headnote

NP 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Exemptive relief granted from National Instrument 81-102 Mutual Funds to exchange traded mutual fund from investment restriction on purchases of platinum and palladium bullion, custodial provisions to allow Royal Canadian Mint to act as custodian and Via Mat to act as sub-custodian, and certain mutual fund requirements and restrictions on purchase and redemption orders, calculation and payment of redemptions and date of record for payment of distributions.

Exemptive relief granted from National Instrument 41-101 General Prospectus Requirement, Form 41-101F2 Information Required in an Investment Fund Prospectus, and National Instrument 81-106 Investment Fund Continuous Disclosure – Exemption from the requirements to include in the prospectus annual financial statements prepared in accordance with Canadian generally accepted accounting principles and to prepare on a continuing basis financial statements in accordance with Canadian generally accepted accounting principles – A mutual fund trust intending to list its units on the TSX and NYSE Arca – Issuer is a "foreign private issuer" with the SEC and permitted to file financial statements prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board with its Form F-1 registration statement – IFRS issues such as classification of puttable instruments, consolidation, and deferred income taxes are not expected to impact the Trust's financial statements.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 2.3(f), 3.3, 6.1(1), 6.1(3)(b), 6.2, 9.1, 10.2, 10.3, 10.4(1), 12.1(1), 14.1, 19.1.
National Instrument 41-101 General Prospectus Requirements, Sections 3.1(2), 4.2(2) and 19.1 of NI 41-101 and
Form 41-101F2 Information Required in an Investment Fund Prospectus, Item 38.
National Instrument 81-106 Investment Fund Continuous Disclosure, ss. 2.6, 17.1.

April 3, 2012

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

AND

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

AND

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

AND

IN THE MATTER OF
SPROTT PHYSICAL PLATINUM AND
PALLADIUM TRUST
(the Trust)

AND

IN THE MATTER OF
ROYAL CANADIAN MINT
(the Bullion Custodian)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Manager, in its capacity as the manager of the Trust, for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for relief from the following provisions of National Instrument 81-102 *Mutual Funds* (**NI 81-102**):

(a) Subsection 2.3(f), to permit the Trust to invest up to 100% of its net assets, taken at market value at the time of purchase, in physical platinum and palladium bullion (**Bullion**);

(b) Section 3.3, to permit the fees and expenses associated with the initial public offering (the **Offering**) of transferable, redeemable units of the Trust (the **Units**) including the costs of creating and organizing the Trust, the costs of preparing the Preliminary Prospectus (as hereinafter defined), the final base PREP prospectus of the Trust (the **Final Prospectus**), the supplemented PREP prospectus of the Trust, the Registration Statement (as hereinafter defined) and any amendments to the Registration Statement, marketing expenses and other incidental expenses, filing and listing fees of the applicable securities regulatory authorities and the stock exchanges, the fees and expenses payable to the Bullion Custodian, the Trustee (as hereinafter defined) and any of their respective sub-custodians, and the Registrar and Transfer Agent (as hereinafter defined), auditing and printing expenses, and the commissions payable to the underwriters involved in the Offering of Units to be borne by the Trust;

(c) Subsection 6.1(1) and Section 6.2, to permit the Trust to appoint the Bullion Custodian as a custodian of the Trust to hold the Trust's Bullion in Canada;

(d) Clauses 6.1(2)(b) and 6.1(3)(b) and Section 6.3, to permit the Bullion Custodian to appoint Via Mat

International Ltd. or its subsidiaries or affiliates (the **Sub-Custodian**) as a sub-custodian of the Trust to hold the Trust's physical palladium bullion outside of Canada for purposes other than facilitating portfolio transactions of the Trust;

(e) Sections 9.1 and 10.2, to permit purchases of the Units on the Toronto Stock Exchange (**TSX**) and the New York Stock Exchange Arca (**NYSE Arca**), and redemption requests to be submitted directly to the Registrar and Transfer Agent;

(f) Section 10.3, to permit the redemption price of the Units to which a redemption request pertains to be a price other than the Net Asset Value per Unit (as hereinafter defined) next determined after receipt by the Trust of the redemption request;

(g) Clause 10.4(1)(a), to permit payment of the redemption price for redeemed Units to be made later than three Business Days (as hereafter defined) after the date of calculating the Net Asset Value per Unit for the purpose of effecting such redemption;

(h) Subsection 12.1(1), to relieve the Trust from the requirement of completing and filing with the applicable securities regulatory authorities the reports required by that subsection; and

(i) Section 14.1, to permit the Trust to establish a record date for determining the right of unitholders of the Trust (the **Unitholders**) to receive distributions by the Trust in accordance with the rules and policies of the TSX and the NYSE Arca,

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

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

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

(b) the Manager 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 British Columbia, Alberta, Saskatchewan, Manitoba, Québec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Nunavut and Yukon.

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 herein.

In this decision, the "total net assets" of the Trust means the net asset value of the Trust determined in accordance with Part 14 of National Instrument 81-106 *Investment Fund Continuous Disclosure*.

Representations

This decision is based on the following facts represented by the Manager and the Trust:

The Manager and the Trust

1. The Manager is a limited partnership formed and organized under the laws of the Province of Ontario and maintains its head office in Toronto, Ontario. The general partner of the Manager is Sprott Asset Management GP Inc. (the **General Partner**), which is a corporation incorporated under the laws of the Province of Ontario. The General Partner is a wholly-owned, direct subsidiary of Sprott Inc. Sprott Inc. is a corporation incorporated under the laws of the Province of Ontario and is a public company listed on the TSX. Sprott Inc. is the sole limited partner of the Manager and the sole shareholder of the General Partner.

2. The Manager is registered under the securities legislation in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, and Newfoundland and Labrador as an adviser in the category of portfolio manager and in Ontario as an investment fund manager.

3. The Trust is a closed-end mutual fund trust established under the laws of the Province of Ontario pursuant to a trust agreement dated as of December 23, 2011 (the **Trust Agreement**), as the same may be amended, restated or supplemented from time to time. Pursuant to the Trust Agreement, RBC Dexia Investor Services Trust (the **Trustee**) and the Manager are the trustee and the manager of the Trust, respectively.

4. Equity Financial Trust Company (the **Registrar and Transfer Agent**) will be the registrar and transfer agent of the Trust pursuant to a transfer agent, registrar and disbursing agent agreement to be entered into on or about the filing of the Final Prospectus.

5. In connection with the Offering of the Units, a preliminary base PREP prospectus dated January 13, 2012 of the Trust was filed with the securities regulatory authorities in each province and territory of Canada (the **Canadian Jurisdictions**) and the Trust intends to become a reporting issuer, or the equivalent thereof, in such Canadian Jurisdictions following the filing of the Final Prospectus.

6. Concurrently with filing the foregoing preliminary prospectus, the Trust filed a registration statement on Form F-1 (the **Registration Statement**) under the U.S. *Securities Act of 1933*, as amended, with

the United States Securities and Exchange Commission (the **SEC**) in connection with the Offering of the Units in the United States.

7. The Trust subsequently filed via SEDAR an amended and restated preliminary base PREP prospectus of the Trust dated March 1, 2012 (the **Preliminary Prospectus**) amending and restating the preliminary base PREP prospectus of the Trust dated January 13, 2012 with each of the Canadian Jurisdictions. Concurrently with filing the Preliminary Prospectus, the Trust filed via EDGAR an amended version of the Registration Statement with the SEC.

8. The Trust intends to list the Units on the TSX and the NYSE Arca. The Trust will not file the Final Prospectus until the TSX and the NYSE Arca have conditionally approved the listing of the Units.

9. Although the Manager and the Trust are unable to predict with any accuracy as to where sales of Units will actually occur, the Offering is expected to be marketed to investors on a global basis and, in particular, to investors resident in Canada, the United States, Europe, Asia and the Middle East.

10. The Trust is a "mutual fund in Ontario" as such term is defined in the *Securities Act* (Ontario) and is subject to the investment restrictions applicable to mutual funds which are prescribed by NI 81-102. The Manager has established an independent review committee for the Trust in accordance with the requirements under National Instrument 81-107 *Independent Review Committee for Investment Funds*.

11. The Trust is not required to register as an "investment company" as such term is defined in the U.S. *Investment Company Act of 1940*, as amended (the **1940 Act**), since the Trust will invest all or substantially all of its assets in Bullion. Bullion does not fall within the definition of either a "security" or an "investment security" under the 1940 Act and, accordingly, the Trust is not required to be registered as an "investment company".

12. The Manager and the Trust are not in default of securities legislation in the Canadian Jurisdictions.

The Trust's Investment Objective, Strategy, and Investment and Operating Restrictions

13. The Trust was created to invest and hold substantially all of its assets in Bullion. The Trust seeks to provide a secure, convenient and exchange-traded investment alternative for investors interested in holding Bullion without the inconvenience that is typical of a direct investment in Bullion. The Trust does not anticipate making regular cash distributions to Unitholders.

14. The Trust intends to achieve its objective by investing primarily in long-term holdings of unencumbered, fully allocated Bullion and will not speculate with regard to short-term changes in platinum or palladium prices. The Trust will not invest in platinum or palladium certificates, futures or other financial instruments that represent platinum or palladium or that may be exchanged for platinum or palladium. The Trust will purchase approximately equal dollar amounts of each of physical platinum and palladium bullion. While the Trust will not rebalance the Trust's invested assets in Bullion back to equal weight after its initial purchases of Bullion with the proceeds of the Offering, the Trust may in the future allocate any additional proceeds raised in subsequent offerings of Units, if any, with a view to balancing the value of the Trust's holdings of Bullion at then current prices.

15. Except with respect to cash held by the Trust to pay expenses and anticipated cash redemptions of Units, the Trust expects to own only Bullion that is certified as Good Delivery. **Good Delivery** means Bullion conforming to the Good Delivery Standards of the London Platinum and Palladium Market (**LPPM**). The Manager intends to invest and hold approximately 97% of the total net assets of the Trust in Bullion, which will be stored in Good Delivery plate and/or ingot form.

16. As disclosed in the Preliminary Prospectus, the investment and operating restrictions of the Trust provide that, among other things, the Trust will invest in and hold a minimum of 90% of the total net assets of the Trust in Bullion in Good Delivery plate or ingot form and hold no more than 10% of the total net assets of the Trust, at the discretion of the Manager, in Bullion (in Good Delivery plate or ingot form or otherwise), debt obligations of or guaranteed by the Government of Canada or a province thereof, or by the Government of the United States of America or a state thereof, short-term commercial paper obligations of a corporation or other person whose short-term commercial paper is rated R-1 (or its equivalent, or higher) by DBRS Limited or its successors or assigns or F-1 (or its equivalent, or higher) by Fitch Ratings or its successors or assigns or A-1 (or its equivalent, or higher) by Standard & Poor's or its successors or assigns or P-1 (or its equivalent, or higher) by Moody's Investor Service or its successors or assigns, interest-bearing accounts and short-term certificates of deposit issued or guaranteed by a Canadian chartered bank or trust company, money market mutual funds, short-term government debt or short-term investment grade corporate debt, or other short-term debt obligations approved by the Manager from time to time (for the purpose of this paragraph, the term "short-term" means having a date of maturity or call for payment not more than 182 days from the date on which the investment is

made), except during the 60-day period following the closing of the Offering or additional offerings or prior to the distribution of the assets of the Trust.

17. The Manager and the Trust believe that, as the market in platinum and palladium is highly liquid, there are no liquidity concerns with permitting the Trust to invest in Bullion despite the restrictions of NI 81-102.

Net Asset Value of the Trust and Redemption of Units

18. The net asset value (the **Net Asset Value**) of the Trust and the Net Asset Value per Unit will be determined on a daily basis as of 4:00 p.m. (Toronto time) on each day on which the NYSE Arca or the TSX is open for trading (a **Business Day**), by the Trust's valuation agent, which is the Trustee.

19. Pursuant to the Offering, Units will be offered at a price equal to USD $10.00 per Unit. The Trust may not issue additional Units following the completion of the Offering, except: (i) if the net proceeds per Unit to be received by the Trust are not less than 100% of the most recently calculated Net Asset Value per Unit prior to, or upon, the determination of the pricing of such issuance; or (ii) by way of Unit distribution in connection with an income distribution.

20. Subject to the terms of the Trust Agreement and the Manager's right to suspend redemptions of Units in certain circumstances as described in the Trust Agreement, Units may be redeemed at the option of a Unitholder in any month for Bullion or cash. All redemptions of Units will be determined using United States dollars, regardless of whether the redeemed Units were acquired on the NYSE Arca or the TSX. Redemption requests for Bullion must be for a minimum of 25,000 Units

21. Unitholders whose Units are redeemed for Bullion will be entitled to receive a redemption price equal to 100% of the aggregate value of the Net Asset Value per Unit of the redeemed Units on the last day of the month on which the NYSE Arca is open for trading for the month in respect of which the redemption request is processed (less applicable expenses described below) (the **Redemption Amount**).

22. The amount of Bullion a redeeming Unitholder is entitled to receive will be determined by the Manager by allocating the Redemption Amount to Bullion in direct proportion to the value of Bullion held by the Trust at the time of redemption (the **Bullion Redemption Amount**). The quantity of each particular metal delivered to a redeeming Unitholder will be dependent on the applicable Bullion Redemption Amount and the sizes of plates and ingots of that metal that are held by the Trust on the redemption date. A redeeming Unitholder may not receive Bullion in the proportions then held by the Trust and, if the Trust does not have a Good Delivery plate or ingot, as the case may be, of a particular metal in inventory of a value equal to or less than the applicable Bullion Redemption Amount, the redeeming Unitholder will not receive any of that metal. Because the Trust's physical platinum bullion will be stored at the Bullion Custodian in Canada and the Trust's physical palladium bullion will be stored at the Sub-Custodian in London or Zurich, in the event of a redemption, the physical platinum bullion and the physical palladium bullion the redeeming Unitholder will receive will be shipped separately. Any Bullion Redemption Amount in excess of the value of the Good Delivery plates or ingots, as the case may be, of the particular metal to be delivered to the redeeming Unitholder will be paid in cash (and, for greater certainty, will not be combined with any such amounts in respect of the other metal for the purpose of delivering additional Bullion). Any portion of physical platinum bullion or physical palladium bullion not available at the time of redemption will be paid in cash at a rate equal to 100% of the aggregate value of the Net Asset Value per Unit of such unavailable amount of physical platinum bullion or physical palladium bullion.

23. A Unitholder redeeming Units for Bullion will be responsible for expenses incurred by the Trust in connection with such redemption. These expenses include expenses associated with the handling of the written redemption notice for Bullion, the delivery and transportation of Bullion for Units that are being redeemed, the applicable platinum and palladium storage in-and-out fees and applicable taxes including, without limitation, harmonized sales tax (**HST**) or federal goods and services tax (**GST**) and any provincial sales tax including Quebec sales tax (**PST**) associated with the importation, or delivery and transportation, of physical palladium bullion to a location in Canada and any PST applicable to physical platinum bullion being brought by or on behalf of such redeeming Unitholder into any province which imposes PST on such bullion.

24. A Unitholder that owns a sufficient number of Units who desires to exercise redemption privileges for Bullion must do so by instructing his, her or its broker, who must be a direct or indirect participant of CDS Clearing and Depository Services Inc. (**CDS**) or The Depository Trust Company (**DTC**), to deliver to the Registrar and Transfer Agent on behalf of the Unitholder a written notice of the Unitholder's intention to redeem Units for Bullion. A redemption notice to redeem Units for Bullion must be received by the Registrar and Transfer Agent no later than 4:00 p.m. (Toronto time) on the 15th day of the month in which such redemption notice will be processed

or, if such day is not a Business Day, then on the immediately following day that is a Business Day. Any redemption notice for Bullion received after such time will be processed in the next month. Any redemption notice for Bullion must include a valid signature guarantee to be deemed valid by the Trust.

25. Once a redemption notice for Bullion is received by the Registrar and Transfer Agent, the Registrar and Transfer Agent, together with the Manager, will determine whether such redemption notice complies with the applicable requirements including a minimum redemption of 25,000 Units, and contains delivery/transportation instructions that are acceptable to the armoured service transportation carrier. If the Registrar and Transfer Agent and the Manager determine that the redemption notice for Bullion complies with all applicable requirements, the Registrar and Transfer Agent will provide a notice to such redeeming Unitholder's broker confirming that such redemption notice was received and determined to be complete.

26. Any redemption notice for Bullion delivered to the Registrar and Transfer Agent regarding a Unitholder's intent to redeem Units that the Registrar and Transfer Agent or the Manager, in their sole discretion, determines to be incomplete, not in proper form, not duly executed or not for a minimum redemption of 25,000 Units will for all purposes be void and of no effect, and the redemption privilege to which it relates will be considered for all purposes not to have been exercised thereby. If the Registrar and Transfer Agent and the Manager determine that the redemption notice for Bullion does not comply with the applicable requirements, the Registrar and Transfer Agent will provide a notice explaining the deficiency to the Unitholder's broker.

27. If the redemption notice for Bullion is determined to have complied with the applicable requirements, the Registrar and Transfer Agent and the Manager will determine on the last Business Day of the applicable month the amount of Bullion and the amount of cash that will be delivered to the redeeming Unitholder. Also on the last Business Day of the applicable month, the redeeming Unitholder's broker will deliver the redeemed Units to CDS or DTC, as the case may be, for cancellation.

28. As Good Delivery plates or ingots vary in weight between one kilogram (32.15 troy ounces) and six kilograms (192.90 troy ounces) for Bullion, the Registrar and Transfer Agent and the Manager will have some discretion regarding the amount of Bullion the redeeming Unitholder will receive based upon the weight of plates and ingots owned by the Trust and the amount of cash necessary to cover the expenses associated with the redemption and delivery and transportation that must be paid by the redeeming Unitholder. The amount of Bullion a redeeming Unitholder may be entitled to receive will be determined by the Manager by allocating the Redemption Amount to Bullion in direct proportion to the value of Bullion held by the Trust at the time of redemption in addition to meeting the requirement for a minimum aggregate redemption amount. Once such determination has been made, the Registrar and Transfer Agent will inform the broker through which the Unitholder has delivered its redemption notice of the proportionate amount of Bullion and cash that the redeeming Unitholder will receive.

29. Based on instructions from the Manager, the Bullion Custodian and/or the Sub-Custodian will release the requisite amount of Bullion from such custodian or sub-custodian's custody to the armoured transportation service carrier and such release will constitute delivery of such Bullion by the Trust to the redeeming Unitholder and the payment of the portion of the applicable Bullion Redemption Amount that is to be paid in Bullion. As directed by the Manager, any cash to be received by a redeeming Unitholder in connection with a redemption of Units for Bullion will be delivered or caused to be delivered by the Manager to the Unitholder's account within 21 Business Days after the month in which the redemption is processed.

30. A Unitholder redeeming Units for Bullion will receive Bullion from the Bullion Custodian and/or its Sub-Custodian. Bullion received by a Unitholder as a result of a redemption of Units will be transported by armoured transportation service carrier pursuant to instructions provided by the Unitholder to the Manager, provided that those instructions are acceptable to the armoured transportation service carrier. The armoured transportation service carrier will be engaged by, or on behalf of, the redeeming Unitholder and the release of the Bullion by the Bullion Custodian and/or its Sub-Custodian to the carrier will constitute delivery of such Bullion by the Trust to the Unitholder and the payment of the portion of the applicable Bullion Redemption Amount that is to be paid in Bullion. Such Bullion can be transported: (i) to an account established by the Unitholder at an institution located in North America authorized to accept and hold Good Delivery plates and ingots; (ii) in the United States, to any physical address (subject to approval by the armoured transportation service carrier); (iii) in Canada, to any business address (subject to approval by the armoured transportation service carrier); and (iv) outside of the United States and Canada, to any address approved by the armoured transportation service carrier. Bullion transported to an institution located in North America authorized to accept and hold Good Delivery plates and ingots will likely retain its Good

Delivery status while in the custody of such institution. Bullion transported pursuant to a Unitholder's delivery instruction to a destination other than an institution located in North America authorized to accept and hold Good Delivery plates and ingots will no longer be deemed Good Delivery once received by the Unitholder. Physical palladium bullion delivered to a Canadian address will be subject to HST or GST and any applicable PST. Physical platinum bullion delivered to a Canadian address will be subject to PST if delivered in a province that imposes PST on such bullion.

31. Costs associated with the redemption of Units and the delivery and transportation of Bullion will be borne by the redeeming Unitholder as set forth in paragraph 23. The redeeming Unitholder will also be responsible for reimbursing the Trust for in-and-out fees charged to the Trust by the Bullion Custodian and/or its Sub-Custodian.

32. The armoured transportation service carrier will receive Bullion in connection with a redemption of Units approximately 21 Business Days after the end of the month in which the redemption notice is processed. Once Bullion representing the redeemed Units has been released to the armoured transportation service carrier, the Trust and the Bullion Custodian will no longer bear the risk of loss of, and damage to, such Bullion. In the event of a loss after Bullion has been placed with the armoured transportation service carrier, the Unitholder will not have recourse against the Trust or the Bullion Custodian.

33. Unitholders whose Units are redeemed for cash will be entitled to receive a redemption price per Unit equal to 95% of the lesser of (i) the volume-weighted average trading price of the Units traded on the NYSE Arca or, if trading has been suspended on the NYSE Arca, the volume-weighted average trading price of the Units traded on the TSX, for the last five days on which the respective stock exchange is open for trading for the month in which the redemption request is processed, and (ii) the Net Asset Value per Unit of the redeemed Units on the last day of such month on which the NYSE Arca is open for trading. Cash redemption proceeds will be transferred to a redeeming Unitholder approximately three Business Days after the end of the month in which such redemption request is processed by the Trust.

34. To redeem Units for cash, a Unitholder must deliver a written notice to redeem Units for cash to the Registrar and Transfer Agent or, if applicable, instruct the Unitholder's broker to deliver a notice to redeem Units for cash to the Registrar and Transfer Agent. A redemption notice to redeem Units for cash must be received by the Registrar and Transfer Agent no later than 4:00 p.m. (Toronto time) on the 15th day of the month in which the redemption notice for cash will be processed or, if such day is not a Business Day, then on the immediately following day that is a Business Day. Any redemption notice to redeem Units for cash received after such time will be processed in the next month. Any redemption notice for cash must include a valid signature guarantee to be deemed valid by the Trust.

35. Any redemption notice for cash delivered to the Registrar and Transfer Agent regarding a Unitholder's intent to redeem Units that the Registrar and Transfer Agent or the Manager determines to be incomplete, not in proper form or not duly executed will for all purposes be void and of no effect and the redemption privilege to which it relates will be considered for all purposes not to have been exercised thereby. For each redemption notice for cash, the Registrar and Transfer Agent will notify the redeeming Unitholder's broker that such redemption notice has been deemed insufficient or accepted and duly processed, as the case may be.

36. Upon receipt of the redemption notice for cash, the Registrar and Transfer Agent and the Manager will determine on the last Business Day of the applicable month the amount of cash that will be delivered to the redeeming Unitholder. Also on the last Business Day of the applicable month the redeeming Unitholder's broker will deliver the redeemed Units to CDS or DTC, as the case may be, for cancellation.

The Trust's Custody Arrangements

This decision is also based on the following facts represented by the Manager, the Trust and the Bullion Custodian (with respect to matters relating to the Bullion Custodian):

37. The Trustee acts as the custodian of the assets of the Trust other than Bullion pursuant to the Trust Agreement. The Trustee will only be responsible for the assets of the Trust that are directly held by it, its affiliates or appointed sub-custodians.

38. Bullion owned by the Trust will be fully allocated and stored in the vaults of a custodian and/or its sub-custodian. The Trust intends to store its physical platinum bullion at the vault facilities of the Bullion Custodian located in Canada. Since certain taxes are payable on the importation or delivery and transportation of physical palladium bullion in Canada, the Trust intends to store its physical palladium bullion at the vault facilities of the Sub-Custodian located outside of Canada. The Trust is unable to appoint the Bullion Custodian as the sole custodian of its assets since the Bullion Custodian cannot hold the cash or securities owned by the Trust.

39. The Bullion Custodian operates pursuant to the Royal Canadian Mint Act (Canada) and is a Canadian crown corporation. Crown corporations are "agents of Her Majesty the Queen" and, as such, their obligations generally constitute unconditional obligations of the Government of Canada. The Bullion Custodian had shareholders' equity of $238.7 million as at December 31, 2010. The Bullion Custodian is responsible for the minting and distribution of Canada's circulation coins. As part of its operations, the Bullion Custodian maintains a secure storage facility located in Canada that it owns and operates, and provides storage space to third parties.

40. Since HST or GST and PST are payable on the importation or delivery and transportation of physical palladium bullion to a location in Canada, the Trust intends to store its physical palladium bullion at the vault facilities of the Sub-Custodian located in London, England and/or Zurich, Switzerland.

41. The Sub-Custodian is part of Mat Securitas Express AG of Switzerland, one of Europe's largest and oldest armoured transport and storage companies, operating widely in North and South America, Europe and the Far East including acting as the carrier for Swiss banknotes used by the Swiss central bank. The Sub-Custodian has vault facilities located in London, England and Zurich, Switzerland that are accepted as warehouses for the LPPM.

42. The relationship between the Bullion Custodian and the Sub-Custodian will be primarily one whereby the Bullion Custodian is sub-contracting the vault facilities of this service provider for the purposes of storing the Trust's physical palladium bullion. The Sub-Custodian will be appointed as a sub-custodian of the Trust outside of Canada pursuant to a written agreement between the Bullion Custodian and the Sub-Custodian that complies with the requirements of Part 6 of NI 81-102. The Bullion Custodian will remain responsible for (i) ensuring that adequate safeguards are in place, including satisfactory insurance arrangements; and (ii) indemnifying the Trust for all direct loss, damage or expense that may occur in connection with the Trust's Bullion that is stored at the vault facilities of the Bullion Custodian and/or the Sub-Custodian arising out of the negligence or wrongful acts of, or failure to comply with its standard of care by, the Bullion Custodian or its Sub-Custodian. Prior to appointing the Sub-Custodian, and on a periodic basis thereafter, the Bullion Custodian will review the facilities, procedures, records and creditworthiness of the Sub-Custodian. The Trust will rely upon the Bullion Custodian, who is in the business of precious metals storage, to satisfy itself as to the appropriateness of the use or continued use of the Sub-Custodian as a sub-custodian of the Trust's physical palladium bullion held outside of Canada

43. The Bullion Custodian has also advised the Trust and the Manager that, pursuant to the terms of its existing relationship with the Sub-Custodian, the Sub-Custodian has arranged for sufficient insurance coverage in respect of any material held by the Bullion Custodian through the vault facilities of the Sub-Custodian. The Manager has discussed with the Bullion Custodian the level of insurance coverage obtained by the Sub-Custodian and the risks insured against by the Sub-Custodian and believes that the level of insurance will be sufficient.

44. The Manager and the Bullion Custodian believe that the Sub-Custodian has the resources and experience required to act as a sub-custodian for the Trust's physical palladium bullion held outside of Canada.

45. The Bullion Custodian will be appointed as the custodian of the Bullion owned by the Trust pursuant to precious metals storage agreements relating to Bullion between the Manager, for and on behalf of the Trust, and the Bullion Custodian (each individually, a **Storage Agreement** and collectively, the **Storage Agreements**). These Storage Agreements will provide for the storage of Bullion generally and will not place any limitations on the Trust's ability to buy or sell Bullion. Each Storage Agreement, including the arrangements between the Bullion Custodian and the Trust in connection with Bullion, will comply with the requirements of Part 6 of NI 81-102.

46. Under each of the Storage Agreements, upon the initial notice being delivered, the Bullion Custodian or its Sub-Custodian, as the case may be, will receive such Bullion based on a list provided by the Manager in such written notice that specifies the amount, weight, type, assay characteristics and value, and serial number of the Good Delivery plates or ingots, as the case may be. After verification, the Bullion Custodian will issue a "receipt of deposit" that confirms the plate or ingot count and total weight in troy ounces of each of physical platinum and palladium bullion. Pursuant to each of the Storage Agreements, the Bullion Custodian reserves the right to refuse delivery in the event of storage capacity limitations at either its own vault facilities or at the vault facilities of the Sub-Custodian. In the event of a discrepancy arising during the verification process, the Bullion Custodian will promptly notify the Manager. The Bullion Custodian will keep the Trust's fully allocated Bullion specifically identified as the Trust's property and will keep it on a labelled shelf or physically segregated pallets at all times. The Bullion Custodian will provide a monthly inventory statement, which the Manager will reconcile with the Trust's records of its Bullion holdings. The

Manager will have the right to physically count and have the Trust's auditors subject the Trust's Bullion to audit procedures at the vault facilities at the Bullion Custodian and the Sub-Custodian upon request on any Bullion Custodian business day (which means any day other than a Saturday, a Sunday or a holiday observed by the Bullion Custodian or the Sub-Custodian) during the Bullion Custodian's or the Sub-Custodian's regular business hours, provided that such physical count or audit procedures do not interrupt the routine operation of the applicable custodian's facility.

47. Upon the Bullion Custodian's receipt and taking into possession and control (either directly or through the Sub-Custodian) of any of the Trust's Bullion, whether through physical delivery or a transfer of Bullion from a different customer's account at the Bullion Custodian, the Bullion Custodian's liability will commence with respect to such Bullion. The Bullion Custodian will bear all risk of physical loss of, or damage to, the Bullion owned by the Trust in the Bullion Custodian's custody (regardless of the location at which the Bullion Custodian decides to store the Bullion), except in the case of circumstances or causes beyond the Bullion Custodian's reasonable control, including, without limitation, acts or omissions or the failure to cooperate of the Manager, acts or omissions or the failure to cooperate by any third party, fire or other casualty, act of God, strike or labour dispute, war or other violence, or any law, order or requirement of any governmental agency or authority, and has contractually agreed to replace or pay for lost, damaged or destroyed Bullion in the Trust's account while in the Bullion Custodian's or the Sub-Custodian's care, custody and control. Under each of the Storage Agreements, the Bullion Custodian's liability terminates with respect to any Bullion upon termination of the applicable Storage Agreement, whether or not the Trust's Bullion remains in the Bullion Custodian's or the Sub-Custodian's possession and control, upon transfer of such Bullion to a different customer's account at the Bullion Custodian or the Sub-Custodian or at the time such Bullion is remitted to the armoured transportation service carrier pursuant to delivery instructions provided by the Manager on behalf of a redeeming Unitholder.

48. In the event of physical loss, damage or destruction of the Trust's Bullion in the Bullion Custodian's or the Sub-Custodian's custody, care and control, the Manager, on behalf of the Trust, must give written notice to the Bullion Custodian within five Bullion Custodian business days after the discovery of any such loss, damage or destruction, but, in the case of loss or destruction of the Trust's Bullion, in any event no more than 30 days after the delivery by the Bullion Custodian to the Manager, on behalf of the Trust, of an inventory statement in which the discrepancy first appears. The Bullion Custodian will, at its discretion, either (i) replace, or restore to its original state in the event of partial damage, as the case may be, the Trust's Bullion that was lost, destroyed or damaged as soon as practicable after the Bullion Custodian becomes aware of said loss or destruction, based on the advised weight and assay characteristics provided in the initial notice or (ii) compensate the Trust, through the Manager, for the monetary value of the Trust's Bullion that was lost or destroyed, within five Bullion Custodian business days from the date the Bullion Custodian becomes aware of said loss or destruction, based on the advised weight and assay characteristics provided in the initial notice and the market value of such Bullion that was lost or destroyed, using the first available London fix of the LPPM from the date the Bullion Custodian becomes aware of said loss or destruction. If such notice is not given in accordance with the terms of the applicable Storage Agreement, all claims against the Bullion Custodian will be deemed to have been waived. In addition, no action, suit or other proceeding to recover any loss, damage or destruction may be brought against the Bullion Custodian unless notice of such loss, damage or destruction has been given in accordance with the terms of the applicable Storage Agreement and unless such action, suit or proceeding shall have been commenced within 12 months from the time such notice is sent to the Bullion Custodian. The Bullion Custodian will not be responsible for any special, incidental, consequential, indirect or punitive losses or damages (including lost profits or lost savings), except as a result of gross negligence or wilful misconduct by the Bullion Custodian and whether or not the Bullion Custodian had knowledge that such losses or damages might be incurred. Notwithstanding the foregoing, with respect to physical palladium bullion held by the Sub-Custodian, in the event of loss, damage and/or destruction of such bullion, the Bullion Custodian and the Sub-Custodian will promptly and diligently assist each other to establish the identity of the physical palladium bullion lost, damaged or destroyed and shall take all such other reasonable steps as may be necessary to assure the maximum amount of salvage at a minimum cost. The Bullion Custodian will, within 15 calendar days after receipt by the Sub-Custodian of proof of loss from the loss adjuster, make payment to the Trust for the monetary value of the Trust's physical palladium bullion that was lost.

49. Pursuant to each of the Storage Agreements, the Bullion Custodian will be required to exercise the same degree of care and diligence in safeguarding the property of the Trust as any reasonably prudent person acting as custodian of the Bullion would exercise in the same circumstances. The Bullion Custodian will not be entitled to an indemnity from the Trust in the event

the Bullion Custodian breaches its standard of care.

50. The Bullion Custodian reserves the right to reject Bullion delivered to it if Bullion contains a hazardous substance or if such Bullion is or becomes unsuitable or undesirable for metallurgical, environmental or other reasons.

51. The Manager may terminate the custodial relationship with the Bullion Custodian by giving written notice to the Bullion Custodian of its intent to terminate the applicable Storage Agreement if: (i) the Bullion Custodian has committed a material breach of its obligations under such Storage Agreement that is not cured within ten Bullion Custodian business days following the Manager giving written notice to the Bullion Custodian of such material breach; (ii) the Bullion Custodian is dissolved or adjudged bankrupt, or a trustee, receiver or conservator of the Bullion Custodian or of its property is appointed, or an application for any of the foregoing is filed; or (iii) the Bullion Custodian is in breach of any representation or warranty contained in such Storage Agreement. The obligations of the Bullion Custodian include, but are not limited to, maintaining an inventory of the Trust's Bullion stored with the Bullion Custodian, providing a monthly inventory to the Trust, maintaining the Trust's Bullion physically segregated and specifically identified as the Trust's property, and taking good care, custody and control of the Trust's Bullion. The Trust believes that all of these obligations are material and anticipates that the Manager would terminate the Bullion Custodian as custodian if the Bullion Custodian breaches any such obligation and does not cure such breach within ten Bullion Custodian business days of the Manager giving written notice to the Bullion Custodian of such breach. Prior to terminating the custodial relationship with the Bullion Custodian, the Manager, with the consent of the Trustee, will appoint a replacement custodian for Bullion that complies with the requirements under NI 81-102.

52. The Bullion Custodian carries such insurance as it deems appropriate for its businesses and its position as custodian of the Trust's Bullion and will provide the Manager, on behalf of the Trust, with at least 30 days' notice of any cancellation or termination of such coverage. The Trust's ability to recover from the Bullion Custodian is not contingent upon the Bullion Custodian's ability to claim on its own insurance or the Sub-Custodian's ability to claim on its own insurance. Based on information provided by the Bullion Custodian, the Manager believes that the insurance carried by the Bullion Custodian, together with its status as a Canadian Crown corporation with its obligations generally constituting unconditional obligations of the Government of Canada, provides the Trust with such protection in the event of loss or theft of the Trust's Bullion stored at the Bullion Custodian or at the Sub-Custodian that is consistent with the protection afforded under insurance carried by other custodians that store platinum and palladium commercially.

53. The Manager will ensure that Bullion, whether held by the Bullion Custodian or its Sub-Custodian, will be subject to a physical count by a representative of the Manager periodically on a spot-inspection basis as well as subject to audit procedures by the Trust's external auditors on at least an annual basis.

54. The Manager will ensure that no director or officer of the Manager or its General Partner, or representative of the Trust or the Manager will be authorized to enter into the Bullion storage vaults without being accompanied by at least one representative of the Bullion Custodian or the Sub-Custodian or, if Bullion is held by another custodian, that custodian or its sub-custodians, as the case may be.

55. The Manager will ensure that no part of the stored Bullion may be delivered out of safekeeping by the Bullion Custodian (except to an authorized sub-custodian thereof) or, if Bullion is held by another custodian, that custodian (except to an authorized sub-custodian thereof), without receipt of an instruction from the Manager in the form specified by the Bullion Custodian or such custodian indicating the purpose of the delivery and giving direction with respect to the specific amount

56. The Manager and the Trust believe that the custodial arrangements with the Bullion Custodian and the Sub-Custodian in connection with the Trust's Bullion are consistent with industry practice.

57. The Manager will not be responsible for any losses or damages to the Trust arising out of any action or inaction by the Trust's custodians or any sub-custodians holding the assets of the Trust, including the Trustee or its sub-custodians holding the assets of the Trust other than Bullion and the Bullion Custodian and/or the Sub-Custodian holding Bullion owned by the Trust.

58. The Manager, with the consent of the Trustee, will have the authority to change the custodial arrangements described above including, but not limited to, the appointment of a replacement custodian or sub-custodian and/or additional custodians or sub-custodians subject to the requirements under NI 81-102.

Decision

The Principal Regulator is satisfied that the decision meets the tests 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 Manager, on behalf of the Trust, ensures that the prospectus of the Trust contains disclosure regarding the unique risks associated with an investment in the Trust, including the risk that direct purchases of Bullion by the Trust may generate higher transaction and custody costs than other types of investments, which may impact the performance of the Trust;

(b) the Trust and the Bullion Custodian are limited to using the Sub-Custodian as sub-custodian for the Trust's physical palladium bullion which will be held only in London, England and/or Zurich, Switzerland;

(c) the Bullion Custodian and the Sub-Custodian each has in excess of the highest minimum capitalization amount of shareholders' equity required under NI 81-102 for entities qualified to act as a custodian or a sub-custodian for assets held in or outside Canada, as applicable;

(d) in respect of the compliance reports to be prepared by the Bullion Custodian pursuant to paragraphs 6.7(1)(b), 6.7(1)(c)(ii) and 6.7(2)(c) of NI 81-102, as such paragraphs will not be applicable given the nature of the relief granted herein, the Bullion Custodian shall include a statement in such reports regarding the completion of the Bullion Custodian's review process for the Sub-Custodian and that the Bullion Custodian is of the view that the Sub-Custodian continues to be an appropriate sub-custodian to hold the Trust's physical palladium bullion outside of Canada; and

(e) the Trust complies with applicable TSX and NYSE Arca requirements in setting the record date for the payment of distributions to Unitholders.

"Sonny Randhawa"
Manager, Investment Funds Branch
Ontario Securities Commission

2.1.6 Aegon Fund Management Inc. and the Terminating Funds Listed in Schedule "A"

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – approval for fund mergers under 5.5 of NI 81-102 – relief needed because mergers will not meet pre-approval criteria – continuing funds have different investment objectives than terminating funds and mergers will not be tax deferred – securityholders of terminating funds provided with timely and adequate disclosure regarding the mergers.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 5.5(1)(b), 5.5(2), 5.6 and 5.7(1)(b).

April 25, 2012

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
AEGON FUND MANAGEMENT INC.
(AFM)

AND

IN THE MATTER OF
THE TERMINATING FUNDS LISTED IN SCHEDULE "A"
(individually a Terminating Fund, collectively, the Terminating Funds)
(AFM and the Terminating Funds are collectively, the Filers)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filers for a decision under the securities legislation of the Jurisdiction (the **Legislation**) granting approval under section 5.5(1)(b) of National Instrument 81-102 *Mutual Funds* (**NI 81-102**) to merge (the **Proposed Mergers**) each Terminating Fund into the Continuing Fund (the **Continuing Funds** and each a **Continuing Fund**), opposite its name in the chart attached as Schedule A (the **Merger Approvals**).

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) each Filer has provided notice that subsection 4.7(2) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador.

Interpretation

Defined terms contained in National Instrument 14-101 *Definitions* and in 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. AFM is the manager of each of the Terminating Funds and the Continuing Funds (the **Funds** and each a **Fund**) and is responsible for the overall business and affairs of the Funds. AFM is registered as an investment fund manager in each of the provinces of Canada.

2. Each of the Funds is an open-ended mutual fund trust and is governed under the laws of Ontario, and operating under a common Trust and Custodial Agreement dated April 15, 2002, as amended.

3. The Funds are reporting issuers in each of the provinces of Canada. Units of the Funds are currently offered for sale under a simplified prospectus and annual information form dated May 27, 2011, as amended, in all of the provinces of Canada. Amendments to the simplified prospectus and annual information form, and fund facts were filed as described in paragraph 10 below to reflect the Proposed Mergers.

4. None of the Filers is in default of applicable securities legislation in any jurisdiction.

5. All of the Funds comply with the Legislation that governs mutual fund investment restrictions and practices, except to the extent they have obtained approval from the securities regulatory authorities for relief from the Legislation in certain respects.

6. Each Fund's net asset value and its class unit price is determined as of the close of regular trading on The Toronto Stock Exchange (the **Exchange**), normally 4:00 p.m., Eastern Standard Time, on each day the Exchange is open for trading. The Funds are each valued in Canadian dollars.

7. Under the Proposed Mergers, the Terminating Funds will merge into the Continuing Funds as set out in the attached Schedule "A".

8. The Merger Approvals are required because the Proposed Mergers do not satisfy all of the criteria for pre-approved mergers set out in section 5.6 of NI 81-102, specifically:

   (a) the Proposed Mergers will be completed on a taxable basis and not as a "qualifying exchange" or as a tax deferred transaction as would be required under subsection 5.6(1)(b); and

   (b) as set out in the attached Schedule "B", a reasonable person would not consider that the Continuing Funds and Terminating Funds have substantially similar investment objectives, as applicable.

9. As required by National Instrument 81-107 *Independent Review Committee for Investment Funds*, an Independent Review Committee (the **IRC**) has been appointed for the Funds. The IRC has reviewed the Proposed Merger of each Terminating Fund with its corresponding Continuing Fund along with the process to implement each Proposed Merger from a "conflict of interest" perspective. AFM was advised, that in the opinion of the IRC that the Proposed Merger of each Fund achieves a fair and reasonable result for the Terminating Fund and the corresponding Continuing Fund.

10. A press release in respect of the Proposed Mergers was filed on SEDAR on March 5, 2012 and material change report in respect of the Proposed Mergers was filed on SEDAR on March 8, 2012. Amendment No. 1 dated March 8, 2012 to the Simplified Prospectus dated May 27, 2011, Amendment No. 1 dated March 8, 2012 to the Annual Information Form dated May 27, 2011, and amended and restated fund facts dated March 8, 2012 for each of the Funds were filed on SEDAR.

11. A management information circular in connection with the Proposed Mergers (the **Circular**) was mailed to unitholders of the Terminating Funds and unitholders of imaxx Global Equity Growth Fund on March 9, 2012 and subsequently filed on SEDAR.

12. Purchases of, and transfers to, units of the Terminating Fund will be suspended on or prior to the effective date of the Proposed Merger except for those made under automatic purchase plans which will be suspended at the close of business on April 24, 2012 (3 days prior to the Effective Date).

13. The Circular that was sent to unitholders of a Terminating Fund sets out:

   (a) information about the differences between the units of the Terminating Funds and the units of the Continuing Funds including investment objectives; net asset values; and management fees and management expense ratios;

(b) information about the investment objectives of the applicable Continuing Fund sufficient to consider the Proposed Mergers;

(c) information about the tax consequences of the Proposed Mergers.

(d) the various ways in which unitholders of the Terminating Funds can obtain, at no cost, the most recent simplified prospectus, the annual information form, the audited financial statements for the period ended December 31, 2010 and the unaudited semi-annual financial statements for the period ended June 30, 2011 of the Continuing Funds.

(e) the opinion of the IRC of the Funds that the Proposed Merger of each Fund achieves a fair and reasonable result for the Terminating Fund and the corresponding Continuing Fund;

14. The fund facts for the applicable Continuing Fund was sent to unitholders of a Terminating Fund with the meeting materials.

15. Unitholders of each Terminating Fund and unitholders of imaxx Global Equity Growth Fund approved the Proposed Mergers at special meetings held concurrently on April 13, 2012. As the net asset value of imaxx Global Equity Growth Fund, a Continuing Fund, is less than the net asset value of imaxx U.S. Equity Growth Fund, a Terminating Fund, the Proposed Merger involving imaxx Global Equity Growth Fund constituted a material change for such Fund and accordingly, its unitholders were asked to approve the Proposed Merger.

16. As the requisite unitholder approvals have been obtained, each Terminating Fund is expected to merge into the applicable Continuing Fund on or about the close of business on April 27, 2012.

17. As set out in the Circular the procedure for implementing each Potential Merger is as follows:

(a) Unitholders of each Terminating Fund to approve the Potential Merger and other matters set out in the resolution attached as Schedule “A” to the Circular.

(b) Unitholders of the Continuing Fund to approve, as applicable, the Potential Merger and other matters set out in the resolution attached as Schedule “B” to the Circular.

(c) The trust agreement governing the Funds is to be amended, as required, so as to permit such actions as are necessary to complete the Potential Mergers.

(d) The value of each Terminating Fund’s investment portfolio and other assets will be determined at the close of business on the effective date of the applicable Potential Merger.

(e) Each Terminating Fund will transfer all of its assets to its respective Continuing Fund for an amount equal to the fair market value of the assets transferred, which amount will be satisfied as described in subsection (f) below.

(f) Each Continuing Fund will satisfy the obligation to pay the purchase price for the assets of the Terminating Fund acquired by the Continuing Fund by assuming the Terminating Fund’s liabilities and will issue to the Terminating Fund, units of the Continuing Fund having an aggregate value equal to the value of the assets acquired less the amount of the liabilities assumed.

(g) To the extent necessary to ensure that a Terminating Fund is not subject to tax under Part I of the Income Tax Act (Canada), such Terminating Fund will declare and pay a distribution to its unitholders of net income, including net capital gains (if any) in respect of its taxation year ending on its winding up in connection with the Potential Merger, and will satisfy such distribution by the issuance of additional units of the Terminating Fund.

(h) Immediately thereafter, each Terminating Fund will redeem all of its outstanding units at their net asset value which will be paid and satisfied by delivering to its unitholders units of the Continuing Fund acquired in subsection (f) above.

(i) On redemption, unitholders of each Terminating Fund will receive securities of the applicable Continuing Fund as follows: (a) Class A units for Class A units; (b) Class F units for Class F units; and (c) Class I units for Class I units.

(j) Each Terminating Fund will be wound up as soon as reasonably possible following the Merger.

18. The imaxx U.S. Equity Growth Fund expects to realize capital gains and possibly net income on its transfer of assets to the imaxx Global Equity Growth Fund and it is expected to make a distribution of such capital gains and/or net income to the extent such amounts cannot be applied against losses or losses carried forward. In respect of all of the Terminating Funds, except for the imaxx U.S. Equity Growth Fund, AFM anticipates that each Terminating Fund will

realize insufficient capital gains on the transfer of assets to the relevant Continuing Fund to apply against capital losses that would be realized on such transfer and net capital losses carried forward. In particular, based on asset values as of December 15, 2011, imaxx U.S. Equity Value Fund and imaxx Global Equity Value Fund would have capital losses in the amount of approximately $2.4 million and $1.5 million, respectively. Such unutilized net capital losses would not be able to be accessed by the Continuing Funds and would disappear when the Terminating Funds are wound up. Such unutilized net capital losses of a Terminating Fund would have expired in any event on the Mergers, had the Mergers taken place by way of tax-deferred "qualifying exchanges". The amounts of gains or losses of the Terminating Funds will be dependent on their asset values as at the time of the Mergers, which values may change from the values described above. It was determined to have the Mergers occur on a taxable basis as the capital gains tax implications to substantially all of the unitholders will be negligible, and will allow any significant tax losses of the Continuing Funds to be preserved, resulting in a lower likelihood that the Continuing Funds will make a capital gains or income distribution in the future.

19. No sales charge will be payable in connection with the purchase by the Terminating Funds of securities of the Continuing Funds.

20. Following the Proposed Mergers, the Continuing Funds will continue as publicly offered open-end mutual funds and the Terminating Funds will be wound up as soon as practicable.

21. Any unitholder of a Fund who does not wish to participate in the Proposed Mergers can at any time up to the close of business on the effective date of the Proposed Merger redeem his or her units of the Fund and receive the net asset value in accordance with the redemption procedures for such Fund.

22. The cost of effecting the Proposed Mergers will be borne by AFM and not by the Funds.

23. As discussed in the Circular, AFM believes that the Proposed Mergers are in the best interest of the unitholders of each of the Funds for the following reasons:

    (a) ***Creating Economies of Scale:*** Most of the Terminating Funds are small in size and lack the economies of scale necessary to ensure cost efficiencies. The completion of the Proposed Mergers will result in a substantially smaller number of mutual funds being managed by AFM, thereby reducing the administrative and legal costs associated with the operation of the AEGON imaxx Funds. The Proposed Mergers are expected to reduce such expenses as audit, legal and compliance, custody and bank charges, increasing efficiency and value to unitholders. In addition, the management of the Continuing Funds will be spread over a greater pool of assets, thereby potentially lowering the management expense ratio for these funds.

    (b) ***Larger Asset Base for Continuing Funds:*** Each Continuing Fund will have a larger asset base which will allow for greater portfolio diversification and a smaller proportion of assets set aside to fund redemptions. This may lead to some reduction of risk and increased returns.

    (c) ***Greater Marketing Focus:*** By reducing the number of funds in the AEGON imaxx Group, the Proposed Mergers will allow AFM to focus on and develop the Continuing Funds. The greater focus on these funds will potentially increase the opportunity for growth in size of these funds, ensuring that they remain viable investment options for their unitholders.

    (d) ***Reducing Costs to Unitholders:*** The Continuing Funds generally charge management fees that are substantially the same or lower than the comparable fees charged to the equivalent class of units of the Terminating Funds. AFM believes that the combination of changes in fees and reduced costs and increased efficiencies described above will ultimately result in overall reduced costs for investors.

24. Except as noted above, the Proposed Mergers will comply with all of the other criteria for pre-approved reorganizations and transfers set out in section 5.6 of NI 81-102.

Decision

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

The decision of the principal regulator under the Legislation is that the Merger Approvals is granted.

"Raymond Chan"
Manager, Investment Funds Branch
Ontario Securities Commission

SCHEDULE "A"

TERMINATING FUNDS AND CONTINUING FUNDS

TERMINATING FUND	CONTINUING FUND
imaxx Canadian Balanced Fund	imaxx Canadian Fixed Pay Fund
imaxx TOP Income Portfolio	
imaxx Canadian Equity Value Fund	imaxx Canadian Equity Growth Fund
imaxx Canadian Small Cap Fund	
imaxx U.S. Equity Growth Fund	imaxx Global Equity Growth Fund
imaxx U.S. Equity Value Fund	
imaxx Global Equity Value Fund	

SCHEDULE "B"

**INVESTMENT OBJECTIVES OF THE
THE TERMINATING FUNDS AND THE CONTINUING FUND**

The investment objectives of the Terminating Funds and their respective Continuing Funds are not substantially the same, except to the extent described below. The differences between such funds are discussed below.

Merger of imaxx Canadian Balanced Fund and imaxx TOP Income Portfolio into imaxx Canadian Fixed Pay Fund.

	imaxx Canadian Balanced Fund and imaxx TOP Income Portfolio	**imaxx Canadian Fixed Pay Fund**
Investment Objectives	(a) imaxx Canadian Balanced Fund – To maximize long term total return by investing in a mix of fixed income and equity securities, investment trust units and money market instruments issued in Canada and around the world. The fund may also invest in high yield securities. (b) imaxx TOP Income Portfolio – To provide a steady flow of income, while also providing the opportunity for moderate long-term capital appreciation through investment in a diversified portfolio of income and equity based mutual funds.	To provide a consistent stream of monthly income and some capital appreciation by investing in a portfolio of Canadian fixed income, investment trust units and equity investments.

Merger of imaxx Canadian Equity Value Fund and imaxx Canadian Small Cap Fund into imaxx Canadian Equity Growth Fund

	imaxx Canadian Equity Value Fund and imaxx Canadian Small Cap Fund	**imaxx Canadian Equity Growth Fund**
Investment Objectives	(a) imaxx Canadian Equity Value Fund - To generate long-term capital growth by investing in a diverse portfolio of select Canadian equity securities that are determined to be under-valued and that have the potential for future growth. A secondary investment objective is the preservation of invested capital. (b) imaxx Canadian Small Cap Fund - To achieve long term capital growth by investing primarily in equity securities of small capitalization Canadian corporations. For diversity, the Fund may also invest in shares of foreign corporations and investment trust units issued in Canada and around the world.	To generate long-term capital growth by investing in a diversified portfolio of select Canadian equity securities with strong growth potential.

Merger of imaxx U.S. Equity Growth Fund, imaxx U.S. Equity Value Fund and imaxx Global Equity Value Fund into imaxx Global Equity Growth Fund

	imaxx U.S. Equity Growth Fund, imaxx U.S. Equity Value Fund and imaxx Global Equity Value Fund	**imaxx Global Equity Growth Fund**
Investment Objectives	(a) imaxx U.S. Equity Growth Fund - To generate long-term capital growth by investing in a diversified portfolio of select U.S. equity securities with strong growth potential (b) imaxx U.S. Equity Value Fund - To generate long-term capital growth by investing in a diversified portfolio of select U.S. equity securities that are determined to be under-valued and that have the potential for future growth. A secondary investment objective is the preservation of invested capital. (c) imaxx Global Equity Value Fund - To generate long-term capital growth by investing primarily in a portfolio of equity securities of global companies located in countries throughout the world.	To generate long-term capital growth by investing primarily in equities of companies throughout the world that focus their core business in the following six global-oriented sectors: • Consumer products/services • Financial services • Energy • Health Care • Information Technology,

	imaxx U.S. Equity Growth Fund, imaxx U.S. Equity Value Fund and imaxx Global Equity Value Fund	imaxx Global Equity Growth Fund
		and • Telecommunications The Fund is not restricted to these six sectors and may, at the portfolio manager and/or sub-adviser's discretion, invest in other global sectors that represent growth potential.

2.1.7 Peak Investment Services Inc. and Promutuel Capital Financial Services Firm Inc.

Headnote

NP 11-203 – relief granted from the requirements of Sections 2.2, 2.5, 3.2, 4.1 and 5.2 of NI 33-109 in order to take advantage of the bulk transfer exemption provisions of Policy Statement/Companion Policy 33-109 CP to NI 33-109.

Applicable Legislative Provisions

National Instrument 33-109 Registration Information, ss. 2.2, 2.5, 3.2, 4.1, 5.2.

April 30, 2012

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
PEAK INVESTMENT SERVICES INC.
("PEAK")

AND

IN THE MATTER OF
PROMUTUEL CAPITAL FINANCIAL SERVICES FIRM INC.
("Promutuel") (the Filers)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions ("**Decision Maker**") has received an application dated **April 3, 2012** from Promutuel and PEAK (together the "**Filers**") for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") for relief from the requirements of Sections 2.2, 2.5, 3.2, 4.1, and 4.2 of National Instrument 33-109 – *Registration Information* ("**NI 33-109**"), in order to take advantage of the bulk transfer exemption provisions of Policy Statement/Companion Policy 33-109 CP to NI-33-109 ("**33-109 CP**").

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

(a) the Autorité des marches financiers of Québec (the "**Autorité**") is the principal regulator for this application;

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

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

Interpretation

Terms defined in National Instrument 14-101 – *Definitions*, MI 11-102, National Instrument 31-102 – *National Registration Database* ("**NI 31-102**") and NI 33-109 have the same meaning when used in the present decision, unless otherwise defined.

Representations

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

1. Promutuel is a company incorporated in 2008 under the Quebec *Companies Act*, Part IA, whose head office is located at 2000 Mansfield, suite 1800, Montréal, Québec, H3A 3A6. Promutuel is a subsidiary of PEAK Financial Group Inc. ("**PFGI**").

2. Promutuel is a mutual fund dealer duly registered with the Autorité des marchés financiers and is also registered as such in the following provinces: British Columbia, Alberta, Manitoba, Ontario, Québec, Nova Scotia. Promutuel is a member of the Mutual Fund Dealers Association of Canada ("**MFDA**").

3. At the present time, the Filers have filed with the principal regulator requests for registration of Promutuel in each of the following provinces and territories: Saskatchewan, Yukon, Northwest Territories, New Brunswick, Newfoundland and Labrador, and Prince Edward Island.

4. The following also relate to Promutuel:

   Business number: 1164943467
   NRD #: 27990
   Number of registered/permitted individuals: 262
   Number of business locations: 233

5. The vast majority of registered representatives and permitted individuals, the business locations and the clients of Promutuel are located in the province of Québec.

6. Specifically, at the present time, the number of registered representatives of Promutuel per jurisdiction is reflected in the table below. It is to be noted that none of the below representatives will be relocated during the upcoming bulk transfer.

Jurisdiction	Number of registered representatives in jurisdiction
British Columbia	9
Alberta	11
Manitoba	3
Ontario	70
Québec	255
Nova Scotia	3
NewBrunswick	Registration ongoing
Saskatchewan	Registration ongoing
Newfoundland and Labrador	Registration ongoing
Prince Edward Island	Registration ongoing
Northwest Territories	Registration ongoing
Yukon	Registration ongoing
Nunavut	Firm not registered

7. PEAK is a company incorporated in 1992 under the Quebec Companies Act, Part IA, and whose head office is located at 2000 Mansfield, suite 1800, Montréal, Québec, H3A 3A6. PEAK is also a subsidiary of PFGI.

8. PEAK is a mutual fund dealer duly registered with the Autorité des marchés financiers and is also registered as such in the following provinces: British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, Prince Edward Island, New Brunswick, Newfoundland and Labrador, Yukon, Northwest Territories. PEAK is also a member of the MFDA.

9. The following also relate to PEAK:

Business number: 1140193567
NRD #: 8260
Number of registered/permitted individuals: 433
Number of business locations: 368

10. The vast majority of registered representatives and permitted individuals, the business locations and the clients of PEAK are located in the province of Québec.

11. Specifically, at the present time, the number of registered representatives of PEAK per jurisdiction is reflected in the table below. It is to be noted that none of the below representatives will be relocated during the upcoming bulk transfer.

Jurisdiction	Number of registered representatives in jurisdiction
British Columbia	40
Alberta	35
Manitoba	10
Ontario	102
Québec	349
Nova Scotia	16
New Brunswick	22
Saskatchewan	19
Newfoundland and Labrador	1
Prince Edward Island	3
Northwest Territories	Firm registered without any representatives
Yukon	Firm registered without any representatives
Nunavut	Firm not registered

12. The amalgamation transaction proposed by the Filers will result in the transfer of all of the current activities of Promutuel and PEAK, which require registration, to the amalgamated entity, Amalco. Amalco will assume all of the existing registrations, approvals, rights and obligations for all of Promutuel's and PEAK's registered representatives, permitted individuals, other employees as well as for all of the business locations of PEAK and Promutuel.

13. Amalco will have the following information associated to it:

Name: PEAK Investment Services Inc. ("Services en Placements PEAK Inc." in French)
Business number: 1164943467
NRD #: 27990
Number of registered/ permitted individuals: 695
Number of business locations: 601

14. The reasons for which PFGI is pursuing this amalgamation transaction include PFGI wanting to have all of its mutual fund representatives under one single entity, which should greatly improve operational efficiency at all levels, specifically in relation to clients, representatives, regulators, and other stakeholders of the corporation. All these stakeholders should see gains in terms of service and the ease of doing business with Amalco. In addition, other reasons for the amalgamation relate to certain financial and fiscal aspects, notably concerning financial year end, which will be improved as a result of the decrease in duplication of fees and tasks, given that there will remain only one mutual fund dealer entity instead of two.

15. It is not anticipated that there will be any business process interruptions or disruption in the ability of PEAK and/or Promutuel to trade on behalf of their respective clients and that furthermore, Amalco should be able to trade immediately after the amalgamation transaction.

16. Amalco will continue to be registered in the same categories of registration as PEAK and Promutuel across Canada and will continue to be a member of the MFDA and will be subject to, and will comply with, all applicable securities legislation and rules of the MFDA.

17. Amalco will carry on the same securities business of PEAK and Promutuel in substantially the same manner as those 2 entities and with the same personnel as PEAK and Promutuel.

18. Given the significant number of registered/permitted individuals ("**Individuals**") and affected business locations of the Filers, it would be unduly onerous and time-consuming to individually transfer all affected business locations and Individuals to Amalco in accordance with the requirements set out in NI 33-109. Moreover, it is imperative that the transfer of the affected business locations and Individuals occur on the same date, in order to ensure continuity of registration for said Individuals being transferred to Amalco.

19. The bulk transfer will not be contrary to the public interest and will not restrict Amalco in complying with all applicable regulatory requirements or obligations towards its clients.

20. The total number of mutual fund representatives to be transferred across Canada is significant (695).

21. In addition, the number of mutual fund representatives of Amalco that are based in Québec is significant (591), and the number of Amalco mutual fund representatives located outside Québec total 104, of which 43 are based in Ontario.

22. The Filers are jointly conscious of the fact that the granting of the present exemption in no way removes the obligation for the Filers to comply with the requirements of section 4.1 of NI 33-109, specifically as to the requirements to deliver, as may be required and in the applicable cases, a change notice in relation to one of the sections of the form provided for in Schedule 33-109F4, for each of the individuals affected by the bulk transfer.

23. By letter dated April 20, 2012, the MFDA gave its approval to the amalgamation transaction referred to herein.

24. The Filers are not in default of securities legislation in any Jurisdiction.

Decision

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

The decision of the principal regulator under the Legislation is that the Exemption Sought is to be granted, provided that the Filers make acceptable arrangements with CDS Inc. for the payment of the costs associated with the bulk transfer, and make such arrangement in advance of the bulk transfer.

"Patrick Déry"
Superintendent of Client Services Compensation and Distribution
Autorité des Marchés Financiers

2.1.8 Barometer Capital Management Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Exemption granted from conflict of interest trading prohibition in section 13.5(2)(b) of NI 31-103 to permit in-specie purchases and redemptions of pooled funds by separately managed accounts and pooled funds – Portfolio manager is a responsible person – Pooled funds are associates of portfolio manager who is their trustee – Pooled funds and managed accounts have same portfolio manager – Relief subject to certain conditions.

Applicable Legislative Provisions

National Instrument 31-103 Registration Requirements and Exemptions, ss. 13.5(2)(b)(ii), (iii).

April 12, 2012

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO

AND

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

AND

IN THE MATTER OF
BAROMETER CAPITAL MANAGEMENT INC.
(the Filer)

DECISION

Background

The principal regulator in the Province of Ontario has received an application from the Filer under the securities legislation of the Province of Ontario (the **Legislation**) for a decision granting an exemption from the prohibition in sections 13.5(2)(b)(ii) and (iii) of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) against an adviser knowingly causing an investment portfolio managed by it, including an investment fund for which it acts as an adviser, to purchase or sell a security from or to the investment portfolio of an associate of a responsible person, or of an investment fund for which a responsible person acts as an adviser, to permit the following transactions, each referred to in this decision as an ***In Specie*** **Transaction** (collectively, the **Exemption Sought**):

(a) the purchase or redemption by an account fully managed by the Filer (a **Managed Account)** of securities of existing and future investment funds managed by the Filer sold pursuant to prospectus exemptions (a **Pool**, and its securities, **Pool Securities**) and the payment:

  (i) for such purchase, in whole or in part, by the Managed Account making good delivery of portfolio securities to the Pool; and

  (ii) for such redemption, in whole or in part, by the Managed Account receiving good delivery of portfolio securities from the Pool; and

(b) the purchase or redemption by a Pool of Pool Securities of another Pool, and the payment:

  (i) for such purchase, in whole or in part, by the Pool making good delivery of portfolio securities to the other Pool; and

  (ii) for such redemption, in whole or in part, by the Pool receiving good delivery of portfolio securities from the other Pool.

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

1. the Ontario Securities Commission is the principal regulator for this application; and;

2. the Filer has provided notice that Section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of the other provinces of Canada (collectively, with Ontario, the **Jurisdictions**, and individually a **Jurisdiction**).

Interpretation

Terms defined in NI 31-103, 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, the Pools and the Managed Accounts

3. The Filer is a corporation incorporated under the laws of Canada and has its head office in Toronto, Ontario. The Filer is registered as a portfolio manager, commodity trading manager, investment fund manager and exempt market dealer in Ontario. The Filer is also registered as a portfolio manager and exempt market dealer in each of the other Jurisdictions.

4. The Filer is, or will be, the manager, trustee, portfolio advisor and promoter of each Pool.

5. Each Pool is, or will be, a trust fund established under the laws of Ontario, and is, or will be, a "mutual fund" under the *Securities Act* (Ontario) (the **OSA**). No existing Pool is, and no future Pool will be, a reporting issuer under the OSA.

6. The Pools will be sold on an exempt basis to investors in each Jurisdiction pursuant to applicable exemptions from the prospectus requirements in that Jurisdiction.

7. The Filer provides discretionary investment management services to its clients pursuant to managed account agreements (each a **Managed Account Agreement**) between such clients and the Filer in respect of the Managed Accounts. Pursuant to a Managed Account Agreement, each client, in accordance with its investment objectives, authorizes the Filer to manage that client's investment portfolio on a fully-discretionary basis, which depending on its size, may be managed by the Filer on a segregated account basis or invested in one or more of the Pools.

8. Neither the Filer nor the existing Pools are in default of securities legislation in any Jurisdiction.

In Specie Transactions

9. In acting on behalf of a Pool, the Filer wishes to be able, in accordance with the investment objectives and investment restrictions of the Pool, to cause the Pool to either invest in Pool Securities, or redeem Pool Securities, of another Pool pursuant to an *In Specie* Transaction.

10. Similarly, when acting for a Managed Account of a client, the Filer wishes to be able, in accordance with the investment objectives and investment restrictions of the client, to cause the client's Managed Account to either invest in Pool Securities, or redeem Pool Securities, pursuant to an *In Specie* Transaction.

11. At the time of an *In Specie* Transaction, the Filer will have in place policies and procedures to enable *In Specie* Transactions between Pools, and between Managed Accounts and Pools.

12. Prior to engaging in an *In Specie* Transaction on behalf of a client's Managed Account, the Managed Account Agreement or other documentation in respect of the Managed Account will contain an authorization from the client allowing the Filer to enter into *In Specie* Transactions on behalf of the client's Managed Account.

13. The Filer's compliance officer will pre-approve each *In Specie* Transaction with respect to the purchase or redemption of Pool Securities by another Pool or by a Managed Account.

14. The portfolio securities transferred in *In Specie* Transactions will meet the investment objectives of the Pool or Managed Account that is acquiring such portfolio securities.

15. The portfolio securities in an *In Specie* Transaction will be valued using the same valuation principles as are used to calculate the net asset value of the Pools.

16. None of the portfolio securities involved in an *In Specie* Transaction will be related issuers of the Filer.

17. Each Pool will keep written records of each *In Specie* Transaction, including records of each purchase and redemption of portfolio securities and the terms thereof for a period of five (5) years commencing after the end of the financial year in which the trade occurred, the most recent two (2) years in a reasonably accessible place.

18. The Filer considers that effecting *In Specie* Transactions will be beneficial to the Pools and Managed Accounts in that they will reduce transaction costs on the acquisition or disposition of Pool Securities for the applicable Pool or Managed Account.

Decision

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

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

1. in connection with an *In Specie* Transaction where a Pool acquires Pool Securities of another Pool:

   (a) the other Pool would, at the time of payment, be permitted to purchase the portfolio securities;

   (b) the portfolio securities are acceptable to the Filer as portfolio manager of the other Pool and meet the other Pool's investment objectives;

   (c) the value of the portfolio securities is at least equal to the issue price of the Pool Securities of the other Pool for which they are payment, valued as if the portfolio securities were portfolio assets of the other Pool;

   (d) none of the portfolio securities which are the subject of the *In Specie* Transaction will be securities of related issuers of the Filer; and

(e) the Filer will keep written records of each *In Specie* Transaction in a financial year of the other Pool, reflecting the details of the portfolio securities delivered to the other Pool and the value assigned to such portfolio securities, for five (5) years after the end of the financial year of the other Pool, the most recent two (2) years in a reasonably accessible place;

2. in connection with an *In Specie* Transaction where a Pool redeems Pool Securities of another Pool:

(a) the portfolio securities are acceptable to the Filer as portfolio manager of the Pool acquiring the portfolio securities and meet the Pool's investment objectives;

(b) the value of the portfolio securities is equal to the amount at which those portfolio securities were valued in calculating the net asset value per security used to establish the redemption price;

(c) none of the portfolio securities which are the subject of the *In Specie* Transaction will be securities of related issuers of the Filer; and

(d) the Filer will keep written records of each *In Specie* Transaction in a financial year of the other Pool, reflecting the details of the portfolio securities delivered by the other Pool and the value assigned to such portfolio securities, for five (5) years after the end of the financial year of the Pool, the most recent two (2) years in a reasonably accessible place;

3. in connection with an *In Specie* Transaction where a Managed Account acquires Pool Securities:

(a) the Filer obtains the prior written consent of the client of the Managed Account before it engages in any *In Specie* Transaction and such consent has not been revoked;

(b) the Pool would, at the time of payment, be permitted to purchase the portfolio securities;

(c) the portfolio securities are acceptable to the Filer as portfolio manager of the Pool and meet the Pool's investment objectives;

(d) the value of the portfolio securities is at least equal to the issue price of the Pool Securities for which they are payment, valued as if the portfolio securities were portfolio assets of the Pool;

(e) the client of the Managed Account has not provided notice to terminate its Managed Account;

(f) none of the portfolio securities which are the subject of the *In Specie* Transaction will be securities of related issuers of the Filer;

(g) the account statement next prepared for the Managed Account will describe the portfolio securities delivered to the Pool and the value assigned to such portfolio securities; and

(h) the Filer will keep written records of each *In Specie* Transaction in a financial year of the Pool, reflecting the details of the portfolio securities delivered to the Pool and the value assigned to such portfolio securities, for five (5) years after the end of the financial year of the Pool, the most recent two (2) years in a reasonably accessible place;

4. in connection with an *In Specie* Transaction where a Managed Account redeems Pool Securities:

(a) the Filer obtains the prior written consent of the client of the Managed Account before it engages in any *In Specie* Transaction and such consent has not been revoked;

(b) the portfolio securities are acceptable to the Filer as portfolio manager of the Managed Account and meet the Managed Account's investment objectives;

(c) the value of the portfolio securities is equal to the amount at which those portfolio securities were valued in calculating the net asset value per security used to establish the redemption price;

(d) the client of the Managed Account has not provided notice to terminate its Managed Account;

(e) none of the portfolio securities which are the subject of the *In Specie* Transaction will be securities of related issuers of the Filer;

(f) the account statement next prepared for the Managed Account will describe the portfolio securities delivered to the Managed Account and the value assigned to such portfolio securities; and

(g) the Filer will keep written records of each *In Specie* Transaction in a financial year

of the Pool, reflecting the details of the portfolio securities delivered by the Pool and the value assigned to such portfolio securities, for five (5) years after the end of the financial year of the Pool, the most recent two (2) years in a reasonably accessible place; and

5. The Filer does not receive any compensation in respect of any *In Specie* Transaction and, in respect of any delivery of securities further to an *In Specie* Transaction, the only charges paid by the applicable Pool or Managed Account are administrative charges levied by the custodian of the Pools and Managed Accounts.

"Raymond Chan"
Manager, Investment Funds Branch
Ontario Securities Commission

2.1.9 BNP Paribas Investment Partners Canada Ltd. and BNP Paribas Global Equity Exposure Fund

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – exemption from sections 2.8(1)(d) and (f)(i) of NI 81-102 to permit the Fund when it opens or maintains a long position in a standardized future or forward contract or when it enters into or maintains a swap position and during the periods when the Fund are entitled to receive payments under the swap, to use as cover, an option to sell an equivalent quantity of the underlying interest of the standardized future, forward or swap.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 2.8(1)(d), 2.8(1)(f)(i).

April 20, 2012

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
BNP PARIBAS INVESTMENT PARTNERS
CANADA LTD.
(the Filer)

AND

BNP PARIBAS GLOBAL EQUITY EXPOSURE FUND
(the Fund)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from BNP Paribas Investment Partners Canada Ltd. (the **Filer**) for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for an exemption relieving BNP Paribas Global Equity Exposure Fund (the **Fund**) from the requirements in sections 2.8(1)(d) and 2.8(1)(f)(i) of National Instrument 81-102 *Mutual Funds* (**NI 81-102**) to permit the Fund when the Fund:

(a) opens or maintains a long position in a debt-like security that has a component that is a long position in a forward contract or in a standardized future or forward contract; or

(b) enters into or maintains a swap position and during the periods when the Fund is entitled to receive payments under the swap;

to use as cover, an offsetting right or obligation to sell an equivalent quantity of the underlying interest of the standardized future, forward or swap (the **Exemption Sought**).

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

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

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each jurisdiction where the Filer is a reporting issuer, namely British Columbia, Alberta,

Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, the Northwest Territories, Nunavut and Yukon (the **Other Jurisdictions**).

Interpretation

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

Representations

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

1. The Fund is an open-end mutual fund trust established under the laws of Ontario by a master declaration of trust dated February 4, 2005.

2. The Filer is the trustee, principal distributor, investment fund manager, portfolio manager and administrator of the Fund. The Filer is registered in the Province of Ontario as an investment fund manager, adviser in the category of portfolio manager, a commodity manager and an exempt market dealer.

3. The Fund, by its trustee, entered into a management agreement dated February 4, 2005 (the **Management Agreement**) with the Filer. Pursuant to the Management Agreement, the Fund has appointed the Filer to provide it with all necessary administrative and management services and to act as principal distributor of the Fund. These services include providing, or arranging for the provision of, investment advice on the purchase and sale of portfolio securities, portfolio management and the calculation of net asset values of the Fund, where necessary. The Filer may provide these services directly or it may retain agents to perform these services.

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

5. The Fund has been the subject of a continuous disclosure review conducted by staff of the Commission in which the manner of the Fund's compliance with certain cash cover rules in NI 81-102 has been discussed. As a result of such discussions, the Filer is making this application on behalf of the Fund.

6. The investment objective and strategies of the Fund are set out in its simplified prospectus. The Fund's objective is to achieve long-term capital appreciation by obtaining an enhanced exposure to equity markets around the world through the use of derivatives.

7. The Fund was not created to be offered to investors on a stand-alone basis. Rather, it was created to serve as an underlying fund for other investment products, being segregated funds or mutual funds that use both fixed income instruments and economic exposure to equity markets to achieve their investment objectives.

8. The Fund is not available directly to the general public. The Fund has filed disclosure documents and otherwise conforms to the requirements of NI 81-102 in order to enable it to be an underlying fund for mutual funds sold to the public in accordance with NI 81-102.

9. When specified derivatives are used for non-hedging purposes, the Fund is subject to the cover requirements of NI 81-102. Specifically, sections 2.8(1)(d) and 2.8(1)(f)(i) of NI 81-102 do not permit covering a long position in a standardized future or forward contract or a position in a swap for a period when a Fund is entitled to receive payments under the swap, in whole or in part with a right or obligation to sell an equivalent quantity of the underlying interest of the future, forward or swap. Accordingly, these sections of NI 81-102 do not permit the use of put options or short future, forward or swap positions to cover long future, forward or swap positions.

10. Regulatory regimes in other countries as well as accepted investment practice recognize the hedging properties of options for all categories of derivatives, including long positions evidenced by standardized futures or forwards or in respect of swaps where a fund is entitled to receive payments from the counterparty, provided they are covered by an amount equal to the difference between the market price of a holding and the strike price of the option that was bought or sold to hedge the position. NI 81-102 effectively imposes the requirement to overcollateralize, since the maximum liability to the fund under the scenario described is equal to the difference between the market value of the long position and the exercise price of the option. Overcollateralization imposes a cost on a mutual fund.

11. Section 2.8(1)(c) of NI 81-102 permits a mutual fund to write a put option and cover it by holding an offsetting put option on an equivalent quantity of the underlying interest of the written put option. This position has similar risks as a long position in a future, forward or swap. The Filer submits that the Fund should be permitted to cover a long position in a future, forward or swap with a put option or short future, forward or swap position.

Decision

The principal regulator is satisfied that the decision meets the test contained 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) when the Fund enters into or maintains a swap position for periods when the Fund would be entitled to receive fixed payments under the swap, the Fund holds:

(i) cash cover in an amount that, together with margin on account for the swap and the market value of the swap, is not less than, on a daily mark-to-market basis, the underlying market exposure of the swap;

(ii) a right or obligation to enter into an offsetting swap on an equivalent quantity and with an equivalent term and cash cover that, together with margin on account for the position, is not less than the aggregate amount, if any, of the obligations of the Fund under the swap less the obligations of the Fund under such offsetting swap; or

(iii) a combination of the positions referred to in subparagraphs (i) and (ii) that is sufficient, without recourse to other assets of the Fund, to enable the Fund to satisfy its obligations under the swap;

(b) when the Fund opens or maintains a long position in a debt-like security that has a component that is a long position in a forward contract, or in a standardized future or forward contract, the Fund holds:

(i) cash cover in an amount that, together with margin on account for the specified derivative and the market value of the specified derivative, is not less than, on a daily mark-to-market basis, the underlying market exposure of the specified derivative;

(ii) a right or obligation to sell an equivalent quantity of the underlying interest of the future or forward contract, and cash cover that, together with margin on account for the position, is not less than the amount, if any, by which the market price of the future or forward contract exceeds the strike price of the right or obligation to sell the underlying interest; or

(iii) a combination of the positions referred to in subparagraphs (i) and (ii) that is sufficient, without recourse to other assets of the Fund, to enable the Fund to acquire the underlying interest of the future or forward contract;

(c) the Fund will not (i) purchase a debt-like security that has an option component or an option; or (ii) purchase or write an option to cover any position under section 2.8(1)(b), (c), (d), (e) and (f) of NI 81-102, if immediately after the purchase or writing of such option, more than 10% of the net assets of the Fund, taken at market value at the time of the transaction, would be made up of (A) purchased debt-like securities that have an option component or purchased options, in each case, held by the Fund for purposes other than hedging, or (B) options used to cover any positions under section 2.8(1)(b), (c), (d), (e) and (f) of NI 81-102;

(d) on the date that is the earlier of (i) the date when an amendment to the annual information form of the Fund is filed for reasons other than the Exemption Sought and (ii) the date that the renewal annual information form of the Fund is receipted, the Fund shall

(i) disclose the nature and terms of the Exemption Sought in the annual information form of the Fund; and

(ii) include a summary of the nature and terms of the Exemption Sought in the simplified prospectus of the Fund under the Investment Strategies section or in the introduction to Part B of the simplified prospectus with a cross reference thereto under the Investment Strategies section for the Fund; and

(e) this decision will terminate on the coming into force of any securities legislation relating to the use as cover of a right or obligation to sell an equivalent quantity of the underlying interest of the standardized future, forward or swap in compliance with section 2.8 of NI 81-102.

"Darren McKall"
Investment Funds Branch
Ontario Securities Commission

2.1.10 Fiera Capital Corporation and the Investment Funds listed in Schedule A et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted from s. 13.5(2)(a) of NI 31-103 to permit the registered adviser, acting on behalf of the funds managed by it, to purchase securities of related issuers.

Applicable Legislative Provisions

National Instrument 31-103 Registration Requirements and Exemptions, ss. 13.5(2)(a), 15.1.

May 1, 2012

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
FIERA CAPITAL CORPORATION

AND

IN THE MATTER OF
THE INVESTMENT FUNDS LISTED IN SCHEDULE A
AND ANY INVESTMENT FUNDS THAT MAY BE
ESTABLISHED IN THE FUTURE FOR WHICH THE
FILER ACTS AS MANAGER AND/OR ADVISER
(the Funds)

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:

(a) existing investment funds and future investment funds of which the Filer is the manager and/or the adviser and to which Regulation 81-102 *Mutual Funds* (**Regulation 81-102**) applies (each a **Mutual Fund** and collectively the **Mutual Funds**);

(b) existing investment funds and future investment funds of which the Filer is the manager and/or adviser and to which Regulation 81-107 *respecting Independent Review Committee for Investment Funds* (**Regulation 81-107**), but not Regulation 81-102, applies (each a **Regulation 81-107 Fund** and collectively, the **Regulation 81-107 Funds**); and

(c) existing mutual funds and future mutual funds of which the Filer is the manager or adviser and to which Regulation 81-102 does not apply (each, a **Pooled Fund** and collectively, the **Pooled Funds**);

(the Mutual Funds, the Regulation 81-107 Funds and the Pooled Funds are collectively referred to as the **Funds**) for a decision under the securities legislation of the Jurisdictions (**Legislation**) for an exemption from the provision of section 13.5(2)(a) of Regulation 31-l03 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**Regulation 31-103**) prohibiting a Fund from making an investment in any issuer in which a responsible person or an associate of a responsible person is a partner, officer or director (**Related Issuer**) unless this fact is disclosed to the client and the written consent of the client is obtained before the investment is made (**Requested Relief**).

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 the application herein;

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

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

Interpretation

Terms defined in Regulation 11-102, Regulation 14-101 *respecting Definitions*, Regulation 81-102 or Regulation 81-107 and Regulation 31-103 have the same respective meanings if used in this decision, unless otherwise defined herein.

Representations

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

The Filer

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

2. The Filer is registered in:

   (a) Québec as investment fund manager, exempt market dealer, portfolio manager and derivatives portfolio manager;

   (b) Ontario as investment fund manager, exempt market dealer, portfolio manager and commodity trading manager;

   (c) each of the other provinces and territories of Canada as exempt market dealer and portfolio manager; and

   (d) Manitoba as adviser pursuant to the *Futures Commodity Act* (Manitoba).

3. The Filer is a reporting issuer in all Canadian provinces and territories and its securities are listed and posted for trading on the TSX under the symbol “FSZ”.

The Acquisition

4. On February 24, 2012, the Filer entered into an asset purchase agreement (**Acquisition Agreement**) with National Bank of Canada (**National Bank**) and Natcan Investment Management Inc. (**Natcan**), an indirect wholly-owned subsidiary of National Bank, pursuant to which, subject to the terms and conditions set forth in the Acquisition Agreement, the Filer will acquire substantially all of the business assets of Natcan (**Acquisition**). The purchase price for the Acquisition will be paid, in part, by the Filer issuing class A subordinate voting shares (**Class A Shares**) to Natcan, representing 35% of the issued and outstanding voting securities of the Filer following completion of the Acquisition, along with two options to increase its stake to 40%.

5. Considering that further to the Acquisition, Fiera is being acquired and is not acquiring any interest in any company related to Natcan, upon completion of the Acquisition, Fiera will not have any new associate or affiliate.

6. Upon completion of the Acquisition, on April 2, 2012 (**Closing**), the Filer changed its name to Fiera Capital Corporation.

7. In addition and according to the terms of the Acquisition Agreement, National Bank will have the right to appoint two directors on the board of directors of the Filer. Upon completion of the Acquisition, Messrs. Luc Paiement and Louis Vachon will be appointed as directors of the Filer.

National Bank

8. Mr. Louis Vachon currently acts as Director, President and Chief Executive Officer of National Bank and Mr. Luc Paiement currently acts as Executive Vice-President – Wealth Management, National Bank.

9. The Filer and the Funds currently deal at arm's length with National Bank and National Bank's affiliates. The Filer expects that, following completion of the Acquisition, the Filer and the Funds will continue to deal at arm's length with National Bank and its affiliates. However, completion of the Acquisition will result in the creation of a new Related Issuer.

10. National Bank is a Canadian chartered bank. The common shares of National Bank currently are listed and posted for trading on the TSX under the trading symbol "NA".

11. National Bank regularly issues listed and non-listed debt securities as well as rated and non-rated debt securities.

12. Upon completion of the Acquisition, Desjardins société financière inc. (**DSF**), an indirect wholly-owned subsidiary of Fédération des caisses Desjardins du Québec (**Desjardins**) will own class B special voting shares of the Filer, representing approximately 11% of all issued and outstanding shares of the Filer. In addition, Desjardins is a Related Issuer of the Filer as it has the right to appoint two directors on the board of directors of the Filer.

13. The Filer intends to obtain the approval of the IRC of each of the Mutual Funds and NI 81-107 Funds in order to, amongst other things, invest in securities of National Bank, the whole in accordance with the requirements of Regulation 81-107.

The Funds

14. Each of the Funds is or will be a mutual fund established under the laws of Québec or Ontario or one of the other Passport Jurisdictions.

15. The Filer or an affiliate of the Filer will act as the manager and/or adviser of each Future Mutual Funds, Future NI 81-107 or Future Pooled Fund.

16. Each Mutual Fund and NI 81-107 Fund is, or will be, a reporting issuer under the securities legislation of one or more Jurisdictions.

17. The Pooled Funds are or will be offered for sale on an exempt basis pursuant to available prospectus exemptions from the prospectus requirements in one or more of the Jurisdictions. None of the Pooled Funds are or will be a reporting issuer in any Jurisdictions.

18. Each of the Funds that will rely on the Requested Relief has or will have an investment objective that would permit investments in securities of financial services issuers such as National Bank.

19. The Filer and the Funds are not in default of securities legislation in any Jurisdiction.

IRC

20. Each of the Mutual Funds and NI 81-107 Funds has an independent review committee (**IRC**) appointed in a manner consistent with the requirements of Regulation 81-107.

21. Each of the Pooled Funds has or will have an IRC appointed in a manner consistent with the requirements of Regulation 81-107 as if Regulation 81-107 applied to the Pooled Funds.

22. As of April 14, 2011, the Canadian Securities Authorities (**CSA**) granted a relief from section 4.2(1) of Regulation 81-102 authorizing the Filer when acting on behalf of Mutual Funds to enter into inter-fund trades with Pooled Funds or NI 81-107 Funds. In addition, as of February 1, 2011, the CSA issued a relief from section 13.5 (2)(b) of Regulation 31-101 to authorize the Filer when acting as manager or adviser of the Funds or the managed accounts for which the Filer acts as portfolio adviser to enter into inter-fund trades (the decisions are collectively referred to as the **Inter-Fund Trading Decisions**).

23. The Filer follows the conditions and procedures contained in the Inter-Fund Trading Decisions when it enters into inter-fund trades on behalf of the Funds.

Regulatory Restriction to invest in securities of Related Issuer

24. According to section 13.5(2)(a) of Regulation 31-103, a registered adviser must not cause an investment portfolio managed by it, including an investment fund for which it acts as adviser to purchase a security of a Related Issuer unless this fact is disclosed to its client and the written consent of the client is obtained before the purchase (**Section 13.5(2)(a) Regulation 31-103 Restriction**). Policy Statement to Regulation 31-103 *respecting Registration*

Requirements, Exemptions and Ongoing Registration Obligations (**PS 31-103**) provides that when the client is an investment fund, the disclosure should be provided to and the consent obtained from, each security holder of the investment fund in order to be meaningful.

25. Section 6.2 of Regulation 81-107 provides the Mutual Funds with an exemption from the Section 13.5(2)(a) Regulation 31-103 Restriction in respect of purchasing exchange-traded securities, such as common shares, in the secondary market if the Mutual Fund's IRC has approved the investment under Section 5.2(2) of Regulation 81-107. It does not permit the Mutual Funds to purchase not listed and traded securities of Related Issuers, such as debt securities (**NET Debt Securities**).

26. Regulation 81-107 does not apply to the Pooled Funds as they are not reporting issuers.

27. Should the Pooled Funds be governed by Regulation 81-107, the Requested Relief with respect to the purchase of listed securities would not be necessary as they could have been exempted from the restriction provided for in Section 13.5(2)(a) of Regulation 31-103 by having their IRC approve their investment in listed securities of Related Issuers.

28. Accordingly, in the absence of the Requested Relief, the Filer may not cause the Pooled Funds to purchase securities of Related Issuers or cause the Mutual Funds or the NI 81-107 Funds to purchase NET Debt Securities, as it is practically impossible to obtain the consent of all security holders of all such Funds in situation where issuers become Related Issuers after a person has become a security holder of a Fund.

29. The Filer has determined that it would be in the best interests of the Funds to receive the Requested Relief.

30. Certain Related Issuers of the Filer are significant issuers of securities and they are issuers of debt instruments. The Filer considers that the Funds should have access to such securities for the following reasons:

    (a) there is a limited supply of highly rated corporate debt;

    (b) diversification is reduced to the extent that a Fund is limited with respect to investment opportunities; and

    (c) to the extent that a Fund seeks to track or outperform a benchmark, it is important for the Fund to be able to purchase any securities included in the benchmark. NET Debt Securities of Related Issuers may be included in such Canadian debt indices.

31. Where the NET Debt Security is purchased by a Fund in a primary distribution or treasury offering (**Primary Offering**) pursuant to the Requested Relief:

    (i) the debt security, other than an asset backed commercial paper security, will have a term to maturity of 365 days or more and will be issued by a Related Issuer that has been given and continues to have, at the time of purchase, an "approved credit rating" by an approved credit rating organization; and

    (ii) the terms of the Primary Offering, such as the size and the pricing, will be a matter of public record as evidenced in a prospectus, offering memorandum, press release or other public document.

32. Where the NET Debt Security is purchased by a Fund in the secondary market pursuant to the Requested Relief and not in a Primary Offering, the debt security has been given and continues to have, at the time of purchase, an "approved credit rating" by an approved credit rating organization.

Decision

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

The decision of the Decision Maker under the Legislation is that the Requested Relief is granted to permit the Filer to purchase exchange-traded securities of Related Issuers on behalf of the Pooled Funds provided that:

    (a) the investment is made in accordance with or is necessary to meet the Pooled Fund's investment objective;

    (b) the Pooled Funds maintain an IRC that is composed in manner consistent with section 3.7 of Regulation 81-107 and conducts itself in a manner that complies with the standard of care set out in section 3.9 of Regulation 81-107 as if Regulation 81-107 applied to the Pooled Fund;

(c) at the time of the purchase the IRC of the Fund has approved the transaction in accordance with Section 5.2(2) of NI 81-107;

(d) the Filer complies with section 5.1 of Regulation 81-107, and the Filer and the IRC of the Pooled Funds will comply with section 5.4 of Regulation 81-107 for any standing instructions the IRC provides in connection with the purchase of securities of a Related Issuer;

(e) the Filer acting on behalf of a Pooled Fund purchases the securities of a Related Issuer on a stock exchange on which such securities are listed and traded;

(f) on or before the 90th day after the end of each financial year of a Pooled Fund, the Filer files with the applicable securities regulatory authorities or regulator the particulars of any such investments;

(g) in connection with any instance that the IRC of a Pooled Fund becomes aware that the Pooled Fund has not complied with the conditions of the Requested Relief, the IRC of the Pooled Fund complies with the reporting obligation in section 4.5 of Regulation 81-107 as if Regulation 81-107 applied to the Pooled Fund; and

(h) the decision with respect to purchases of exchange-traded securities by the Pooled Funds will expire on the coming into force of any securities legislation relating to purchases of exchange-traded securities by mutual funds not governed by Regulation 81-102.

The decision of the Decision Maker under the Legislation is that the Requested Relief is granted to permit the Filer to purchase NET Debt Securities on behalf of the Funds provided that:

(a) the investment is made in accordance with, or is necessary to meet, the investment objective of the Fund;

(b) at the time of the purchase the IRC of the Fund has approved the transaction in accordance with Section 5.2(2) of Regulation 81-107;

(c) the Pooled Funds maintain an IRC that is composed in manner consistent with section 3.7 of Regulation 81-107 and conducts itself in a manner that complies with the standard of care set out in section 3.9 of Regulation 81-107 as if Regulation 81-107 applied to the Pooled Fund;

(d) the manager of the Fund complies with section 5.1 of Regulation 81-107 and the manager and the IRC of the Fund comply with section 5.4 of Regulation 81-107 for any standing instructions the IRC provides in connection with the transactions;

(e) in the case of NET Debt Securities to be purchased in a Primary Offering:

  (i) the size of the Primary Offering is at least $100 million;

  (ii) at least two purchasers who are independent, arm's length purchasers, which may include "independent underwriters" within the meaning of Regulation 33-105 *Underwriting Conflicts*, collectively purchase at least 20% of the Primary Offering;

  (iii) no Fund shall participate in the Primary Offering if following its purchase the Fund together with related Funds will hold more than 20% of the securities issued in the Primary Offering;

  (iv) no Fund shall participate in the Primary Offering if following its purchase the Fund would have more than 5% of its net assets invested in NET Debt Securities of a Related Issuer;

  (v) the price paid for the securities by a Fund in the Primary Offering shall be no higher than the lowest price paid by any of the arm's length purchasers who participate in the Primary Offering;

(f) in the case of NET Debt Securities to be purchased in the secondary market:

  (i) the security has been given and continues, at the time of the purchase, to have an "approved credit rating" by an "approved credit rating organization" within the meaning of those terms in Regulation 81-102;

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

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

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

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

(1) the Fund may pay the price for the security at which an independent, arm's length seller is willing to sell the security, or

(2) if the Fund does not purchase the security from an independent, arm's length seller, the 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;

(iv) the transaction complies with any applicable "market integrity requirements" as defined in Regulation 81-107;

(g) any inter fund trade between the Funds involving the purchase of NET Debt Securities will be concluded in accordance with section 6.1(2) of Regulation 81-107;

(h) no later than the time a Mutual Fund or a NI 81-107 Fund files its annual financial statements, or on or before the 90th day after the end of each financial year of a Pooled Fund, the Filer files with the securities regulatory authority or regulator the particulars of any investments made in reliance on this relief;

(i) the IRC of the Fund complies with section 4.5 of Regulation 81-107 in connection with any instance that it becomes aware that the Filer did not comply with any of the conditions of this decision; and

(j) the decision with respect to NET Debt Securities purchased pursuant to a Primary Offering or in the secondary market will expire on the coming into force of any securities legislation relating to fund purchases of NET Debt Securities purchased pursuant to a Primary Offering or in the secondary market.

"Patrick Déry"
Superintendent, Client Services, Compensation and Distribution

APPENDIX "A"

CURRENT FUNDS

Mutual Funds

Fiera Sceptre Balanced Fund
Fiera Sceptre Bond Fund
Fiera Sceptre High Income Fund
Fiera Sceptre Canadian Equity Fund
Fiera Sceptre Equity Growth Fund
Fiera Sceptre Global Equity Fund
Fiera Sceptre Money Market Fund
Fiera Sceptre Large Cap Canadian Equity Fund
Fiera Sceptre Core Canadian Equity Fund
Fiera Sceptre U.S. Equity Fund
Fiera Sceptre Tactical Bond Yield Fund

The Natcan QSSP II Investment Fund Inc (the unitholders of this investment fund are invited to vote for or against the proposed change of the investment fund manager rom Natcan to the Filer on April 18, 2012)

NI 81-107 Funds

Fiera High Income Trust
Fiera Sceptre Tactical Bond Fund

Pooled Funds established under Quebec Laws

Fiera US Equity Fund
Fiera Canadian Bond Fund — Ethical
Fiera International Equity Fund
Fiera Money Market Fund
Fiera Canadian Equity Ethical Fund
Fiera Canadian Equity Growth Fund
Fiera Tactical Fixed Income Fund
Fiera Global Equity Fund
Fiera US Equity Ethical Fund
Fiera Diversified Lending Fund
Fiera Infrastructure Fund I
Fiera Diversified Balanced Fund
Fiera Long Bond Fund
Fiera Infrastructure Bond Fund

Natcan Pooled Funds established under Quebec Laws that will be transferred to the Filer upon Closing

Natcan Money Market Fund
Natcan Canadian Bond Fund
Natcan Corporate Bond Fund
Natcan Canadian Bond Index Plus Fund
Natcan Canadian Equity Fund
Natcan Small Cap Equity Fund
Natcan Social Value Canadian Equity Fund
Natcan U.S. Equity Fund
Natcan U.S. Equity Index Fund
Natcan Global Equity Fund
Natcan International Equity Fund
Natcan Currency Management Fund
Natcan Corporate Universe Bond Fund
Natcan U.S. Small Cap Fund
Natcan Arbitrage Short-Term Bond Fund
Natcan Global Focused Fund
Natcan Canadian Focused Fund

Natcan Canadian Equity Growth Fund
Natcan ESG Corporate Bond Fund
Natcan Global Dividend & Capital Appreciation Fund
Natcan Canadian Momentum Fund
Natcan LDI Provincial Bond 1-5 Years Fund
Natcan LDI Provincial Bond 5-10 Years Fund
Natcan LDI Corporate Bond Rated "A" and Over 1-5 Years Fund
Natcan LDI Corporate Bond Rated "A" and Over 5-10 Years Fund
Natcan LDI Federal Real Return Bond Fund
Natcan LDI 2X Provincial Bond 5-10 Years Fund
Natcan LDI 2X Provincial Bond 10-20 Years Fund
Natcan Canadian Dividend & Capital Appreciation Fund
Natcan Quantitative Canadian Dividend Fund
Natcan LDI Federal Bond 1-5 Years Fund
Natcan LDI Federal Bond 5-10 Years Fund
Natcan LDI Federal Bond 10-20 Years Fund
Natcan LDI Federal Bond 20+ Years Fund
Natcan LDI 2X Federal Bond 5-10 Years Fund
Natcan LDI 2X Federal Bond 10-20 Years Fund
Natcan LDI 2X Federal Bond 20+ Years Fund
Natcan LDI 3X Federal Real Return Bond Fund
Natcan Currency Management and Arbitrage Short-Term Fund
Natcan LDI 3X Government Long Term Bond Fund
Natcan LDI 3X Federal and Provincial Mid Term Bond Fund

Pooled Funds established under Ontario Laws

Sceptre Pooled Investment Fund - Small Capitalization Section
Sceptre Pooled Investment Fund- Canadian Equity Section
Sceptre Pooled Investment Fund - EFT Section
Sceptre Pooled Investment Fund - Foreign Equity Section
Sceptre Pooled Investment Fund - Balanced Core Section
Fiera Private Wealth Opportunities Fund
Fiera Private Wealth Income Fund
Fiera Active Fixed Income Fund
Fiera Short Term Investment Fund
Fiera Balanced Fund
Fiera Canadian Equity Value Fund
Fiera Private Wealth US Equity Fund
Fiera North American Market Neutral Fund
Fiera Market Neutral Equity Fund
Fiera Global Macro Fund
Fiera Private Wealth Canadian Equity Fund
Fiera Long/Short Equity Fund
Fiera Absolute Bond Yield Fund
Fiera Multi-Manager Fund
Fiera Canadian High Income Equity Fund

2.1.11 Galileo Funds Inc.

Headnote

National Policy 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions – approval granted for indirect change of control of mutual fund manager under s. 5.5(2) of NI 81-102 – indirect change in control of the manager will not result in any change in how the manager operates or acts in relation to the mutual funds – decision revokes and replaces prior decision.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, s. 5.5(2).

March 28, 2012

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

AND

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

AND

IN THE MATTER OF
GALILEO FUNDS INC.
(the Manager)

DECISION

Background

The principal regulator in the Jurisdiction (the Decision Maker) has received an application from the Manager for a decision under the securities legislation of the Jurisdiction of the principal regulator (the Legislation) for:

(a) approval pursuant to subsection 5.5(2) of National Instrument 81-102 *Mutual Funds* (NI 81-102) of an indirect change of control of the Manager (the Approval Sought); and

(b) a revocation of the prior decision dated December 8, 2011 (the Original Decision) granting approval pursuant to subsection 5.5(2) of NI 81-102 of an indirect change of control of the Manager.

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

Interpretation

Defined terms contained in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning in this decision unless they are otherwise defined in this decision.

Representations

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

The Manager and the Funds

1. The Manager is a corporation incorporated under the laws of the Province of Ontario and is registered in Ontario in the category of investment fund manager. The Manager's head office is located in Ontario. The Manager is not in default of securities legislation in any Jurisdiction.

2. The Manager is the investment fund manager of Galileo High Income Plus Fund and Galileo Global Opportunities Fund (collectively, the Funds).

3. The Manager is a wholly-owned subsidiary of Galileo Global Equity Advisors Inc. (GGEA), a corporation incorporated under the laws of the Province of Ontario.

4. GGEA is registered: (a) in Ontario, as an exempt market dealer and portfolio manager; (b) in Alberta, as a portfolio manager; (c) in Manitoba, as a portfolio manager; (d) in British Columbia, as a portfolio manager; (e) in Nova Scotia, as a portfolio manager; (f) in Québec, as a portfolio manager and an exempt market dealer; (g) in New Brunswick, as an exempt market dealer; and (h) in Newfoundland and Labrador, as an exempt market dealer.

5. Investment advice and portfolio management services to the Funds are provided by GGEA.

6. The Funds are reporting issuers in the Jurisdictions and are not in default of any of the securities law requirements of those Jurisdictions. The securities of the Funds are qualified for distribution in the Jurisdictions by a simplified prospectus and annual information form.

7. The Funds are marketed and distributed through registered dealers.

The Proposed Acquisition

8. As of October 18, 2011, Michael Waring was the controlling shareholder of GGEA, holding 6,874,886,928 Class A common shares in the capital of GGEA, which represented approximately 99.9999985% of the total issued and outstanding common shares of GGEA. On October 18, 2011, Michael Waring entered into an agreement with Michael Wekerle, Stephen Craig, Joseph MacDonald and Paul Sparkes (collectively, the Original Purchasers) pursuant to which Michael Waring agreed to sell approximately 75% of the issued and outstanding common shares of GGEA to the Original Purchasers (the Transaction). Upon closing of the Transaction, the Manager would undergo an indirect change of control as Michael Waring would no longer have sole control of GGEA. Instead, GGEA would be owned by five shareholders, none of whom would own more than 25% of the outstanding shares of GGEA.

9. The Transaction was expected to close on or about December 31, 2011, but did not close as originally anticipated.

10. Pursuant to articles of amendment dated January 6, 2012, all of the issued and outstanding Class A common shares of GGEA were exchanged for 500,000 common shares. On the date hereof, Michael Waring is the sole shareholder of GGEA, holding 500,000 common shares representing 100% of the issued and outstanding shares of GGEA.

11. The Transaction has been modified such that Michael Waring will now sell a portion of his interest in GGEA to two of the Original Purchasers, being Joseph MacDonald and Stephen Craig (together, the Purchasers). It is now contemplated that instead of Michael Waring selling approximately 75% of the issued and outstanding common shares of GGEA to the Original Purchasers, Michael Waring will sell approximately 66?% of the issued and outstanding common shares of GGEA to Joseph MacDonald and Stephen Craig. Following the closing of the Transaction, the issued and outstanding common shares of GGEA will be owned as follows:

Name of Shareholder	Number of Common Shares	% of Total
Michael Waring	166,667.67	33 1/3%
Joseph MacDonald	166,667.67	33 1/3%
Stephen Craig	166,667.66	33 1/3%
Totals	500,000	100%

12. The completion of the Transaction is subject to the satisfaction of closing conditions, including regulatory approvals, and is expected to close on or before March 31, 2012.

Proposed Change of Control

13. The Transaction will result in an indirect change of control of the Manager.

14. The current directors of GGEA and the Manager are Michael Waring, Joseph MacDonald and Evelyn Foo. Following the closing of the Transaction, Stephen Craig will also join the board of directors of GGEA and the Manager.

15. The Purchasers are experienced executives. By adding the Purchasers as shareholders and adding Stephen Craig as a director of both GGEA and the Manager, the Transaction is intended to enhance GGEA's reputation as a leading provider of specialized asset management in Canada, and to assist in growing GGEA's assets under management.

16. A press release describing the Transaction was issued by the Manager on October 18, 2011 and filed on SEDAR. A subsequent press release describing the modifications to the Transaction was issued by the Manager on March 20, 2012 and filed on SEDAR.

17. Securityholder notice describing the Transaction and the resulting change of control was filed on SEDAR and was sent to securityholders of the Funds on October 25, 2011, pursuant to section 5.8(1)(a) of NI 81-102. A notice providing an update about the sale of Michael Waring's holdings (including the revised shareholdings as set out in paragraph 11 of this decision) will be filed on SEDAR and will be sent to securityholders of the Funds either (i) with the annual financial statements and management reports of fund performance of the Funds for those unitholders who have chosen to receive those documents, or (ii) with the annual solicitation of instructions for financial reporting for those unitholders who have chosen not to receive those documents. The notice is expected to be sent on or about March 30, 2012.

18 In respect of the impact of the proposed indirect change of control of the Manager on the management and administration of the Funds:

(a) The indirect change of control of the Manager will have no negative consequences on the ability of the Manager to comply with all applicable regulatory requirements or its ability to satisfy its obligations to the Funds.

(b) Following the Transaction, while Michael Waring will no longer own 100% of the outstanding shares of the Manager, and the shares of the Manager will be indirectly owned by three shareholders each owning one-third of the outstanding shares, the Transaction will not result in any change in how the Manager operates or acts in relation to the Funds. The Transaction will not have a negative impact on the Funds or their securityholders.

(c) There are no current plans to change the Funds' portfolio manager or the individual portfolio managers of GGEA who are responsible for managing the investment portfolios of the Funds within a foreseeable period of time following the closing of the Transaction.

(d) Following the Transaction, Stephen Craig will be appointed as a director and Executive Vice-President of GGEA and the Manager. The other individuals chiefly responsible for the management and administration of the Funds, namely, Michael Waring (President, Chief Executive Officer, Chief Investment Officer and Chief Compliance Officer), Evelyn Foo (Chief Financial Officer and Secretary) and Joseph MacDonald (Chief Operating Officer), will continue in their current capacities. All directors and officers of the Manager following closing of the Transaction will continue to have the requisite integrity and experience to fulfil their roles.

(e) Although the current members of the Funds' independent review committee (IRC) will automatically cease to be members of the IRC by operation of section 3.10(1)(c) of National Instrument 81-107 *Independent Review Committee for Investment Funds* upon the closing of the Transaction, the Manager intends to reappoint them immediately after the closing of the Transaction.

(f) It is not expected that there will be any change to the investment objectives and strategies of the Funds or the expenses that are charged to the Funds as a result of the Transaction.

(g) The proposed Transaction is not expected to impact the financial stability of the Manager or its ability to fulfill its regulatory obligations.

19. The Original Decision issued on December 8, 2011 described how the shareholdings of GGEA would change upon the sale of Michael Waring's interest in GGEA to the Original Purchasers. It is intended that the Original Decision be revoked upon the issuance of this decision, in order to reflect the revised shareholdings set out in paragraph 11 of this decision.

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:

(a) the Approval Sought is granted; and

(b) the Original Decision is revoked and replaced by this decision.

"Sonny Randhawa"
Manager, Investment Funds
Ontario Securities Commission

2.1.12 Teck Resources Limited

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 43-101 Standards of Disclosure for Mineral Projects, s. 9.1 – Prohibition against including inferred resources in an economic analysis – An issuer wants to disclose the results of a study containing an economic evaluation using inferred mineral resources.– The economic analysis using inferred resources is reasonable from a technical point of view and is a material fact in the affairs of the issuer; the issuer will include appropriate cautionary language in all disclosure of the economic analysis using inferred resources; any such disclosure will be accompanied by disclosure of an economic analysis that does not include inferred resources.

Applicable Legislative Provisions

National Instrument 43-101 Standards of Disclosure for Mineral Projects, ss. 2.3(1)(b), 9.1.

April 20, 2012

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

AND

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

AND

IN THE MATTER OF
TECK RESOURCES LIMITED
(the Filer)

DECISION

Background

1 The securities regulatory authority or regulator in each of the Jurisdictions (the Decision Maker) has received an application from the Filer for a decision (the Exemption Sought) under the securities legislation of the Jurisdictions (the Legislation) exempting the Filer, pursuant to section 9.1(1) of National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (NI 43-101), from the prohibition in section 2.3(1)(b) of NI 43-101 against making disclosure of results of an economic analysis that includes or is based on inferred mineral resources.

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

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

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

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

Interpretation

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

Representations

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

The Filer

1. the Filer is a company continued under the *Canada Business Corporations Act* with its registered and principal offices located at Suite 3300, 550 Burrard Street, Vancouver, British Columbia, V6C 0B3;

2. the Filer's business is exploring for, developing and producing natural resources; its activities are organized into business units focused on copper, coal, zinc and energy; the Filer has interests in mining and processing operations in Canada, the United States, Peru and Chile, including the Quebrada Blanca copper mine in Chile;

3. the share capital of the Filer consists of an unlimited number of Class A common shares and Class B subordinate voting shares and an unlimited number of preference shares, issuable in series; as at March 31, 2012, the Filer had a total of 9,353,470 Class A common shares, 576,541,413 Class B subordinate voting shares and no preference shares issued and outstanding; the Class A common shares are listed on the Toronto Stock Exchange under the ticker symbol TCK.A; the Class B subordinate voting shares are listed on the Toronto Stock Exchange under the ticker symbol TCK.B and on the New York Stock Exchange under the symbol TCK;

4. the Filer is a reporting issuer or its equivalent in each of the provinces and territories of Canada and is not in default of securities legislation in any of those jurisdictions;

Quebrada Blanca Mine and Hypogene Project

5. the Quebrada Blanca mine, located in northern Chile is owned by a Chilean private company, Compañía Minera Teck Quebrada Blanca S.A. (CMQB); the Filer owns 90% of the Series A shares of CMQB. Inversiones Mineras S.A., a Chilean private company, owns 10% of the Series A shares and 100% of the Series C shares of CMQB. Empresa Nacional de Minera, a Chilean government entity, owns 100% of the Series B shares of CMQB; when combined with the Series B and Series C shares of CMQB, the Filer's 90% holding of the Series A shares equates to a 76.5% interest in CMQB's total share equity;

6. Quebrada Blanca is an open pit mine that produces ore for both heap leach and lower grade dump leach production;

7. the Quebrada Blanca Phase 2 project involves studying the potential to mine the hypogene resource at Quebrada Blanca; in August 2008, the Filer filed a technical report in respect of the Quebrada Blanca hypogene project (the Quebrada Blanca Hypogene Project) entitled "*NI 43-101 TECHNICAL REPORT ON HYPOGENE MINERAL RESOURCE ESTIMATE AT DEC. 31, 2007 QUEBRADA BLANCA REGION I, CHILE*", prepared in accordance with NI 43-101, which disclosed an inferred mineral resource estimate; subsequently exploration was carried out to further define the hypogene mineralization and a further study was conducted to improve the confidence level associated with the hypogene resource and engineering to an internal pre-feasibility level;

8. the Filer commenced a feasibility study on the Quebrada Blanca Hypogene Project (the Feasibility Study) in 2010 and the draft report is undergoing internal review; the Feasibility Study was prepared under the supervision of qualified persons employed by the Filer or its affiliates;

9. the mine pit design considered by the Feasibility Study was optimized on the basis of 1.436 billion tonnes of probable reserves; the mining schedule contemplates processing an additional 0.325 billion tonnes of inferred resources within the optimized pit; the Feasibility Study identifies a further 0.744 billion tonnes of indicated resources and 1.481 billion tonnes of inferred resources outside of the mine pit design, but within the resource shell; various factors restricted infill drilling of the hypogene deposit within the mine pit area; the Feasibility Study optimization, mine planning and financial analysis considered realistic mining conditions and the likely continuity of the ore body; the mine plan set out in the Feasibility Study contemplates a long-life operation of approximately 39 years; inferred resources constitute approximately 23% of the scheduled reserves and resources of 1.855 billion tonnes included in the mine pit design considered by the Feasibility Study (which includes a portion of the supergene resource not presently included in the supergene mine plan and associated low grade supergene material), and would largely be mined from the seventh year onwards;

10. the Filer intends to:

    (a) disclose the results of the Feasibility Study on the Quebrada Blanca Hypogene Project after the Feasibility Study is complete and has undergone the Filer's internal review process; to the extent final results are available, the Filer expects to include discussion of them in the press release announcing the Filer's Q1 2012 financial results on April 24, 2012; otherwise the Filer may discuss the final results of the Feasibility Study in a subsequent press release or other document; the press release or other document first filed or made available to the public in a jurisdiction of Canada containing the results of the Feasibility Study is referred to as the "Initial Disclosure Document"; and

    (b) file a technical report prepared in accordance with NI 43-101 with respect to the Feasibility Study (the Technical Report) within the time periods set out under section 4.2 of NI 43-101 following the Initial Disclosure Document;

11. both the Initial Disclosure Document and Technical Report may include disclosure of an economic analysis including or based on inferred mineral resources (the Development Case), in addition and as a supplement to the comparison "base case" economic analysis which excludes or is not based on inferred mineral resources (the Base Case);

12. a mine plan including inferred resources within an optimized pit based on probable reserves, and the associated economic analysis, will form the basis of the Filer's investment decisions regarding the Quebrada Blanca Hypogene Project, including the decision on whether or not to commit funding for the project;

13. the Filer considers the inclusion of the Development Case economic analysis in the Technical Report that includes inferred resources, and the disclosure of the Development Case in the Initial Disclosure Document, in addition and as a supplement to the Base Case economic analysis that does not include inferred resources, to be reasonable from a technical point of view; and

14. the Development Case economic analysis is a material fact in the affairs of the Filer.

Decision

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

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

(a) the Filer includes in the Initial Disclosure Document and all other disclosure of the Development Case economic analysis a proximate cautionary statement to investors regarding the uncertainty associated with inferred resources, which addresses the substance of the cautionary language set out in section 2.3(3) of NI 43-101; and

(b) any disclosure of the Development Case economic analysis is accompanied by disclosure of the Base Case economic analysis.

"Andrew Richardson"
Acting Director, Corporate Finance
British Columbia Securities Commission

2.1.13 Dundee Securities Ltd. et al.

Headnote

NP 11-203 – Exemption granted to flow-through limited partnerships from the requirements in National Instrument 81-106 Investment Fund Continuous Disclosure to file an annual information form. Flow-through limited partnerships have a short lifespan and do not have a readily available secondary market.

Applicable Legislative Provisions

National Instrument 81-106 Investment Fund Continuous Disclosure, ss. 9.2, 17.1.

May 7, 2012

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
DUNDEE SECURITIES LTD.
(the "Manager")

AND

IN THE MATTER OF
CANADA DOMINION RESOURCES 2012 LIMITED PARTNERSHIP, CMP 2012 RESOURCE LIMITED PARTNERSHIP, CMP 2011 II RESOURCE LIMITED PARTNERSHIP
(the "Partnership Filers" and, together with the Manager, the "Filers")

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filers for a decision under the securities legislation of the Jurisdiction of the principal regulator ("**Legislation**") for an exemption from (the "**Requested Relief**") the requirement in section 9.2 of National Instrument 81-106 *Investment Fund Continuous Disclosure* ("**NI 81-106**") to prepare and file an annual information form (the "**AIF**").

For the purposes of this Decision, the term "Partnership Filers" shall include other partnerships established by the Manager from time to time that are identical to the existing Partnership Filers in all respects which are material to this decision.

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

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

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 – *Passport System* is intended to be relied upon in each of the other provinces and territories of Canada (together with Ontario, the "**Jurisdictions**").

Interpretation

Terms defined in National Instrument 14-101 – *Definitions* 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. The principal offices of the Filers is located at 1 Adelaide Street East, Toronto, Ontario, M5C 2V9.

2. The Manager is the manager of each Partnership Filer. The Manager and the Partnership Filers are not in default of securities legislation in any Jurisdiction.

3. The Manager is a corporation existing under the laws of the Province of Ontario, is registered in the categories of investment dealer and investment fund manager with the OSC, as an investment dealer and derivatives dealer with the Quebec Autorité des Marchés Financiers, as an investment dealer with the securities commissions of each of the other provinces of Canada and as a dealer member of the Investment Industry Regulatory Organization of Canada.

4. It is a term of the partnership agreement governing each Partnership Filer that the general partner of the Partnership Filer is responsible for controlling the business of the Partnership Filer. Each general partner has delegated the direction of all day-to-day business operations and affairs to the Manager, including the authority to take all measures necessary or appropriate for the business, or ancillary thereto, and to ensure that the Partnership Filers comply with all necessary reporting and administrative requirements.

5. By subscribing for limited partnership units of a Partnership Filer (the "**Units**"), the limited partners of the Partnership Filer (the "**Limited Partners**") have agreed to the irrevokable power of attorney contained in the limited partnership agreement of such Partnership Filer and have thereby, in effect, consented to the granting of the Requested Relief.

6. Since its formation, each Partnership Filer's activities have been limited to (i) completing the issue of Units under its prospectus, (ii) investing its available funds in accordance with its investment objectives, and (iii) incurring expenses as described in its prospectus.

7. The Partnership Filers were formed to invest in certain flow-through shares ("**Flow-Through Shares**") and other securities of companies, limited partnerships, or other issuers whose principal business is mining exploration, development, and/or production, oil and gas exploration, development, and/or production, certain energy production, pulp or paper development, processing, and/or production, forestry development and/or production, or a related resource business, such as a pipeline or service company or utility ("**Resource Companies**") pursuant to agreements ("**Resource Agreements**") between each Partnership Filer and the relevant Resource Company. Under the terms of each Resource Agreement, each Partnership Filer subscribes for Flow-Through Shares of the Resource Company and the Resource Company agrees to incur and renounce to such Partnership Filer expenditures in respect of resource exploration and development which qualify as Canadian exploration expense or as Canadian development expense which may be renounced as Canadian exploration expense to such Partnership Filer.

8. CMP 2012 Resource Limited Partnership is a limited partnership formed pursuant to the *Limited Partnerships Act* (Ontario) (the "**Act**") on November 24, 2011. On January 27, 2012 it became a reporting issuer in each of the Jurisdictions. On or about July 1, 2014, it will be dissolved and the Limited Partners will receive their pro rata share of its net assets. The general partner of the CMP 2012 Resource Limited Partnership is CMP 2012 Corporation, an Ontario company that was incorporated on November 24, 2011.

9. CMP 2011 II Resource Limited Partnership is a limited partnership formed pursuant to the Act on November 16, 2010. On May 26, 2011 it became a reporting issuer in each of the Jurisdictions. On or about July 1, 2013, it will be dissolved and the Limited Partners will receive their pro rata share of its net assets. The general partner of the CMP 2011 II Resource Limited Partnership is CMP 2011 II Corporation, an Ontario company that was incorporated on November 16, 2010.

10. Canada Dominion Resources 2012 Limited Partnership is a limited partnership formed pursuant to the Act on November 24, 2011. On February 28, 2012 it became a reporting issuer in each of the Jurisdictions. On or about July 1, 2014, it will be dissolved and the Limited Partners will receive their *pro rata* share of its net assets. The general partner of the Canada Dominion Resources 2012 Limited Partnership is Canada Dominion Resources 2012 Corporation, an Ontario company that was incorporated on November 24, 2011.

11. It is currently intended that following each Partnership Filer's dissolution that each Partnership Filer will transfer its assets to Dynamic Managed Portfolios Ltd. ("**DMP Ltd.**"), an open-ended mutual fund corporation, on a tax-deferred basis in exchange for DMP Resource Class shares ("**DMP Shares**"), a class of shares authorized by DMP Ltd., which constitutes a separate mutual fund. Upon dissolution of a Partnership Filer, the DMP Shares will be distributed to the Limited Partners of such Partnership Filer, *pro rata*, on a tax-deferred basis.

12. The Partnership Filers are not operating businesses. Rather, the Partnership Filers are short-term special purpose vehicles which are dissolved within approximately 2 years of their formation. The primary investment purpose of the Partnership Filers is not to achieve capital appreciation, although this is a secondary benefit, but rather to obtain for the Limited Partners the significant tax benefits that accrue when Resource Companies renounce resource exploration and development expenditures to the Partnership Filers through the Flow-Through Shares.

13. Based on the dissolution dates noted above, and the comparable structure of future Partnership Filers, each of the Partnership Filers will, while reporting issuers, pass two financial years ending December 31, but will not be in existence as of the third December 31 financial year end.

14. The Units are not and will not be listed or quoted for trading on any stock exchange or market. The Units are not redeemable by the Limited Partners. Generally, Units are not transferred by Limited Partners since Limited Partners must be holders of the Units on the last day of each fiscal year of a Partnership Filer in order to obtain the desired tax deduction.

15. Given the limited range of business activities to be conducted by the Partnership Filers, the short duration of their existence and the nature of the investment of the Limited Partners, the preparation and distribution of an AIF by each Partnership Filer will not be of any benefit to the Limited Partners and may impose a material financial burden on the Partnership Filer. Upon the occurrence of any material change to the Partnership Filer, Limited Partners would receive all relevant information from the material change reports the Partnership Filer is required to file in each of the Jurisdictions.

16. The Filers are of the view the Requested Relief is not against the public interest, is in the best

interests of the Partnership Filers and their Limited Partners and represents the business judgment of the Manager uninfluenced by considerations other than the best interests of the Partnership Filers and their Limited Partners.

Decision

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

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

"Sonny Randhawa"
Manager, Investment Funds Branch
Ontario Securities Commission

2.1.14 Safran S.A.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Dual application for Exemptive Relief Applications – Application for relief from the prospectus and registration requirements for certain trades made in connection with an employee share offering by a French issuer – The issuer cannot rely on the employee exemption in section 2.24 of Regulation 45-106 respecting prospectus and registration 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 are subject to the supervision of the local securities regulator – Canadian employees 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.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25(1), 53(1), 74.
Regulation 45-106 respecting prospectus and registration exemptions, s. 2.24.

April 27, 2012

Translation

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

AND

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

AND

IN THE MATTER OF
SAFRAN S.A.
(the "Filer")

DECISION

Background

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

1. an exemption from the prospectus requirements of the Legislation (the "**Prospectus Relief**") so that such requirements do not apply to

   (a) trades in units (the "**Units**") of Safran International Leverage B (the "**Compartment**"), a compartment of an FCPE named Safran International, which is a *fonds commun de placement d'entreprise* (a form of collective shareholding vehicle of a type commonly used in France for the conservation and custodianship of shares held by employee-investors), made under the Employee Share Offering (as defined below) to or with Qualifying Employees (as defined below) of Canadian Affiliates (as defined below) resident in the Jurisdictions (as defined below) (collectively, the "**Canadian Employees**", and such Canadian Employees who subscribe for Units, the "**Canadian Participants**");

   (b) trades in ordinary shares of the Filer (the "**Shares**") by the Compartment and another compartment of Safran International named Safran International Classic (the "**Transfer Compartment**") to or with Canadian Participants upon the redemption of Units and Transfer Compartment Units (as defined below), respectively, as requested by Canadian Participants;

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

2. an exemption from the dealer registration requirements of the Legislation (the "**Registration Relief**") so that such requirements do not apply to the Safran Group (as defined below, the Compartment, the Transfer Compartment and Natixis Asset Management (the "M**anagement Company**") in respect of the following:

(a) trades in Units made under the Employee Share Offering to or with Canadian Participants not resident in Ontario;

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

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

(the Prospectus Relief and the Registration Relief, being collectively referred to hereinafter as the "**Offering Relief**").

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 decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario; and

(c) the Filer has provided notice that section 4.7(1) of *Regulation 11-102 respecting Passport System* ("**Regulation 11-102**") is intended to be relied upon in British Columbia, Alberta, New Brunswick, Newfoundland and Labrador, Prince Edward Island and Nova Scotia (collectively the "**Other Jurisdictions**" and, together with the Filing Jurisdictions, the "**Jurisdictions**").

Interpretation

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

Representations

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

1. The Filer is a corporation formed under the laws of France with its head office located in France. The Filer is not, and has no current intention of becoming, a reporting issuer under the Legislation or the securities legislation of the Other Jurisdictions. The Shares are principally traded through NYSE Euronext. They are not currently listed for trading on any stock exchange in Canada and there is no intention to have them so listed.

2. The Filer carries on business in Canada through certain subsidiaries that employ Canadian Employees (collectively, the "**Canadian Affiliates**" and, together with the Filer and other affiliates of the Filer, the "**Safran Group**"), including Messier Dowty Inc., Morpho Canada Inc., Safran Electronics Canada Inc., Turbomeca Canada Inc., L-1 Secure Credentialing Canada Co., Comnetix Inc. and Bioscrypt Inc.

3. Each of the Canadian Affiliates is a direct or indirect controlled subsidiary of the Filer and is not, and has no current intention of becoming, a reporting issuer under the Legislation or the securities legislation of the Other Jurisdictions.

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

5. The Filer has established a global employee share offering for employees of the Safran Group (the "**Employee Share Offering**"). The Employee Share Offering involves an offering of Shares to be subscribed through the Compartment (the "**Plan**").

6. Only persons who are employees of a member of the Safran Group during the subscription period for the Employee Share Offering and who meet other employment criteria (the "**Qualifying Employees**") will be allowed to participate in the Employee Share Offering.

7. The Compartment and the Transfer Compartment have been established for the purpose of implementing the Employee Share Offering. There is no current intention for the Compartment and the Transfer Compartment to become reporting issuers under the Legislation or the securities legislation of the Other Jurisdictions.

8. The Safran International FCPE is, and the Compartment and the Transfer Compartment are compartments of, an FCPE, which is a shareholding vehicle of a type commonly used in France for the conservation and custodianship of shares held by employee investors.

9. The Safran International FCPE, the Compartment and the Transfer Compartment will be approved by and registered with, the Autorité des marchés financiers in France (the "**French AMF**") prior to the commencement of the subscription period in respect of the Employee Share Offering.

10. All Units acquired under the Plan by Canadian Participants will be subject to a hold period of approximately five years (the "**Lock-Up Period**"), subject to certain exceptions prescribed by French law (such as death, long term disability or involuntary termination of employment).

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

12. The subscription price for the Shares will be the average of the closing price of the Shares (expressed in Euros) on NYSE Euronext on the 20 trading days preceding the date of the fixing of the subscription price by the Chief Executive Officer or the Board of Directors of the Filer (the "**Reference Price**"), less a 20% discount.

13. Canadian Participants will contribute 10% of the price of each Share (expressed in Euros) they wish to subscribe for to the Compartment (the "**Employee Contribution**"). The 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 (expressed in Euros) to be subscribed for by the Compartment (the "**Bank Contribution**").

14. The Compartment will apply the Employee Contribution and the Bank Contribution to subscribe for Shares of the Filer.

15. Pursuant to the Redemption Formula (as defined below), Canadian Participants effectively receive a share appreciation entitlement in the increase in value, if any, of the Shares subscribed on behalf of Canadian Participants, including with respect to the Shares financed by the Bank Contribution. Canadian Participants receive Units in the Compartment representing the Euro amount of the Employee Contribution and a multiple of the average increase in the Share price calculated in accordance with the Redemption Formula.

16. Under the terms of the Swap Agreement, the Compartment will remit to the Bank an amount equal to the net amounts of any dividends paid on the Shares held in the Compartment during the Lock-Up Period.

17. At the end of the Lock-Up Period, the Compartment will owe to the Bank an amount equal to A – [B+C], where

    (a) "A" is the market value of all the Shares at the end of the Lock-Up Period that are held in the Compartment (as determined pursuant to the terms of the Swap Agreement),

    (b) "B" is the aggregate amount of all Employee Contributions,

    (c) "C" is an amount (but only if positive, the "**Appreciation Amount**") equal to,

        (i) 44% multiplied by the quotient obtained from dividing the Reference Price by the Average Trading Price.

            The "Average Trading Price" is the average of the closing prices of the Shares on the last trading day of each week during the fifth year of the Lock-Up Period (i.e. a total of 52 share price readings during the fifth year of the Lock-Up Period).

However, in the event that the Share price on any day during the Lock-Up Period closes at a price that is equal to or greater than 115% of the Reference Price but less than 140% of the Reference Price, then an amount equal to 115% of the Reference Price will be the minimum Share price reading used in each of the readings to be recorded on or after such day for the purpose of determining the Average Trading Price.

Furthermore, in the event that the Share price on any day during the Lock-Up Period closes at a price that is equal to or greater than 140% of the Reference Price, then an amount equal to 140% of the Reference Price will be the minimum Share price reading used in each of the readings to be recorded on or after such day for the purposes of determining the Average Trading Price.

and further multiplied by

(ii) the number of Shares held in the Compartment (including the Shares purchased with the Bank Contribution).

and further multiplied by

(iii) an amount equal to the Average Trading Price minus the Reference Price.

18. In addition to the above, if, at the end of the Lock-Up Period, the market value of the Shares held in the Compartment is less than 100% of the Employee Contribution, the Bank will, pursuant to the terms and conditions of a guarantee contained in the Swap Agreement, make a contribution to the Compartment to make up any shortfall.

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

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

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

(the "**Redemption Formula**").

20. If a Canadian Participant does not request the redemption of his or her Units in the Compartment at the end of the Lock-Up Period, his or her investment in the Compartment will be transferred to the Transfer Compartment (subject to the decision of the supervisory board of Safran International and the approval of the French AMF).

21. Units of the Transfer Compartment ("**Transfer Compartment Units**") will be issued to such Canadian Participants in recognition of the assets transferred to the Transfer Compartment. Canadian Participants may request the redemption of the Transfer Compartment Units whenever they wish. However, following a transfer to the Transfer Compartment, the Employee Contribution and the Appreciation Amount, if any, will no longer be covered by the Swap Agreement (including the Bank's guarantee contained therein).

22. 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 at the end of the Lock-Up Period or in the event of an early unwind resulting from the Canadian Participant exercising one of the exceptions to the Lock-Up Period. 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 holders of Units of the Compartment. The Management Company is required under French law to act in the best interests of the holders of the Units of the Compartment. In the event that the Management Company cancelled the Swap Agreement and this was not in the best interests of the holders of the Units of the Compartment, then such holders would have a right of action under French law against the Management Company. Under no circumstances will a Canadian Participant be responsible to contribute an amount greater than his or her Employee Contribution.

23. In the event of an early redemption resulting from the Canadian Participant satisfying one of exceptions to the Lock-Up Period prescribed by French law and meeting the applicable criteria, a Canadian Participant may request the redemption of Units from the Compartment using 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.

24. Under no circumstances will a Canadian Participant in the Plan be liable to any of the Compartment, the Transfer Compartment, the Bank or the Filer for any amounts in excess of his or her Employee Contribution under the Plan.

25. For Canadian federal income tax purposes, a Canadian Participant in the Plan 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 Compartment, notwithstanding the actual non-receipt of the dividends by the Canadian Participants.

26. The payment of dividends on the Shares (in the ordinary course or otherwise) is strictly determined by the shareholders of the Filer on the proposition of the Board of Directors of the Filer. 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.

27. To respond to the fact that, at the time of the initial investment decision relating to participation in the Employee Share Offering, Canadian Participants will be unable to quantify their potential income tax liability resulting from such participation, the Filer or the Canadian Affiliates 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 Compartment on his or her behalf under the Employee Share Offering.

28. At the time the 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 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).

29. The Compartment's portfolio will almost exclusively consist of Shares of the Filer 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.

30. As indicated above, a Canadian Participant's investment in the Compartment will only be transferred to the Transfer Compartment if such Canadian Participant does not elect to request the redemption of his or her Units at the end of the Lock-Up Period. A Canadian Participant will be able to request the redemption of Transfer Compartment 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 Compartment.

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

32. The Transfer Compartment's portfolio will almost entirely consist of Shares of the Filer but may also consist, from time to time, of cash in respect of dividends paid on the Shares which will be reinvested in Shares as well as cash or cash equivalents held for the purpose of investing in the Shares or funding the Transfer Compartment Unit redemptions.

33. The Management Company is a portfolio management company governed by the laws of France. The Management Company is registered with the French AMF to manage French investment funds and complies with the rules of the French AMF. To the best of the Filer's knowledge, the Management Company is not, and has no current intention of becoming, a reporting issuer under the Legislation or the securities legislation of the Other Jurisdictions.

34. The Management Company's portfolio management activities in connection with the Employee Share Offering and the Compartment are limited to subscribing for Shares from the Filer, selling such Shares as necessary in order to fund redemption requests, 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 Compartment will be limited to purchasing Shares from the Filer using Canadian Participants' entitlement under the Employee Share Offering at the end of the Lock-Up Period (i.e. a Canadian Participant's Employee Contribution plus their portion of the Appreciation Amount, if any, based on the Redemption Formula) and selling Shares held by the Transfer Compartment as necessary in order to fund redemption requests.

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

36. None of the Filer, the Management Company, the Canadian Affiliates or any of their directors, officers, employees, agents or representatives will provide investment advice to the Canadian Participants with respect to investments in the Shares or the Units.

37. Shares issued in the Employee Share Offering will be, subject to French banking legislation, deposited with Caceis Bank, a large French commercial bank (the "**Depositary**") in either the Compartment's or the Transfer Compartment's account as the case may be.

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

39. The total amount that may be invested by a Canadian Participant in the Employee Share Offering cannot exceed the lesser of (a) the Canadian dollar equivalent of 1,000 Euros and (b) 25% of a Canadian Participant's estimated gross annual compensation for the 2012 calendar year (the 25% investment limit takes into account the Bank Contribution).

40. As there is no market for the Shares in Canada, and as none is expected to develop, any first trades of Shares by Canadian Participants will be effected through the facilities of, and in accordance with, the rules and regulations of an exchange outside of Canada.

41. 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 the Plan and to make a determination, in accordance with industry practices, as to whether an investment in the Plan is suitable for each such Canadian Employee based on his or her particular financial circumstances.

42. Canadian Participants will receive an information package in the French or English language, according to their preference, which will include a summary of the terms of the Employee Share Offering, a tax notice containing a description of Canadian income tax consequences of subscribing to and holding the Units and redeeming Units for cash or Shares at the end of the Lock-Up Period. The information package will also include a risk statement which will describe certain risks associated with an investment in Units. Canadian Participants may also consult the Filer's annual report on Form 20-F filed with the SEC as well as the Document de Référence filed with the French AMF in respect of the Shares and a copy of the Compartment and the Transfer Compartment's rules (which are analogous to company by-laws). Canadian Participants will also have access to copies of the continuous disclosure materials relating to the Filer that are furnished to holders of Shares generally.

43. Canadian Participants will receive an initial statement of their holdings under the Plan together with an updated statement at least once per year.

44. There are approximately 1,406 Qualifying Employees resident in Canada, with approximately 703 resident in Québec and 703 in Ontario, who represent, in the aggregate, less than 2% of the total number of employees in the Safran Group worldwide.

45. The Filer is not, and none of the Canadian Affiliates are, in default of the Legislation or the securities legislation of the Other Jurisdictions. To the best of the Filer's knowledge, the Management Company is not in default of the Legislation or the securities legislation of the Other Jurisdictions.

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 provided that

1. the prospectus requirements of the Legislation will apply to the first trade in any Units or Shares acquired by Canadian Participants, unless the following conditions are met:

   (a) the issuer of the security

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

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

(b) 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

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

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

(c) the first trade is made

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

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

2. in Québec, the required fees are paid in accordance with Section 271.6(1.1) of the *Securities Regulation* (Québec).

"Jean Daigle"
Director, Corporate Finance

2.2 Orders

2.2.1 Jowdat Waheed and Bruce Walter

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

AND

IN THE MATTER OF
JOWDAT WAHEED AND BRUCE WALTER

ORDER

WHEREAS on January 9, 2012, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990 c. S.5, as amended (the "Act") in connection with a Statement of Allegations filed by Staff of the Commission ("Staff") on January 9, 2012 with respect to Jowdat Waheed and Bruce Walter (collectively, the "Respondents");

AND WHEREAS the Notice of Hearing set a hearing in this matter for February 15, 2012;

AND WHEREAS on February 15, 2012, Staff and counsel for the Respondents appeared before the Commission and the Commission ordered that the matter be set down for a hearing on the merits commencing January 7, 2013 and continuing to and including February 5, 2013, or such further or other dates as may be agreed to by the parties and fixed by the Office of the Secretary;

AND WHEREAS on February 15, 2012, the Commission further ordered that a pre-hearing conference take place on April 2, 2012;

AND WHEREAS on April 2, 2012, Staff and counsel for the Respondents appeared and made submissions before the Commission and it was ordered that a pre-hearing conference be held on May 2, 2012 at 1:00 p.m.;

AND WHEREAS the parties consent to adjourning the pre-hearing conference scheduled for May 2, 2012 to June 6, 2012;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this order;

IT IS ORDERED that a confidential pre-hearing conference will be held on June 6, 2012, at 11:30 a.m.

DATED at Toronto this 1st day of May, 2012.

"Mary G. Condon"

2.2.2 International Strategic Investments et al.

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

AND

IN THE MATTER OF
INTERNATIONAL STRATEGIC INVESTMENTS,
INTERNATIONAL STRATEGIC INVESTMENTS INC.,
SOMIN HOLDINGS INC., NAZIM GILLANI AND
RYAN J. DRISCOLL

ORDER

WHEREAS on March 6, 2012, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing, pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") (the "Notice of Hearing") in connection with a Statement of Allegations filed by Staff of the Commission ("Staff") on March 5, 2012, to consider whether it is in the public interest to make certain orders as against International Strategic Investments, International Strategic Investments Inc., (collectively, "ISI"), Nazim Gillani ("Gillani"), Ryan J. Driscoll ("Driscoll") and Somin Holdings Inc. ("Somin");

AND WHEREAS on April 3, 2012, a hearing was held before the Commission and Staff appeared and filed the Affidavit of Peaches A. Barnaby, sworn on March 29, 2012, evidencing service of the Notice of Hearing and the Statement of Allegations on ISI, Somin, Gillani and Driscoll;

AND WHEREAS counsel for ISI and Gillani and counsel for Driscoll appeared and made submissions;

AND WHEREAS on April 3, 2012, the Commission ordered that a status hearing take place on April 13, 2012, for Staff to update the Commission on the status of service on Somin (the "Status Hearing") and that a pre-hearing conference is scheduled for Wednesday, June 6, 2012 at 10:00 a.m.;

AND WHEREAS on April 13, 2012, the Status Hearing was held and Staff provided the Commission with the Affidavit of Peaches A. Barnaby, sworn April 10, 2012, outlining efforts to serve Somin;

AND WHEREAS on April 13, 2012, Staff and counsel for Gillani appeared and made submissions;

AND WHEREAS on April 13, 2012, the Status Hearing was adjourned to April 30, 2012 at 10:00 a.m. to determine whether service had been effected on Somin pursuant to Rule 1.5.1 of the Commission's *Rules of Procedure* (2010), 33 O.S.C.B. 8017;

AND WHEREAS on April 30, 2012, Staff and counsel for Gillani appeared and made submissions and no one appeared on behalf of Somin or ISI;

AND WHEREAS on April 30, 2012, Staff provided the Commission with the Affidavit of Peaches A. Barnaby, sworn April 27, 2012;

AND WHEREAS on April 30, 2012, Staff undertook to continue to serve Somin through David F. Munro and Nazim Gillani;

AND WHEREAS the Commission is satisfied that Somin has been served and accepts Staff's undertaking for future service;

IT IS ORDERED that a confidential pre-hearing conference will take place, as scheduled, on Wednesday, June 6, 2012 at 10:00 a.m.

DATED at Toronto this 30th day of April, 2012.

"Mary G. Condon"

2.2.3 Beryl Henderson

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

AND

IN THE MATTER OF
BERYL HENDERSON

ORDER

WHEREAS on March 30, 2012, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), in connection with a Statement of Allegations filed by Staff of the Commission ("Staff") on March 30, 2012 with respect to Beryl Henderson ("Henderson");

AND WHEREAS the Notice of Hearing set a hearing in this matter for May 2, 2012 at 11:30 a.m.;

AND WHEREAS on May 2, 2012, Staff appeared before the Commission and counsel for Henderson and a Crown Attorney attended the hearing via teleconference;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this order;

IT IS ORDERED THAT the hearing is adjourned to a confidential pre-hearing conference to take place on November 22, 2012 at 10:00 a.m., or on such other date as agreed to by the parties and advised by the Office of the Secretary.

DATED at Toronto this 2nd day of May, 2012.

"James E. A. Turner"

2.2.4 Ciccone Group et al. – ss. 127(7), 127(8)

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

AND

**IN THE MATTER OF
CICCONE GROUP, CABO CATOCHE CORP. (a.k.a MEDRA CORP. and MEDRA CORPORATION), 990509 ONTARIO INC., TADD FINANCIAL INC., CACHET WEALTH MANAGEMENT INC., VINCENT CICCONE (a.k.a. VINCE CICCONE), DARRYL BRUBACHER, ANDREW J MARTIN, STEVE HANEY, KLAUDIUSZ MALINOWSKI AND BEN GIANGROSSO**

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

WHEREAS on April 21, 2010, the Ontario Securities Commission (the "Commission") issued a Temporary Order pursuant to sections 127(1) and 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") that the Respondents cease trading in securities; that the exemptions contained in Ontario securities law do not apply to all of the Respondents except 990509 Ontario Inc. ("990509"); and that trading in the securities of 990509 and Medra Corporation ("Medra") cease (the "Temporary Order");

AND WHEREAS on April 21, 2010, the Commission ordered that the Temporary Order shall expire on the 15th day after its making unless extended by order of the Commission;

AND WHEREAS on May 3, 2010, the Commission extended the Temporary Order against all of the named respondents to October 22, 2010 and adjourned the hearing to October 21, 2010;

AND WHEREAS on October 21, 2010, the Commission extended the Temporary Order as against Ciccone Group, Medra, 990509, Cachet Wealth Management Inc. ("Cachet"), Tadd Financial Inc. ("Tadd"), Vince Ciccone ("Ciccone"), Klaudiusz Malinowski ("Malinowski"), Darryl Brubacher ("Brubacher") and Andrew J. Martin ("Martin") to January 26, 2011 and adjourned the hearing to January 25, 2011;

AND WHEREAS 990509 (now named Ciccone Group Inc.) made an assignment into bankruptcy on November 30, 2010;

AND WHEREAS on January 25, 2011, the Commission extended the Temporary Order as against Ciccone Group, Medra, 990509, Cachet, Tadd, Ciccone, Malinowski, Brubacher and Martin to May 11, 2011 and adjourned the Hearing to May 10, 2011;

AND WHEREAS on May 10, 2011, the Commission extended the Temporary Order as against Ciccone Group, Medra, 990509, Cachet, Tadd, Ciccone, Malinowski, Brubacher and Martin to August 11, 2011 and adjourned the Hearing to August 10, 2011;

AND WHEREAS on August 10, 2011, the Commission extended the Temporary Order as against Ciccone Group, Medra, 990509 (now named Ciccone Group Inc.), Ciccone, Tadd, Brubacher and Martin to September 30, 2011 and adjourned the hearing to September 29, 2011;

AND WHEREAS on September 29, 2011, the Commission extended the Temporary Order as against Ciccone Group, Medra, 990509 (now named Ciccone Group Inc.), Ciccone, Tadd, Brubacher and Martin to November 2, 2011 and adjourned the hearing to November 1, 2011;

AND WHEREAS on October 3, 2011, a Notice of Hearing and accompanying Statement of Allegations dated September 30, 2011 was issued against Vincent Ciccone and Medra Corp.;

AND WHEREAS on November 1, 2011, the Commission ordered that the title of the proceedings of the Temporary Order be amended to replace Vince Ciccone with Vincent Ciccone (a.k.a Vince Ciccone) and to replace Medra Corporation with Medra Corp. (a.k.a. Medra Corporation), that the Temporary Order as against Vincent Ciccone (a.k.a Vince Ciccone), Medra Corp. (a.k.a. Medra Corporation), Tadd, Brubacher and Martin be extended to February 2, 2012 and that the hearing be adjourned to February 1, 2012;

AND WHEREAS on February 1, 2012, the Commission extended the Temporary Order as against Vincent Ciccone (a.k.a Vince Ciccone), Medra Corp. (a.k.a. Medra Corporation), Tadd, Brubacher and Martin to May 4, 2012 and adjourned the hearing to May 3, 2012 at 10:00 a.m.;

AND WHEREAS by Order dated March 7, 2012, the hearing on the merits in this matter is scheduled to commence on September 5, 2012 at 10:00 a.m., and to continue on September 6, 7, 10, 12, 13, 14, 19, 20 and 21, 2012, each day commencing at 10:00 a.m.;

AND WHEREAS by Order dated April 12, 2012, the Commission approved of a Settlement Agreement made between Staff and Martin, Bubacher and TADD Investment Properties Inc.;

AND WHEREAS at the hearing on May 3, 2012, Staff appeared and advised the Commission that, according to corporate filings in Delaware, Medra Corp. changed its name to Cabo Catoche Corp. in or about January 2010 and that Staff seek to amend the title of proceedings of the Temporary Order to replace Medra Corp. (a.k.a. Medra Corporation) with Cabo Catoche Corp. (a.k.a. Medra Corp. and Medra Corporation);

AND WHEREAS Staff advised the Commission that Staff have been advised by Ciccone's counsel that

Ciccone takes no position on the request to extend the Temporary Order as against Ciccone until the hearing on the merits in this matter;

AND WHEREAS Staff served notice of this Hearing on Cabo Catoche Corp. (a.k.a. Medra Corp. and Medra Corporation);

AND WHEREAS upon the submissions of Staff, the Commission is of the opinion that it is in the public interest to make this Order;

IT IS HEREBY ORDERED pursuant to subsections 127 (7) and (8) of the Act that:

(i) the title of the proceedings of the Temporary Order is amended to replace Medra Corp. (a.k.a. Medra Corporation) with Cabo Catoche Corp. (a.k.a. Medra Corp. and Medra Corporation); and

(ii) the Temporary Order is extended as against Vincent Ciccone (a.k.a Vince Ciccone) and Cabo Catoche Corp. (a.k.a. Medra Corp. and Medra Corporation) until the conclusion of the hearing on the merits in this matter.

DATED at Toronto this 3rd day of May, 2012.

"James E. A. Turner"

2.2.5 2196768 Ontario Ltd et al. – s. 127

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

AND

IN THE MATTER OF
2196768 ONTARIO LTD carrying on business as RARE INVESTMENTS, RAMADHAR DOOKHIE, ADIL SUNDERJI and EVGUENI TODOROV

ORDER
(Section 127)

WHEREAS on November 22, 2011, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing, pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") accompanied by a Statement of Allegations with respect to 2196768 Ontario Ltd carrying on business as RARE Investments, Ramadhar Dookhie, Adil Sunderji and Evgueni Todorov (collectively, the "Respondents") for a hearing to commence on December 5, 2011;

AND WHEREAS on November 23, 2011, the Respondents were served with the Notice of Hearing and Statement of Allegations dated November 22, 2011;

AND WHEREAS at a hearing on December 5, 2011, counsel for Staff of the Commission ("Staff") advised that disclosure would be made to the Respondents by Staff on or by January 16, 2012, and the parties consented to the scheduling of a confidential pre-hearing conference on March 5, 2012 at 10:00 a.m.;

AND WHEREAS the confidential pre-hearing conference was adjourned in writing from March 5, 2012 at 10:00 a.m. to May 2, 2012 at 10:00 a.m., with the consent of Staff, to permit two of the Respondents to retain legal counsel;

AND WHEREAS the parties attended on May 2, 2012 and Staff advised that disclosure was complete and two of the Respondents advised they had not yet retained legal counsel;

AND WHEREAS the parties requested that a confidential pre-hearing conference be scheduled for July 19, 2012 at 10:00 a.m.;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this Order;

IT IS HEREBY ORDERED that a confidential pre-hearing conference shall be held on July 19, 2012 at 10:00 a.m., or on such other date or at such other time as is set by the Office of the Secretary and agreed to by the parties.

DATED at Toronto this 2nd day of May, 2012.

"James E. A. Turner"

2.2.6 Alpha Exchange Inc. – s. 101.2

Headnote

Order by the Commission designating Alpha Exchange Inc. as an exchange for the purposes of section 101.2 of the Securities Act, R.S.O. 1990, c. S.5, as am.

Applicable Legislative Provision

Securities Act, R.S.O. 1990, c. S.5, as am. ss. 101.2, 101.2(5).

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

AND

IN THE MATTER OF
ALPHA EXCHANGE INC.

DESIGNATION ORDER
(Section 101.2 of the Act)

WHEREAS by order dated December 8, 2011, the Commission recognized each of Alpha Trading Systems Limited Partnership and Alpha Exchange Inc. (Alpha Exchange) as an exchange pursuant to section 21 of the Act, effective the later of: (a) February 1, 2012; or (b) the date the operations of Alpha ATS Limited Partnership have been legally transferred to Alpha Exchange, and subject to the terms and conditions;

AND WHEREAS Alpha Exchange operates two separate and distinct listing markets referred to as “Alpha Main” and “Alpha Venture Plus”;

AND WHEREAS Alpha Exchange has adopted rules for normal course issuer bids for issuers listing on each of Alpha Main and Alpha Venture Plus;

AND WHEREAS pursuant to section 101.2(1) of the Act, an issuer bid that is made in the normal course through the facilities of a designated exchange is exempt from the formal bid requirements if the bid is made in accordance with the by-laws, rules, regulations and policies of that exchange;

AND WHEREAS pursuant to section 101.2(5), the Commission may designate an exchange for the purposes of section 101.2;

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

THE COMMISSION designates Alpha Exchange as a designated exchange for the purposes of section 101.2.

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Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke
Acadian Energy Inc.	03 May 12	15 May 12		
Royal Coal Corp	03 May 12	15 May 12		
Blutip Power Technologies Ltd.	03 May 12	15 May 12		
Osta Biotechnologies Inc.	04 May 12	16 May 12		
Bluepoint Data	04 May 12	16 May 12		
Newlook Industries Corp.	04 May 12	16 May 12		
GLG Life Tech Corporation	04 May 12	16 May 12		
Argosy Minerals Limited	04 May 12	16 May 12		
Itok Capital Corp.	04 May 12	16 May 12		
Medx Health Corp.	07 May 12	18 May 12		
Forest Gate Energy Inc.	07 May 12	18 May 12		
Landmark Global Financial Corporation	07 May 12	18 May 12		
CRC Royalty Corporation	07 May 12	18 May 12		
Pacific Lottery Corporation	07 May 12	18 May 12		
Dianor Resources Inc.	07 May 12	18 May 12		
Process Capital Corp.	07 May 12	18 May 12		
FL Master Sherman, Ltd.	07 May 12	18 May 12		
First Leaside Properties Fund	07 May 12	18 May 12		
Plexmar Resources Inc.	07 May 12	18 May 12		
Interactive Capital Partners Corporation	08 May 12	18 May 12		

4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
Frontline Technologies Inc.	13 Apr 12	25 Apr 12	25 Apr 12	03 May 12	
Knightscove Media Corp.	04 May 12	16 May 12			

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
Frontline Technologies Inc.	13 Apr 12	25 Apr 12	25 Apr 12	03 May 12	
Knightscove Media Corp.	04 May 12	16 May 12			

Chapter 5

Rules and Policies

5.1.1 Notice of Amendments to NP 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions

NOTICE OF AMENDMENTS TO
NATIONAL POLICY 11-203 *PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS IN MULTIPLE JURISDICTIONS*

Introduction

Members of the Canadian Securities Administrators (CSA), other than the Ontario Securities Commission (OSC), are adopting Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets* (MI 51-105) and Companion Policy 51-105CP (51-105CP). All CSA members, including the OSC, are making consequential changes to National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* (NP 11-203) as a result of the adoption of MI 51-105.

The consequential changes to NP 11-203

The purpose of the consequential changes to NP 11-203 is to direct filers to 51-105CP for the factors a filer should considerer in identifying the principal regulator for an application for exemptive relief from the requirements of MI 51-105.

The OSC did not and was not required to publish for comment the consequential changes to NP 11-203 because the changes are not material (since MI 51-105 and 51-105CP will not apply in Ontario). The OSC adopted the consequential changes to NP 11-203 on April 24, 2012 and they will come into effect on July 31, 2012 (the implementation date for MI 51-105).

Schedule A to this notice contains a revised version of NP 11-203 which shows the consequential changes as blacklined text.

CSA Staff Notice 12-307

Prior to the implementation date of MI 51-105 on July 31, 2012, CSA staff (including OSC staff) intend to issue a revised version of CSA Staff Notice 12-307 *Applications for a Decision that an Issuer is not a Reporting Issuer* (the Staff Notice). The revised Staff Notice will indicate that the simplified procedure and the modified approach described in the Staff Notice are not available to a reporting issuer that is an OTC reporting issuer under MI 51-105.

Questions

Please refer your questions to any of:

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May 10, 2012

Schedule A

NATIONAL POLICY 11-203
PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS IN MULTIPLE JURISDICTIONS

NATIONAL POLICY 11-203
PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS IN MULTIPLE JURISDICTIONS

PART 1 APPLICATION

1.1 Application – This policy describes the process for the filing and review of an application for exemptive relief in more than one Canadian jurisdiction.

PART 2 DEFINITIONS

2.1 Definitions – In this policy

"AMF" means the regulator in Québec;

"application" means a request for exemptive relief other than a pre-filing or waiver application as those terms are defined in NP 11-202;

"coordinated review" means the review under this policy of a coordinated review application;

"coordinated review application" means an application described in section 3.4 of this policy;

"CP 11-102" means Companion Policy 11-102CP *Passport System* to MI 11-102;

"dual application" means an application described in section 3.3 of this policy;

"dual review" means the review under this policy of a dual application;

"exemption" means any discretionary exemption to which Part 4 of MI 11-102 applies;

"exemptive relief" means any approval, decision, declaration, designation, determination, exemption, extension, order, ruling, permission, recognition, revocation, waiver or other relief sought under securities legislation or securities directions;

"filer" means

(a) a person or company filing an application, or

(b) an agent of a person or company referred to in paragraph (a);

"hybrid application" means an application comprised of both

(a) a passport application or dual application, and

(b) a coordinated review application;

"MI 11-102" means Multilateral Instrument 11-102 *Passport System;*

"notified passport jurisdiction" means a passport jurisdiction for which a filer gave the notice referred to in section 4.7(1)(c) of MI 11-102

"NP 11-202" means National Policy 11-202 *Process for Prospectus Reviews in Multiple Jurisdictions*;

"NP 11-204" means National Policy 11-204 *Process for Registration in Multiple Jurisdictions*;

"OSC" means the regulator in Ontario;

"passport application" means an application described in section 3.2 of this policy;

"passport jurisdiction" means the jurisdiction of a passport regulator;

"passport regulator" means a regulator that has adopted MI 11-102;

"pre-filing" means a consultation with the principal regulator for an application, initiated before the filing of the application, regarding the interpretation of securities legislation or securities directions or their application to a particular transaction or matter or proposed transaction or matter; and

"regulator" means a securities regulatory authority or regulator.

2.2 Further definitions – Terms used in this policy that are defined in MI 11-102 or National Instrument 14-101 *Definitions* have the same meanings as in those instruments.

PART 3 OVERVIEW, PRINCIPAL REGULATOR AND GENERAL GUIDELINES

3.1 Overview

This policy applies to any application for exemptive relief in multiple jurisdictions. These are the possible types of applications:

(a) The principal regulator is a passport regulator and the filer does not seek an exemption in Ontario. This is a "passport application."

(b) The principal regulator is the OSC and the filer also seeks an exemption in a passport jurisdiction. This is also a "passport application."

(c) The principal regulator is a passport regulator and the filer also seeks an exemption in Ontario. This is a "dual application."

(d) An application for any type of exemptive relief not covered by Part 4 of MI 11-102. This is a "coordinated review application."

3.2 Passport application

(1) If the principal regulator is a passport regulator and the filer does not seek an exemption in Ontario, the filer files the application only with, and pays fees only to, the principal regulator. Only the principal regulator reviews the application. The principal regulator's decision to grant an exemption automatically results in an equivalent exemption in the notified passport jurisdictions.

(2) If the principal regulator is the OSC and the filer also seeks an equivalent exemption in a passport jurisdiction, the filer files the application only with, and pays fees only to, the OSC. Only the OSC reviews the application. The OSC's decision to grant the exemption automatically results in an equivalent exemption in the notified passport jurisdictions.

3.3 Dual application – If the principal regulator is a passport regulator and the filer also seeks an exemption in Ontario, the filer files the application with, and pays fees to, both the principal regulator and the OSC. The principal regulator reviews the application and the OSC, as a non-principal regulator, coordinates its review with the principal regulator. The principal regulator's decision to grant the exemption automatically results in an equivalent exemption in the notified passport jurisdictions and, if the OSC has made the same decision as the principal regulator, evidences the decision of the OSC.

3.4 Coordinated review application – If the application is outside the scope of MI 11-102 (see section 4.1 of CP 11-102 for details on the types of applications that fall outside the scope of MI 11-102), the filer files the application and pays fees in each jurisdiction where the exemptive relief is required. The principal regulator reviews the application, and each non-principal regulator coordinates its review with the principal regulator. The decision of the principal regulator to grant exemptive relief evidences the decision of each non-principal regulator that has made the same decision as the principal regulator.

3.5 Hybrid applications – The processes and outcomes applicable to a passport application, dual application or a coordinated review application under this policy also apply to a hybrid application. For a hybrid application, the filer should follow the processes for both a coordinated review application and either a passport application or dual application, as appropriate.

3.6 Principal regulator

(1) For any application under this policy, the principal regulator is identified in the same manner as in sections 4.1 to 4.5 of MI 11-102. This section summarizes sections 4.1 to 4.5 of MI 11-102 and provides guidance on identifying the principal regulator for an application under this policy.

(2) For the purpose of this section, a specified jurisdiction is one of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick or Nova Scotia.

(3) Except as provided in subsections (4) to (9) and (11) of this section and in section 3.7 of this policy, the principal regulator for an exemptive relief application is

(a) for an application made for an investment fund, the regulator of the jurisdiction in which the investment fund manager's head office is located; or

(b) for an application made for a person or company other than an investment fund, the regulator of the jurisdiction in which the person or company's head office is located.

(4) Except as provided in ~~subsection~~subsections (6) to (9) and (11) of this section and in section 3.7 of this policy, the principal regulator for an application for exemptive relief from a provision of securities legislation related to insider reporting is the regulator in the jurisdiction in which the head office of the reporting issuer, not the insider, is located.

(5) Except as provided in ~~subsection~~subsections (6) to (9) and (11) of this section and in section 3.7 of this policy, the principal regulator for an application for exemptive relief from a provision of securities legislation related to take-over bids is the regulator in the jurisdiction in which the head office of the issuer whose securities are subject to the take-over bid, not the person or company that is making the take-over bid, is located.

(6) Except as provided in subsections (7), (8), (9) and (~~9~~11) of this section and section 3.7 of this policy, if the jurisdiction identified under subsection (3), (4) or (5) is not a specified jurisdiction, the principal regulator for the application is the regulator of the specified jurisdiction with which

(a) in the case of an application for exemptive relief from a provision of securities legislation related to insider reporting, the reporting issuer has the most significant connection,

(b) in the case of an application for exemptive relief from a provision of securities legislation related to take-over bids, the issuer whose securities are subject to the take-over bid has the most significant connection, or

(c) in any other case, the person or company or, in the case of an investment fund, the investment fund manager, has the most significant connection.

(7) Except as provided in subsections (8), (9) and (~~9~~11) of this section and section 3.7 of this policy, if a firm or individual makes an application for exemptive relief from a requirement in Parts 3 and 12 of NI 31-103 or Part 2 of NI 33-109 in connection with an application for registration in the principal jurisdiction, the principal regulator for the exemptive relief application is the principal regulator as determined under section 3.6 of NP 11-204. Under section 3.6 of NP 11-204 the securities regulatory authority or regulator of any jurisdiction can be a principal regulator.

(8) Except as provided in ~~subsection~~subsections (9) and (11) of this section~~,~~ and section 3.7 of this policy, if a person or company is not seeking exemptive relief in the jurisdiction of the principal regulator, as determined under subsections (3), (4), (5), (6) or (7), the principal regulator for the application is the regulator in the specified jurisdiction

(a) in which the person or company is seeking exemptive relief, and

(b) with which

(i) in the case of an application for exemptive relief from a provision of securities legislation related to insider reporting, the reporting issuer has the most significant connection,

(ii) in the case of an application for exemptive relief from a provision of securities legislation related to take-over bids, the issuer whose securities are subject to the take-over bid has the most significant connection, or

(iii) in any other case, the person or company or, in the case of an investment fund, the investment fund manager, has the most significant connection.

(9) Except as provided in subsection (11) of this section and section 3.7 of this policy, if at any one time a person or company is seeking more than one item of exemptive relief and not all of the exemptive relief is needed in the jurisdiction of the principal regulator, as determined under subsection (3), (4), (5), (6), (7) or (8), the person or company may make an application to the regulator in the specified jurisdiction

(a) in which the person or company is seeking all of the exemptive relief, and

(b) with which

(i) in the case of an application for exemptive relief from a provision of securities legislation related to insider reporting, the reporting issuer has the most significant connection,

(ii) in the case of an application for exemptive relief from a provision of securities legislation related to take-over bids, the issuer whose securities are subject to the take-over bid has the most significant connection, or

(iii) in any other case, the person or company or, in the case of an investment fund, the investment fund manager, has the most significant connection.

That regulator will be the principal regulator for the application.

(10) ~~The~~Except as provided in subsection (11) of this section, the factors a filer should consider in identifying the principal regulator for the application based on the most significant connection test are, in order of influential weight:

(a) location of reporting issuer status or registration status,

(b) location of management,

(c) location of assets and operations,

(d) location of majority of security holders or clients, and

(e) location of trading market or quotation and trade reporting system in Canada.

(11) In the case of an application for exemptive relief from a provision of Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*, the factors a filer should consider in identifying the principal regulator for the application are set out in Part 5 of Companion Policy 51-105CP.

3.7 Discretionary change in principal regulator

(1) If the principal regulator identified under section 3.6 of this policy thinks it is not the appropriate principal regulator, it will first consult with the filer and the appropriate regulator and then give the filer a written notice of the new principal regulator and the reasons for the change.

(2) A filer may request a discretionary change of principal regulator for an application if

(a) the filer believes the principal regulator identified under section 3.6 of this policy is not the appropriate principal regulator,

(b) the location of the head office changes over the course of the application,

(c) the most significant connection to a specified jurisdiction changes over the course of the application, or

(d) the filer withdraws its application in the principal jurisdiction because no exemptive relief is required in that jurisdiction.

(3) Regulators do not anticipate changing a principal regulator except in exceptional circumstances.

(4) A filer should submit a written request for a change in principal regulator to its current principal regulator and include the reasons for requesting the change.

3.8 General guidelines

(1) A filer should identify the exemptive relief that is appropriate and necessary in the principal jurisdiction and each non-principal jurisdiction to which the filer applies or for which it gives notice under section 4.7(1)(c) of MI 11-102.

(2) The terms, conditions, restrictions and requirements of a decision will reflect the securities legislation and securities directions of the principal jurisdiction.

(3) A decision will generally provide exemptive relief for the entire transaction or matter that is the subject of the application to ensure the transaction or matter gets uniform treatment in all jurisdictions. This means that, if the transaction or matter is comprised of a series of trades, the decision will generally exempt all the trades in the series and the filer will not rely on statutory exemptions for some trades and on the decision for others.

(4) The regulators are not prepared to extend the availability of a non-harmonized exemption set out in National Instrument 45-106 *Prospectus and Registration Exemptions* (NI 45-106) to a non-principal jurisdiction where the non-harmonized exemption is not available under that rule. If a filer makes a passport application or a dual application that would have that effect, the principal regulator will request that the filer provide a representation that no person or company will rely on the exemption in that non-principal jurisdiction. For example, jurisdictions have adopted two types of offering memorandum exemptions under NI

45-106. A principal regulator would not grant an exemption that would have the effect of allowing the use of a type of offering memorandum exemption that is not available under NI 45-106 in a non-principal jurisdiction, unless the filer gave a representation that no person or company would offer the securities relying on that type of offering memorandum exemption in the non-principal jurisdiction.

(5) Regulators will generally send communications to filers by e-mail or facsimile.

PART 4 PRE-FILINGS

4.1 General

(1) A filer should submit a pre-filing sufficiently in advance of an application to avoid any delays in the issuance of a decision on the application.

(2) The principal regulator will treat the pre-filing as confidential except that it:

(a) may provide copies or a description of the pre-filing to other regulators for discussion purposes if the pre-filing involves a novel and substantive issue or raises a novel policy concern, and

(b) may have to release the pre-filing under freedom of information and protection of privacy legislation.

4.2 Procedure for passport application pre-filing – A filer should submit a pre-filing for a passport application by letter to the principal regulator and should

(a) identify in the pre-filing the principal regulator for the application and each passport jurisdiction for which the filer intends to give the notice referred to in section 4.7(1)(c) of MI 11-102, and

(b) submit the pre-filing to the principal regulator only.

4.3 Procedure for dual application pre-filing

(1) A filer submitting a pre-filing for a dual application should identify in the pre-filing the principal regulator, each passport jurisdiction for which the filer intends to give the notice referred to in section 4.7(1)(c) of MI 11-102, and Ontario.

(2) The filer should submit the pre-filing only to the principal regulator. If the pre-filing is routine, the filer will deal only with the principal regulator to resolve the pre-filing.

(3) If the principal regulator determines that a pre-filing submitted as a routine pre-filing involves a novel and substantive issue or raises a novel policy concern, it will advise the filer and direct the filer to submit the pre-filing to the OSC.

(4) If it is apparent to the filer that a pre-filing involves a novel and substantive issue or raises a novel policy concern, the filer may accelerate this process by submitting the pre-filing to both the principal regulator and the OSC.

(5) If a pre-filing involves a novel and substantive issue or raises a novel policy concern, the principal regulator will arrange with the OSC to discuss it within seven business days, or as soon as practicable after the OSC receives the pre-filing.

4.4 Procedure for coordinated review application pre-filing

(1) A filer submitting a pre-filing for a coordinated review application should identify in the pre-filing the principal regulator and all non-principal jurisdictions where the filer intends to file the application.

(2) The filer should submit the pre-filing only to the principal regulator. If the pre-filing is routine, the filer will deal only with the principal regulator to resolve the pre-filing.

(3) If the principal regulator determines that a pre-filing submitted as a routine pre-filing involves a novel and substantive issue or raises a novel policy concern, it will advise the filer and direct the filer to submit the pre-filing to each non-principal regulator.

(4) If it is apparent to the filer that a pre-filing involves a novel and substantive issue or raises a novel policy concern, the filer may accelerate this process by submitting the pre-filing to the principal regulator and each non-principal regulator with whom the filer intends to file the application.

(5) If a pre-filing involves a novel and substantive issue or raises a novel policy concern, the principal regulator will arrange with the non-principal regulators to discuss the pre-filing within seven business days, or as soon as practicable after all non-principal regulators receive the pre-filing.

4.5 Disclosure in related application – The filer should include in the application that follows a pre-filing,

(a) a description of the subject matter of the pre-filing and the approach taken by the principal regulator, and

(b) any alternative approach proposed by a non-principal regulator that was involved in discussions and that disagreed with the principal regulator.

PART 5 FILING MATERIALS

5.1 Election to file under this policy and identification of principal regulator – In its application, the filer should indicate whether it is filing a passport application, dual application, coordinated review application or hybrid application under this policy and identify the principal regulator for the application. If submitting a hybrid application, the filer should indicate whether it includes a passport application or a dual application.

5.2 Materials to be filed with application

(1) For a passport application, the filer should remit to the principal regulator the fees payable under the securities legislation of the principal regulator, and file the following materials with the principal regulator only:

(a) a written application drafted in accordance with the procedures of the principal regulator as to format and content in which the filer:

(i) states the basis for identifying the principal regulator under section 3.6 of this policy,

(ii) identifies whether another application in connection with the same transaction or matter has been filed in one or more jurisdictions, the reasons for that application, and the principal regulator for that application,

(iii) sets out, for any related pre-filing, the information referred to in section 4.5 of this policy,

(iv) sets out, under separate headings, each provision of securities legislation listed in Appendix D of MI 11-102 below the name of the principal jurisdiction from which the filer and other relevant party seek an exemption,

(v) gives notice of the non-principal passport jurisdictions for which section 4.7(1) of MI 11-102 is intended to be relied upon for each equivalent provision of the local jurisdiction,

(vi) sets out any request for confidentiality,

(vii) sets out references to previous decisions of the principal regulator or other regulators that would support granting the exemption, or indicates that the exemption sought is novel and has not been previously granted;

(viii) includes a verification statement that authorizes the filing of the application and confirms the truth of the facts in the application; and

(ix) states that the filer and other relevant party is not in default of securities legislation in any jurisdiction or, if the filer is in default, the nature of the default;

(b) supporting materials; and

(c) a draft form of decision with terms, conditions, restrictions or requirements, including

(i) a representation stating that the filer and other relevant party are not in default of securities legislation in any jurisdiction or, if the filer or other relevant party is in default, the nature of the default; and

(ii) resale restrictions, if applicable, based on the securities legislation and securities directions of the principal jurisdiction.

(2) For a dual application, the filer should remit the fees payable under the securities legislation of the principal regulator and the OSC to each of them, as appropriate, and file the following materials with both the principal regulator and the OSC:

(a) a written application drafted in accordance with the procedures of the principal regulator as to format and content in which the filer:

(i) states the basis for identifying the principal regulator under section 3.6 of this policy,

(ii) identifies whether another application in connection with the same transaction or matter has been filed in one or more jurisdictions, the reasons for the application, and the principal regulator for that application,

(iii) sets out, for any related pre-filing, the information referred to in section 4.5 of this policy,

(iv) sets out, under separate headings, each provision of securities legislation listed in Appendix D of MI 11-102 below the name of the principal jurisdiction from which the filer and other relevant party seek an exemption, the relevant provisions of securities legislation in Ontario and an analysis of any differences between the applicable provisions in the principal jurisdiction and Ontario,

(v) gives notice of the non-principal passport jurisdictions for which section 4.7(1) of MI 11-102 is intended to be relied upon for each equivalent provision of the local jurisdiction,

(vi) sets out any request for confidentiality,

(vii) sets out any request to shorten the review period (see section 6.2(3) of this policy) or the opt-out period (see section 7.2(4) of this policy) and provides supporting reasons,

(viii) sets out references to previous decisions of the principal regulator or other regulators that would support granting the exemption, or indicates that the exemption sought is novel and has not been previously granted;

(ix) includes a verification statement that authorizes the filing of the application and confirms the truth of the facts in the application; and

(x) states that the filer and any relevant party are not in default of securities legislation in any jurisdiction or, if the filer or other relevant party is in default, the nature of the default;

(b) supporting materials; and

(c) a draft form of decision with terms, conditions, restrictions or requirements, including

(i) a representation stating that the filer and other relevant party are not in default of securities legislation in any jurisdiction or if the filer or relevant party is in default, the nature of the default; and

(ii) resale restrictions, if applicable, based on the securities legislation and securities directions of the principal jurisdiction.

(3) For a coordinated review application, the filer should remit the fees payable under the securities legislation of the principal regulator and each non-principal regulator from whom the filer or other relevant parties seek exemptive relief to each of them, as appropriate, and file the following materials with the principal regulator and each of the non-principal regulators:

(a) a written application drafted in accordance with the procedures of the principal regulator as to format and content in which the filer:

(i) states the basis for identifying the principal regulator section 3.6 of this policy,

(ii) identifies whether another application in connection with the same transaction or matter has been filed in one or more jurisdictions, the reasons for the application, and the principal regulator for that application,

(iii) sets out, for any related pre-filing, the information referred to in section 4.5 of this policy,

(iv) sets out, under separate headings, each provision of securities legislation in the principal jurisdiction from which the filer and other relevant party are seeking exemptive relief, the relevant provisions of securities legislation in each non-principal jurisdiction, and an analysis of any differences between the applicable provisions in the principal jurisdiction and each non-principal jurisdiction,

(v) sets out any request for confidentiality,

(vi) sets out any request to shorten the review period (see section 6.2(3) of this policy) or the opt-out period (see section 7.2(4) of this policy) and provides supporting reasons,

(vii) sets out references to previous decisions of the principal regulator or other regulators that would support granting the exemptive relief, or indicates that the exemptive relief sought is novel and has not been previously granted;

(viii) includes a verification statement that authorizes the filing of the application and confirms the truth of the facts in the application; and

(ix) states that the filer and any other relevant party are not in default of securities legislation in any jurisdiction or if the filer or other relevant party is in default, the nature of the default;

(b) supporting materials; and

(c) a draft form of decision with terms, conditions, restrictions or requirements, including

(i) a representation stating that the filer and any other relevant party are not in default of securities legislation in any jurisdiction or if the filer or other relevant party is in default, the nature of the default; and

(ii) resale restrictions, if applicable, based on the securities legislation and securities directions of the principal jurisdiction.

(4) For a hybrid application, the filer should pay the fees, file the application with each regulator and, for each type of application, set out the exemption or exemptive relief sought and submit the relevant information and materials, all as described in this section.

(5) A filer should file an application sufficiently in advance of any deadline to ensure that staff have a reasonable opportunity to complete the review and make recommendations for a decision.

(6) A filer making a passport application or a dual application should identify in the application all the exemptions required and give the required notice for all the passport jurisdictions for which section 4.7(1) of MI 11-102 is intended to be relied upon. The notice given under subsection (1)(a)(v) or (2)(a)(v) above satisfies the notice requirement of section 4.7(1)(c) of MI 11-102.

(7) A filer seeking exemptive relief in Québec should file a French language version of the draft decision when the AMF is acting as principal regulator.

5.3 Materials to be filed to make an exemption available in an additional passport jurisdiction under sections 4.7 and 4.8 of MI 11-102

(1) Under section 4.7(1) of MI 11-102, an exemption from a provision of securities legislation listed in Appendix D of that Instrument granted by the principal regulator under a passport application or dual application can become available in a non-principal passport jurisdiction for which the filer did not give the notice referred to in section 5.2(1)(a)(v) or 5.2(2)(a)(v) of this policy in the initial application if certain conditions are met. One of the conditions is that the filer give the notice under section 4.7(1)(c) of MI 11-102 for the additional non-principal passport jurisdiction.

(2) Under section 4.8(1) of MI 11-102, an exemption from a provision of securities legislation that is now listed in Appendix D of that Instrument and that was granted before March 17, 2008 by the regulator in a specified jurisdiction, as defined in that section, can also become available in a non-principal passport jurisdiction if certain conditions are met. One of the conditions is that the filer gives the notice under section 4.8(1)(c) of MI 11-102 for the non-principal passport jurisdiction. Under section 4.8(3), the filer is not required to give this notice if the exemption relates to a CD requirement, as defined in Multilateral Instrument 11-101 *Principal Regulator System*, that is now listed in Appendix D of MI 11-102 and other conditions are met. For more guidance on section 4.8(1) of MI 11-102, refer to section 9.3 of this policy and section 4.5 of CP 11-102.

(3) For greater certainty, a filer may not rely on section 4.7 or 4.8 of MI 11-102 to obtain an automatic exemption from a provision of Ontario's securities legislation listed in Appendix D of MI 11-102. A filer may rely on section 4.7 and 4.8 of MI 11-102 only in a passport jurisdiction.

(4) The filer should give the notice referred to in subsection (1) to the principal regulator for the initial application and the notice referred to in subsection (2) to the regulator that would be the principal regulator under Part 4 of MI 11-102 if an application were to be made under that Part at the time the notice is given. The notice should

(a) list each relevant non-principal passport jurisdiction for which notice is given that section 4.7(1) or 4.8(1) of MI 11-102 is intended to be relied upon,

(b) include the date of the decision of

(i) the principal regulator for the initial application, if the notice is given under section 4.7(1)(c) of MI 11-102, or

(ii) the regulator of the specified jurisdiction that granted the application, if the notice is given under section 4.8(1)(c) of MI 11-102,

(c) include the citation for the regulator's decision,

(d) describe the exemption the regulator granted, and

(e) confirm that the exemption is still in effect.

(5) If an exemption sought in a passport application or a dual application is required in a non-principal jurisdiction at the time the filer files the application, but the filer does not give the notice required under section 4.7(1)(c) of MI 11-102 for that jurisdiction until after the principal regulator grants the exemption, the regulator of the non-principal passport jurisdiction will take appropriate action. This could include removing the exemption, in which case the filer would have an opportunity to be heard in that jurisdiction in appropriate circumstances.

(6) The regulator that receives the notice referred to in subsection (1) or (2) will send a copy of the notice and its decision to the regulator in the relevant non-principal passport jurisdiction.

5.4 Request for confidentiality

(1) A filer requesting that the regulators hold an application and supporting materials in confidence during the application review process should provide a substantive reason for the request in its application.

(2) If a filer is requesting that the regulators hold the application, supporting materials, or decision in confidence after the effective date of the decision, the filer should describe the request for confidentiality separately in its application, and pay any required fee:

(a) in the principal jurisdiction, if the filer is making a passport application,

(b) in the principal jurisdiction and in Ontario, if the filer is making a dual application, or

(c) in each jurisdiction, if the filer is making a coordinated review application.

(3) Any request for confidentiality should explain why the request is reasonable in the circumstances and not prejudicial to the public interest and when any decision granting confidentiality could expire.

(4) Communications on requests for confidentiality will normally take place by e-mail. If a filer is concerned with this practice, the filer may request in the application that all communications take place by facsimile or telephone.

5.5 Filing – A filer should send the application materials in paper together with the fees to

(a) the principal regulator, in the case of a passport application,

(b) the principal regulator and the OSC, in the case of a dual application, or

(c) each regulator from which the filer seeks exemptive relief, in the case of a coordinated review application.

The filer should also provide an electronic copy of the application materials, including the draft decision document, by e-mail or on CD ROM. Filing the application concurrently in all required jurisdictions will make it easier for the principal regulator and non-principal regulators, if applicable, to process the application expeditiously. In British Columbia, an electronic filing system is available for filing and tracking exemptive relief applications. Filers should file an application in British Columbia using that system instead of e-mail. Filers should file applications related to National Instrument 81-102 *Mutual Funds* on SEDAR. Filers should file applications related to individual proficiency requirements in NI 31-103 on NRD.

Filers should send pre-filing and application materials by e-mail using the relevant address or addresses listed below:

British Columbia	www.bcsc.bc.ca (click on BCSC e-services and follow the steps)
Alberta	legalapplications@seccom.ab.ca
Saskatchewan	exemptions@gov.sk.ca
Manitoba	exemptions.msc@gov.mb.ca
Ontario	applications@osc.gov.on.ca
Québec	Dispenses-Passeport@lautorite.qc.ca
New Brunswick	Passport-passeport@nbsc-cvmnb.ca
Nova Scotia	nsscexemptions@gov.ns.ca
Prince Edward Island	CCIS@gov.pe.ca
Newfoundland and Labrador	securitiesexemptions@gov.nl.ca
Yukon	Corporateaffairs@gov.yk.ca
Northwest Territories	SecuritiesRegistry@gov.nt.ca
Nunavut	legal.registries@gov.nu.ca

5.6 Incomplete or deficient material – If the filer's materials are deficient or incomplete, the principal regulator may ask the filer to file an amended application. This will likely delay the review of the application.

5.7 Acknowledgment of receipt of filing

(1) After the principal regulator receives a complete and adequate application, the principal regulator will send the filer an acknowledgment of receipt of the application. The principal regulator will send a copy of the acknowledgement to any other regulator with whom the filer has filed the application. The acknowledgement will identify the name, phone number, fax number and e-mail address of the individual reviewing the application.

(2) For a dual application, coordinated review application or hybrid application, the principal regulator will tell the filer, in the acknowledgement, the end date of the review period identified in section 6.2(3) of this policy.

5.8 Withdrawal or abandonment of application

(1) If a filer withdraws an application at any time during the process, the filer is responsible for notifying the principal regulator and any non-principal regulator with whom the filer filed the application and for providing an explanation of the withdrawal.

(2) If at any time during the review process, the principal regulator determines that a filer has abandoned an application, the principal regulator will notify the filer that it will mark the application as "abandoned". In that case, the principal regulator will close the file without further notice to the filer unless the filer provides acceptable reasons not to close the file in writing within 10 business days. If the filer does not, the principal regulator will notify the filer and any non-principal regulator with whom the filer filed the application that the principal regulator has closed the file.

PART 6 REVIEW OF MATERIALS

6.1 Review of passport application

(1) The principal regulator will review any passport application in accordance with its securities legislation and securities directions and based on its review procedures, analysis and considering previous decisions.

(2) The filer will deal only with the principal regulator, who will provide comments to and receive responses from the filer.

6.2 Review and processing of dual application or coordinated review application

(1) The principal regulator will review any dual application or coordinated review application in accordance with its securities legislation and securities directions, based on its review procedures, analysis and considering previous decisions. The principal regulator will consider any comments from a non-principal regulator with whom the filer filed the application. Please refer to section 5.2(2) of this policy for guidance on the non-principal regulator with whom a filer should file a dual application, and to section 5.2(3) for similar guidance for a coordinated review application.

(2) The filer will generally deal only with the principal regulator, who will be responsible for providing comments to the filer once it has considered the comments from the non-principal regulators and completed its own review. However, in exceptional circumstances, the principal regulator may refer the filer to a non-principal regulator with whom the filer has filed the application.

(3) A non-principal regulator with whom the filer has filed the application will have seven business days from receiving the acknowledgement referred to in section 5.7(1) of this policy to review the application. In exceptional circumstances, if the filer filed the dual application or coordinated review application concurrently in the non-principal jurisdictions and shows that it is necessary and reasonable in the circumstances for the application to receive immediate attention, the principal regulator may abridge the review period. A non-principal regulator that disagrees with abridging the review period may notify the filer and the principal regulator and request the filer to withdraw the application in that jurisdiction. In that case, the application will proceed as a local application without the need to file a new application and pay any additional related fees.

(4) Exceptional circumstances when the principal regulator may abridge the review period include:

(a) where exemptive relief is sought for a contested take-over bid and delay would prejudice the filer's position, and

(b) other situations in which the filer is responding to a critical event beyond its control and could not have applied for the exemptive relief earlier.

(5) Unless the filer provides compelling reasons as to why it did not start the application process sooner, the principal regulator will not consider the following circumstances as exceptional:

(a) the mailing of a management information circular for a scheduled meeting of security holders to consider a transaction,

(b) the filing of a prospectus where the receipt for the prospectus cannot evidence the exemptive relief,

(c) the closing of a transaction,

(d) the filing of a continuous disclosure document shortly before the date on which its filing is required, or

(e) other situations in which the deadline was known before filing the application and the filer could have filed the application earlier.

While staff will attempt to accommodate transaction timing where possible, filers planning time-sensitive transactions should build sufficient regulatory approval time into their transaction schedules.

The fact that a filer may consider an application as routine is not a compelling argument for requesting an abridgement.

(6) Filers should provide sufficient information in an application to enable staff to assess how quickly they should handle the application. For example, if the filer has committed to take certain steps by a specific date and needs to have staff's view or a decision by that date, the filer should explain why staff's view or the exemptive relief is required by the specific date and identify these time constraints in its application.

(7) A non-principal regulator with whom the filer has filed the dual application or coordinated review application will advise the principal regulator, before the expiration of the review period, of any substantive issues that, if left unresolved, would cause staff to recommend that the non-principal regulator opt out of the review. The principal regulator may assume that a non-principal regulator does not have comments on the application if the principal regulator does not receive them within the review period.

(8) A non-principal regulator with whom the filer has filed the dual application or coordinated review application will notify the filer and the principal regulator and request that the filer withdraw the application if staff of the non-principal regulator think that no exemptive relief is required under its securities legislation.

PART 7 DECISION-MAKING PROCESS

7.1 Passport application

(1) After completing the review process and after considering the recommendation of its staff, the principal regulator will determine whether to grant or deny the exemption a filer sought in a passport application.

(2) If the principal regulator is not prepared to grant the exemption a filer sought in its passport application based on the information before it, it will notify the filer accordingly.

(3) If a filer receives a notice under subsection (2) and this process is available in the principal jurisdiction, the filer may request the opportunity to appear before, and make submissions to, the principal regulator.

7.2 Dual application or coordinated review application

(1) After completing the review process and after considering the recommendation of its staff, the principal regulator will determine whether to grant or deny the exemption a filer sought in a dual application or the exemptive relief the filer sought in a coordinated review application and immediately circulate its decision to the non-principal regulators with whom the filer filed the application.

(2) Each non-principal regulator with whom the filer filed the dual application or coordinated review application will have five business days from receipt of the principal regulator's decision to confirm whether it has made the same decision and is opting in or is opting out of the dual review or coordinated review.

(3) If the non-principal regulator is silent, the principal regulator will consider that the non-principal regulator has opted out.

(4) If the filer shows that it is necessary and reasonable in the circumstances, the principal regulator may request, but cannot require, the non-principal regulators to abridge the opt-out period. In some circumstances, abridging the opt-out period may not be feasible. For example, in many jurisdictions, only a panel of the regulator that convenes according to a schedule can make some types of decisions.

(5) The principal regulator will not send the filer a decision for a dual application or coordinated review application before the earlier of

(a) the expiry of the opt-out period, or

(b) receipt from a non-principal regulator with whom the filer filed the application of the confirmation referred to in subsection (2).

(6) If the principal regulator is not prepared to grant the exemption a filer sought in its dual application or the exemptive relief the filer sought in its coordinated review application based on the information before it, it will notify the filer and all non-principal regulators with whom the filer filed the application.

(7) If a filer receives a notice under subsection (6) and this process is available in the principal jurisdiction, the filer may request the opportunity to appear before, and make submissions to, the principal regulator. The principal regulator may hold a hearing on its own, or jointly or concurrently with the non-principal regulators with whom the filer filed the application. After the hearing, the principal regulator will send a copy of the decision to the filer and all non-principal regulators with whom the filer filed the application.

(8) A non-principal regulator electing to opt out will notify the filer, the principal regulator and any other non-principal regulator with whom the filer filed the application and give its reasons for opting out. The filer may deal directly with the non-principal regulator to resolve outstanding issues and obtain a decision without having to file a new application or pay any additional related fees. If the filer and non-principal regulator resolve all outstanding issues, the non-principal regulator may opt back into the dual review or coordinated review by notifying the principal regulator and the other non-principal regulators with whom the filer filed the application within the opt-out period referred to in subsection (2).

PART 8 DECISION

8.1 Effect of decision made under passport application

(1) The decision of the principal regulator under a passport application to grant an exemption from a provision of securities legislation listed below the name of the principal jurisdiction in Appendix D of MI 11-102 is the decision of the principal regulator. Under MI 11-102, a filer is automatically exempt from the equivalent provision of each notified passport jurisdiction as a result of the principal regulator for the application granting the exemption.

(2) Except in the circumstances described in section 5.3(1) or (2) of this policy, the exemption is effective in each notified passport jurisdiction on the date of the principal regulator's decision (even if the regulator in the notified passport jurisdiction is closed on that date). In the circumstances described in section 5.3(1) of this policy, the exemption is effective in the relevant non-principal passport jurisdiction on the date the filer gives the notice under section 4.7(1)(c) or 4.8(1)(c) of MI 11-102 for that jurisdiction (even if the regulator in that jurisdiction is closed on that date).

8.2 Effect of decision made under dual application

(1) The decision of the principal regulator under a dual application to grant an exemption from a provision of securities legislation listed below the name of the principal jurisdiction in Appendix D of MI 11-102 is the decision of the principal regulator. Under MI 11-102, a filer is automatically exempt from an equivalent provision of each notified passport jurisdiction as a result of the principal regulator for the application granting the exemption. The decision of the principal regulator under a dual application also evidences the OSC's decision, if the OSC has confirmed that it has made the same decision as the principal regulator.

(2) The principal regulator will not issue the decision until the earlier of

(a) the date that the OSC confirms that it has made the same decision as the principal regulator, or

(b) the date the opt-out period referred to in section 7.2(2) of this policy has expired.

8.3 Effect of decision made under coordinated review application

(1) The decision of the principal regulator under a coordinated review application to grant exemptive relief from a provision of securities legislation in the principal jurisdiction is the decision of the principal regulator and evidences the decision of each non-principal regulator that has confirmed that it has made the same decision as the principal regulator.

(2) The principal regulator will not issue the decision until the earlier of

(a) the date that the principal regulator has received confirmation from each non-principal regulator that it has made the same decision as the principal regulator, or

(b) the date the opt-out period referred to in section 7.2(2) of this policy has expired.

8.4 Listing non-principal jurisdictions

(1) For convenience, the decision of the principal regulator on a passport application or a dual application will refer to the notified passport jurisdictions, but it is the filer's responsibility to ensure that it gives the required notice for each jurisdiction for which section 4.7(1) of MI 11-102 is intended to be relied upon.

(2) The decision of the principal regulator on a dual application or a coordinated review application will contain wording that makes it clear that the decision evidences and sets out the decision of each non-principal regulator that has made the same decision as the principal regulator.

(3) For a coordinated review application for which Québec is not the principal jurisdiction, the AMF will issue a local decision concurrently with and in addition to the principal regulator's decision. The AMF decision will contain the same terms and conditions as the principal regulator's decision. No other local regulator will issue a local decision.

8.5 Form of decision

(1) Except as described in subsection (2), the decision will be in the form set out in:

(a) Annex A, for a passport application,

(b) Annex B, for a dual application,

(c) Annex C, for a coordinated review application, or

(d) Annex D, for a hybrid application.

(2) A principal regulator may issue a less formal decision where it is appropriate.

(3) If the decision is to deny the exemptive relief, the decision will set out reasons.

8.6 Issuance of decision – The principal regulator will send the decision to the filer and to all non-principal regulators.

PART 9 EFFECTIVE DATE AND TRANSITION

9.1 Effective date

This policy comes into effect on March 17, 2008.

9.2 Exemptive relief applications filed before March 17, 2008

The process set out in National Policy 12-201 *Mutual Reliance Review System for Exemptive Relief Applications* (MRRS) will continue to apply to an exemptive relief application and any related pre-filing filed in multiple jurisdictions before March 17, 2008.

9.3 Availability of passport for exemptions applied for before March 17, 2008

(1) Section 4.8(1) of MI 11-102 provides that an exemption from the equivalent provision is automatically available in the local jurisdiction if

(a) an application was made in a specified jurisdiction before March 17, 2008 for an exemption from a provision of securities legislation that is now listed in Appendix D of MI 11-102,

(b) the regulator in the specified jurisdiction granted the exemption before, on or after March 17, 2008, and

(c) certain other conditions are met, including giving the required notice for the additional non-principal passport jurisdiction; refer to section 5.3 of this policy for information on where to give the required notice and what information the notice should contain.

(2) A specified jurisdiction for purposes of section 4.8 of MI 11-102 is a principal jurisdiction under Multilateral Instrument 11-101 *Principal Regulator System*. Therefore, section 4.8(1) applies to an exemption from a CD requirement, as defined in Multilateral Instrument 11-101 *Principal Regulator System*, which the principal regulator under that Instrument granted to a reporting issuer before March 17, 2008 if the exemption relates to a CD requirement that is now listed in Appendix D of MI 11-102. In this case, however, section 4.8(3) exempts a reporting issuer from having to give the notice required in section 4.8(1)(c). Refer to section 4.5 of the CP 11-102 for guidance on the effect of section 4.8 of MI 11-102.

(3) For greater certainty, a filer may not rely on section 4.8 of MI 11-102 to obtain an automatic exemption from a provision of Ontario's securities legislation listed in Appendix D of MI 11-102. A filer may rely on section 4.8 of MI 11-102 only in a passport jurisdiction.

9.4 Revocation or variation of MRRS decisions made before March 17, 2008

(1) A filer that wants the regulators to revoke an MRRS decision made before March 17, 2008 should make a coordinated review application.

(2) A filer that wants the regulators to vary an MRRS decision made before March 17, 2008 should make a coordinated review application. However, in the case of an MRRS decision that gave exemptive relief from a provision set out in Appendix D of MI 11-102, the filer should instead request new relief by making a passport application or dual application and referencing the MRRS decision in the new application and the proposed decision document.

(3) If a filer makes a passport application or a dual application under subsection (2), the filer must give the notice required under section 4.7(1)(c) of MI 11-102 and meet the other conditions of that section for the principal regulator's decision to have effect automatically in a non-principal passport jurisdiction. A filer may give the notice in the application it files with the principal regulator.

Annex A

Form of decision for passport application

[Citation:[**neutral citation**] [**Date of decision**]]

In the Matter of
the Securities Legislation of
[name of principal jurisdiction] (the Jurisdiction)

and

In the Matter of
the Process for Exemptive Relief Applications in Multiple Jurisdictions

and

In the Matter of
[name(s) of filer(s) and other relevant parties, including definitions as required] (the Filer(s))

Decision

Background

The principal regulator in the Jurisdiction has received an application from the Filer(s) for a decision under the securities legislation of the Jurisdiction of the principal regulator (the Legislation) for [**describe the exemption sought (the Exemption Sought) by referring to the relevant requirement(s) or provision(s) listed in the first column of Appendix D to MI 11-102.]**

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

(a) the **[name of the principal regulator]** is the principal regulator for this application, and

(b) the Filer(s) has(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 **[names of non-principal 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. [**Add additional definitions here.**]

Representations

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

[Insert material representations necessary to explain why the principal regulator came to this decision. Include the location of the Filer's head office and, if appropriate, the connecting factor the filer used to identify the principal regulator for the application. State that the filer and any other relevant party is not in default of securities legislation in any jurisdiction or, if the filer or other relevant party is in default, set out the nature of the default.]

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:

[Insert numbered terms, conditions, restrictions or requirements. These should include references to the relevant requirement(s) or provision(s) listed in the first column of Appendix D to MI 11-102.]

[If any exemption has an effective date after the date of the decision, state here.]

(Name of signatory for the principal regulator)
(Title)
(Name of principal regulator)

(*justify signature block*)

Annex B

Form of decision for a dual application

[Citation:[**neutral citation**] [**Date of decision**]]

In the Matter of
the Securities Legislation of
[name of principal jurisdiction] and Ontario (the Jurisdictions)

and

In the Matter of
the Process for Exemptive Relief Applications in Multiple Jurisdictions

and

In the Matter of
[name(s) of filer(s) and other relevant parties, including definitions as required] (the Filer(s))

Decision

Background

The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer(s) for a decision under the securities legislation of the Jurisdictions (the Legislation) for [**describe the exemption sought (the Exemption Sought) by referring to the relevant requirement(s) or provision(s) listed in the first column of Appendix D to MI 11-102.]**

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

(a) the **[name of the principal regulator]** is the principal regulator for this application,

(b) the Filer(s) has(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 **[names of non-principal passport jurisdictions]**, and

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

Interpretation

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

Representations

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

[Insert material representations necessary to explain why the Decision Makers came to this decision. Include the location of the Filer's head office and, if appropriate, the connecting factor the filer used to identify the principal regulator for the application. State that the filer and any other relevant party is not in default of securities legislation in any jurisdiction or, if the filer or other relevant party is in default, set out the nature of the default.]

Decision

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

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

[Insert numbered terms, conditions, restrictions or requirements. These should include references to the relevant requirement(s) or provision(s) listed in the first column of Appendix D to MI 11-102.]

[If any exemption has an effective date after the date of the decision, state here.]

(Name of signatory for the principal regulator)
(Title)
(Name of principal regulator)

(*justify signature block*)

Annex C

Form of decision for coordinated review application

[Citation:[**neutral citation**] [**Date of decision**]]

In the Matter of
the Securities Legislation of
[name of jurisdictions participating in decision] (the Jurisdictions)

and

In the Matter of
the Process for Exemptive Relief Applications in Multiple Jurisdictions

and

In the Matter of
[name(s) of filer(s) and other relevant parties, including definitions as required] (the Filer(s))

Decision

Background

The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer(s) for a decision under the securities legislation of the Jurisdictions (the Legislation) for [**describe the exemptive relief sought (the Exemptive Relief Sought) in words (e.g., that the filer is not a reporting issuer). Do not use statutory references. Include defined terms as necessary.]**

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

(a) the **[name of the principal regulator]** is the principal regulator for this application, and

(b) the decision is the decision of the principal regulator and evidences the decision of each other Decision Maker.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* have the same meaning if used in this decision, unless otherwise defined. [**Add additional definitions here.**]

Representations

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

[Insert material representations necessary to explain why the Decision Makers came to this decision. Include the location of the Filer's head office and, if appropriate, the connecting factor the filer used to identify the principal regulator for the application. State that the filer and any other relevant party is not in default of securities legislation in any jurisdiction or, if the filer or other relevant party is in default, set out the nature of the default. Do not use statutory references.]

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 Exemptive Relief Sought is granted provided that:

[Insert numbered terms, conditions, restrictions or requirements. These should be generic and without statutory references to the Legislation of the Jurisdictions.]

[If any exemptive relief has an effective date after the date of the decision, state here.]

(Name of signatory for the principal regulator)
(Title)
(Name of principal regulator)

(*justify signature block*)

Annex D

Form of decision for hybrid application

[Citation:[**neutral citation**] [**Date of decision**]]

In the Matter of
the Securities Legislation of
[name of principal jurisdiction (for a passport application), or of principal jurisdiction and Ontario (for a dual application), and name of each jurisdiction participating in coordinated review application decision]

and

In the Matter of
the Process for Exemptive Relief Applications in Multiple Jurisdictions

and

In the Matter of
[name(s) of filer(s) and other relevant parties, including definitions as required,] (the Filer(s))

Decision

Background

[If you are making a passport application, insert:]

The securities regulatory authority or regulator in _____ has received an application from the Filer(s) for a decision under the securities legislation of the jurisdiction of the principal regulator (the Legislation) for [**describe the exemption sought (the Passport Exemption) by referring to the relevant requirement(s) or provision(s) listed in the first column of Appendix D to MI 11-102.]**

OR

[If you are making a dual application, insert:]

The securities regulatory authority or regulator in _____ and Ontario (Dual Exemption Decision Makers) have received an application from the Filer(s) for a decision under the securities legislation of those jurisdictions (the Legislation) for [**describe the exemption sought (the Dual Exemption) by referring to the relevant requirement(s) or provision(s) listed in the first column of Appendix D to MI 11-102.]**

AND

[For your coordinated review application, insert:]

The securities regulatory authority or regulator in each of _____ (the Jurisdictions) (Coordinated Exemptive Relief Decision Makers) has received an application from the Filer(s) for a decision under the securities legislation of the Jurisdictions (the Legislation) for [**describe the exemptive relief sought (the Coordinated Exemptive Relief) in words (e.g., that the filer is not a reporting issuer). Do not use statutory references. Include defined terms as necessary.]**

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

(a) the **[name of the principal regulator]** is the principal regulator for this application,

(b) the Filer(s) has(ve) provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in **[names of non-principal passport jurisdictions]**,

(c) the decision is the decision of the principal regulator, **[if you are making a dual application, insert: "**and the decision evidences the decision of the securities regulatory authority or regulator in Ontario,**"]** and

(d) the decision evidences the decision of each Coordinated Exemptive Relief Decision Maker.

Interpretation

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

Representations

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

[Insert material representations necessary to explain why the Decision Makers came to this decision. Include the location of the Filer's head office and, if appropriate, the connecting factor the filer used to identify the principal regulator for the application. State that the filer and any other relevant party is not in default of securities legislation in any jurisdiction or, if the filer or other relevant party is in default, set out the nature of the default. Do not use statutory references.]

Decision

Each of the principal regulator **[if you are making a dual application, insert: "**, the securities regulatory authority or regulator in Ontario,**"]** and the Coordinated Exemptive Relief Decision Makers is satisfied that the decision meets the test set out in the Legislation for the relevant regulator or securities regulatory authority to make the decision.

[If you are making a passport application, insert:]

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

[Insert numbered terms, conditions, restrictions or requirements. These should include references to the relevant requirement(s) or provision(s) listed in the first column of Appendix D to MI 11-102.]

OR

[If you are making a dual application, insert:]

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

[Insert numbered terms, conditions, restrictions or requirements. These should include references to the relevant requirement(s) or provision(s) listed in the first column of Appendix D to MI 11-102.]

AND

[For your coordinated application, insert:]

The decision of the Coordinated Review Decision Makers under the Legislation is that the Coordinated Exemptive Relief is granted provided that:

[Insert numbered terms, conditions, restrictions or requirements. These should be generic and without statutory references to the Legislation of the Jurisdictions.]

[If any exemption or exemptive relief has an effective date after the date of the decision, state here.]

(Name of signatory for the principal regulator)
(Title)
(Name of principal regulator)

(*justify signature block*)

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 8

Notice of Exempt Financings

REPORTS OF TRADES SUBMITTED ON FORMS 45-106F1 AND 45-501F1

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
01/20/2012	9	Acana Capital Corp. - Common Shares	2,550,000.00	51,000,000.00
01/19/2012	2	Accutrac Capital Solutions Inc. - Preferred Shares	800,000.00	800.00
02/29/2012	139	ACM Commercial Mortgage Fund - Units	7,812,809.99	69,098.00
03/31/2012	126	ACM Commercial Mortgage Fund - Units	5,362,146.43	47,543.34
03/16/2012	2	Affinium Pharmaceuticals, Inc. - Notes	5,333,333.34	2.00
03/30/2012	34	African Queen Mines Ltd. - Units	702,900.00	3,195,000.00
02/29/2012	1	AH Parallel Fund III-Q, L.P. - Limited Partnership Interest	1,973,200.00	N/A
04/05/2012	9	Albion Petroleum Ltd. - Common Shares	499,905.00	4,761,000.00
02/29/2012	1	Andreessen Horowitz Fund III-Q, L.P. - Limited Partnership Interest	2,959,800.00	N/A
04/19/2012	5	Annidis Corporation - Units	842,957.00	2,107,392.00
12/28/2011	1	Audax Private Equity Fund IV, L.P. - Limited Partnership Unit	10,234,000.00	1.00
04/03/2012	3	Barrick Gold Corporation - Notes	20,303,920.17	3.00
03/28/2012	43	Belmont Resources Inc. - Common Shares	555,000.00	5,550,000.00
01/01/2012 to 03/16/2012	165	Bennett Jones Services Trust - Trust Units	4,542,800.00	4,542,800.00
02/10/2012 to 02/16/2012	7	Bison Income Trust II - Trust Units	591,120.00	59,112.00
03/30/2012	2	B.E.S.T. Active Fund 15 LP - Limited Partnership Units	99,000.00	99,000.00
03/22/2012	169	C2C Industrial Propertiers Inc. - Common Shares	35,654,182.00	209,730,481.00
04/03/2012	1	Canadian Arrow Mines Limited - Common Shares	92,375.36	1,316,648.00
03/26/2012 to 03/27/2012	30	Canadian Horizons First Mortgage Investment Corporation - Preferred Shares	508,258.00	508,258.00
04/20/2012	1	Canadian Imperial Bank of Commerce - Notes	1,000,000.00	10,000.00
03/26/2012 to 03/27/2012	37	CareVest Capital Blended Mortgage Investment Corp. - Preferred Shares	565,989.00	565,989.00
03/26/2012 to 03/27/2012	7	CareVest First Mortgage Investment Corporation - Preferred Shares	41,744.00	41,744.00
04/04/2012	3	Citigroup Funding Inc. - Units	345,100.00	350.00

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
03/20/2012 to 03/26/2012	109	Cliffmont Resources Ltd. - Units	4,934,000.00	4,934,000.00
04/27/2012	2	Critical Outcome Technologies Inc. - Units	300,000.00	1,875,000.00
03/23/2012 to 04/25/2012	9	Cymat Technologies Ltd. - Common Shares	250,000.00	5,000,000.00
04/11/2012	3	DFC Global Corp. - Notes	2,490,250.00	N/A
03/30/2012	2	DW Healthcare Partners (B) L.P. - Limited Partnership Interest	14,875,500.00	15,000,000.00
04/01/2012	1	Dymon Asia Marco Fund - Common Shares	9,991,000.00	1,000.00
04/17/2012	3	EL Nino Ventures Inc. - Flow-Through Shares	78,750.00	525,000.00
04/17/2012	4	EL Nino Ventures Inc. - Units	69,010.00	530,846.00
04/16/2012	1	FCO MA Maple Leaf LP - Limited Partnership Interest	200,480,000.00	200,000,000.00
04/03/2012	51	Finning International Inc. - Notes	299,460,000.00	51.00
12/09/2011	1	Fire River Gold Corp. - Common Shares	0.00	3,260,870.00
04/10/2012 to 04/17/2012	6	First Graphite Corp. (formerly Solace Resources Corp. - Common Shares	819,998.00	819,998.00
04/01/2012	1	Flatiron Market Neutral L.P. - Limited Partnership Units	850,000.00	543.33
04/01/2012	4	Flatiron Trust - Trust Units	16,000.00	604.00
03/31/2011 to 12/30/2011	27	GE Asset Management Canada Fund - Canadian Equity - Units	402,332,185.19	34,834,060.46
04/26/2011 to 12/30/2011	3	GE Asset Management Canada Fund - China Select Equity - Units	746,988.32	75,289.74
06/30/2011 to 12/30/2011	5	GE Asset Management Canada Fund - Global Equity - Units	2,770,554.03	2,770,554.03
08/02/2011 to 12/30/2011	11	GE Asset Management Canada Fund - International Equity - Units	13,852,174.06	1,503,243.14
12/31/2011	1	GE Asset Management Canada Fund - Multistyle Equity - Units	2,145,843.70	233,243.88
12/12/2011 to 12/30/2011	8	GE Asset Management Canada Fund II - Canadian Equity - Units	9,843,636.35	984,133.91
03/29/2012	23	Gem International Resources Inc. - Common Shares	300,500.00	300,500.00
03/30/2012	58	GeoMegA Resources Inc. - Units	3,019,160.95	3,469,384.00
03/23/2012	238	Global Minerals Ltd. - Common Shares	12,499,899.30	27,777,556.00
01/03/2012 to 01/28/2012	1	GMO Developed World Equity Investment Fund PLC - Units	467,189.42	17,146.18
03/29/2012	1	GMO Emerging Markets Fund - V - Units	9,999,000.00	865,051.90
03/15/2012	1	GMO Global Equity Allocation Fund - III - Units	2,479,023.76	290,319.77

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
01/09/2012 to 03/20/2012	1	GMO International Intrinsic Value Fund - II - Units	433,737.77	21,914.14
01/03/2012 to 03/03/2012	1	GMO International Opportunities Eqty Allocation Fund-III - Units	457,816.53	34,133.56
11/29/2011	4	Gold Mountain Mining Corporation - Flow-Through Shares	887,499.85	771,739.00
02/09/2012	1	Golden Moor Inc. - Common Shares	0.00	36,555,000.00
12/16/2011	1	Goldeye Explorations Limited - Flow-Through Units	400,000.00	8,000,000.00
04/03/2012	2	Greencastle Resources Ltd. - Common Shares	0.00	140,000.00
02/03/2012	6	Grenville Gold Corp. - Common Shares	450,000.00	4,500,000.00
04/01/2011 to 03/31/2012	2	GWLIM Canadian Growth Fund - Units	1,643,103.00	N/A
04/01/2011 to 03/31/2012	6	GWLIM Cororate Bond Fund - Units	6,507,710.00	N/A
04/01/2011 to 03/31/2012	1	GWLIM North American Mid Cap Fund - Units	571,940.00	N/A
03/30/2012	1	Hatteras Financial Corp. - Common Shares	2,712,000.00	100,000.00
04/10/2012	2	Heckmann Corporation - Note	18,893,980.00	1.00
04/01/2011 to 03/31/2012	8	Howson Tattersall Canadian Bond Pool - Units	9,736,460.00	884,098.00
04/01/2011 to 03/31/2012	6	Howson Tattersall Canadian Short-Term Pool - Units	36,923,803.00	3,692,380.00
04/01/2011 to 03/31/2012	9	Howson Tattersall Canadian Value Equity Pool - Units	16,502,317.00	1,275,848.00
04/01/2011 to 03/31/2012	6	Howson Tattersall Global Value Equity Pool - Units	5,947,953.00	4,471,837.00
04/02/2012	1	Imperial Capital Acquisition Fund IV (Institutional) 2 Limited Partnership - Limited Partnership Units	40,498.96	40,498.96
04/02/2012	1	Imperial Capital Acquisition Fund IV (Institutional) 3 Limited Partnership - Limited Partnership Units	40,498.96	40,498.96
04/02/2012	1	Imperial Capital Acquisition Fund IV (Institutional) 5 Limited Partnership - Limited Partnership Units	20,252.00	20,252.00
04/02/2012	1	Imperial Capital Acquisition Fund V (Institutional) 4 Limited Partnership - Limited Partnership Units	20,252.00	20,252.00
03/30/2012	2	Infobright Inc. - Note	4,987,500.00	1.00
03/01/2011 to 03/31/2011	2	Invesco Canadian Balanced Fund - Units	1,223,302.34	79,125,090.00
03/01/2011 to 03/31/2012	2	Invesco Canadian Equity Pool - Units	914,609.32	122,388.68
03/01/2011 to 03/31/2012	1	Invesco Canadian Premier Growth Class - Units	4,688,031.28	261,166.12

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
03/01/2011 to 03/31/2012	1	Invesco Canadian Premier Growth Fund - Units	1,552,713.14	68,664.75
03/01/2011 to 03/31/2012	2	Invesco Global Equity Pool - Units	1,149,438.87	146,121.97
03/01/2011 to 03/31/2012	2	Invesco Global Real Estate Pool - Units	31,950,000.00	2,747,580.03
03/01/2011 to 03/31/2012	1	Invesco International Growth Class - Units	210,646.27	15,399.83
03/30/2012	2	Ironwood Recovery Fund 2011 LLC - Limited Liability Interest	1,250,000.00	1,000.00
01/20/2012	3	Jourdan Resources Inc. - Units	200,000.00	200.00
06/30/2011 to 12/30/2011	20	Kensington Global Private Equity Fund - Units	945,618.07	42,351.10
04/01/2011 to 03/31/2012	2	Keystone AGF Equity Fund - Units	2,709.00	N/A
04/01/2011 to 03/31/2012	1	Keystone Balanced Growth Portfolio Fund - Units	21,414.00	1,552.00
04/01/2011 to 03/31/2012	1	Keystone Balanced Portfolio Fund - Units	20,222.00	1,581.00
04/01/2011 to 03/31/2012	2	Keystone Beutel Goodman Bond Fund - Units	115,827.00	11,074.00
04/01/2011 to 03/31/2012	1	Keystone Conservative Portfolio Fund - Units	25,439.00	2,093.00
04/15/2012	1	Kingwest Canadian Equity Portfolio - Units	11,000.00	953.38
04/15/2012	1	Kingwest High Income Fund - Units	20,000.00	3,475.84
04/07/2012	1	Lion Capital Fund III, L.P. - Limited Partnership Interest	129,710,000.00	1.00
04/01/2011 to 03/31/2012	5	London Capital Canadian Bond Fund - Units	8,180,939.00	N/A
01/01/2011 to 12/31/2011	177	Louisbourg Canadian Bond Fund - Units	39,527,718.00	3,864,175.53
01/01/2011 to 12/31/2011	183	Louisbourg Canadian Equity Fund - Units	80,620,477.00	8,624,733.86
01/01/2011 to 12/31/2011	160	Louisbourg Dividend Fund - Units	17,956,601.00	1,768,178.90
01/01/2011 to 12/31/2011	156	Louisbourg EAFE Fund - Units	12,328,796.00	1,284,775.22
01/01/2011 to 12/31/2011	179	Louisbourg Money Market Fund - Units	38,578,814.00	3,857,881.42
01/01/2011 to 12/31/2011	166	Louisbourg US Equity Fund - Units	19,577,635.00	1,917,734.15
04/23/2012	27	Lower Mattagami Energy Limited Partnership - Bonds	225,000,000.00	2,250,000.00

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
03/28/2012 to 04/03/2012	36	MacDonald Mines Exploration Ltd. - Common Share Purchase Warrant	4,658,333.34	31,505,834.00
04/01/2011 to 03/31/2012	5	Mackenzie Cundhill Recovery Fund - Units	33,508,630.00	N/A
04/01/2011 to 03/31/2012	1	Mackenzie Founders Fund - Units	11,877.00	N/A
04/01/2011 to 03/31/2012	1	Mackenzie Founders Global Equity Class - Units	45,653.00	N/A
04/01/2011 to 03/31/2012	1	Mackenzie Founders Income & Growth Fund - Units	422,460.00	N/A
04/01/2011 to 03/31/2012	2	Mackenzie Growth Fund - Units	4,218,132.00	N/A
04/01/2011 to 03/31/2012	1	Mackenzie Ivy Canadian Fund - Units	84,218.00	N/A
04/01/2011 to 03/31/2012	1	Mackenzie Ivy Enterprise Class - Units	692,408.00	N/A
04/01/2011 to 03/31/2012	1	Mackenzie Ivy Enterprise Fund - Units	125,357.00	N/A
04/01/2011 to 03/31/2012	1	Mackenzie Ivy European Fund - Units	4,876.00	N/A
04/01/2011 to 03/31/2012	1	Mackenzie Ivy Foreign Equity Class - Units	159,471.00	N/A
04/01/2011 to 03/31/2012	7	Mackenzie Ivy Foreign Equity Trust - Units	54,492,355.00	N/A
04/01/2011 to 03/31/2012	3	Mackenzie Ivy Global Balanced Fund - Units	1,570,887.00	N/A
04/01/2011 to 03/31/2012	1	Mackenzie Ivy Growth & Income Fund - Units	202,184.00	N/A
11/11/2011	72	Mahdia Gold Corp. - Units	8,000,000.00	32,000,000.00
03/09/2012	1	Marquest Asset Management Inc. - Units	250,000.00	250.00
04/04/2012	1	Merrill Lynch International & Co. C.V. - Warrants	1,000,276.00	335.00
04/10/2012	26	Metropolitan Life Global Funding I - Notes	350,000,000.00	N/A
06/02/2011 to 03/02/2012	30	MGI Canada US Large Cap Growth Fund - Units	3,428,896.00	329,480.05
06/02/2011 to 03/02/2012	30	MGI Canada US Large Cap Value Fund - Units	4,243,796.00	429,405.09
06/02/2011 to 03/02/2012	36	MGI Canada US Passive Equity Fund - Units	31,889,538.00	3,055,713.68
05/16/2011 to 03/26/2012	57	MGI Canadian Equity Fund - Units	127,956,174.00	12,805,990.65
04/11/2011 to 03/27/2012	26	MGI Fixed Income Fund - Units	79,891,329.00	7,589,960.17

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
01/06/2012 to 01/11/2012	14	MGI Global Equity Fund - Units	119,170,350.00	11,480,655.46
04/11/2011 to 03/27/2012	48	MGI International Equity Fund - Units	140,832,508.00	19,916,755.88
04/11/2011 to 03/26/2012	22	MGI Long Bond Fund - Units	114,959,743.41	10,135,362.08
04/14/2011 to 02/16/2012	9	MGI Long Term Bond Index Fund - Units	114,438,252.78	9,874,280.81
06/14/2011 to 03/13/2012	22	MGI Money Market Fund - Units	10,589,048.00	1,058,904.80
06/03/2011 to 03/26/2012	3	MGI Real Return Bond Fund - Units	3,102,769.00	242,206.42
04/14/2011 to 03/30/2012	8	MGI Synthetic 3X Long Bond Fund - Units	42,250,625.14	3,427,133.17
06/03/2011 to 12/30/2011	8	MGI Ultra Long Bond Fund - Units	14,382,452.00	1,105,338.67
12/15/2011 to 12/21/2011	3	MGI Universe Bond Index Fund - Units	61,059,840.58	6,105,932.31
06/29/2011 to 08/15/2011	6	MGI US Equity Trust - Units	3,011,676.00	389,184.17
04/01/2012	1	Moore Macro Managers Fund, Ltd. - Common Shares	15,867,200.00	14.01
03/28/2012	1	Morgan Stanley Capital I Trust 2012-C4 - Certificates	15,701,444.31	N/A
03/30/2012	54	Morrison Laurier Mortgage Corporation - Preferred Shares	2,974,500.00	N/A
04/17/2012	2	MRC Global Inc. - Common Shares	1,762,900.00	85,000.00
03/13/2012	1	Nationstar Mortgage Holdings Inc. - Common Shares	15,257,000.00	N/A
12/22/2011 to 03/09/2012	26	Network 2012 Limited Partnership - Limited Partnership Units	22,335,000.00	223,350.00
03/12/2012	2	Neuberger Berman Group LLC and Neuberger Berman Finance Corporation - Notes	15,896,000.00	N/A
04/02/2012 to 04/11/2012	10	Newport Fixed Income Fund - Trust Units	2,108,310.96	N/A
04/18/2012	1	Niogold Mining Corporation - Common Shares	380,000.00	1,000,000.00
03/30/2012 to 04/11/2012	57	OmniArch Capital Corporation - Bonds	944,551.00	N/A
03/23/2012	94	Pennant Pure Yield Fund - Trust Units	1,476,350.00	147,635.00
02/10/2012	3	pier 21 Global Value Pool - Units	4,298,000.00	440,542.23
04/02/2012	27	Portland Gaming Fund I LP - Limited Partnership Units	1,512,342.50	1,225.00
01/11/2012	1	Primary Assets Fund, LLC - Investment Trust Interest	509,600.00	1.00
02/06/2012	1	Return On Innovation Capital Ltd. - Units	10,000,000.00	10,000,000.00

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
11/01/2011	1	Revelation Special Situations Offshore Fund Ltd. - Common Shares	24,917,500.00	13,653.34
04/05/2012	1	ROI Advisors Ltd. - Units	3,000,000.00	23,526.03
03/23/2012	30	Royal Bank of Canada - Notes	3,990,000.00	39,900.00
03/23/2012	25	Royal Bank of Canada - Notes	3,363,934.00	33,700.00
03/30/2012	22	Royal Bank of Canada - Notes	2,910,378.30	29,130.00
04/27/2012	4	Royal Bank of Canada - Notes	637,455.00	6,500.00
04/30/2012	1	Royal Bank of Canada - Notes	5,000,000.00	50,000.00
04/27/2012	1	Royal Bank of Canada - Notes	1,471,050.00	15,000.00
04/02/2012	9	RXT 110 Inc. - Units	361,000.00	1,805,000.00
04/05/2012	30	SecureCare Investments Inc. - Bonds	496,500.00	N/A
03/08/2012	8	SecureCare Investments Inc. - Bonds	425,000.00	N/A
04/04/2012	1	SIA Trust - Trust Units	3,995,300.00	399,530.00
04/12/2012 to 04/20/2012	2	Sinclair-Cockburn Mortgage Investment Corporation - Common Shares	1,500,000.00	1,500,000.00
03/22/2012	1	Sinclair-Cockburn Mortgage Investment Corporation - Common Shares	188,675.24	188,675.00
04/24/2012	1	Strike Minerals Inc. - Flow-Through Units	6,250.00	50,000.00
03/21/2011	1	The Goldman Sachs Group Inc. - Notes	97,740.00	100,000.00
08/26/2011	1	The Goldman Sachs Group Inc. - Notes	1,477,950.00	1,500,000.00
03/07/2011	1	The Goldman Sachs Group Inc. - Notes	175,284.00	180,000.00
10/18/2011	4	The Goldman Sachs Group Inc. - Notes	1,910,644.00	1,880,000.00
04/05/2012	1	The Hartford Financial Services Group Inc. - Notes	493,699.58	500,000.00
04/02/2012 to 04/11/2012	6	The Newport Balanced Fund - Trust Units	512,170.06	N/A
04/12/2012 to 04/20/2012	6	The Newport Balanced Fund - Trust Units	186,227.00	N/A
04/02/2012 to 04/11/2012	4	The Newport Cdn Eqty Fund - Trust Units	560,000.00	N/A
04/12/2012 to 04/20/2012	2	The Newport CDN Eqty Fund - Trust Units	32,450.00	N/A
04/12/2012 to 04/20/2012	1	The Newport Fixed Income Fund - Trust Units	28,163.32	N/A
04/02/2012 to 04/11/2012	13	The Newport Glbl Equity Fund - Trust Units	538,645.00	N/A
04/12/2012 to 04/20/2012	2	The Newport Real Estate LPU - Trust Units	196,033.66	N/A

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
04/02/2012 to 04/11/2012	14	The Newport Yield Fund - Trust Units	1,755,849.89	N/A
04/12/2012 to 04/20/2012	6	The Newport Yield Fund - Trust Units	339,111.20	N/A
03/01/2011 to 03/31/2012	1	Trimark Canadian Class (formerly, Trimark Canadian First Class) - Units	132,034.47	8,855.56
03/09/2012	156	Triple Dragon Resources Inc. - Common Shares	2,353,514.90	23,535,149.00
04/04/2012	1	UCB S.A./N.V. - Common Shares	13,613,809.00	325,000.00
01/24/2012	11	Unicredit S.p.A. - Common Shares	8,852,847.48	3,470,392.00
03/20/2012	1	United Surgical Partners International, Inc. - Notes	11,735,839.50	11,815.00
03/30/2012	27	VersaPay Corporation - Common Shares	2,070,000.00	2,070,000.00
03/30/2012	55	Vertex Fund - Trust Units	4,515,185.21	N/A
03/30/2012	1	Victoria South American Partners II L.P. - Limited Partnership Interest	75,000,000.00	75,000,000.00
04/02/2012 to 04/05/2012	2	WhoPlusYou Inc. - Common Shares	698,560.00	165,929.00

Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Bissett Canadian High Dividend Corporate Class
Bissett Corporate Bond Yield Class
Bissett Dividend Income Corporate Class
Quotential Diversified Income Corporate Class Portfolio
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated May 1, 2012
NP 11-202 Receipt dated May 2, 2012
Offering Price and Description:
Series A, F, I, O, T and Series T-USD Shares
Underwriter(s) or Distributor(s):
Franklin Templeton Investments Corp.
Bissett Investment Management, a division of Franklin Templeton Investments Corp.
Promoter(s):
Franklin Templeton Investments Corp.
Project #1900450

Issuer Name:
Eloqua, Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated May 4, 2012
NP 11-202 Receipt dated May 7, 2012
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1902593

Issuer Name:
Exemplar Timber Fund
Exemplar Yield Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated May 4, 2012
NP 11-202 Receipt dated May 7, 2012
Offering Price and Description:
Series A, Series F, Series I and Series L Units
Underwriter(s) or Distributor(s):
BluMont Capital Corporation
Promoter(s):
BluMont Capital Corporation
Project #1902177

Issuer Name:
Greenfields Petroleum Corporation
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated May 7, 2012
NP 11-202 Receipt dated May 7, 2012
Offering Price and Description:
$ * - * % Convertible Unsecured Subordinated Debentures due May 31, 2017 Price: $ * per Debenture
Underwriter(s) or Distributor(s):
FIRSTENERGY CAPITAL CORP.
CIBC WORLD MARKETS INC.
Promoter(s):
Richard E. MacDougal
Alex T. Warmath
John W. Harkins
Project #1902641

Issuer Name:
Primaris Retail Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated May 7, 2012
NP 11-202 Receipt dated May 7, 2012
Offering Price and Description:
$100,050,000.00 - 4,350,000 Units Price: $23.00 per Unit
Underwriter(s) or Distributor(s):
RBC DOMINION SECURITIES INC.
CIBC WORLD MARKETS INC.
BMO NESBITT BURNS INC.
SCOTIA CAPITAL INC.
TD SECURITIES INC.
CANACCORD GENUITY CORP.
NATIONAL BANK FINANCIAL INC.
MACQUARIE CAPITAL MARKETS CANADA LTD.
RAYMOND JAMES LTD.
Promoter(s):
-
Project #1902545

Issuer Name:
Canadian Apartment Properties Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated May 2, 2012
NP 11-202 Receipt dated May 2, 2012
Offering Price and Description:
$155,837,500.00 - 6,850,000 Units Price: $22.75 per Unit
Underwriter(s) or Distributor(s):
RBC DOMINION SECURITIES INC.
SCOTIA CAPITAL INC.
TD SECURITIES INC.
BMO NESBITT BURNS INC.
CIBC WORLD MARKETS INC.
MACQUARIE CAPITAL MARKETS CANADA LTD.
NATIONAL BANK FINANCIAL INC.
CANACCORD GENUITY CORP.
RAYMOND JAMES LTD.
DUNDEE SECURITIES LTD.
Promoter(s):
-
Project #1900913

Issuer Name:
Eagle Energy Trust
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated May 3, 2012
NP 11-202 Receipt dated May 3, 2012
Offering Price and Description:
$85,030,000.00 - 7,730,000 Units Price $11.00 per Unit
Underwriter(s) or Distributor(s):
SCOTIA CAPITAL INC.
CIBC WORLD MARKETS INC.
NATIONAL BANK FINANCIAL INC.
TD SECURITIES INC.
BMO NESBITT BURNS INC.
CANACCORD GENUITY CORP.
MACQUARIE CAPITAL MARKETS CANADA LTD.
ACUMEN CAPITAL FINANCE PARTNERS LIMITED
DESJARDINS SECURITIES INC.
GMP SECURITIES L.P.
RAYMOND JAMES LTD.
Promoter(s):
-
Project #1901570

Issuer Name:
Enbridge Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Base Shelf Prospectus dated May 3, 2012
NP 11-202 Receipt dated May 4, 2012
Offering Price and Description:
US$4,000,000,000.00:
DEBT SECURITIES
COMMON SHARES
PREFERENCE SHARES
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1901769

Issuer Name:
Finning International Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Base Shelf Prospectus dated May 2, 2012
NP 11-202 Receipt dated May 2, 2012
Offering Price and Description:
$600,000,000.00 - Medium Term Notes (unsecured)
Underwriter(s) or Distributor(s):
TD SECURITIES INC.
RBC DOMINION SECURITIES INC.
SCOTIA CAPITAL INC.
CIBC WORLD MARKETS INC.
NATIONAL BANK FINANCIAL INC.
BMO NESBITT BURNS INC.
MORGAN STANLEY CANADA LIMITED
Promoter(s):
-
Project #1901087

Issuer Name:
First Asset DEX All Canada Bond Barbell Index ETF
First Asset DEX Corporate Bond Barbell Index ETF
First Asset DEX Government Bond Barbell Index ETF
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated May 1, 2012
NP 11-202 Receipt dated May 3, 2012
Offering Price and Description:
Common Units and Advisor Class Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
First Asset Investment Management Inc.
Project #1901376

Issuer Name:
Fortis Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Base Shelf Prospectus dated May 4, 2012
NP 11-202 Receipt dated May 4, 2012
Offering Price and Description:
$1,300,000,000.00:
COMMON SHARES
FIRST PREFERENCE SHARES
SECOND PREFERENCE SHARES
SUBSCRIPTION RECEIPTS
DEBENTURES (UNSECURED)
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1902030

Issuer Name:
HealthLease Properties Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated April 30, 2012
NP 11-202 Receipt dated May 1, 2012
Offering Price and Description:
$ * - * Units Price: $10.00 per Unit
Underwriter(s) or Distributor(s):
CANACCORD GENUITY CORP.
NATIONAL BANK FINANCIAL INC.
BMO NESBITT BURNS INC.
CIBC WORLD MARKETS INC.
DUNDEE SECURITIES LTD.
GMP SECURITIES L.P.
RAYMOND JAMES LTD.
Promoter(s):
Mainstreet Property Group, LLC
Project #1899843

Issuer Name:
High Yield Strategic Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated April 30, 2012
NP 11-202 Receipt dated May 1, 2012
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
Brookfield Investment Management (Canada) Inc.
Project #1899387

Issuer Name:
Leisureworld Senior Care Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated May 2, 2012
NP 11-202 Receipt dated May 2, 2012
Offering Price and Description:
$49,043,500.00 - 4,070,000 Subscription Receipts each representing the right to receive one Common Share Price: $12.05 per Subscription Receipt
Underwriter(s) or Distributor(s):
TD Securities Inc.
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
Macquarie Capital Markets Canada Ltd.
Canaccord Genuity Corp.
Raymond James Ltd.
HSBC Securities (Canada) Inc.
Promoter(s):
-
Project #1900774

Issuer Name:
Longview Oil Corp.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated May 4, 2012
NP 11-202 Receipt dated May 4, 2012
Offering Price and Description:
$74,700,000.00 - 8,300,000 Common Shares Price: $9.00 per Common Share
Underwriter(s) or Distributor(s):
RBC DOMINION SECURITIES INC.
FIRSTENERGY CAPITAL CORP.
SCOTIA CAPITAL INC.
BMO NESBITT BURNS INC.
NATIONAL BANK FINANCIAL INC.
CIBC WORLD MARKETS INC.
MACQUARIE CAPITAL MARKETS CANADA LTD.
Promoter(s):
Advantage Oil & Gas Ltd.
Project #1902190

Issuer Name:
Macquarie Emerging Markets Infrastructure Income Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated April 30, 2012
NP 11-202 Receipt dated May 1, 2012
Offering Price and Description:
Warrants to Subscribe for up to * Units at a Subscription Price of $ *
Underwriter(s) or Distributor(s):
-
Promoter(s):
CONNOR, CLARK & LUNN CAPITAL MARKETS INC.
Project #1898997

Issuer Name:
Westham Resources Corp.
Principal Regulator - British Columbia
Type and Date:
Preliminary CPC Prospectus dated May 4, 2012
NP 11-202 Receipt dated May 4, 2012
Offering Price and Description:
$200,000.00 OR 2,000,000 COMMON SHARES PRICE: $0.10 PER COMMON SHARE
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
Wolverton Securities Ltd.
Promoter(s):
-
Project #1902327

Issuer Name:
Amica Mature Lifestyles Inc.
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated May 4, 2012
NP 11-202 Receipt dated May 4, 2012
Offering Price and Description:
$24,750,000.00 - 2,750,000 Common Shares
Underwriter(s) or Distributor(s):
CANACCORD GENUITY CORP.
NATIONAL BANK FINANCIAL INC.
CIBC WORLD MARKETS
GMP SECURITIES L.P.
BMO NESBITT BURNS INC.
RAYMOND JAMES LTD.
TD SECURITIES INC.
Promoter(s):
-
Project #1896469

Issuer Name:
Crestwell Resources Inc.
Principal Regulator - British Columbia
Type and Date:
Final Long Form Prospectus dated April 30, 2012
NP 11-202 Receipt dated May 1, 2012
Offering Price and Description:
2,464,500 COMMON SHARES ISSUABLE UPON THE EXERCISE OF SPECIAL WARRANTS
Underwriter(s) or Distributor(s):
-
Promoter(s):
Jeff Yenyou Zheng
Project #1887616

Issuer Name:
Ethical Balanced Fund
Northwest Specialty Innovations Fund
(Series A and Series F units)
Principal Regulator - Ontario
Type and Date:
Amendment No. 2 dated April 23, 2012 to the Amended and Restated Simplified Prospectuses and Annual Information Form dated October 3, 2011, amending and restating the Simplified Prospectuses and
Annual Information Form dated June 30, 2011
NP 11-202 Receipt dated May 1, 2012
Offering Price and Description:
-
Underwriter(s) or Distributor(s):

Credential Asset Management Inc.
Promoter(s):
Northwest & Ethical Investments L.P.
Project #1793013;1761511

Issuer Name:
Series B, Series S5, Series S8, Series I, Series I5, Series I8, Series F,
Series F5, and Series F8 Securities (unless otherwise indicated) of
Fidelity Concentrated Value Private Pool*
(formerly Fidelity Canadian Focused Equity Private Pool)
Fidelity Premium Tactical Fixed Income Capital Yield Private Pool
(formerly Fidelity Total Bond Capital Yield Private Pool)
(available in Series B, I and F only)
Fidelity Concentrated Value Investment Trust
(formerly Fidelity Canadian Focused Equity Investment Trust)
(available in Series O only)
(*Class of Fidelity Capital Structure Corp.)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated April 30, 2012
NP 11-202 Receipt dated May 1, 2012
Offering Price and Description:
Series B, Series S5, Series S8, Series I, Series I5, Series I8, Series F, Series F5 and Series F8 Securities @ Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
FIDELITY INVESTMENTS CANADA ULC
Project #1876218

Issuer Name:
Fidelity Tactical Fixed Income Fund
(formerly Fidelity Total Bond Fund)
(Series A, Series B, Series F and Series O Units)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated April 30, 2012
NP 11-202 Receipt dated May 1, 2012
Offering Price and Description:
Series A, Series B, Series F and Series O Units @ Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
FIDELITY INVESTMENTS CANADA ULC
Project #1876224

Issuer Name:
Horizons Universa Canadian Black Swan ETF
Horizons Universa US Black Swan ETF
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated April 27, 2012
NP 11-202 Receipt dated May 3, 2012
Offering Price and Description:
Class E units and Advisor Class units
Underwriter(s) or Distributor(s):
-
Promoter(s):
ALPHAPRO MANAGEMENT INC.
Project #1875845

Issuer Name:
Lincluden Balanced Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated April 30, 2012
NP 11-202 Receipt dated May 4, 2012
Offering Price and Description:
Series A units, Series F units, Series I units and Series O units
Underwriter(s) or Distributor(s):
Lincluden Management Limited
Promoter(s):
-
Project #1880423

Issuer Name:
Omega Advisors U.S. Capital Appreciation Fund
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated May 1, 2012
NP 11-202 Receipt dated May 3, 2012
Offering Price and Description:
Class A Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
ARTEMIS INVESTMENT MANAGEMENT LIMITED
Project #1885701

Issuer Name:
Winrock Resources Inc.
Principal Regulator - British Columbia
Type and Date:
Amended and Restated Long Form Prospectus dated April 25, 2012 amending and restating the Long Form Prospectus dated March 13, 2012
NP 11-202 Receipt dated
Offering Price and Description:
MINIMUM OF $300,000 (1,500,000 UNITS) AND MAXIMUM OF $400,000 (2,000,000 UNITS)
PRICE: $0.20 PER UNIT
Underwriter(s) or Distributor(s):
Wolverton Securities Ltd.
Promoter(s):
PAUL DICKSON
HARVEY D. DICK
EDWARD J. DRUMMOND
DERRICK STRICKLAND
Project #1800515

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Change in Registration Category	Ballast Healthcare Partners Inc.	From: Portfolio Manager To: Portfolio Manager Exempt Market Dealer Investment Fund Manager	May 2, 2012
Change in Registration Category	Rothschild (Canada) Securities Inc.	From: Investment Dealer To: Exempt Market Dealer	May 2, 2012
New Registration	Goldenmount Global Investments Ltd.	Exempt Market Dealer	May 4, 2012
New Registration	Qwest Investment Fund Management Ltd.	Exempt Market Dealer	May 8, 2012
Voluntary Surrender	Integra Capital Corporation	Mutual Fund Dealer	May 8, 2012
Change in Registration Category	Robson Capital Management Inc.	From: Exempt Market Dealer and Portfolio Manager To: Investment Fund Manager, Exempt Market Dealer and Portfolio Manager	May 8, 2012

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Chapter 13

SROs, Marketplaces and Clearing Agencies

13.3 Clearing Agencies

13.3.1 Notice of Effective Date – Technical Amendments to CDS Procedures – TRAX Deposit and Withdrawal Service Levels

NOTICE OF EFFECTIVE DATE – TECHNICAL AMENDMENTS TO CDS PROCEDURES

TRAX DEPOSIT AND WITHDRAWAL SERVICE LEVELS

A. DESCRIPTION OF THE PROPOSED CDS PROCEDURE AMENDMENTS

The proposed procedure amendments are available for review and download on the User Documentation Revisions page on the CDS website at http://www.cds.ca/cdsclearinghome.nsf/Pages/-EN-UserDocumentation?Open.

Background

CDS participants advise CDS and the transfer agent of their request to have securities deposited or withdrawn from CDSX® through direct input into the CDSX Deposit and Withdrawal function, by entering transfer instructions into the TRAX™ transfer requests service or by using InterLink messaging.

Within the CDSX Deposit and Withdrawal function there are two service levels that participants use to indicate to the transfer agent the priority turnaround time of their request – Regular (REG) and Instant (INS). There is no CDSX functionality associated with the service level information other than to capture the participant selection and communicate it to the transfer agent. The timetables and information requirements associated with the service levels can differ between transfer agents and by type of security involved in the transfer request (certificated or uncertificated). Each transfer agent provides CDS with their service levels, timetables and information requirements for publication in the CDS bulletins service on the CDS website (www.cds.ca). The standard by the majority of transfer agents is that the CDSX deposit and withdrawal transactions which have an INS service level will be processed by the transfer agent on the same day it is entered, usually within 2 to 4 hours, and transactions with a REG service level will be processed within a 48-hour timeframe. However, some transfer agents are currently processing the uncertificated transfer requests faster and may complete the transaction which contains a service level indicator of REG within a 24 hour period.

The web-based TRAX application enables participants and transfer agents to communicate and process security transfer instructions for uncertificated transactions that do not require the issuance or cancellation of physical certificates (such as buy-backs, global transfers and treasury orders). Upon confirmation by both the participant and transfer agent of these instruction details, TRAX interacts with CDSX to create the appropriate deposit or withdrawal transaction. However, all deposit and withdrawal transactions created from TRAX instructions default to a REG service level request. This limitation does not allow the participant to indicate the urgency of their request to the transfer agent and therefore the participant must communicate separately with the transfer agent to notify them on the service level requested if it is different from the default.

Description of the proposed amendments

CDS is proposing amendments to its Procedures to enable the implementation of a service level selection field for participants when they submit transfer requests using TRAX and the addition of a new service level for 24 hour transfer requests.

Through the SDRC Debt and Equity subcommittee, CDS has been requested to add service levels to the TRAX application so that participants can communicate their required turnaround time on an uncertificated deposit or withdrawal instruction electronically to the transfer agent. Transfer agents in turn may use this information to electronically process these requests within their systems.

Additionally, one transfer agent has requested that CDS add a new 24-hour rush service level that would be limited to TRAX, for use specifically on uncertificated transfers as this service level is currently being utilized for transfer requests submitted through TRAX and is not communicated electronically.

To accommodate both requests, a new service level selection field will be added to the TRAX transfer request input screen that gives the requestor the option to select the turnaround time desired – REG, INS or 24-hour (24H). The inclusion of an INS

service level in TRAX will not impact participants, as this already exists in CDSX. The inclusion of the 24H service level may require participants and transfer agents that use InterLink messaging to add this new code for the existing service level field. The new 24H service level will be only viewable in CDSX, and is only on uncertificated deposit and withdrawal transactions that originated in TRAX. The 24H service level will not be available for transactions originating in CDSX.

The service level indicated on the TRAX instruction will be included in the electronic notifications forwarded to the transfer agent. This will relieve CDS participants from having to manually communicate their timing requirements with the transfer agent outside of the TRAX service, and will provide participants with the ability to better manage their settlement of transferred securities.

Once the transfer agents have updated their service level offerings consistent with these changes, CDS will publish this information in the CDS Bulletin Service on the CDS website.

CDS procedure amendments are reviewed and approved by CDS's strategic development review committee (SDRC). The SDRC determines or reviews, prioritizes and oversees CDS-related systems development and other changes proposed by participants and CDS. The SDRC's membership includes representatives from the CDS participant community and it meets on a monthly basis.

These amendments were reviewed and approved by the SDRC on March 29, 2012.

B. REASONS FOR TECHNICAL CLASSIFICATION

The amendments proposed pursuant to this Notice are considered technical amendments as they involve matters of a technical nature in routine operating procedures and administrative practices relating to CDS deposit and withdrawal services. The service level field is an existing field in CDSX and the information included within the field is used by CDS participants to communicate information to transfer agents.

C. EFFECTIVE DATE OF THE CDS PROCEDURE AMENDMENTS

Pursuant to Appendix A ("Rule Protocol Regarding The Review And Approval Of CDS Rules By The OSC") of the Recognition and Designation Order, as amended on November 1, 2006, and Annexe A ("Protocole d'examen et d'approbation des Règles de Services de Dépot et de Compensation CDS Inc. par l'Autorité des marchés financiers") of AMF Decision 2006-PDG-0180, made effective on November 1, 2006, CDS has determined that the proposed amendments will become effective on May 28, 2012.

D. QUESTIONS

Questions regarding this notice may be directed to:

Deanna Crofts
Senior Product Manager
Business Systems Development & Support

CDS Clearing and Depository Services Inc.
85 Richmond Street West
Toronto, Ontario M5H 2C9

Telephone: (416) 365-8455
Email: dcrofts@cds.ca

13.3.2 CDS – Notice and Request for Comments – Material Amendments to CDS Procedures – Amendments to Buy-in Process Functionality

CDS CLEARING AND DEPOSITORY SERVICES INC. (CDS®)

MATERIAL AMENDMENTS TO CDS PROCEDURES

AMENDMENTS TO BUY-IN PROCESS FUNCTIONALITY

REQUEST FOR COMMENTS

A. DESCRIPTION OF THE PROPOSED CDS PROCEDURE AMENDMENTS

The proposed amendments to the CDS Participant Procedures will amend functionality of the buy-in process, in the Continuous Net Settlement Service (CNS), at the request of the Debt and Equity Subcommittee of the Strategic Development Review Committee (SDRC). The CNS buy-in process is used by CDSX® participants to expedite settlement of outstanding CNS positions.

Background

CNS is a central counterparty service designed to clear and settle primarily, but not exclusively, equity trades transacted on a Canadian exchange, a quotation and trade reporting system (QTRS) or an alternative trading system (ATS). The CNS buy-in process enables the buyer on the transaction to accelerate settlement of outstanding CNS positions that are identified in the relevant procedures as 'to-receive'. An outstanding 'to-receive' CNS position is a quantity of shares that failed to settle on value date. The buyer and seller are referred to as the receiver and deliverer respectively for the purposes of buy-in activity.

The lifecycle of the buy-in process is initiated when the receiver enters an intent to buy-in transaction in CDSX against an outstanding quantity of shares that are owed to them. When the buy-in is entered, all participants who are in an owing CNS position (deliverers) for the specified security are identified and are provided with 48 hours notice that they may be held liable to deliver on some or all of their portion of the buy-in quantity. This notice is provided via CDSX screens, reports and messages. Priority settlement is applied to the buy-in and any subsequent settlement to the receiver's account reduces the amount of the buy-in quantity and related liabilities.

Two days after the buy-in is initiated the receiver may choose to execute on the remaining unsettled portion of a buy-in. If the receiver chooses to execute, CDSX will determine which deliverers will be required to satisfy the buy-in and identify them to the receiver on the CDSX Buy-in Details screens. A message is also sent to the identified deliverers to advise them that the buy-in has been executed.

The identified deliverers then have the option of requesting an extension from the receiver during the time frame when extension requests are permitted. Extensions remove the deliverer as a party to the buy-in. If a deliverer requests an extension and the receiver grants the request, or does not respond to the request by the pre-determined cut off time, then all of the identified deliverers are extended and the buy-in is automatically cancelled and subsequently purged. If the extension request is denied, then the execution of the buy-in will proceed against all identified deliverers.

Identified deliverers have until the delivery cut-off time to satisfy the executed buy-in. If the identified deliverers fail to settle their outstanding positions against an executed buy-in by the delivery cut off time CDS will attempt to purchase the shares on a Canadian exchange on behalf of the receiver. Once CDS acquires the shares on a Canadian exchange, both the receiver's and deliverer's outstanding CNS and funds positions are adjusted to reflect this acquisition. Any price increase between the CNS price at the time of the buy-in and the fill price is applied to the deliverer.

A buy-in that has reached the execution date is cancelled and purged at the end of the day whether the buy-in was executed or not. Once cancelled, related liabilities are also extinguished. The repeat buy-in function is a facility that allows the receiver to maintain uninterrupted settlement priority until a buy-in is fully satisfied. A repeat buy-in is an extension of the original buy-in. Like a new buy-in, repeat buy-ins are entered manually on the CDSX Buy-in Intent Entry screen and confirmed on the Confirm Intent to Buy-in screen. Once confirmed, deliverers with outstanding CNS positions are identified and provided with a 48 hour notice period advising them that they may be held liable if the buy-in is executed. The repeat transaction effectively extends the execution date of the buy-in allowing the receiver to maintain settlement priority while also providing the deliverer with their requisite 48 hour notice.

Proposed Amendments

The SDRC Debt and Equity Subcommittee requested CDS to make the following three changes to the functionality of the CNS buy-in process: (i) allow the receiver to select which specific deliverers they wish to grant or deny extensions to, (ii) enhance the Deliverer Buy-in List screen to provide greater clarity with respect to the status of buy-in extensions, and (iii) introduce a new option that will allow the receiver to instruct the system to automatically create repeat buy-ins. Each of the three proposed amendments is described below.

Selection of Deliverer for Extensions on Buy-Ins

Currently, if the receiver grants an extension request to one deliverer then all deliverers receive an extension and the entire buy-in is cancelled. This amendment will allow a receiver to manage who they wish to grant or deny an extension to if a buy-in is executed.

Enhanced status codes on the Deliverer – Buy-in List Screen

Each deliverer may have several buy-in liabilities existing for a specific security. The Deliverer – Buy-in List screen provides an aggregate view of its outstanding buy-ins including whether there are any extension requests pending. Currently, the deliverer cannot determine if all of their buy-ins for that execution date have an extension request applied against them and whether all or some of their extension requests have been granted or denied. That detail is available only on the Deliverer – Buy-in Detail screen. This amendment will introduce additional values on the Deliverer – Buy-in List screen to provide greater clarity to deliverers regarding extensions requested and extensions granted or denied.

Automatic Entry of Repeat Buy-Ins

Currently, receivers must manually enter and confirm repeat buy-in transactions daily in order to extend the execution date and maintain uninterrupted settlement priority until a buy-in is fully satisfied. This amendment will allow a receiver to automatically establish repeat buy-in transactions in CDSX, until such time as the buy-in is satisfied or the receiver cancels the request for automatic repeat buy-ins, thus eliminating the need for daily manual entry.

B. NATURE AND PURPOSE OF THE PROPOSED CDS PROCEDURE AMENDMENTS

The proposed procedure amendments are enhancements to current functionality which will provide for processing efficiencies and management flexibility in the buy-in process.

Selection of Deliverer for Extensions on Buy-ins

CDS participants (receivers) will benefit from the ability to manage extensions at a more granular level as the proposed amendment will give them the flexibility to accommodate different extension requests and take into account any special arrangements that may be negotiated. It will also allow for more latitude with respect to managing their receive positions. Receivers will no longer be bound to extending to all or none allowing them to partially satisfy outstanding CNS positions.

Changes will be applied to both the Receiver – Buy-in List screen and the Receiver – Buy-in Detail screens (Buy-in Inquiry Details and Buy-in Modify / Extend Details). The information displayed on these screens will be modified to reflect the receiver's response to buy-in extension requests.

The Receiver – Buy-in List screen will now differentiate between whether one or many extensions were granted or denied in the extension granted (EXT GRT) field. The values representing the possible scenarios are described on page 97 of CDS's *Trade and Settlement Procedures* manual, in the proposed documentation changes.

The Receiver – Modify / Extend Buy-in Details screen will be modified to allow the receiver to respond to individual extension requests separately. The extension granted (Extension GRT) field will be demoted from the buy-in level to the deliverer level to achieve this. The executable quantity will be reduced by the liability amount of any deliverers granted an extension.

In addition to the changes that will be applied to the CDSX screens, the Receiver Buy-in Notification message will populate the deliverer detail fields when generated due to a response to an extension request. Finally, the Buy-in Activity Report for Receivers (intraday and end of day report) will be modified to provide the receiver with a breakdown of the deliverer's extension requests as well as the receiver's response to each request. A new field titled 'Extended Qty' will be added to the report in order that the receiver can reconcile the original buy-in quantity with the execution quantity fields.

Enhanced status codes on the Deliverer – Buy-in List Screen

CDS participants (deliverers) will benefit from the proposed enhancements to the Deliverer – Buy-in List screen which will provide greater clarity around buy-in extension activity. Greater clarity will reduce risks due to a misinterpretation of the status of an extension.

New values will be introduced for the extension requested (EXTN REQ) and extension granted (EXTN GRT) fields on the Deliverer – Buy-in List screen to provide greater clarity for buy-in items where there are multiple extension requests and responses. Deliverers use the Deliverer – Buy-in List and the Deliverer – Buy-in Details screens in CDSX to monitor their buy-in activity and determine if action is required. Whereas the current environment only informs the deliverer that at least one extension was requested and that at least one extension was either granted or denied, the proposed change will indicate multiple scenarios. The values representing the possible scenarios are described on page 108 of CDS's *Trade and Settlement Procedures* manual, in the proposed documentation changes.

Automatic Entry of Repeat Buy-Ins

CDS participants (receivers) will benefit from the ability to request automatically generated repeat buy-in transactions by reducing or eliminating manual entry. Repeat transactions will reduce the risk of losing settlement priority until a new buy-in is entered which would unintentionally delay their ability to execute on the buy-in until the notice period on the new buy-in expires.

The Confirm Intent to Buy-in screen will be modified to allow the receiver to indicate whether repeat transactions are required to be entered in CDSX by the system ('Y'es or 'N'o). CDSX will generate repeat buy-ins automatically with the same information that would have been entered on the Buy-in Intent Entry screen if it was entered manually by the receiver. Manual entry of a repeat buy-in will continue to be permitted. Repeat buy-ins entered automatically will behave in the same manner as those entered manually by the receiver.

A new repeat indicator field will be introduced on the Receiver – Buy-in List and the Receiver – Buy-in Details screens indicating whether or not automatic repeat transactions apply to the buy-in. The value in the repeat indicator field on the Receiver – Modify/Extend Buy-in Details screen can be updated to reflect either a 'Y'es or 'N'o value,

C. IMPACT OF THE PROPOSED CDS PROCEDURE AMENDMENTS

The proposed procedure amendments will provide processing efficiencies and management flexibility in the buy-in process. The impact of these changes will be limited to those CDS participants that utilize the buy-in function and related buy-in reports of the CNS service.

C.1 Competition

The proposed procedure amendments apply to all CDS participants who currently use, or may choose in the future to use, the CNS service. Consequently, no CDS participant will be disadvantaged with the introduction of these enhancements.

C.2 Risks and Compliance Costs

CDS Risk Management has determined that the proposed amendments will not change the risk profile of CDS or its participants.

The introduction of the proposed buy-in enhancements to the buy-in process will not result in any changes to the existing CDSX settlement process. The method of applying settlements to buy-in transactions and their impact on executable amounts remains unchanged. The prioritization of settlements related to buy-ins is also not impacted by these initiatives.

There are no compliance costs to the participants associated with the proposed buy-in enhancements to the buy-in process.

C.3 Comparison to International Standards – (a) Committee on Payment and Settlement Systems of the Bank for International Settlements, (b) Technical Committee of the International Organization of Securities Commissions, and (c) the Group of Thirty

CDS continues to monitor the development of new international standards for payment, clearing and settlement systems set out in the CPSS/IOSCO report *Principles for Financial Market Infrastructures*[1], and will work with the financial services industry to achieve compliance with the new standards.

The proposed amendments are within the scope of Principle #21 – Efficiency and effectiveness – which states that a financial market infrastructure such as CDS "should be designed to meet the needs of its participants and the markets it serves, in

[1] The report can be found at http://www.bis.org/publ/cpss101.htm

particular, with regard to choice of a clearing and settlement arrangement; operating structure; scope of products cleared, settled, or recorded; and use of technology and procedures".

This development requested by some of CDS's participants supports greater flexibility for managing buy-in extensions. In addition, automating the repeat buy-in entry process and providing more meaningful information on the deliverer's CDSX screens is expected to result in operational efficiencies.

D. DESCRIPTION OF THE PROCEDURE DRAFTING PROCESS

D.1 Development Context

The development request was tabled at the SDRC Debt and Equity Subcommittee as an opportunity to increase efficiencies and flexibility in the buy-in process. Once approved by the SDRC for further analysis, CDS developed a requirements document that was reviewed with a Buy-in Working Group established by the SDRC Debt and Equity Subcommittee (SDRC Buy-in Working Group). Their input was incorporated into the final design which was subsequently approved by the SDRC.

D.2 Procedure Drafting Process

The CDS procedure amendments were drafted by CDS's Business Systems Development and Support group, and subsequently reviewed and approved by CDS's Strategic Development Review Committee (SDRC). The SDRC determines or reviews, prioritizes and oversees CDS-related systems development and other changes proposed by participants and CDS. The SDRC's membership includes representatives from a cross-section of the CDS participant community and it meets on a monthly basis.

These amendments were reviewed and approved by the SDRC on April 26, 2012.

D.3 Issues Considered

Included in the original requirements from the SDRC Buy-in Working Group was the need for receivers to be provided with the date that a failed CNS position came into existence. It was felt that this information may be of assistance when determining whether to grant an extension to a deliverer. During the review of the requirements document it was decided that this information might be misleading and should not be included. This is because CDSX captures the deliverer's positions at the time that a buy-in is entered. The age of the 'outstanding to deliver positions' is determined by the date when the deliverer's CNS position first became negative. This date is only reset when a deliverer's position is cleared. A small failure amount would establish the date on a failed position however it would not be indicative as to when a subsequent, and possibly much larger, failed position was created.

D.4 Consultation

This development was requested by the SDRC Debt and Equity Subcommittee. CDS reviewed the requirements document with the SDRC Buy-in Working Group and received final approval for the proposal from the SDRC Debt and Equity Subcommittee.

CDS's Customer Service account managers provide continuous communication and status updates of all proposed changes to their clients, as well as soliciting input on those changes.

CDS facilitates consultation through a variety of means, including regularly scheduled SDRC subcommittee meetings which provide a forum for detailed requirement review, and monthly meetings with service bureaus to discuss development impacts to them. All development initiatives are also presented to the Investment Industry Regulatory Organization of Canada's (IIROC) Financial Administrators Section (FAS) working group.

D.5 Alternatives Considered

The SDRC Buy-in Working Group proposed two options to address the requirement for uninterrupted settlement priority. They were to (i) automate the repeat buy-in process and (ii) maintain the original buy-in indefinitely, until such time as the buy-in quantity is settled in full. The latter option was rejected because the requirement to provide 48 hour notice to deliverers and the requirement to hold only those deliverers liable who have an outstanding position when a buy-in is entered could not be satisfied. Automating the entry of repeat buy-ins would maintain the current process while providing the participants with the efficiencies requested.

D.6 Implementation Plan

The proposed procedure amendments and the scheduled date of implementation have been communicated regularly to CDS participants through the SDRC and its subcommittees, as well as through Customer Service relationship meetings. The

Customer Service account managers will provide their clients with details of the upcoming changes, and provide customer-related training during the month of July 2012. In addition, message testing with CDS participants and service bureaus will be performed following the successful completion of internal testing. CDS will distribute a bulletin to all CDS participants the week before implementation reminding them of the upcoming changes and confirming the effective date of those changes.

CDS is recognized as a clearing agency by the Ontario Securities Commission pursuant to section 21.2 of the Ontario *Securities Act*. The Autorité des marchés financiers has authorized CDS to carry on clearing activities in Québec pursuant to sections 169 and 170 of the Québec *Securities Act*. In addition CDS is deemed to be the clearing house for CDSX®, a clearing and settlement system designated by the Bank of Canada pursuant to section 4 of the *Payment Clearing and Settlement Act.* The Ontario Securities Commission, the Autorité des marchés financiers and the Bank of Canada will hereafter be collectively referred to as the "Recognizing Regulators".

The amendments to Participant Procedures may become effective upon approval of the amendments by the Recognizing Regulators following public notice and comment. Implementation of this initiative is planned for August 27, 2012.

E. TECHNOLOGICAL SYSTEM CHANGES

E.1 CDS

CDSX functionality will be impacted by these changes as follows:

a) Modify the extension request response function to allow a receiver response at the individual deliverer level instead of at the buy-in level

b) Exclude extended deliverers liability amount from the execution quantity

c) Modify the receiver view of the extension granted values, currently applied at the buy-in level, to an aggregate value of all deliverers and implement new values

d) Modify the deliverer view of the extension requested and extension granted values, currently applied to a single buy-in, to an aggregate value of all buy-ins and implement new values

e) Report the status of extension requests / extension responses at the individual deliverer level, as well as the extended quantity, on the existing 'Buy-in Activity Report for Receivers'

f) Implement functionality to allow receivers to request or cancel automatic repeat buy-ins

g) Enhance an existing receiver message to include deliverer information

E.2 CDS Participants

CDS participants (receivers) may need to make changes to their internal systems to accommodate the additional deliverer data (i.e., deliverer company code, ledger code and executable quantity) being provided in the response message, if they choose to use this information.

E.3 Other Market Participants

Service bureaus may need to make changes to their internal systems to accommodate the additional deliverer data (i.e., deliverer company code, ledger code and executable quantity) being provided in the response message, if they, or their clients, choose to use this information.

F. COMPARISON TO OTHER CLEARING AGENCIES

A similar CNS buy-in process is provided by the National Securities Clearing Corporation (NSCC) as outlined in the NSCC Rules and Procedures dated March 7, 2012 (Procedure VII, Section J: Recording of CNS Buy-ins and Procedure X, Execution of Buy-ins, Section A: CNS System). No reference to extensions of CNS buy-in requests is made in these areas and CDS is not aware of any impending rule changes in this regard.

No comparable or similar procedures were available for other clearing agencies in order to conduct an analysis.

G. PUBLIC INTEREST ASSESSMENT

CDS has determined that the proposed amendments are not contrary to the public interest.

H. COMMENTS

Comments on the proposed amendments should be in writing and submitted within 30 calendar days following the date of publication of this notice in the Ontario Securities Commission Bulletin to:

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Business Systems Development and Support
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Toronto, Ontario M5H 2C9

Telephone: 416-365-3595
Email: espankie@cds.ca

Copies should also be provided to the Autorité des marchés financiers and the Ontario Securities Commission by forwarding a copy to each of the following individuals:

M^{e} Anne-Marie Beaudoin
Secrétaire générale
Autorité des marchés financiers
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CDS will make available to the public, upon request, all comments received during the comment period.

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