

REGISTER NOW: OSC DIALOGUE 2012

OSC DIALOGUE 2012

Tuesday, October 30, 2012

8:00 a.m. – 2:30 p.m.
Toronto Board of Trade
1 First Canadian Place
Toronto, Ontario

Keynote Speakers

Howard Wetston, Chair

Ontario Securities Commission

Gary Gensler, Chairman

U.S. Commodity Futures Trading Commission

Join the OSC at this year's OSC Dialogue and hear from securities industry experts about the top issues affecting today's complex and interconnected capital markets.

OSC Dialogue will feature two plenary sessions as well as interactive break-outs. The agenda will include discussions on market quality and market integrity, capital formation, systemic risk, corporate governance, market structures, proactive enforcement and investor issues.

Visit the OSC website for more information and to register.
For questions contact Dialogue@osc.gov.on.ca.

ONTARIO SECURITIES COMMISSION

OSC

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COMMISSION

The Ontario Securities Commission

OSC Bulletin

October 11, 2012

Volume 35, Issue 41

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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)

The Ontario Securities Commission

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Chapter 1

Notices / News Releases

1.1 Notices

SCHEDULED OSC HEARINGS

1.1.1 Current Proceedings Before The Ontario Securities Commission

October 11, 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
Suite 1700, Box 55
20 Queen Street West
Toronto, Ontario
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Edward P. Kerwin	—	EPK
Vern Krishna	—	VK
Christopher Portner	—	CP
Judith N. Robertson	—	JNR
Charles Wesley Moore (Wes) Scott	—	CWMS

October 15-19, 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/S. Horgan in attendance for Staff

Panel: JDC

October 15, 2012

10:00 a.m.

Anna Pyasetsky

s. 8

S. Chandra in attendance for Staff

Panel: EPK

October 16 and October 19, 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: EPK

October 17, 2012

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: EPK

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

MBS Group (Canada) Ltd., Balbir Ahluwalia and Mohinder Ahluwalia

s. 37, 127 and 127.1

10:00 a.m.

C. Rossi in attendance for staff

Panel: CP

October 22 and October 24-29, 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

October 23, 2012

C. Price in attendance for Staff

2:30 p.m.

Panel: JDC/MCH

October 26, 2012

10:00 a.m.

Sino-Forest Corporation, Allen Chan, Albert Ip, Alfred C.T. Hung, George Ho and Simon Yeung

s. 144

K. Manarin in attendance for Staff

Panel: MGC/JEAT/SA

October 29, October 31 and November 1, 2012

Shallow Oil & Gas Inc., Eric O'Brien, Abel Da Silva and Abraham Herbert Grossman aka Allen Grossman and Kevin Wash

10:00 a.m.

s. 127

H. Craig/S. Schumacher in attendance for Staff

Panel: JEAT

October 31 – November 5, November 7-9, December 3, December 5-17 and December 19, 2012

Rezwealth Financial Services Inc., Pamela Ramoutar, Justin Ramoutar, Tiffin Financial Corporation, Daniel Tiffin, 2150129 Ontario Inc., Sylvan Blackett, 1778445 Ontario Inc. and Willoughby Smith

10:00 a.m.

s. 127(1) and (5)

A. Heydon in attendance for Staff

Panel: EPK

November 5, November 7-19, November 21-27 and November 29-30, 2012

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.

10:00 a.m.

November 28, 2012

10:30 a.m.

s. 127

B. Shulman in attendance for Staff

Panel: MGC

November 7, 2012
10:00 a.m.

Access Automation LLC, Access Fund Management, LLC, Access 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: CP/PLK

November 8, 2012

Global RESP Corporation and Global Growth Assets Inc.

10:00 a.m.

s. 127
D. Ferris in attendance for Staff
Panel: JEAT

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: JDC

November 13, 2012

Knowledge First Financial Inc.

10:00 a.m.

s. 127
M. Vaillancourt/D. Ferris in attendance for Staff
Panel: JEAT

November 16, 2012

Roger Carl Schoer
s. 21.7

10:00 a.m.

C. Johnson in attendance for Staff
Panel: JEAT

November 21 – December 3 and December 5-14, 2012

Bernard Boily
s. 127 and 127.1

10:00 a.m.

M. Vaillancourt/U. Sheikh in attendance for Staff
Panel: TBA

November 22, 2012

Heritage Education Funds Inc.

11:30 a.m.

s. 127
M. Vaillancourt/D. Ferris in attendance for Staff
Panel: JEAT

November 27-28, 2012

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

10:00 a.m.

s. 127 and 127.1
C. Johnson in attendance for Staff
Panel: JDC

December 4, 2012

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

3:30 p.m.

s. 127
H. Craig/C. Rossi in attendance for Staff
Panel: CP

<p>December 5, 2012 10:00 a.m.</p>	<p>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</p> <p>s. 127 and 127.1</p> <p>D. Campbell in attendance for Staff</p> <p>Panel: VK</p>	<p>January 7-14, January 16-28 and January 30 – February 5, 2013 10:00 a.m.</p>	<p>Jowdat Waheed and Bruce Walter</p> <p>s. 127</p> <p>J. Lynch in attendance for Staff</p> <p>Panel: TBA</p>
<p>December 6, 2012 10:00 a.m.</p>	<p>Children’s Education Funds Inc.</p> <p>s. 127</p> <p>D. Ferris in attendance for Staff</p> <p>Panel: JEAT</p>	<p>January 18, 2013 10:00 a.m.</p>	<p>Oversea Chinese Fund Limited Partnership, Weizhen Tang and Associates Inc., Weizhen Tang Corp., and Weizhen Tang</p> <p>s. 127 and 127.1</p> <p>H. Craig in attendance for Staff</p> <p>Panel: TBA</p>
<p>December 11, 2012 9:00 a.m.</p>	<p>Systematech Solutions Inc., April Vuong and Hao Quach</p> <p>s. 127</p> <p>D. Ferris in attendance for Staff</p> <p>Panel: EPK</p>	<p>January 21-28 and January 30 – February 1, 2013 10:00 a.m.</p>	<p>Moncasa Capital Corporation and John Frederick Collins</p> <p>s. 127</p> <p>T. Center in attendance for Staff</p> <p>Panel: TBA</p>
<p>December 20, 2012 10:00 a.m.</p>	<p>New Hudson Television Corporation, New Hudson Television L.L.C. & James Dmitry Salganov</p> <p>s. 127</p> <p>C. Watson in attendance for Staff</p> <p>Panel: TBA</p>	<p>January 23-25 and January 30-31, 2013 10:00 a.m.</p>	<p>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</p> <p>s. 127</p> <p>C. Watson in attendance for Staff</p> <p>Panel: TBA</p>
<p>December 20, 2012 10:00 a.m.</p>	<p>New Hudson Television Corporation, New Hudson Television L.L.C. & James Dmitry Salganov</p> <p>s. 127</p> <p>C. Watson in attendance for Staff</p> <p>Panel: TBA</p>	<p>February 1, 2013 10:00 a.m.</p>	<p>Ground Wealth Inc., Armadillo Energy Inc., Paul Schuett, Doug DeBoer, James Linde, Susan Lawson, Michelle Dunk, Adrion Smith, Bianca Soto and Terry Reichert</p> <p>s. 127</p> <p>S. Schumacher in attendance for Staff</p> <p>Panel: TBA</p>

February 4-11 and February 13, 2013	Alexander Christ Doulis (aka Alexander Christos Doulis, aka Alexandros Christodoulidis) and Liberty Consulting Ltd.	April 11-22 and April 24, 2013	Morgan Dragon Development Corp., John Cheong (aka Kim Meng Cheong), Herman Tse, Devon Ricketts and Mark Griffiths
10:00 a.m.	s. 127 J. Feasby in attendance for Staff Panel: TBA	10:00 a.m.	s. 127 J. Feasby in attendance for Staff Panel: TBA
February 11, February 13-15, February 19-25 and February 27 – March 6, 2013	David Charles Phillips and John Russell Wilson	April 29 – May 6 and May 8-10, 2013	North American Financial Group Inc., North American Capital Inc., Alexander Flavio Arconti, and Luigino Arconti
10:00 a.m.	s. 127 Y. Chisholm in attendance for Staff Panel: TBA	10:00 a.m.	s. 127 M. Vaillancourt in attendance for Staff Panel: TBA
March 18-25, March 27-28, April 1-5 and April 24-25, 2013	Peter Sbaraglia	September 16-23, September 25 – October 7, October 9-21, October 23 – November 4, November 6-18, November 20 – December 2, December 4-16 and December 18-20, 2013	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
10:00 a.m.	s. 127 J. Lynch in attendance for Staff Panel: CP	10:00 a.m.	s. 127 J. Waechter/U. Sheikh in attendance for Staff Panel: TBA
March 18-25 and March 27-28, 2013	2196768 Ontario Ltd carrying on business as Rare Investments, Ramadhar Dookhie, Adil Sunderji and Evgueni Todorov	TBA	Yama Abdullah Yaqeen
10:00 a.m.	s. 127 D. Campbell in attendance for Staff Panel: TBA	TBA	s. 8(2) J. Superina in attendance for Staff Panel: TBA
April 8, April 10-16, April 22, April 24, April 29-30, May 6 and May 8, 2013	Energy Syndications Inc. Green Syndications Inc. , Syndications Canada Inc., Daniel Strumos, Michael Baum and Douglas William Chaddock	TBA	Microsourceonline Inc., Michael Peter Anzelmo, Vito Curalli, Jaime S. Lobo, Sumit Majumdar and Jeffrey David Mandell
10:00 a.m.	s. 127 C. Johnson in attendance for Staff Panel: TBA	TBA	s. 127 J. Waechter in attendance for Staff Panel: TBA

TBA	<p>Frank Dunn, Douglas Beatty, Michael Gollogly</p> <p>s. 127</p> <p>K. Daniels in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p>Paul Azeff, Korin Bobrow, Mitchell Finkelstein, Howard Jeffrey Miller and Man Kin Cheng (a.k.a. Francis Cheng)</p> <p>s. 127</p> <p>T. Center/D. Campbell in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p>MRS Sciences Inc. (formerly Morningside Capital Corp.), Americo DeRosa, Ronald Sherman, Edward Emmons and Ivan Cavric</p> <p>s. 127 and 127(1)</p> <p>D. Ferris in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p>Uranium308 Resources Inc., Michael Friedman, George Schwartz, Peter Robinson, and Shafi Khan</p> <p>s. 127</p> <p>H. Craig/C.Rossi in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p>Gold-Quest International, 1725587 Ontario Inc. carrying on business as Health and Harmony, Harmony Club Inc., Donald Iain Buchanan, Lisa Buchanan and Sandra Gale</p> <p>s. 127</p> <p>H. Craig in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p>FactorCorp Inc., FactorCorp Financial Inc. and Mark Twerdun</p> <p>s. 127</p> <p>C. Price in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p>Gold-Quest International, Health and Harmony, Iain Buchanan and Lisa Buchanan</p> <p>s. 127</p> <p>H. Craig in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p>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</p> <p>s. 127</p> <p>H. Craig/C. Watson in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p>Brilliante Brasilcan Resources Corp., York Rio Resources Inc., Brian W. Aidelman, Jason Georgiadis, Richard Taylor and Victor York</p> <p>s. 127</p> <p>H. Craig in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p>Innovative Gifting Inc., Terence Lushington, Z2A Corp., and Christine Hewitt</p> <p>s. 127</p> <p>M. Vaillancourt in attendance for Staff</p> <p>Panel: TBA</p>

TBA	<p>Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton</p> <p>s. 127</p> <p>H. Craig in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p>Colby Cooper Capital Inc., Colby Cooper Inc., Pac West Minerals Limited John Douglas Lee Mason</p> <p>s. 127</p> <p>B. Shulman in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p>David M. O'Brien</p> <p>s. 37, 127 and 127.1</p> <p>B. Shulman in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p>Normand Gauthier, Gentree Asset Management Inc., R.E.A.L. Group Fund III (Canada) LP, and CanPro Income Fund I, LP</p> <p>s. 127</p> <p>B. Shulman in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p>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</p> <p>s. 127</p> <p>J. Feasby in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p>Beryl Henderson</p> <p>s. 127</p> <p>S. Schumacher in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p>Bunting & Waddington Inc., Arvind Sanmugam, Julie Winget and Jenifer Brekelmans</p> <p>s. 127</p> <p>S. Schumacher in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p>Cicccone Group, Cabo Catoche Corp. (a.k.a Medra Corp. and Medra Corporation), 990509 Ontario Inc., Tadd Financial Inc., Cachet Wealth Management Inc., Vincent Cicccone (a.k.a. Vince Cicccone), Darryl Brubacher, Andrew J Martin, Steve Haney, Klaudiusz Malinowski and Ben Giangrosso</p> <p>s. 127</p> <p>M. Vaillancourt in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p>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</p> <p>s. 37, 127 and 127.1</p> <p>C. Watson in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p>International Strategic Investments, International Strategic Investments Inc., Somin Holdings Inc., Nazim Gillani and Ryan J. Driscoll.</p> <p>s. 127</p> <p>C. Watson in attendance for Staff</p> <p>Panel: TBA</p>

TBA	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: TBA	TBA	Vincent Ciccone and Cabo Catoche Corp. (a.k.a. Medra Corp. and Medra Corporation) s. 127 M. Vaillancourt in attendance for Staff Panel: TBA
TBA	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: TBA	TBA	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: TBA
TBA	Crown Hill Capital Corporation and Wayne Lawrence Pushka s. 127 A. Perschy/A. Pelletier in attendance for Staff Panel: TBA	TBA	Sino-Forest Corporation, Allen Chan, Albert Ip, Alfred C.T. Hung, George Ho, Simon Yeung and David Horsley s. 127 H. Craig in attendance for Staff Panel: TBA
TBA	David Charles Phillips s. 127 Y. Chisholm in attendance for Staff Panel: TBA	TBA	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 Y. Chisholm in attendance for Staff Panel: TBA
TBA	Energy Syndications Inc., Green Syndications Inc., Syndications Canada Inc., Land Syndications Inc. and Douglas Chaddock s. 127 C. Johnson in attendance for Staff Panel: TBA		

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Global Privacy Management Trust and Robert Cranston

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

ADJOURNED SINE DIE

**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. Boulton and Peter Y. Atkinson**

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

OSC STAFF NOTICE 11-739 (REVISED)

POLICY REFORMULATION TABLE OF CONCORDANCE AND LIST OF NEW INSTRUMENTS

The following revisions have been made to the Table of Concordance and List of New Instruments. A full version of the Table of Concordance and List of New Instruments as of September 27, 2012 has been posted to the OSC Website at www.osc.gov.on.ca.

Table of Concordance

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

Reformulation

Instrument	Title	Status
	None	

New Instruments

Instrument	Title	Status
31-330	Omnibus Blanket Orders Extending Certain Transition Provisions Relating to the Investment Fund Manager Registration Requirement and the Obligation to Provide Dispute Resolution Services	Published July 5, 2012
35-704	<i>Commodity Futures Act</i> – Non-Resident Advisers	Published July 5, 2012
11-739	Policy Reformulation Table of Concordance and List of New Instruments – Revised	Published July 5, 2012
32-102	Registration Exemptions for Non-Resident Investment Fund Managers and Companion Policy 32-102CP Registration Exemptions for Non-Resident Investment Fund Managers	Commission Approval Published July 5, 2012
31-331	Follow-up to Broker Dealer Registration in the Exempt Market Dealer Category	Published July 12, 2012
12-307	Applications for a Decision that an Issuer is not a Reporting Issuer	Published July 26, 2012
12-703	Applications for a Decision that an Issuer is not a Reporting Issuer	Published July 26, 2012
	Consequential Amendments to Registration, Prospectus and Continuous Disclosure Rules Related to NI 25-101 Designated Rating Organizations	Published for comment July 26, 2012
51-337	Continuous Disclosure Review Program Activities for the fiscal year ended March 31, 2012	Published August 16, 2012
43-307	Mining Technical Reports – Preliminary Economic Assessments	Published August 16, 2012
43-308	Professional Associations under NI 43-101 Standards of Disclosure for Mineral Projects	Published August 16, 2012

New Instruments

Instrument	Title	Status
46-306	Third Update on Principal Protected Notes	Published August 30, 2012
51-103	Ongoing Governance and Disclosure Requirements for Venture Issuers	Published for comment – September 13, 2012
41-101	General Prospectus Requirements – Amendments (tied to 51-103)	Published for comment – September 13, 2012
44-101	Short Form Prospectus Distribution - Amendments (tied to 51-103)	Published for comment – September 13, 2012
45-106	Prospectus and Registration Exemptions - Amendments (tied to 51-103)	Published for comment – September 13, 2012
13-101	System for Electronic Analysis and Retrieval (SEDAR) – Amendments (tied to 51-103)	Published for comment – September 13, 2012
43-101	Standards of Disclosure for Mineral Projects – Amendments (tied to 51-103)	Published for comment – September 13, 2012
44-102	Shelf Distributions – Amendments (tied to 51-103)	Published for comment – September 13, 2012
45-101	Rights Offering – Amendments (tied to 51-103)	Published for comment – September 13, 2012
51-101	Standards of Disclosure for Oil and Gas Activities – Amendments (tied to 51-103)	Published for comment – September 13, 2012
51-102	Continuous Disclosure Obligations – Amendments (tied to 51-103)	Published for comment – September 13, 2012
52-107	Acceptable Accounting Principles and Auditing Standards – Amendments (tied to 51-103)	Published for comment – September 13, 2012
52-109	Certification of Disclosure in Issuer’s Annual and Interim Filings – Amendments (tied to 51-103)	Published for comment – September 13, 2012
52-110	Audit Committees – Amendments (tied to 51-103)	Published for comment – September 13, 2012
55-104	Insider Reporting Requirements and Exemptions – Amendments (tied to 51-103)	Published for comment – September 13, 2012
58-101	Disclosure of Corporate Governance Practices – Amendments (tied to 51-103)	Published for comment – September 13, 2012
61-101	Protection of Minority Security Holders in Special Transactions – Amendments (tied to 51-103)	Published for comment – September 13, 2012
71-102	Continuous Disclosure and Other Exemptions Relating to Foreign Issuers – Amendments (tied to 51-103)	Published for comment – September 13, 2012
12-102	Revocation of a Compliance-Related Cease Trade Order – Amendments (tied to 51-103)	Published for comment – September 13, 2012
12-203	Cease Trading Orders for Continuous Disclosure Defaults – Amendments (tied to 51-103)	Published for comment – September 13, 2012
41-201	Income Trusts and Other Indirect Offerings – Amendments (tied to 51-103)	Published for comment – September 13, 2012

New Instruments

Instrument	Title	Status
51-201	Disclosure Standards – Amendments (tied to 51-103)	<i>Published for comment – September 13, 2012</i>
58-201	Corporate Governance Guidelines – Amendments (tied to 51-103)	<i>Published for comment – September 13, 2012</i>
51-802	Implementing National Instrument 51-103 Ongoing Governance and Disclosure Requirements for Venture Issuers	<i>Published for comment – September 13, 2012</i>
13-502	Fees – Amendments (tied to 51-103)	<i>Published for comment – September 13, 2012</i>
51-801	Implementing National Instrument 51-103 Continuous Disclosure Obligations – Amendments (tied to 51-103)	<i>Published for comment – September 13, 2012</i>
62-504	Takeover Bids and Issuer Bids – Amendments (tied to 51-103)	<i>Published for comment – September 13, 2012</i>
51-601	Reporting Issuer Defaults – Amendments (tied to 51-103)	<i>Published for comment – September 13, 2012</i>
32-102	Registration Exemptions for Non-Resident Investment Fund Managers and Companion Policy 32-102CP Registration Exemptions for Non-Resident Investment Fund Managers	<i>Minister's Approval Published September 13, 2012</i>

For further information, contact:

Darlene Watson
 Project Coordinator
 Ontario Securities Commission
 416-593-8148

October 11, 2012

1.1.3 OSC Staff Notice 11-737 (Revised) – Securities Advisory Committee – Vacancies

**REVISED OSC STAFF NOTICE 11-737
SECURITIES ADVISORY COMMITTEE – VACANCIES**

The Commission formally established the Securities Advisory Committee to the Commission ("SAC") many years ago. SAC meets on a regular basis, generally monthly, and provides advice to the Commission and staff on a variety of matters including policy initiatives and capital markets trends. SAC also provides advice and comments on legal, regulatory and market implications of any aspect of Commission rules, policies, operations, and administration. In addition, SAC is expected to provide general advisory services to the Commission and staff on an informal basis relating to emerging trends in the marketplace.

The Commission is now looking for four prospective candidates to serve on SAC beginning in January 2013 for a three-year term ending December 2015. There is a one-third turnover of SAC membership each calendar year.

Those who make a commitment to serve on SAC must be in a position to devote the time necessary to attend meetings, be an active participant, and undertake the work involved, which occasionally must be dealt with on an urgent basis. SAC members are expected to have excellent technical abilities and a strong interest in the development of securities regulatory policy. SAC members must have in-depth knowledge of the legislation and policies for which the Commission is responsible, and have significant practice experience in the securities area. Expertise in an area of special interest to the Commission at the time an appointment is made will also be a factor in selection. At this time, the Commission is interested in selecting at least one new member with extensive experience and a high level of familiarity with novel and structured products and/or derivatives and derivatives regulatory reform.

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

SAC members whose terms continue past December 2012 are:

- Brad Brassier Jones Day
- Jeff Davis Ontario Teachers' Pension Plan
- Christopher Hewat Blake, Cassels & Graydon LLP
- Leslie McCallum Torys LLP
- Grant McGlaughlin Goodmans LLP
- Tina Woodside Gowling Lafleur Henderson LLP
- Robert Wortzman Wildeboer Dellelce LLP
- Heather Zordel Cassels Brock & Blackwell LLP

The Commission wishes to thank the following members whose terms will expire at the end of December 2012:

- Robert Black Davis LLP
- C. Steven Cohen Burnet, Duckworth & Palmer LLP
- Peter Hong Davies Ward Phillips & Vineberg LLP
- James McVicar Heenan Blaikie LLP

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

Applications for SAC membership will be considered if received on or before November 12, 2012. Applications should be submitted by email to:

Monica Kowal
General Counsel
Ontario Securities Commission
20 Queen Street West
19th Floor, Box 55
Toronto, Ontario
M5H 3S8
Tel: (416) 593-3653
mkowal@osc.gov.on.ca

October 11, 2012

1.4 Notices from the Office of the Secretary

1.4.1 David M. O'Brien

FOR IMMEDIATE RELEASE
October 3, 2012

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

AND

**IN THE MATTER OF
DAVID M. O'BRIEN**

TORONTO – The Commission issued an Order, with certain provisions, and adjourning the pre-hearing conference to October 25, 2012 at 3:00 p.m.

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

A copy of the Order dated September 28, 2012 is available at www.osc.gov.on.ca.

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Manager, Public Affairs
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Alison Ford
Media Relations Specialist
416-593-8307

For investor inquiries:

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

1.4.2 Portus Alternative Asset Management Inc. et al

FOR IMMEDIATE RELEASE
October 3, 2012

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

AND

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

TORONTO – The Commission issued an Order in the above named matter which provides that the currently scheduled date of October 4, 2012 for the sanctions hearing for Mendelson in the matter is vacated; and the sanctions hearing for Mendelson shall commence on October 16, 2012 at 10:00 a.m. until 4:30 p.m. and, if necessary, will continue on October 19, 2012 at 10:00 a.m. until 1:00 p.m.

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

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1-877-785-1555 (Toll Free)

1.4.3 Jowdat Waheed and Bruce Walter

FOR IMMEDIATE RELEASE
October 4, 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 pre-hearing conference will be held on October 12, 2012, at 2:00 p.m.

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

A copy of the Order dated September 19, 2012 is available at www.osc.gov.on.ca.

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JOHN P. STEVENSON
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1.4.4 Normand Gauthier et al.

FOR IMMEDIATE RELEASE
October 4, 2012

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

AND

IN THE MATTER OF
NORMAND GAUTHIER,
GENTREE ASSET MANAGEMENT INC.,
R.E.A.L. GROUP FUND III (CANADA) LP, AND
CANPRO INCOME FUND I, LP

TORONTO – The Commission issued an Order in the above named matter which provides that a confidential pre-hearing conference shall take place on December 18, 2012 at 3:30 p.m. or such other date or at such other time as 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 October 3, 2012 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
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SECRETARY

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1.4.5 Energy Syndications Inc. et al.

**FOR IMMEDIATE RELEASE
October 5, 2012**

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

AND

**IN THE MATTER OF
ENERGY SYNDICATIONS INC.,
GREEN SYNDICATIONS INC.,
SYNDICATIONS CANADA INC.,
DANIEL STRUMOS, MICHAEL BAUM
AND DOUGLAS WILLIAM CHADDOCK**

TORONTO – The Commission issued an Order in the above named matter which provides that the Disclosure Motion is scheduled to take place on December 19, 2012 at 10:00 a.m.; and the hearing on the merits in this matter shall commence on April 8, 2013 and continue thereafter on April 10, 11, 12, 15, 16, 22, 24, 29, 30 and May 6 and 8, 2013 or on such further dates as agreed to by the parties and set by the Office of the Secretary.

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

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

1.4.6 Energy Syndications Inc. et al.

**FOR IMMEDIATE RELEASE
October 5, 2012**

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

AND

**IN THE MATTER OF
ENERGY SYNDICATIONS INC.,
GREEN SYNDICATIONS INC.,
SYNDICATIONS CANADA INC.,
LAND SYNDICATIONS INC. AND
DOUGLAS CHADDOCK**

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

1. The Temporary Order is extended until the final disposition of the matter initiated by the March 30, 2012 Statement of Allegations with respect to Energy, Green, Syndications and Chaddock, among others, including, if appropriate, any final determination of this matter by the Commission with respect to sanctions and costs;
2. The extension of the Temporary Order does not prohibit Green from engaging in the sale of goods provided that any sales agreement does not constitute an investment contract, as defined by Ontario securities law; and
3. The extension of the Temporary Order shall not affect the right of any respondent to apply to the Commission under section 144 of the Act to revoke or vary this order upon five days written notice to Staff of the Commission.

A copy of the Order dated October 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 Imperial Capital, LLC

Headnote

Multilateral Instrument 11-102, section 4.7(1) – Exemption granted from requirement to file Form 31-103 F1 – U.S. broker/dealer subject to U.S. reporting requirements registered as restricted dealer and thus required to file Form 31-103 F1 pursuant to section 12.1 of National Instrument 31-103 – Conditions concerning filing of SEC Form X-17a-5 (FOCUS Report) in lieu of Form 31-103F1 and notification of any issues.

Applicable Legislative Provisions

Multilateral Instrument 11-102 Passport System, s. 4.7(1).
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 12.1, 15.1.

October 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
IMPERIAL CAPITAL, LLC
(the Filer)**

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer (the **Application**) for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) exempting the Filer from:

- (i) the requirements of section 12.1 – *Capital Requirements* (“**Section 12.1**”) of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (“**NI 31-103**”) that the Filer maintains excess working capital calculated using Form 31-103F1

Calculation of Excess Working Capital (“**Form 31-103F1**”), and

- (ii) the requirements of section 12.12 *Delivering financial information – dealer* and section 12.13 *Delivering financial information – adviser* of NI 31-103 as applicable, that the Filer deliver a completed Form 31-103F1 showing the calculation of its excess working capital as at the end of the financial year and as at the end of the immediately preceding financial year,

so long as the Filer calculates excess net capital using the U.S. Securities and Exchange Commission (“**SEC**”) Form X-17a-5 (the “**FOCUS Report**”) and delivers the FOCUS Report in lieu of delivering Form 31-103F1 as required by NI 31-103 (the “**Exemption Sought**”).

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

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

Interpretation

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

Representations

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

1. The Filer is a limited liability company formed under the laws of the State of Delaware. The head office of the Filer is located in Los Angeles, California, United States of America.
2. The Filer is registered as a broker-dealer with the SEC and is a member of the Financial Industry Regulatory Authority (“**FINRA**”). The Filer is a member of the NASDAQ Stock Market, NYSE Arca, Inc., BATS Z-Exchange, Inc., EDGA Exchange, Inc., EDGX Exchange, Inc.
3. The Filer is registered, or has applied to be registered, as a restricted dealer (“**RD**”) in each of the Canadian provinces of British Columbia,

Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia, New Brunswick, Newfoundland and Labrador and Prince Edward Island.

4. Under NI 31-103, the Filer is required to calculate its excess working capital using Form 31-103F1.
 5. The Filer is subject to regulatory capital requirements under the *Securities Exchange Act of 1934*, specifically Rule 15c3-1, that are designed to meet regulatory protections that are substantially similar to the protections provided by the regulations regarding excess working capital to which dealer members of the Investment Industry Regulatory Organization of Canada (IIROC) are subject, and the Filer is in compliance in all material respects with Rule 15c3-1. The SEC and FINRA have the responsibility for ensuring that the Filer operates in compliance with SEC Rule 15c3-1.
 6. The Filer is required to prepare and file a FOCUS Report with United States regulators, which is the financial and operational report containing a net capital calculation.
 7. The FOCUS Report provides a more comprehensive description of the business activities of the Filer, and more accurately reflects those activities including client lending activity, than would be provided by Form 31-103F1, and the minimum SEC Rule 15c3-1 requirements applicable to the Filer are a substantially greater amount than the minimum requirement of NI 31-103.
 8. The Filer will, in the event that it provides a guarantee of any debt of a third party, deduct the total amount of the guarantee from its excess net capital on the FOCUS Report, consistent with the required treatment of such a guarantee under Form 31-103F1.
- is subject to SEC Rule 15c3-1 and SEC Rule 17a-5 *Reports to be Made by Certain Brokers and Dealers* (“SEC Rule 17a-5”); and that the protections provided by SEC Rule 15c3-1 and SEC Rule 17a-5 in respect of maintaining excess net capital are substantially similar to the protections provided by the capital requirements of IIROC that would be applicable to the Filer respectively if they were registered under the Legislation as an investment dealer and were a member of IIROC;
- (c) the Filer delivers to the principal regulator no later than the 90th day after the end of its respective financial year its FOCUS Report as filed with the SEC and FINRA;
 - (d) the Filer prepares the FOCUS Report on an unconsolidated basis;
 - (e) the Filer gives written notice to the principal regulator immediately if at any time its excess net capital as reported in box 3920 of its most recently filed FOCUS Report, is less than zero, and ensure that such capital is not less than zero for 2 consecutive days;
 - (f) the Filer gives prompt written notice to the principal regulator of any significant issues arising from analysis by U.S. securities regulators of the FOCUS Report filed by the Filer pursuant to SEC and FINRA requirements;
 - (g) the Filer provides the principal regulator with at least five days written notice prior to any repayment of subordinated intercompany debt or termination of a subordination agreement with respect to intercompany debt; and
 - (h) the Filer is registered as a restricted dealer.

“Pat Chaukos”
Manager,
Compliance and Registrant Regulation
Ontario Securities Commission

Decision

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

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted so long as:

- (a) the Filer is registered, and in good standing, under the securities legislation of the United States in a category of registration that permits it to carry on the activities in the United States that registration as an investment dealer would permit it to carry on in the Jurisdictions;
- (b) by virtue of the registration referred to in paragraph (a), including required membership in one or more self-regulatory organizations, the Filer

2.1.2 Macquarie Capital Markets Canada Ltd.

Headnote

NP 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions – Hybrid Application – Filer requested relief from the trade confirmation, client statement, statement of purchase and sale, and monthly statement requirements in securities laws where acting solely as execution-only brokers in the context of “give-up” trades – Relief granted with respect to give-up trades for institutional customers provided that a give-up trade agreement is executed with institutional customer and clearing broker and that clearing broker agrees to provide the customers with statements which include give-up trade details.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., s. 36(1).

Instruments Cited

Multilateral Instrument 11-102 Passport System, s. 4.7(1).
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, s. 14.14.

Citation: Macquarie Capital Markets Ltd. , Re, 2012 ABASC 405

October 3, 2012

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, SASKATCHEWAN, ONTARIO AND
NEWFOUNDLAND AND LABRADOR**

AND

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

AND

**IN THE MATTER OF
MACQUARIE CAPITAL MARKETS CANADA LTD.
(the Filer)**

DECISION

Background

The securities regulatory authority or regulator in each of Alberta and Ontario (the **Dual Exemption Decision Makers**) has received an application from the Filer for a decision under the securities legislation of those jurisdictions for an exemption, in the context of Give-Up Transactions (as defined below), from the requirement (the **Statement of Account Requirement**) that a dealer must deliver a statement of account to each client at least once every three months, or at the end of a month if the client has requested statements on a monthly basis or if a

transaction was effected in the client’s account during the month (the **Dual Exemption**).

The securities regulatory authority or regulator in each of Alberta, Saskatchewan, Ontario and Newfoundland and Labrador (the **Coordinated Exemption Decision Makers**) has received an application from the Filer for a decision under the securities legislation of those jurisdictions for an exemption, in the context of Give-Up Transactions, from the requirement (the **Trade Confirmation Requirement**) that every registered dealer who has acted as principal or agent in connection with a purchase or sale of a security shall promptly send by pre-paid mail or deliver to the customer a written confirmation of the purchase or sale (the **Coordinated Exemption**).

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

- (a) the Alberta Securities Commission is the principal regulator for this application;
- (b) the Filer has provided notice under section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) that the Dual Exemption is intended to be relied upon in British Columbia, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Nunavut and Yukon;
- (c) the decision with respect to the Dual Exemption evidences the decision of the principal regulator and the securities regulatory authority or regulator in Ontario; and
- (d) the decision with respect to the Coordinated Exemption evidences the decision of each Coordinated Exemption Decision Maker.

Interpretation

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

Representations

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

- 1. The Filer is a corporation amalgamated under the laws of Ontario. The head office of the Filer is located in Toronto, Ontario.
- 2. The Filer is a wholly-owned indirect subsidiary of Macquarie Group Limited (**Macquarie**). Macquarie is a bank holding company subject to the regulation and oversight of the Australian Prudential Regulatory Authority (**APRA**).
- 3. The Filer is: a dealer member of the Investment Industry Regulatory Organization of Canada

(IIROC); registered as an investment dealer in British Columbia, Alberta, Saskatchewan, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Nunavut and Yukon, an investment dealer and a futures commission merchant in Ontario and Manitoba, and an investment dealer and derivatives dealer in Québec; a participating organization or member of the TSX, TSX Venture Exchange and Montreal Exchange and certain electronic markets; and a member of the Canadian Derivatives Clearing Corporation.

4. The Filer intends to launch a new business in Canada (the **Subject Business**) which will trade in commodity futures contracts and commodity futures options (collectively, **Futures Contracts**) and in options on equities or indexes (collectively, **Securities**) that are listed or traded on one or more marketplaces, and in the context of such launch is seeking the relief described below. The Filer has been informed by Macquarie that, pursuant to the rules of the APRA, the Filer will be required to transfer the Subject Business after its launch within a prescribed period (expected to be approximately 18 months) to another existing or new wholly-owned indirect subsidiary of Macquarie (the **APRA Transfer Requirement**).
5. The Filer intends to act as an executing broker in Give-Up Transactions (as defined below) involving Futures Contracts and Securities. As well, the Filer intends, at some point, to act as a clearing broker for “institutional customers” as defined in IIROC Dealer Member Rule 1.1 (**Institutional Customers**).
6. The Filer will provide trading services only to Institutional Customers.
7. A **Give-Up Transaction** is a purchase or sale of Futures Contracts or Securities by a Institutional Customer that has an existing relationship as a client with a clearing broker, but wishes to use the trade execution services of one or more other executing brokers for the purpose of executing such purchases or sales (**Subject Transactions**) on one or more markets, whether domestic or global. Under these circumstances the executing broker executes the Subject Transactions as directed by the Institutional Customer and “give up” such trades to the clearing broker for clearing, settlement and custody. The service provided by the executing broker will be limited to trade execution only.
8. The clearing broker remains subject to the applicable Trade Confirmation Requirement and Statement of Account Requirement in respect of its Institutional Customers in Give-Up Transactions. The clearing broker will maintain an account for the Institutional Customer that is administered in accordance with the terms and conditions of the account documentation of the clearing broker that has been signed by the Institutional Customer. For a Give-Up Transaction, the Institutional Customer will not sign account documentation with the executing broker, nor will the executing broker receive monies, securities, margin or collateral from the Institutional Customer. The Institutional Customer, however, will enter into an agreement with the executing broker and the clearing broker that governs their “give-up” relationship (a **Give-Up Agreement**).
9. Although the Filer is responsible for its own record-keeping, bookkeeping, custody and other administrative functions (**Account Services**) in respect of its own Institutional Customers, it does not provide Account Services for execution-only Institutional Customers. Such Account Services remain the responsibility of those Institutional Customers' clearing broker.
10. The Filer does, however, record in its own books and records and accounting system all Give-up Transactions that it executes, which generally comprise those Securities and Futures Contract positions held by it that are not allocated to any of its own accounts. The Filer communicates these unallocated positions to the relevant clearing brokers who either accept or reject the positions so allocated on behalf of their clients based on existing Give-Up Agreements. If a clearing broker rejects a proposed allocation, the Filer contacts the person who executed the trade to obtain clarifying instructions and then allocates the position in accordance with the instructions so received.
11. The Filer prepares a monthly or transaction-by-transaction invoice detailing all Give-up Transactions (including the amount of any commission to the Filer for execution thereof) that the Filer conducted during the month for each Institutional Customer under a Give-up Agreement. The Filer delivers such invoice to the clearing broker who then reconciles the Give-up Transactions with its own records.
12. The clearing broker will have the primary relationship with the Institutional Customers and is contractually responsible for trade and risk monitoring as well as reporting trade confirmations and sending out monthly statements.
13. The Filer is, to the best of its knowledge, in compliance with all IIROC requirements relating to the maintenance of records of executed transactions and all applicable securities, futures or derivatives legislation in any jurisdiction.
14. Application of the Statement of Account Requirement to the Filer when it provides only trade execution services in respect of Give-Up Transactions would:

- (a) be duplicative and confusing because delivery of the required statements of account to execution-only Institutional Customers would capture only some, but not all, of the information that would be contained in the statements of account delivered to the same Institutional Customers by their clearing brokers; and
 - (b) not be required to establish an audit trail or to facilitate reconciliation of Give-Up Transactions as between the Filer and a clearing broker.
15. The Filer has further requested that the exemptive relief be granted in favour of any Canadian subsidiary (within the meaning of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*) of Macquarie (a **Complying Affiliate**) which:
- (a) acquires the Subject Business from the Filer in compliance with the APRA Transfer Requirement, and operates the Subject Business in a manner consistent with the representations of the Filer made herein;
 - (b) is, to the best of its knowledge, at the time of operating the Subject Business, a member of IIROC, in compliance with all IIROC requirements;
 - (c) together with the Filer, as applicable, has filed a notice with the securities regulatory authority or regulator in each of the jurisdictions and with IIROC (i) setting out the identity of the Complying Affiliate, (ii) confirming that the transfer of the Subject Business has occurred, and (iii) confirming that the representations set out in paragraphs 5 to 12 above continue to apply to the business of the Complying Affiliate; and
 - (d) undertakes to comply with the conditions of the exemptive relief granted in this order.
- (a) the Filer and in respect of any Complying Affiliate, provided that:
 - (a) the Filer, or the Complying Affiliate, as applicable, provides trade execution services in respect of Give-Up Transactions only for Institutional Customers;
 - (b) the Filer, or the Complying Affiliate, as applicable, enters into a Give-Up Agreement with the clearing broker and the Institutional Customer;
 - (c) the clearing broker has agreed to provide each Institutional Customer with written trade confirmations and statements of account that include information for any Subject Transactions; and
 - (d) in the case of the Dual Exemption and the Coordinated Exemption granted to a Complying Affiliate, the Filer and the Complying Affiliate have filed the notice and undertaking referred to in paragraph 14 above.

For the Commission:

"Glenda Campbell, QC"
Vice-Chair
Alberta Securities Commission

"Stephen Murison"
Vice-Chair
Alberta Securities Commission

Decision

Each Coordinated Exemption Decision Maker is satisfied that the decision meets the test set out in the legislation of the jurisdiction for the relevant regulator or securities regulatory authority to make the decision.

The decision of the Dual Exemption Decision Makers under the legislation of Dual Exemption Decision Makers is that the Dual Exemption is granted, and the decision of the Coordinated Exemption Decision Makers under the legislation of the Coordinated Exemption Decision Makers, is that the Coordinated Exemption is granted, in respect of

2.1.3 True North Apartment Real Estate Investment Trust

in each of the other provinces and territories of Canada.

Headnote

National Policy 11-203 Process for Exemptive Relief in Multiple Jurisdictions – relief from section 8.2 of National Instrument 51-102 Continuous Disclosure Obligations (NI 51-102) which would otherwise require filer to file a business acquisition report pursuant to section 13.1 of NI 51-102 – filer has experienced significant growth in assets since the date of its most recently filed financial statements – relief granted to permit significance to be calculated based on more recent financial information.

Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations, ss. 8.2, 13.1.

September 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
TRUE NORTH APARTMENT
REAL ESTATE INVESTMENT TRUST
(the Filer)**

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for an order under Section 13.1 of National Instrument 51-102 *Continuous Disclosure Obligations* (**NI 51-102**) exempting the Filer from the requirements of section 8.2 of NI 51-102 for the Acquisition (as defined below) (the **Exemption Sought**).

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

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

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 an unincorporated open-end real estate investment trust established under the laws of the Province of Ontario. The Filer's registered and head office is located at 401 The West Mall, Suite 1100, Toronto, Ontario, M9C 5J5.
- 3. On June 5, 2012, Wand Capital Corporation (**Wand Capital**) completed its capital pool company qualifying transaction by way of a plan of arrangement under the *Business Corporations Act* (Ontario) with the Filer. As a result, the Filer became a reporting issuer in each of British Columbia, Alberta and Ontario. On July 11, 2012, as a result of the issuance of a receipt for a (final) short form prospectus, the Filer became a reporting issuer in every province and territory in Canada. To the best of its knowledge, the Filer is currently not in default of any applicable requirements under the securities legislation of any of the provinces or territories of Canada.
- 3. The units of the Filer are listed and posted on the TSX Venture Exchange under the symbol "TN.UN".
- 4. On August 31, 2012, the Filer acquired, through its subsidiary entity True North Limited Partnership, a property (the **Trossacks Property**) from an arm's length vendor (the Vendor) for a purchase price of approximately \$17.5 million (the **Acquisition**).
- 5. The Acquisition constitutes a "significant acquisition" of the Filer for the purposes of NI 51-102, as determined in accordance with the significance tests set out in section 8.3 of NI 51-102. These tests calculate significance based on the most recent annual or interim financial statements of an issuer, depending upon the test that is used. The Filer is therefore required to file a business acquisition report within 75 days of August 31, 2012 pursuant to section 8.2 of NI 51-102.
- 6. The Filer's financial statements for the period ended January 31, 2012 were prepared for Wand Capital and are not reflective of the current size of the Filer. The Filer's interim financial statements for the period ended March 31, 2012 reflect assets

of approximately \$4.6 million. The Filer's interim financial statements for the period ended June 30, 2012 reflect assets of approximately \$15.4 million.

7. A business acquisition report filed by the Filer dated August 14, 2012 incorporates financial statements from a short form prospectus of the Filer dated July 11, 2012. These financial statements include pro forma financial statements (the **Pro Forma Financial Statements**) that take into account two recent acquisitions completed by the Filer and reflect assets of approximately \$140.8 million. These acquisitions are not reflected in the Filer's most recent interim financial statements, for the period ended June 30, 2012.
8. Calculating significance based on the assets reflected in the Pro Forma Financial Statements recognizes the growth of the Filer between June 30, 2012 and the date of the Acquisition, and the actual size of the Filer at the time of the Acquisition, more accurately than does a calculation of significance based on the most recent annual or interim financial statements of the Filer.
9. Based on the Filer's assets of \$140.8 million as reflected in the Pro Forma Financial Statements, the Acquisition would represent approximately 11% of the Filer's assets and would not be a significant acquisition.

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.

"Shannon O'Hearn"
Manager, Corporate Finance Branch
Ontario Securities Commission

2.1.4 Mackenzie Financial Corporation et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – exemption granted to permit Funds to store and hold portfolio assets in the form of physical bullion in and outside Canada through Brinks or Via Mat, for purposes other than facilitating portfolio transactions of the Funds.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 6.1(2), 6.1(3)(b), 6.2, 6.3, 19.1.

September 27, 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
MACKENZIE FINANCIAL CORPORATION
(the Filer)**

AND

**IN THE MATTER OF
CANADIAN IMPERIAL BANK OF COMMERCE
(the Custodian)**

AND

**IN THE MATTER OF
THE BANK OF NOVA SCOTIA
(the Bullion Custodian)**

AND

**MACKENZIE GLOBAL TACTICAL FUND,
MACKENZIE UNIVERSAL CANADIAN RESOURCE
FUND, MACKENZIE UNIVERSAL PRECIOUS METALS
FUND, MACKENZIE UNIVERSAL WORLD PRECIOUS
METALS CLASS AND MACKENZIE UNIVERSAL
WORLD RESOURCE CLASS
(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 of the principal regulator (the **Legislation**) for an exemption, pursuant to section 19.1 of National Instrument 81-102 *Mutual Funds (NI 81-102)*, from the following provisions of NI 81-102:

- (a) clause 6.1(2)(b), to permit physical bullion of each Fund to be held outside Canada by the Custodian or the Bullion Custodian, for purposes other than facilitating portfolio transactions of the Fund outside Canada;
- (b) clause 6.1(3)(b), to permit the Custodian or the Bullion Custodian to appoint the Brinks Company or its subsidiaries or affiliates (**Brinks**), or Via Mat International Ltd. or its subsidiaries or affiliates (**Via Mat**), which are persons or companies that are not described in section 6.2 or 6.3, to act as sub-custodians to hold each Fund's physical bullion;
- (c) section 6.2 to permit Brinks and Via Mat to be appointed as sub-custodians of each Fund to hold the Funds' physical bullion in Canada; and
- (d) section 6.3, to permit Brinks and Via Mat to be appointed as sub-custodians of the Fund to hold each Fund's physical bullion outside Canada (the **Exemption Sought**).

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

- (a) the Ontario Securities Commission is the principal regulator for this application; and
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System (MI 11-102)* is intended to be relied upon in British Columbia, Alberta Saskatchewan, Manitoba, Québec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, the Yukon Territory and Nunavut, where applicable.

Interpretation

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

Representations

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

The Funds

- 1. The Filer is a corporation incorporated under the laws of the province of Ontario and is registered in the category of Portfolio Manager in, all of the provinces and territories of Canada. The head office of the Filer is in Toronto, Ontario.

- 2. The Filer is registered as an investment fund manager in the province of Ontario.
- 3. The Filer is the manager of Mackenzie Universal Canadian Resource Fund, Mackenzie Universal Precious Metals Fund, Mackenzie Universal World Precious Metals Class and Mackenzie Universal World Resource Class (each an **Existing Fund**). The Filer will act as manager of Mackenzie Global Tactical Fund (the **Future Fund**).
- 4. Mackenzie Universal Canadian Resource Fund and Mackenzie Universal Precious Metals Fund are open-end mutual fund trusts established under the laws of the province of Ontario, pursuant to which the Filer is trustee. Mackenzie Universal World Precious Metals Class and Mackenzie Universal World Resource Class are classes of shares of Mackenzie Financial Capital Corporation. The Future Fund will be an open-end mutual fund trust established under the laws of the province of Ontario by a declaration of trust, pursuant to which the Filer is the trustee.
- 5. Neither the Filer nor any of the mutual funds for which it acts as manager is in default of securities legislation in any Jurisdiction.
- 6. A preliminary simplified prospectus dated August 28, 2012 (the **Preliminary Prospectus**) for the Future Fund was filed via SEDAR under project No. 1952339. Once a final prospectus for the Future Fund is filed and receipt is obtained, the Future Fund will be a "reporting issuer" or equivalent in each Jurisdiction. Each Existing Fund is currently qualified for distribution in all provinces and territories of Canada pursuant to a simplified prospectus dated September 30, 2011, as amended.
- 7. The investment objective of the Future Fund is to seek total return over the long term by allocating its assets among all asset classes, including but not limited to equality securities, fixed-income securities, short-term instruments of issuers in markets around the globe, commodities and foreign currencies. As a subset of the Future Fund's investments in commodities, the Future Fund may invest in gold and silver, and instruments (such as derivatives and ETFs) that provide exposure to these metals. The Future Fund's investments in gold or silver bullion will at all times be made in accordance with the investment restrictions set forth in NI 81-102 or in accordance with exemptive relief therefrom, as described in the simplified prospectus of the Future Fund.
- 8. Each Existing Fund is permitted to invest directly in gold and silver. Each Existing Fund's investments in gold and silver bullion will at all times be made in accordance with the investment restrictions set forth in NI 81-102 or in accordance

with exemptive relief therefrom, as described in the simplified prospectus of each Existing Fund.

9. Each of Mackenzie Universal Precious Metals Fund, Mackenzie Universal World Precious Metals Class and Mackenzie Universal World Resource Class is permitted to invest directly in platinum and palladium. Each of Mackenzie Universal Precious Metals Fund, Mackenzie Universal World Precious Metals Class and Mackenzie Universal World Resource Class investments in platinum and palladium bullion will at all times be made in accordance with the investment restrictions set forth in NI 81-102 or in accordance with exemptive relief therefrom, as described in the simplified prospectus of each of these Funds.

Custody of Bullion Held by the Funds

10. Pursuant to a Master Custodian Agreement dated February 24, 2005, as amended (the **Custodian Agreement**) the Custodian acts as the custodian for all mutual funds managed by the Manager. The Custodian holds, or in the case of the Future Fund, will hold, the property of each Fund other than each Fund's physical bullion. Except as stated herein, the terms of the Custodian Agreement will comply with all requirements in Part 6 of NI 81-102.
11. The Custodian will appoint the Bullion Custodian to be a sub-custodian of each Fund, to hold the Funds' physical gold and silver bullion, and, in the case of Mackenzie Universal Precious Metals Fund, Mackenzie Universal World Precious Metals Class and Mackenzie Universal World Resource Class, to hold platinum and palladium bullion (in addition to gold and/or silver bullion). These custody arrangements will be governed by the terms of an agreement among the Custodian, the Bullion Custodian and the Filer (the **Bullion Custodian Agreement**). Except as represented below, the terms of the Bullion Custodian Agreement will comply with all requirements in Part 6 of NI 81-102.
12. The Funds' physical gold, silver, platinum and palladium bullion will be stored and held either on an allocated and segregated basis in the vault facilities of the Bullion Custodian, in Canada, London, England or New York, U.S.A, or will be stored in the vault of a sub-custodian on an allocated and segregated basis in Canada, London, England or New York, U.S.A, where in the latter case it shall be identified as the property of the Bullion Custodian. The Bullion Custodian shall at all times record and identify in the books and records maintained by the Bullion Custodian that such bullion is being held on behalf of the Custodian. The Bullion Custodian is one of the largest providers of physical precious metals trading and custodial services in the world. The Manager has determined that the Bullion Custodian will be the appropriate choice to provide custodial services to the Funds because the Bullion Custodian is experienced in providing gold, silver, platinum and palladium storage and custodial services, and is familiar with the requirements relating to the physical handling and storage of gold, silver, platinum and palladium bullion.
13. The Funds will not insure their physical gold, silver, platinum or palladium. The Bullion Custodian requires that the Bullion Custodian or any sub-custodian maintain insurance on such terms and conditions as it considers appropriate against all risk of physical loss of, or damage to, bullion stored in the Bullion Custodian or any sub-custodian's vaults except the risk of war, nuclear incident, terrorism events or government confiscation. None of the Manager, the Funds, nor the Custodian are beneficiary of any such insurance and none of them have the ability to dictate the existence, nature or amount of coverage.
14. The Manager has discussed such insurance coverage with the Bullion Custodian, and believes that the insurance that the Bullion Custodian or any sub-custodian has obtained will be appropriate for the Funds. The Bullion Custodian Agreement provides that the Bullion Custodian shall not cancel its insurance or permit its sub-custodian to cancel such insurance except upon 30 days prior written notice to the Manager. The Fund will disclose the material details of that insurance arrangement in its final annual information form.
15. The Bullion Custodian has advised the Manager and the Custodian that due to physical storage capacity constraints, having regard to the amount of gold, silver, platinum and palladium bullion which the Fund may acquire, there may not be sufficient space in the vault facilities of the Bullion Custodian to store all of the Funds' physical gold, silver, platinum and palladium bullion.
16. As a result, the Bullion Custodian may be required to use the services of sub-custodians to store some of the Funds' physical gold, silver, platinum and palladium bullion.
17. The Bullion Custodian has advised the Custodian and the Manager that it proposes to use Brinks and Via Mat, as sub-custodians, if necessary, to hold the physical gold, silver, platinum and palladium bullion of the Funds. Brinks and Via Mat are not entities that are currently approved to act as a custodian or sub-custodian for assets held in Canada, or to act as a sub-custodian for assets held outside of Canada as Brinks and Via Mat are not, among other things, a bank listed in Schedule I, II or III of the *Bank Act* (Canada) or a trust company incorporated under the laws of Canada.

18. Brinks and Via Mat are leading providers of secure logistics for valuables, including diamonds, jewellery, precious metals, securities, currency and secure data, serving banks, retailers, governments, mines, refiners and metal traders. Brinks and Via Mat are both authorized depositories for the London Bullion Market Association and have vault facilities that are accepted as warehouses for the London Bullion Market Association. Brinks is also an authorized depository for NYMEX/COMEX.
19. The number of entities in Canada which are eligible to act as sub-custodians for the physical storage of silver bullion is limited. Of these eligible entities, some already have exclusive relationships with other investment funds for storage purposes whereas others simply may not have the excess capacity that the Funds may need to store physical silver bullion. These capacity constraints have been intensified due to the increased demand for physical commodities and the corresponding need to arrange for safe-keeping.
20. The Manager and the Bullion Custodian believe that both Brinks and Via Mat are appropriate sub-custodians for the Funds' physical gold, silver, platinum and palladium bullion. The Bullion Custodian has engaged in a review of the facilities, procedures, records and the level of insurance coverage of Brinks and Via Mat, and will engage in a similar review annually, to satisfy itself as to the continuing appropriateness of using Brinks and Via Mat as sub-custodians of the Fund's physical bullion.
21. The custody arrangements with respect to the holding of the Funds' physical gold, silver, platinum and palladium bullion by Brinks or Via Mat will be governed by the terms of an agreement between the Bullion Custodian and Brinks or Via Mat, as the case may be, (the **Bullion Sub-Custodian Agreements**), the terms of which will comply with Part 6 of NI 81-102, except as represented herein.
22. To the best of the Manager's, the Fund's, the Custodian's and the Bullion Custodian's knowledge, the Custodian Agreement, the Bullion Custodian Agreement and the Bullion Sub-Custodian Agreements are consistent with industry practice.
23. In relation to the Funds, the sub-custodial activities of Brinks and Via Mat will be limited to holding the Funds' physical gold, silver, platinum and palladium bullion. All physical gold, silver, platinum and palladium bullion of the Funds held by Brinks and Via Mat will be held in vault facilities in Canada, London, England or New York, U.S.A, on an allocated and segregated basis. The Bullion Custodian will exercise its audit rights under each Bullion Sub-Custodian Agreement on an on-going basis in order to satisfy itself that Brinks and Via Mat are in substantial compliance with the terms of the relevant Bullion Sub-Custodian Agreement and, in particular, that the bullion of the Funds which the Bullion Custodian has transferred to Brinks and Via Mat on behalf of the Fund (i) is held by Brinks and Via Mat at vault facilities that are accepted as warehouses for the London Bullion Market Association, (ii) is physically segregated and specifically identified, both in the vault facilities in which such bullion is held by Brinks and Via Mat and on the books and records of Brinks and Via Mat, as constituting the property of the Bullion Custodian or the Funds, (iii) has not sustained loss, damage or destruction (but with no obligation on the part of the Bullion Custodian to verify the weight, quality, fineness, assay characteristics, authenticity or composition of such bullion or that such bullion conforms to any good delivery standards for the London Bullion Market Association, NYMEX/COMEX, the London Platinum and Palladium Market Association or any other bullion trading body or that such bullion is otherwise fit for any purpose), and (iv) remains the subject of a subsisting policy of insurance that covers Brinks' and Via Mats' liability for the loss, damage or destruction of such bullion.
24. The Bullion Custodian has advised the Funds and the Manager that each of Brinks and Via Mat have arranged for sufficient insurance coverage in respect of any of the Funds' physical gold, silver, platinum and palladium bullion held by the Bullion Custodian through the vault facilities of Brinks or Via Mat. The Manager has discussed the insurance coverage obtained by Brinks and Via Mat with the Bullion Custodian and believes that the insurance coverage obtained by Brinks and Via Mat is appropriate for the Funds.
25. Pursuant to the Custodian Agreement, in safekeeping the property of the Funds, the Custodian is required to exercise (i) the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances; or (ii) at least the same degree of care as it exercises with respect to its own property of a similar kind, if this is a higher degree of care than the degree of care referred to in (i). In addition, pursuant to the Custodian Agreement, the Custodian is not entitled to an indemnity from the Funds in the event the Custodian breaches its standard of care. The Bullion Custodian Agreement includes a similar standard of care in respect of the obligations of the Bullion Custodian and a similar provision in respect of the Bullion Custodian's indemnity. The Bullion Custodian has satisfied itself that the degree of care to which Brinks and Via Mat are subject in respect of the Bullion Sub-Custodian Agreement is no less than the degree of care referred to in (i).

26. The Bullion Custodian Agreement provides that, in addition to any other rights of the Funds thereunder, the Bullion Custodian shall indemnify and hold harmless the Funds in respect of all direct loss, damage or expense arising out of any negligence, willful misconduct, fraud or lack of good faith by the Bullion Custodian or any sub-custodian or sub-sub-custodian (including Brinks and Via mat), in respect of the services contemplated thereunder, provided however, that the liability for any loss, damage or expense to which the above indemnity would apply shall be limited to losses, damages or expenses as follows:
- a. in the case of the loss of bullion, such bullion or other property shall be replaced where commercially practicable and reasonably feasible; provided, however, that, in the context of bullion, the replacement bullion which is to be provided by the Bullion Custodian shall be of the same fineness and shall be in the same form as the allocated bullion actually delivered and then held by the Bullion Custodian at the time of the incurrence of the relevant loss (and, in such respect, the Bullion Custodian's opinion shall be determinative as to such fineness and form);
 - b. where replacement of such bullion or other property is not commercially practicable and reasonably feasible, the Fund shall be paid the market value of such bullion based upon fineness and the form of the allocated bullion actually delivered and then held by the Custodian at the time of the incurrence of the relevant loss (and, in such respect, the Bullion Custodian's opinion shall be determinative as to such fineness and form) or other property at the time the loss is discovered; and
 - c. in any other case, the amount of any interest or income to which the Fund is entitled, but which is not received by the Fund, shall be paid to it.
27. The Bullion Custodian Agreement provides that if a Fund suffers a loss as a result of any act or omission of a sub-custodian (including Brinks and Via mat), or of any other agent appointed by the Bullion Custodian (rather than appointed by the Manager) and if such loss is directly attributable to the failure of such agent to comply with its standard of care in the provision of any service to be provided by it under the Bullion Custodian Agreement or the applicable Bullion Sub-Custodian Agreement, then the Bullion Custodian shall assume liability for such loss directly, and shall reimburse the Fund accordingly.
28. The Funds' auditors will be present during, and will verify, a physical count of all of the Funds' physical gold, silver, platinum and palladium bullion, whether held by the Bullion Custodian, Brinks, or Via Mat, at least once every year. The Funds and their auditors will have the ability, with sufficient advance notice to the Bullion Custodian, who shall make arrangements with Brinks or Via Mat, where required, to attend at the vaults of the Bullion Custodian, Brinks and/or Via Mat as required to verify the gold, silver, platinum and palladium bullion held by the Bullion Custodian, Brinks or Via Mat on behalf of the Funds.
29. The Bullion Custodian shall, to the best of its ability, monitor the most recent audited financial statements of Brinks and Via Mat or their respective affiliates or subsidiaries, in order to ensure that the shareholders' equity of such entities is sufficient with what the Bullion Custodian believes to be appropriate for an entity acting as custodian of physical bullion and, in any event at sufficient levels in order to meet the Bullion Custodian's own internal requirements as though the Bullion Custodian were seeking to deposit its own physical bullion with such sub-custodians.
30. All bullion purchased by the Funds will be certified by the relevant vendor as bullion conforming to the good delivery standards of the London Bullion Market Association, the London Platinum and Palladium Market or another internationally recognized bullion trading body.

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) so long as the simplified prospectus of each Fund contains disclosure regarding the unique risks associated with an investment in the Funds, including the risk that direct purchases of bullion by the Funds may generate higher transaction and custody costs than other types of investments, which may impact the performance of the Funds;
- (b) in respect of the relief granted from the requirements of sections 6.1(2)(b), 6.1(3)(b), 6.2 and 6.3, the Funds, the Manager, the Custodian and the Bullion Custodian are limited to using Brinks and Via Mat as sub-custodians for the gold, silver, platinum and palladium bullion of the Funds which will be held only in

Canada, London, England or New York (U.S.A.); and

- (c) in respect of the compliance reports to be prepared by the Custodian pursuant to section 6.7 of NI 81-102, in lieu of including the information required by paragraphs 6.7(1)(a), 6.7(1)(b), 6.7(1)(c) and 6.7(2)(b) and (c) in respect of the Custodian's review of the sub-custodian arrangements involving Brinks and Via Mat, the Custodian shall instead be entitled to rely on a certificate of the Bullion Custodian prepared in respect of the Bullion Custodian's annual review process for Brinks and Via Mat referred to in paragraph 20 above, and whether the Bullion Custodian remains of the view that Brinks and Via Mat continue to be appropriate sub-sub-custodians to hold the Funds' physical gold, silver, platinum and palladium bullion.

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

2.1.5 Jarislowsky, Fraser Limited

Headnote

National Policy 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted from paragraph 13.5(2)(b) of NI 31-103 to permit inter-fund trades between pooled funds and managed accounts – inter-fund trades will comply with conditions in subsection 6.1(2) of NI 81-107 including IRC approval or client consent – trades involving exchange-traded securities are permitted to occur at last sale price as defined in the Universal Market Integrity Rules - relief also subject to pricing and transparency conditions. Exemption also granted from conflict of interest trading prohibition in paragraph 13.5(2)(b) of NI 31-103 to permit in-specie subscriptions and redemptions by separately managed accounts and pooled funds in pooled funds – Portfolio manager of managed accounts is also portfolio manager of pooled funds and is therefore a “responsible person” – Relief subject to certain conditions.

Applicable Legislative Provisions

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

National Instrument 81-107 Independent Review Committee for Investment Funds, ss. 6.1(2), 6.1(4).

September 19, 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
JARISLOWSKY, FRASER LIMITED
(the “Filer” or “JFL”)**

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (“**Decision Maker**”) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the “**Legislation**”) for exemptive relief from the prohibition in section 13.5(2)(b)(iii) of National Instrument 31-103 – *Registration Requirements and Exemptions* (“**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 the securities of any issuer from or to the investment portfolio of any investment fund for which a responsible person acts as an adviser, such that the following transactions are permitted:

- (i) the purchase and sale of portfolio securities of any issuer (each purchase and sale, an “**Inter-Fund Trade**”):
 - (A) between a Pooled Fund (as defined below) and another Pooled Fund or a Managed Account (as defined below); and
 - (B) between a Managed Account and a Pooled Fund;
- (ii) to occur at the last sale price, as defined in the Market Integrity Rules of the Investment Industry Regulatory Organization of Canada, prior to the execution of the trade (the “**Last Sale Price**”) or at the closing sale price (the “**Closing Sale Price**”) contemplated by the definition of current market price referred to in paragraph (e) of section 6.1(2) of National Instrument 81-107 *Independent Review Committee for Investment Funds* (“**NI 81-107**”), as determined by the Filer in its discretion;

- (iii) the purchase and redemption by a Managed Account of units of a Pooled Fund, and the payment:
 - (A) for such purchase, in whole or in part, by the Managed Account making good delivery of portfolio securities to the Pooled Fund; and
 - (B) for such redemption, in whole or in part, by the Managed Account receiving good delivery of portfolio securities from the Pooled Fund; and
- (iv) the purchase or redemption by a Pooled Fund of units of another Pooled Fund, and the payment:
 - (A) for such purchase, in whole or in part, by the Pooled Fund making good delivery of portfolio securities to the other Pooled Fund; and
 - (B) for such redemption, in whole or in part, by the Pooled Fund receiving good delivery of portfolio securities from the other Pooled Fund;

(each purchase and redemption in (iii) and (iv) above is an **In Specie Transaction**);

((i) to (iv) are collectively the “**Exemption Sought**”).

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

- (a) L’Autorité des marchés financiers is the principal regulator (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 each of the jurisdictions of Canada, other than the provinces of Quebec and Ontario.
- (c) the decision is the decision of the Principal Regulator and evidences the decision of each Decision Maker; and

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.

Managed Account means an account over which JFL has discretionary authority, other than an account of a Responsible Person.

Pooled Fund means an investment fund created under a Trust Agreement (as defined below) and managed by JFL or managed in the future by JFL, whose units are sold pursuant to prospectus exemptions under applicable securities legislation, to which National Instrument 81-102 – *Mutual Funds* does not apply.

Responsible Person has the meaning given to this term in section 13.5(1) of NI 31-103 and includes each officer and director of JFL who has access to, or participates in formulating, an investment decision or advice in respect of an Inter-Fund Trade.

Representations

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

The Filer

1. JFL is a corporation incorporated under the *Canada Business Corporations Act*. Its head office is in Montréal, Québec.
2. JFL is registered as an investment fund manager and a portfolio manager in every province and territory of Canada.
3. JFL is not in default of securities legislation in any jurisdiction of Canada.

The Pooled Funds

4. Each Pooled Fund is, or will be, constituted as an open-ended mutual fund trust under a trust agreement governed by the *Civil Code of Québec*.
5. JFL is, or will be, the manager and portfolio advisor of the Pooled Funds.

6. Two Pooled Funds – the Jarislowsky Special Equity Fund and the Jarislowsky International Pooled Fund – were established under trust agreements dated March 7, 1995, as amended (respectively, the “**Special Equity Trust Agreement**” and the “**International Pooled Trust Agreement**”) between Royal Trust Company (“**RTC**”), as trustee, and JFL, as manager.
7. Three Pooled Funds – the Jarislowsky, Fraser Balanced Fund, the Jarislowsky, Fraser Equity Fund and the Jarislowsky, Fraser Bond Fund – were established under a trust agreement dated October 16, 1996, under which RTC served as trustee. The October 16, 1996 agreement was amended and restated on March 31, 1998, as amended (the “**Master Trust Agreement**”). Subsequent amendments to the Master Trust Agreement established the Jarislowsky, Fraser U.S. Equity Fund and changed the name of the Jarislowsky, Fraser Equity Fund to the Jarislowsky, Fraser Canadian Equity Fund as of October 30, 1998, established the Jarislowsky, Fraser Taxable Balanced Fund as of September 27, 2001, changed the name to the Jarislowsky, Fraser Global Balanced Fund as of December 9, 2002 and established the Jarislowsky, Fraser Global Equity Fund as of September 27, 2005.
8. On December 21, 2005, RTC assigned of all its right, title, benefit and interest in, to and under, the Special Equity Trust Agreement, International Pooled Trust Agreement and Master Trust Agreement (each a “**Trust Agreement**”) to RBC Dexia Investor Services Trust (“**RBC Dexia**”) which assumed the role of trustee and custodian of the Pooled Funds.
9. Seven additional Pooled Funds– , the Jarislowsky, Fraser Currency Neutral U.S. Equity Fund, the Jarislowsky, Fraser Currency Neutral Global Equity Fund, the Jarislowsky, Fraser Currency Neutral International Pooled Fund, the Jarislowsky, Fraser Tax Exempt Global Equity Fund, the Jarislowsky, Fraser Taxable U.S. Equity Fund, the Jarislowsky, Fraser U.S. Money Market Fund and the Jarislowsky, Fraser Money Market Fund – were established on December 18, 2007 by an amendment to the Master Trust Agreement.
10. The name of the Jarislowsky, Fraser Tax Exempt Global Equity Fund was changed to the Jarislowsky, Fraser Special Bond Fund on August 26, 2009.

The name of the Jarislowsky, Fraser Currency Neutral U.S. Equity Fund was changed to the Jarislowsky, Fraser Dividend Growth Fund on March 30, 2012. The name of the Jarislowsky, Fraser Taxable U.S. Equity Fund was changed to the Jarislowsky, Fraser International Special Equity Fund on May 31, 2011. This last Pooled Fund, as well as the Jarislowsky, Fraser Currency Neutral Global Equity Fund and the Jarislowsky, Fraser Currency Neutral International Pooled Fund, have not and are not currently distributing any units to any third party.

11. RBC Dexia acts as both trustee and custodian to the Pooled Funds, and is not an affiliate of JFL.
12. The Pooled Funds are not, and will not be, reporting issuers in any jurisdiction of Canada.
13. Each Pooled Fund is not in default of securities legislation in any jurisdiction of Canada.
14. Units of the Pooled Funds are, and will be, distributed only to Managed Accounts in every jurisdiction of Canada pursuant to the accredited investor prospectus exemption in every jurisdiction other than Ontario, available under paragraphs (g) and (i) of section 1.1 and section 2.3 of National Instrument 45-106 – *Prospectus and Registration Exemptions* (“**NI 45-106**”). In Ontario, distributions are, and will be, made pursuant to the minimum amount investment (\$150,000) prospectus exemption under subsection 2.10 of NI 45-106, unless another type of accredited investor exemption under sections 1.1 and 2.3 other than the managed account exemption is available.
15. JFL, which is the investment fund manager and portfolio manager of the Pooled Funds, avails itself of the dealer registration exemption available under subsection 8.6 of NI 31-103 when distributing units of the Pooled Funds to Managed Accounts.

The Managed Accounts

16. JFL is the portfolio manager of each of the Managed Accounts.
17. The Managed Accounts are managed pursuant to discretionary portfolio management agreements, which are executed by each client who wishes to receive the portfolio management services of JFL.
18. JFL makes investment decisions for each Managed Account and has full discretionary authority to trade in securities for each Managed Account without obtaining the specific consent or instructions of the client, provided the securities respect the client’s investment objectives.

The Inter-Fund Trades

19. JFL wishes to be able to enter into Inter-Fund Trades of portfolio securities between:
- (a) a Pooled Fund and another Pooled Fund or a Managed Account; and
 - (b) a Managed Account and a Pooled Fund.
20. At the time of each Inter-Fund Trade, JFL will have policies and procedures in place to enable it to engage in the applicable Inter-Fund Trade.
21. When JFL engages in an Inter-Fund Trade of securities between two Pooled Funds or between a Managed Account and a Pooled Fund it will follow the following procedures:
- (a) JFL, as portfolio manager, will request the approval of the chief compliance officer to execute a purchase or sale of a portfolio security by a Pooled Fund or a Managed Account as an Inter-Fund Trade;
 - (b) upon receipt of the required approval, JFL, as portfolio manager, will deliver the trading instructions to a trader on a trading desk of JFL;
 - (c) upon receipt of the trade instructions and the required approval, the trader on the trading desk will execute the trade as an Inter-Fund Trade in accordance with the requirements of paragraphs (c) to (g) of Subsection 6.1(2) of NI 81-107 provided that, for exchange-traded securities, the trader will have the discretion to execute the Inter-Fund Trade at the Last Sale Price of the security, determined at the time of the receipt of the required approval prior to the execution of the trade, or at the Closing Sale Price; and
 - (d) the policies applicable to the trading desk of JFL will require that all orders are to be executed on a timely basis.
22. JFL will establish an independent review committee (“**IRC**”) in respect of each Pooled Fund that will be involved in Inter-Fund Trades. The IRC will be composed by JFL in accordance with section 3.7 of NI 81-107 and will be expected to comply with the standard of care set out in section 3.9 of NI 81-107. The mandate of the IRC will include approving purchases and sales of portfolio securities between a Pooled Fund and a Managed Account or between two Pooled Funds and the IRC will not approve an Inter-Fund Trade between a Pooled Fund and a Managed Account or between two Pooled Funds unless it has made the determination set out in section 5.2(2) of NI 81-107.
23. If the IRC of a Pooled Fund becomes aware of an instance where JFL, as manager of the Pooled Fund, did not comply with the terms of this decision or a condition imposed by the IRC in its approval, the IRC of the Pooled Fund will, as soon as practicable, notify in writing the securities regulatory authority or regulator in the jurisdiction under which the Pooled Fund is organized.
24. JFL cannot rely on the exemption from Section 13.5 of NI 31-103 contained in subsection 6.1(4) of NI 81-107, as the Pooled Funds and Managed Accounts are not reporting issuers and thus are not subject to NI 81-107.

The In Specie Transactions

25. In acting on behalf of a Pooled Fund, JFL wishes to be able, in accordance with the investment objectives and investment restrictions of the Pooled Fund, to cause the Pooled Fund to either invest in units of another Pooled Fund, or to redeem such units, pursuant to an In Specie Transaction.
26. Similarly, when acting for a Managed Account of a client, JFL 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 units of a Pooled Fund, or to redeem such units, pursuant to an In Specie Transaction.
27. At the time of each In-Specie Transaction, JFL will have in place policies and procedures governing such transactions, as applicable:
- (a) prior to engaging in In Specie Transactions on behalf of a Managed Account, the investment management agreement or other documentation in respect of the Managed Accounts will contain the authorization of the client for JFL to engage in In Specie Transactions;
 - (b) JFL’s chief compliance officer, will pre-approve each In Specie Transaction in connection with the purchase or redemption of units of a Pooled Fund by another Pooled Fund or by a Managed Account;

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- (c) the portfolio securities transferred in an In Specie Transaction will meet the investment objectives of the Pooled Fund or Managed Account, as the case may be, acquiring the portfolio securities;
 - (d) the portfolio securities transferred in In Species Transactions will be valued using the same valuation principles as are used to calculate the net asset value of the Pooled Funds;
 - (e) none of the portfolio securities which are the subject of each In Specie Transaction will be securities of related issuers of JFL; and
 - (f) a Pooled Fund will keep written records of each In Specie Transaction, including records of each purchase and redemption of portfolio securities and the terms thereof, in accordance with the form, accessibility and retention of record requirements as prescribed by section 11.6 of NI 31-103.
28. Effecting Inter-Fund Trades and In Specie Transactions between Pooled Funds or between a Pooled Fund and a Managed Account will be beneficial for both Pooled Funds or both the Pooled Fund and the Managed Account, as the case may be, in that it will reduce transaction costs and market disruption, and allow JFL to execute orders more quickly and manage each account more effectively.
29. The only costs which will be incurred by a Pooled Fund or a Managed Account for an In Specie Transaction are administrative charges levied by RBC Dexia as custodian of the Pooled Fund or the separate institutional custodian of the Managed Account in recording the trades.
30. Since JFL is the portfolio manager of the Managed Accounts and the Pooled Funds, JFL would be considered a "responsible person" with the meaning of the applicable securities legislation. Accordingly, absent the granting of the Exemption Sought, JFL would be prohibited from engaging in Inter-Funds Trades or In Specie Transactions.

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:

- (a) in connection with an Inter-Fund Trade:
 - (i) the Inter-Fund Trade is consistent with the investment objective of the Pooled Fund or the Managed Account, as applicable;
 - (ii) JFL refers the Inter-Fund Trade to the IRC of the Pooled Fund in the manner contemplated by section 5.1 of NI 81-107 and JFL and the Pooled Fund comply with section 5.4 of NI 81-107 in respect of any standing instructions the IRC provides in connection with the Inter-Fund Trade;
 - (iii) if the transaction is with a Pooled Fund or between two Pooled Funds, the IRC of each Pooled Fund has approved the Inter-Fund Trade in respect of that Pooled Fund in accordance with the terms of Subsection 5.2(2) of NI 81-107;
 - (iv) if the transaction is with a Managed Account, the investment management agreement or other documentation in respect of the Managed Account contains the authorization of the client for JFL to engage in Inter-Fund Trades; and
 - (v) the Inter-Fund Trade complies with paragraphs (c) to (g) of subsection 6.1(2) of NI 81-107, except that for purposes of paragraph (e) of subsection 6.1(2) in respect of exchange-traded securities, the trade is executed at the Last Sale Price or the Closing Sale Price of the security;
- (b) in connection with an In Specie Transaction where a Managed Account acquires units of a Pooled Fund:
 - (i) JFL 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;
 - (ii) the Pooled Fund would, at the time of the payment, be permitted to purchase the portfolio securities;
 - (iii) the portfolio securities are acceptable to JFL as portfolio manager of the Pooled Fund and meet the investment objectives of the Pooled Fund;

- (iv) the value of the portfolio securities is equal to the issue price of the units of the Pooled Fund for which they are used as payment, valued as if the securities were portfolio assets of that Pooled Fund;
 - (v) none of the portfolio securities which are the subject of the In Specie Transaction will be securities of related issuers of JFL;
 - (vi) the account statement next prepared for the Managed Account will describe the portfolio securities delivered to the Pooled Fund and the value assigned to such portfolio securities; and
 - (vii) JFL will keep written records of each In Specie Transaction in a financial year of the Pooled Fund, reflecting details of the securities delivered to the Pooled Fund and the value assigned to such portfolio securities, in accordance with the form, accessibility and retention of record requirements as prescribed by section 11.6 of NI 31-103;
- (c) in connection with an In Specie Transaction where a Managed Account redeems units of a Pooled Fund:
- (i) JFL 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;
 - (ii) the portfolio securities are acceptable to JFL as portfolio manager of the Managed Account and meet the investment objectives of the Managed Account;
 - (iii) the value of the portfolio securities is equal to the amount at which those securities were valued by the Pooled Fund in calculating the net asset value per security used to establish the redemption price;
 - (iv) none of the portfolio securities which are the subject of the In Specie Transaction will be portfolio securities of related issuers of the Filer;
 - (v) the account statement next prepared for the Managed Account will describe the portfolio securities received from the Pooled Fund and the value assigned to such portfolio securities; and
 - (vi) JFL will keep written records of each In Specie Transaction in a financial year of the Pooled Fund, reflecting details of the securities delivered by the Pooled Fund and the value assigned to such portfolio securities, in accordance with the form, accessibility and retention of record requirements as prescribed by section 11.6 of NI 31-103;
- (d) in connection with an In Specie Transaction where a Pooled Fund purchases the units of another Pooled Fund:
- (i) the Pooled Fund issuing the units would, at the time of payment, be permitted to purchase the portfolio securities;
 - (ii) the portfolio securities are acceptable to JFL as portfolio manager of the Pooled Fund issuing the units and meet the investment objectives of that Pooled Fund;
 - (iii) the value of the portfolio securities is equal to the issue price of the securities of the Pooled Fund issuing the units for which they are used as payment, valued as if the portfolio securities were portfolio assets of that Pooled Fund;
 - (iv) none of the portfolio securities which are the subject of the In Specie Transaction will be securities of related issuers of JFL; and
 - (v) JFL will keep written records of each In Specie Transaction in a financial year of the Pooled Fund, reflecting details of the securities delivered to the Pooled Fund and the value assigned to such portfolio securities, in accordance with the form, accessibility and retention of record requirements as prescribed by section 11.6 of NI 31-103;
- (e) in connection with an In Specie Transaction where a Pooled Fund redeems the units of another Pooled Fund:
- (i) the portfolio securities are acceptable to JFL as portfolio manager of the Pooled Fund acquiring the portfolio securities and meet the investment objectives of that Pooled Fund;

Decisions, Orders and Rulings

- (ii) 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;
 - (iii) none of the portfolio securities which are the subject of the In Specie Transaction will be securities of related issuers of JFL; and
 - (iv) JFL will keep written records of each In Specie Transaction in a financial year of the Pooled Fund, reflecting details of the securities delivered to the Pooled Fund and the value assigned to such portfolio securities, in accordance with the form, accessibility and retention of record requirements as prescribed by section 11.6 of NI 31-103; and
- (f) JFL 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 Pooled Fund or Managed Account are administrative charges levied by the custodians of the Pooled Funds and Managed Accounts.

“Patrick Dery”
Superintendent,
Client Services, Compensation and Distribution

2.1.6 REIT INDEXPLUS Income Fund

Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Closed-end investment fund exempt from prospectus requirements in connection with the sale of units repurchased from existing security holders pursuant to market purchase programs and by way of redemption of units by security holders subject to conditions.

Applicable Legislative Provisions

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

September 19, 2012

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

AND

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

AND

**IN THE MATTER OF
REIT INDEXPLUS INCOME FUND
(the Filer)**

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) exempting the Filer from the requirement to file a prospectus (the **Prospectus Requirement**) in connection with the distribution of units of the Filer (the **Units**) that have been repurchased by the Filer pursuant to the Purchase Programs (as that term is defined below) or redeemed by the Filer pursuant to the Redemption Programs (as that term is defined below) (the **Exemption Sought**).

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

- (a) the Alberta 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 British Columbia, Saskatchewan, Manitoba, New Brunswick, Newfoundland and Labrador, Nova

Scotia, Prince Edward Island, Northwest Territories, Nunavut and Yukon; and

- (c) this 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* or MI 11-102 have the same meaning if used in this decision, unless otherwise defined herein.

Representations

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

1. The Filer is an unincorporated closed-end investment trust established under the laws of Alberta.
2. The holders of Units (the **Unitholders**) are not entitled to receive on demand an amount computed by reference to the value of a proportionate interest in the whole or in part of the net assets of the Filer.
3. The Filer is a reporting issuer or equivalent in each of the provinces and territories of Canada and is not in default of any of the requirements of securities legislation applicable to it.
4. The Units are listed and posted for trading on the Toronto Stock Exchange (the **TSX**). As of 23 August 2012, the Filer had 14,128,660 Units issued and outstanding.
5. Middlefield Limited, which was incorporated pursuant to the *Business Corporations Act* (Alberta), is the manager and the trustee of the Filer.

Mandatory Purchase Program

6. The constating document of the Filer provides that the Filer, subject to certain exceptions and compliance with any applicable regulatory requirements, is obligated to purchase (the **Mandatory Purchase Program**) any Units offered on the TSX (or any successor thereto) if, at any time after the closing of the Filer's initial public offering, the price at which Units are then offered for sale on the TSX (or any successor thereto) is less than 95% of the net asset value of the Filer (**Net Asset Value**) per Unit, provided that the maximum number of Units that the Filer is required to purchase pursuant to the Mandatory Purchase Program in any calendar quarter is 1.25% of the number of Units outstanding at the beginning of each such period.

Discretionary Purchase Program

7. The constating document of the Filer provides that the Filer, subject to applicable regulatory requirements and limitations, shall have the right, but not the obligation, exercisable in its sole discretion, at any time, to purchase outstanding Units in the market at prevailing market prices (the **Discretionary Purchase Program** and, together with the Mandatory Purchase Program, the **Purchase Programs**).

Monthly Redemptions

8. Subject to the Filer's right to suspend redemptions, Units may be surrendered for redemption (the **Monthly Redemption Program**) on the last business day of each month (a **Monthly Redemption Date**) in order to be redeemed at a redemption price per Unit equal to the lesser of: (a) 94% of the weighted average trading price of the Units on the TSX during the 15 trading days preceding the Monthly Redemption Date; and (b) the "closing market price" of the Units (generally determined as the closing market price of the Units on the principal market on which the Units are quoted for trading on the Monthly Redemption Date).

Annual Redemptions

9. Subject to the Filer's right to suspend redemptions, Units may be surrendered for redemption (the **Annual Redemption Program**) on October 31 of each year at a redemption price per Unit equal to the Redemption Price per Unit (as defined in the Filer's long form (final) prospectus dated 25 March 2011).

Additional Redemptions

10. At the sole discretion of the Manager and subject to the receipt of any necessary regulatory approvals, the Manager may allow additional redemptions from time to time of Units (**Additional Redemptions** and, together with the Monthly Redemption Program and the Annual Redemption Program, the **Redemption Programs**), provided that the holder thereof shall be required to use the full amount received on such redemption to purchase treasury securities of a new or existing fund promoted by Middlefield Limited or an affiliate thereof then being offered to the public by prospectus.

Resale of Repurchased Units or Redeemed Units

11. Purchases of Units made by the Filer under the Purchase Programs or Redemption Programs are exempt from the issuer bid requirements of the Legislation pursuant to exemptions contained therein.

12. The Filer wishes to resell, in its sole discretion and at its option, through one or more securities dealers and through the facilities of the TSX (or another exchange on which the Units are then listed), the Units repurchased by the Filer pursuant to the Purchase Programs (**Repurchased Units**), or redeemed pursuant to the Redemption Programs (**Redeemed Units**).

13. All Repurchased Units or Redeemed Units will be held by the Filer for a period of four months after the repurchase or redemption thereof by the Filer (the **Holding Period**), prior to any resale.

14. The resale of Repurchased Units or Redeemed Units will not have a significant impact on the market price of the Units.

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

16. During any calendar year, the Filer will not resell an aggregate number of Repurchased Units and Redeemed Units that is greater than 5% of the number of Units outstanding at the beginning of such calendar year.

17. Prospective purchasers of Repurchased Units or Redeemed Units will have access to the Filer's continuous disclosure, which will be filed on SEDAR.

18. The Legislation provides that a trade by or on behalf of an issuer in previously issued securities of that issuer that have been purchased by that issuer is a distribution and, as such, is subject to the Prospectus Requirement. In the absence of the Exemption Sought, any sale by the Filer of Repurchased Units or Redeemed Units would be a distribution that is subject to the Prospectus Requirement.

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:

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

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

For the Commission:

“Glenda Campbell”
Vice-Chair

“Stephen Murison”
Vice-Chair

2.1.7 Medicago Inc. et al.

Headnote

Dual application for exemptive relief – Equity line of credit distribution – Company to enter into an equity purchase agreement with a purchaser acting as an underwriter to distribute shares of the Company through the facilities of the TSX in the context of an equity line of credit distribution – Company granted exemption from the Prospectus Disclosure Requirements, subject to conditions – Subscriber granted exemption from the Dealer Registration Requirement and Prospectus Delivery Requirement, subject to conditions

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c.S.5, as am., ss. 25(1), 71, 74(1), 14.7.

National Instrument 44-101 Short Form Prospectus Distributions.

National Instrument 44-102 Shelf Distributions.

TRANSLATION

September 18, 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
MEDICAGO INC. (the “Corporation”),
YA GLOBAL MASTER SPV LTD. (the “Subscriber”)
and YORKVILLE ADVISORS, LLC (the “Manager”,
and together with the Corporation and the Subscriber,
the “Filers”)**

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the “Decision Makers”) has received an application from the Filers for a decision under the securities legislation of the Jurisdictions (the “Legislation”) that:

- a) the following prospectus disclosure requirements under the Legislation (the “Prospectus Disclosure Requirements”) do not fully apply to the Corporation in connection with the Distribution (as defined below):
 - i) the statement in the Prospectus Supplement (as defined below) respecting statutory rights of withdrawal and rescission, revision of price or damages in the form prescribed by item 20 of Form 44-101F1 of *Regulation 44-101 respecting Short Form Prospectus Distributions* (“Regulation 44-101”); and
 - ii) the statements in the Base Shelf Prospectus (as defined below) required by subsections 5.5(2) and (3) of *Regulation 44-102 respecting Shelf Distributions* (“Regulation 44-102”).
- b) the prohibition from acting as a dealer unless the person is registered as such (the “Dealer Registration Requirement”) does not apply to the Subscriber and the Manager in connection with the Distribution; and
- c) the requirement that a dealer send a copy of the Prospectus (as defined below) to a subscriber or purchaser in the context of a distribution (the “Prospectus Delivery Requirement”) does not apply to the Subscriber, the Manager or the dealer(s) through whom the Subscriber sells the Shares (as defined below) and, as a result, rights of withdrawal or

rights of rescission, revision of price or damages for non-delivery of the Prospectus do not apply in connection with the Distribution,

(collectively, the “Exemptive Relief Sought”).

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 Filers have provided notice that section 4.7(1) of *Regulation 11-102 respecting Passport System* (“Regulation 11-102”) is intended to be relied upon in Alberta and British Columbia; and
- c) this 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 14-101 respecting Definitions* and Regulation 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 Filers:

The Corporation

1. The Corporation is incorporated under Part 1A of the *Companies Act* (Québec) and is now existing under the *Business Corporations Act* (Québec) and its head office is located at 1020, route de l'Église, Suite 600, in Québec, province of Québec.
2. The Corporation is a reporting issuer under the securities legislation of each of the provinces of Alberta, British Columbia, Ontario and Québec and is not in default of any requirements of the securities legislation of any jurisdiction of Canada.
3. The Corporation's authorized share capital currently consists of an unlimited number of common shares without par value (the “Shares”) and an unlimited number of preferred shares without par value issuable in series. As at August 14, 2012, a total of 246,850,858 Shares were outstanding and no preferred shares were issued and outstanding.
4. The Shares are listed for trading on the Toronto Stock Exchange (the “TSX”) under the symbol “MDG”. Based on the closing price of \$0.51 of the Shares on the TSX on August 20, 2012, the current market capitalization of the Corporation is approximately \$125,893,938.
5. The Corporation has entered into a Representation Right and Preemptive Right Agreement with Philip Morris Participations B.V. (“PMP”) (the “Preemptive Right Agreement”) dated October 21, 2008, which was approved by the Corporation's shareholders at a special meeting held on November 10, 15, 2008. PMP holds 39.95% of the Shares. Under the Preemptive Right Agreement, upon each distribution of Shares to be made by the Corporation, it must offer to PMP or to its affiliates the opportunity to subscribe to the number of Shares necessary for PMP to preserve its percentage of interest held in the Corporation (the “Preemption Right”).
6. The Corporation is qualified to file a short form prospectus under section 2.2 of Regulation 44-101 and is also qualified to file a base shelf prospectus under Regulation 44-102.
7. The Corporation intends to file with the securities regulator in each of the provinces of British Columbia, Alberta, Ontario and Québec a base shelf prospectus pertaining to various securities of the Corporation, including the Shares (such base shelf prospectus and any amendment that could be made thereto, the “Base Shelf Prospectus” and, upon the disclosure being supplemented by one or more prospectus supplements, collectively, the “Prospectus”).
8. The statements required by subsections 5.5(2) and (3) of Regulation 44-102 contained in the Base Shelf Prospectus will be qualified by adding the following statement: “, *except in cases where an exemption from such delivery requirements has been obtained.*”

The Subscriber and the Manager

9. The Subscriber is a Corporation incorporated in the Cayman Islands with limited liability and its head office is located at 101 Hudson Street, Suite 3700 in Jersey City, New Jersey, United States.
10. The Subscriber is managed by the Manager, a Delaware limited liability Corporation with its head office at 101 Hudson Street, Suite 3700, in Jersey City, New Jersey, United States.
11. Neither the Subscriber nor the Manager is a reporting issuer or a registered firm as defined in *Regulation 31-103 respecting Registration Requirements and Exemptions* in any jurisdiction of Canada. The Subscriber and the Manager are not in default of securities legislation in any jurisdiction of Canada.

The Distribution Agreement

12. The Corporation and the Subscriber entered into a standby equity distribution agreement on May 13, 2010 (the "Distribution Agreement") pursuant to which the Subscriber agreed to subscribe for, and the Corporation has the right but not the obligation to issue and sell, up to \$10,000,000 of Shares (the "Aggregate Commitment Amount") over a period of 36 months in a series of drawdowns.
13. The Distribution Agreement provides the Corporation with the ability to raise capital as needed from time to time. The Subscriber regularly engages in such transactions. The Subscriber may, in certain circumstances, finance its commitment to subscribe for Shares on a drawdown through short-sales or resales out of existing holdings of the Corporation's securities.
14. Under the Distribution Agreement, the Corporation has the sole ability to determine the timing and the amount of each drawdown in a drawdown notice, subject to certain conditions, including the Aggregate Commitment Amount and a maximum investment amount per drawdown equal to the lesser of (i) \$500,000 or (ii) the remaining portion of the Aggregate Commitment Amount.
15. The subscription price per Share, which will be used to calculate the number of Shares to be issued to the Subscriber for each drawdown, will be (i) 95% of the relevant daily volume-weighted average price per Share on the TSX (a "Trading Day") for the applicable day (the "Average Daily Price") during a period of ten Trading Days following a drawdown notice sent by the Corporation (the "Drawdown Pricing Period") if such Average Daily Price is equal to or greater than \$0.20; (ii) 92.5% of the relevant Average Daily Price of the Shares for each Trading Day during the Draw Down Pricing Period if such Average Daily Price is equal to or greater than \$0.15 but less than \$0.20; and (iii) 90% of the relevant Average Daily Price of the Shares for each Trading Day during the Draw Down Pricing Period if such Average Daily Price is equal to or greater than \$0.10 but less than \$0.15. The Corporation may fix in such drawdown notice a minimum purchase price below which it will not issue any Shares for any given Trading Day provided however that the minimum price may not be lower than \$0.10. Notwithstanding the foregoing, the purchase price per Share may not be lower than the Average Daily Price per Share on the TSX over a period of five consecutive Trading Days immediately preceding the applicable drawdown notice, less the permitted discount under the private placement rules contained in the TSX Corporation Manual (the "Floor Price").
16. On the 11th Trading Day following the date of each drawdown notice (each, a "Settlement Date"), the amount of the drawdown will be paid by the Subscriber in consideration for the relevant number of newly issued Shares.
17. The Distribution Agreement provides that, at the time of each drawdown notice and at each Settlement Date, the Corporation will make a representation to the Subscriber that the Prospectus contains full, true and plain disclosure of all material facts relating to the Corporation and the Shares being distributed. The Corporation would therefore be unable to issue, or decide to issue, Shares when it is in possession of undisclosed information that would constitute a material fact or a material change.
18. On or after each Settlement Date, the Subscriber may seek to sell all or a portion of the Shares subscribed under the drawdown.
19. During the term of the Distribution Agreement, the Subscriber and its affiliates, associates or insiders, as a group, will not own at any time, directly or indirectly, Shares representing more than 9.9% of the issued and outstanding Shares.
20. The Subscriber and its affiliates, associates and insiders will not hold a "net short position" in Shares during the term of the Distribution Agreement. However, the Subscriber may, after the receipt of a drawdown notice, seek to short-sell Shares to be subscribed for under the drawdown, or engage in hedging strategies, in order to reduce the economic risk associated with its commitment to subscribe for Shares, provided that:

- a) the Subscriber complies with applicable rules of the TSX and applicable securities regulations;
 - b) the Subscriber and its affiliates, associates or insiders will not during the period between a drawdown notice and the corresponding Settlement Date, directly or indirectly, sell Shares or grant any right to purchase or acquire any right to dispose of, nor otherwise dispose for value of, any Shares or any securities convertible into or exchangeable for Shares, in an amount exceeding the number of Shares to be subscribed by the Subscriber under the applicable drawdown; and
 - c) notwithstanding the foregoing, the Subscriber and its affiliates, associates or insiders, will not, directly or indirectly sell Shares or grant any right to purchase or acquire any right to dispose of, nor otherwise dispose for value of, any Shares or any securities convertible into or exchangeable for Shares, between the time of delivery of a drawdown notice and the filing of the news release announcing the drawdown.
21. Disclosure of the activities of the Subscriber and its affiliates, associates or insiders, as well as the restrictions thereon, the whole as described in paragraph 20 above, will be included in the Prospectus. In addition, the Corporation will disclose in the Base Shelf Prospectus, as a risk factor, that the Subscriber may engage in short-sales, resales or other hedging strategies to reduce or eliminate investment risks associated with a drawdown and the possibility that such transactions may result in significant dilution to existing shareholders and could have a significant effect on the price of the Shares.
22. No extraordinary commission or consideration will be paid by the Subscriber or the Manager to a person or Corporation in respect of the disposition of Shares by the Subscriber to purchasers who purchase the same on the TSX through dealer(s) engaged by the Subscriber (the "TSX Purchasers").
23. The Subscriber and the Manager will also agree, in effecting any disposition of Shares, not to engage in any sales, marketing or solicitation activities of the type undertaken by dealers in the context of a public offering. More specifically, each of the Subscriber and the Manager will not (a) advertise or otherwise hold itself out as a dealer, (b) purchase or sell securities as principal from or to customers, (c) carry a dealer inventory in securities, (d) quote a market in securities, (e) extend, or arrange for, the extension of credit in connection with transactions of securities of the Corporation, (f) run a book of repurchase and reverse repurchase agreements, (g) use a carrying broker for securities transactions, (h) lend securities for customers, (i) guarantee contract performance or indemnify the Corporation for any loss or liability from the failure of the transaction to be successfully consummated, or (j) participate in a selling group.
24. The Subscriber and the Manager will not solicit offers to purchase Shares in any jurisdiction of Canada and will sell the Shares to TSX Purchasers through one or more dealer(s) unaffiliated with the Subscriber, the Manager and the Corporation.

The Prospectus Supplements

25. The Corporation intends to file with the securities regulator in each of the provinces of British Columbia, Alberta, Ontario and Québec, prospectus supplements within two business days after the Settlement Date for each drawdown under the Distribution Agreement.
26. Each Prospectus Supplement will disclose (i) the number of Shares issued to the Subscriber, (ii) the price per Share paid by the Subscriber, (iii) the information required by Regulation 44-102, including the disclosure required by subsection 9.1(3) of Regulation 44-102, and (iv) the following statement (the "Amended Statement of Rights"):

*Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revision of the price or damages if the prospectus and any amendment are not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. **However, such rights and remedies will not be available to purchasers of common shares distributed under this prospectus because the prospectus will not be delivered to purchasers, as permitted under a decision document issued by the Autorité des marchés financiers on September 18, 2012.***

The securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contain a misrepresentation, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the

purchaser's province. Such remedies remain unaffected by the non-delivery of the prospectus, permitted under the decision document referred to above.

The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

27. The Prospectus will qualify, among others, the distributions of: (a) the Shares to the Subscriber on the Settlement Date, and (b) the Shares to TSX Purchasers during the period that commences on the date of issuance of a drawdown notice and ends on the earlier of (i) the date on which the disposition of such Shares has been completed or (ii) the 40th day following the relevant Settlement Date (collectively, the "Distribution").
28. The Prospectus Delivery Requirement is not workable in the context of the Distribution because the TSX Purchasers will not be readily identifiable as the dealer(s) acting on behalf of the Subscriber may combine the sell orders made under the Prospectus with other sell orders and the dealer(s) acting on behalf of the TSX Purchasers may combine a number of purchase orders.
29. Each Prospectus Supplement will contain underwriter's certificate in the form set out in section 2.2 of Appendix B to Regulation 44-102 signed by the Subscriber.
30. At least three business days prior to the filing of any Prospectus Supplement, the Corporation will provide for comment to the Decision Makers a draft of such Prospectus Supplement.

News Releases / Continuous Disclosure

31. Following the execution of the Distribution Agreement, the Corporation filed on SEDAR a news release dated May 13, 2010 and a material change report dated May 19, 2010 disclosing the material terms of the Distribution Agreement, including the Aggregate Commitment Amount, and on May 19, 2010 filed a copy of the Distribution Agreement on SEDAR.
32. Promptly upon the issuance of each drawdown notice, regardless of the size of the drawdown, the Corporation will issue and file on SEDAR a news release disclosing the aggregate amount of the drawdown, the maximum number of Shares to be issued, the minimum price per Share, if any, the Floor Price, the intention of PMP to exercise the Preemption Right, if known, as well as the availability on SEDAR of the Base Shelf Prospectus and the Prospectus Supplement, specifying how a copy of those documents can be obtained.
33. Promptly upon any amendment to the minimum price per Share set forth in a drawdown notice, the Corporation will issue and file on SEDAR a news release disclosing the amended minimum price per Share and the maximum number of Shares to be issued in the drawdown.
34. The Corporation will:
 - a) on, or as soon as practicable after, the last day of each Drawdown Pricing Period, issue and file on SEDAR a news release disclosing for the relevant drawdown:
 - i) the number of Shares issued to, and the price per Share paid by, the Subscriber;
 - ii) the number of Shares subscribed by PMP under the Preemption Right;
 - iii) that the Base Shelf Prospectus and each Prospectus Supplement will be available on SEDAR and specifying how a copy of these documents can be obtained; and
 - iv) the Amended Statement of Rights; and
 - b) file a material change report on SEDAR within ten days of each Settlement Date, if the relevant Distribution constitutes a material change under applicable securities legislation, disclosing at a minimum the information required in subparagraph (a) above.
35. The Corporation will also disclose in its financial statements and management's discussion and analysis filed on SEDAR, under *Regulation 51-102 respecting Continuous Disclosure Obligations*, for each financial period, the number and price of Shares issued to the Subscriber pursuant to the Distribution Agreement.

Deliveries upon Request

36. The Corporation will deliver to the Decision Makers and to the TSX, upon request, a copy of each drawdown notice delivered by the Corporation to the Subscriber under the Distribution Agreement.
37. The Subscriber and the Manager will provide to the Decision Makers, upon request, full particulars of trading and hedging activities by the Subscriber or the Manager (and, if required, trading and hedging activities by their respective affiliates, associates or insiders) in relation to securities of the Corporation during the term of the Distribution Agreement.

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 Exemptive Relief Sought is granted, provided that:

- a) as it relates to the Prospectus Disclosure Requirements,
 - i) the Corporation complies with the representations in paragraphs 8, 21, 26, 27 and 29 through 36 and
 - ii) the number of Shares distributed by the Corporation under the Distribution Agreement does not exceed:
 - A) in any 12 month period, 10% of the aggregate number of Shares outstanding calculated at the beginning of such period; and
 - B) during the term of the Distribution Agreement, 19.9% of the aggregate number of Shares outstanding calculated at the date of execution of the Distribution Agreement;
- b) as it relates to the Prospectus Delivery Requirement and the Dealer Registration Requirement, the Subscriber and/or the Manager, as the case may be, comply with the representations in paragraphs 20 through 24, 29 and 37; and
- c) this decision will terminate on May 13, 2013.

“Louis Morisset”
Superintendent, Securities Markets

2.2 Orders

2.2.1 David M. O'Brien

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

AND

**IN THE MATTER OF
DAVID M. O'BRIEN**

ORDER

WHEREAS on December 8, 2010, the Secretary of the Ontario Securities Commission (the "Commission") issued a Notice of Hearing, pursuant to sections 37, 127 and 127.1 of the Ontario *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), for a hearing to commence at the offices of the Commission on December 20, 2010 at 10:30 a.m., or as soon thereafter as the hearing could be held;

AND WHEREAS on December 9, 2010, the Respondent ("O'Brien") was served with the Notice of Hearing and Statement of Allegations dated December 7, 2010;

AND WHEREAS the Notice of Hearing provided for the Commission to consider, among other things, whether, in the opinion of the Commission, it is in the public interest, pursuant to section 127 of the Act, to issue temporary orders against O'Brien, as follows:

- (a) O'Brien shall cease trading in any securities for a prescribed period or until the conclusion of the hearing on the merits in this matter;
- (b) O'Brien is prohibited from acquiring securities for a prescribed period or until the conclusion of the hearing on the merits in this matter; and
- (c) Any exemptions contained in Ontario securities law do not apply to O'Brien for a prescribed period or until the conclusion of the hearing on the merits in this matter;

AND WHEREAS on December 20, 2010, Staff of the Commission ("Staff") and O'Brien appeared before the Commission and made submissions and O'Brien advised the Commission that he was opposed to Staff's request that temporary orders be issued against him and that he wished to cross-examine Lori Toledano, a member of Staff, on her affidavit;

AND WHEREAS on December 20, 2010, the hearing with respect to the issuance of the temporary orders was adjourned until December 23, 2010 at 12:30 p.m.;

AND WHEREAS on December 23, 2010, a hearing with respect to the issuance of the temporary orders was held and the panel of the Commission considered the affidavit of Toledano, the cross-examination of Toledano and the submissions made by Staff and O'Brien;

AND WHEREAS on December 23, 2010, the Commission issued a temporary cease trade order pursuant to section 127 of the Act ordering that:

- (a) O'Brien shall cease trading in any securities;
- (b) O'Brien is prohibited from acquiring any securities; and
- (c) Any exemptions contained in Ontario securities law do not apply to O'Brien;

(the "Temporary Cease Trade Order");

AND WHEREAS on December 23, 2010, the Commission ordered that the Temporary Cease Trade Order shall expire on April 1, 2011;

AND WHEREAS on December 23, 2010, the Commission ordered that Staff and O'Brien shall consult with the Office of the Secretary and schedule a confidential pre-hearing conference for this matter;

AND WHEREAS a confidential pre-hearing conference was scheduled for February 24, 2011;

AND WHEREAS at the confidential pre-hearing conference on February 24, 2011, Staff and O'Brien appeared and made submissions regarding the disclosure made by Staff, and Staff requested an extension of the Temporary Cease Trade Order;

AND WHEREAS on February 24, 2011, the Commission ordered that:

- a) a hearing to extend the Temporary Cease Trade Order shall take place on March 30, 2011 at 11:30 a.m.;
- b) a motion regarding disclosure shall take place on April 21, 2011 at 10:00 a.m., and in accordance with rule 3.2 of the Commission *Rules of Procedure* (2010), 33 O.S.C.B. 8017 (the "*Rules of Procedure*"), O'Brien shall serve and file a motion record, including any affidavits to be relied upon, by April 11, 2011 at 4:30 p.m.; and
- c) a further confidential pre-hearing conference shall take place on May 30, 2011 at 10:00 a.m.;

AND WHEREAS on March 30, 2011, a hearing with respect to the extension of the Temporary Cease

Decisions, Orders and Rulings

Trade Order was held, and the panel of the Commission considered the evidence filed and the submissions made by Staff and O'Brien;

AND WHEREAS on March 30, 2011, the Commission ordered that:

- a) the Temporary Cease Trade Order shall be extended to April 26, 2011; and
- b) a further hearing to extend the Temporary Cease Trade Order shall take place on April 21, 2011 at 10:00 a.m.;

AND WHEREAS on April 21, 2011, a hearing with respect to the extension of the Temporary Cease Trade Order was held, and the panel of the Commission considered the evidence filed and the submissions made by Staff and O'Brien;

AND WHEREAS on April 21, 2011, the Commission ordered that:

- a) the Temporary Cease Trade Order shall be extended until the conclusion of the hearing of the merits of this matter; and
- b) O'Brien may, if he wishes to do so, apply to the Commission for an order revoking or varying this Order pursuant to section 144 of the Act;

AND WHEREAS also on April 21, 2011, O'Brien brought a motion regarding disclosure, wherein he sought an order from the Commission requiring Staff to provide him with all additional disclosure materials without requiring him to execute a further undertaking, and the panel of the Commission considered the evidence filed and the submissions made by Staff and O'Brien;

AND WHEREAS on April 21, 2011, the Commission ordered that Staff shall provide further disclosure materials to O'Brien without requiring the signing by him of an undertaking as to the confidentiality of that disclosure. The Commission further ordered that:

- 1) all disclosure materials provided to O'Brien are confidential and may be used by him only for the purpose of making full answer and defence in this proceeding. The use of disclosure materials for any other purpose is strictly prohibited. All disclosure materials provided to O'Brien are subject to the strict confidentiality restrictions imposed by section 16 of the Act;
- 2) O'Brien is also subject to the implied undertaking that all disclosure materials provided to him are subject to the restrictions on use referred to in paragraph (1);

- 3) the Previous Undertaking signed by O'Brien is binding upon him and applies by its terms to all of the disclosure materials provided by Staff to O'Brien, including all disclosure materials provided by Staff to O'Brien in the future; if O'Brien wishes to challenge the validity of the Previous Undertaking he is entitled to bring a motion before the Commission to do so;

- 4) if O'Brien wishes to use the disclosure materials provided by Staff to him for any purpose other than as provided in paragraph (1), he must make an application to the Commission under section 17 of the Act for an order of the Commission consenting to that use;

AND WHEREAS at the confidential pre-hearing conference on May 30, 2011, Staff of the Commission and O'Brien appeared and Staff sought to set dates for a hearing on the merits, while O'Brien advised the Commission that he was opposed to Staff's request. The Commission adjourned the hearing to June 20, 2011 at 10:00 a.m., for the purpose of setting the dates for the hearing on the merits;

AND WHEREAS at the confidential pre-hearing conference on June 20, 2011, Staff of the Commission and O'Brien appeared and scheduling of the hearing on the merits was discussed and the Commission ordered that:

- 1. the hearing on the merits is to commence on March 12, 2012 at 10:00 a.m. at the offices of the Commission, and shall continue on March 14, 15, 16, 19, 20, 21, 22, 23, 26, and 28, 2012, or such further or other dates as may be agreed upon by the parties and fixed by the Office of the Secretary; and
- 2. a further confidential pre-hearing conference shall take place on January 11, 2012 at 10:00 a.m.;

AND WHEREAS at the confidential pre-hearing conference on January 11, 2012, Staff of the Commission appeared and Counsel on behalf of O'Brien appeared, who advised the Commission that he had just been appointed to represent O'Brien in this matter;

AND WHEREAS Counsel for O'Brien requested that the pre-hearing conference be continued in a few weeks time to permit him to address certain matters that had just been brought to his attention. The Commission ordered that a further confidential pre-hearing conference take place on January 31, 2012 at 3:30 p.m.;

AND WHEREAS at the confidential pre-hearing conference on January 31, 2012, Staff and Counsel for O'Brien appeared and Counsel for O'Brien requested an adjournment of the hearing on the merits to permit interim

issues to be raised before the Commission. Counsel for O'Brien also requested that the records from both the January 11 and 31, 2012 confidential prehearing conferences be sealed and treated as confidential. The Commission ordered that the hearing dates of March 12, 14, 15, 16, 19, 20, 21, 22, 23, 26 and 28, 2012 be vacated, a further confidential pre-hearing conference take place on March 12, 2012 at 10:00 a.m., and that the records from both the January 11 and 31, 2012 confidential pre-hearing conferences be sealed and treated as confidential pursuant to subsection 9(1) of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22, as amended (the "SPPA") and rule 8.1 and subrule 5.2(1) of the *Rules of Procedure*;

AND WHEREAS at the confidential pre-hearing conference on March 12, 2012, Staff and Counsel for O'Brien appeared and Counsel for O'Brien requested a confidential motion be scheduled to seek an adjournment of the hearing dates. The Commission ordered that a confidential motion take place on April 18, 2012 at 10:00 a.m., for which O'Brien shall serve and file a motion record, including any affidavits to be relied upon, by April 5, 2012 at 4:30 p.m, Staff shall serve and file any responding materials by April 12, 2012, O'Brien shall serve and file a factum by April 13, 2012, and Staff shall file its factum by April 16, 2012, and that the records from the March 12, 2012 confidential pre-hearing conference and from the April 18, 2012 confidential motion shall be sealed and treated as confidential pursuant to subsection 9(1) of the SPPA and rule 8.1 and subrule 5.2(1) of the *Rules of Procedure*;

AND WHEREAS at the confidential motion on April 18, 2012, Staff and Counsel for O'Brien appeared and Counsel for O'Brien presented evidence and requested an adjournment of any hearing dates and that a further confidential pre-hearing conference be scheduled. Staff did not oppose the adjournment request and agreed to the scheduling of a further pre-hearing conference. The Commission ordered that a confidential pre-hearing conference shall take place on July 19, 2012 at 10:00 a.m., for which O'Brien shall deliver any materials relevant to the prehearing conference by July 9, 2012, and that the records from the July 19, 2012 confidential prehearing conference shall be sealed and treated as confidential pursuant to subsection 9(1) of the SPPA and rule 8.1 and subrule 5.2(1) of the *Rules of Procedure*;

AND WHEREAS at the confidential pre-hearing conference on July 19, 2012, Staff and Counsel for O'Brien appeared and presented evidence and requested that a further confidential pre-hearing conference be scheduled. The Commission ordered that a confidential pre-hearing conference shall take place on September 28, 2012 at 11:00 a.m, for which O'Brien shall deliver any materials relevant to the pre-hearing conference by September 18, 2012, and that the records from the September 28, 2012 confidential pre-hearing conference shall be sealed and treated as confidential pursuant to subsection 9(1) of the SPPA and rule 8.1 and subrule 5.2(1) of the *Rules of Procedure*;

AND WHEREAS at the confidential pre-hearing conference on September 28, 2012, Staff and Counsel for

O'Brien appeared and presented evidence as contemplated at the earlier pre-hearing conference. Staff sought to set dates for a hearing on the merits, while counsel for O'Brien requested a further confidential pre-hearing conference before hearing dates are set;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this order;

IT IS HEREBY ORDERED THAT:

1. a confidential pre-hearing conference shall take place on October 25, 2012 at 3:00 p.m;
2. O'Brien shall deliver any materials relevant to the pre-hearing conference by October 22, 2012; and
3. the records from the September 28, 2012 and October 25, 2012 confidential pre-hearing conferences shall be sealed and treated as confidential pursuant to subsection 9(1) of the SPPA and rule 8.1 and subrule 5.2(1) of the *Rules of Procedure*.

DATED at Toronto this 28th day of September, 2012.

"Mary G. Condon"

2.2.2 Portus Alternative Asset Management Inc. 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
PORTUS ALTERNATIVE ASSET MANAGEMENT INC.,
PORTUS ASSET MANAGEMENT INC.,
BOAZ MANOR, MICHAEL MENDELSON,
MICHAEL LABANOWICH AND JOHN OGG**

**ORDER
(Sections 127 and 127.1)**

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

AND WHEREAS on October 4, 2005, the Commission authorized the commencement of proceedings against Manor in the Ontario Court of Justice pursuant to section 122 of the Act;

AND WHEREAS on April 20, 2006, the Commission authorized the commencement of proceedings against Mendelson and the laying of additional charges against Manor in the Ontario Court of Justice pursuant to section 122 of the Act (collectively, the “Section 122 Proceeding”);

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

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

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

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

AND WHEREAS on July 13, 2011, the Section 122 Proceeding was concluded;

AND WHEREAS on August 4, 2011, a Notice of Hearing was issued giving notice that the Administrative Proceeding would continue;

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

AND WHEREAS on August 16, 2012, Mendelson attended before the Commission and made submissions;

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

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

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

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

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

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this order;

IT IS ORDERED THAT the currently scheduled date of October 4, 2012 for the sanctions hearing for Mendelson in the matter is vacated;

IT IS FURTHER ORDERED THAT the sanctions hearing for Mendelson shall commence on October 16, 2012 at 10:00 a.m. until 4:30 p.m. and, if necessary, will continue on October 19, 2012 at 10:00 a.m. until 1:00 p.m.; and

IT IS FURTHER ORDERED THAT Staff shall file written submission on sanctions with the Commission by October 5, 2012 at 5:00 p.m. and Mendelson shall file written submissions on sanctions with the Commission by October 12, 2012 at 5:00 p.m.

DATED at Toronto this 2nd day of October, 2012.

“Edward P. Kerwin”

2.2.3 One Financial All-Weather Profit Family Inc. – s. 158(1.1) of the OBCA

Headnote

Order pursuant to subsection 158(1.1) of the Business Corporations Act (Ontario) that an offering corporation is authorized to dispense with its audit committee – Issuer is a family of corporate class investment funds – Issuer exempt from audit committee requirements of Multilateral Instrument 52-110 Audit Committees – Relief conditional upon issuer continuing to satisfy the criteria for relief from audit committee requirements of MI 52-110 or a successor instrument.

Ontario Legislative Provisions Cited

Business Corporations Act, R.S.O. 1990, c. B.16, ss. 158(1.1).

Multilateral Instrument 52-110 Audit Committees.

National Instrument 81-106 Investment Fund Continuous Disclosure.

National Instrument 81-107 Independent Review Committee for Investment Funds.

October 2, 2012

**IN THE MATTER OF
THE BUSINESS CORPORATIONS ACT,
R.S.O. 1990, CHAPTER B. 16, AS AMENDED
(the “OBCA”)**

AND

**IN THE MATTER OF
ONE FINANCIAL ALL-WEATHER PROFIT FAMILY INC.
ORDER
(Subsection 158(1.1) of the OBCA**

UPON the application of ONE Financial All-Weather Profit Family Inc. (the “**Applicant**”) to the Ontario Securities Commission (the “**Commission**”) for an order pursuant to subsection 158(1.1) of the OBCA for a determination that the Applicant be authorized to dispense with an audit committee;

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

AND UPON the Applicant having represented to the Commission that:

1. The Applicant is a mutual fund corporation incorporated under the OBCA on September 21, 2012.
2. The Applicant is an investment fund under applicable securities legislation.
3. None of the Applicant, ONE Financial Corporation, any of the Funds (defined below) or any of the Investment Pools (defined below) is in default

under any applicable securities legislation in any of the provinces or territories of Canada.

4. ONE Financial Corporation has launched a family of open-end commodity pools (the “Funds”) pursuant to a preliminary long form prospectus (the “Prospectus”) dated December 29, 2011, as amended and restated on July 13, 2012, which has been filed with the securities regulatory authority in each of the provinces and territories of Canada.
5. Each Fund may directly invest in one or more investment trusts (the “Investment Pools”) or may gain indirect exposure to such Investment Pools by way of a forward agreement.
6. No securities of the Applicant, the Funds or the Investment Pools will be listed for trading on a stock exchange.
7. ONE Financial Corporation will be appointed manager of the Funds and the Investment Pools pursuant to a management agreement between ONE Financial Corporation and the Applicant. ONE Financial Corporation is a corporation incorporated under the laws of the province of Ontario having its head office in Toronto, Ontario. ONE Financial Corporation is registered as an investment fund manager, portfolio manager, exempt market dealer and commodity trading manager with the Commission. ONE Financial Corporation is not a reporting issuer in any province or territory of Canada.
8. Multilateral Instrument 52-110 – *Audit Committees* does not apply to reporting issuers that are investment funds.
9. The Applicant is subject to the investment fund specific continuous disclosure and conflict of interest rules found in National Instrument 81-106 – Investment Fund Continuous Disclosure and National Instrument 81-107 – *Independent Review Committee for Investment Funds*.

AND UPON the Commission being satisfied that to do so would not be prejudicial to the Applicant’s shareholders,

IT IS ORDERED, pursuant to subsection 158(1.1) of the OBCA, that the Applicant is authorized to dispense with an audit committee so long as the Applicant remains an investment fund under applicable securities legislation.

“Christopher Portner”
Commissioner

“Margot C. Howard”
Commissioner

2.2.4 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 take place on May 2, 2012;

AND WHEREAS on May 1, 2012, the Commission made an order on the consent of the parties adjourning the pre-hearing conference scheduled for May 2, 2012 to June 6, 2012;

AND WHEREAS on June 6, 2012, Staff and counsel for the Respondents appeared and made submissions before the Commission and it was ordered that a pre-hearing conference take place on September 19, 2012;

AND WHEREAS on September 19, 2012, Staff and counsel for the Respondents appeared and made submissions before the Commission;

AND WHEREAS Staff and counsel for the Respondents agree that a further confidential pre-hearing conference should be convened on October 12, 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 October 12, 2012, at 2:00 p.m.

DATED at Toronto this 19th day of September, 2012

“Christopher Portner”

2.2.5 Macquarie Capital Markets Canada Ltd. – s. 80 of the CFA

Application for an order pursuant to section 80 of the Commodity Futures Act granting relief from sections 42, 43, 44 and 45 which contain requirements to deliver confirmations and statements to customers in the context of “give-up” transactions.

Statutes Cited

Commodity Futures Act, R.S.O. 1990, c. C.20. as am., ss. 42, 43, 44, 45, 80.

October 3, 2012

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

AND

**IN THE MATTER OF
MACQUARIE CAPITAL MARKETS CANADA LTD.
(the Filer)**

**ORDER
(Section 80 of the CFA)**

UPON the application by the Filer to the Ontario Securities Commission (the **Commission**) for an order pursuant to section 80 of the CFA granting relief from sections 42, 43, 44 and 45 of the CFA which contain the requirements to deliver certain confirmations and statements of trade to customers (the **Delivery Requirements**) in respect of trades in commodity futures contracts and commodity futures options in the context of trade “give-ups”;

AND WHEREAS the Filer has represented the following to the Commission:

1. The Filer is a corporation amalgamated under the laws of Ontario. The head office of the Filer is located in Toronto, Ontario.
2. The Filer is a wholly owned indirect subsidiary of Macquarie Group Limited (**Macquarie**). Macquarie is a bank holding company subject to the regulation and oversight of the Australian Prudential Regulatory Authority (**APRA**).
3. The Filer is a dealer member of the Investment Industry Regulatory Organization of Canada (**IIROC**); registered as an investment dealer in British Columbia, Alberta, Saskatchewan, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Nunavut and Yukon, an investment dealer and a futures commission merchant in Ontario and Manitoba, and an investment dealer and derivatives dealer in Québec; a participating

organization or member of the TSX, TSX Venture Exchange and Montreal Exchange and certain electronic markets; and a member of the Canadian Derivatives Clearing Corporation.

4. The Filer intends to launch a new business in Canada (the **Subject Business**) which will trade in commodity futures contracts and commodity futures options (collectively, **Futures Contracts**) and in options on equities or indexes (collectively, **Securities**) that are listed or traded on one or more marketplaces, and in the context of such launch is seeking the relief described below. The Filer has been informed by Macquarie that, pursuant to the rules of the APRA, the Filer will be required to transfer the Subject Business after its launch within a prescribed period (expected to be approximately 18 months) to another existing or new wholly-owned indirect subsidiary of Macquarie (the **APRA Transfer Requirement**).
5. The Filer intends to act as an executing broker in Give-Up Transactions (as defined below) involving Futures Contracts and Securities. As well, the Filer intends, at some point, to act as a clearing broker for “institutional customers” as defined in IROC Dealer Member Rule 1.1 (**Institutional Customers**).
6. The Filer will provide trading services only to Institutional Customers.
7. A **Give-Up Transaction** is a purchase or sale of Futures Contracts or Securities by an Institutional Customer that has an existing relationship as a client with a clearing broker, but wishes to use the trade execution services of one or more other executing brokers for the purpose of executing such purchases or sales (**Subject Transactions**) on one or more markets, whether domestic or global. Under these circumstances the executing broker executes the Subject Transactions as directed by the Institutional Customer and “gives up” such trades to the clearing broker for clearing, settlement and custody. The service provided by the executing broker will be limited to trade execution only.
8. The clearing broker remains subject to the applicable Trade Confirmation Requirement and Statement of Account Requirement in respect of its Institutional Customers in Give-Up Transactions. The clearing broker will maintain an account for the Institutional Customer that is administered in accordance with the terms and conditions of the account documentation of the clearing broker that has been signed by the Institutional Customer. For a Give-Up Transaction, the Institutional Customer will not sign account documentation with the executing broker, nor will the executing broker receive monies, securities, margin or collateral from the Institutional Customer. The Institutional Customer, however,

will enter into an agreement with the executing broker and the clearing broker that governs their “give-up” relationship (a **Give-Up Agreement**).

9. Although the Filer is responsible for its own record-keeping, bookkeeping, custody and other administrative functions (**Account Services**) in respect of its own Institutional Customers, it does not provide Account Services for execution-only Institutional Customers. Such Account Services remain the responsibility of those Institutional Customers' clearing broker.
10. The Filer does, however, record in its own books and records and accounting system all Give-Up Transactions that it executes, which generally comprise those Securities and Futures Contract positions held by it that are not allocated to any of its own accounts. The Filer communicates these unallocated positions to the relevant clearing brokers who either accept or reject the positions so allocated on behalf of their clients based on existing Give-Up Agreements. If a clearing broker rejects a proposed allocation, the Filer contacts the person who executed the trade to obtain clarifying instructions and then allocates the position in accordance with the instructions so received.
11. The Filer prepares a monthly or transaction-by-transaction invoice detailing all Give-Up Transactions (including the amount of any commission to the Filer for execution thereof) that the Filer conducted during the month for each Institutional Customer under a Give-Up Agreement. The Filer delivers such invoice to the clearing broker who then reconciles the Give-Up Transactions with its own records.
12. The clearing broker will have the primary relationship with the Institutional Customers and is contractually responsible for trade and risk monitoring as well as reporting trade confirmations and sending out monthly statements.
13. The Filer is, to the best of its knowledge, in compliance with all IROC requirements relating to the maintenance of records of executed transactions. The Filer is not in default of securities, futures or derivatives legislation in any jurisdiction.
14. Section 42 of the CFA requires that a registered dealer that has acted as an agent in connection with a trade in a commodity futures contract promptly send customers a written confirmation of the trade.
15. Section 43 of the CFA requires that a registered dealer that has acted as an agent in connection with a liquidating trade in a commodity futures contract promptly send customers a written statement of purchase and sale.

16. Section 44 of the CFA requires that registered dealers send customers a written monthly statement.
17. Section 45 of the CFA requires that a registered dealer that has acted as an agent in connection with a trade in a commodity futures option send customers a written confirmation of a trade.
18. Application of the Delivery Requirements to the Filer when it provides only trade execution services in respect of Give-Up Transactions would
 - a. be duplicative and confusing because delivery of the required trade confirmations and the statements of account to execution-only Institutional Customers would capture only some, not all, of the information that would be contained in the trade confirmations and statements of account delivered to the same Customers by their clearing brokers; and
 - b. not be required to establish an audit trail or to facilitate reconciliation of Give-Up Transactions as between the Filer and a clearing broker.
19. The Filer has further requested that the exemptive relief be granted in favour of any Canadian subsidiary (within the meaning of NI 31-103) of Macquarie (a **Complying Affiliate**) which:
 - a. acquires the Subject Business from the Filer in compliance with the APRA Transfer Requirement, and operates the Subject Business in a manner consistent with the representations of the Filer made herein;
 - b. is, at the time of operating the Subject Business, a member of IIROC, in compliance with all IIROC requirements;
 - c. together with the Filer, as applicable, has filed a notice with the securities regulatory authority or regulator in each of the jurisdictions and with IIROC (i) setting out the identity of the Complying Affiliate, (ii) confirming that the transfer of the Subject Business has occurred, and (iii) confirming that the facts set out in paragraphs 5 to 12 under "Representations" of the Order continue to apply to the business of the Complying Affiliate; and
 - d. undertakes to comply with the conditions of the exemptive relief granted.

THIS ORDER of the Commission is that the Filer and any Complying Affiliate are exempt from the requirements of sections 42, 43, 44 and 45 of the CFA for the purposes of acting as executing broker for Give-Up Transactions provided that

1. the Filer, or the Complying Affiliate, as applicable, provides trade execution services in respect of Give-Up Transactions only for Institutional Customers;
2. the Filer, or the Complying Affiliate, as applicable, enters into a Give-Up Agreement with the clearing broker and the Institutional Customer;
3. the clearing broker has agreed to provide each Institutional Customer with written trade confirmations and statements of account that include information for any Subject Transactions; and
4. in the case of the exemption granted to a Complying Affiliate, the Filer and the Complying Affiliate have filed the notice and undertaking referred to in paragraph 19.

DATE: October 3, 2012

"Margot C. Howard"
Commissioner
Ontario Securities Commission

"Christopher Portner"
Commissioner
Ontario Securities Commission

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

2.2.6 Normand Gauthier 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
NORMAND GAUTHIER,
GENTREE ASSET MANAGEMENT INC.,
R.E.A.L. GROUP FUND III (CANADA) LP, AND
CANPRO INCOME FUND I, LP

ORDER
(Section 127)

WHEREAS on March 27, 2012, the Ontario Securities Commission (the “Commission”) issued a Notice of Hearing pursuant to subsection 127(1) and section 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 27, 2012 in respect of Normand Gauthier (“Gauthier”), Gentree Asset Management Inc. (“Gentree”), R.E.A.L. Group Fund III (Canada) LP (“RIII”) and CanPro Income Fund I, LP (“CanPro”) (collectively the “Respondents”);

AND WHEREAS the Respondents were served with the Notice of Hearing and Statement of Allegations on March 28, 2012;

AND WHEREAS the Notice of Hearing provided that a hearing would be held at the offices of the Commission on April 27, 2012;

AND WHEREAS at the attendance on April 27, 2012, Staff appeared and Gauthier appeared on behalf of himself and each of the other Respondents, and Gauthier confirmed that he and the other Respondents have retained Counsel to represent the Respondents in this proceeding;

AND WHEREAS on April 27, 2012, at the request of Staff and with the agreement of Gauthier, the Commission ordered that a confidential pre-hearing conference take place on June 26, 2012;

AND WHEREAS on June 26, 2012, Staff and Counsel for the Respondents appeared before the Commission for a confidential pre-hearing conference, and at the request of Staff and with the agreement of Counsel for the Respondents, the Commission ordered that a further confidential pre-hearing conference take place on August 16, 2012 or such other date or at such other time as set by the Office of the Secretary and agreed to by the parties;

AND WHEREAS on August 15, 2012, Staff and Counsel for the Respondents having agreed to reschedule the confidential pre-hearing conference to September 10, 2012, the Commission ordered that a further confidential

pre-hearing conference take place on September 10, 2012 at 9:00 a.m., or such other date or at such other time as set by the Office of the Secretary and agreed to by the parties;

AND WHEREAS on September 5, 2012, Staff and Counsel for the Respondents having agreed to reschedule the confidential pre-hearing conference to October 3, 2012, the Commission ordered that a further confidential pre-hearing conference take place on October 3, 2012, at 10:00 a.m., or such other date or at such other time as set by the Office of the Secretary and agreed to by the parties;

AND WHEREAS on October 3, 2012, Staff appeared before the Commission and Counsel for the Respondents participated via telephone for a confidential pre-hearing conference, and Staff requested that a further confidential pre-hearing conference be scheduled, and Counsel for the Respondents agreed;

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 shall take place on December 18, 2012 at 3:30 p.m. or such other date or at such other time as set by the Office of the Secretary and agreed to by the parties.

DATED at Toronto this 3rd day of October, 2012.

“Edward P. Kerwin”

2.2.7 Energy Syndications Inc. 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
ENERGY SYNDICATIONS INC.,
GREEN SYNDICATIONS INC.,
SYNDICATIONS CANADA INC.,
DANIEL STRUMOS, MICHAEL BAUM
AND DOUGLAS WILLIAM CHADDOCK**

**ORDER
(Section 127)**

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 relation to a Statement of Allegations filed by Staff of the Commission (“Staff”) on March 30, 2012 in respect of Energy Syndications Inc. (“Energy”), Green Syndications Inc. (“Green”), Syndications Canada Inc. (“Syndications”) (collectively, the “Corporate Respondents”), Daniel Strumos, (“Strumos”), Michael Baum (“Baum”), and Douglas William Chaddock (“Chaddock”) (collectively, the “Respondents”);

AND WHEREAS the Notice of Hearing set a hearing in this matter for April 11, 2012 at 11:30 a.m.;

AND WHEREAS on April 11, 2012, Strumos, Baum, and Chaddock, on his own behalf and on behalf of the Corporate Respondents, attended the hearing;

AND WHEREAS on April 11, 2012, the Commission ordered that the matter was adjourned to a confidential pre-hearing conference to be held on July 18, 2012 at 10:00 a.m.;

AND WHEREAS on July 18, 2012, a confidential pre-hearing conference was held, at which Strumos, Baum and Chaddock, on his own behalf and on behalf of the Corporate Respondents, attended;

AND WHEREAS on July 18, 2012, the Commission ordered that the matter was adjourned to a confidential pre-hearing conference to be held on August 21, 2012 at 10:00 a.m.;

AND WHEREAS on August 21, 2012, a confidential pre-hearing conference was held, at which Baum, Chaddock, on his own behalf and on behalf of the Corporate Respondents, and Strumos and his counsel attended;

AND WHEREAS on August 21, 2012, the Commission ordered that the matter was adjourned to a confidential pre-hearing conference to be held on October

2, 2012 at 10:00 a.m. for the purpose of scheduling the hearing on the merits in this matter;

AND WHEREAS on October 2, 2012, a confidential pre-hearing conference was held, at which Baum, Chaddock, on his own behalf and on behalf of the Corporate Respondents, and Strumos and his counsel attended;

AND WHEREAS Staff requested that a motion be scheduled to resolve outstanding disclosure issues (the “Disclosure Motion”);

AND WHEREAS the Panel considered the submissions from Staff and the Respondents and the Commission is of the opinion that it is in the public interest to make this order;

IT IS ORDERED that the Disclosure Motion is scheduled to take place on December 19, 2012 at 10:00 a.m.;

IT IS FURTHER ORDERED that the hearing on the merits in this matter shall commence on April 8, 2013 and continue thereafter on April 10, 11, 12, 15, 16, 22, 24, 29, 30 and May 6 and 8, 2013 or on such further dates as agreed to by the parties and set by the Office of the Secretary.

DATED at Toronto this 2nd day of October, 2012.

“Mary G. Condon”

2.2.8 Energy Syndications Inc. et al. – ss. 127(1), 127(8)

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

AND

**IN THE MATTER OF
ENERGY SYNDICATIONS INC.,
GREEN SYNDICATIONS INC.,
SYNDICATIONS CANADA INC.,
LAND SYNDICATIONS INC. AND
DOUGLAS CHADDOCK**

**TEMPORARY ORDER
(Subsections 127(1) & 127(8))**

WHEREAS on April 1, 2011, the Ontario Securities Commission (the “Commission”) issued a temporary cease trade order (the “Temporary Order”) pursuant to subsections 127(1) and 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”) ordering the following:

1. pursuant to clause 2 of subsection 127(1) and subsection 127(5) of the Act that all trading in any securities of Energy Syndications Inc. (“Energy”), Syndications Canada Inc. (“Syndications”), Green Syndications Inc. (“Green”) and Land Syndications Inc. (“Land”) shall cease;
2. pursuant to clause 2 of subsection 127(1) and subsection 127(5) of the Act that all trading in any securities by Energy, Syndications, Green and Land or their agents or employees shall cease;
3. pursuant to clause 2 of subsection 127(1) and subsection 127(5) of the Act that all trading in any securities by Douglas Chaddock (“Chaddock”) shall cease;
4. pursuant to clause 3 of subsection 127(1) and subsection 127(5) of the Act that the exemptions contained in Ontario securities law do not apply to Energy, Syndications, Green and Land or their agents or employees; and
5. pursuant to clause 3 of subsection 127(1) and subsection 127(5) of the Act that the exemptions contained in Ontario securities law do not apply to Chaddock;

AND WHEREAS the Commission ordered that pursuant to subsection 127(6) of the Act, the Temporary Order shall expire on the fifteenth day after its making unless extended by order of the Commission;

AND WHEREAS on April 7, 2011, the Commission issued a Notice of Hearing (the “Notice of Hearing”) to consider the extension of the Temporary Order, to be held on April 14, 2011 at 11:00 a.m.;

AND WHEREAS Staff of the Commission (“Staff”) served the respondents with copies of the Temporary Order, the Notice of Hearing and Staff’s supporting materials as evidenced by Affidavits of Service filed with the Commission;

AND WHEREAS the Commission held a hearing on April 14, 2011 and counsel for Energy, Green, Syndications and Chaddock attended the hearing;

AND WHEREAS Staff advised the Panel that it was not seeking to continue the Temporary Order as against Land;

AND WHEREAS counsel for Energy, Green, Syndications and Chaddock advised the Panel that they did not oppose the extension of the Temporary Order;

AND WHEREAS on April 14, 2011 the Commission ordered that:

1. The Temporary Order is extended until June 24, 2011, or until further order of the Commission;
2. The Temporary Order is not extended against Land; and
3. The extension of the Temporary Order shall not affect the right of any respondent to apply to the Commission under section 144 of the Act to revoke or vary this order upon five days written notice to Staff of the Commission;

AND WHEREAS on April 14, 2011 the Commission further ordered that the hearing be adjourned to June 22, 2011 at 10:00 a.m.;

AND WHEREAS the Commission held a hearing on June 22, 2011 to consider an extension of the Temporary Order;

AND WHEREAS counsel for Energy, Green, Syndications and Chaddock attended the hearing and advised the Panel that they did not oppose the extension of the Temporary Order;

AND WHEREAS on June 22, 2011 the Commission ordered that:

1. The Temporary Order is extended until September 9, 2011, or until further order of the Commission;
2. The extension of the Temporary Order does not prohibit Green from engaging in the sale of goods provided that any sales

agreement does not constitute an investment contract, as defined by Ontario securities law; and

3. The extension of the Temporary Order shall not affect the right of any respondent to apply to the Commission under section 144 of the Act to revoke or vary this order upon five days written notice to Staff of the Commission;

AND WHEREAS on June 22, 2011 the Commission further ordered that the hearing be adjourned to September 8, 2011 at 11:00 a.m.;

AND WHEREAS the Commission held a hearing on September 8, 2011 to consider the extension of the Temporary Order;

AND WHEREAS counsel for Energy, Green, Syndications and Chaddock attended the hearing and advised that they did not oppose the extension of the Temporary Order;

AND WHEREAS on September 8, 2011 the Commission extended the Temporary Order on the same terms until March 9, 2012 and further ordered that the hearing be adjourned to March 8, 2012 at 10:00 a.m.;

AND WHEREAS the Commission held a hearing on March 8, 2012 to consider the extension of the Temporary Order, at which Chaddock attended on behalf of himself and on behalf of Energy, Green, and Syndications;

AND WHEREAS on March 8, 2012 the Commission extended the Temporary Order on the same terms until April 12, 2012, and further ordered that the hearing be adjourned to April 11, 2012 at 11:00 a.m.;

AND WHEREAS on March 30, 2012, the Commission issued a Notice of Hearing pursuant to sections 127 and 127.1 of the Act in relation to a Statement of Allegations filed by Staff on the same date in respect of Energy, Green, Syndications, and Chaddock, among others, alleging breaches of Ontario securities law and conduct contrary to the public interest;

AND WHEREAS the Commission held a hearing on April 11, 2012 to consider the extension of the Temporary Order, at which Chaddock attended on behalf of himself and on behalf of Energy, Green, and Syndications;

AND WHEREAS on April 11, 2012 the Commission extended the Temporary Order on the same terms until July 19, 2012, and further ordered that the hearing be adjourned to July 18, 2012 at 10:30 a.m.;

AND WHEREAS the Commission held a hearing on July 18, 2012 to consider the extension of the Temporary Order, at which Chaddock attended on behalf of himself and on behalf of Energy, Green, and Syndications;

AND WHEREAS on July 18, 2012 the Commission extended the Temporary Order on the same terms until August 22, 2012, and further ordered that the hearing be adjourned to August 21, 2012 at 10:30 a.m.;

AND WHEREAS the Commission held a hearing on August 21, 2012 to consider the extension of the Temporary Order, at which Chaddock attended on behalf of himself and on behalf of Energy, Green, and Syndications;

AND WHEREAS Staff confirmed that the Temporary Order is not in place against Land Syndications Inc. (defined previously in this order as "Land") and that "Land Syndications" is an unincorporated division of Syndications;

AND WHEREAS on August 21, 2012 the Commission extended the Temporary Order on the same terms until October 3, 2012, and further ordered that the hearing be adjourned to October 2, 2012 at 10:30 a.m.;

AND WHEREAS the Commission held a hearing on October 2, 2012 to consider the extension of the Temporary Order;

AND WHEREAS Chaddock attended the hearing on behalf of himself and on behalf of Energy, Green, and Syndications;

AND WHEREAS the Panel considered the submissions from Staff and Chaddock and the Commission is of the opinion that it is in the public interest to make this order;

IT IS HEREBY ORDERED that:

1. The Temporary Order is extended until the final disposition of the matter initiated by the March 30, 2012 Statement of Allegations with respect to Energy, Green, Syndications and Chaddock, among others, including, if appropriate, any final determination of this matter by the Commission with respect to sanctions and costs;
2. The extension of the Temporary Order does not prohibit Green from engaging in the sale of goods provided that any sales agreement does not constitute an investment contract, as defined by Ontario securities law; and
3. The extension of the Temporary Order shall not affect the right of any respondent to apply to the Commission under section 144 of the Act to revoke or vary this order upon five days written notice to Staff of the Commission.

DATED at Toronto this 2nd day of October, 2012.

"Mary G. Condon"

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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
China Wind Power International Corp.	03 Oct 12	15 Oct 12		
Ivaco Inc.	03 Oct 12	15 Oct 12		
Action Energy Inc.	04 Oct 12	16 Oct 12		
Diadem Resources Ltd.	09 Oct 12	22 Oct 12		
Plexmar Resources Inc.	07 May 12	18 May 12	18 May 12	02 Oct 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
China Wind Power International Corp.	08 Aug 12	20 Aug 12	20 Aug 12	03 Oct 12	03 Oct 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
China Wind Power International Corp.	08 Aug 12	20 Aug 12	20 Aug 12	03 Oct 12	03 Oct 12
Canadian Oil Recovery & Remediation Enterprises Ltd.	31 Aug 12	12 Sept 12	12 Sept 12		
Focus Graphite Inc.	24 Sept 12	05 Oct 12	05 Oct 12		
Boyuan Construction Group, Inc.	02 Oct 12	15 Oct 12	15 Oct 12		
McVicar Industries Inc.	12 Sept 12	24 Sept 12	24 Sept 12		

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Chapter 7

Insider Reporting

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

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

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

Chapter 8

Notice of Exempt Financings

REPORTS OF TRADES SUBMITTED ON FORMS 45-106F1 AND 45-501F1

Transaction Date	# of Purchasers	Issuer/Security	Total Purchase Price (\$)	# of Securities Distributed
08/23/2012	38	Affinity Potash Corp. - Common Shares	795,450.00	3,181,800.00
08/17/2012 to 08/21/2012	12	Afri-Can Marine Minerals Corporation - Units	1,347,976.00	8,424,850.00
09/07/2012	17	Amarillo Gold Corporation - Common Shares	4,100,350.75	5,467,134.00
09/21/2012	16	Andylan Investors Limited Partnership 2012 - Limited Partnership Units	1,915,000.00	19,150.00
09/04/2012	1	Arrowstreet Multi-Strategy Umbrella plc- Arrowstreet EAFE Alpha Extension Fund II - Common Shares	69,034,000.00	700,000.00
10/01/2012	1	Arrowstreet Multi-Strategy Umbrella plc- Arrowstreet EAFE Alpha Extension Fund II - Common Shares	74,163,440.00	754,000.00
09/10/2012 to 09/11/2012	2	Bending Lake Iron Group Limited - Common Shares	350,000.00	0.00
08/13/2012 to 08/21/2012	4	Bison Income Trust II - Trust Units	674,500.00	67,450.00
06/27/2012	3	Bison Income Trust II - Trust Units	320,000.00	32,000.00
09/06/2012 to 09/14/2012	13	Bison Income Trust II - Trust Units	216,300.00	21,630.00
07/26/2012	14	Breakeven Inc. - Preferred Shares	400,000.00	20,000.00
09/04/2012	3	Capital Direct I Income Trust - Trust Units	162,000.00	16,200.00
09/13/2012	16	CareVest Blended MIC Fund Inc. - Preferred Shares	407,188.00	N/A
08/08/2012	5	CertiRx Corporation - Preferred Shares	312,520.00	312,520.00
09/12/2012	1	Colony Financial Inc. - Common Shares	7,316,000.00	400,000.00
08/20/2012 to 08/24/2012	17	Colwood City Centre Limited Partnership - Notes	768,000.00	768,000.00
09/18/2012	1	Commonwealth Bank of Australia - Notes	19,484,000.00	20,000,000.00
07/19/2012 to 07/26/2012	70	Druk Capital Partners Inc. - Receipts	6,520,500.00	26,082,000.00
08/29/2012	12	Fortier Industrial Limited Partnership - Limited Partnership Units	200.00	2,000.00
08/29/2012	31	Fortier Industrial Limited Partnership - Limited Partnership Units	8,600,000.00	1,720.00
09/14/2012	17	Great Quest Metals Ltd. - Units	1,032,150.75	1,214,295.00

Notice of Exempt Financings

Transaction Date	# of Purchasers	Issuer/Security	Total Purchase Price (\$)	# of Securities Distributed
08/27/2012 to 08/31/2012	10	IGW Real Estate Investment Trust - Units	1,178,449.48	231,065.10
08/27/2012	15	Lignol Energy Corporation - Common Shares	6,225,770.00	30,750,000.00
07/09/2012	6	Melkior Resources Inc. - Units	142,500.00	712,500.00
08/30/2012 to 09/07/2012	36	OmniArch Capital Corporation - Bonds	1,054,157.00	N/A
08/07/2012	25	Parkside Resources Corporation - Receipts	631,000.00	5,300,000.00
09/11/2012	2	Sinclair-Cockburn Mortgage Investment Corporation - Common Shares	3,000,000.00	3,000,000.00
09/07/2012	1	TD Partners Fund III L.P. - Limited Partnership Interest	244,450,000.00	N/A
09/13/2012	1	TD Partners Fund, L.P. - Limited Partnership Interest	489,009,025.09	501,393,443.14

Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:

Bauer Performance Sports Ltd.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated October 2, 2012
NP 11-202 Receipt dated October 2, 2012

Offering Price and Description:

Cdn\$35,640,000.00 - 3,600,000 Common Shares Price:
Cdn\$9.90 per Offered Share

Underwriter(s) or Distributor(s):

RBC DOMINION SECURITIES INC.
PARADIGM CAPITAL INC.
GMP SECURITIES L.P.
NATIONAL BANK FINANCIAL INC.
SCOTIA CAPITAL INC.

Promoter(s):

-

Project #1966583

Issuer Name:

BlueBay Global Convertible Bond Fund
Phillips, Hager & North QUBE Low Volatility Canadian
Equity Fund

RBC QUBE Low Volatility Global Equity Fund
RBC QUBE Low Volatility U.S. Equity Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectuses
NP 11-202 Receipt dated October 5, 2012

Offering Price and Description:

Series A, Advisor Series, Series H, D, F, I and O Units

Underwriter(s) or Distributor(s):

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

Promoter(s):

RBC Global Asset Management Inc.

Project #1966941

Issuer Name:

DeeThree Exploration Ltd.
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated October 3, 2012
NP 11-202 Receipt dated October 3, 2012

Offering Price and Description:

\$15,015,000.00 - 2,730,000 Common Shares Price: \$5.50
per Common Share and

\$5,005,000.00 - 770,000 Flow-Through Shares Price:
\$6.50 per Flow-Through Share

Underwriter(s) or Distributor(s):

MACQUARIE CAPITAL MARKETS CANADA LTD.
CORMARK SECURITIES INC.
DUNDEE SECURITIES LTD.
CASIMIR CAPITAL LTD.
STIFEL NICOLAUS CANADA INC.
RAYMOND JAMES LTD.

Promoter(s):

-

Project #1967019

Issuer Name:

First Asset Diversified Convertible Debenture Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated October 5, 2012
NP 11-202 Receipt dated October 5, 2012

Offering Price and Description:

Maximum Offering: \$*-* Units Price: \$* per Unit

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.
RBC Dominion Securities Inc.
National Bank Financial Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
Canaccord Genuity Corp.
GMP Securities L.P.
Raymond James Ltd.
Macquarie Private Wealth Inc.

Promoter(s):

First Asset Investment Management Inc.

Project #1967555

Issuer Name:

Just Energy Group Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Base Shelf Prospectus dated October 4, 2012
NP 11-202 Receipt dated October 4, 2012

Offering Price and Description:

\$1,000,000,000.00

Debt Securities
Common Shares
Preferred Shares
Subscription Receipts
Warrants

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1967195

Issuer Name:

Labrador Iron Mines Holdings Limited
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated October 3, 2012
NP 11-202 Receipt dated October 5, 2012

Offering Price and Description:

\$30,000,000.00 - 30,000,000 Common Shares PRICE:
\$1.00 per Common Share

Underwriter(s) or Distributor(s):

Canaccord Genuity Corp.

Promoter(s):

-

Project #1967390

Issuer Name:

LAURENTIAN BANK OF CANADA
Principal Regulator - Quebec

Type and Date:

Preliminary Base Shelf Prospectus dated October 3, 2012
NP 11-202 Receipt dated October 3, 2012

Offering Price and Description:

\$1,000,000,000.00:

Debt Securities (subordinated indebtedness)
Common Shares
Class A Preferred Shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1966971

Issuer Name:

Legumex Walker Inc.
Principal Regulator - Manitoba

Type and Date:

Preliminary Short Form Prospectus dated October 5, 2012
NP 11-202 Receipt dated October 5, 2012

Offering Price and Description:

\$15,050,500.00 - 1,942,000 Common Share PRICE: \$7.75
PER COMMON SHARE

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1967663

Issuer Name:

Manitok Energy Inc.
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated October 2, 2012
NP 11-202 Receipt dated October 2, 2012

Offering Price and Description:

Total Offering: \$17,203,000.00: - 2,631,579 Offered
Common Shares, 1,430,000 CDE Flow-through Shares
and 4,000,000 CEE Flow-through Shares
Price: \$1.90 per Offered Common Share, \$2.10 per CDE
Flow-through Share and \$2.30 per CEE Flow-through
Share

Underwriter(s) or Distributor(s):

INTEGRAL WEALTH SECURITIES LIMITED
DUNDEE SECURITIES LTD.
NATIONAL BANK FINANCIAL INC.
RBC DOMINION SECURITIES INC.
TD SECURITIES INC.
HAYWOOD SECURITIES INC.
ACUMEN CAPITAL FINANCE PARTNERS LIMITED

Promoter(s):

-

Project #1966647

Issuer Name:

Medicago Inc.
Principal Regulator - Quebec

Type and Date:

Preliminary Base Shelf Prospectus dated October 4, 2012
NP 11-202 Receipt dated October 4, 2012

Offering Price and Description:

Cdn\$15,000,000 .00:

Preferred Shares
Common Shares
Warrants
Units
Subscription Receipts

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1967371

Issuer Name:

Mosaic Capital Corporation
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated October 1, 2012
NP 11-202 Receipt dated October 2, 2012

Offering Price and Description:

\$ * - * Preferred Securities Price: \$ * per Preferred Security

Underwriter(s) or Distributor(s):

RAYMOND JAMES LTD.
MACKIE RESEARCH CAPITAL CORPORATION
MACQUARIE CAPITAL MARKETS CANADA LTD.
CANACCORD GENUITY CORP.
GLOBAL SECURITIES CORPORATION

Promoter(s):

-

Project #1966250

Issuer Name:

Premier Gold Mines Limited
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated October 5, 2012
NP 11-202 Receipt dated October 5, 2012

Offering Price and Description:

\$58,506,440.00 - 6,580,000 Common Shares 2,613,000
Flow-Through Common Shares PRICE:
\$6.08 per Offered Share \$7.08 per Flow-Through Share

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1967640

Issuer Name:

Red Rock Capital Corp.
Principal Regulator - British Columbia

Type and Date:

Preliminary CPC Prospectus dated October 2, 2012
NP 11-202 Receipt dated October 3, 2012

Offering Price and Description:

\$250,000.00 - 2,500,000 Common Shares PRICE: \$0.10
PER COMMON SHARE

Underwriter(s) or Distributor(s):

JORDAN CAPITAL MARKETS INC.

Promoter(s):

-

Project #1967061

Issuer Name:

Redknee Solutions Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated October 4, 2012
NP 11-202 Receipt dated October 4, 2012

Offering Price and Description:

\$17,550,000.00 -13,000,000 Common Shares Price: \$1.35
per Common Share

Underwriter(s) or Distributor(s):

GMP SECURITIES L.P.
CANACCORD GENUITY CORP.
TD SECURITIES INC.

Promoter(s):

-

Project #1967309

Issuer Name:

Sarama Resources Ltd.
Principal Regulator - British Columbia

Type and Date:

Preliminary Short Form Prospectus dated October 2, 2012
NP 11-202 Receipt dated October 2, 2012

Offering Price and Description:

\$12,000,000.00 - 13,333,334 Units Price: \$ 0.90 per Unit

Underwriter(s) or Distributor(s):

GMP SECURITIES L.P.
CORMARK SECURITIES INC.
BMO NESBITT BURNS INC.
RAYMOND JAMES LTD.

Promoter(s):

-

Project #1966628

Issuer Name:

Springrock Capital Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary CPC Prospectus dated October 3, 2012
NP 11-202 Receipt dated October 3, 2012

Offering Price and Description:

\$200,000.00 -1,000,000 COMMON SHARES Price: \$0.20
per Common Share

Underwriter(s) or Distributor(s):

MACKIE RESEARCH CAPITAL CORPORATION

Promoter(s):

SPRINGROCK MANAGEMENT INC.

Project #1966954

Issuer Name:

Torex Gold Resources Inc. (formerly Gleichen Resources Ltd.)

Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated October 5, 2012
NP 11-202 Receipt dated October 5, 2012

Offering Price and Description:

\$350,000,000 - 175,000,000 Units

Price: \$2.00 per Unit

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.

Dundee Securities Ltd.

Macquarie Capital Markets Canada Ltd.

GMP Securities L.P.

RBC Dominion Securities Inc.

Scotia Capital Inc.

Stifel Nicolaus Canada Inc.

Promoter(s):

-

Project #1967573

Issuer Name:

Union Gas Limited

Principal Regulator - Ontario

Type and Date:

Preliminary Base Shelf Prospectus dated October 2, 2012
NP 11-202 Receipt dated October 3, 2012

Offering Price and Description:

\$*,000,000.00 - MEDIUM TERM NOTE DEBENTURES (UNSECURED)

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.

BMO Nesbitt Burns Inc.

Scotia Capital Inc.

TD Securities Inc.

Promoter(s):

-

Project #1966852

Issuer Name:

Westcoast Energy Inc.

Principal Regulator - British Columbia

Type and Date:

Preliminary Base Shelf Prospectus dated October 3, 2012
NP 11-202 Receipt dated October 3, 2012

Offering Price and Description:

\$*,000,000.00 - MEDIUM TERM NOTE DEBENTURES (UNSECURED)

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.

BMO Nesbitt Burns Inc.

Scotia Capital Inc.

TD Securities Inc.

Promoter(s):

-

Project #1966977

Issuer Name:

Aegean Metals Group Inc.

Principal Regulator - British Columbia

Type and Date:

Amended and Restated Long Form Prospectus dated September 28, 2012 to the Long Form Prospectus dated September 20, 2012

NP 11-202 Receipt dated October 2, 2012

Offering Price and Description:

\$1,500,000.00 - 10,000,000 Units at \$0.15 per unit

Underwriter(s) or Distributor(s):

Haywood Securities Inc.

Promoter(s):

-

Project #1939018

Issuer Name:

Alberta Oilsands Inc.

Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated October 2, 2012
NP 11-202 Receipt dated October 2, 2012

Offering Price and Description:

\$15,695,705.00 - 156,957,057 RIGHTS TO SUBSCRIBE FOR UP TO 156,957,057 UNITS AT A PRICE OF \$0.10 PER UNIT (EACH UNIT CONSISTING OF ONE COMMON SHARE AND ONE WARRANT)

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1961522

Issuer Name:

Alimentation Couche-Tard Inc.

Principal Regulator - Quebec

Type and Date:

Final Base Shelf Prospectus dated October 2, 2012
NP 11-202 Receipt dated October 3, 2012

Offering Price and Description:

Cdn.\$1,000,000,000 Debt Securities

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1962369

Issuer Name:

Belo Sun Mining Corp.
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated October 2, 2012
NP 11-202 Receipt dated October 2, 2012

Offering Price and Description:

\$50,008,000.00 - 35,720,000 Common Shares Price: \$1.40
per Offered Share

Underwriter(s) or Distributor(s):

BMO NESBITT BURNS INC.
CANACCORD GENUITY CORP.
CIBC WORLD MARKETS INC.
CORMARK SECURITIES INC.
DUNDEE SECURITIES LTD.
NATIONAL BANK FINANCIAL INC.
TD SECURITIES INC.

Promoter(s):

-

Project #1963414

Issuer Name:

BMO Dow Jones Canada Titans 60 Index ETF
BMO US Equity Hedged to CAD Index ETF
BMO Global Infrastructure Index ETF
BMO China Equity Hedged to CAD Index ETF
BMO India Equity Hedged to CAD Index ETF
Principal Regulator - Ontario

Type and Date:

Amendment #2 dated September 21, 2012 to the Long
Form Prospectus dated January 27, 2012
NP 11-202 Receipt dated October 2, 2012

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

BMO ASSET MANAGEMENT INC.
Project #1842929

Issuer Name:

Class A-1 Income* (Series A, F and I)
Class B-1 Canadian Equity* (Series A, F and I)
Class C-1 U.S. Equity* (Series A, F and I)
Class D-1 International Equity* (Series A, F and I)
Class E-1 Emerging Markets Equity* (Series A, F and I)
Class F-1 Alternative Strategies* (Series A, F and I)
(*Classes of shares of PIE Portfolio Index Evolution
Corporation

Principal Regulator - Ontario

Type and Date:

Amendment #1 dated August 23, 2012 to the Simplified
Prospectuses and Annual Information Form dated
December 15, 2011

NP 11-202 Receipt dated October 3, 2012

Offering Price and Description:

Series A, F and I @ Net Asset Value

Underwriter(s) or Distributor(s):

-

Promoter(s):

R. N. Croft Financial Group Inc.
Project #1823666

Issuer Name:

First Trust Canadian Capital Strength Portfolio
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus dated September 28, 2012
NP 11-202 Receipt dated October 3, 2012

Offering Price and Description:

Series A and Series F Units @ Net Asset Value

Underwriter(s) or Distributor(s):

FT Portfolios Canada Co.

Promoter(s):

FT PORTFOLIOS CANADA CO.
Project #1947417

Issuer Name:

IMRIS Inc.
Principal Regulator - Manitoba

Type and Date:

Final Base Shelf Prospectus dated October 2, 2012
NP 11-202 Receipt dated October 2, 2012

Offering Price and Description:

US\$75,000,000.00:

Common Shares

Warrants

Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1959658

Issuer Name:

Loncor Resources Inc.
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated October 1, 2012
NP 11-202 Receipt dated October 3, 2012

Offering Price and Description:

Cdn\$9,030,000.00 - 8,600,000 Common Shares Price:
Cdn\$1.05 per Offered Share

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.
GMP Securities L.P.

Promoter(s):

-

Project #1961911

Issuer Name:

Mackenzie Universal American Growth Class
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus dated September 28, 2012
NP 11-202 Receipt dated October 4, 2012

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

Quadrus Investment Services Ltd.

Promoter(s):

Mackenzie Financial Corporation

Project #1952360

Issuer Name:

Mackenzie Universal American Growth Class
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus dated September 28, 2012
NP 11-202 Receipt dated October 4, 2012

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

LBC Financial Services Inc.

Promoter(s):

Mackenzie Financial Corporation

Project #1952370

Issuer Name:

Portland Advantage Fund
Portland Canadian Balanced Fund
Portland Canadian Focused Fund
Portland Global Income Fund
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated October 1, 2012
NP 11-202 Receipt dated October 2, 2012

Offering Price and Description:

Series A, Series F and Series G Units @ Net Asset Value

Underwriter(s) or Distributor(s):

Portland Private Wealth Services Inc.

Promoter(s):

Portland Investment Counsel Inc.

Project #1946743

Issuer Name:

Regal Lifestyle Communities Inc.
Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated October 5, 2012
NP 11-202 Receipt dated October 5, 2012

Offering Price and Description:

\$138,797,000.00 - 13,879,700 COMMON SHARES Price:
\$10.00 per Common Share

Underwriter(s) or Distributor(s):

CIBC WORLD MARKETS INC.
BMO NESBITT BURNS INC.
TD SECURITIES INC.
RBC DOMINION SECURITIES INC.
SCOTIA CAPITAL INC.
NATIONAL BANK FINANCIAL INC.
CANACCORD GENUITY CORP.
DESJARDINS SECURITIES INC.
RAYMOND JAMES LTD.

Promoter(s):

SIMON NYILASSY
MORAY TAWSE

Project #1958615

Issuer Name:

ScotiaMcLeod Canadian Core Portfolio
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus dated September 28, 2012
NP 11-202 Receipt dated October 3, 2012

Offering Price and Description:

Series A and Series F Units

Underwriter(s) or Distributor(s):

FT Portfolios Canada Co.

Promoter(s):

-

Project #1955060

Issuer Name:

U.S. Housing Recovery Fund
Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated October 3, 2012
NP 11-202 Receipt dated October 4, 2012

Offering Price and Description:

Maximum: \$100,000,000.00 - 10,000,000 Class A and/or
Class F Units @\$10.00 per Unit Minimum: \$20,000,000.00
- 2,000,000 Class A Units @ \$10.00 per Unit

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
Canaccord Genuity Corp.
GMP Securities L.P.
Macquarie Private Wealth Inc.
Raymond James Ltd.
Desjardins Securities Inc.
Mackie Research Capital Corporation

Promoter(s):

BMO Nesbitt Burns Inc.
Project #1955752

Issuer Name:

Valeura Energy Inc.
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated October 2, 2012
NP 11-202 Receipt dated October 2, 2012

Offering Price and Description:

11,500,000.00 - Common Shares at \$1.30 per Common
Share for gross proceeds of \$14,950,000

Underwriter(s) or Distributor(s):

CORMARK SECURITIES INC.
NATIONAL BANK FINANCIAL INC.
CANACCORD GENUITY CORP.
FIRSTENERGY CAPITAL CORP.
JENNINGS CAPITAL INC.

Promoter(s):

-
Project #1962701

Issuer Name:

Wolfden Resources Corporation
Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated October 1, 2012
NP 11-202 Receipt dated October 2, 2012

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

CANACCORD GENUITY CORP.
RBC DOMINION SECURITIES INC.
JONES, GABLE & COMPANY LIMITED

Promoter(s):

Ewan Downie
Project #1887523

Issuer Name:

Canada Dominion Resources 2012 II Limited Partnership
Principal Jurisdiction - Ontario

Type and Date:

Preliminary Long Form Prospectus dated March 27, 2012
Withdrawn on October 3, 2012

Offering Price and Description:

\$50,000,000.00 - (Maximum) 2,000,000 Limited
Partnership Units Price per Unit: \$25.00
Minimum Subscription: \$5,000 (200 Units)

Underwriter(s) or Distributor(s):

RBC DOMINION SECURITIES INC.

Promoter(s):

CANADA DOMINION RESOURCES 2012 II
CORPORATION
DUNDEE SECURITIES LTD.
Project #1878733

Issuer Name:

CMP 2012 II Resource Limited Partnership
Principal Jurisdiction - Ontario

Type and Date:

Preliminary Long Form Prospectus dated March 27, 2012
Withdrawn on October 3, 2012

Offering Price and Description:

\$100,000,000 (Maximum)
100,000 Limited Partnership Units
Price per Unit: \$1,000
Minimum Subscription: \$5,000 (Five Units)

Underwriter(s) or Distributor(s):

RBC DOMINION SECURITIES INC.

Promoter(s):

CMP 2012 II CORPORATION
DUNDEE SECURITIES LTD.
Project #1878730

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Name Change	From: Brockhouse & Cooper Inc. To: Pavilion Capital Markets Ltd.	Exempt Market Dealer	September 19, 2012
Change in Registration Category	Fulcra Asset Management Inc.	From: Exempt Market Dealer, Portfolio Manager to To: Exempt Market Dealer, Portfolio Manager and Investment Fund Manager	October 2, 2012
Change in Registration Category	PI Financial Corp.	From: Investment Dealer To: Investment Dealer and Futures Commission Merchant	October 3, 2012

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Chapter 13

SROs, Marketplaces and Clearing Agencies

13.2 Marketplaces

13.2.1 Chi-X Canada ATS Limited – Notice of Commission Approval of Proposed Changes

CHI-X CANADA ATS NOTICE OF COMMISSION APPROVAL OF PROPOSED CHANGES

Chi-X Canada ATS Limited has announced its plans to implement changes to its Form 21-101F2 that would enhance its current self-trade prevention mechanism (Proposed Changes). A notice describing the Proposed Changes was published in accordance with OSC Staff Notice 21-703 *Transparency of the Operations of Stock Exchanges and Alternative Trading Systems* on June 28, 2012 in this Bulletin. Pursuant to OSC Staff Notice 21-703, market participants were also invited by OSC staff to provide the Commission with feedback on the proposed changes. No comments were received.

The Proposed Changes were approved on October 2, 2012. Chi-X Canada ATS is expected to publish a notice indicating the intended implementation date of the proposed changes.

13.2.2 Toronto Stock Exchange – Request for Comments – Amendments to TSX Company Manual and Amendments to the TSX Rule Book

TORONTO STOCK EXCHANGE

REQUEST FOR COMMENTS

**AMENDMENTS TO TORONTO STOCK EXCHANGE COMPANY MANUAL
AND AMENDMENTS TO THE TORONTO STOCK EXCHANGE RULE BOOK**

TSX is publishing proposed amendments (the “Amendments”) to the Toronto Stock Exchange (“TSX” or the “Exchange”) Company Manual (the “Manual”) and the TSX Rule Book (the “TSX Rules”). The Amendments provide for public interest changes in Part III, Part VI and Part VII of the Manual and Part 2 and Part 7 of the TSX Rules. The public interest changes will be published for public comment for a 30-day period.

The Amendments will be effective upon approval by the Ontario Securities Commission (the “OSC”) following public notice and comment. Comments should be in writing and delivered by November 12, 2012 to:

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Legal Counsel
Toronto Stock Exchange
The Exchange Tower
130 King Street West
Toronto, Ontario M5X 1J2
Fax: (416) 947-4461
Email: tsxrequestforcomments@tsx.com

A copy should also be provided to:

Susan Greenglass
Director
Market Regulation
Ontario Securities Commission
20 Queen Street West
Toronto, Ontario M5H 3S8
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Comments will be publicly available unless confidentiality is requested.

Overview

TSX is seeking public comment on Amendments to the Manual and the TSX Rules. This Request for Comments explains the reasons for, and objectives of, the Amendments. Following the comment period, TSX will review and consider the comments received and implement the Amendments, as proposed, or as modified as a result of comments.

Text of the Amendments

The Amendments to the Manual are set out as blacklined text at **Appendix A**. The Amendments to the TSX Rules are set out as blacklined text at **Appendix B**. The Amendments relate to the process for appeals of TSX decisions and related matters.

Rationale for the Amendments

In accordance with Section 35 of the OSC Recognition Order recognizing TSX as an exchange (the “Recognition Order”), TSX must provide due process, ensuring that the requirements of TSX in relation to access to the trading and listing facilities of TSX, the imposition of limitations or conditions on access and denial of access are fair and reasonable, including in respect of the provisions for appeals.

Pursuant to the Recognition Order, TSX must also establish written procedural requirements governing the process for appeals or review of exchange decisions, and file the procedures with the OSC for approval, within 60 days of the effective date of the Recognition Order.

In addition, as further described below, we are proposing to clarify certain appeal related matters in the Manual and the TSX Rules.

The Manual

There are provisions in the Manual which provide that an applicant for listing or a listed issuer may request to have decisions made by the TSX Listings Committee relating to original listings, change in capital structure and suspensions and delistings heard by the listings committee together with the Senior Vice-President, Toronto Stock Exchange ("SVP TSX").

The Manual also provides for a further appeal by an applicant for listing or a listed issuer that remains dissatisfied with a decision made by the TSX Listings Committee together with the SVP TSX. This appeal would be to a three person panel of the Board.

While provisions for appeals exist under the Manual, the Amendments will clarify certain appeal related matters in the Manual, as further described below.

TSX Rules

Part 7 of the TSX Rules, regarding investigation and enforcement, was repealed when the Universal Market Integrity Rules (UMIR) came into force, as of April 1, 2002. However, other sections of the TSX Rules still provide for appeals and hearings pursuant to Part 7. At the time, TSX enacted By-law No. 2 in order to provide for appeals of TSX decisions to the TSX Board, in lieu of Part 7. By-law No. 2 provides that any person directly or materially affected by a decision of the Exchange could appeal the decision to the Board of Directors of the Exchange, or a committee of the Board appointed by the Board, in accordance with such procedures as the Board may adopt from time to time. The Board also has discretion not to hear the appeal. The range of TSX decisions under the TSX Rules is quite narrow, and there have not been any appeals under By-Law No. 2.

We believe that it is appropriate for the appeals process for TSX decisions in the Manual and the TSX Rules to be the same and are therefore proposing to mirror the appeal rules under the Manual in the TSX Rules. The Amendments will also remove incorrect references to Part 7 hearings.

Once the Amendments are implemented, By-Law Two will be unnecessary and will be repealed.

Comparison to Other Exchanges

A comparison to other major international stock exchanges has been conducted. Most exchanges provide for internal appeals of their decisions.

Proposed Amendments

Proposed Appeals Process

1. Who Hears the Appeal

The current provision in the Manual provides for an appeal to the TSX Listing Committee together with the SVP TSX. In practice, the SVP TSX makes the decision on the appeal. The language in the Manual does not necessarily reflect the reality of the decision making by the SVP TSX at the appeal. Therefore the Amendments will clarify this language in the Manual.

Further, it has been determined that in cases of particular complexity, it may be beneficial for TSX to have the flexibility of having more than just one person (the SVP TSX) making the decision. The Amendments will therefore add that in the discretion of the Exchange, an appeal will be heard by a minimum of one and up to three senior executives of the Exchange.

In addition, the Amendments will delete the reference to rights of review to the OSC since these rights exist independently under the *Securities Act* (Ontario).

The Amendments will provide for the same appeal procedures in both the Manual and the TSX Rules. The second level appeal to a three-person panel of the Board will remain unchanged.

2. Request appeal in writing

The Amendments will codify the existing practice of requiring written requests for appeals and written submissions in support of the appeal. Written submissions are the mechanism for the opportunity to be heard. This practice is also aimed at preventing frivolous appeals and helps ensure the proper attention and use of time at the appeal.

3. Composition of Listing Committee

The language in Section 642 of the Manual may be wrongly construed as suggesting that all decisions made under Part VI are made by the Listing Committee. Many decisions made under Part V and Part VI are made in the ordinary course by listings managers. The Amendments will therefore clarify Section 642 to reflect the delegation of certain decision making under Parts V and VI to listing managers.

Similarly, decisions under Part VII are not all made by Listing Committee. For example, delisting decisions involve members of the Compliance & Disclosure ("C&D") group as voting members, which is a different capacity than they hold in the Listing Committee. The Amendments will therefore clarify Section 719 to reflect the delegation of certain decision making under Part VII to a subset of Listing Committee that includes members of C&D in a voting capacity.

4. Time for appeal

For practical reasons, appeals of delisting decisions generally follow a stricter timeline than appeals of other decisions. Upon deciding to delist an issuer, TSX generally provides that the delisting will be effective in 30 calendar days (as provided in Section 707). In order to hear an appeal before the delisting date, TSX practice has been to require written notice of appeal within five business days of the decision. Notice of an appeal does not stay the delisting decision. It is not in the interest of the market or its participants to delist a stock and then relist it if an appeal is successful, nor for an appeal to be used as a delay tactic to try and prevent the delisting of the stock. We therefore set the timeline as best efforts at avoiding these issues.

These time concerns do not generally arise in other appeals. The Amendments will therefore clarify the time frame in Section 719 for appeals of delisting decisions.

5. Participating Organization (PO) suspension and termination

The Amendments will revise the TSX Rules to remove references to Part 7, while at the same time clarifying drafting in connection with the suspension and termination of POs by TSX. TSX decisions in connection with the suspension and termination of POs will be subject to appeal in accordance with the new procedures.

Public Interest

TSX is publishing the Amendments for a 30-day comment period, which expires •, 2012. The Amendments will only become effective following public notice and the approval of the OSC.

APPENDIX A

TEXT OF PROPOSED AMENDMENTS TO THE TSX COMPANY MANUAL

Sec. 354.1.

~~If the Listings Committee does not approve the applicant's securities for listing, the applicant may request that the matter be heard by the Listings Committee with the additional participation of the Senior Vice President of the Toronto Stock Exchange and/or his/her designate, within 30 calendar days of the original decision by Listings Committee, request an appeal of such decision. The matter will be considered by a minimum of one and a maximum of three senior officer(s) of Toronto Stock Exchange, as determined by the Exchange, who may uphold the original decision or may render a new decision. Applicants must request the appeal in writing and make written submissions in support of an appeal under this section. If after being heard, the applicant remains dissatisfied with the decision, the applicant may appeal the decision to a three-person panel of the Toronto Stock Exchange's Board of Directors.~~

~~An applicant may request that the OSC review the Board's decision provided that the provisions of Section 21 of the OSA (or any replacement legislation) apply.~~

Sec. 642.

~~Decisions in respect of the application of Part V and this Part VI are made by the Exchange's Listings Committee. If the Listings Committee does not accept a change or its delegates. If notice of a transaction submitted under Part V or Part VI is not accepted, the issuer may request that the matter be heard by the Listings Committee, with the additional participation of the Senior Vice President of the Toronto Stock Exchange and/or his/her designate. An issuer may request that the OSC review the Board's decision provided that the provisions of Section 21 of the OSA (or any replacement legislation) apply, within 30 calendar days of the original decision, request an appeal of such decision. The matter will be considered by a minimum of one and a maximum of three senior officer(s) of Toronto Stock Exchange, as determined by the Exchange, who may uphold the original decision or may render a new decision. Issuers must request the appeal in writing and make written submissions in support of an appeal under this section. If after being heard, the issuer remains dissatisfied with the decision, the issuer may appeal the decision to a three-person panel of the Board of Directors of TSX Inc.~~

Sec. 719.

~~Decisions in respect of the application of this Part VII are made by members of the Listings Committee after providing the listed issuer or its delegates. If an issuer remains dissatisfied with a decision under this Part VII, after having been given an opportunity to be heard. If a listed issuer wishes to contest a decision made under Part VII, the listed issuer may request that the matter be heard by the committee having made the original decision, with the additional participation of the Senior Vice President, TSX, and/or his/her designate. A listed issuer may request that the OSC review the Board's decision provided that the provisions of section 21 of the OSA (or any replacement legislation) apply, the issuer may, within 30 calendar days of the original decision, request an appeal of such decision. However, requests to appeal delisting decisions under Section 707 must be submitted within 5 business days of the decision to ensure the appeal can be dealt with in the 30 day delisting period. The matter will be considered by a minimum of one and a maximum of three senior officer(s) of Toronto Stock Exchange, as determined by the Exchange, who may uphold the original decision or may render a new decision. Issuers must request the appeal in writing and make written submissions in support of an appeal under this section. If after being heard, the listed issuer remains dissatisfied with the decision, the listed issuer may appeal the decision to a three-person panel of TSX's Board.~~

APPENDIX B

TEXT OF PROPOSED AMENDMENTS TO THE TSX RULES

2-105 Rights of Applicant (sub(b) Repealed)

If the Exchange proposes to accept an applicant subject to terms and conditions pursuant to Rule 2-104(b) or to refuse an applicant pursuant to Rule 2-104(c), the applicant shall be:

- (a) provided with a statement of the grounds upon which the Exchange proposes to accept the applicant subject to terms and conditions or to reject an applicant with the particulars of those grounds; and
- ~~(b) entitled to a hearing in accordance with the provisions of Part 7.~~
- ~~(b) Repealed (*, 2012).~~

DIVISION 2 – INTERESTS AND OWNERSHIP

2-201 Change in Control (Sub (3) and Sub (5)(b) Repealed)

- (1) For the purposes of this Rule, the acquisition of, directly or indirectly, or obtaining the ability to exercise control over, a significant equity interest in a Participating Organization shall, in the absence of evidence to the contrary, be deemed to be a change in control of the Participating Organization.
- (2) A Participating Organization shall apply, in such form and with such information as the Exchange may require, to the Exchange for prior approval of a change in control of the Participating Organization.
- (3) Repealed (October 20, 2000)
- (4) The Exchange may:
 - (a) approve a change in control unconditionally;
 - (b) approve a change in control subject to such terms and conditions as may be considered appropriate or necessary to ensure continued compliance with Exchange Requirements by the Participating Organization;
 - (c) refuse to approve a change in control if, after having regard to such factors as the Exchange may consider relevant including, without limitation, the past or present conduct, business or condition of the proposed controlling person or persons, the Exchange is of the opinion that:
 - (i) the Participating Organization will not comply with Exchange Requirements after the change in control,
 - (ii) the proposed controlling person is not qualified by reason of integrity, or
 - (iii) such approval is otherwise not in the public interest.
- (5) If the Exchange proposes to approve a change in control subject to terms and conditions pursuant to Rule 2-201(4)(b) or to refuse to approve a change in control pursuant to Rule 2-201(4)(c), the applicant shall be:
 - (a) provided with a statement of the grounds upon which the Exchange proposes to approve the change in control subject to terms and conditions or to refuse to approve the change in control with the particulars of those grounds; ~~and,~~
 - ~~(b) entitled to a hearing in accordance with the provisions of Part 7.~~
 - ~~(b) Repealed (*, 2012).~~

DIVISION 3 – CONTINUING QUALIFICATIONS

2-301 Membership in SRO

- (1) If a Participating Organization ceases to be a member of a recognized self-regulatory organization, ~~its status with the Exchange shall, without hearing or notice, be suspended, such suspension to be deemed an interim order made pursuant to Rule 7-107, be terminated automatically.~~
- (2) ~~If, in the opinion of the Exchange, a Participating Organization breaches a requirement's status with a recognized self-regulatory organization has been suspended or if the Exchange determines that a Participating Organization is in non-compliance with the requirements of a recognized self-regulatory organization of which it the Participating Organization is a member, the Exchange may impose such terms and conditions on the Participating Organization as the Exchange deems appropriate in the circumstances, including suspension and termination of its status.~~

2-304 Notifications

- (1) A Participating Organization shall give the Exchange prior written notice of:
 - (a) a change in its name or the name under which it carries on business; and
 - (b) a change in the address of its head office.
- (2) A Participating Organization shall give the Exchange prompt written notice of:
 - (a) securities of it or its holding company being held contrary to the provisions of Division 2 of this Part;
 - (b) the death, retirement, resignation or termination of employment or association of a partner, director or officer of the Participating Organization or its holding company; and
 - (c) any non-compliance with the provisions of Division 3 of this Part as they apply to the Participating Organization, its directors, shareholders, officers and employees;
 - (d) any non-compliance with the requirements of a recognized self-regulatory organization of which the Participating Organization is a member; and
 - (e) a termination or suspension of the Participating Organization's status as a member of a recognized self-regulatory organization.

DIVISION 6 SUSPENSION AND TERMINATION

2-602 Termination

- (1) A Participating Organization may terminate its status as such by giving not less than 3 months' written notice to the Exchange.
- (2) The Exchange may postpone the effective date of termination until it is satisfied that the Participating Organization has:
 - (a) complied with Exchange Requirements; and
 - (b) obtained the necessary consents from the recognized self-regulatory organization of which it is a member.
- (3) The Board~~Exchange~~ may terminate a Participating Organization's status as a Participating Organization, if a Tribunal~~it~~ determines, after a hearing conducted according to the rules established under Part 7, that a Participating Organization has:
 - (a) contravened or is not in compliance with an Exchange Requirement; or
 - (b) engaged in conduct, business or affairs that is unbecoming, inconsistent with just and equitable principles of trade or detrimental to the interests of the Exchange or the public.

PART 7 INVESTIGATIONS AND ENFORCEMENT (REPEALED)– APPEAL PROCEDURE

Repealed (April 1, 2002)

7-101 Appeal Right

- (1) A Participating Organization may appeal a decision of the Exchange within 30 days from the date of such decision, by submitting a request in writing.
- (2) The Participating Organization must make written submissions in support of an appeal under this section.
- (3) The matter will be considered by a minimum of one and a maximum of three senior officer(s) of Toronto Stock Exchange, as determined by the Exchange, who may uphold the original decision or may render a new decision.
- (4) If after being heard in the manner contemplated by subsection (3) above, a Participating Organization remains dissatisfied with the decision, the Participating Organization may appeal the decision to a three-person panel of the Board of Directors of the Exchange.

13.2.3 Notice of Approval – Alpha Exchange Inc. – Changes to Intraspread

**ALPHA EXCHANGE INC.
CHANGES TO INTRASPREAD™
NOTICE OF APPROVAL**

On October 5, 2012, amendments to the Alpha Exchange Trading Policies were approved to reflect changes proposed by Alpha Exchange Inc. (Alpha) to the functionality of IntraSread™. The amendments include:

- Removing Dark orders that provide price improvement of 10% over the NBBO;
- Introducing Dark orders that can trade at the NBBO with:
 - SDL orders with volume over 50 standard trading units or value greater than \$100,000, after any visible and reserve volume on Alpha at the same price level has been exhausted, and
 - All other SDL orders after any visible and reserve volume on Alpha at the same price level has been exhausted, but only when no visible volume is available on other markets at the same price.
- Allow SDL orders to trade with eligible Dark orders as well as with lit orders booked in the Alpha CLOB, while not trading through better priced orders on other markets.

A notice requesting comment on the proposed amendments was published in the Commission's Bulletin on July 26, 2012. The Commission received three comment letters in response to the notice. A summary of the comments received is published at Appendix A to this notice.

In addition to the amendments described above and as a result of issues raised during the regulatory review process, Alpha will also be making changes to remove the information from private feeds that indicates to the passive participant whether the order in the lit book executed against an SDL order.

Alpha will be implementing the amendments on October 15, 2012.

ALPHA EXCHANGE INC.

SUMMARY OF COMMENTS AND RESPONSES TO
JULY 26, 2012 PROPOSAL ON ALPHA INTRASPREAD™ FACILITY

Background

The Ontario Securities Commission (OSC) published on July 26, 2012 Alpha Exchange (Alpha)'s notice regarding its proposed amendments to the Alpha IntraSpread™ Facility, in accordance with recent regulatory changes.

Comment Process and Current Status

The OSC and Alpha received 3 comment letters, 2 from dealers² and 1 from an industry association³.

Alpha would like to thank all commenters for their submissions. The summary that follows will summarize the issues and Alpha's responses. **The responses to the comments reflects the views of Alpha and do not necessarily reflect the views of the Ontario Securities Commission (OSC) or of the Investment Industry Regulatory Organization of Canada (IIROC).**

Alpha's Proposal

Description of the proposed changes

Alpha is proposing to amend the IntraSpread™ functionality as follows:

- Remove Dark orders that provide price improvement of 10% over the NBBO.
- Introduce Dark orders that can trade with
 - SDL™ orders with volume over 50 board lots or value greater than \$100,000 (Large SDL™ orders), after any visible and reserve volume on Alpha at the same price level has been exhausted, and
 - All other SDL™ orders (Small SDL™ orders) after any visible and reserve volume on Alpha at the same price level has been exhausted, but only when no visible volume is available on other markets at the same price.
- Allow SDL™ orders to trade with eligible Dark orders as well as with lit orders booked in the Alpha CLOB, while not trading through better priced orders on other markets.

Rationale and relevant supporting analysis

The proposed changes are being made in order to bring IntraSpread™ functionality into compliance with UMIR provisions respecting dark liquidity effective October 15, 2012. In addition, the changes are designed to maximize opportunities for price improvement and increased trade size for active SDL™ orders. SDL™ orders will now also trade against visible liquidity in the Alpha CLOB, increasing the pool of liquidity available for SDL™ order matching.

Summary of Comments and Responses regarding the Alpha IntraSpread™ facility proposed on July 26, 2012:

General Comments

There was one comment in support of the proposed changes to IntraSpread™; that it will have the beneficial effect of streamlining order handling and improving execution rates for SDL™ orders.⁴

There was also a comment expressing dissatisfaction with IntraSpread™ because it limits SDL™ orders (active orders) to retail customers.⁵ Alpha developed the original model of IntraSpread™ as a result of market developments (including the maker-taker model) which over time began to penalize retail flow from both a cost and execution quality perspective. We believe that

¹ See http://www.iroc.ca/Documents/2012/2bfd5dea-85ca-4fca-9eae-cb30b474e7c5_en.pdf

² ITG Canada Corp. and RBC Dominion Securities Inc.

³ CSTA Inc., an industry association

⁴ CSTA

⁵ ITG

markets should develop new solutions in response to changes in market structure and have to be able to take into account different client needs. Moreover, we have addressed concerns regarding the limitation by allowing dark to dark order execution.

The main issue identified in the three comment letters was alleged information leakage.

Information Leakage

Introduction

With the proposed IntraSpread™ implementation, SDL™ orders may trade with resting Dark and Lit orders, while passive Lit orders may interact with both incoming Lit and SDL™ orders. These are different trade categories with likely different active/passive fees, which introduces indeterminacy to the participant with respect to what fee or rebate will be applied when the order executes.

In order to address this risk and to allow the participant to keep track of fees in real time, and consistent with previous implementations, the proposed implementation introduces an additional trade type to identify the SDL™/Lit trade on the Alpha execution messages. This will allow participants to distinguish Lit/ SDL™ executions from other trade types and accurately determine net fees in real-time.

Comments

The main focus of the comments was on the potential for information leakage due to this new trade type, in that it provides the passive participant an immediate means to distinguish between incoming SDL™ flow, which is exclusively from Retail participants, and non-SDL™ flow.

Underlying this concern was the assertion that non-SDL™ flow is certainly non-retail, and furthermore in all probability from Institutional participants, so that an execution marked as Lit/Lit is tantamount to directly identifying the counterparty as Institutional. Furthermore, it was asserted that an execution against an active Institutional order is indicative of imminent additional order flow in the same direction, amounting to information that can boost anticipation strategies to the passive participant's advantage, and to the detriment of the Institutional investor.

One commenter questioned the need for real-time passive rebate information, while another took the position that such information, if provided, should not provide participants with any special advantage over the counterparty.

Suggested alternatives included identifying all SDL™ trades on the public record of trades and providing end-of-day rebate information to participants. It was also suggested that participants should be able to use rebate approximations in their trading strategies.

Alpha Response

Alpha believes that identification of a counterparty as non-SDL™ is not an indicator of Institutional order flow and as such does not confer a straightforward advantage to the participant on the passive side of such trades.

- Assumption that a non-SDL™ order is not retail is incorrect. Not all active retail orders are routed to IntraSpread as SDL™ orders, and of those that are, only about 20% are filled in IntraSpread. The rest of the retail flow is routed to liquidity pools other than IntraSpread, including the Alpha CLOB. Our estimate is that today a lit order priced above a dollar and resting passively on Alpha has a 25% likelihood of trading against a retail order not marked as SDL™. Even if SDL fill rates increase with the new implementation, the likelihood of trading with a retail-order not marked as SDL™ remains high.
- Even if all active retail flow was to be executed as SDL™ in IntraSpread, that would not contribute to the ability to identify an Institutional counterparty. For securities priced over \$1 (where IntraSpread activity is concentrated), retail flow represents less than 30% of the market. The rest of the flow is divided among different participants, including HFTs, proprietary traders and the buy-side. For liquid names, filtering out retail flow still leaves a good mix of directional and non-directional active strategies on the market and therefore cannot be used to boost anticipation/momentum strategies. For illiquid names where executing a large trade presents a challenge, there is limited retail presence so filtering it out would hardly reveal any information not already available on the public tape.
- Natural market forces will counteract any anticipation or momentum strategies feeding on SDL™ vs. non-SDL™ information, because these strategies become predictable in their own right (e.g. another proprietary strategy can start sending non-SDL™ orders to Alpha lit with the intention of misleading the passive participant trying to identify Institutional flow).

Alpha also believes that real-time fee information is critical in today's markets.

- With maker-taker fees at approximately 25% of the average spread, any real time net position monitoring and risk-management system must incorporate accurate fee information.
- A marketplace which is not providing sufficient information that is required to determine fees in real-time would contribute to an increase in overall risks associated with electronic trading.
- Alpha believes that marking every SDL™ trade as such on the public tape would not address the perceived problem of information leakage.

Miscellaneous Comments

Clarity of Communication

Comments

One commenter pointed out that the new SDL™/non-SDL™ trade attribute was not sufficiently prominent in the Alpha product sheet to ensure it received the proper attention.⁶

Alpha Response

Alpha does not believe that the additional tag values identifying the counterparty as non-SDL will have any impact on the market structure and therefore this change was not highlighted in the summary of changes or in the product sheet.

However, Alpha does believe in full transparency which is why a detailed product sheet with full business explanation, examples and technical information is always provided to the public at the time of filing.

The standard structure of an Alpha product sheet is to describe features in more qualitative terms at the beginning of the document, and group technical/implementation details in the latter part of the document. This is not meant to imply that the technical aspect of the facility represented in the product sheet is of lesser importance than its business features.

Development Burden on Participants

Comments

One commenter expressed concern that the new tags on the trades will require participants to rebuild their trading engines, which imposes an unreasonable demand on participant development in the context of other ongoing initiatives⁷.

Alpha Response

The proposed changes were specifically designed to minimize impact on Members and Solution Vendors. There are no required changes for parties entering SDL™ orders. Dark liquidity providers are expected to cease use of 10% Dark orders and to incorporate 0% Dark orders in their trading strategies.

In addition, SDL™/Lit vs. Lit/Lit information is communicated on fill messages using an existing 'trade type' attribute. With this release, we are adding a single new trade type (SDL™/Lit) in addition to existing 7 trade types (auction, cross, odd-lot autoexec, lit/lit, SDL™/dark, dark/dark and cross interference). Clients not requiring real-time fee information do not need to process this tag and no rebuild is required.

Fees

Comment

One commenter provided comments on the fee structure of IntraSpread for trades that are executed between SDL order types and orders on Alpha's CLOB.⁸

⁶ CSTA

⁷ ITG

⁸ RBC Dominion Securities

Alpha Response

No fee proposal was discussed or in any way included in the July 26, 2012 description and publication for comment. Changes to the fee schedule were only recently filed with the regulators on September 12, 2012 and should be processed in the ordinary course as set out in NI21-101 and the Rule Protocol.

Please contact Randee Pavalow at randee.pavalow@alpha-group.ca for any questions.

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