

The Ontario Securities Commission

OSC Bulletin

March 7, 2013

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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

1.1.1 Current Proceedings Before The Ontario Securities Commission

March 7, 2013

CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

Temporary Change of Location of Ontario Securities Commission Proceedings

All hearings scheduled to be heard between November 22, 2012 and March 15, 2013 will take place at the following location:

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Christopher Portner	—	CP
Judith N. Robertson	—	JNR
AnneMarie Ryan	—	AMR
Charles Wesley Moore (Wes) Scott	—	CWMS

SCHEDULED OSC HEARINGS

March 11, 2013 **AMTE Services Inc., Osler Energy Corporation, Ranjit Grewal, Phillip Colbert and Edward Ozga**

10:00 a.m.

s. 127

C. Rossi in attendance for Staff

Panel: JEAT

March 13, 2013 **New Found Freedom Financial, Ron Deonarine Singh, Wayne Gerard Martinez, Pauline Levy, David Whidden, Paul Swaby and Zompas Consulting**

10:00 a.m.

s. 127

A. Heydon/S. Horgan in attendance for Staff

Panel: JDC

March 13, 2013 **Moncasa Capital Corporation and John Frederick Collins**

10:00 a.m.

s. 127

T. Center in attendance for Staff

Panel: EPK

March 14, 2013 **KEYreit and Huntingdon Capital Corp.**

10:00 a.m.

s. 127

N. Kanji/F. Duguay in attendance for Staff

Panel: JEAT/MGC

March 15, 2013 **Majestic Supply Co. Inc., Suncastle Developments Corporation, Herbert Adams, Steve Bishop, Mary Kricfalusi, Kevin Loman and CBK Enterprises Inc.**
10:00 a.m.

s. 37, 127 and 127.1

D. Ferris in attendance for Staff

Panel: EPK/PLK

March 18-25 and March 27-28, 2013 **2196768 Ontario Ltd carrying on business as Rare Investments, Ramadhar Dookhie, Adil Sunderji and Evgueni Todorov**
10:00 a.m.

s. 127

D. Campbell in attendance for Staff

Panel: EPK

March 19, 2013 **Garth H. Drabinsky, Myron I. Gottlieb and Gordon Eckstein**
10:00 a.m.

s. 127

A. Clark/J. Friedman in attendance for Staff

Panel: JEAT

March 21, 2013 **Knowledge First Financial Inc.**
9:00 a.m.

s. 127

D. Ferris in attendance for Staff

Panel: JEAT

March 21, 2013 **Heritage Education Funds Inc.**
9:00 a.m.

s. 127

D. Ferris in attendance for Staff

Panel: JEAT

March 22, 2013 **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**
10:00 a.m.

s. 37, 127 and 127.1

C. Watson in attendance for Staff

Panel: PLK/JNR

March 25, March 27-28, April 8, April 10-12, April 17, April 19, May 13-17, May 22 and June 24-28, 2013 **Bernard Boily**
10:00 a.m.

s. 127 and 127.1

M. Vaillancourt/U. Sheikh in attendance for Staff

Panel: AJL

April 2, 2013 **Vincent Ciccone and Cabo Catoche Corp. (a.k.a. Medra Corp. and Medra Corporation)**
10:00 a.m.

s. 127

M. Vaillancourt in attendance for Staff

Panel: VK

April 3-5, 2013 **Alexander Christ Doulis (aka Alexander Christos Doulis, aka Alexandros Christodoulidis) and Liberty Consulting Ltd.**
10:00 a.m.

s. 127

J. Feasby in attendance for Staff

Panel: VK

April 4, 2013 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 Corp., (aka Liquid Gold International Inc.) and Nanotech Industries Inc. s. 127 J. Feasby in attendance for Staff Panel: JDC	April 15-22, April 25 – May 6 and May 8-10, 2013 10:00 a.m.	Heir Home Equity Investment Rewards Inc.; FFI First Fruit Investments Inc.; Wealth Building Mortgages Inc.; Archibald Robertson; Eric Deschamps; Canyon Acquisitions, LLC; Canyon Acquisitions International, LLC; Brent Borland; Wayne D. Robbins; Marco Caruso; Placencia Estates Development, Ltd.; Copal Resort Development Group, LLC; Rendezvous Island, Ltd.; The Placencia Marina, Ltd.; and The Placencia Hotel and Residences Ltd s. 127 B. Shulman in attendance for Staff Panel: JDC
April 8, April 10-16, April 22, April 24, April 29-30, May 6 and May 8, 2013 10:00 a.m.	Energy Syndications Inc. Green Syndications Inc. , Syndications Canada Inc., Daniel Strumos, Michael Baum and Douglas William Chaddock s. 127 C. Johnson in attendance for Staff Panel: MGC	April 18, 2013 10:00 a.m.	FactorCorp Inc., FactorCorp Financial Inc. and Mark Twerdun s. 127 C. Price in attendance for Staff Panel: CP
April 9, 2013 3:00 p.m.	New Hudson Television LLC & Dmitry James Salganov s. 127 C. Watson in attendance for Staff Panel: MGC	April 25, 26 and May 13, 2013 10:00 a.m.	Matthew Robert White and White Capital Corporation s. 8 S. Horgan/C. Weiler in attendance for Staff Panel: JEAT
April 10, 2013 10:00 a.m.	Blackwood & Rose Inc., Steven Zetchus and Justin Kreller (also known as Justin Kay) s. 37, 127 and 127.1 C. Rossi in attendance for Staff Panel: JEAT	April 26, 2013 11:00 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: EPK
April 11-22 and April 24, 2013 10:00 a.m.	Morgan Dragon Development Corp., John Cheong (aka Kim Meng Cheong), Herman Tse, Devon Ricketts and Mark Griffiths s. 127 J. Feasby in attendance for Staff Panel: EPK		

April 29 – May 6 and May 8-10, 2013	North American Financial Group Inc., North American Capital Inc., Alexander Flavio Arconti, and Luigino Arconti	June 6, 2013	New Hudson Television Corporation, New Hudson Television L.L.C. & James Dmitry Salganov
10:00 a.m.	s. 127	10:00 a.m.	s. 127
	M. Vaillancourt in attendance for Staff		C. Watson in attendance for Staff
	Panel: AJL		Panel: MGC
May 9, 2013	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	July 31, 2013	Oversea Chinese Fund Limited Partnership, Weizhen Tang and Associates Inc., Weizhen Tang Corp., and Weizhen Tang
10:00 a.m.	s. 127	10:00 a.m.	s. 127 and 127.1
	Y. Chisholm in attendance for Staff		H. Craig in attendance for Staff
	Panel: TBA		Panel: MGC
May 10, 2013	Children's Education Funds Inc.	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		s. 127
	D. Ferris in attendance for Staff		J. Waechter/U. Sheikh in attendance for Staff
	Panel: JEAT		Panel: TBA
June 3, June 5-17 and June 19-25, 2013	David Charles Phillips and John Russell Wilson	10:00 a.m.	
10:00 a.m.	s. 127		
	Y. Chisholm in attendance for Staff	October 15-21, October 23-29, 2013	Normand Gauthier, Gentree Asset Management Inc., R.E.A.L. Group Fund III (Canada) LP, and CanPro Income Fund I, LP
	Panel: TBA	10:00 a.m.	s. 127
June 3, 5-6, 10-12, 14-17, 19-20 and July 22-26, 2013	Jowdat Waheed and Bruce Walter		B. Shulman in attendance for Staff
10:00 AM	s. 127		Panel: TBA
	J. Lynch in attendance for Staff		
	Panel: CP/SBK/PLK	November 4 and November 6-18, 2013	Systematech Solutions Inc., April Vuong and Hao Quach
		10:00 a.m.	s. 127
			D. Ferris in attendance for Staff
			Panel: TBA

May 5-16 and May 20 – June 20, 2014 10:00 a.m.	Paul Azeff, Korin Bobrow, Mitchell Finkelstein, Howard Jeffrey Miller and Man Kin Cheng (a.k.a. Francis Cheng) s. 127 T. Center/D. Campbell in attendance for Staff Panel: TBA	TBA	Gold-Quest International, 1725587 Ontario Inc. carrying on business as Health and Harmony, Harmony Club Inc., Donald Iain Buchanan, Lisa Buchanan and Sandra Gale s. 127 H. Craig in attendance for Staff Panel: TBA
TBA	Yama Abdullah Yaqeen s. 8(2) J. Superina in attendance for Staff Panel: TBA	TBA	Gold-Quest International, Health and Harmony, Iain Buchanan and Lisa Buchanan s. 127 H. Craig in attendance for Staff Panel: TBA
TBA	Microsourceonline Inc., Michael Peter Anzelmo, Vito Curalli, Jaime S. Lobo, Sumit Majumdar and Jeffrey David Mandell s. 127 J. Waechter in attendance for Staff Panel: TBA	TBA	Brilliant Brasilcan Resources Corp., York Rio Resources Inc., Brian W. Aidelman, Jason Georgiadis, Richard Taylor and Victor York s. 127 H. Craig in attendance for Staff Panel: TBA
TBA	Frank Dunn, Douglas Beatty, Michael Gollogly s. 127 K. Daniels in attendance for Staff Panel: TBA	TBA	Uranium308 Resources Inc., Michael Friedman, George Schwartz, Peter Robinson, and Shafi Khan s. 127 H. Craig/C.Rossi in attendance for Staff Panel: TBA
TBA	MRS Sciences Inc. (formerly Morningside Capital Corp.), Americo DeRosa, Ronald Sherman, Edward Emmons and Ivan Cavric s. 127 and 127(1) D. Ferris in attendance for Staff Panel: TBA		

TBA	<p>York Rio Resources Inc., Brilliant 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>Beryl Henderson</p> <p>s. 127</p> <p>S. Schumacher 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>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	<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>Juniper Fund Management Corporation, Juniper Income Fund, Juniper Equity Growth Fund and Roy Brown (a.k.a. Roy Brown-Rodrigues)</p> <p>s. 127 and 127.1</p> <p>D. Ferris 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>Crown Hill Capital Corporation and Wayne Lawrence Pushka</p> <p>s. 127</p> <p>A. Perschy/A. Pelletier 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>Portus Alternative Asset Management Inc., Portus Asset Management Inc., Boaz Manor, Michael Mendelson, Michael Labanowich and John Ogg</p> <p>s. 127</p> <p>H Craig in attendance for Staff</p> <p>Panel: TBA</p>

TBA	<p>Irwin Boock, Stanton Defreitas, Jason Wong, Saudia Allie, Alena Dubinsky, Alex Khodjaiaints 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: TBA</p>	TBA	<p>Sino-Forest Corporation, Allen Chan, Albert Ip, Alfred C.T. Hung, George Ho, Simon Yeung and David Horsley</p> <p>s. 127</p> <p>H. Craig in attendance for Staff</p> <p>Panel: TBA</p>
		TBA	<p>Sino-Forest Corporation, Allen Chan, Albert Ip, Alfred C.T. Hung, George Ho and Simon Yeung</p> <p>s. 127</p> <p>H. Craig in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p>Ernst & Young LLP</p> <p>s. 127 and 127.1</p> <p>A. Clark in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p>Fawad UI Haq Khan and Khan Trading Associates Inc. carrying on business as Money Plus</p> <p>s. 60 and 60.1 of the <i>Commodity Futures Act</i></p> <p>T. Center in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p>Newer Technologies Limited, Ryan Pickering and Rodger Frey</p> <p>s. 127 and 127.1</p> <p>B. Shulman in attendance for staff</p> <p>Panel: TBA</p>	TBA	<p>Northern Securities Inc., Victor Philip Alboini, Douglas Michael Chornoboy and Frederick Earl Vance</p> <p>s. 21.7 and 8</p> <p>Y. Chisholm in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p>Nest Acquisitions and Mergers, IMG International Inc., Caroline Myriam Frayssignes, David Pelcowitz, Michael Smith, and Robert Patrick Zuk</p> <p>s. 37, 127 and 127.1</p> <p>C. Price in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p>Global RESP Corporation and Global Growth Assets Inc.</p> <p>s. 127</p> <p>D. Ferris in attendance for Staff</p> <p>Panel: TBA</p>

TBA **Issam El-Bouji, Global RESP Corporation, Global Growth Assets Inc., Global Educational Trust Foundation and Margaret Singh**

s. 127 and 127.1

M. Vaillancourt in attendance for Staff

Panel: TBA

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

s. 127(1) and (5)

A. Heydon/Y. Chisholm in attendance for Staff

Panel : TBA

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

s. 127

J. Feasby in attendance for Staff

Panel: TBA

TBA **Ground Wealth Inc., Michelle Dunk, Adrion Smith, Joel Webster, Douglas DeBoer, Armadillo Energy Inc., Armadillo Energy, Inc., and Armadillo Energy LLC**

s. 127

J. Feasby in attendance for Staff

Panel: TBA

TBA **Quadrex Asset Management Inc., Quadrex Secured Assets Inc., Offshore Oil Vessel Supply Services LP, Quibik Income Fund and Quibik Opportunity Fund**

s. 127

D. Ferris in attendance for Staff

Panel: TBA

TBA **JV Raleigh Superior Holdings Inc., Maisie Smith (also known as Maizie Smith) and Ingram Jeffrey Eshun**

s. 127

S. Schumacher in attendance for Staff

Panel: TBA

TBA **Global Consulting and Financial Services, Crown Capital Management Corporation, Canadian Private Audit Service, Executive Asset Management, Michael Chomica, Peter Siklos (also known as Peter Kuti), Jan Chomica, and Lorne Banks**

s. 127

H. Craig/C. Rossi in attendance for Staff

Panel: TBA

ADJOURNED SINE DIE

Global Privacy Management Trust and Robert Cranston

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 Multilateral CSA Staff Notice 51-338 – Continuous Disclosure and Prospectus Requirements Relating to Documents Prepared under the U.S. Securities and Exchange Act of 1934



**Canadian Securities
Administrators**

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Multilateral CSA Staff Notice 51-338
Continuous Disclosure and Prospectus Requirements Relating to Documents Prepared under the U.S. Securities and Exchange Act of 1934

March 7, 2013

Purpose

This CSA staff notice is published by the following jurisdictions: Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Prince Edward Island, Nova Scotia, Newfoundland and Labrador, Yukon, Northwest Territories and Nunavut. This notice provides information about continuous disclosure and prospectus requirements applicable to documents that are schedules or exhibits to, or incorporated by reference in, disclosure documents prepared in accordance with the United States *Securities and Exchange Act of 1934* (the 1934 Act) and filed in Canada.

Filing requirements under continuous disclosure rules

National Instrument 51-102

National Instrument 51-102 *Continuous Disclosure Obligations* (NI 51-102) has certain provisions that apply to reporting issuers that are SEC issuers (as defined in that rule).

In particular, the definition of annual information form (AIF) in NI 51-102 allows SEC issuers to file as an AIF an annual report under the 1934 Act on Form 10-K or Form 20-F (a 1934 annual report). A 1934 annual report may contain various schedules and exhibits, as well as documents incorporated by reference, all of which form part of the 1934 annual report.

- Staff have noted that certain SEC issuers filing a 1934 annual report in Canada do not include in their SEDAR filings all schedules and exhibits to, or documents incorporated by reference in, the 1934 annual report.
- An SEC issuer filing a 1934 annual report in Canada as its AIF must also file all schedules and exhibits to, and documents incorporated by reference in, the 1934 annual report.

Furthermore, section 11.1 of NI 51-102 requires a reporting issuer that is an SEC issuer to file a copy of any disclosure material that it files with, or furnishes to, the U.S. Securities and Exchange Commission (SEC) under the 1934 Act. This includes material filed as exhibits to other documents, if the material contains information that has not been included in disclosure already filed in Canada by the SEC issuer. Staff have noted that certain SEC issuers do not comply with this requirement.

National Instrument 71-102

Part 4 of National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers* (NI 71-102) contains certain exemptions that apply to reporting issuers that are SEC foreign issuers (as defined in that rule).

In particular, Part 4 of NI 71-102 allows an SEC foreign issuer to satisfy certain continuous disclosure obligations under NI 51-102 by filing in Canada a copy of certain disclosure documents that it files with, or furnishes to, the SEC.

- Staff have noted that certain SEC foreign issuers filing a U.S. disclosure document in reliance on an exemption in Part 4 do not include in their SEDAR filings all schedules and exhibits to, or documents incorporated by reference in, the U.S. disclosure document.
- An SEC foreign issuer filing a U.S. disclosure document in Canada in reliance on an exemption in Part 4 must also file all schedules and exhibits to, and documents incorporated by reference in, the U.S. disclosure document.

Incorporation by reference requirements under short form prospectus rule

If an SEC issuer uses its 1934 annual report as an AIF in Canada, the 1934 annual report must be incorporated by reference in any short form prospectus filed under National Instrument 44-101 *Short Form Prospectus Distributions* (NI 44-101), as required by item 11 of Form 44-101F1 *Short Form Prospectus*.

- Staff have received questions from issuers as to whether it is possible not to incorporate by reference certain portions of, or schedules and exhibits to, a 1934 annual report that are not required in an AIF prepared under Form 51-102F2 *Annual Information Form*.
- The requirement to incorporate a document by reference under item 11 of Form 44-101F1 applies to the entire document, including schedules and exhibits to, and documents incorporated by reference in, the document.

Filing schedules, exhibits and documents incorporated by reference on SEDAR

When an SEC issuer files a 1934 annual report or other U.S. disclosure document on SEDAR, the issuer may comply with the above requirements by filing the schedules, exhibits and documents incorporated by reference as:

- attachments to the version of the 1934 annual report or other disclosure document that is filed on SEDAR (i.e., as one single document under the appropriate document type),
- a single filing under the document type "Other" in the same SEDAR project, or
- separate filings under the document type "Other" in the same SEDAR project.

However, if annual financial statements, annual MD&A, a management information circular, a material contract or other specific continuous disclosure document required by NI 51-102 has already been filed under the appropriate document type in the "Continuous Disclosure" category on SEDAR, it is not necessary to re-file them with the 1934 annual report if they are incorporated by reference into that 1934 annual report.

Furthermore, an SEC issuer that files a 1934 annual report may incorporate by reference all or part of a document that was previously filed on SEDAR as part of a 1934 annual report for a previous year.

Regardless of which of the above methods is followed for a 1934 annual report or other U.S. disclosure document filed on SEDAR, we suggest that SEC issuers file a "notice to public" under the document type "Cover Letter" in the same SEDAR submission indicating where the schedules, exhibits and documents incorporated by reference can be found (e.g., by referring to the date of filing on SEDAR).

Exemptive relief

We have granted exemptive relief to certain SEC issuers that made submissions on why they should not be required to:

- file in Canada certain schedules and exhibits to, or documents incorporated by reference in, a U.S. disclosure document, or
- incorporate those materials by reference into a short form prospectus.

Staff will consider applications for exemptive relief on a case-by-case basis. If an SEC issuer seeks exemptive relief in respect of certain schedules or exhibits required to be filed with or furnished to the SEC, staff will consider a number of factors, including whether the schedules and exhibits:

- consist of documents that only have to be filed under a specific requirement of U.S. securities legislation that has no equivalent in Canada, or
- contain material information that the issuer is required to disclose under Canadian securities legislation, including NI 51-102 or NI 44-101.

French language requirements under Québec legislation

If an issuer files a short form prospectus in Québec, section 40.1 of the *Securities Act* (Québec) requires that the prospectus, as well as any document required to be incorporated by reference in the prospectus, be drawn up in French or in French and English. Accordingly, any 1934 annual report or other document prepared in accordance with the 1934 Act that is incorporated by reference in a short form prospectus filed in Québec (including all schedules and exhibits to, and documents incorporated by

reference in, the 1934 annual report or other document), must be drawn up in French or in French and English, unless exemptive relief from section 40.1 is granted by the Autorité des marchés financiers (AMF).

Questions

Please refer your questions to any of the following people:

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1.1.3 Gold-Quest International et al.

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

AND

**IN THE MATTER OF
GOLD-QUEST INTERNATIONAL,
1725587 ONTARIO INC. carrying on business as
HEALTH AND HARMONEY, HARMONEY CLUB INC.,
DONALD IAIN BUCHANAN, LISA BUCHANAN and
SANDRA GALE**

NOTICE OF WITHDRAWAL

WHEREAS on March 12, 2009, Staff of the Ontario Securities Commission ("Staff") filed a Statement of Allegations pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended, against Gold-Quest International, 1725587 Ontario Inc., carrying on business as Health and Harmony ("Health and Harmony"), Harmony Club Inc. ("Harmony Club"), Donald Iain Buchanan, Lisa Buchanan and Sandra Gale;

AND WHEREAS the respondents Health and Harmony and Harmony Club were placed into receivership by an Order of the Ontario Superior Court of Justice dated August 5, 2010;

AND WHEREAS on December 17, 2011 Harmony Club was dissolved by reason of non-compliance with section 212 of the *Canadian Business Corporations Act*, R.S.C. 1985, c. C-44, as amended;

AND WHEREAS on January 18, 2013 Health and Harmony was cancelled by the companies branch pursuant to section 241 of the *Business Corporations Act*, R.S.O. 1990, c. B.16, as amended;

TAKE NOTICE that Staff withdraw the allegations against the respondents Health and Harmony and Harmony Club, as of March 4, 2013.

March 4, 2013

STAFF OF THE ONTARIO SECURITIES COMMISSION

20 Queen Street West
P.O. Box 55, 19th Floor
Toronto, Ontario M5H 3S8

1.2 Notices of Hearing

1.2.1 Huntingdon Capital Corp. and KEYreit – s. 127(1)

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

AND

**IN THE MATTER OF
HUNTINGDON CAPITAL CORP. and KEYREIT**

**NOTICE OF HEARING
(Subsection 127(1))**

TAKE NOTICE that the Ontario Securities Commission (the "Commission") will hold a hearing (the "Hearing") at the temporary offices of the Commission at ASAP Reporting Services Inc., Bay Adelaide Centre, 333 Bay Street, Suite 900, Toronto, Ontario commencing on Thursday, March 14, 2013 at 10:00 a.m. or as soon thereafter as the Hearing can be held;

TO CONSIDER an application filed by KEYreit dated February 25, 2013.

Dated at Toronto this 27th day of February, 2013

"John Stevenson"
Secretary to the Commission

1.2.2 KEYreit and Huntingdon Capital Corp. – s. 127(1)

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

AND

**IN THE MATTER OF
KEYREIT and HUNTINGDON CAPITAL CORP.**

**NOTICE OF HEARING
(Subsection 127(1))**

TAKE NOTICE that the Ontario Securities Commission (the “Commission”) will hold a hearing (the “Hearing”) at the temporary offices of the Commission at ASAP Reporting Services Inc., Bay Adelaide Centre, 333 Bay Street, Suite 900, Toronto, Ontario commencing on Thursday, March 14, 2013 at 10:00 a.m. or as soon thereafter as the Hearing can be held;

TO CONSIDER an application filed by Huntingdon Capital Corp. dated March 4, 2013 requesting a cease trade order in respect of the unitholders’ rights plan of KEYreit.

Dated at Toronto this 4th day of March, 2013

“John Stevenson”
Secretary to the Commission

1.2.3 Peter Sbaraglia – s. 127

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

AND

**IN THE MATTER OF
PETER SBARAGLIA**

**NOTICE OF HEARING
Section 127**

TAKE NOTICE THAT the Ontario Securities Commission (the “Commission”) will hold a hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”), at the temporary offices of the Commission at ASAP Reporting Services Inc., Bay Adelaide Centre, 333 Bay Street, Suite 900, Toronto, ON, commencing on March 5, 2013 at 2:30 p.m., or as soon thereafter as the hearing can be held;

AND TAKE NOTICE THAT the purpose of the hearing is for the Commission to consider whether it is in the public interest to approve the settlement agreement dated March 4, 2013, between Staff of the Commission (“Staff”) and Dr. Peter Sbaraglia (“Sbaraglia”);

BY REASON OF the allegations set out in the Statement of Allegations dated February 24, 2011;

AND TAKE FURTHER NOTICE that any party to the proceedings may be represented by counsel at the hearing;

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

DATED at Toronto this 4th day of March, 2013.

“John Stevenson”
Secretary to the Commission

1.3 News Releases

1.3.1 Canadian Securities Regulators Adopt Amendments to Prospectus Rules



Canadian Securities
Administrators

Autorités canadiennes
en valeurs mobilières

FOR IMMEDIATE RELEASE
February 28 2013

CANADIAN SECURITIES REGULATORS ADOPT AMENDMENTS TO PROSPECTUS RULES

The Canadian Securities Administrators (CSA) announced today amendments to National Instrument (NI) 41-101 *General Prospectus Requirements*, NI 44-101 *Short Form Prospectus Distributions*, NI 44-102 *Shelf Distributions*, NI 81-101 *Mutual Fund Prospectus Disclosure*, and related policies and consequential amendments. The CSA are amending the prospectus rules and their related companion policies to address user feedback and the CSA's experience with the prospectus rules since the implementation of the general prospectus rule, NI 41-101, on March 17, 2008.

"The CSA constantly reviews the effectiveness of its rules, regulations and policies to ensure they are meeting the needs of both investors and market participants," said Bill Rice, Chair of the CSA and Chair and CEO of the Alberta Securities Commission. "These changes clarify, modify or eliminate aspects of the prospectus rules to make the process more streamlined and accessible to users."

The amendments are intended to:

- clarify certain provisions of the prospectus rules;
- address gaps in the prospectus rules;
- modify certain requirements in the prospectus rules to enhance their effectiveness;
- remove or streamline certain requirements in the prospectus rules that are burdensome for issuers and of limited utility for investors; and
- codify prospectus relief that has been granted in the past.

The amendments and related materials can be found on CSA members' websites. In some jurisdictions, ministerial approvals are required to implement the amendments. If all such approvals are obtained, the amendments will take effect on May 14, 2013.

The CSA, the council of the securities regulators of Canada's provinces and territories, coordinates and harmonizes regulation for the Canadian capital markets.

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1.3.2 OSC Panel Releases Decision Regarding FactorCorp Inc. et al.

FOR IMMEDIATE RELEASE
February 25, 2013

**OSC PANEL RELEASES DECISION
REGARDING FACTORCORP INC. ET AL.**

TORONTO – In a decision released on February 25, 2013, an Ontario Securities Commission (OSC) panel found that FactorCorp Inc., FactorCorp Financial Inc. (the “FactorCorp companies”) and Mark Twerdun (“Twerdun”) breached the Ontario *Securities Act* in connection with raising approximately \$50 million from about 600 Ontario investors between 2004 and 2007.

In its decision, the panel found that FactorCorp companies contravened subsections 122(1)(b) and (c), and 126.2(1) of the *Securities Act* by making misleading or untrue statements in offering memoranda and promotional material. The panel also concluded that, as the sole officer and director, Twerdun was liable for the contraventions of the FactorCorp companies and that he failed to ensure that investors were entitled to rely on the accredited investor exemption, contrary to the public interest.

The panel made factual findings related to the conduct of the FactorCorp companies and Twerdun in making use of investor funds contrary to the statements in the offering memoranda and promotional material, including that one transaction involving investor funds “reflected what can only be described as a shocking dereliction by the Respondents of their duties to the investors.”

The panel ordered the hearing to determine sanctions and costs to commence on April 18, 2013 at 10:00 a.m. A copy of the Reasons for Decision can be found on the OSC website at www.osc.gov.on.ca.

The mandate of the OSC is to provide protection to investors from unfair, improper or fraudulent practices and to foster fair and efficient capital markets and confidence in capital markets. Investors are urged to check the registration of any person or company offering an investment opportunity and to review the OSC’s investor materials available at www.osc.gov.on.ca.

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1.3.3 OSC Enforcement Activity in 2012

FOR IMMEDIATE RELEASE
February 28, 2013

OSC ENFORCEMENT ACTIVITY IN 2012

TORONTO – The Ontario Securities Commission (OSC) reported today on its enforcement activity in 2012, with details on how the OSC delivered a vigorous and timely enforcement program to protect investors and promote fair and efficient capital markets in the province.

“Robust and effective enforcement is essential to investor protection and to foster confidence in our capital markets,” said Howard Wetston, Q.C., Chair and CEO of the OSC. “The OSC continues to intensify its enforcement program and explore other ways to protect investors and support their trust and confidence in the fairness and integrity of Ontario’s capital markets.”

In 2012, the OSC focused on protecting investors by addressing the most serious harms, including fraudulent activity and the failure to provide investors with full and complete information, both of which have a significant impact on investors. The OSC also continued to deal effectively with the challenges raised by increasingly complex enforcement files involving multiple respondents.

Staff commenced a total of 30 proceedings involving 107 individual and corporate respondents, compared to 25 proceedings against 96 respondents in 2011. Proceedings were concluded against a total of 63 individuals and 37 companies in 2012, compared to 107 individual and 53 corporate respondents in the year before.

HIGHLIGHTS

Targeting Fraud

In 2012, the OSC concluded proceedings involving allegations of fraud against a total of 25 individual respondents and 23 corporate respondents, or 48 per cent of all respondents in concluded proceedings. OSC staff also commenced proceedings involving fraud allegations against a total of 35 individual respondents and 21 corporate respondents in 2012, or just over half of all of the respondents in commenced proceedings.

“We made it a priority to go after fraudulent schemes aimed at investors and we did just that in 2012,” said Tom Atkinson, Director of Enforcement. “The OSC has established solid momentum in protecting investors by targeting fraud and sanctioning perpetrators.”

The OSC continues to strengthen its partnerships with police services and the provincial Ministry of the Attorney General in areas of shared enforcement interest. These relationships are supported by the specialized skills of OSC staff in areas such as forensic accounting, litigation and cross-border investigations.

Court Proceedings

The OSC continues to bring cases to the Ontario Court of Justice, especially proceedings involving fraud allegations, recidivists and respondents who do not comply with Commission orders. At December 31, 2012, there were seven matters in litigation before the court, and six of those matters involved allegations of fraud. In 2012, two defendants received jail sentences totalling 21 months for breaches of the Ontario *Securities Act* and Commission orders.

International Investigations

An increasing share of OSC enforcement actions involve activity beyond the borders of Ontario, resulting in challenging and complex investigations.

On May 22, 2012, OSC staff issued a statement of allegations, including fraud, against Sino-Forest Corporation and six individual respondents. The proceeding is ongoing before a tribunal.

One major focus of the Sino-Forest investigation was whether gatekeepers such as auditors and other corporate advisors properly performed their role in protecting investors. In December 2012, OSC Staff issued allegations against Ernst & Young LLP, former auditors of Sino-Forest Corporation. Staff alleged that Ernst & Young breached the Ontario *Securities Act* by failing to conduct their audits in accordance with relevant industry standards.

International Enforcement Co-operation

The interconnectedness of the global capital markets requires a sustained focus on and commitment to information sharing and collaboration among regulators to combat cross-border misconduct.

The largest number of requests for assistance from the OSC come from U.S. regulators, specifically the Securities and Exchange Commission (SEC) and Commodity Futures Trading Commission (CFTC), but an increasing number of requests are made between the OSC and regulators in Asia and Europe, such as Hong Kong and Germany. The number of international (non-U.S.) requests for assistance received by the OSC increased from 10 in 2011 to 19 in 2012. The OSC made 35 requests to international regulators in 2012, up from 33 in 2011 (see table below).

Requests to the OSC often involve assistance with access to broker and banking records for investigations, locating people of interest to investigators and compelling testimony from individuals in interviews. Assistance requests can alert OSC Enforcement staff to possible misconduct in Ontario which requires prompt action to protect investors and markets here. The rising level of assistance is being driven by the effectiveness and timeliness of the OSC's co-operation and the significant increase in the number of non-U.S. regulators who are compliant with the International Organization of Securities Commissions' (IOSCO) Multilateral Memorandum of Understanding for information sharing.

"The OSC often has common enforcement interests with other regulators and Ontario's investors and markets benefit from our efforts to share information and provide assistance on a timely basis," said Tom Atkinson, Director of Enforcement.

In August 2012, the SEC acknowledged the OSC's assistance in an investigation that shut down ZeekRewards.com, a USD\$600 million Ponzi scheme in the U.S. The CFTC also acknowledged the work of the OSC in assisting the CFTC in its investigation into a USD\$7 million foreign currency fraud.

Enforcement and Compliance

For many investors, their main point of contact with the securities industry is through registered advisers or dealers, who are expected to comply with the high standards of conduct and disclosure in Ontario.

The OSC increased its focus on compliance with Know Your Product (KYP) and Know Your Client (KYC) requirements and other suitability obligations for registrants in 2012. The concluded proceeding against Trapeze Asset Management Inc. is an example of a registered firm failing to ensure that certain investments were suitable for all of its clients. Under terms of a settlement agreement, the OSC ordered the respondents to pay an administrative penalty, and Trapeze agreed to submit to a review of its practices and to conduct account reviews.

In addition, staff in the Compliance and Registrant Regulation Branch referred four scholarship plan dealer firms to the Enforcement Branch after identifying serious concerns with sales practices during compliance reviews. Each dealer agreed to retain a compliance consultant to develop and implement a compliance plan and to monitor to ensure that all sales are suitable.

Enforcement Efficiency

The OSC continually looks for ways to be more efficient in the processes it uses for enforcing securities law in Ontario. The OSC is investing in new technology, including E-Discovery tools, data analytics and forensic services, to assist staff with complex investigations and also in the litigation process.

The OSC started holding electronic hearings in 2012 to provide easier access to all documents and reduce the time, effort, and space required to manage documents throughout the hearing life-cycle. Leveraging technology in electronic hearings is improving the quality of searching results and analyzing evidence during the tribunal review and decision processes.

Investor Warnings and Fraud Awareness

The OSC issues Investor Alerts and maintains an Investor Warning List on its website to warn the public about individuals and companies that may be involved in harmful activity. In 2012, the OSC issued five Investor Alerts, the same number as in 2011, and added 24 companies and four individuals to its Investor Warning List, compared to 31 companies in 2011.

Staff from Enforcement and the Office of the Investor are participating in "OSC in the Community" provincial roadshow events in early 2013. The first event was in Thunder Bay on February 27. Staff gave presentations to investors about fraud prevention and how to identify the warning signs of fraudulent investment schemes.

ENFORCEMENT PROCEEDINGS

Proceedings Commenced

A total of 30 proceedings were commenced in 2012, involving 71 individuals and 36 companies. Fifteen of those proceedings included allegations of fraud, involving 56 of the total of 107 respondents.

Category of Alleged Wrongdoing	Cases	Respondents	
		Individuals	Companies
Fraud*	15	35	21
Illegal distributions	6	16	9
Misconduct by registrants	2	4	4
Insider Trading	2	12	1
Miscellaneous	5	4	1
Total	30	71	36

* 2012 is the first year in which fraud is featured as a standalone category. Previously, fraud matters were included among other categories.

Interim Orders

Interim orders protect investors by prohibiting or inhibiting potentially illegal activity while an investigation is underway. A total of eight orders were issued by the Commission in 2012, involving seven individuals and 13 companies.

Concluded Proceedings

A proceeding is concluded when the Commission or the courts make a decision and any sanctions are ordered. In 2012, proceedings were concluded against a total of 63 individuals and 37 companies.

Category of Wrongdoing	Respondents	
	Individuals	Companies
Fraud*	25	23
Illegal distributions	20	6
Misconduct by registrants	8	7
Illegal insider trading	2	-
Disclosure violations	1	-
Miscellaneous	7	1
Total	63	37

* 2012 is the first year in which fraud is featured as a standalone category. Previously, fraud matters were included among other categories.

How Matters were Concluded	2012
Contested Hearings before a Tribunal	60
Settlement Agreement	36
Court Proceeding (under securities legislation)	4
Total	100

Sanctions – Protective

The Commission can impose bans on future activity, such as trading in securities (cease trade orders), acting as a director or officer of a public company, and acting as or becoming a registrant. The Commission can also remove prospectus and registration exemptions available under the Act.

Category	2012
Cease Trade Orders	80
Director and Officer Bans	49
Exemption Removals	72
Registration Restrictions	58

Sanctions – Monetary

The Commission can impose monetary sanctions and bans on individuals and companies for violations of securities law or conduct that is contrary to the public interest. Adjudicative tribunals can also order a respondent to pay the costs of an investigation and/or hearing. The courts have the authority to impose fines and jail terms.

Monetary sanctions include penalties, settlements and disgorgement. Disgorgement requires the respondent to pay the OSC the amount the respondent obtained as a result of the illegal activity. In 2012, the Commission ordered a total of more than \$78 million in sanctions and costs.

While the OSC has experienced challenges in collecting on monetary sanctions and cost orders, it continues to work to improve its collections practices. Additional information on the OSC's collection experience is available on its website (osc.gov.on.ca).

Type	Amount
Administrative Penalties/ Settlements	\$13,648,572
Disgorgement	\$61,503,163
Costs	\$2,980,121
Total	\$78,131,856

Enforcement Co-operation

Requests for assistance received by the OSC	2012
International	19
United States	30
Canada	10
Total	59
Requests for assistance made by the OSC	
International	35
United States	14
Canada	8
Total	57
Assistance files open as at Dec. 31, 2012	
International	15
United States	25
Canada	19
Total	59

The [2011 OSC Report on its Enforcement Activity](#) is available on the OSC website.

The OSC is responsible for enforcing securities law in Ontario, and works actively to protect investors and the capital markets.

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1.3.4 OSC Panel Issues Sanctions Against Empire Consulting Inc. and Desmond Chambers

FOR IMMEDIATE RELEASE
March 1, 2013

OSC PANEL ISSUES SANCTIONS AGAINST EMPIRE CONSULTING INC. AND DESMOND CHAMBERS

TORONTO – A panel of the Ontario Securities Commission (OSC) today released its Reasons and Decision on Sanctions and Costs, permanently banning Empire Consulting Inc. (Empire) and its president and founder, Desmond Chambers (Chambers), from trading in securities for their roles in raising approximately \$1,493,108 from the sale of the debt elimination strategy (DES) program to approximately 26 Ontario investors. Investors were encouraged to remortgage their homes in order to provide funds to invest in the DES program.

In today's decision, the OSC panel observed that Empire and Chambers "exploited the weaknesses of modest, hard-working individuals who trusted and relied upon false representations to their detriment." Empire and Chambers were found to have perpetrated a fraud on the Empire investors which resulted in irreversible financial harm to the Empire investors. Accordingly, the OSC panel ordered that Empire and Chambers jointly pay an administrative penalty of \$300,000. Empire and Chambers were also ordered to jointly and severally pay \$859,555 in disgorgement and \$235,502.15 in costs.

The OSC panel found in its decision on the merits, released August 16, 2012, that "[n]otwithstanding that Empire was unprofitable, Chambers was using investor funds for personal expenses when Empire was consistently losing on its investments in the Forex Accounts." The OSC panel also found that Empire and Chambers "continuously misrepresented to investors that their investments were growing at incredible rates at a time when the only returns achieved by Empire were negative returns."

A copy of the Reasons and Decision on Sanctions and Costs is available on the OSC website at www.osc.gov.on.ca.

The mandate of the OSC is to provide protection to investors from unfair, improper or fraudulent practices and to foster fair and efficient capital markets and confidence in capital markets. Investors are urged to check the registration of any person or company offering an investment opportunity and to review the OSC's investor materials available at www.osc.gov.on.ca.

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For Investor Inquiries:

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1.3.5 Canadian Securities Regulators Stress Being Proactive is Key in Preventing Investor Fraud

FOR IMMEDIATE RELEASE
March 5, 2013

CANADIAN SECURITIES REGULATORS STRESS BEING PROACTIVE IS KEY IN PREVENTING INVESTOR FRAUD

St. John's – Canadian securities regulators are kicking off Fraud Prevention Month this March, by encouraging investors to be proactive in preventing investor fraud by checking registration.

Securities regulators across the country stress that being an informed investor is the best defence against investment fraud. A simple first step in protecting yourself is checking the registration of any firm or individual selling securities or offering investment advice.

The Canadian Securities Administrator (CSA) 2012 Investor Index revealed that 60 per cent of respondents with a financial adviser have never completed any form of background check. With almost 30 per cent of Canadians believing they have been approached with an investment fraud at some point in their life and with 4.6 per cent believing they have been a victim of investment fraud, Canadians need to carefully choose who they hand over their money to.

"Checking registration is an essential part of any investor's due diligence," said Bill Rice, Chair of the CSA and Chair and CEO of the Alberta Securities Commission. "To protect their investment, we encourage all Canadians to check the registration of any individual or firm offering an investment opportunity."

The CSA has provided investors with a tool, the National Registration Search, that is quick and easy to use. Registration is designed to help protect investors because Canadian securities regulators will only register firms and individuals that meet specific qualifications and standards. In terms of investor protection, registration status or category is more important than a title, because either one tells the investor what types of products or services a firm or individual is qualified to sell or provide advice on.

CSA is encouraging investors nationwide to participate in Check Registration Day, March 26, 2013. Here's how:

- Go to www.securities-administrators.ca and click National Registration Search, to ensure your investment individuals or firms are registered in your jurisdiction.
- Or, contact your local securities commission to verify registration.

If you discover the person you are dealing with is not registered, contact your local securities commission immediately.

The CSA, the council of securities regulators of Canada's provinces and territories, coordinates and harmonizes regulation for the Canadian capital markets. Their mandate is to protect investors from unfair or fraudulent practices through regulation of the securities industry. Part of this protection is educating investors about the risk, responsibilities and rewards of investing.

For more information:

Lorinda Brinton
Alberta Securities Commission
403-297-2665

Carolyn Shaw-Rimington
Ontario Securities Commission
416-593-2361

Sylvain Th  berge
Autorit   des march  s financiers
514-940-2176

Richard Gilhooley
British Columbia Securities Commission
604-899-6713

Ainsley Cunningham
Manitoba Securities Commission
204-945-4733

Wendy Connors-Beckett
New Brunswick Securities Commission
506-643-7745

Tanya Wiltshire
Nova Scotia Securities Commission
902-424-8586

Glenys Wood
Financial and Consumer Affairs
Authority of Saskatchewan
306-787-9397

Janice Callbeck
The Office of the Superintendent
Securities, P.E.I.
902-368-6288

Craig Whalen
Office of the Superintendent of Securities
Government of Newfoundland and Labrador
709-729-5661

Rhonda Horte
Office of the Yukon Superintendent
of Securities
867-667-5466

Louis Arki
Nunavut Securities Office
867-975-6587

Donn MacDougall
Northwest Territories Securities Office
867-920-8984

1.4 Notices from the Office of the Secretary

1.4.1 Huntingdon Capital Corp. and KEYreit

**FOR IMMEDIATE RELEASE
February 27, 2013**

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

AND

**IN THE MATTER OF
HUNTINGDON CAPITAL CORP. and KEYREIT**

TORONTO – On February 27, 2013 the Commission issued a Notice of Hearing pursuant to Subsection 127(1) of the Securities Act to consider the Application filed by KEYreit dated February 25, 2013. The hearing will be held on March 14, 2013 at 10:00 a.m. or as soon thereafter as the hearing can be held at the temporary offices of the Commission at ASAP Reporting Services Inc., Bay Adelaide Centre, 333 Bay Street, Suite 900, Toronto.

A copy of the Notice of Hearing dated February 27, 2013 and the Application dated February 25, 2013 are available at www.osc.gov.on.ca.

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1-877-785-1555 (Toll Free)

1.4.2 Global Energy Group, Ltd. et al.

**FOR IMMEDIATE RELEASE
February 28, 2013**

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

AND

**IN THE MATTER OF
GLOBAL ENERGY GROUP, LTD.,
NEW GOLD LIMITED PARTNERSHIPS,
CHRISTINA HARPER, HOWARD RASH,
MICHAEL SCHAUER, ELLIOT FEDER,
VADIM TSATSKIN, ODED PASTERNAK,
ALAN SILVERSTEIN, HERBERT GROBERMAN,
ALLAN WALKER, PETER ROBINSON,
VYACHESLAV BRIKMAN, NIKOLA BAJOVSKI,
BRUCE COHEN and ANDREW SHIFF**

TORONTO – The Commission issued an Order in the above named matter which provides that the Temporary Order is extended against Rash until April 29, 2013, without prejudice to either Staff or Rash to apply for a variation of the Temporary Order under section 144 of the Act, and that the hearing is adjourned to April 26, 2013 at 11:00 a.m.

A copy of the Order dated February 27, 2013 is available at www.osc.gov.on.ca.

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1.4.3 HEIR Home Equity Investment Rewards Inc. et al.

For investor inquiries:

**FOR IMMEDIATE RELEASE
February 28, 2012**

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

AND

**IN THE MATTER OF
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.**

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

1. The hearing on the merits in this matter will commence on April 15, 2013, and will continue thereafter on April 16-19, 22, 25, 26, 29, 30, May 1-3, 6, and 8-10, 2013. These dates are peremptory against the Canyon Respondents and the HEIR Respondents with or without counsel, as previously ordered on October 24, 2012; and
2. A prehearing conference will be held on April 4, 2013 at 9:00 a.m.

A copy of the Order dated February 27, 2013 is available at www.osc.gov.on.ca.

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1.4.4 Peter Sbaraglia

**FOR IMMEDIATE RELEASE
February 28, 2013**

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

AND

**IN THE MATTER OF
PETER SBARAGLIA**

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

1. Staff will deliver its hearing brief and accounting summaries with respect to the hearing on the merits by March 6, 2013;
2. Sbaraglia will deliver his hearing brief with respect to the hearing on the merits by March 6, 2013;
3. Staff will deliver the will-say statements of all Staff witnesses with respect to the hearing on the merits by March 8, 2013; and
4. The confidential pre-hearing conference is adjourned to Wednesday, February 27, 2013, immediately following the Receiver Motion.

A copy of the Order dated February 22, 2013 is available at www.osc.gov.on.ca.

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1.4.5 David M. O'Brien

**FOR IMMEDIATE RELEASE
February 28, 2013**

**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 in the above named matter, which provides that,

1. the pre-hearing date of March 7, 2013 is vacated;
2. a confidential pre-hearing conference shall take place on March 11, 2013 at 11:00 a.m.; and
3. the records of the March 11, 2013 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, (2012), 35 O.S.C.B. 10071.

A copy of the Order dated February 27, 2013 is available at www.osc.gov.on.ca.

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1.4.6 Issam El-Bouji et al.

**FOR IMMEDIATE RELEASE
February 28, 2013**

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

AND

**IN THE MATTER OF
ISSAM EL-BOUJI, GLOBAL RESP CORPORATION,
GLOBAL GROWTH ASSETS INC.,
GLOBAL EDUCATIONAL TRUST FOUNDATION
AND MARGARET SINGH**

TORONTO – The Commission issued an Order in the above noted matter which provides that this matter is adjourned to a confidential pre-hearing conference to be held on June 19, 2013 at 10:00 a.m.; and that a possible disclosure motion that may be brought by the Respondents shall be held on June 5, 2013 at 10:00 a.m.

A copy of the Order dated February 27, 2013 is available at www.osc.gov.on.ca.

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1.4.7 Empire Consulting Inc. and Desmond Chambers

**FOR IMMEDIATE RELEASE
March 1, 2013**

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

AND

**IN THE MATTER OF
EMPIRE CONSULTING INC. and
DESMOND CHAMBERS**

TORONTO – Following the sanctions and costs hearing held in the above named matter, the Commission issued its Reasons and Decision and an Order dated February 28, 2013.

A copy of the Reasons and Decision and the Order dated February 28, 2013 are available at www.osc.gov.on.ca.

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1.4.8 Morgan Dragon Development Corp. et al.

**FOR IMMEDIATE RELEASE
March 4, 2013**

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

AND

**IN THE MATTER OF
MORGAN DRAGON DEVELOPMENT CORP.,
JOHN CHEONG (aka KIM MENG CHEONG),
HERMAN TSE, DEVON RICKETTS
and MARK GRIFFITHS**

TORONTO – The Commission issued an Order in the above named matter which provides that a further confidential pre-hearing conference will be held on March 4, 2013, at 10:00 a.m.

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

A copy of the Order dated February 28, 2013 is available at www.osc.gov.on.ca.

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1.4.9 MI Capital Corporation and One Capital Corp. Limited

**FOR IMMEDIATE RELEASE
March 4, 2013**

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

AND

**IN THE MATTER OF
MI CAPITAL CORPORATION and
ONE CAPITAL CORP. LIMITED**

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

1. Pursuant to Rule 11 of the Rules of Procedure, Staff's application to proceed by way of written hearing is granted;
2. Staff's material in respect of the hearing shall be served and filed no later than March 4, 2013;
3. The Respondents' responding materials, if any, shall be served and filed no later than March 11, 2013; and
4. At the discretion of the panel, the Commission may recall the parties at a future date to make oral submissions and/or provide supplementary evidence.

A copy of the Order dated February 28, 2013 is available at www.osc.gov.on.ca.

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1.4.10 Peter Sbaraglia

**FOR IMMEDIATE RELEASE
March 4, 2013**

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

AND

**IN THE MATTER OF
PETER SBARAGLIA**

TORONTO – The Commission issued an Order in the above named matter which provides that the summons issued to Kofman is quashed.

A copy of the Order dated February 27, 2013 is available at www.osc.gov.on.ca.

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1.4.11 Huntingdon Capital Corp. and KEYreit

**FOR IMMEDIATE RELEASE
March 4, 2013**

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

AND

**IN THE MATTER OF
HUNTINGDON CAPITAL CORP. and KEYREIT**

TORONTO – Take notice that the Application of KEYreit dated February 25, 2013 has been withdrawn and the hearing date of March 14, 2013 is vacated.

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1.4.12 KEYreit and Huntingdon Capital Corp.

**FOR IMMEDIATE RELEASE
March 4, 2013**

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

AND

**IN THE MATTER OF
KEYREIT and HUNTINGDON CAPITAL CORP.**

TORONTO – On March 4, 2013, the Commission issued a Notice of Hearing pursuant to Subsection 127(1) of the *Securities Act* to consider the Application filed by Huntingdon Capital Corp. dated March 4, 2013.

The hearing will be held on March 14, 2013 at 10:00 a.m. or as soon thereafter as the hearing can be held at the temporary offices of the Commission at ASAP Reporting Services Inc., Bay Adelaide Centre, 333 Bay Street, Suite 900, Toronto.

A copy of the Notice of Hearing dated March 4, 2013 and Huntingdon's Application dated March 4, 2013 are available at www.osc.gov.on.ca.

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1.4.13 Peter Sbaraglia

**FOR IMMEDIATE RELEASE
March 4, 2013**

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

AND

**IN THE MATTER OF
PETER SBARAGLIA**

TORONTO – The Office of the Secretary issued a Notice of Hearing for a hearing to consider whether it is in the public interest to approve a settlement agreement entered into by Staff of the Commission and Peter Sbaraglia. The hearing will be held on March 5, 2013 at 2:30 p.m. at the temporary offices of the Commission at ASAP Reporting Services Inc., Bay Adelaide Centre, 333 Bay Street, Suite 900, Toronto, ON.

A copy of the Notice of Hearing dated March 4, 2013 is available at www.osc.gov.on.ca.

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1.4.14 Gold-Quest International et al.

**FOR IMMEDIATE RELEASE
March 5, 2013**

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

AND

**IN THE MATTER OF
GOLD-QUEST INTERNATIONAL,
1725587 ONTARIO INC. carrying on business as
HEALTH AND HARMONEY, HARMONEY CLUB INC.,
DONALD IAIN BUCHANAN, LISA BUCHANAN and
SANDRA GALE**

TORONTO – Staff of the Ontario Securities Commission filed a Notice of Withdrawal against the Respondents, Health and Harmony and Harmony Club as of March 4, 2013 in the above noted matter.

A copy of the Notice of Withdrawal dated March 4, 2013 is available at www.osc.gov.on.ca.

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Fortress Energy Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – exemption from the requirement under Part 8 of NI 51-102 to include financial statements in a Business Acquisition Report – the Filer will provide alternative disclosure on the basis that the acquisition was in substance an acquisition by the Filer of an interest in oil and gas properties.

Applicable Legislative Provisions

NI 51-102 Continuous Disclosure Obligations.

Citation: Fortress Energy Inc., Re, 2013 ABASC 67

February 25, 2013

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
FORTRESS ENERGY INC.
(THE FILER)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) for relief from the obligation to include financial statements in the business acquisition report (**BAR**), required by section 8.4 of National Instrument 51-102 *Continuous Disclosure Obligations* (**NI 51-102**) (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 subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador; 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 was incorporated under the *Business Corporations Act* (Alberta) on 15 January 2007 and has its head offices in Calgary, Alberta.
2. The Filer is a reporting issuer in each of the provinces of Canada.
3. To its knowledge, the Filer is not in default of securities legislation in any jurisdiction of Canada.
4. On 1 March 2012, the Filer entered into a purchase and sale agreement (the **Acquisition Agreement**) to acquire (the **Acquisition**) from certain Brazilian and Portuguese entities (the Vendors) certain oil and gas properties and related assets in Brazil (the **Assets**) through the acquisition of the shares of a Brazilian private oil and gas company (**Alvorada**) by a subsidiary of the Filer (**Brazil Holdco**).
5. In order to facilitate the Acquisition, subsequent to the entering into of the Acquisition Agreement and prior to the closing of the Acquisition, Alvorada was reorganized by the Vendors with the Assets being transferred to a newly created Brazilian company Alvo Petro S.A Extração de Petróleo E Gás Natural (**Holding Subsidiary**). The reorganization was completed on 1 December 2012.
6. Immediately prior to closing of the Acquisition, the Filer entered into an agreement (the **Petrominerales Agreement**) with Petrominerales

- Ltd. (**Petrominerales**) whereby Petrominerales acquired 75% of the shares of Brazil Holdco.
7. The Acquisition was completed on 11 December 2012.
 8. As a result of the Acquisition Agreement and the Petrominerales Agreement, the Filer acquired through affiliated companies, 25% of the issued and outstanding shares of the Holding Subsidiary and an indirect 25% interest in the Assets (the **Acquired Assets**).
 9. The Holding Subsidiary is a newly created company that was used by the Vendors for the purpose of facilitating the Acquisition. At the time of the closing of the Acquisition, the Holding Subsidiary had no assets or liabilities other than the Assets and carried on no other business.
 10. The acquisition of the Assets by way of the purchase and sale of the issued and outstanding shares of the Holding Subsidiary was made due to foreign ownership considerations as well for the purpose of facilitating the Acquisition in a manner that achieved certain tax efficiencies for the Vendors and facilitated the governmental approval process for the Acquisition in Brazil.
 11. The Filer has concluded that the Acquisition constitutes a "significant acquisition" for the Filer within the meaning of Part 8 of NI 51-102. Accordingly, the Filer is required to file a BAR in respect of the Acquisition.
 12. The financial year end of the Filer is 31 December and the financial year end of the Holding Subsidiary is 31 December.
 13. Pursuant to Item 3 of Form 51-102F4 *Business Acquisition Report (Form 51-102F4)* and Part 8 of NI 51-102, the Filer would, absent the Exemption Sought, be required to include in its BAR for the Acquisition, subject to the exemptions provided therein:
 - (a) a statement of comprehensive income, a statement of changes in equity and a cash flow statement of each of the two most recently completed financial years in respect of the Holding Subsidiary, a statement of financial position as at the end of each such financial year, and notes to the financial statements;
 - (b) an auditors' report on the statement of comprehensive income, statement of changes in equity and cash flow statements for the most recently completed financial year in respect of the Holding Subsidiary and the statement of financial position as at the end of such financial year;
 - (c) a statement of comprehensive income, a statement of changes in equity and a cash flow statement of each of the most recently completed interim period and a comparable period in the preceding financial year in respect of the Holding Subsidiary, a statement of financial position as at the end of each such periods, and notes to the financial statements;
 - (d) a pro forma statement of financial position of the Filer as at 30 September 2012 that gives effect to the Acquisition as if it had taken place as at such date; and
 - (e) a pro forma income statement of the Filer for the financial year ended 31 December 2011, and for the nine month interim period ended 30 September 2012 in each case giving effect to the acquisition as if it had taken place at 31 December 2011 together with pro forma earnings per share.
 14. Subsection 8.10(3) of NI 51-102 provides an exemption from the financial statement disclosure requirements that would otherwise apply under Part 8 of NI 51-102 if the significant acquisition is of a business that is an interest in an oil and gas property, provided that, among other things: (i) the acquisition is not an acquisition of securities of another issuer; and (ii) the Filer includes in the BAR for the Acquisition, historical operating statements in respect of the Assets and pro forma operating statements of the Filer as required under paragraph 8.10(3)(e) of NI 51-102.
 15. All of the conditions set forth in subsection 8.10(3) of NI 51-102 are satisfied, except for the fact that the Acquisition is an acquisition of securities of another issuer.
 16. The Filer does not have access to the source documents required to prepare audited financial statements for the Holding Subsidiary and cannot therefore fulfill the BAR requirements.
 17. The Filer proposes to include in the BAR to be filed in respect of the Acquisition all of the information that would be required under paragraph 8.10(3)(e) of NI 51-102, being:
 - (a) an audited operating statement presenting gross revenue, royalty expenses, production costs and operating income of the Acquired Assets for the year ended 31 December 2011;
 - (b) an unaudited operating statement presenting gross revenue, royalty expenses, production costs and operating income of

the Acquired Assets for the year ended 31 December 2010;

- (c) unaudited operating statements presenting gross revenue, royalty expenses, production costs and operating income of the Acquired Assets for the three month periods ended 30 September 2012 and 30 September 2011, respectively;
- (d) an unaudited pro forma operating statement of the Filer presenting gross revenue, royalty expenses, production costs and operating income for the year ended 31 December 2011 giving effect to the Acquisition of the Acquired Assets as if it had taken place at 1 January 2011;
- (e) an unaudited pro forma operating statement of the Filer presenting gross revenue, royalty expenses, production costs and operating income for the nine months ended 30 September 2012 giving effect to the Acquisition of the Acquired Assets as if it had taken place at 1 January 2011;
- (f) a description of the Assets and disclosure regarding the annual oil and natural gas production volumes from the Assets, as contemplated in subparagraphs 8.10(3)(e)(iii) and (iv) of NI 51-102; and
- (g) information regarding the estimated reserves and future related net revenue attributable to the Assets and estimated oil and natural gas production volumes therefrom, as contemplated in paragraph 8.10(3)(g) of NI 51-102,

(collectively, the **Alternative Financial Disclosure**).

18. The Acquisition of the Acquired Assets was, in substance, an acquisition by the Filer of an interest in oil and gas properties constituting a business. For certain tax, foreign ownership and governmental approval reasons, the transaction was structured by the Vendors as a purchase by the Filer and Petrominerales of the issued and outstanding shares of the Holding Subsidiary rather than the acquisition of the Acquired Assets directly from the Vendors. Absent these considerations, the Filer would have acquired its interest in the Acquired Assets directly from the Vendors and availed itself of the exemption provided in subsection 8.10(3) of NI 51-102 with respect to the financial disclosure to be included in the BAR.
19. The Alternative Financial Disclosure provides complete information regarding the business

acquired by the Filer. The Holding Subsidiary was a newly created Brazilian company formed by the Vendors and used by the Vendors to facilitate the Acquisition, which had no assets or liabilities other than the Assets, which it acquired immediately before the Acquisition in connection with the Acquisition.

20. The Filer seeks a decision of the Decision Makers under section 13.1 of NI 51-102 exempting the Filer from the requirements to include in the BAR to be filed in respect of the Acquisition, the financial statements and other information required pursuant to Item 3 of Form 51-102F4, provided that the BAR includes the Alternative Financial Disclosure.

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 the Filer includes the Alternative Financial Disclosure in the BAR to be filed in respect of the Acquisition.

"Blaine Young"
Associate Director, Corporate Finance

2.1.2 RBC Global Asset Management Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted from sections 2.3(f), 2.3(h), 2.5(2)(a) and 2.5(2)(c) of National Instrument 81-102 Mutual Funds to permit mutual funds to invest in silver and to invest up to 10% of net assets in leveraged ETFs, inverse ETFs, gold ETFs, silver ETFs, leveraged gold ETFs and leveraged silver ETFs traded on Canadian or US stock exchanges, subject to 10 % total exposure in gold and silver, and certain conditions.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 2.3(f), 2.3(h), 2.5(2)(a), 2.5(2)(c), 19.1.

May 10, 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 RBC GLOBAL ASSET MANAGEMENT INC. (RBC GAM)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of each of the mutual funds of which the Filer, or an affiliate thereof, is, or in the future will be, the manager and that are subject to the provisions of National Instrument 81-102 – *Mutual Funds* (**NI 81-102**), other than “money market funds” as defined in NI 81-102, (each, a **Fund** and collectively, the **Funds**) for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for an exemption (the **Exemption Sought**) from:

1. Paragraph 2.3(f) of NI 81-102 (the **Silver Exemption**) to permit the Funds to:
 - (a) purchase silver (**Physical Silver**); and
 - (b) purchase a certificate representing silver that is:
 - (i) available for delivery in Canada, free of charge, to or to the order of the holder of such silver certificate;

- (ii) of a minimum fineness of 999 parts per 1,000;
- (iii) held in Canada;
- (iv) in the form of either bars or wafers; and
- (v) if not purchased from a bank listed in Schedule I, II or III of the *Bank Act* (Canada), fully insured against loss and bankruptcy by an insurance company licensed under the laws of Canada or a jurisdiction

(the **Permitted Silver Certificates**).

2. Paragraph 2.3(h) of NI 81-102 (the **Silver Derivative Exemption**) to permit the Funds to purchase, sell or use a specified derivative the underlying interest of which is Physical Silver or a specified derivative of which the underlying interest is Physical Silver on an unlevered basis (the **Silver Derivatives** and together with Physical Silver and Permitted Silver Certificates, **Silver**).
3. Paragraphs 2.3(h) and 2.5(2)(a) and (c) of NI 81-102 (the **ETF Exemption**) to permit the Funds to purchase and hold securities of:
 - (a) exchange-traded funds that seek to provide daily results that replicate the daily performance of a specified widely-quoted market index (the exchange-traded fund's **Underlying Index**) by a multiple of up to 200% (the **Leveraged Bull ETFs**) or an inverse multiple of up to 200% (the **Leveraged Bear ETFs** and together with the Leveraged Bull ETFs, the **Leveraged ETFs**);
 - (b) exchange-traded funds that seek to provide daily results that replicate the daily performance of their Underlying Index by an inverse multiple of 100% (the **Inverse ETFs**);
 - (c) exchange-traded funds that seek to replicate the performance of gold or silver or the value of a specified derivative the underlying interest of which is gold or silver on an unlevered basis (the **Gold ETFs** and the **Silver ETFs**, as the case may be, and collectively, the **Commodity ETFs**); and
 - (d) exchange-traded funds that seek to provide daily results that replicate the daily performance of gold or silver or the value of a specified derivative the underlying interest of which is gold or silver on an unlevered basis (the exchange-traded fund's **Underlying Gold Interest** or the exchange-traded fund's **Underlying Sil-**

ver Interest) by a multiple of up to 200% (the **Leveraged Gold ETFs** and the **Leveraged Silver ETFs**, respectively and collectively, the **Leveraged Commodity ETFs**).

Leveraged ETFs, Inverse ETFs, Commodity ETFs and the Leveraged Commodity ETFs are referred to collectively in this application as the **Underlying ETFs**.

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

- (a) the Ontario Securities Commission is the principal regulator (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 the Jurisdiction and in each of the other provinces and territories of Canada (collectively 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 RBC GAM:

1. RBC GAM is a corporation formed by amalgamation pursuant to articles of amalgamation dated November 1, 2010 under the federal laws of Canada and its head office is located in Toronto, Ontario.
2. RBC GAM is an indirect, wholly-owned subsidiary of the Royal Bank of Canada.
3. RBC GAM is registered as an adviser in the category of portfolio manager and as a dealer in the category of exempt market dealer under the securities legislation of each of the Jurisdictions and is registered under the *Securities Act* (Ontario) as an investment fund manager.
4. RBC GAM or an affiliate thereof acts, or will act, as manager of each of the Funds.
5. Each Fund is, or will be: (i) an open-ended mutual fund organized and governed by the laws of Canada or a Jurisdiction, (ii) a reporting issuer under the laws of some or each of the Jurisdictions and (iii) governed by the provisions of NI 81-102, subject to any relief therefrom granted by the securities regulatory authorities of any Jurisdiction.
6. The securities of each Fund are, or will be, qualified for distribution in some or each of the Jurisdictions under a simplified prospectus and annual information form filed in accordance with National Instrument 81-101 – *Mutual Fund Prospectus Disclosure* and receipted by the securities regulators in the applicable Jurisdiction and/or Jurisdictions.
7. Neither RBC GAM nor any of the existing Funds is in default of securities legislation in any Jurisdiction.

Silver

8. In addition to investing in gold, the Funds may wish to invest directly in silver.
9. To obtain exposure to gold or silver indirectly, the Funds may also wish to use specified derivatives the underlying interest of which is gold or silver and invest in the Commodity ETFs (which together with gold, permitted gold certificates and Silver are collectively referred to herein as the **Gold and Silver Products**).
10. RBC GAM understands that NI 81-102 permits mutual funds to purchase gold or permitted gold certificates or enter into a specified derivative the underlying interest of which is gold on the basis that gold is a very liquid commodity. RBC GAM is requesting a similar investment flexibility that would permit a Fund to make investments in silver on the rationale that silver is, like gold, a very liquid commodity.
11. Permitting the Funds to invest in Gold and Silver Products will provide RBC GAM with the opportunity to increase gains for the Funds in certain market conditions which could otherwise cause the Funds to have significant cash positions and therefore could prohibit the Funds from achieving their investment objectives.
12. If the investment in Gold and Silver Products represents a material change for any existing Fund, RBC GAM will comply with the material change reporting obligations for that Fund prior to investing in Gold and Silver Products.
13. Any investment by a Fund in Silver will be made in compliance with the applicable custodian requirements in Part 6 of NI 81-102.

The Underlying ETFs

14. Each Leveraged ETF will be rebalanced daily to ensure that its performance and exposure to its Underlying Index will not exceed +/-200% of the corresponding daily performance of its Underlying Index.

15. Each Inverse ETF will be rebalanced daily to ensure that its performance and exposure to its Underlying Index will not exceed -100% of the corresponding daily performance of its Underlying Index.
16. Each Leveraged Gold ETF and each Leveraged Silver ETF will be rebalanced daily to ensure that its performance and exposure to its Underlying Gold Interest or its Underlying Silver Interest, respectively, will not exceed +200% of the corresponding daily performance of its Underlying Gold Interest or its Underlying Silver Interest, respectively.
17. In addition to investing in securities of exchange traded funds that are "index participation units" as defined in NI 81-102 (IPUs), the Funds propose to have the ability to invest in the Underlying ETFs, whose securities are not IPUs.
18. The amount of the loss that can result from an investment by a Fund in an Underlying ETF will be limited to the amount invested by the Fund in securities of the Underlying ETF.

Investments in Silver and the Underlying ETFs

19. Each Fund that relies on the Requested Relief will be permitted, in accordance with its investment objectives and investment strategies, to invest in Silver and/or Underlying ETFs, as the case may be.
20. Each Fund will only purchase gold, permitted gold certificates, Silver and specified derivatives with such underlying interests (including the Gold ETFs, Silver ETFs, Leveraged Gold ETFs and Leveraged Silver ETFs), if immediately after such purchase, no more than 10% of the net assets of the Fund, taken at market value at the time of such purchase, would consist of such assets in aggregate.
21. Silver and the Underlying ETFs are attractive investments for the Funds because such investments provide an efficient and cost effective means of achieving diversification and exposure.
22. In the absence of an exemption with respect to Silver, the restrictions in Subsection 2.3(f) and Subsection 2.3(h) of NI 81-102 would prohibit a Fund from purchasing Physical Silver, Permitted Silver Certificates and Silver Derivatives.
23. In the absence of an exemption with respect to the Underlying ETFs:
 - (a) the restrictions in paragraph 2.3(h) would prohibit a Fund from purchasing a Silver ETF or a Leveraged Silver ETF;

- (b) the restrictions in paragraph 2.5(2)(a) would prohibit a Fund from purchasing or holding a security of an Underlying ETF, because the Underlying ETFs are not subject to each of NI 81-102 and NI 81-101; and
- (c) the restrictions in paragraph 2.5(2)(c) would prohibit a Fund from purchasing or holding securities of some Underlying ETFs, because some Underlying ETFs may not be qualified for distribution in at least one of the Jurisdictions.

24. An investment by a Fund in Silver or in securities of an Underlying ETF will represent the business judgement of responsible persons uninfluenced by considerations other than the best interests of the Fund.

25. The simplified prospectus of each Fund discloses, or will disclose the next time it is renewed after the date hereof, (i) in the Investment Strategy section of the prospectus, the fact that the Fund has obtained relief to invest in the Underlying ETFs and Silver, together with an explanation of what each Underlying ETF is, and (ii) the risks associated with investments in the Underlying ETFs and Silver.

Decision

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

The decision of the Principal Regulator under the Legislation is that the Exemption Sought is granted provided that:

- (a) the investment by a Fund in securities of an Underlying ETF and/or Silver is in accordance with the fundamental investment objectives of the Fund;
- (b) the Fund does not sell short securities of an Underlying ETF;
- (c) the securities of the Underlying ETFs are traded on a stock exchange in Canada or the United States;
- (d) the securities of the Underlying ETFs are treated as specified derivatives for the purposes of Part 2 of NI 81-102;
- (e) a Fund does not purchase securities of an Underlying ETF if, immediately after such purchase, more than 10% of the net assets of the Fund in aggregate, taken at market value at the time of the purchase, would consist of securities of Underlying ETFs;

- (f) a Fund does not enter into any transaction if, immediately after such transaction, more than 20% of the net assets of the Fund, taken at market value at the time of the transaction, would consist of, in aggregate, securities of Underlying ETFs and all securities sold short by the Fund;
- (g) a Fund does not purchase Gold and Silver Products if, immediately after such purchase, more than 10% of the net assets of the Fund, taken at market value at the time of such purchase, would consist of Gold and Silver Products; and
- (h) a Fund does not purchase Gold and Silver Products if, immediately after such purchase, the market value exposure to gold or silver through the Gold and Silver Products is more than 10% of the net assets of the Fund, taken at market value at the time of such purchase.

“Sonny Randhawa”
Manager, Investment Funds Branch
Ontario Securities Commission

2.1.3 RBC Global Asset Management Inc.

Headnote

National Policy 11-203 – Existing and future mutual funds granted exemption to invest in specified German ETFs only whose securities would meet the definition of index participation unit in NI 81-102, but for the fact that they are listed on the Frankfurt Stock Exchange – relief is subject to certain conditions and requirements including German ETFs are not synthetic ETFs and each top fund will not invest more than 10% in any German ETF and top funds, collectively, will not invest more than 20% in German ETFs.

Applicable Legislative Provisions

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

February 22, 2013

**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
RBC GLOBAL ASSET MANAGEMENT INC.
(the Filer or RBC GAM)**

DECISION

Background

The principal regulator in the Jurisdiction has received an application (the **Application**) from the Filer on behalf of each of the mutual funds of which RBC GAM, or an affiliate thereof, is, or in the future will be, the manager, that are subject to the provisions of National Instrument 81-102 – *Mutual Funds* (**NI 81-102**) and that have investment objectives and strategies that contemplate exposure to European equities (each, a **Fund** and collectively, the **Funds**) for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) providing an exemption (the **Exemption Sought**) from paragraphs 2.5(2)(a), (c) and (f) of NI 81-102 to permit the Funds to purchase the exchange-traded investment funds (**ETFs**) listed in Appendix “A” (the **Foreign ETFs**).

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

- (a) the Ontario Securities Commission is the principal regulator (the **Principal Regulator**) for the 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 the Jurisdiction and in each of the other provinces and territories of Canada (collectively 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:

General

1. RBC GAM is a corporation formed by amalgamation pursuant to articles of amalgamation dated November 1, 2010 under the federal laws of Canada and its head office is located in Toronto, Ontario.
2. RBC GAM is an indirect, wholly-owned subsidiary of the Royal Bank of Canada.
3. RBC GAM is registered as an adviser in the category of portfolio manager and as a dealer in the category of exempt market dealer under the securities legislation of each of the Jurisdictions and is registered under the *Securities Act* (Ontario) as an investment fund manager.
4. RBC GAM or an affiliate thereof acts, or will act, as investment fund manager of each of the Funds.
5. Each Fund is, or will be: (i) an open-ended mutual fund organized and governed by the laws of Canada or a Jurisdiction, (ii) a reporting issuer under the laws of one or more of the Jurisdictions and (iii) governed by the provisions of NI 81-102, subject to any relief therefrom granted by the securities regulatory authorities of any Jurisdiction.
6. The securities of each Fund are, or will be, qualified for distribution in one or more of the Jurisdictions under a simplified prospectus and annual information form filed in accordance with National Instrument 81-101 – *Mutual Fund Prospectus Disclosure* (**NI 81-101**) and receipted by the securities regulators in the applicable Jurisdiction or Jurisdictions.
7. Neither RBC GAM nor any of the existing Funds is in default of securities legislation in any Jurisdiction.

Reasons for Exemption Sought

8. The investment objectives and strategies of each Fund, which contemplate or will contemplate investment in global equities, international equities, EAFE equities or European equities, permit or will permit the allocation of assets to European equities. As economic conditions change, the Funds may reallocate assets, including on the basis of industrial sector or geographic region. A Fund will use the Foreign ETFs to gain exposure to European equity market performance in circumstances where it would be in the best interests of the Fund to do so through ETFs rather than through investments in individual securities.
9. RBC GAM is not aware of any mutual funds that (i) are subject to NI 81-102, (ii) issue securities that are traded on Canadian or U.S. stock exchanges and (iii) focus on European issuers at the sectoral level. The performance of North American sectoral ETFs does not follow European industrial sectors closely enough to make such ETFs suitable substitutes for the Foreign ETFs. Therefore, the targeted asset allocation made possible by investment in the Foreign ETFs would be beneficial to the Funds in meeting their investment objectives and strategies.
10. By investing in Foreign ETFs the Funds will obtain the benefits of diversification, which would be more expensive and difficult to replicate using individual securities. This will reduce single issuer risk.

Foreign ETFs

11. The Foreign ETFs are qualified as Undertakings for Collective Investment in Transferable Securities (**UCITS**) pursuant to the UCITS IV Directive (2009/65/EC) and managed by BlackRock Asset Management Deutschland AG. The securities of each Foreign ETF would, but for the fact that they are not traded on a stock exchange in Canada or the United States, qualify as index participation units as defined in NI 81-102.
12. The Foreign ETFs are subject to the following regulatory requirements:
 - a) each Foreign ETF is subject to a robust risk management framework through the prescribed UCITS rules on governance, risk, regulation of service providers and the safekeeping of assets;
 - b) none of the Foreign ETFs are synthetic ETFs, meaning that they do not principally rely on an investment strategy that makes use of swaps or other derivatives to gain an indirect financial exposure to the return of an index;

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| <p>c) each Foreign ETF is subject to investment restrictions designed to limit its holdings of illiquid securities to 10% or less of its net asset value;</p> <p>d) each Foreign ETF can hold no more than 10% of its net asset value in securities of other investment funds;</p> <p>e) each Foreign ETF's use of derivatives is subject to the oversight of the Bundesanstalt für Finanzdienstleistungsaufsicht (Bafin), the German regulator of securities markets and investment funds;</p> <p>f) each Foreign ETF is subject to restrictions concerning the use of derivatives, including the types of derivatives in which it may transact, limits on counterparty risk, and limits on increases to overall market risk resulting from the use of derivatives;</p> <p>g) each Foreign ETF has procedures in place relating to the use of derivatives and risk modelling of derivatives positions;</p> <p>h) each Foreign ETF is required to prepare a prospectus that discloses material facts similar to the disclosure required by NI 81-101;</p> <p>i) each Foreign ETF prepares fact sheets and/or key investor information documents which, taken together, provide disclosure that is substantially similar to the disclosure required to be included in fund facts documents required to be prepared by NI 81-101;</p> <p>j) each Foreign ETF is subject to continuous disclosure obligations which are substantially similar to the disclosure obligations under National Instrument 81-106 – <i>Investment Fund Continuous Disclosure</i>;</p> <p>k) each Foreign ETF is required to update information of material significance in the prospectus and to prepare management reports and an audited set of accounts at least annually;</p> <p>l) each Foreign ETF has an investment manager that is subject to a governance framework which sets out a duty of care and a standard of care requiring the management board of the investment manager to act in the sole interest of shareholders and in the best interest of the assets managed by the management board;</p> | <p>m) each Foreign ETF has an investment manager that has a supervisory board that reviews the annual management report and the auditing of the annual accounts;</p> <p>n) each Foreign ETF has an investment fund manager that is subject to registration with Bafin permitting it to manage UCITS directive compliant investment funds;</p> <p>o) the index tracked by each Foreign ETF is transparent, in that the methodology for the selection and weighting of index components is publicly available;</p> <p>p) details of the components of the index tracked by each Foreign ETF, such as issuer name, ISIN and weighting within the index is publicly available and updated from time to time;</p> <p>q) the index tracked by a Foreign ETF includes sufficient component securities so as to be broad-based and is distributed and referenced sufficiently so as to be broadly utilized;</p> <p>r) each Foreign ETF is listed on the Frankfurt Stock Exchange; and</p> <p>s) each Foreign ETF makes the net asset value of its holdings available to the public through at least one price information system associated with the Frankfurt Stock Exchange.</p> <p>13. The amount of loss that could result from an investment by a Fund in a Foreign ETF will be limited to the amount invested by the Fund in such Foreign ETF.</p> <p>14. In the absence of the Exemption Sought:</p> <p>(a) the investment restriction in paragraph 2.5(2)(a) of NI 81-102 would prohibit a Fund from purchasing or holding units of the Foreign ETFs because the Foreign ETFs are not subject to NI 81-102 or NI 81-101 and, because index participation units are currently defined to be securities that are traded in Canada or the United States only, a Fund would not be able to rely on the exemption set forth in paragraph 2.5(3)(a) of NI 81-102 in respect of its investments and holdings of Foreign ETFs;</p> <p>(b) the investment restriction in paragraph 2.5(2)(c) of NI 81-102 would prohibit a Fund from purchasing or holding units of the Foreign ETFs because the Foreign</p> |
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- ETFs are not qualified for distribution in the local jurisdiction and, because index participation units are currently defined to be securities that are traded in Canada or the United States only, a Fund would not be able to rely on the exemption set forth in paragraph 2.5(3)(a) of NI 81-102 for its investments and holdings of Foreign ETFs; and
- (c) the investment restriction in paragraph 2.5(2)(f) would restrict a Fund from paying sales fees or redemption fees in relation to its purchases or redemptions of securities of the Foreign ETFs that, to a reasonable person, would duplicate a fee payable by an investor in a Fund, including brokerage fees that must be paid by a Fund to purchase or sell securities of a Foreign ETF and, because index participation units are currently defined to be securities that are traded in Canada or the United States only, a Fund would not be able to rely on the exemption set forth in Subsection 2.5(5) of NI 81-102 for its investments and holdings of Foreign ETFs.
- e) a Fund does not invest more than 10% of its net asset value in securities issued by a single Foreign ETF and does not invest more than 20% of its net asset value in securities issued by Foreign ETFs in aggregate;
- f) a Fund shall not acquire any additional securities of a Foreign ETF, and shall dispose of any securities of a Foreign ETF then held, in the event the regulatory regime applicable to the Foreign ETF is changed in any material way; and
- g) the Exemption Sought will terminate six months after the coming into force of any amendments to paragraphs 2.5(a), (c) or (f) of NI 81-102 that further restrict or regulate a Fund's ability to invest in the Foreign ETFs.

“ Darren McKall “
Manager, Investment Funds Branch
Ontario Securities Commission

Decision

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

The decision of the Principal Regulator under the Legislation is that the Exemption Sought is granted provided that:

- a) the investment by a Fund in a Foreign ETF is in accordance with the fundamental investment objectives of the Fund;
- b) none of the Foreign ETFs are synthetic ETFs, meaning that they will not principally rely on an investment strategy that makes use of swaps or other derivatives to gain an indirect financial exposure to the return of an index;
- c) the simplified prospectus of a Fund that is relying on the Exemption Sought will disclose, the next time it is renewed after the date of this decision, the fact that the Fund has obtained relief to invest in the Foreign ETFs and will disclose the matters required to be disclosed under NI 81-101 in respect of fund of fund investments;
- d) the investment by a Fund in a Foreign ETF otherwise complies with section 2.5 of NI 81-102;

APPENDIX “A”

Foreign ETFs

iShares STOXX Europe 600 Automobiles & Parts
iShares STOXX Europe 600 Banks
iShares STOXX Europe 600 Basic Resources
iShares STOXX Europe 600 Chemicals
iShares STOXX Europe 600 Construction & Materials
iShares STOXX Europe 600 Financial Services
iShares STOXX Europe 600 Food & Beverage
iShares STOXX Europe 600 Health Care
iShares STOXX Europe 600 Industrial Goods & Services
iShares STOXX Europe 600 Insurance
iShares STOXX Europe 600 Media
iShares STOXX Europe 600 Oil & Gas
iShares STOXX Europe 600 Personal & Household Goods
iShares STOXX Europe 600 Retail
iShares STOXX Europe 600 Technology
iShares STOXX Europe 600 Telecommunications
iShares STOXX Europe 600 Travel & Leisure
iShares STOXX Europe 600 Utilities

2.1.4 FT Portfolios Canada Co. et al.

Headnote

National Policy 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions – approval of mutual fund merger – approval required because merger does not meet the criteria for pre-approved reorganizations and transfer in National Instrument 81-102 – terminating fund and continuing fund do not have substantially similar fee structure – merger is not a “qualifying exchange” or a tax-deferred transaction under the Income Tax Act – securityholders provided with timely and adequate disclosure regarding the merger.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 5.5(1)(b), 5.5(3), 5.6, 5.7(1)(b), 19.1.

February 19, 2013

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO

AND

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

AND

IN THE MATTER OF
FT PORTFOLIOS CANADA CO.
(the Filer)

AND

IN THE MATTER OF
FIRST TRUST CANADIAN CAPITAL STRENGTH PORTFOLIO
(the Continuing Fund)

AND

FIRST TRUST CANADIAN QUANTITATIVE EQUITY PORTFOLIO
(FORMERLY TD CANADIAN QUANTITATIVE RESEARCH PORTFOLIO)
(the Terminating Fund)

DECISION

Background

The principal regulator in Ontario has received an application from the Filer on behalf of the Terminating Fund and the Continuing Fund (each individually referred to herein as a **Fund** and together the **Funds**) for a decision under the securities legislation of Ontario granting approval, pursuant to section 5.5(1)(b) of National Instrument 81-102 *Mutual Funds* (**NI 81-102**) of the proposed merger (the **Merger**) of the Terminating Fund into the Continuing Fund (the **Approval Sought**).

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

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

Interpretation

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

Representations

The Filer and Fund Information

1. The Filer is an unlimited liability corporation governed by the laws of Nova Scotia. The Filer is registered under the *Securities Act* (Ontario) as an investment fund manager and mutual fund dealer. The Filer is the manager of the Terminating Fund and the Continuing Fund.
2. The head office of the Filer is located at 330 Bay Street, Suite 1300, Toronto, Ontario M5H 2S8.
3. The Terminating Fund was launched on January 13, 2006 and is a mutual fund trust governed by a trust agreement.
4. The Continuing Fund was launched on November 30, 2001 and is a mutual fund trust governed by a trust agreement.
5. The Terminating Fund and the Continuing Fund are reporting issuers (or the equivalent) under the securities legislation (the **Legislation**) of each Jurisdiction.
6. Neither the Filer nor the Funds are in default of any of the requirements of the Legislation.
7. The Terminating Fund currently distributes its securities in all the Jurisdictions pursuant to a simplified prospectus, annual information form and fund facts each dated January 27, 2012 (the **Terminating Fund Documents**). The Terminating Fund Documents will lapse on January 27, 2013 (the **Lapse Date**). The Filer does not anticipate filing a renewal prospectus on behalf of the Terminating Fund in accordance with the Legislation and therefore, purchases of, and switches to, units of the Terminating Fund will cease and no longer be permitted as of the Lapse Date.
8. The Continuing Fund currently distributes its securities in all of the Jurisdictions pursuant to a simplified prospectus, annual information form and fund facts each dated September 28, 2012 (the **Continuing Fund Documents**).

Details of the Merger

9. The proposed Merger was announced in:
 - (a) a press release dated December 5, 2012;
 - (b) a material change report relating to the Terminating Fund dated December 14, 2012; and
 - (c) amendments to the Terminating Fund Documents dated December 14, 2012,each of which has been filed on SEDAR.
10. The specific steps to implement the Merger are described below. The result of the Merger will be that investors in the Terminating Fund will cease to be unitholders in the Terminating Fund and will become unitholders in the Continuing Fund.
11. The proposed Merger will be structured as follows:
 - (a) The value of the Terminating Fund's portfolio and other assets will be determined at the close of business on the effective date of the Merger, which, if approved, is expected to be on or about February 21, 2013 (the **Effective Date**).
 - (b) The Continuing Fund will acquire the investment portfolio and other assets of the Terminating Fund in exchange for units of the Continuing Fund.
 - (c) The Continuing Fund will not assume liabilities of the Terminating Fund and the Terminating Fund will retain sufficient assets to satisfy its estimated liabilities, if any, as of the Effective Date.
 - (d) The Terminating Fund will distribute a sufficient amount of its net income and net realized capital gains, if any, to unitholders to ensure that it will not be subject to tax for its current tax year.

- (e) The units of the Continuing Fund received by the Terminating Fund will have an aggregate net asset value equal to the value of the portfolio assets and other assets that the Continuing Fund is acquiring from the Terminating Fund, and the units of the Continuing Fund will be issued at the applicable series net asset value per unit as of the close of business on the Effective Date.
 - (f) Immediately thereafter, units of the Continuing Fund received by the Terminating Fund will be distributed to unitholders of the Terminating Fund in exchange for their units in the Terminating Fund on a dollar-for-dollar and series by series basis.
 - (g) As soon as reasonably possible following the Merger the Terminating Fund will be wound up.
12. If the Merger is approved, unitholders of the Terminating Fund will receive units of an equivalent series of the Continuing Fund, as shown opposite in the table below:

Terminating Fund	Continuing Fund
Series A units	Series A units
Series F units	Series F units

13. In the opinion of the Filer, the Merger will be beneficial to unitholders of the Funds for the following reasons:
- (a) The Merger will reduce the duplication of administrative and regulatory costs involved in operating the Terminating Fund and the Continuing Fund as separate mutual funds.
 - (b) There is significant overlap between portfolio holdings of the Funds and the Merger would therefore eliminate a degree of redundancy and result in a more streamlined and simplified product line-up that is easier for investors to understand.
 - (c) The Continuing Fund will have a greater level of assets which is expected to allow for increased portfolio diversification opportunities and greater liquidity of investments.
 - (d) Unitholders of the Terminating Fund and the Continuing Fund may enjoy increased economies of scale for operating expenses as part of a larger combined Continuing Fund.
 - (e) The Continuing Fund, as a result of its greater size, may benefit from its larger profile in the marketplace.
14. As required by National Instrument 81-107 – *Independent Review Committee for Investment Funds*, the Filer presented the terms of the Merger to the independent review committee of the Terminating Fund (the **IRC**). The IRC determined, after reasonable inquiry, that the proposed Merger achieves a fair and reasonable result for the Terminating Fund.
15. The Filer will convene a special meeting (the **Meeting**) of the unitholders of the Terminating Fund in order to seek the approval of the unitholders to complete the Merger, as required by subsection 5.1(f) of NI 81-102. The Meeting will be held on or about February 20, 2013. In connection with the Meeting, the Filer has sent to such unitholders a management information circular (the **Circular**), a related form of proxy and the fund facts of the Continuing Fund (collectively, the **Meeting Materials**). The Meeting Materials were subsequently filed on SEDAR.
16. If all required approvals for a Merger are obtained, it is intended that the Merger will occur after the close of business on the Effective Date. The Filer therefore anticipates that each unitholder of the Terminating Fund will become a unitholder of the Continuing Fund after the close of business on the Effective Date. The Terminating Fund will be wound-up as soon as reasonably possible following the Merger.
17. The cost of effecting the Merger (consisting primarily of proxy solicitation, printing, mailing, legal and regulatory fees) will be borne by the Filer.
18. The right of the unitholders of the Terminating Fund to redeem, or switch from, units of the Terminating Fund will cease as of the close of business on the day prior to the Effective Date. Unitholders of the Terminating Fund will subsequently be able to redeem, in the ordinary course, the units of the Continuing Fund that they will acquire upon the Merger. Unitholders of the Terminating Fund with systematic investment plans will have their plans automatically switched over to the Continuing Fund unless the Filer receives notice to the contrary.
19. If any assets of the Terminating Fund are sold to effect the Merger, the Filer will pay for brokerage charges associated with trades that occur relating to the Merger.

20. In the opinion of the Filer the Merger satisfies all of the criteria for pre-approved reorganizations and transfers set forth in section 5.6(1) of NI 81-102 except that:
- (a) the Merger will not be implemented as either a “qualifying exchange” within the meaning of section 132.2 of the *Income Tax Act* (Canada) (the **Tax Act**) or a tax-deferred transaction under section 85(1), 85.1(1), 86(1) or 87(1) of the Tax Act (in each case, a **Prescribed Rollover**). Consequently, the Merger will not meet the criteria for pre-approved reorganizations and transfers under subsection 5.6(1)(b) of NI 81-102; and
 - (b) In the opinion of the Filer, a reasonable person may not consider the fee structure of the Terminating Fund to be substantially similar to the fee structure of the Continuing Fund. Accordingly, such Merger may not meet the criteria for pre-approved reorganizations and transfers under subsection 5.6(1)(a)(ii) of NI 81-102.
21. The Circular provides:
- (a) a summary of the anticipated tax implications to unitholders of the Terminating Fund and the Continuing Fund; and
 - (b) a comparison of the fee structures of the Funds.

Decision

The principal regulator is satisfied that the decision meets the test set out in the securities legislation of Ontario for the principal regulator to make the decision.

The decision of the principal regulator under the securities legislation of Ontario is that the Approval Sought is granted.

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

2.1.5 The Futura Loyalty Group Inc. – s. 1(10)(a)(ii)

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Issuer deemed to no longer be a reporting issuer under securities legislation.

Applicable Legislative Provisions

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

February 28, 2013

The Futura Loyalty Group Inc.
56 The Esplanade, Suite 220
Toronto, Ontario
M5E 1A7

Dear Sirs/Mesdames:

Re: The Futura Loyalty Group Inc. (the Applicant) – application for a decision under the securities legislation of Ontario, Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland & Labrador (the Jurisdictions) that the Applicant is not a reporting issuer

The Applicant has applied to the local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions for a decision under the securities legislation (the Legislation) of the Jurisdictions that the Applicant is not a reporting issuer.

In this decision, “securityholder” means, for a security, the beneficial owner of the security.

The Applicant has represented to the Decision Makers that:

- (a) the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;
- (b) no securities of the Applicant, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;
- (c) the Applicant is applying for a decision that it is not a reporting issuer in all of the jurisdictions of Canada in which it is currently a reporting issuer; and
- (d) the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer.

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met and orders that the Applicant is not a reporting issuer.

“Lisa Enright”
Manager, Corporate Finance
Ontario Securities Commission

2.1.6 Goodwood Inc. and Goodwood Capital Fund

Headnote

NP 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions – approval granted for change of control of mutual fund manager under s. 5.5(2) of NI 81-102 – there are no plans to change the manager of the fund, or to amalgamate or merge the current manager with any other entity in the immediate or foreseeable future.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 5.5(2), 19.1.

February 26, 2013

**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
GOODWOOD INC.
(the Filer)**

AND

**IN THE MATTER OF
GOODWOOD CAPITAL FUND
(the Fund)**

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for approval with respect to a proposed change of control of the Filer pursuant to section 5.5(2) of National Instrument 81-102 – *Mutual Funds* (**NI 81-102**) (the **Approval 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, Quebec, New Brunswick, Nova Scotia, Newfoundland and Labrador, Prince Edward Island, Yukon, Northwest Territories and Nunavut with respect to the relief sought.

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

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

1. The Filer is a corporation incorporated under the laws of the Province of Ontario and its head office is located in Toronto, Ontario. The Filer is registered as an investment fund manager in Ontario, Quebec and Newfoundland and Labrador and as an investment dealer in Ontario, British Columbia, Alberta, Quebec and Nova Scotia. The Filer is a dealer member of the Investment Industry Regulatory Organization of Canada (**IIROC**) and its advising activities are conducted in accordance with the rules of IIROC.
2. The Filer is a wholly-owned subsidiary of 1354037 Ontario Inc. (**Goodwood Holdco**).
3. The Filer is the manager of Goodwood Capital Fund (the **Fund**).
4. The Fund is a reporting issuer in each of the provinces and territories in Canada. Neither the Filer nor the Fund is in default of securities legislation in any province or territory of Canada.
5. Securities of the Fund are distributed in each province and territory of Canada under a simplified prospectus, annual information form and Fund Facts document in accordance with National Instrument 81-101.
6. The shares of Goodwood Holdco are currently owned as follows:

Shareholder	Number and Class of Shares	Aggregate Equity Ownership %	Aggregate % of Voting Rights
Puccetti Funds Management Inc.	4,544,725 New Common Shares 4,544,725 Class P Shares	45.45%	44.45%
1502106 Ontario Limited	4,275,275 New Common Shares 4,275,275 Class M Shares	42.75%	41.81%
Saranac Capital Inc.	900,000 New Common Shares 900,000 Class K Shares	9.00%	11.00%
Curt Cumming	280,000 New Common Shares 280,000 Class C Shares	2.80%	2.74%

7. Peter Puccetti is the sole shareholder of Puccetti Funds Management Inc. Mr. Puccetti is a director and the Chairman, Chief Executive Officer and Chief Investment Officer of the Filer. Mr. Puccetti is registered with IIROC as a dealing representative and portfolio manager of the Filer. Mr. Puccetti is a resident of Ontario.
8. The MacDonald Goodwood Trust is the sole shareholder of 1502106 Ontario Limited. Cameron MacDonald is the sole trustee of, and members of Mr. MacDonald's family are the beneficiaries of, The MacDonald Goodwood Trust. Mr. MacDonald is a former director, officer and employee of the Filer.
9. Kittel Family Trust is the sole shareholder of Saranac Capital Inc. Robert Kittel is the sole trustee of, and members of Mr. Kittel's family are the beneficiaries of, the Kittel Family Trust. Mr. Kittel is a former employee of the Filer.
10. Curt Cumming is a director and the President and Chief Financial Officer of the Filer. Mr. Cumming is registered with IIROC as a dealing representative of the Filer.
11. It is proposed that Puccetti Funds Management Inc. (the **Purchaser**) will purchase all of the shares of Goodwood Holdco currently owned by 1502106 Ontario Limited and Saranac Capital Inc. (collectively, the **Vendors**) (the **Proposed Transaction**).
12. Upon completion of the Proposed Transaction, the Purchaser's equity ownership of Goodwood Holdco will increase from 45.45% to 97.2% and its voting rights will increase from 44.45% to 97.26 %. The share ownership of Goodwood Holdco will be as follows:

Shareholder	Number and Class of Shares	Aggregate Equity Ownership %	Aggregate % of Voting Rights
Puccetti Funds Management Inc.	9,720,000 New Common Shares 4,544,725 Class P Shares 4,275,275 Class M Shares 900,000 Class K Shares	97.2%	97.26%

Shareholder	Number and Class of Shares	Aggregate Equity Ownership %	Aggregate % of Voting Rights
Curt Cumming	280,000 New Common Shares 280,000 Class C Shares	2.80%	2.74%

13. As the indirect share ownership of Mr. Puccetti in the Filer will increase from 45.45% to 97.2%, the Proposed Transaction will result in an indirect change of control of the Filer and accordingly regulatory approval is required pursuant to section 5.5(2) of NI 81-102.
14. Written notice regarding the Proposed Transaction was sent to each unitholder of the Fund by mail on January 7, 2013, pursuant to section 5.8(1)(a) of NI 81-102 and filed under SEDAR Project No. 2004099.
15. Subject to all the relevant parties reaching a definitive agreement and the receipt of all requisite regulatory approvals, it is anticipated that the Proposed Transaction will be completed on or after March 8, 2013, upon the expiration of the 60-day notice period provided for in section 5.8(1)(a) of NI 81-102.
16. The Filer issued a press release describing the Proposed Transaction on December 31, 2012 and subsequently issued a correction to the press release and a French translation on January 2, 2013. These press releases were filed under SEDAR Project No. 2002905, 2003137 and 2003138, respectively.
17. A material change report and an amendment to the Funds' current simplified prospectus and annual information form were filed on SEDAR on January 9, 2013 under SEDAR Project No. 2004456 and 1854289, respectively.
18. A notice of the Proposed Transaction was delivered to the Compliance & Registrant Regulation branch of the Principal Regulator pursuant to section 11.9 of National Instrument 31-103 *Registration Requirements and Exemptions* on January 17, 2013.
19. The Proposed Transaction is not expected to have any material impact on the management, business, operations or affairs of the Fund or the unitholders of the Fund.
20. The Purchaser has confirmed to the Filer that the Purchaser currently does not intend to:
 - (a) make any substantive changes as to how the Filer operates or manages the Fund;
 - (b) merge the Filer with any other investment fund manager;
 - (c) immediately following the closing of the Proposed Transaction, change the manager of the Fund (to an affiliate of the Filer or otherwise); or
 - (d) within the foreseeable period of time, change the manager of the Fund (to an affiliate of the Filer or otherwise).
21. The Purchaser has confirmed to the Filer that the Purchaser currently does not intend to change the name of the Filer or the name of the Fund as a result of the Proposed Transaction, immediately after the closing of the Proposed Transaction.
22. It is not expected that there will be any change to the investment objectives or strategies of the Fund or the expenses that are charged to the Fund as a result of the Proposed Transaction.
23. The Purchaser has confirmed to the Filer that the Purchaser currently does not intend to have the Fund become part of another fund family.
24. Following the Proposed Transaction, it is expected that all of the current officers and directors of the Filer will continue on in their current capacities. It is expected that all of the officers and directors of the Filer will continue to have the requisite integrity and experience as contemplated under section 5.7(1)(a)(v) of NI 81-102.
25. Although the current members of the Fund's independent review committee (**IRC**) will automatically cease to be members of the IRC by operation of section 3.10(1)(c) of National Instrument 81-107 *Independent Review Committee for Investment Funds* following the Proposed Transaction, the Filer intends to reappoint them immediately after the closing of the Transaction.
26. The Proposed Transaction is not expected to impact the financial stability of the Filer or its ability to fulfill its regulatory obligations.

Decision

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

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

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

2.1.7 AlphaPro Management Inc. and Horizons Seasonal Rotation ETF

Headnote

NP 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions – a commodity pool subject to National Instrument 81-104 Commodity Pools granted exemptions from National Instrument 81-102 Mutual Funds to engage in short selling of securities up to 40% of net assets, subject to certain conditions and requirements.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 2.6(a)(ii), 2.6.1(c)(ii), 2.6.1(c)(iii).

National Instrument 81-104 Commodity Pools.

February 26, 2013

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 ALPHAPRO MANAGEMENT INC. (the Filer)

AND

IN THE MATTER OF HORIZONS SEASONAL ROTATION ETF (the ETF)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the ETF for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for an exemption from the following requirements of the Legislation to permit the ETF to sell securities short in excess of the prescribed net asset value (**NAV**) thresholds and provide a security interest over the ETF's assets in connection with such short sales (the **Requested Relief**):

- (a) the requirement under subsection 2.6(a)(ii) of National Instrument 81-102 *Mutual Funds* (**NI 81-102**) that no security interest is permitted over a mutual fund's portfolio assets unless the security interest is required to enable the mutual fund to effect a short sale of securities under NI 81-102;

- (b) the requirement contained in subsection 2.6.1(c)(ii) of NI 81-102 limiting the aggregate market value of all securities of the issuer of the securities sold short by a mutual fund to 5% of the mutual fund's NAV; and
- (c) the requirement contained in subsection 2.6.1(c)(iii) of NI 81-102 limiting the aggregate market value of all securities sold short by a mutual fund to 20% of the mutual fund's NAV.

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 provinces and territories of Canada other than the Jurisdiction (including Ontario, the **Jurisdictions**).

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 on behalf of itself and the ETF:

1. The Filer is the manager of the ETF. The head office of the Filer is located in Toronto, Ontario.
2. Horizons Investment Management Inc. (**HIMI**), which is registered under the *Securities Act* (Ontario) as a portfolio manager, is the portfolio advisor of the ETF.
3. None of the Filer, HIMI and the ETF are in default of securities legislation in any of the Jurisdictions.
4. The ETF is a reporting issuer in one or more of the provinces and territories of Canada. The ETF distributes its securities in such jurisdictions under a long form prospectus in the form of Form 41-101F2 (the **Prospectus**).
5. The ETF is a mutual fund that is subject to NI 81-102, and a commodity pool that is subject to National Instrument 81-104 *Commodity Pools* (**NI 81-104**).
6. The ETF has issued securities that are listed and posted for trading on the Toronto Stock Exchange, and that are not index participation units.
7. The investment practices of the ETF comply in all respects with the requirements of Part 2 of NI 81-

102 as modified by NI 81-104, except to the extent that the ETF has received permission from the applicable securities regulatory authorities or regulators of the Jurisdictions to deviate therefrom.

"Darren McKall"
Manager, Investment Funds Branch
Ontario Securities Commission

8. Any short sales will be consistent with the investment objectives and strategies of the ETF.
9. As a commodity pool subject to NI 81-104, the ETF can take leveraged short positions using specified derivatives. The Requested Relief would allow the ETF to, in part, do directly what it can currently do indirectly using specified derivatives.
10. Any short sales will comply in all respects with the requirements of NI 81-102 as modified by NI 81-104, except to the extent that the ETF has received or may in the future receive permission from the applicable securities regulatory authorities or regulators of the Jurisdictions to deviate therefrom (including, without limitation, the Requested Relief).

Decision

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

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

- (a) each short sale by the ETF will comply with its investment objectives;
- (b) the aggregate market value of all securities sold short by the ETF does not exceed 40% of the ETF's NAV;
- (c) the aggregate market value of all securities of a particular issuer sold short by the ETF, whether direct short positions or indirect short positions through specified derivatives, does not exceed 10% of the ETF's NAV;
- (d) the ETF maintains appropriate internal controls regarding its short sales, including written policies and procedures, risk management controls, and proper books and records; and
- (e) the security interest provided by the ETF over any of its assets that is required to enable the ETF to effect short sale transactions will be made in accordance with industry practice for that type of transaction and relate only to obligations arising under such short sale transactions.

2.1.8 AuRico Gold Inc.

Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Exemption from the extension take-up requirements in subsection 98.3(4) of the Securities Act (Ontario) – an issuer conducting an issuer bid under a modified Dutch auction procedure requires relief from the requirement to not extend its issuer bid if all terms and conditions are met unless issuer first takes up all common shares validly deposited and not withdrawn under the issuer bid – the issuer will comply with the U.S. regime in connection with the issuer bid – requested relief granted, subject to conditions.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 98.3(4), 104(2)(c).

January 18, 2013

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
AURICO GOLD INC.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) that, in connection with the proposed purchase by the Filer of a portion of its outstanding common shares (the **Shares**) pursuant to an issuer bid (the **Offer**), the Filer be exempt from the requirement in the Legislation that the Offer not be extended if all the terms and conditions of the Offer have been complied with or waived unless the Filer first takes up all Shares deposited under the Offer and not withdrawn (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 the Yukon Territory the Northwest Territories and Nunavut and the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Newfoundland and Labrador and Prince Edward Island.

Interpretation

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

Representations

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

1. The Filer is a corporation validly existing under the *Business Corporations Act* (Ontario) and has its head office in Toronto, Ontario.
2. The authorized capital of the Filer consists of an unlimited number of Shares of which 282,291,947 Shares were issued and outstanding as at December 14, 2012 (the last full trading day prior to the date of the announcement of the Offer).
3. The Shares are listed and posted for trading on the Toronto Stock Exchange (the **TSX**) and on the New York Stock Exchange (the **NYSE**) under the symbol "AUQ". On December 14, 2012, the closing price of the Shares on the TSX was C\$8.29 per Share and on the NYSE was US\$8.25 per Share.
4. The Filer is a reporting issuer in each of the territories and provinces of Canada and, to its knowledge, is not in default of any requirement of the securities legislation of any of the jurisdictions in which it is a reporting issuer.
5. To the knowledge of the Filer, after reasonable enquiry, no shareholder of the Filer holds, or exercises control and direction over, more than 10% of the outstanding Shares.
6. The Offer is subject to Rule 13e-4 adopted under the United States *Securities Exchange Act 1934*, as amended (the **Exchange Act**) and is not exempt therefrom. At least 50% of the Shares are beneficially owned by persons resident in the United States. During the six month period ended November 30, 2012, more than 55% trading volume and trading value the Shares took place over exchange facilities in the United States including the NYSE.
7. Under the terms of the Offer, a tendering shareholder is permitted to select a price between US\$8.30 per share and US\$9.30 per share (the **Price Range**) at which the shareholder is willing to sell his, her or its Shares. The Filer intends to purchase up to US\$300,000,000 worth of its Shares. The maximum of 36,144,578 Shares that the Filer is offering to purchase under the Offer represents approximately 12.8% of the total number of Shares issued and outstanding as at December 14, 2012. If the Offer is fully subscribed at the high end of the Price Range (US\$9.30), the Filer will purchase 32,258,064 Shares (representing 11.4% of the total number of Shares issued and outstanding as at December 14, 2012).
8. The Filer has made the Offer pursuant to a modified "Dutch Auction" procedure as follows:
 - (a) The issuer bid circular mailed to shareholders (the **Circular**) specifies that the Filer intends to purchase up to a maximum aggregate amount of US\$300,000,000 worth of its Shares under the Offer.
 - (b) The Circular specifies that the Price Range will be US\$8.30 per share to US\$9.30 per share.
 - (c) The Filer will fund the purchase of Shares for cancellation pursuant to the Offer, together with the fees and expenses of the Offer, from available cash on hand.
 - (d) Any shareholder who beneficially owns fewer than 100 Shares and tenders all of such shareholder's Shares pursuant to an Auction Tender at a price at or below the Purchase Price (as defined below), or pursuant to a Purchase Price Tender, will be considered to have made an "odd lot tender".
 - (e) A shareholder may elect to tender Shares to the Offer pursuant to either: (i) an auction tender (**Auction Tender**), whereby a shareholder tendering Shares to the Offer may specify a price within the Price Range at which he, she or it is willing to sell all or a portion of the tendered Shares; or (ii) a purchase price tender (**Purchase Price Tender**), whereby a shareholder tendering Shares to the Offer agrees to have all or a portion of the tendered Shares purchased by the Filer at the purchase price (the **Purchase Price**) determined by the Filer.
 - (f) Shareholders may make multiple Auction Tenders but not in respect of the same Shares (i.e., shareholders may tender different Shares at different prices but cannot tender the same Shares at more than one price).
 - (g) Shareholders may make both an Auction Tender and a Purchase Price Tender; however, they may not be in respect of the same Shares.
 - (h) Shareholders who desire to tender Shares under an Auction Tender at different prices or who desire to tender certain Shares under an Auction Tender and other Shares under a Purchase Price Tender must complete a separate Letter of Transmittal for each tendered lot of Shares.
 - (i) All Shares tendered by a shareholder who fails to indicate whether the tendered Shares have been tendered pursuant to an Auction Tender or a Purchase Price Tender or fails to indicate any Auction Tender price for his, her or its Shares will be deemed to have been tendered pursuant to a Purchase Price Tender.

- (j) For the purpose of determining the Purchase Price, Shares tendered pursuant to a Purchase Price Tender will be considered to have been tendered at US\$8.30 (which is the minimum Purchase Price under the Offer).
 - (k) The Purchase Price will be the lowest price per Share of not more than US\$9.30, and not less than US\$8.30 per Share at which shares have been tendered or have been deemed to be tendered under the Offer that will enable the Applicant to purchase the maximum number of Shares tendered pursuant to the Offer, having an aggregate purchase price not exceeding US\$300,000,000.
 - (l) The Purchase Price and the aggregate number of Shares that the Filer will purchase under the Offer will not be determined until after the Offer expires provided that the aggregate amount that the Filer will pay for Shares under the Offer will not exceed US\$300,000,000.
 - (m) Subject to the conditions of the Offer, if the number of Shares validly tendered and not withdrawn prior to expiry of the Offer pursuant to Auction Tenders at a price equal to or less than the Purchase Price or pursuant to Purchase Price Tenders would result in an aggregate purchase price in excess of US\$300,000,000, then such tendered Shares will be purchased on a pro rata basis according to the number of Shares tendered or deemed to be tendered at a price equal to or less than the Purchase Price by the tendering shareholders (with adjustments to avoid the purchase of fractional Shares), except that odd lot tenders will not be subject to pro-ration.
 - (n) All Shares purchased by the Filer pursuant to the Offer (including Shares tendered pursuant to Auction Tenders at a price at or below the Purchase Price) will be purchased at the Purchase Price; shareholders will receive the Purchase Price in cash; all Auction Tenders and Purchase Price Tenders will be subject to adjustment to avoid the purchase of fractional Shares; all payments to shareholders will be subject to deduction of applicable withholding taxes.
 - (o) Certificates for all Shares not purchased, including all Shares tendered pursuant to Auction Tenders at prices in excess of the Purchase Price, Shares not purchased due to pro-ration and Shares not accepted for purchase, will be returned as soon as practicable after the expiry of the Offer or termination of the Offer without expense to the tendering shareholder.
 - (p) Shareholders validly tendering Shares pursuant to Auction Tenders at US\$8.30 per Share (the minimum purchase price under the Offer) and shareholders validly tendering Shares pursuant to Purchase Price Tenders can reasonably expect to have such Shares purchased at the Purchase Price if any Shares are purchased under the Offer (subject to the pro-ration provisions and the preferential acceptance of odd lots).
9. Shareholders who do not tender to the Offer will continue to hold the number of Shares owned before the Offer and their proportionate Share ownership will increase following completion of the Offer subject to the Filer's right to issue additional Shares and other equity securities in the future.
10. Under the Legislation, an issuer may not extend an issuer bid if all the terms and conditions of the issuer bid have been complied with or waived unless the issuer first takes up all the securities deposited under the issuer bid and not withdrawn (the **Extension Take-Up Requirements**). Rule 13e-4 of the Exchange Act requires an issuer to take up all securities tendered under an issuer bid concurrently and, as a consequence, prohibits an issuer from taking up securities prior to the expiry of an issuer bid.
11. There is a "liquid market" in the Shares, as such term is defined in Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (**MI 61-101**), because:
- (a) there is a published market for the Shares (the TSX and NYSE);
 - (b) during the period of twelve months before December 17, 2012, the date the Offer was publicly announced:
 - (i) the number of outstanding Shares was at all times not less than 5,000,000, excluding Shares beneficially owned, directly or indirectly, or over which control or direction was exercised, by related parties and Shares that were not freely tradable;
 - (ii) the aggregate trading volume of the Shares on the TSX, being the published market on which the Shares are principally traded, was at least 1,000,000 Shares;
 - (iii) there were at least 1,000 trades in Shares on the TSX;
 - (iv) the aggregate value of the trades in Shares on the TSX was at least C\$15,000,000; and

- (c) the market value of the Shares on the TSX, as determined in accordance with MI 61-101, was at least C\$75,000,000 for November 2012, being the calendar month preceding the calendar month in which the Offer was publicly announced.
- 12. Based on the facts set forth in paragraph 10 and the maximum number of Shares that may be purchased under the Offer, the Filer has determined that there is a liquid market for the Shares and that it is reasonable to conclude that, following the completion of the Offer, there will be a market for holders of Shares who do not tender all of their Shares to the Offer that is not materially less liquid than the market that existed at the time the Offer was announced.
- 13. Based on the facts set forth in paragraphs 10 and 11, the Filer intends to rely upon the “liquid market” exemption (the **Liquid Market Exemption**) from the formal valuation requirements otherwise applicable to issuer bids under MI 61-101.
- 14. The Circular:
 - (a) discloses the mechanics for the take up of and payment for or, where applicable, the return of Shares tendered to the Offer as described in paragraph 8 above;
 - (b) explains that by tendering Shares pursuant to Purchase Price Tenders, shareholders can reasonably expect that the Shares so tendered will be purchased at the Purchase Price, if any Shares are purchased under the Offer (subject to pro-rata and the preferential treatment of odd lots);
 - (c) discloses the fact that the Filer has filed for an exemption from the Extension Take-Up Requirements;
 - (d) discloses the facts supporting the Filer's reliance on the Liquid Market Exemption; and
 - (e) except to the extent exemptive relief is granted by this Decision, contains the disclosure prescribed by the Legislation for issuer bids.
- 15. Prior to the expiry of the Offer, all information regarding the number of Shares tendered and the prices at which such Shares are tendered shall be kept confidential, and the Filer's depository for the Offer will be directed by the Filer to maintain such confidentiality until the Purchase Price has been determined.

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) Shares deposited under the Offer and not withdrawn are taken up and paid for, or dealt with, in the manner described in paragraph 8;
- (b) the Filer is eligible to rely on the Liquid Market Exemption and complies with paragraph 11 of this Decision; and
- (c) the Filer complies with the requirements of Rule 13e-4 of the Exchange Act in respect of the conduct of the Offer.

“Judith Robertson”
Commissioner
Ontario Securities Commission

“Paulette Kennedy”
Commissioner
Ontario Securities Commission

2.1.9 Astral Mining Corporation – s. 1(10)(a)(ii)

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Issuer deemed to no longer be a reporting issuer under securities legislation.

Applicable Legislative Provisions

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

Citation: Astral Mining Corporation, Re, 2013 ABASC 78

March 1, 2013

Boughton Law Corporation
700, 595 Burrard Street
P.O. Box 49290
Vancouver, BC V7X 1S8

Attention: Claudia L. Losie

Dear Madam:

Re: Astral Mining Corporation (the Applicant) – Application for a decision under the securities legislation of Alberta, Saskatchewan, Manitoba and Ontario (the Jurisdictions) that the Applicant is not a reporting issuer

The Applicant has applied to the local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions for a decision under the securities legislation (the **Legislation**) of the Jurisdictions that the Applicant is not a reporting issuer.

In this decision, “securityholder” means, for a security, the beneficial owner of the security.

The Applicant has represented to the Decision Makers that:

- (a) the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;
- (b) no securities of the Applicant, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;
- (c) the Applicant is applying for a decision that it is not a reporting issuer in all of the jurisdictions of Canada in which it is currently a reporting issuer; and

- (d) the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer,

each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met and orders that the Applicant is deemed to have ceased to be a reporting issuer.

“Blaine Young”
Associate Director, Corporate Finance

2.1.10 Iberian Minerals Corp. plc – s. 1(10)

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – application for an order that the issuer is not a reporting issuer.

Ontario Statutes

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

March 5, 2013

Iberian Minerals Corp. plc
65 Front Street East, Suite 200
Toronto, ON M5E 1B5

Dear Sirs/Mesdames:

Re: Iberian Minerals Corp. plc (the Applicant) – application for a decision under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Newfoundland and Labrador and Prince Edward Island (the Jurisdictions) that the Applicant is not a reporting issuer

The Applicant has applied to the local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions for a decision under the securities legislation (the Legislation) of the Jurisdictions that the Applicant is not a reporting issuer.

In this decision, “securityholder” means, for a security, the beneficial owner of the security.

The Applicant has represented to the Decision Makers that:

- (a) the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;
- (b) no securities of the Applicant, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 Marketplace Operation or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;
- (c) the Applicant is applying for a decision that it is not a reporting issuer in all of the jurisdictions of Canada in which it is currently a reporting issuer; and
- (d) the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer.

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met and orders that the Applicant is not a reporting issuer.

“Kathryn J. Daniels”
Deputy Director, Corporate Finance
Ontario Securities Commission

2.2 Orders

2.2.1 Global Energy Group, Ltd. et al. – ss. 127(7), 127(8)

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

AND

IN THE MATTER OF
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

ORDER
(Subsections 127(7) and 127(8))

WHEREAS on July 10, 2008, the Ontario Securities Commission (the “Commission”) issued a temporary order, pursuant to subsections 127(1) and (5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”), that all trading by Global Energy Group, Ltd. (“Global Energy”) and the New Gold Limited Partnerships (the “New Gold Partnerships”) (together, the “Corporate Respondents”) and their officers, directors, employees and/or agents in securities of the New Gold Partnerships shall cease (the “First Temporary Order”);

AND WHEREAS on July 10, 2008, the Commission ordered that the First Temporary Order shall expire on the 15th day after its making unless extended by order of the Commission;

AND WHEREAS on July 15, 2008, the Commission issued a Notice of Hearing to consider, among other things, the extension of the First Temporary Order, such hearing to be held on July 23, 2008 at 11:00 a.m.;

AND WHEREAS the Notice of Hearing sets out that the hearing is to consider, inter alia, whether, in the opinion of the Commission, it is in the public interest, pursuant to subsections 127(7) and (8) of the Act, to extend the First Temporary Order until such time as considered necessary by the Commission;

AND WHEREAS a hearing was held on July 23, 2008 at 11:00 a.m. at which Staff and counsel for Global Energy appeared but no counsel appeared for the New Gold Partnerships;

AND WHEREAS on July 23, 2008, the First Temporary Order was continued until August 6, 2008 and the hearing in this matter was adjourned until August 5, 2008 at 3:00 p.m. on consent of Staff and counsel for Global Energy;

AND WHEREAS a hearing was held on August 5, 2008 at 3:00 p.m. at which Staff and counsel for Global Energy appeared but no counsel appeared for the New Gold Partnerships;

AND WHEREAS on August 5, 2008, the First Temporary Order was continued until December 4, 2008 and the hearing in this matter was adjourned until December 3, 2008 at 10:00 a.m. on consent of Staff and counsel for Global Energy;

AND WHEREAS on December 3, 2008, on the basis of the record for the written hearing and on consent of Staff and counsel for Global Energy, a Panel of the Commission ordered that the First Temporary Order be extended until June 11, 2009 and that the hearing in this matter be adjourned to June 10, 2009, at 10:00 a.m.;

AND WHEREAS on June 10, 2009, Staff advised the Commission that Victor Tsatskin, a.k.a. Vadim Tsatskin (“Tsatskin”), an agent of Global Energy, would not be attending the hearing and was not opposed to Staff’s request for the extension of the First Temporary Order and no counsel had communicated with Staff on behalf of the New Gold Partnerships;

AND WHEREAS on June 10, 2009, on hearing the submissions of Staff, a Panel of the Commission ordered that the First Temporary Order be extended until October 9, 2009 and that the hearing in this matter be adjourned to October 8, 2009, at 10:00 a.m.;

AND WHEREAS on October 8, 2009, on hearing the submissions of Staff, a Panel of the Commission ordered that the First Temporary Order be extended until March 11, 2010 and that the hearing in this matter be adjourned to March 10, 2010, at 10:00 a.m.;

AND WHEREAS on March 10, 2010, on hearing the submissions of Staff, a Panel of the Commission ordered that the First Temporary Order be extended until July 12, 2010 and that the hearing in this matter be adjourned to July 9, 2010, at 11:30 a.m.;

AND WHEREAS on April 7, 2010, the Commission issued a temporary cease trade order pursuant to subsections 127(1) and 127(5) of the Act ordering the following (the "Second Temporary Order"):

- i) Christina Harper ("Harper"), Howard Rash ("Rash"), Michael Schaumer ("Schaumer"), Elliot Feder ("Feder"), Tsatskin, Oded Pasternak ("Pasternak"), Alan Silverstein ("Silverstein"), Herbert Groberman ("Groberman"), Allan Walker ("Walker"), Peter Robinson ("Robinson"), Vyacheslav Brikman ("Brikman"), Nikola Bajovski ("Bajovski"), Bruce Cohen ("Cohen") and Andrew Shiff ("Shiff") (collectively, the "Individual Respondents"), shall cease trading in all securities; and
- ii) that any exemptions contained in Ontario securities law do not apply to the Individual Respondents;

AND WHEREAS, on April 7, 2010, the Commission ordered that the Second Temporary Order shall expire on the 15th day after its making unless extended by order of the Commission;

AND WHEREAS on April 14, 2010, the Commission issued a Notice of Hearing to consider, among other things, the extension of the Second Temporary Order, to be held on April 20, 2010 at 3:00 p.m.;

AND WHEREAS the Notice of Hearing sets out that the Hearing is to consider, amongst other things, whether, in the opinion of the Commission, it is in the public interest, pursuant to subsections 127(7) and (8) of the Act, to extend the Second Temporary Order until the conclusion of the hearing, or until such further time as considered necessary by the Commission;

AND WHEREAS on April 20, 2010, a hearing was held before the Commission and none of the Individual Respondents appeared before the Commission to oppose Staff's request for the extension of the Second Temporary Order;

AND WHEREAS on April 20, 2010, the Commission was satisfied that Staff had served or made reasonable attempts to serve each of the Individual Respondents with copies of the Second Temporary Order, the Notice of Hearing, and the Evidence Brief of Staff as evidenced by the Affidavit of Kathleen McMillan, sworn on April 20, 2010, and filed with the Commission;

AND WHEREAS on April 20, 2010, the Commission considered the evidence and submissions before it and the Commission was of the opinion that: in the absence of a continuing cease-trade order, the length of time required to conclude a hearing could be prejudicial to the public interest; and, it was in the public interest to extend the Second Temporary Order;

AND WHEREAS on April 20, 2010, pursuant to subsections 127(7) and (8) of the Act, the Second Temporary Order was extended to June 15, 2010 and the hearing in this matter was adjourned to June 14, 2010, at 10:00 a.m.;

AND WHEREAS on June 14, 2010, a hearing was held before the Commission and the Commission ordered that the Second Temporary Order be extended until September 1, 2010 and the hearing be adjourned to September 1, 2010, at 1:00 p.m.;

AND WHEREAS on June 14, 2010, on hearing the submissions of Staff, a Panel of the Commission ordered that the First Temporary Order be extended until September 1, 2010 and that the hearing in this matter be adjourned to September 1, 2010, at 1:00 p.m.;

AND WHEREAS on September 1, 2010, the Commission considered the evidence and submissions before it and the Commission was of the opinion that in the absence of a continuing cease-trade order, the length of time required to conclude a hearing could be prejudicial to the public interest;

AND WHEREAS on September 1, 2010, pursuant to subsections 127(7) and 127(8) of the Act, the First Temporary Order and Second Temporary Order were extended to November 9, 2010 and the hearing in this matter was adjourned to November 8, 2010 at 10:00 a.m.;

AND WHEREAS on September 1, 2010, it was further ordered pursuant to subsections 127(1) and (2) of the Act that, notwithstanding the Second Temporary Order, Feder is permitted to trade securities in an account in his own name or in an

account of his registered retirement savings plans (as defined in the *Income Tax Act* (Canada)) in which he has the sole legal and beneficial ownership, provided that:

- (i) the securities traded are listed and posted for trading on the Toronto Stock Exchange, the New York Stock Exchange or NASDAQ (or their successor exchanges) which is a reporting issuer; and
- (ii) he carries out any permitted trading through a dealer registered with the Commission (which dealer must be given a copy of this order) and through accounts opened in his name only (the "Amended Second Temporary Order").

AND WHEREAS on November 5, 2010, the Commission approved a settlement agreement between Staff and Robinson;

AND WHEREAS on November 8, 2010, Staff, Schaumer, Shiff, Silverstein, counsel for Rash, and counsel for Pasternak, Walker and Brikman, attended the hearing; and whereas Harper and Groberman had each advised Staff that they would not be attending the hearing; and whereas no person attended on behalf of the Corporate Respondents; and whereas Tsatskin, Bajovski and Cohen did not appear;

AND WHEREAS on November 8, 2010, counsel for Feder removed himself from the record due to a conflict of interest, and new counsel for Feder advised the Commission that he would need to satisfy himself that he was able to represent Feder, and would advise Staff accordingly as soon as possible;

AND WHEREAS on November 8, 2010, the Commission considered the evidence and submissions before it and the Commission was of the opinion that it was in the public interest that the First Temporary Order and the Amended Second Temporary Order be extended to December 8, 2010 and the hearing in this matter be adjourned to December 7, 2010 at 2:30 p.m.;

AND WHEREAS on December 7, 2010, Staff, Schaumer, Silverstein, counsel for Pasternak, Walker and Brikman, and an agent for new counsel for Feder attended the hearing; and whereas no person appeared on behalf of the Corporate Respondents; and whereas Harper, Rash, Tsatskin, Groberman, Bajovski, Cohen and Shiff did not appear;

AND WHEREAS on December 7, 2010, the Commission was satisfied that all of the Respondents had been properly served with notice of the hearing;

AND WHEREAS on December 7, 2010, Staff requested the extension of the First Temporary Order against the Corporate Respondents and the Amended Second Temporary Order against the Individual Respondents, and Schaumer, Silverstein, and counsel for Pasternak, Walker and Brikman consented to the extension of the Amended Second Temporary Order;

AND WHEREAS on December 7, 2010, an agent for new counsel for Feder informed the Commission that he did not have instructions as to whether Feder consented to an extension of the Amended Second Temporary Order;

AND WHEREAS on December 7, 2010, Staff informed the Commission that depending on settlement efforts, Staff might seek to bring an application to hold the next hearing in this matter in writing;

AND WHEREAS on December 7, 2010, the Commission directed that the First Temporary Order against the Corporate Respondents, and the Amended Second Temporary Order against the Individual Respondents, be consolidated into a single temporary order (the "Temporary Order");

AND WHEREAS on December 7, 2010, the Commission considered the evidence and submissions before it and the Commission was of the opinion that it was in the public interest that pursuant to subsections 127(7) and 127(8) of the Act, the Temporary Order be extended to March 3, 2011, without prejudice to Feder to bring a motion if he opposes the extension and that the hearing in this matter be adjourned to February 16, 2011 at 2:00 p.m.;

AND WHEREAS on February 16, 2011, Staff, Schaumer, Shiff, counsel for Feder attended the hearing; and whereas no person appeared on behalf of the Corporate Respondents; and whereas counsel for Pasternak, Walker and Brikman; Harper, Rash, Tsatskin, Groberman, Bajovski and Cohen did not appear;

AND WHEREAS on February 16, 2011, Staff requested the extension of the Temporary Order against the Individual Respondents and Corporate Respondents; and Schaumer and Shiff consented to the extension of the Temporary Order;

AND WHEREAS on February 16, 2011, counsel for Feder consented to the extension of the Temporary Order of December 7, 2010, save and except for the exceptions outlined in this order;

AND WHEREAS on February 16, 2011, the Commission considered the evidence and submissions before it and the Commission was of the opinion that it was in the public interest to adjourn the hearing to May 3, 2011 at 10:00 a.m. and further extended the Temporary Order until May 4, 2011;

AND WHEREAS on February 16, 2011, it was further ordered pursuant to subsections 127(7) and (8) of the Act, that the Temporary Order be extended to May 4, 2011, save and except that:

- (a) Feder is permitted to trade securities in an account in his own name or in an account of his registered retirement savings plan (as defined in the *Income Tax Act* (Canada)) in which Feder has the sole legal and beneficial ownership, provided that:
 - (i) the securities traded are listed and posted for trading on the Toronto Stock Exchange, the New York Stock Exchange, or NASDAQ (or their successor exchanges) which is a reporting issuer; and
 - (ii) that Feder carries out any permitted trading through a dealer registered with the Commission (which dealer must be given a copy of this order) and through accounts opened in Feder's name only; and
- (b) Feder is permitted to contact the existing shareholders of (i) Genesis Rare Diamonds (Ontario) Ltd. (ii) Kimberlite Diamond Corporation and (iii) their subsidiaries, none of which is a reporting issuer, or their counsel and to discuss/explore the potential for the sale of Feder's shares in those corporations to any or all of their existing shareholders and/or the purchase of Feder's shares in those corporations by the respective corporations for cancellation, provided that Feder's shares are not actually sold and/or purchased without Feder first obtaining a further exemption/order from the Commission that permits such sale(s) and/or purchase(s);

AND WHEREAS on May 3, 2011, Staff, Schaumer, Shiff, and Silverstein attended the hearing; no one appeared on behalf of the Corporate Respondents; and counsel for Pasternak, Walker and Brikman; counsel for Rash; Tsatskin, Harper, Groberman, Bajovski and Cohen did not appear;

AND WHEREAS on May 3, 2011, Staff requested an extension of the Temporary Order against the Individual Respondents and Corporate Respondents; and Schaumer, Shiff and Silverstein did not object to an extension of the Temporary Order;

AND WHEREAS on May 3, 2011, the Commission considered the evidence and submissions before it and the Commission was of the opinion that it was in the public interest to extend the Temporary Order against all named Respondents, except Rash, to the conclusion of the hearing on the merits; to extend the Temporary Order against Rash until July 12, 2011, and to adjourn the hearing to July 11, 2011 at 10:00 a.m., at which time Rash will have the opportunity to make submissions regarding any further extension of the Temporary Order against him;

AND WHEREAS on July 11, 2011, Staff, Harper and Shiff attended the hearing and no one appeared on behalf of the Corporate Respondents, Pasternak, Walker, Brikman, Feder; Tsatskin, Schaumer, Silverstein, Groberman, Bajovski or Cohen;

AND WHEREAS on July 11, 2011, Staff informed the Commission that Rash had recently retained new counsel in a related matter, and that Rash's new counsel had advised Staff that he would not be attending the hearing;

AND WHEREAS on July 11, 2011, Staff requested a further extension of the Temporary Order against Rash;

AND WHEREAS on July 11, 2011, the Commission considered the evidence and submissions before it and the Commission was of the opinion that it was in the public interest to extend the Temporary Order against Rash to September 27, 2011, and to adjourn the hearing to September 26, 2011, at 10:00 a.m., at which time Rash would have the opportunity to make submissions regarding any further extension of the Temporary Order against him;

AND WHEREAS on September 1, 2011, the Commission approved settlement agreements between Staff and each of Pasternak, Walker and Brikman;

AND WHEREAS on September 26, 2011, Staff, Harper, Schaumer, Silverstein and Shiff attended the hearing and no one appeared on behalf of the Corporate Respondents, Feder, Rash, Tsatskin, Groberman, Bajovski or Cohen;

AND WHEREAS on September 26, 2011, Staff requested a further extension of the Temporary Order against Rash;

AND WHEREAS on September 26, 2011, the Commission ordered that the Temporary Order be extended against Rash until November 29, 2011, and that the hearing be adjourned to November 28, 2011, at 10:00 a.m.;

AND WHEREAS on November 28, 2011, Staff and Shift attended the hearing and no one appeared on behalf of the Corporate Respondents or any of the other Individual Respondents;

AND WHEREAS the Commission was satisfied that the Corporate Respondents and the Individual Respondents had been properly served with notice of the hearing;

AND WHEREAS on November 28, 2011, Staff requested a further extension of the Temporary Order against Rash;

AND WHEREAS on November 28, 2011, the Commission ordered that the Temporary Order be extended against Rash until December 16, 2011, and that the hearing be adjourned to December 15, 2011, at 9:30 a.m.;

AND WHEREAS on November 29, 2011, the Commission approved settlement agreements between Staff and each of Silverstein and Schaumer;

AND WHEREAS on December 15, 2011, Staff attended the hearing and no one appeared on behalf of the Corporate Respondents or the Individual Respondents;

AND WHEREAS the Commission was satisfied that the Corporate Respondents and the Individual Respondents had been properly served with notice of the hearing;

AND WHEREAS on December 15, 2011 Staff requested a further extension of the Temporary Order against Rash;

AND WHEREAS on December 15, 2011, the Commission considered the evidence and submissions before it and the Commission was of the opinion that it was in the public interest to extend the Temporary Order against Rash to October 22, 2012, and to adjourn the hearing to October 19, 2012, at 10:00 a.m., without prejudice to either Staff or Rash to apply for a variation of the Temporary Order under section 144 of the Act;

AND WHEREAS on January 20, 2011, the Commission approved a settlement agreement between Staff and Feder;

AND WHEREAS on October 19, 2012, Staff attended the hearing and no one appeared on behalf of Rash;

AND WHEREAS the Commission was satisfied that Staff served or made reasonable attempts to serve the Corporate Respondents and the Individual Respondents with notice of the hearing;

AND WHEREAS on October 19, 2012, Staff requested a further extension of the Temporary Order against Rash;

AND WHEREAS on October 19, 2012, the Commission ordered that the Temporary Order be extended against Rash until February 28, 2013, without prejudice to either Staff or Rash to apply for a variation of the Temporary Order under section 144 of the Act, and that the hearing be adjourned to February 27, 2013 at 10:00 a.m.;

AND WHEREAS on February 27, 2013, Staff attended the hearing and no one appeared on behalf of Rash;

AND WHEREAS Staff filed the Affidavit of Peaches A. Barnaby sworn February 27, 2013 (the "February 27th Affidavit") outlining service on Rash of the Commission's Order dated October 19, 2012;

AND WHEREAS the Commission was satisfied that Staff served or made reasonable attempts to serve the Corporate Respondents and the Individual Respondents with notice of the hearing;

AND WHEREAS Staff informed the Commission that Rash pleaded guilty to breaching Ontario securities law in connection with his activities as a salesperson at Global Energy in proceedings before the Ontario Court of Justice and that a hearing is currently scheduled for March 20, 2013, at which the parties to that proceeding may make submissions on sentence;

AND WHEREAS Staff requested a further extension of the Temporary Order to a date following the sentencing hearing;

AND WHEREAS the February 27th Affidavit sets out Rash's consent, through his counsel, to the extension of the Temporary Order;

AND WHEREAS the Commission considered the evidence and submissions before it and the Commission is of the opinion that it is in the public interest to make this order;

IT IS ORDERED that the Temporary Order is extended against Rash until April 29, 2013, without prejudice to either Staff or Rash to apply for a variation of the Temporary Order under section 144 of the Act, and that the hearing is adjourned to April 26, 2013 at 11:00 a.m.

DATED at Toronto this 27th day of February, 2013.

“Edward P. Kerwin”

2.2.2 HEIR Home Equity Investment Rewards Inc. et al. – ss. 127(1), 127.1

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

AND

**IN THE MATTER OF
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.**

**ORDER
(Sections 127(1) and 127.1)**

WHEREAS on March 29, 2011, the Ontario Securities Commission (the “Commission”) issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended in connection with a Statement of Allegations filed by Staff of the Commission (“Staff”) on March 29, 2011 in respect of HEIR Home Equity Investment Rewards Inc., FFI First Fruit Investments Inc., Wealth Building Mortgages Inc., Archibald Robertson, (collectively, the “HEIR Respondents”), 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. (collectively, the “Canyon Respondents”) and Eric Deschamps (“Deschamps”);

AND WHEREAS on October 24, 2012, the Commission heard motions brought by the Canyon Respondents and the HEIR Respondents for an Order adjourning the commencement of the hearing on the merits from November 5, 2012 to mutually agreeable dates. Staff and counsel for the HEIR Respondents attended the hearing in person. Also in attendance by telephone were Archie Robertson, Brent Borland, on behalf of himself and the Canyon Respondents, and counsel for Deschamps;

AND WHEREAS on October 24, 2012, on the consent of the parties, the Commission ordered that:

1. The dates for the hearing on the merits commencing on November 5, 2012 through to November 30, 2012 are vacated;
2. The hearing on the merits in this matter will commence on April 15, 2013, and will continue thereafter on April 16-19, 22, 25, 26, 29, 30, May

1-3, 6, and 8-10, 2013. These dates are peremptory against the Canyon Respondents and the HEIR Respondents with or without counsel, but are not peremptory against Deschamps; and

3. A prehearing conference will be held on February 27, 2013 at 9:00 a.m.;

AND WHEREAS on February 25, 2013 the Commission issued an Order approving the Settlement Agreement reached between Staff of the Commission and Deschamps dated February 14, 2013;

AND WHEREAS on February 27, 2013 a confidential pre-hearing conference was held in this proceeding and attended in person by Staff of the Commission and counsel for the HEIR Respondents. Also in attendance by telephone was Brent Borland, on behalf of himself and the Canyon Respondents;

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

IT IS ORDERED THAT:

1. The hearing on the merits in this matter will commence on April 15, 2013, and will continue thereafter on April 16-19, 22, 25, 26, 29, 30, May 1-3, 6, and 8-10, 2013. These dates are peremptory against the Canyon Respondents and the HEIR Respondents with or without counsel, as previously ordered on October 24, 2012; and
2. A prehearing conference will be held on April 4, 2013 at 9:00 a.m.

DATED at Toronto this 27th day of February, 2013.

“Mary Condon”

2.2.3 Peter Sbaraglia – Rules 1.6(2), 4.3(1), 4.5(1) and 6.2 of the OSC Rules of Procedure

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

AND

**IN THE MATTER OF
PETER SBARAGLIA**

**ORDER
(Rules 1.6(2), 4.3(1), 4.5(1) and 6.2 of the
Ontario Securities Commission
Rules of Procedure (2012), 35 O.S.C.B. 10009)**

WHEREAS on February 24, 2011, the Ontario Securities Commission (the “Commission”) issued a Notice of Hearing pursuant to section 127 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 February 24, 2011 with respect to Peter Sbaraglia (“Sbaraglia”);

AND WHEREAS on March 31, 2011, the Commission heard submissions from Staff and counsel for Sbaraglia and adjourned the hearing to April 28, 2011;

AND WHEREAS on April 28, 2011, the Commission heard submissions from Staff and counsel for Sbaraglia and adjourned the hearing to June 7, 2011;

AND WHEREAS on June 7, 2011, the Commission heard submissions from Staff and counsel for Sbaraglia and adjourned the hearing to July 27, 2011;

AND WHEREAS on July 27, 2011, the Commission heard submissions from Staff and Sbaraglia and ordered that a pre-hearing conference in this matter take place on October 28, 2011;

AND WHEREAS on October 28, 2011, the Commission held a pre-hearing conference in this matter and heard submissions from Staff and counsel for Sbaraglia and adjourned the pre-hearing conference to November 25, 2011 on the consent of the parties;

AND WHEREAS on November 25, 2011, following a pre-hearing conference at which the Commission heard submissions from Staff and counsel for Sbaraglia, the Commission ordered that: Sbaraglia’s motion regarding Staff’s disclosure, if Sbaraglia determined to bring such a motion, be scheduled for January 24, 2012; the hearing on the merits commence on June 4, 2012 and continue until June 26, 2012, excluding June 5 and 19, 2012; and a pre-hearing conference be held on April 30, 2012;

AND WHEREAS on January 24, 2012, the Commission held a hearing with respect to a disclosure motion brought by Sbaraglia, which motion was dismissed by the Commission, and the Commission ordered that the

minimum time requirements under subrule 4.3(1) and rule 4.5 of the Ontario Securities Commission *Rules of Procedure* (2010), 33 O.S.C.B. 8017 (the “Rules”) be extended by an additional 10 days;

AND WHEREAS on April 30, 2012, the Commission held a hearing with respect to a motion brought by counsel for Sbaraglia seeking an adjournment of the hearing on the merits, which was opposed by Staff, and the Commission ordered that: the hearing on the merits originally scheduled to commence on June 4, 2012 will commence on October 22, 2012 and continue until November 14, 2012, inclusive, with the exception of October 23, 2012 and November 5 and 6, 2012, on a peremptory basis with respect to Sbaraglia; a pre-hearing conference be held on June 4, 2012; and the extension of the minimum time requirements under subrule 4.3(1) and rule 4.5 of the Rules ordered on January 24, 2012 be set aside;

AND WHEREAS on June 4, 2012, the Commission held a pre-hearing conference and heard submissions from Staff and counsel for Sbaraglia and adjourned the pre-hearing conference to July 4, 2012;

AND WHEREAS on July 4, 2012, the Commission held a pre-hearing conference and heard submissions from Staff and counsel for Sbaraglia and adjourned the pre-hearing conference to July 19, 2012;

AND WHEREAS on July 19, 2012, the Commission held a hearing with respect to a motion brought by counsel for Sbaraglia seeking an adjournment of the hearing on the merits, to which Staff consented;

AND WHEREAS counsel for Sbaraglia advised the Commission that, on October 2, 2012, the Court of Appeal would hear an appeal and cross-appeal of the decision of the Superior Court of Justice dated May 23, 2012 regarding Sbaraglia’s motion to compel production by the Receiver of certain documents alleged by Sbaraglia to be relevant to this matter;

AND WHEREAS the Commission ordered that: the hearing on the merits scheduled to commence on October 22, 2012 will commence on March 18, 2013, on a peremptory basis with respect to Sbaraglia, and shall continue until April 5, 2013, inclusive, with the exception of March 26 and 29, 2013 and further continue on April 24 and 25, 2013; and a pre-hearing conference will be held on November 7, 2012;

AND WHEREAS on November 7, 2012, the Commission held a pre-hearing conference and heard submissions from Staff and counsel for Sbaraglia and adjourned the pre-hearing conference to December 12, 2012;

AND WHEREAS on December 12, 2012, the Commission held a pre-hearing conference in this matter and heard submissions from Staff and counsel for Sbaraglia;

AND WHEREAS counsel for Sbaraglia advised the Commission that Sbaraglia intended to request the issuance of summonses to a number of individuals, including the Receiver;

AND WHEREAS Staff requested that a hearing be scheduled at which time anyone to whom a summons was issued may bring a motion to have the issuance of the summons reviewed by the Commission in accordance with subrule 4.7(2) of the Rules ("Summons Motion");

AND WHEREAS counsel for Sbaraglia undertook to advise the parties to whom summonses were issued of the date of the hearing with respect to any Summons Motion;

AND WHEREAS the Commission ordered that a hearing be held on January 9, 2013 for the purpose of considering any Summons Motion;

AND WHEREAS on January 9, 2013, Staff, counsel for Sbaraglia, counsel for the Receiver and counsel for an individual to whom a summons had been issued appeared before the Commission and made submissions regarding the scheduling of a Summons Motion;

AND WHEREAS counsel for the Receiver advised the Commission that the Receiver intended to bring a Summons Motion ("Receiver Motion");

AND WHEREAS counsel for Sbaraglia undertook to advise the parties to whom summonses have been issued of the date of the hearing with respect to any Summons Motion;

AND WHEREAS on January 9, 2013, the Commission ordered that a hearing be held on February 8, 2013 at 10:00 a.m. for the purpose of considering the Receiver Motion, and that a hearing be held on February 8, 2013 at 10:00 a.m., following the hearing of any Receiver Motion, for the purpose of considering any other Summons Motion;

AND WHEREAS the parties to the motion failed to comply with the time requirements for the filing of motion materials set out in Rule 3 of the Rules;

AND WHEREAS on February 6, 2013, the Commission ordered that the hearing for the purpose of considering the Receiver Motion be adjourned to February 19, 2013 at 10:00 a.m., and that the hearing for the purpose of considering any other Summons Motion be adjourned to February 19, 2013 at 10:00 a.m., following the hearing of the Receiver Motion;

AND WHEREAS on February 7, 2013, counsel for Sbaraglia and counsel for the Receiver advised that they would not be available on February 19, 2013 to attend the Receiver Motion but would be available on February 27, 2013;

AND WHEREAS on February 8, 2013, the Commission ordered that the hearing of the Receiver Motion be adjourned to February 27, 2013 at 10:00 a.m., and that the hearing of any other Summons Motion be adjourned to February 27, 2013 at 10:00 a.m., following the hearing of the Receiver Motion;

AND WHEREAS at the request of Sbaraglia, summonses have been issued by the Commission to a number of individuals, including the Receiver;

AND WHEREAS on February 22, 2013, the Commission held a confidential pre-hearing conference in this matter and heard submissions from Staff and counsel for Sbaraglia;

AND WHEREAS the parties consent to this order;

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

IT IS ORDERED that:

1. Staff will deliver its hearing brief and accounting summaries with respect to the hearing on the merits by March 6, 2013;
2. Sbaraglia will deliver his hearing brief with respect to the hearing on the merits by March 6, 2013;
3. Staff will deliver the will-say statements of all Staff witnesses with respect to the hearing on the merits by March 8, 2013; and
4. The confidential pre-hearing conference is adjourned to Wednesday, February 27, 2013, immediately following the Receiver Motion.

DATED at Toronto this 22nd day of February 2013.

"Alan Lenczner"

2.2.4 David M. O'Brien – s. 9(1) of the SPPA and Rules 5.2(1), 8.1 of the OSC Rules of Procedure

**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
(Subsection 9(1) of the
Statutory Powers Procedure Act,
R.S.O. 1990, c. S.22, as amended and Rule 8.1 and
subrule 5.2(1) of the Commission's Rules of Procedure,
(2012), 35 O.S.C.B. 10071)**

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 David O'Brien ("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 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; and
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 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 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 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 pre-hearing 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 pre-hearing conference by July 9, 2012, and that the records from the July 19, 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 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. The Commission ordered that a confidential pre-hearing conference shall take place on October 25, 2012 at 3:00 p.m. for which O'Brien shall deliver any materials relevant to the pre-hearing conference by October 22, 2012, and that 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*;

AND WHEREAS at the confidential pre-hearing conference on October 25, 2012, Staff and Counsel for O'Brien appeared and presented evidence and Staff did not object to Counsel for O'Brien requesting a further confidential pre-hearing conference. The Commission ordered that a confidential pre-hearing conference shall take place on March 7, 2013 at 10:00 a.m. for which O'Brien shall deliver any materials relevant to the pre-hearing conference by March 1, 2013 and that the records from the October 25, 2012 and March 7, 2013 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*;

AND WHEREAS Staff requested an adjournment until March 11, 2013 and Counsel for O'Brien confirmed his availability for March 11, 2013 as an alternate date for the pre-hearing conference;

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. the pre-hearing date of March 7, 2013 is vacated;
2. a confidential pre-hearing conference shall take place on March 11, 2013 at 11:00 a.m.; and
3. the records of the March 11, 2013 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*, (2012), 35 O.S.C.B. 10071.

DATED at Toronto this "27th" day of February, 2013.

"Mary Condon"

2.2.5 Issam El-Bouji 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
ISSAM EL-BOUJI, GLOBAL RESP CORPORATION,
GLOBAL GROWTH ASSETS INC.,
GLOBAL EDUCATIONAL TRUST FOUNDATION
AND MARGARET SINGH**

**ORDER
(Section 127)**

WHEREAS on January 10, 2013, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing (the "Notice of Hearing") pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), accompanied by a Statement of Allegations dated January 10, 2013 filed by Staff of the Commission ("Staff") against Issam El-Bouji, Global RESP Corporation, Global Growth Assets Inc., Global Educational Trust Foundation and Margaret Singh (collectively, the "Respondents");

AND WHEREAS pursuant to the Notice of Hearing an attendance in this matter was held on January 28, 2013 at 12:00 p.m.;

AND WHEREAS the Commission heard submissions from Staff and counsel for the Respondents;

AND WHEREAS Staff advised the Commission that it intended to deliver disclosure electronically to the Respondents' counsel on or by February 1, 2013;

AND WHEREAS on January 28, 2013, the Commission ordered that the hearing be adjourned to February 27, 2013 at 11:00 a.m.;

AND WHEREAS on February 27, 2013, Staff and counsel for the Respondents appeared and made submissions, and Staff advised the Commission that it has completed the majority of its disclosure to the Respondents;

AND WHEREAS Staff and counsel for the Respondents requested that the Commission reserve a date for a possible disclosure motion that may be brought by the Respondents;

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

IT IS ORDERED that this matter is adjourned to a confidential pre-hearing conference to be held on June 19, 2013 at 10:00 a.m.;

IT IS FURTHER ORDERED that a possible disclosure motion that may be brought by the Respondents shall be held on June 5, 2013 at 10:00 a.m.

DATED at Toronto this 27th day of February, 2013.

"James E. A. Turner"

2.2.6 Galway Metals Inc. – s. 1(11)(b)

Headnote

Subsection 1(11)(b) – Issuer designated as a reporting issuer in Ontario – Issuer already a reporting issuer in Alberta and British Columbia – Continuous disclosure requirements in Alberta and British Columbia substantially the same as those in Ontario.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(11)(b).

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

AND

**IN THE MATTER OF
GALWAY METALS INC.**

**ORDER
(Subsection 1(11)(b))**

UPON the application of Galway Metals Inc. (the Applicant) to the Ontario Securities Commission (the Commission) for an order pursuant to subsection 1(11)(b) of the Act designating the Applicant as a reporting issuer for the purposes of Ontario securities law;

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

AND UPON the Applicant representing to the Commission as follows:

1. The name of the Applicant is Galway Metals Inc.
2. The Applicant is a mining exploration and development company focused on the exploration of gold and other metals in South America and the Applicant holds interests in a mineral project in New Mexico.
3. The Applicant was incorporated on May 9, 2012 under the laws of New Brunswick, with its head office at 36 Toronto Street, Suite 1000, Toronto, ON M5C 2C5.
4. The continuous disclosure requirements of the BC Act and the Alberta Act are substantially the same as the requirements under the Act.
5. The continuous disclosure documents filed by the Applicant under the BC Act and the Alberta Act are available on the System for Electronic Document Analysis and Retrieval (SEDAR).
6. The Applicant became a reporting issuer under the *Securities Act* (British Columbia) (the BC Act)

and the *Securities Act* (Alberta) (the Alberta Act) on December 20, 2012, and is not in default of any requirement of the securities legislation of such jurisdictions.

7. The authorized capital of the Applicant consists of an unlimited number of common shares without par value, of which as at January 18, 2013, there were 149,635,739 common shares outstanding.
8. The Applicant's financial year end is December 31.
9. The Applicant's securities are listed on the TSX Venture Exchange (the TSX-V) under the stock symbol "GWM".
10. The Applicant believes it has a significant connection to Ontario on the basis of the most recent Broadridge Report (the Report) obtained by Galway Resources Ltd. dated October 7, 2011. The Report indicates that 35.75% of the shareholders of Galway Resources Ltd. were resident in Ontario as of the date of the Report. Pursuant to a plan of arrangement which became effective December 20, 2012, holders of common shares of Galway Resources Ltd. received one (1) share of the Applicant for each share of Galway Resources Ltd. held. The Applicant believes it is reasonable to conclude that a similar percentage of the shares of the Applicant are held by shareholders resident in Ontario.
11. Other than in respect of failing to comply with Section 18.2 of Policy 3.1 of the TSX Venture Exchange Corporate Finance Manual, the Applicant is in good standing with the TSX-V and is not in default of any of the rules or regulations of the TSX-V.
12. Neither the Applicant nor any of its officers, directors, nor, to the knowledge of the Applicant or its officers and directors, any shareholder holding sufficient securities of the Applicant to affect materially the control of the Applicant, has:
 - (a) been the subject of any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority;
 - (b) entered into a settlement agreement with a Canadian securities regulatory authority; or
 - (c) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.
13. Neither the Applicant nor any of its officers, directors, nor, to the knowledge of the Applicant or

its officers and directors, any shareholder holding sufficient securities of the Applicant to affect materially the control of the Applicant, is or has been subject to:

- (a) any known ongoing or concluded investigations by:
 - (i) a Canadian securities regulatory authority, or
 - (ii) a court or regulatory body, other than a Canadian securities regulatory authority, that would be likely to be considered important to a reasonable investor making an investment decision; or
- (b) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or the appointment of a receiver, receiver-manager or trustee, within the preceding 10 years.

14. None of the officers or directors of the Applicant, nor, to the knowledge of the Applicant or its officers and directors, any shareholder holding sufficient securities of the Applicant to affect materially the control of the Applicant, is or has been at the time of such event an officer or director of any other issuer which is or has been subject to:

- (a) any cease trade or similar order, or order that denied access to any exemptions under Ontario securities law, for a period of more than 30 consecutive days, within the preceding 10 years; or
- (b) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or the appointment of a receiver, receiver-manager or trustee, within the preceding 10 years.

15. As the Applicant has a significant number of non-resident directors and one non-resident officer, the Applicant has filed with the Commission on SEDAR a "Non-Issuer Submission to Jurisdiction and Appointment of Agent for Service of Process" form executed by each non-resident director and officer of the Applicant.

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

IT IS HEREBY ORDERED pursuant to subsection 1(11)(b) of the Act that the Applicant be designated as a reporting issuer for the purposes of Ontario securities law.

DATED at Toronto on this 8th day of February, 2013.

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

2.2.7 Empire Consulting Inc. and Desmond Chambers – ss. 127(1), 127.1

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

AND

**IN THE MATTER OF
EMPIRE CONSULTING INC. and
DESMOND CHAMBERS**

ORDER

(Sections 127(1) and 127.1 of the Securities Act)

WHEREAS on May 26, 2011, the Ontario Securities Commission (the “**Commission**”) issued and filed a Notice of Hearing to consider the allegations made by Staff of the Commission (“**Staff**”) in the Statement of Allegations dated May 26, 2011;

AND WHEREAS on October 31, 2011, the Commission issued an Amended Statement of Allegations;

AND WHEREAS the hearing on the merits with respect to Staff’s allegations against the respondents, Empire Consulting Inc. (“**Empire**”) and Desmond Chambers (“**Chambers**”) (together, the “**Respondents**”) was conducted on January 26 and 27, 2012 and March 22, 2012 (the “**Merits Hearing**”);

AND WHEREAS the Respondents chose not to attend the Merits Hearing;

AND WHEREAS the Commission issued its Reasons for Decision on the merits on August 16, 2012, finding that the Respondents contravened subsections 25(1)(a) pre-September 28, 2009 and 25(1) post-September 28, 2009, 25(1)(c) pre-September 28, 2009 and 25(3) post-September 28, 2009, 53(1), 126.1(b) and 129.2 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “**Act**”);

AND WHEREAS the Commission conducted a sanctions and costs hearing in respect of the Respondents on October 10, 2012 (the “**Sanctions and Costs Hearing**”);

AND WHEREAS the Respondents chose not to attend the Sanctions and Costs Hearing;

AND WHEREAS, having considered the written and oral submissions of Staff, the Commission is of the opinion that it is in the public interest to make the following order:

IT IS ORDERED THAT:

1. Trading in any securities by the Respondents shall cease permanently pursuant to clause 2 of subsection 127(1) of the Act;

2. The acquisition of any securities by the Respondents is prohibited permanently pursuant to clause 2.1 of subsection 127(1) of the Act;
3. Any exemptions contained in Ontario securities law shall not apply to the Respondents permanently pursuant to clause 3 of subsection 127(1) of the Act;
4. The Respondents are reprimanded pursuant to clause 6 of subsection 127(1) of the Act;
5. Chambers shall resign any position that he holds as a director or officer of any issuer, registrant, or investment fund manager pursuant to clauses 7, 8.1 and 8.3 of subsection 127(1) of the Act;
6. Chambers is prohibited permanently from becoming or acting as a director or officer of any issuer, registrant, or investment fund manager pursuant to clauses 8, 8.2 and 8.4 of subsection 127(1) of the Act;
7. Chambers is prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter pursuant to clause 8.5 of subsection 127(1) of the Act;
8. Having determined that the Respondents have failed to comply with the securities laws of Ontario, the Respondents shall pay an administrative penalty of \$300,000 on a joint and several basis pursuant to clause 9 of subsection 127(1) of the Act;
9. Having determined that the Respondents have failed to comply with the securities laws of Ontario, the Respondents shall disgorge to the Commission on a joint and several basis the sum of \$859,555 obtained as a result of their non-compliance with the Act pursuant to clause 10 of subsection 127(1) of the Act;
10. All amounts received by the Commission in respect of the administrative penalty ordered in paragraph 8 above and the disgorgement amounts ordered in paragraph 9 above are to be allocated in accordance with subsection 3.4(2)(b) of the Act as the Commission in its absolute discretion shall decide; and
11. Having determined that the Respondents have failed to comply with the securities laws of Ontario, and that the Respondents have not acted in the public interest, the Respondents shall pay the

costs of the Commission's investigation and hearing in the amount of \$235,502.15 on a joint and several basis pursuant to section 127.1 of the Act.

Dated at Toronto this 28th day of February, 2013.

"Edward P. Kerwin"

2.2.8 Metro Inc. – s. 104(2)(c)

Headnote

Clause 104(2)(c) – Issuer bid – relief from issuer bid requirements in sections 94 to 94.8 and 97 to 98.7 of the Act – Issuer proposes to purchase, at a discounted purchase price, up to 1,000,000 of its common shares from one of its shareholders and/or such shareholder's affiliates – due to discounted purchase price, proposed purchases cannot be made through TSX trading system – but for the fact that the proposed purchases cannot be made through the TSX trading system, the Issuer could otherwise acquire the subject shares in reliance upon the issuer bid exemption available under section 101.2 of the Securities Act and in accordance with the TSX rules governing normal course issuer bid purchases – no adverse economic impact on or prejudice to issuer or public shareholders – proposed purchases exempt from issuer bid requirements in sections 94 to 94.8 and 97 to 98.7 of the Act, subject to conditions, including that the issuer not purchase more than one-third of the maximum number of shares to be purchased under its normal course issuer bid by way of off-exchange block purchases.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 94 to 94.8, 97 to 98.7, 104(2)(c).

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

AND

**IN THE MATTER OF
METRO INC.**

**ORDER
(Clause 104(2)(c) of the Act)**

UPON the application (the **Application**) of Metro inc. (the **Issuer**) to the Ontario Securities Commission (the **Commission**) for an order pursuant to clause 104(2)(c) of the Act exempting the Issuer from the requirements of sections 94 to 94.8 and 97 to 98.7 of the Act (the **Issuer Bid Requirements**) in respect of the proposed purchases by the Issuer of up to 1,000,000 (collectively, the **Subject Shares**) of its common shares (the **Common Shares**) in one or more trades from Canadian Imperial Bank of Commerce (or one of its affiliates) (the **Selling Shareholder**);

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

AND UPON the Issuer (and the Selling Shareholder in respect of paragraphs 5, 6, 7, 8, 10, 22 and 23, as they relate to the Selling Shareholder) having represented to the Commission that:

1. The Issuer is a corporation governed by the *Business Corporations Act* (Québec).
2. The head office and registered office of the Issuer are at 11011 Maurice-Duplessis Boulevard, Montréal, Quebec, H1C 1V6.
3. The Issuer is a reporting issuer in each of the provinces of Canada and the Common Shares of the Issuer are listed for trading on the TSX under the symbol "MRU". The Issuer is not in default of any requirement of the securities legislation in the jurisdictions in which it is a reporting issuer.
4. The authorized common share capital of the Issuer consists of an unlimited number of Common Shares, of which approximately 96,546,841 Common Shares were issued and outstanding as of November 24, 2012.
5. The corporate headquarters of the Selling Shareholder are located in the Province of Ontario.
6. The Selling Shareholder has advised the Issuer that it do not directly or indirectly own more than 5% of the issued and outstanding Common Shares.
7. The Selling Shareholder has advised the Issuer that it is the beneficial owner of at least 1,000,000 Common Shares and that the Subject Shares were not acquired in anticipation of resale to the Issuer pursuant to private agreements under an issuer bid exemption order issued by a securities regulatory authority (**Off-Exchange Block Purchases**).
8. The Selling Shareholder is at arm's length to the Issuer and is not an "insider" of the Issuer or "associate" or an "insider" of the Issuer, or an "associate" or "affiliate" of the Issuer, as such terms are defined in the Act. The Selling Shareholder is an "accredited investor" within the meaning of National Instrument 45-106 *Prospectus and Registration Exemptions* (**NI 45-106**).
9. Pursuant to a "Notice of Intention to Make a Normal Course Issuer Bid" filed with the TSX as of September 8, 2010 and amended as of November 12, 2010, as renewed on September 6, 2012 (the **Notice**), the Issuer is permitted to make normal course issuer bid (the **Normal Course Issuer Bid**) purchases for up to 6,000,000 Common Shares. In accordance with the Notice, the Normal Course Issuer Bid is conducted through the facilities of the TSX or such other means as may be permitted by the TSX or a securities regulatory authority, in accordance with sections 628 to 629.3 of Part VI of the TSX Company Manual (the **TSX NCIB Rules**), including, private agreements under an issuer bid exemption order issued by a securities regulatory authority.
10. The Issuer and the Selling Shareholder intend to enter into one or more agreements of purchase and sale (each, an **Agreement**) pursuant to which the Issuer will agree to acquire the Subject Shares from the Selling Shareholder by one or more purchases each occurring on or before April 30, 2013 (each such purchase, a **Proposed Purchase**) for a purchase price (the **Purchase Price**) that will be negotiated at arm's length between the Issuer and the Selling Shareholder. The Purchase Price will be at a discount to the prevailing market price of the Common Shares on the TSX and below the bid-ask price for the Common Shares at the time of each Proposed Purchase.
11. The purchase of the Subject Shares by the Issuer pursuant to each Agreement will constitute an "issuer bid" for purposes of the Act to which the Issuer Bid Requirements would apply.
12. The Subject Shares acquired under each Proposed Purchase will constitute a "block" as that term is defined in section 628 of the TSX NCIB Rules.
13. Because the Purchase Price will be at a discount to the prevailing market price and below the bid-ask price for the Common Shares at the time of each Proposed Purchase, each Proposed Purchase cannot be made through the TSX trading system and, therefore, will not occur "through the facilities" of the TSX. As a result, the Issuer will be unable to acquire the Subject Shares from the Selling Shareholder in reliance upon the exemption from the Issuer Bid Requirements that is available pursuant to section 101.2(1) of the Act.
14. But for the fact that the Purchase Price will be at a discount to the prevailing market price and below the bid-ask price for the Common Shares at the time of each Proposed Purchase, the Issuer could otherwise acquire the Subject Shares as a "block purchase" (a **Block Purchase**) in accordance with the block purchase exception in section 629(1)7 of the TSX NCIB Rules and the exemption from the Issuer Bid Requirements that is available pursuant to section 101.2(1) of the Act.
15. The sale of any of the Subject Shares to the Issuer will not be a "distribution" (as defined in the Act).
16. The Notice contemplates that purchases under the Normal Course Issuer Bid may be made by such other means as may be permitted by the TSX or a securities regulatory authority.
17. For each Proposed Purchase, the Issuer will be able to acquire the Subject Shares from the Selling Shareholder without the Issuer being

subject to the dealer registration requirements of the Act.

18. The Issuer is of the view that it will be able to purchase the Subject Shares at a lower price than the price at which it would be able to purchase the Common Shares under the Normal Course Issuer Bid through the facilities of the TSX and the Issuer is of the view that this is an appropriate use of the Issuer's funds on hand.
19. The purchase of the Subject Shares will not adversely affect the Issuer or the rights of any of the Issuer's securityholders and it will not materially affect the control of the Issuer. To the knowledge of the Issuer, the Proposed Purchases will not prejudice the ability of other shareholders of the Issuer to otherwise sell Common Shares in the open market at the prevailing market price. The Proposed Purchases will be carried out with a minimum of cost to the Issuer.
20. To the best of the Issuer's knowledge, as of November 24, 2012, the "public float" for the Common Shares represented more than 65% of all issued and outstanding Common Shares for purposes of the TSX NCIB Rules.
21. The market for the Common Shares is a "liquid market" within the meaning of section 1.2 of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*.
22. Other than the Purchase Price, no additional fee or other consideration will be paid in connection with the Proposed Purchases.
23. At the time that each Agreement is entered into by the Issuer and the Selling Shareholder, neither the Issuer, nor the Selling Shareholder will be aware of any "material change" or "material fact" (each as defined in the Act) in respect of the Issuer that has not been generally disclosed.

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

IT IS ORDERED pursuant to clause 104(2)(c) of the Act that the Issuer be exempt from the Issuer Bid Requirements in connection with each Proposed Purchase, provided that:

- (a) the Proposed Purchases will be taken into account by the Issuer when calculating the maximum annual aggregate limit that is imposed upon the Issuer's Normal Course Issuer Bid in accordance with the TSX NCIB Rules;
- (b) the Issuer will refrain from conducting a Block Purchase in accordance with the TSX NCIB Rules during the calendar week that it completes each Proposed

Purchase and may not make any further purchases under the Normal Course Issuer Bid for the remainder of that calendar day on which it completes each Proposed Purchase;

- (c) the Purchase Price is not higher than the last "independent trade" (as that term is used in paragraph 629(l)1 of the TSX NCIB Rules) of a board lot of Common Shares immediately prior to the execution of each Proposed Purchase;
- (d) the Issuer will otherwise acquire any additional Common Shares pursuant to the Normal Course Issuer Bid and in accordance with the Notice, as amended, and the TSX NCIB Rules, as applicable;
- (e) immediately following each Proposed Purchase of the Subject Shares from the Selling Shareholder, the Issuer will report the purchase of the Subject Shares to the TSX;
- (f) at the time that each Agreement is entered into by the Issuer and the Selling Shareholder and at the time of each Proposed Purchase, neither the Issuer, nor the Selling Shareholder will be aware of any "material change" or "material fact" (each as defined in the Act) in respect of the Issuer that has not been generally disclosed;
- (g) the Issuer will issue a press release disclosing its intention to make the Proposed Purchases prior to the first Proposed Purchase; and
- (h) the Issuer does not purchase, pursuant to Off-Exchange Block Purchases, more than one-third of the maximum number of Common Shares the Issuer can purchase under the Normal Course Issuer Bid.

DATED at Toronto this 8th day of January, 2013.

"James Turner"
Vice-Chair

"Christopher Portner"
Commissioner

2.2.9 Metro Inc. – s. 104(2)(c)

Headnote

Clause 104(2)(c) – Issuer bid – relief from issuer bid requirements in sections 94 to 94.8 and 97 to 98.7 of the Act – Issuer proposes to purchase, at a discounted purchase price, up to 1,000,000 of its common shares from one of its shareholders and/or such shareholder's affiliates – due to discounted purchase price, proposed purchases cannot be made through TSX trading system – but for the fact that the proposed purchases cannot be made through the TSX trading system, the Issuer could otherwise acquire the subject shares in reliance upon the issuer bid exemption available under section 101.2 of the Securities Act and in accordance with the TSX rules governing normal course issuer bid purchases – no adverse economic impact on or prejudice to issuer or public shareholders – proposed purchases exempt from issuer bid requirements in sections 94 to 94.8 and 97 to 98.7 of the Act, subject to conditions, including that the issuer not purchase more than one-third of the maximum number of shares to be purchased under its normal course issuer bid by way of off-exchange block purchases.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 94 to 94.8, 97 to 98.7, 104(2)(c).

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

AND

**IN THE MATTER OF
METRO INC.**

**ORDER
(Clause 104(2)(c) of the Act)**

UPON the application (the **Application**) of Metro inc. (the **Issuer**) to the Ontario Securities Commission (the **Commission**) for an order pursuant to clause 104(2)(c) of the Act exempting the Issuer from the requirements of sections 94 to 94.8 and 97 to 98.7 of the Act (the **Issuer Bid Requirements**) in respect of the proposed purchases by the Issuer of up to 1,000,000 (collectively, the **Subject Shares**) of its common shares (the **Common Shares**) in one or more trades from The Toronto-Dominion Bank (or one of its affiliates) (the **Selling Shareholder**);

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

AND UPON the Issuer (and the Selling Shareholder in respect of paragraphs 5, 6, 7, 8, 10, 22 and 23, as they relate to the Selling Shareholder) having represented to the Commission that:

1. The Issuer is a corporation governed by the *Business Corporations Act* (Québec).
2. The head office and registered office of the Issuer are at 11011 Maurice-Duplessis Boulevard, Montréal, Quebec, H1C 1V6.
3. The Issuer is a reporting issuer in each of the provinces of Canada and the Common Shares of the Issuer are listed for trading on the TSX under the symbol “MRU”. The Issuer is not in default of any requirement of the securities legislation in the jurisdictions in which it is a reporting issuer.
4. The authorized common share capital of the Issuer consists of an unlimited number of Common Shares, of which approximately 96,546,841 Common Shares were issued and outstanding as of November 24, 2012.
5. The corporate headquarters of the Selling Shareholder are located in the Province of Ontario.
6. The Selling Shareholder has advised the Issuer that it do not directly or indirectly own more than 5% of the issued and outstanding Common Shares.
7. The Selling Shareholder has advised the Issuer that it is the beneficial owner of at least 1,000,000 Common Shares and that the Subject Shares were not acquired in anticipation of resale to the Issuer pursuant to private agreements under an issuer bid exemption order issued by a securities regulatory authority (**Off-Exchange Block Purchases**).
8. The Selling Shareholder is at arm's length to the Issuer and is not an “insider” of the Issuer or “associate” or an “insider” of the Issuer, or an “associate” or “affiliate” of the Issuer, as such terms are defined in the Act. The Selling Shareholder is an “accredited investor” within the meaning of National Instrument 45-106 *Prospectus and Registration Exemptions* (**NI 45-106**).
9. Pursuant to a “Notice of Intention to Make a Normal Course Issuer Bid” filed with the TSX as of September 8, 2010 and amended as of November 12, 2010, as renewed on September 6, 2012 (the **Notice**), the Issuer is permitted to make normal course issuer bid (the **Normal Course Issuer Bid**) purchases for up to 6,000,000 Common Shares. In accordance with the Notice, the Normal Course Issuer Bid is conducted through the facilities of the TSX or such other means as may be permitted by the TSX or a securities regulatory authority, in accordance with sections 628 to 629.3 of Part VI of the TSX Company Manual (the **TSX NCIB Rules**), including, private agreements under an issuer bid exemption order issued by a securities regulatory authority.

10. The Issuer and the Selling Shareholder intend to enter into one or more agreements of purchase and sale (each, an **Agreement**) pursuant to which the Issuer will agree to acquire the Subject Shares from the Selling Shareholder by one or more purchases each occurring on or before April 30, 2013 (each such purchase, a **Proposed Purchase**) for a purchase price (the **Purchase Price**) that will be negotiated at arm's length between the Issuer and the Selling Shareholder. The Purchase Price will be at a discount to the prevailing market price of the Common Shares on the TSX and below the bid-ask price for the Common Shares at the time of each Proposed Purchase.
11. The purchase of the Subject Shares by the Issuer pursuant to each Agreement will constitute an "issuer bid" for purposes of the Act to which the Issuer Bid Requirements would apply.
12. The Subject Shares acquired under each Proposed Purchase will constitute a "block" as that term is defined in section 628 of the TSX NCIB Rules.
13. Because the Purchase Price will be at a discount to the prevailing market price and below the bid-ask price for the Common Shares at the time of each Proposed Purchase, each Proposed Purchase cannot be made through the TSX trading system and, therefore, will not occur "through the facilities" of the TSX. As a result, the Issuer will be unable to acquire the Subject Shares from the Selling Shareholder in reliance upon the exemption from the Issuer Bid Requirements that is available pursuant to section 101.2(1) of the Act.
14. But for the fact that the Purchase Price will be at a discount to the prevailing market price and below the bid-ask price for the Common Shares at the time of each Proposed Purchase, the Issuer could otherwise acquire the Subject Shares as a "block purchase" (a **Block Purchase**) in accordance with the block purchase exception in section 629(l)7 of the TSX NCIB Rules and the exemption from the Issuer Bid Requirements that is available pursuant to section 101.2(1) of the Act.
15. The sale of any of the Subject Shares to the Issuer will not be a "distribution" (as defined in the Act).
16. The Notice contemplates that purchases under the Normal Course Issuer Bid may be made by such other means as may be permitted by the TSX or a securities regulatory authority.
17. For each Proposed Purchase, the Issuer will be able to acquire the Subject Shares from the Selling Shareholder without the Issuer being subject to the dealer registration requirements of the Act.
18. The Issuer is of the view that it will be able to purchase the Subject Shares at a lower price than the price at which it would be able to purchase the Common Shares under the Normal Course Issuer Bid through the facilities of the TSX and the Issuer is of the view that this is an appropriate use of the Issuer's funds on hand.
19. The purchase of the Subject Shares will not adversely affect the Issuer or the rights of any of the Issuer's securityholders and it will not materially affect the control of the Issuer. To the knowledge of the Issuer, the Proposed Purchases will not prejudice the ability of other shareholders of the Issuer to otherwise sell Common Shares in the open market at the prevailing market price. The Proposed Purchases will be carried out with a minimum of cost to the Issuer.
20. To the best of the Issuer's knowledge, as of November 24, 2012, the "public float" for the Common Shares represented more than 65% of all issued and outstanding Common Shares for purposes of the TSX NCIB Rules.
21. The market for the Common Shares is a "liquid market" within the meaning of section 1.2 of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*.
22. Other than the Purchase Price, no additional fee or other consideration will be paid in connection with the Proposed Purchases.
23. At the time that each Agreement is entered into by the Issuer and the Selling Shareholder, none of the Issuer, the trading group of the Selling Shareholder and the personnel of the Selling Shareholder that have negotiated such Agreement or have made or participated in the making of or provided advice in connection with the decision to enter into such Agreement and sell the Subject Shares will be aware of any "material change" or "material fact" (each as defined in the Act) in respect of the Issuer that has not been generally disclosed.

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

IT IS ORDERED pursuant to clause 104(2)(c) of the Act that the Issuer be exempt from the Issuer Bid Requirements in connection with each Proposed Purchase, provided that:

- (a) the Proposed Purchases will be taken into account by the Issuer when calculating the maximum annual aggregate limit that is imposed upon the Issuer's

- | | | |
|-----|---|---------------------------------------|
| | Normal Course Issuer Bid in accordance with the TSX NCIB Rules; | "James Turner"
Vice-Chair |
| (b) | the Issuer will refrain from conducting a Block Purchase in accordance with the TSX NCIB Rules during the calendar week that it completes each Proposed Purchase and may not make any further purchases under the Normal Course Issuer Bid for the remainder of that calendar day on which it completes each Proposed Purchase; | "Christopher Portner"
Commissioner |
| (c) | the Purchase Price is not higher than the last "independent trade" (as that term is used in paragraph 629(l)1 of the TSX NCIB Rules) of a board lot of Common Shares immediately prior to the execution of each Proposed Purchase; | |
| (d) | the Issuer will otherwise acquire any additional Common Shares pursuant to the Normal Course Issuer Bid and in accordance with the Notice, as amended, and the TSX NCIB Rules, as applicable; | |
| (e) | immediately following each Proposed Purchase of the Subject Shares from the Selling Shareholder, the Issuer will report the purchase of the Subject Shares to the TSX; | |
| (f) | at the time that each Agreement is entered into by the Issuer and the Selling Shareholder and at the time of each Proposed Purchase, none of the Issuer, the trading group of the Selling Shareholder and the personnel of the Selling Shareholder that have negotiated such Agreement or have made or participated in the making of or provided advice in connection with the decision to enter into such Agreement and sell the Subject Shares will be aware of any "material change" or "material fact" (each as defined in the Act) in respect of the Issuer that has not been generally disclosed; | |
| (g) | the Issuer will issue a press release disclosing its intention to make the Proposed Purchases prior to with the first Proposed Purchase; and | |
| (h) | the Issuer does not purchase, pursuant to Off-Exchange Block Purchases, more than one-third of the maximum number of Common Shares the Issuer can purchase under the Normal Course Issuer Bid. | |

DATED at Toronto this 8th day of January, 2013.

**2.2.10 Morgan Dragon Development Corp. 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
MORGAN DRAGON DEVELOPMENT CORP.,
JOHN CHEONG (aka KIM MENG CHEONG),
HERMAN TSE, DEVON RICKETTS
and MARK GRIFFITHS**

**ORDER
(Section 127)**

WHEREAS on March 22, 2012, the Ontario Securities Commission (the “Commission”) issued a Notice of Hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”) (the “Notice of Hearing”) in connection with a Statement of Allegations filed by Staff of the Commission (“Staff”) on March 22, 2012, to consider whether it is in the public interest to make certain orders against Morgan Dragon Development Corp. (“MDDC”), John Cheong (aka Kim Meng Cheong) (“Cheong”), Herman Tse (“Tse”), Devon Ricketts (“Ricketts”) and Mark Griffiths (“Griffiths”) (collectively, the “Respondents”);

AND WHEREAS the Commission issued an Amended Notice of Hearing pursuant to sections 127 and 127.1 of the Act on March 26, 2012 (the “Amended Notice of Hearing”);

AND WHEREAS on April 19, 2012, a first appearance hearing was held and the matter was adjourned to a confidential pre-hearing conference on June 4, 2012;

AND WHEREAS on April 25, 2012, the Commission was informed that a confidential pre-hearing conference would not be required and the Commission ordered that a hearing would take place on June 4, 2012, at 9:30 a.m. to provide the panel with a status update;

AND WHEREAS on June 4, 2012, the Commission heard submissions from Staff and counsel for MDDC and Cheong, and the matter was adjourned to August 15, 2012, for a further status update;

AND WHEREAS on August 15, 2012, the Commission heard submissions from Staff and counsel for MDDC and Cheong, and the matter was adjourned to September 20, 2012, for a further status update;

AND WHEREAS on September 20, 2012, the hearing on the merits in this matter was scheduled to commence on April 11, 2013, and continue on April 12, 15 to 19, 22 and 24, 2013, and the matter was adjourned to a confidential pre-hearing conference on January 11, 2013;

AND WHEREAS on January 11, 2013, a confidential pre-hearing conference was held and the matter was adjourned to February 19, 2013;

AND WHEREAS on February 19, 2013, a confidential pre-hearing conference was held and the matter was adjourned to February 28, 2013;

AND WHEREAS on February 28, 2013, a confidential pre-hearing conference was held and the Commission heard submissions from Staff and counsel for the Respondents Cheong, Tse, Ricketts and MDDC;

AND WHEREAS Griffiths did not appear;

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

IT IS ORDERED that a further confidential pre-hearing conference will be held on March 4, 2013, at 10:00 a.m.

DATED at Toronto this 28th day of February, 2013.

“James E. A. Turner”

**2.2.11 MI Capital Corporation and One Capital Corp.
Limited – Rule 11 of the OSC Rules of
Procedure**

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

AND

**IN THE MATTER OF
MI CAPITAL CORPORATION and
ONE CAPITAL CORP. LIMITED**

**ORDER
(Rule 11 of the Commission's
Rules of Procedure, 35 O.S.C.B. 10071)**

WHEREAS on February 13, 2013, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to subsections 127(1) and 127(10) 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 February 12, 2013, in respect of MI Capital Corporation ("MI Capital") and One Capital Corp. Limited ("One Capital") (together, the "Respondents");

AND WHEREAS on February 28, 2013, the Commission heard an application by Staff to convert this matter to a written hearing, in accordance with Rule 11.5 of the Commission's *Rules of Procedure* (2012), 35 O.S.C.B. 10071 (the "*Rules of Procedure*");

AND WHEREAS the Respondents did not appear, although properly served as evidenced by the affidavit of Lee Crann sworn February 14, 2013;

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. Pursuant to Rule 11 of the *Rules of Procedure*, Staff's application to proceed by way of written hearing is granted;
2. Staff's material in respect of the hearing shall be served and filed no later than March 4, 2013;
3. The Respondents' responding materials, if any, shall be served and filed no later than March 11, 2013; and
4. At the discretion of the panel, the Commission may recall the parties at a future date to make oral submissions and/or provide supplementary evidence.

DATED at Toronto this 28th day of February, 2013.

"James E. A. Turner"

**2.2.12 Peter Sbaraglia – Rule 4.7(2) of the OSC Rules
of Procedure**

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

AND

**IN THE MATTER OF
PETER SBARAGLIA**

**ORDER
(Rule 4.7(2) of the Ontario Securities Commission
Rules of Procedure (2012), 35 O.S.C.B. 10009)**

WHEREAS on February 24, 2011, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to section 127 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 February 24, 2011 with respect to Peter Sbaraglia ("Sbaraglia");

AND WHEREAS on March 31, 2011, the Commission heard submissions from Staff and counsel for Sbaraglia and adjourned the hearing to April 28, 2011;

AND WHEREAS on April 28, 2011, the Commission heard submissions from Staff and counsel for Sbaraglia and adjourned the hearing to June 7, 2011;

AND WHEREAS on June 7, 2011, the Commission heard submissions from Staff and counsel for Sbaraglia and adjourned the hearing to July 27, 2011;

AND WHEREAS on July 27, 2011, the Commission heard submissions from Staff and Sbaraglia and ordered that a pre-hearing conference in this matter take place on October 28, 2011;

AND WHEREAS on October 28, 2011, the Commission held a pre-hearing conference in this matter and heard submissions from Staff and counsel for Sbaraglia and adjourned the pre-hearing conference to November 25, 2011 on the consent of the parties;

AND WHEREAS on November 25, 2011, following a pre-hearing conference at which the Commission heard submissions from Staff and counsel for Sbaraglia, the Commission ordered that: Sbaraglia's motion regarding Staff's disclosure, if Sbaraglia determined to bring such a motion, be scheduled for January 24, 2012; the hearing on the merits commence on June 4, 2012 and continue until June 26, 2012, excluding June 5 and 19, 2012; and a pre-hearing conference be held on April 30, 2012;

AND WHEREAS on January 24, 2012, the Commission held a hearing with respect to a disclosure motion brought by Sbaraglia, which motion was dismissed by the Commission, and the Commission ordered that the minimum time requirements under subrule 4.3(1) and rule

4.5 of the Ontario Securities Commission *Rules of Procedure* (2010), 33 O.S.C.B. 8017 (the "Rules") be extended by an additional 10 days;

AND WHEREAS on April 30, 2012, the Commission held a hearing with respect to a motion brought by counsel for Sbaraglia seeking an adjournment of the hearing on the merits, which was opposed by Staff, and the Commission ordered that: the hearing on the merits originally scheduled to commence on June 4, 2012 will commence on October 22, 2012 and continue until November 14, 2012, inclusive, with the exception of October 23, 2012 and November 5 and 6, 2012, on a peremptory basis with respect to Sbaraglia; a pre-hearing conference be held on June 4, 2012; and the extension of the minimum time requirements under subrule 4.3(1) and rule 4.5 of the Rules ordered on January 24, 2012 be set aside;

AND WHEREAS on June 4, 2012, the Commission held a pre-hearing conference and heard submissions from Staff and counsel for Sbaraglia and adjourned the pre-hearing conference to July 4, 2012;

AND WHEREAS on July 4, 2012, the Commission held a pre-hearing conference and heard submissions from Staff and counsel for Sbaraglia and adjourned the pre-hearing conference to July 19, 2012;

AND WHEREAS on July 19, 2012, the Commission held a hearing with respect to a motion brought by counsel for Sbaraglia seeking an adjournment of the hearing on the merits, to which Staff consented;

AND WHEREAS counsel for Sbaraglia advised the Commission that, on October 2, 2012, the Court of Appeal would hear an appeal and cross-appeal of the decision of the Superior Court of Justice dated May 23, 2012 regarding Sbaraglia's motion to compel production by Duff & Phelps Restructuring Inc. ("D&P" or the "Receiver") of certain documents alleged by Sbaraglia to be relevant to this matter;

AND WHEREAS the Commission ordered that: the hearing on the merits scheduled to commence on October 22, 2012 will commence on March 18, 2013, on a peremptory basis with respect to Sbaraglia, and shall continue until April 5, 2013, inclusive, with the exception of March 26 and 29, 2013 and further continue on April 24 and 25, 2013 (the "Merits Hearing"); and a pre-hearing conference will be held on November 7, 2012;

AND WHEREAS on November 7, 2012, the Commission held a pre-hearing conference and heard submissions from Staff and counsel for Sbaraglia and adjourned the pre-hearing conference to December 12, 2012;

AND WHEREAS on December 12, 2012, the Commission held a pre-hearing conference in this matter and heard submissions from Staff and counsel for Sbaraglia;

AND WHEREAS counsel for Sbaraglia advised the Commission that Sbaraglia intended to request the issuance of a number of summonses, including a summons requiring the Receiver to attend the Merits Hearing and to produce certain documents at the hearing;

AND WHEREAS Staff requested that a hearing be scheduled at which time anyone to whom a summons was issued may bring a motion to have the issuance of the summons reviewed by the Commission in accordance with subrule 4.7(2) of the Rules ("Summons Motion");

AND WHEREAS counsel for Sbaraglia undertook to advise the parties to whom summonses were issued of the date of the hearing with respect to any Summons Motion;

AND WHEREAS the Commission ordered that a hearing be held on January 9, 2013 for the purpose of considering any Summons Motion;

AND WHEREAS on January 9, 2013, Staff, counsel for Sbaraglia, counsel for the Receiver and counsel for an individual to whom a summons had been issued appeared before the Commission and made submissions regarding the scheduling of a Summons Motion;

AND WHEREAS counsel for the Receiver advised the Commission that the Receiver intended to bring a Summons Motion;

AND WHEREAS counsel for Sbaraglia undertook to advise the parties to whom summonses have been issued of the date of the hearing with respect to any Summons Motion;

AND WHEREAS on January 9, 2013, the Commission ordered that a hearing be held on February 8, 2013 at 10:00 a.m. for the purpose of considering any motion brought by the Receiver, and that a hearing be held on February 8, 2013 at 10:00 a.m., following the hearing of any motion brought by the Receiver, for the purpose of considering any other Summons Motion;

AND WHEREAS on January 17, 2013, the Commission issued a summons to Robert Kofman ("Kofman") of D&P, requiring Kofman to attend the Merits Hearing and to bring with him and produce at the hearing certain documents and things (the "Kofman Summons");

AND WHEREAS on February 4, 2013, Kofman brought a motion to quash the Kofman Summons (the "Kofman Motion");

AND WHEREAS the parties to the Kofman Motion failed to comply with the time requirements for the filing of motion materials set out in Rule 3 of the Rules;

AND WHEREAS on February 6, 2013, the Commission ordered that the hearing for the purpose of considering the Kofman Motion be adjourned to February 19, 2013 at 10:00 a.m., and that the hearing for the

purpose of considering any other Summons Motion be adjourned to February 19, 2013 at 10:00 a.m., following the hearing of the Kofman Motion;

AND WHEREAS on February 7, 2013, counsel for Sbaraglia and counsel for Kofman advised that they would not be available on February 19, 2013 to attend the Kofman Motion but would be available on February 27, 2013;

AND WHEREAS on February 8, 2013, the Commission ordered that the hearing of the Kofman Motion be adjourned to February 27, 2013 at 10:00 a.m., and that the hearing of any other Summons Motion be adjourned to February 27, 2013 at 10:00 a.m., following the hearing of the Kofman Motion;

AND WHEREAS counsel for Kofman, counsel for Sbaraglia and Staff filed written motion materials in advance of the Kofman Motion and gave oral submissions before the Commission at the hearing of the Kofman Motion on February 27, 2013;

AND WHEREAS at the Kofman Motion on February 27, 2013, upon considering the written and oral submissions of counsel for Kofman, counsel for Sbaraglia and Staff, the Commission gave an oral ruling, with reasons to follow, quashing the Kofman Summons;

IT IS ORDERED that the summons issued to Kofman is quashed.

DATED at Toronto this 27th day of February 2013.

"Alan Lenczner"

2.2.13 Canadian Derivatives Clearing Corporation – s. 144

Headnote

Application under section 144 of the *Securities Act* (Ontario) (OSA) to further vary and restate a temporary order exempting Canadian Derivatives Clearing Corporation from the requirement in subsection 21.2(0.1) of the Act to be recognized as a clearing agency.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 21.2(0.1), 144.

**IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, CHAPTER S.5, AS AMENDED
(the “Act”)**

AND

**IN THE MATTER OF
CANADIAN DERIVATIVES CLEARING CORPORATION
 (“CDCC”)**

**SECOND VARIATION TO THE TEMPORARY EXEMPTION ORDER
(Section 144 of the Act)**

WHEREAS the Ontario Securities Commission (Commission) issued an order (Temporary Exemption Order) dated February 15, 2011 pursuant to section 147 of the Act temporarily exempting CDCC from the requirement to be recognized as a clearing agency under subsection 21.2(0.1) of the Act;

AND WHEREAS the Commission issued an order dated February 14, 2012 (First Variation Order) pursuant to section 144 of the Act varying and restating the Temporary Exemption Order to extend CDCC’s temporary exemption and to amend its terms and conditions in Schedule “A” thereto;

AND WHEREAS the Temporary Exemption Order, as varied and restated by the First Variation Order, will terminate on March 1, 2013 unless further extended by order of the Commission;

AND WHEREAS the Commission has received an application from CDCC pursuant to section 144 of the Act requesting that the Commission further vary and restate the Temporary Exemption Order, as varied and restated by the First Variation Order, to further extend CDCC’s temporary exemption from the requirement to be recognized as a clearing agency pursuant to subsection 21.2(0.1) of the Act and to amend its terms and conditions in Schedule “A” thereto;

AND WHEREAS the Commission has received certain representations from CDCC in connection with the application to further vary and restate the Temporary Exemption Order, as varied and restated by the First Variation Order;

AND WHEREAS the Commission has considered these representations, CDCC’s application, and other factors;

AND WHEREAS the Commission has determined that it is not prejudicial to the public interest to issue this order that further varies and restates the Temporary Exemption Order, as varied and restated by the First Variation Order, to further extend CDCC’s temporary exemption from the requirement to be recognized as a clearing agency pursuant to subsection 21.2(0.1) of the Act and to amend its terms and conditions in Schedule “A” thereto;

IT IS ORDERED, pursuant to section 144 of the Act, that the Temporary Exemption Order, as varied and restated by the First Variation Order, be further varied and restated as follows:

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

AND

**IN THE MATTER OF
CANADIAN DERIVATIVES CLEARING CORPORATION**

**ORDER
(section 147 of the Act)**

WHEREAS in February 2011 Canadian Derivatives Clearing Corporation ("CDCC") filed an application, pursuant to section 147 of the Act, for an order temporarily exempting CDCC from the requirement ("Recognition Requirement") to be recognized as a clearing agency under section 21.2 of the Act;

AND WHEREAS the following facts have been represented to the Ontario Securities Commission ("Commission"):

1. The Bourse de Montréal Inc. (the "Bourse"), CDCC's sole shareholder, is a wholly-owned subsidiary of TMX Group Limited, a public company, the common shares of which are listed on Toronto Stock Exchange;
2. CDCC is currently recognized as a clearing house in Québec under section 12 of the *Derivatives Act* (Québec) ("QDA") pursuant to decision no 2012-PDG-0078 issued by the Autorité des marchés financiers ("AMF"). As such, CDCC is subject to the regulatory oversight of the AMF and enabled to implement rule changes based on a self-certification process for a "recognized regulated entity" under the QDA;
3. On March 16, 2004, the Commission granted the Bourse an exemption, pursuant to section 147 of the Act, from recognition as a stock exchange under section 21 of the Act and an exemption, pursuant to section 80 of the *Commodity Futures Act* (the "CFA"), from registration as a commodity futures exchange under section 15 of the CFA, subsequently amended on April 30, 2008 (the "Previous MX Exemption Order"), which included regulatory oversight terms and conditions applicable to CDCC;
4. On July 27, 2012, the Commission revoked the Previous MX Exemption Order and issued a new order exempting the Bourse from recognition as an exchange and from registration as a commodity futures exchange, provided that TMX Group Limited (formally known as Maple Group Acquisition Corporation), TMX Group Inc. and the Bourse comply with certain terms and conditions, effective July 31, 2012;
5. CDCC currently offers central counterparty ("CCP") clearing services for Bourse-traded financially or physically settled interest rate and equity futures and options, as well as for a limited number of financially or physically settled over-the-counter ("OTC") equity options;
6. CDCC was chosen by the Investment Industry Association of Canada in December 2009 to develop a CCP facility in Canada for fixed income transactions (repurchase transactions (repo) and cash buy and sell trades) (the "Fixed Income CCP Service") and CDCC's operations have been undergoing major changes since then as a result;
7. The Fixed Income CCP Service initiative is composed of three phases: Phase 1 was launched on February 21, 2012 and consists of providing CCP clearing services for bilaterally traded repurchase (repo) transactions on Canadian and provincial government securities among approved fixed income clearing members; Phase 2 was launched on December 10, 2012 and consists of providing additional CCP clearing services for blind trading of repo transactions introduced by inter-dealer brokers, and is expected to include cash buy or sell trades and accepting clearing of blind cash buy or sell trades introduced by inter-dealer brokers; CDCC is working with industry participants to develop Phase 3, which is intended to introduce a new form of "general collateral" repo transactions CCP service;
8. Effective April 30, 2012, the Governor of the Bank of Canada designated CDCC's clearing and settlement system, the Canadian Derivatives Clearing Service ("CDCS"), pursuant to subsection 4(1) of the *Payment Clearing and Settlement Act* (Canada) (the "PCSA") as subject to Part I of the PCSA. As a consequence of this designation, the CDCS is subject to oversight by the Bank of Canada;

AND WHEREAS the Commission issued a temporary order dated February 15, 2011 pursuant to section 147 of the Act exempting CDCC from the Recognition Requirement, ("Temporary Exemption Order") which was varied and restated by the Commission on February 14, 2012 ("First Variation Order") pursuant to section 144 of the Act to extend CDCC's temporary

exemption from the Recognition Requirement, which terminates on March 1, 2013, and amend the terms and conditions in Schedule "A" hereto;

AND WHEREAS CDCC is currently preparing an application for an order of the Commission to be recognized as a clearing agency under subsection 21.2(0.1) of the Act, which will replace the Temporary Exemption Order;

AND WHEREAS because discussions between CDCC and Commission staff are ongoing with respect to replacing the Temporary Exemption Order with a recognition order, additional time is needed to complete the recognition process, including finalizing appropriate terms and conditions to CDCC's recognition order;

AND WHEREAS CDCC has therefore filed an application with the Commission pursuant to section 144 of the Act requesting that the Commission further vary and restate the Temporary Exemption Order, as varied and restated by the First Variation Order, to further extend CDCC's temporary exemption from the Recognition Requirement and amend the terms and conditions in Schedule "A" hereto;

AND WHEREAS based on the representations and application of CDCC and other factors, the Commission has determined that further extending CDCC's temporary exemption from the Recognition Requirement subject to amended terms and conditions would not be prejudicial to the public interest;

IT IS HEREBY ORDERED by the Commission, pursuant to section 147 of the Act, that CDCC be exempt from the requirement to be recognized as a clearing agency under section 21.2 of the Act;

Provided that:

- A. CDCC complies with the terms and conditions attached hereto as Schedule "A";
- B. this Temporary Exemption Order shall terminate on the earlier of
 - (i) the date that the Commission renders a final order recognizing CDCC as a clearing agency under subsection 21.2 (0.1) of the Act or exempting it from the requirement to be recognized as a clearing agency under section 147 of the Act, and
 - (ii) July 1, 2013.

DATED at Toronto February 15, 2011, as varied on February 14, 2012, and as further varied on February 26, 2013.

"Vern Krishna"

"C. Wesley M. Scott"

SCHEDULE "A"

Terms and Conditions

- CDCC continues to be recognized by the AMF as a clearing house under section 12 of the QDA and the CDCS continues to be designated by the Bank of Canada pursuant to the PCSA.
2. CDCC shall continue to comply with the following:
 - a) provide to Commission staff, concurrently with the AMF, copies of all Rules that it files for review and approval with the AMF and provide copies of all final Rules to Commission staff in both English and French;
 - b) provide to Commission staff, concurrently with the AMF, copies of all audited financial statements and reports prepared by an independent auditor in respect of CDCC's financial situation and operations;
 - c) provide to Commission staff, concurrently with the AMF, the report on its annual independent systems review, copies of all internal risk management reports intended for its members and any outside report, including any audit report prepared in accordance with the Canadian Institute of Chartered Accountants Handbook, on the results of an examination or review of CDCC's risk management policies, controls and standards undertaken by an independent person;
 - d) provide to Commission staff, concurrently with the AMF, prompt notification of any material failures or changes to its systems;
 - e) provide to Commission staff, concurrently with the AMF, prompt notification of any material problems with the clearance and settlement of transactions in contracts traded on the Bourse, including any failure by a member of CDCC to promptly fulfil its settlement obligations that could materially affect the operations or financial situation of CDCC;
 - f) promote fair access to CDCC and will not unreasonably prohibit or limit access by a person or company to services offered by CDCC; and
 - g) promote within CDCC a corporate governance structure that minimizes the potential for any conflict of interest between the Bourse and CDCC that could adversely affect the clearance and settlement of trades in contracts or the effectiveness of CDCC's risk management policies, controls and standards.
 3. CDCC shall, concurrently with the AMF and BOC or as soon as practicable, update Commission staff on a regular and timely basis on the progress of the development and implementation of the Fixed Income CCP Service and any other proposed new CCP service for OTC derivatives.
 4. CDCC shall promptly notify Commission staff of any material systems failure, malfunction or delay or any material issue that may impact the Fixed Income CCP Service.
 5. CDCC shall provide Commission staff with the following statistical information in respect of transactions cleared and settled through the Fixed Income CCP Service during each month not later than thirty (30) days after the end of such month.
 - a) Total number of settled CCP repo transactions divided by ISIN
 - b) Total net settlement value of settled CCP repo transactions divided by ISIN
 - c) Total number of unsettled / failed CCP repo transactions divided by ISIN, together with a brief description for the reasons for such failures
 - d) Total net settlement value of unsettled / failed CCP repo transactions divided by ISIN
 - e) Total number and net dollar value of all net settlement positions (NSPs) for future-dated end leg CCP repo transactions, separated into five buckets and divided by ISIN in the following manner:
 - (i) value date being anywhere from T+1 to a date that is less than or equal to 3 months from T+0;
 - (ii) value date being anywhere from a date that is after 3 months from T+0 to a date that is less than or equal to 6 months from T+0;

- (iii) value date being anywhere from a date that is after 6 months from T+0 to a date that is less than or equal to 9 months from T+0;
 - (iv) value date being anywhere from a date that is after 9 months from T+0 to a date that is less than or equal to 12 months from T+0; and
 - (v) value date being after 12 months from T+0.
- 6. CDCC shall seek the Commission's prior written approval before commencing any new CCP service that would reasonably be considered to be outside the scope of CDCC's current CCP services (excluding, however, any new CCP service relating to derivatives traded on the Bourse).
- 7. CDCC shall provide such information as may be requested from time to time by, and otherwise cooperate with, the Commission and its staff.
- 8. CDCC shall share information and otherwise cooperate with CDS as appropriate in connection with the operation of the Fixed Income CCP Service (subject to applicable privacy and confidentiality requirements).

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Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions, Orders and Rulings

3.1.1 Empire Consulting Inc. and Desmond Chambers – 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
EMPIRE CONSULTING INC. and
DESMOND CHAMBERS

REASONS AND DECISION
(Sections 127 and 127.1 of the Act)

Sanctions and Costs Hearing:	October 10, 2012		
Decision:	February 28th, 2013		
Panel:	Edward P. Kerwin	–	Commissioner
Appearances:	Derek J. Ferris	–	For Staff of the Commission
	No one appeared for the Respondents:	– –	Desmond Chambers Empire Consulting Inc.

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REASONS FOR DECISION

I. INTRODUCTION

[1] This was a hearing before the Ontario Securities Commission (the "**Commission**") pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c., S.5, as amended (the "**Act**") to consider whether it was in the public interest to make an order with respect to sanctions and costs against the respondents, Empire Consulting Inc. ("Empire") and Desmond Chambers ("**Chambers**") (collectively, the "**Respondents**").

[2] The hearing on the merits was conducted on January 26 and 27, 2012 and March 22, 2012. The Reasons and Decision on the merits was issued on August 16, 2012 and can be found at *Re Empire Consulting Inc. et al.* (2012), 35 OSCB 7775 (the "**Merits Decision**").

[3] After the release of the Merits Decision, a separate hearing was held on October 10, 2012 to consider submissions from Enforcement Staff of the Commission ("**Staff**") regarding sanctions and costs (the "**Sanctions and Costs Hearing**"). The Respondents did not attend the Sanctions and Costs Hearing. The Panel reviewed Staff's correspondence with the Respondents, specifically, e-mail correspondence attaching Staff's submissions and authorities for the Sanctions and Costs Hearing as well as the Merits Decision. The Merits Decision and a Notice of Hearing were also sent to the Respondents by the Office of the Secretary, both of which indicated that the Sanctions and Costs Hearing would be heard on October 10, 2012. The Panel was satisfied that the Respondents received notice of the Sanctions and Costs Hearing and had the opportunity to respond to Staff's submissions and to attend the Sanctions and Costs Hearing if the Respondents chose to do so. The Panel therefore determined that it was entitled to proceed in the Respondents' absence pursuant to section 7(1) of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22.

[4] These are the reasons and decision as to the appropriate sanctions and costs in this matter. A copy of the sanctions order is attached as Schedule "A" to these reasons (the "**Sanctions Order**").

II. THE MERITS DECISION

[5] In the Merits Decision, the Panel held that the Respondents acted contrary to the public interest and contravened Ontario securities law through the following breaches of the Act:

- a) The Respondents traded in securities without being registered to trade in securities in circumstances where no exemptions were available to them in accordance with Ontario securities law, contrary to subsection 25(1)(a) (pre-September 28, 2009) and subsection 25(1) (post-September 28, 2009) of the Act;
- b) The Respondents acted as advisors with respect to investing in, buying or selling securities without being registered to do so and where no exemptions were available to them, contrary to subsection 25(1)(c) (pre-September 28, 2009) and subsection 25(3) (post-September 28, 2009) of the Act;
- c) The Respondents distributed securities without filing a preliminary prospectus and prospectus and without receiving receipts issued by the Director, contrary to subsection 53(1) of the Act;
- d) The Respondents engaged in acts relating to securities that they knew or reasonably ought to have known perpetrated a fraud on investors, contrary to subsection 126.1(b) of the Act; and
- e) Chambers, in his capacity as director and officer of Empire, authorized, permitted and acquiesced in Empire's non-compliance with Ontario securities law, contrary to section 129.2 of the Act.

[6] Specifically, the Panel found that the Respondents engaged in the business of trading in securities by way of investment contracts without being registered to do so in contravention of the Act. Chambers' dealings with investors, and the terms of the authorizations signed by the Empire investors to manage all aspects of their investment portfolios, was akin to the provision of services by an advising representative of a portfolio manager with full trading discretion in client accounts. Accordingly, the Respondents engaged in the business of advising without being registered to do so in contravention of the Act. The Panel determined that it was clear that each investment contract entered into with a new investor constituted a trade in a security that had not been previously issued. As a result, the activities of the Respondents constituted a distribution of securities for which no prospectus was filed or receipt obtained, contrary to the Act.

[7] With respect to the allegations of fraud, the Panel held that both the *actus reus* and *mens rea* elements of the allegations were proven. In finding that the mens rea element was proven, the Panel concluded as follows:

The Respondents knew that their investors were risking their personal savings and, in most cases, their only asset, their principal residence, in the hopes of being debt free and making an easier life

for themselves. The Respondents knew, by the design of the DES program, that this risk was in place and that any mismanagement of investor funds could result in significant deprivation to them. The Respondents' actions can only be described as reckless or, at best, willfully blind to the consequences of their actions. In either case, the two prongs for the mens rea element of fraud are clearly met, namely subjective knowledge of the prohibited act and knowledge that such act could cause deprivation to Empire's investors.

Applying the principles set out above, this Panel concludes that the Respondents are guilty of committing fraud as set out in subsection 126.1(b) of the Act. (Merits Decision, *supra*, at paragraphs 88 and 89)

[8] The Panel's overarching conclusions with respect to the evidence presented by Staff at the Merits Hearing was as follows:

The Panel finds that the evidence presented at the Merits Hearing was convincing and uncontroverted. Most persuasive was the investors' evidence describing their individual experience with Chambers and Empire, which was consistent with one another and with the books and records that Staff were able to obtain and examine. We further note that the investors' evidence, the books and records of Empire, and the TD Bank records were consistent with Nelson's account of the business of Empire and the way in which Chambers conducted himself as principal of Empire.

The Panel notes that although Staff indicated that they had been able to trace a figure of approximately \$1.6 million received from 33 investors, as stated in the Amended Statement of Allegations, that had been deposited into the Empire bank accounts, the evidence at the Merits Hearing identified for the Panel only \$1,493,108 that can specifically be traced to 26 investors. (Merits Decision, *supra* at paras. 36 and 37)

[9] The panel concluded that Chambers was involved in all aspects of Empire:

Chambers essentially was Empire. He was the mastermind behind the DES program – "DES" being an abbreviation of his name, "Desmond," as well as the acronym for the "Debt Elimination Strategy" program. Chambers was in charge of marketing the DES program offered by Empire, met with potential investors personally, facilitated the movement of their funds from the equity in their homes to Empire's bank account, and he was the sole signatory of the Empire bank accounts. Chambers used some of the Empire investor funds to pay for personal expenses and to pay other investors' returns on their investments. For the foregoing reasons, it is apparent that Chambers authorized, permitted, and acquiesced in all aspects of Empire's business. (Merits, *supra* at para. 92)

[10] The Respondents' behaviour warrants sanctions for the purpose of both specific and general deterrence in order to protect investors from unfair, improper and fraudulent practices and to foster confidence in capital markets.

III. SANCTIONS

A. Sanctions Requested by Staff

[11] In the Notice of Hearing in this matter dated May 26, 2011, Staff indicated that they are seeking an order pursuant to sections 127 and 127.1 of the Act that:

- a) trading in any securities by the Respondents cease permanently or for such period as is specified by the Commission;
- b) the acquisition of any securities by the Respondents is prohibited permanently or for such period as is specified by the Commission;
- c) any exemptions contained in Ontario securities law do not apply to the Respondents permanently or for such period as is specified by the Commission;
- d) each of the Respondents disgorge to the Commission any amounts obtained as a result of non-compliance by that Respondent with Ontario securities law;
- e) the Respondents be reprimanded;

- f) Chambers resign one or more positions that he holds as a director or officer of any issuer, registrant, or investment fund manager;
- g) Chambers be prohibited from becoming or acting as a director or officer of any issuer, registrant, and investment fund manager;
- h) Chambers be prohibited from becoming or acting as a registrant, as an investment fund manager and as a promoter;
- i) the Respondents each pay an administrative penalty of not more than \$1 million for each failure by that Respondent to comply with Ontario securities law; and
- j) the Respondents be ordered to pay the costs of the Commission investigation and the hearing.

[12] By written submissions, Staff requested that the Respondents be ordered to pay an administrative penalty of \$300,000 on a joint and several basis. Staff also requested that the Respondents be ordered to disgorge to the Commission \$812,506 on a joint and several basis. Staff asked that both the administrative penalty and disgorgement amounts be allocated to or for the benefit of third parties pursuant to subsection 3.4(2)(b) of the Act. Staff requested that the costs incurred in the investigation and hearing in the amount of \$235,502.15 be ordered to be paid by the Respondents on a joint and several basis.

[13] At the Sanctions and Costs Hearing, Staff changed the amount of the requested disgorgement order. The original request in their written submissions of \$812,506 was based upon the total amounts received from investors of \$1,493,108 less the amounts returned to investors of \$680,602, as indicated in the Empire records. Staff acknowledged that the returned sum did not take into consideration the \$10,000 cash payment that one of the investor witnesses at the Merits Hearing said he received from Chambers. Further, the returned sum included amounts that were paid by Chambers to three Empire investors as profit and as such exceeded their principal investments. According to the evidence submitted at the Merits Hearing, a total sum of \$57,049 was paid to those three investors, above and beyond their original investment. Staff suggested that all of these payments be taken into consideration for a total disgorgement request of \$859,555.

B. The Law on Sanctions

[14] The Commission is a regulatory body that focuses on the protection of societal interests and not punishment of an individual's moral faults. The purpose of an order under section 127 of the Act is "to restrain future conduct that is likely to be prejudicial to the public interest in fair and efficient capital markets," and the role of the Commission under section 127 of the Act is "to protect the public by removing from the capital markets those whose past conduct is so abusive as to warrant apprehension of future conduct detrimental to the integrity of the capital markets": *Committee for the Equal Treatment of Asbestos Minority Shareholders v. Ontario (Securities Commission)*, [2001] 2 S.C.R. 132 at para. 43 ("**Asbestos**"). The Commission has wide discretion when intervening in activities related to the Ontario capital markets when it is in the public interest to do so: *Asbestos*, *supra* at para. 39.

[15] The Commission has identified factors that should be taken into consideration when determining what sanctions are appropriate in a particular matter. This Panel has considered some of those factors, including:

- a) The seriousness of the misconduct and the breaches of the Act;
- b) The Respondents' experience in the marketplace;
- c) The level of the Respondents' activity in the marketplace;
- d) Whether or not there has been any recognition by the Respondents of the seriousness of the improprieties;
- e) Whether or not the sanctions imposed may serve to deter not only those involved in the matter being considered, but any like-minded people, from engaging in similar abuses of the capital markets;
- f) The size of any profit (or loss avoided) from the illegal conduct;
- g) The size of any voluntary payment;
- h) The effect any sanctions may have on the livelihood of the Respondents;
- i) The effect any sanctions may have on the ability of the Respondents to participate without check in the capital markets;

- j) The remorse of the Respondents;
- k) The shame or financial pain that any sanction would reasonably cause to the Respondents; and
- l) Any mitigating factors.

(*Re M.C.J.C. Holdings Inc.* (2002), 25 OSCB 1133 at para. 26 and *Re Belteco Holdings Inc.* (1998), 21 OSCB 7743 at p. 7746-7747)

[16] Although the Respondents chose not to participate in the Sanctions and Costs Hearing, this Panel has taken Chambers' e-mails, which were entered as exhibits in the Merits Hearing and that express his remorse and financial restraints, into consideration in reaching a decision.

C. Analysis of the Sanction Factors Applicable in this Case

(a) Seriousness of Misconduct and Harm Done

[17] The Respondents were found to have perpetrated a fraud on investors. An act of fraud is one of the most serious securities regulatory violations. The evidence at the Merits Hearing satisfied the Panel that Chambers was actively engaged in giving advice with respect to debt elimination and the creation, management and direction of investment portfolios without having any qualifications or registrations to do so. Chambers personally met with the investors and promoted Empire as a safe investment vehicle. He persuaded investors to increase their existing debt by increasing their mortgages in order to have funds to offer the Respondents for investments. Investors were led to believe that their principal investments were guaranteed and that their portfolios were increasing in value notwithstanding that these portfolios were almost entirely unprofitable. The Respondents exploited the weaknesses of modest, hard-working individuals who trusted and relied upon false representations to their detriment. This misconduct by the Respondents is extremely serious and resulted in irreversible financial harm to the Empire investors.

(b) Level of the Individual Respondents' Activity in the Marketplace

[18] The Respondents received at least \$1,493,108 from 26 identifiable investors in Ontario. The evidence at the Merits Hearing demonstrated that the Respondents created and disseminated marketing materials and exploited not only their own contacts but the contacts of their existing investors. The Respondents gave their investors a false sense of security and in some cases enticed them to invest more funds than originally planned. At all times, the Respondents knew that Empire was operating at a loss but continued to disseminate marketing materials in order to seek out new investor funds. The Respondents' high level of fraudulent activity in the marketplace demonstrates a need to restrain any future market participation.

(c) Specific and General Deterrence

[19] The Respondents took advantage of market participants by inducing them to invest with Empire based on false representations that that the DES program would return 2% to 6% on their investments per month and would enable investors to pay off their mortgages within 5 to 7 years. In doing so, the Respondents entirely disregarded Ontario's securities laws and the reasons that such laws are in place. The Respondents' actions represent the kind of investment scam that this Commission seeks to keep out of the marketplace. The Respondents have been proven to be a potential risk for causing further harm to investors in the future and as such there is clearly a need for specific deterrence in this matter in order to protect the public interest.

[20] In addition to taking specific deterrence into consideration, this Commission is mindful that the sanctions imposed in section 127 orders may have a general deterrent effect. The Supreme Court of Canada has recognized the Commission's ability to consider general deterrence in making an order that is both protective and preventative (*Re Cartaway Resources Corp.* 2004 SCC 26 at paragraph 60). In light of the specific facts of this case, and the view of the Supreme Court of Canada with respect to general deterrence, this Panel believes that both specific and general deterrence are warranted. As a result, this Panel is of the opinion that the Respondents should lose their privilege to participate in the Ontario capital markets.

(d) Mitigation

[21] There are two mitigating factors that have been taken into consideration in reaching a decision on sanctions and costs. Chambers has made an attempt to communicate his remorse by apologizing in e-mail correspondence to the Empire investors for the loss of their funds. The authenticity of Chambers' apology, however, is offset by his refusal to attend these proceedings and take responsibility for his actions. His e-mail correspondence, although apologetic, nonetheless blames the actions of others for his own conduct. This Commission is wary of these kinds of qualified apologies.

[22] A second mitigating factor that has been taken into consideration in this hearing is the demonstrated return of \$690,602 to the Empire investors. We note, as Staff pointed out during the course of the Sanctions and Costs Hearing, that \$57,049 of these funds was paid as profit, in excess of some of the principal investments. There was no clear reason established as to why some investors received such profits. Accordingly, this Panel has taken the returned funds, as well as the unexplained profits, into consideration in determining that only \$633,553 of the principal funds was returned to Empire investors. This Panel has taken this returned amount into consideration and subtracted it from the overall \$1,493,108 received from the 26 investors in determining the sum ordered to be disgorged by the Respondents to the Commission.

D. Sanctions Imposed

(a) Prohibitions on Participation in Capital Markets

[23] In light of all of the considerations enumerated above, it is appropriate to order that the Respondents cease trading and acquiring securities permanently and that any exemptions in Ontario securities law are permanently unavailable. A permanent ban on Chambers is particularly necessary given that he was the directing mind of Empire and therefore the mastermind behind of all of Empire's activities.

[24] The Respondents should be reprimanded and Chambers should resign any positions that he holds as director or officer of any issuer, registrant, or investment fund manager, and be prohibited from becoming or acting as a director or officer of any issuer, registrant, or investment fund manager in the future.

[25] Chambers also should be prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter.

[26] These sanctioned prohibitions on participation on the capital markets provide both general and specific deterrence to ensure similar conduct does not take place in the future.

(b) Disgorgement

[27] Paragraph 10 of subsection 127(1) of the Act provides that the Commission may make an order requiring the Respondents to disgorge to the Commission any amounts obtained as a result of their non-compliance with the Act. This Commission has held that the objective of the disgorgement remedy is to deprive a wrongdoer of ill-gotten gains. The question is not whether the Respondents profited from their illegal conduct but whether amounts were obtained as a result of their conduct: *Re Limelight Entertainment Inc. et al*, (2008), 31 OSCB 12030 at paragraphs 47- 49. Although it is within the Commission's power to require the Respondents to disgorge the entire amount of funds raised from the Empire investors, this Panel has factored into its decision the mitigating return of \$633,553 of principal funds to investors. A joint and several disgorgement order for the balance of the funds in the amount of \$859,555 to be allocated in accordance with section 3.4(2)(b) of the Act as the Commission in its absolute discretion shall decide is an effective specific and general deterrent.

(c) Administrative Penalties

[28] This Panel believes that it is in the public interest to impose a \$300,000 administrative penalty on the Respondents on a joint and several basis, to be allocated in accordance with section 3.4(2)(b) of the Act for the following reasons:

- a) Chambers was the controlling mind of Empire and as such he authorized, permitted and acquiesced in the contravention of Ontario securities law by Empire;
- b) Chambers was the sole signatory on the Empire bank accounts, and as such had full control over the deposit and application of Empire investor funds;
- c) The Respondents' acts not only deprived investors of funds but also induced investors to increase their debt obligations through deception and misleading statements about the profitability of Empire;
- d) The Respondents' conduct repeatedly breached multiple sections of the Act and was conduct contrary to the public interest.

[29] Given the Respondents' fraudulent conduct involving receipt of at least \$1,493,108 from 26 identifiable investors and Chambers' exclusive control and application of the Empire investor funds, an administrative penalty in the amount of \$300,000 to be paid on a joint and several basis is necessary to protect the public.

IV. COSTS

[30] Pursuant to section 127.1(1) and (2) of the Act, the Commission has the discretion to order the Respondents to pay the costs of an investigation and hearing if it is satisfied that the Respondents have not complied with the Act or have not acted in the public interest. This Panel is satisfied that the request for an order that the Respondents pay the costs of the investigation and hearing in this matter is warranted. This matter was complicated by the fact that Chambers took up residence in Jamaica and did not provide his new address to Staff. As a result, resources in the investigation were allocated to contacting the Jamaican authorities in order to ensure that Chambers had proper notice of this proceeding. In light of all of this, as well as the other facts proven at the Merits Hearing, it is appropriate to order the Respondents to pay the Commission's costs in respect of the investigation and the hearing in this matter in the amount of \$235,502.15 on a joint and several basis.

V. CONCLUSION

[31] This panel's decision on sanctions and costs is proportionate to the activities of the Respondents in this matter in breach of the Act and contrary to the public interest and will assist in deterring both the Respondents and like-minded people from engaging in future conduct that violates securities laws. Accordingly, this Sanctions and Costs Order provides as follows:

- a) Trading in any securities by the Respondents shall cease permanently pursuant to clause 2 of subsection 127(1) of the Act;
- b) The acquisition of any securities by the Respondents is prohibited permanently pursuant to clause 2.1 of subsection 127(1) of the Act;
- c) Any exemptions contained in Ontario securities law shall not apply to the Respondents permanently pursuant to clause 3 of subsection 127(1) of the Act;
- d) The Respondents are reprimanded pursuant to clause 6 of subsection 127(1) of the Act;
- e) Chambers shall resign any position that he holds as a director or officer of any issuer, registrant, or investment fund manager pursuant to clauses 7, 8.1 and 8.3 of subsection 127(1) of the Act;
- f) Chambers is prohibited permanently from becoming or acting as a director or officer of any issuer, registrant, or investment fund manager pursuant to clauses 8, 8.2 and 8.4 of subsection 127(1) of the Act;
- g) Chambers is prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter pursuant to clause 8.5 of subsection 127(1) of the Act;
- h) Having determined that the Respondents have failed to comply with the securities laws of Ontario, the Respondents shall pay an administrative penalty of \$300,000 on a joint and several basis pursuant to clause 9 of subsection 127(1) of the Act;
- i) Having determined that the Respondents have failed to comply with the securities laws of Ontario, the Respondents shall disgorge to the Commission on a joint and several basis the sum of \$859,555 obtained as a result of their non-compliance with the Act pursuant to clause 10 of subsection 127(1) of the Act;
- j) All amounts received by the Commission in respect of the administrative penalty ordered in paragraph (h) above and the disgorgement amounts ordered in paragraph (i) above are to be allocated in accordance with subsection 3.4(2)(b) of the Act as the Commission in its absolute discretion shall decide; and
- k) Having determined that the Respondents have failed to comply with the securities laws of Ontario, and that the Respondents have not acted in the public interest, the Respondents shall pay the costs of the Commission's investigation and hearing in the amount of \$235,502.15 on a joint and several basis pursuant to section 127.1 of the Act.

Dated at Toronto this 28th day of February, 2013.

"Edward P. Kerwin"

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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
Sportsclick Inc.	20 Feb 13	04 Mar 13	Mar 4 13	

4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

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

THERE ARE NO ITEMS FOR THIS WEEK.

4.2.2 Outstanding Management & Insider Cease Trading Orders

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

THERE ARE NO ITEMS FOR THIS WEEK.

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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	No. of Purchasers	Issuer/Security	Total Purchase Price (\$)	No. of Securities Distributed
02/01/2013	7	American Solar Direct Holdings Inc. (Amended) - Units	1,672,822.50	837,500.00
02/01/2013	6	Apex Tool Group, LLC - Notes	5,358,025.50	6.00
01/22/2013	7	AppZero Software Corp. - Warrants	3,500,000.00	3,500,000.00
02/19/2013	1	Banco de Bogota S.A. - Note	7,082,600.00	1.00
02/20/2013	1	Bank of Montreal - Debt	2,032,600.00	1.00
02/15/2013	1	Banyan Gold Corp. - Common Shares	400,000.00	4,000,000.00
02/15/2013	13	Banyan Gold Corp. - Units	500,000.00	5,000,000.00
02/11/2013	2	Berkshire Hathaway Inc. - Notes	15,097,500.00	2.00
02/11/2013	2	Berkshire Hathaway Inc. - Notes	5,342,168.35	2.00
02/11/2013	8	Boise Cascade Company - Common Shares	6,489,980.00	307,000.00
02/11/2013	2	Boise Cascade Company - Common Shares	445,980.15	21,100.00
02/08/2013	77	Broadmoor Commercial Plaza Development Corp. - Common Shares	1,653,547.35	1,637,235.00
02/13/2013	1	Canadian Imperial Bank of Commerce - Notes	1,000,000.00	10,000.00
02/13/2013	1	Canadian Imperial Bank of Commerce - Notes	1,000,000.00	10,000.00
02/11/2013	1	Carrick Petroleum Inc. - Units	350,000.00	175,000.00
01/29/2013	3	Chiquita Brands International, Inc. and Chiquita Brands L.L.C. - Notes	11,947,427.35	3.00
01/21/2013 to 01/23/2013	5	Colwood City Centre Limited Partnership - Notes	320,404.00	320,404.00
02/08/2013	4	Creative D Inc. - Common Shares	7.54	37,795.00
02/08/2013	4	Creative D Inc. - Debentures	376,659.12	4.00
02/05/2013	2	Fibra Uno - Common Shares	1,377,500.00	475,000.00
11/21/2012	56	First Global Data Limited - Debentures	14,524,579.83	N/A
02/12/2013	2	First Mexican Gold Corp. - Common Shares	50,000.00	714,286.00
02/08/2013 to 02/15/2013	1	Fuel Transfer Technologies Inc. - Common Shares	10,000.00	10,000.00
02/08/2013 to 02/15/2013	1	Fuel Transfer Technologies Inc. - Preferred Shares	54,000.00	18,000.00

Notice of Exempt Financings

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price (\$)	No. of Securities Distributed
01/25/2013	1	Fuel Transfer Technologies Inc. - Preferred Shares	51,000.00	17,000.00
02/13/2013	1	Grupo Sanborns, S.A.B. de C.V. - Common Shares	1,100,000.00	500,000.00
02/07/2013	18	High North Resources Ltd. - Units	550,000.00	5,500,000.00
02/07/2013	32	Highbank Resources Ltd. - Common Shares	363,000.00	4,537,500.00
02/11/2013	5	Imperial Tobacco Finance PLC - Notes	19,106,288.85	5.00
01/14/2013 to 01/18/2013	18	League IGW Real Estate Investment Trust - Notes	596,913.24	150,000.00
01/21/2013 to 01/25/2013	16	League IGW Real Estate Investment Trust - Notes	762,997.61	250,000.00
01/17/2013	5	Lear Corporation - Notes	13,250,000.00	500,000,000.00
01/21/2013	22	LibreStream Technologies Inc. - Preferred Shares	2,552,009.70	4,640,020.00
02/13/2013	1	Manicouagan Minerals Inc. - Common Shares	78,750.00	1,500,000.00
01/01/2012 to 11/23/2012	1	Manulife Advantage Fund II - Series G, O and X Units - Units	3,310,680.59	326,505.44
01/01/2012 to 12/31/2012	3	Manulife Asia Total Return Bond Fund - Series G, O and X Units - Units	3,784,428.05	372,843.62
01/01/2012 to 12/31/2012	2	Manulife Asset Management Canadian Bond Index Pooled Fund - Units	177,629,908.20	15,415,320.54
01/01/2012 to 12/31/2012	3	Manulife Asset Management Canadian Core Fixed Income Pooled Fund - Units	8,134,822.51	736,476.77
01/01/2012 to 12/31/2012	7	Manulife Asset Management Canadian Equity Index Pooled Fund - Units	93,130,984.67	6,564,513.16
01/01/2012 to 12/31/2012	1	Manulife Asset Management Canadian Investment Grade Corporate Fixed Income Pooled Fund - Units	272,000.00	25,646.00
01/01/2012 to 12/31/2012	3	Manulife Asset Management Canadian Large Cap Growth Pooled Fund - Units	70,823,655.20	9,779,774.50
01/01/2012 to 12/31/2012	5	Manulife Asset Management Canadian Long Duration Fixed Income Pooled Fund - Units	5,700.00	498.16
01/01/2012 to 12/31/2012	2	Manulife Asset Management Canadian Ultra Long Duration Fixed Income Pooled Fund - Units	18,760,589.19	1,820,973.15
01/01/2012 to 12/31/2012	2	Manulife Asset Management Corporate Plus Fixed Income Pooled Fund - Units	20,300,000.00	2,027,708.96
01/01/2012 to 12/31/2012	1	Manulife Asset Management Diversified Value Pooled Fund - Units	9,147,167.47	979,817.60
01/01/2012 to 12/31/2012	1	Manulife Asset Management Global Balanced Allocation Pooled Fund - Units	250,000.00	25,000.00
01/01/2012 to 12/31/2012	1	Manulife Asset Management Global Diversified Pension Pooled Fund (non-taxable) - Units	6,830,000.00	726,883.15

Notice of Exempt Financings

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price (\$)	No. of Securities Distributed
01/01/2012 to 12/31/2012	1	Manulife Asset Management Global Equity Allocation Pooled Fund - Units	250,000.00	25,000.00
01/01/2012 to 12/31/2012	1	Manulife Asset Management Global Income Allocation Pooled Fund - Units	250,000.00	25,000.00
01/01/2012 to 12/31/2012	1	Manulife Asset Management Global Large Cap Growth Pooled Fund - Units	316,496.04	28,811.33
01/01/2012 to 12/31/2012	1	Manulife Asset Management Global Opportunities Allocation Pooled Fund - Units	250,000.00	25,000.00
01/01/2012 to 12/31/2012	1	Manulife Asset Management High Income Balanced Pooled Fund - Units	2,000,000.00	200,000.00
01/01/2012 to 12/31/2012	7	Manulife Asset Management International Equity Index Pooled Fund - Units	14,785,508.15	1,670,923.52
01/01/2012 to 12/31/2012	1	Manulife Asset Management International Small Cap Pooled Fund - Units	2,000,000.00	200,000.00
01/01/2012 to 12/31/2012	1	Manulife Asset Management Strategic Income Pooled Fund - Units	182,773,930.38	18,080,933.70
01/01/2012 to 12/31/2012	1	Manulife Asset Management Target De-Risking 100 Pooled Fund - Units	2,000.00	199.65
01/01/2012 to 12/31/2012	1	Manulife Asset Management Target De-Risking 105 Average Pooled Fund - Units	2,000.00	198.47
01/01/2012 to 12/31/2012	1	Manulife Asset Management Target De-Risking 105 Mature Pooled Fund - Units	2,016.19	200.94
01/01/2012 to 12/31/2012	1	Manulife Asset Management Target De-Risking 105 Young Pooled Fund - Units	2,000.00	198.67
01/01/2012 to 12/31/2012	1	Manulife Asset Management Target De-Risking 80 Pooled Fund - Units	2,000.00	201.45
01/01/2012 to 12/31/2012	1	Manulife Asset Management Target De-Risking 90 Pooled Fund - Units	2,000.00	200.54
01/01/2012 to 12/31/2012	7	Manulife Asset Management US Equity Index Pooled Fund - Units	50,338,502.27	6,091,841.79
01/01/2012 to 12/31/2012	2	Manulife Asset Management US Equity Index Pooled Fund (non-taxable) - Units	1,050,000.00	87,903.00
01/01/2012 to 12/31/2012	1	Manulife Asset Management US Focused Value Pooled Fund - Units	3,000,000.00	300,000.00
01/01/2012 to 12/31/2012	2	Manulife Asset Management US Large Cap Core Pooled Fund - Units	8,047,685.53	1,389,458.65
01/01/2012 to 12/31/2012	1	Manulife Asset Management US Large Cap Growth Pooled Fund - Units	1,000,000.00	100,000.00
01/01/2012 to 12/31/2012	1	Manulife Asset Management US Mid Cap Growth Pooled Fund - Units	1,000,000.00	100,000.00
01/01/2012 to 12/31/2012	22	Manulife Bond Fund - Series G, O and X Units - Units	401,306,355.76	38,389,507.16
01/01/2012 to 12/31/2012	1	Manulife Canadian Balanced Fund - Series G, O and X Units - Units	136,573,970.77	11,924,012.75

Notice of Exempt Financings

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price (\$)	No. of Securities Distributed
01/01/2012 to 12/31/2012	3	Manulife Canadian Bond Fund - Series G, O and X Units - Units	47,641,628.21	4,329,215.83
01/01/2012 to 12/31/2012	7	Manulife Canadian Bond Plus Fund - Series G, O and X Units - Units	81,255,393.88	7,925,204.90
01/01/2012 to 12/31/2012	1	Manulife Canadian Core Fund - Series G, O and X Units - Units	61,243.98	5,058.69
01/01/2012 to 12/31/2012	1	Manulife Canadian Equity Balanced Fund - Series G, O and X Units - Units	100.00	10.00
01/01/2012 to 12/31/2012	9	Manulife Canadian Equity Index Fund - Series G, O and X Units - Units	70,467,470.11	5,251,634.61
01/01/2012 to 12/31/2012	7	Manulife Canadian Equity Value Fund - Series G, O and X Units - Units	23,147,257.22	2,405,428.97
01/01/2012 to 12/31/2012	4	Manulife Canadian Fixed Income Fund - Series G, O and X Units - Units	8,823,485.96	834,426.44
12/14/2012 to 12/31/2012	4	Manulife Canadian Fixed Income Private Trust - Series G, O and X Units - Units	17,016,137.68	1,701,677.41
01/01/2012 to 12/31/2012	6	Manulife Canadian Focused Fund - Series G, O and X Units - Units	93,237,204.11	9,670,201.36
01/01/2012 to 12/31/2012	5	Manulife Canadian Growth Fund - Series G, O and X Units - Units	295,557.68	27,510.44
08/01/2012 to 12/31/2012	13	Manulife Canadian Growth Stock Fund - Series G, O and X Units - Units	93,912,612.69	9,143,265.22
08/01/2012 to 12/31/2012	13	Manulife Canadian Growth Stock Fund - Series G, O and X Units - Units	93,912,612.69	9,143,265.22
01/01/2012 to 12/31/2012	10	Manulife Canadian Investment Fund - Series G, O and X Units - Units	66,099,325.89	6,962,081.51
01/01/2012 to 12/31/2012	7	Manulife Canadian Large Cap Growth - Series G, O and X Units - Units	18,313,791.56	1,946,982.81
01/01/2012 to 12/31/2012	1	Manulife Canadian Opportunities Balanced Fund - Series G, O & X Units - Units	901,268.38	87,194.42
01/01/2012 to 12/31/2012	4	Manulife Canadian Opportunities Fund - Series G, O & X Units - Units	166,222,272.59	14,520,145.85
01/01/2012 to 12/31/2012	3	Manulife Canadian Property Portfolio - Units	35,750,000.00	N/A
01/01/2012 to 12/31/2012	2	Manulife Canadian Real Estate Investment Fund - Units	3,550,573.00	N/A
01/01/2012 to 12/31/2012	6	Manulife Canadian Universe Bond - Series G, O & X Units - Units	81,915,675.09	7,917,018.21
01/01/2012 to 11/23/2012	12	Manulife Canadian Value Fund - Series G, O & X Units - Units	7,701,483.49	495,421.60
01/01/2012 to 11/23/2012	12	Manulife Canadian Equity Fund - Series G, O and X Units - Units	32,192,592.09	1,018,391.95
01/01/2012 to 12/31/2012	22	Manulife Corporate Bond Fund - Series G, O & X Units - Units	204,259,717.97	20,472,625.92

Notice of Exempt Financings

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price (\$)	No. of Securities Distributed
12/14/2012 to 12/31/2012	4	Manulife Corporate Fixed Income Private Trust - Series G, O & X Units - Units	22,176,216.62	2,217,617.33
01/01/2012 to 12/31/2012	1	Manulife Diversified Income Portfolio - Series G, O & X Units - Units	18,109,857.36	1,866,367.93
01/01/2012 to 12/31/2012	1	Manulife Diversified Investment Fund - Series G, O & X Units - Units	296,374,049.54	25,268,435.16
01/01/2012 to 12/31/2012	5	Manulife Dividend Fund - Series G, O & X Units - Units	139,004,506.45	9,551,194.81
03/22/2012 to 12/31/2012	17	Manulife Dividend Income Fund - Series G, O & X Units - Units	172,629,612.50	17,418,828.94
01/01/2012 to 12/31/2012	4	Manulife Emerging Markets Debt Fund - Series G, O & X Units - Units	6,959,276.78	765,990.64
01/01/2012 to 12/31/2012	3	Manulife Emerging Markets Fund - Series G, O & X Units - Units	3,752,981.49	366,318.53
01/01/2012 to 10/05/2012	2	Manulife European Opportunities Fund - Series G, O & X Units - Units	688,166.98	107,830.01
01/01/2012 to 12/31/2012	4	Manulife Floating Rate Income Fund - Series G, O & X Units - Units	38,707,298.96	3,834,814.59
01/01/2012 to 12/31/2012	1	Manulife Global Dividend Income Fund - Series G, O & X Units - Units	630,485.65	58,238.44
12/14/2012 to 12/31/2012	2	Manulife Global Fixed Income Private Trust - Series G, O & X Units - Units	22,194,482.00	2,219,448.20
01/01/2012 to 12/31/2012	5	Manulife Global Focused Fund - Series G, O & X Units - Units	4,119,658.11	352,260.63
01/01/2012 to 12/31/2012	4	Manulife Global Infrastructure Fund - Series G, O & X Units - Units	218,156.23	17,976.77
01/01/2012 to 12/31/2012	1	Manulife Global Opportunities Balanced Fund - Series G, O & X Units - Units	1,886,989.67	190,197.18
01/01/2012 to 12/31/2012	4	Manulife Global Opportunities Fund - Series G, O & X Units - Units	503,384.97	58,705.13
01/01/2012 to 12/31/2012	4	Manulife Global Real Estate Fund - Series G, O & X Units - Units	136,553.20	11,197.34
01/01/2012 to 12/31/2012	5	Manulife Global Small Cap Fund - Series G, O & X Units - Units	53,660,709.12	3,810,629.40
01/01/2012 to 12/31/2012	9	Manulife Growth Opportunities Fund - Series G, O & X Units - Units	31,192,450.89	811,646.25
01/01/2012 to 12/31/2012	5	Manulife High Yield Bond Fund - Series G, O & X Units - Units	9,016,529.66	860,011.92
01/01/2012 to 12/31/2012	8	Manulife International Equity Index Fund - Series G, O & X Units - Units	10,639,334.98	990,592.55
01/01/2012 to 12/31/2012	9	Manulife International Value Equity Fund - Series G, O & X Units - Units	98,781,467.71	9,202,853.32
01/01/2012 to 12/31/2012	1	Manulife Leaders Balanced Growth Portfolio - Series G, O & X Units - Units	299,085.95	31,476.95

Notice of Exempt Financings

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price (\$)	No. of Securities Distributed
01/01/2012 to 12/31/2012	1	Manulife Leaders Balanced Income Portfolio - Series G, O & X Units - Units	1,329,224.49	141,710.90
01/01/2012 to 12/31/2012	1	Manulife Leaders Growth Portfolio - Series G, O & X Units - Units	253,247.34	25,180.00
01/01/2012 to 12/31/2012	10	Manulife Money Fund - Series G, O & X Units - Units	474,646,949.55	47,464,694.96
12/14/2012 to 12/31/2012	1	Manulife Money Market Private Trust - Series G, O & X Units - Units	150,000.00	15,000.00
01/01/2012 to 12/31/2012	4	Manulife Monthly High Income Fund - Series G, O & X Units - Units	433,319,586.32	25,292,814.93
01/01/2012 to 12/31/2012	1	Manulife Preferred Income Fund - Series G, O & X Units - Units	231,040.48	23,053.53
01/01/2012 to 11/23/2012	1	Manulife Sector Rotation Fund - Series G, O & X Units - Units	9,137.14	497.86
01/01/2012 to 12/31/2012	4	Manulife Short-Term Bond Fund - Series G, O & X Units - Units	27,850,879.81	2,751,161.77
01/01/2012 to 11/23/2012	1	Manulife Simplicity Aggressive Portfolio - Series G, O & X Units - Units	2,158,944.12	193,495.11
01/01/2012 to 12/31/2012	1	Manulife Simplicity Balanced Fund - Series G, O & X Units - Units	35,636,737.09	2,748,173.56
01/01/2012 to 12/31/2012	1	Manulife Simplicity Conservative Fund - Series G, O & X Units - Units	77,775,309.99	7,311,072.19
01/01/2012 to 12/31/2012	1	Manulife Simplicity Global Balanced - Series G, O & X Units - Units	7,885,756.19	727,623.23
01/01/2012 to 12/31/2012	1	Manulife Simplicity Growth Fund - Series G, O & X Units - Units	26,176,405.31	2,114,725.73
01/01/2012 to 12/31/2012	1	Manulife Simplicity Moderate Fund - Series G, O & X Units - Units	27,838,077.75	2,697,990.92
01/01/2012 to 12/31/2012	4	Manulife Small Cap Value Fund - Series G, O & X Units - Units	1,625,025.15	159,913.57
03/22/2012 to 12/31/2012	2	Manulife Strategic Balanced Yield Fund - Series G, O & X Units - Units	35,431,129.95	3,527,173.16
01/01/2012 to 12/31/2012	18	Manulife Strategic Income Fund - Series G, O & X Units - Units	360,707,853.67	31,762,636.83
01/01/2012 to 12/31/2012	1	Manulife Tax Managed Growth Fund - Series G, O & X Units - Units	312,584.75	24,389.21
01/01/2012 to 12/31/2012	8	Manulife U.S. All Cap Equity Fund - Series G, O & X Units - Units	3,422,100.04	282,842.71
01/01/2012 to 12/31/2012	8	Manulife U.S. Dividend Growth - Series G, O & X Units - Units	18,211,421.92	1,738,716.95
01/01/2012 to 12/31/2012	1	Manulife U.S. Equity Fund - Series G, O & X Units - Units	5,134,468.37	489,924.27
01/01/2012 to 12/31/2012	8	Manulife U.S. Equity Index Fund - Series G, O & X Units - Units	22,130,026.98	1,711,243.55

Notice of Exempt Financings

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price (\$)	No. of Securities Distributed
01/01/2012 to 12/31/2012	8	Manulife U.S. large Cap Equity Fund - Series G, O & X Units - Units	79,358,079.93	7,086,272.26
01/01/2012 to 12/31/2012	5	Manulife U.S. Opportunities Fund - Series G, O & X Units - Units	17,551,604.39	1,447,417.24
01/01/2012 to 12/31/2012	3	Manulife World Investment Fund - Series G, O & X Units - Units	128,209.21	13,898.98
01/31/2013	7	MarkWater Handling Systems Ltd. - Common Shares	3,285,000.00	3,258,000.00
02/07/2013	1	MedCurrent Corporation - Preferred Shares	1,250,000.00	700,497.00
02/15/2013	1	Micromem Technologies Inc. - Investment Trust Interests	50,000.00	312,500.00
02/12/2013	10	Micron Technology, Inc. - Notes	4,713,630.00	10.00
01/01/2012 to 12/31/2012	3	MMF Yield Opportunities Fund - Series G, O & X Units - Units	14,735,752.60	1,446,886.62
02/07/2013	12	Monster Mining Corp. - Common Shares	97,708.52	2,791,672.00
02/08/2013	3	Network Media Group Inc. - Debentures	60,000.00	2.00
02/15/2013	1	New Flyer Industries Inc. - Common Shares	51,718,065.00	4,925,530.00
02/04/2013	1	NewLink Genetics Corporation - Common Shares	11,290.00	1,000.00
02/11/2013	1	Northern Gold Mining Inc. - Common Shares	0.00	250,000.00
02/11/2013	2	Northern Gold Mining Inc. - Common Shares	0.00	20,000.00
02/14/2013	6	NXP B.V./NXP Funding LLC - Notes	5,719,572.00	6.00
02/06/2013	1	Organizacion Cultiba S.A.B. de C.V. - Common Shares	2,750,000.00	1,000,000.00
02/01/2013	1	Orion Engineered Carbons Finance & Co. S.C.A. - Note	2,471,782.50	1.00
02/12/2013	1	Permian Holdings, Inc. - Note	500,000.00	1.00
02/20/2013	2	Rainy River Resources Ltd. - Common Shares	43,556.70	12,000.00
02/02/2013	4	Royal Bank of Canada - Notes	5,223,400.00	52,234.00
01/29/2013	14	Sabre Metals Inc. - Common Shares	472,500.00	945,000.00
12/21/2012	25	Sabre Metals Inc. (amended) - Common Shares	1,977,500.00	3,955,000.00
02/06/2013	1	Saturn Minerals Inc. - Flow-Through Units	350,000.04	2,692,308.00
02/05/2013	7	SelectCore Ltd. - Warrants	2,525,000.00	2,525,000.00
02/13/2013	219	Silver Standard Resources Inc - Notes	15,030,000.00	15,000.00
02/01/2013	88	Skyline Commercial Real Estate Investment Trust - Trust Units	8,252,690.00	825,269.00
02/08/2013	4	Speedy Cash Intermediate Holdings Corp. - Notes	3,424,946.87	4.00

Notice of Exempt Financings

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price (\$)	No. of Securities Distributed
01/01/2012 to 12/31/2012	23	Tapestry Balanced Growth Private Portfolio Corporate Class - Units	2,408,780.15	N/A
01/01/2012 to 12/31/2012	9	Tapestry Balanced Income Private Portfolio Corporate Class - Units	1,557,006.78	N/A
01/01/2012 to 12/31/2012	9	Tapestry Diversified Income Private Portfolio Corporate Class - Units	902,416.43	N/A
01/01/2012 to 12/31/2012	3	Tapestry Global Balanced Private Portfolio Corporate Class - Units	725,355.89	N/A
01/01/2012 to 12/31/2012	64	Templeton Master Trust, Series 8 0 Bissett Canadian Core Bond Trust - Units	55,003,899.17	N/A
02/13/2013	10	Tempus Capital Inc. - Common Shares	108,224.85	1,442,998.00
01/21/2013	20	TerraX Minerals Inc. - Units	259,700.00	3,710,000.00
02/14/2013	126	Tervita Corporation - Notes	850,520,000.00	126.00
02/12/2013	1	The ExOne Company - Common Shares	1,800,000.00	5,300,000.00
02/01/2013	1	TransGaming Inc. - Units	300,000.00	2,307,692.00
02/12/2013	1	True North Commercial Real Estate Investment Trust - Units	3,000,000.70	783,290.00
02/05/2013	1	Unifrax I LLC/Unifrax Holding Co. - Note	997,200.00	1.00
02/08/2013	42	Upper Canada Gold Corporation - Unit	6,625,000.00	66,250,000.00
02/15/2013	19	Upper Canada Gold Corporation - Units	1,375,000.00	13,750,000.00
01/15/2013 to 01/22/2013	109	Venturion Oil Limited - Common Shares	32,912,500.00	24,762,500.00
02/11/2013	1	VW Credit Canada Funding LP, by its general partner, VW Credit Canada Funding GP Inc. - Note	350,000,368.00	1.00
02/04/2013	173	Walton Income 6 Investment Corporation - Notes	10,997,000.00	N/A
02/15/2013	5	WNS (Holdings) Limited - American Depositary Shares	8,667,000.00	12,625,343.00
02/06/2013	2	Zoetis Inc. - Common Shares	129,480.00	5,000.00

Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:

Canada Dominion Resources 2013 Limited Partnership
Principal Regulator - Ontario

Type and Date:

Preliminary Long Form Prospectus dated February 27, 2013

NP 11-202 Receipt dated February 28, 2013

Offering Price and Description:

\$50,000,000.00 (Maximum); \$10,000,000.00 (Minimum)

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.

CIBC World Markets Inc.

Scotia Capital Inc.

BMO Nesbitt Burns Inc.

Dundee Securities Ltd.

National Bank Financial Inc.

TD Securities Inc.

Macquarie Capital Markets Canada Ltd.

Canaccord Genuity Corp.

Manulife Securities Incorporated

Raymond James Ltd.

Desjardins Securities Inc.

GMP Securities L.P.

Promoter(s):

Goodman Investment Counsel Inc.

Canada Dominion Resources 2013 Corporation

Project #2020322

Issuer Name:

Canadian Credit Card Trust

Principal Regulator - Quebec

Type and Date:

Preliminary Shelf Prospectus dated March 1, 2013

NP 11-202 Receipt dated March 1, 2013

Offering Price and Description:

Up to \$1,700,000,000.00 Credit Card Receivables-Backed Notes

Underwriter(s) or Distributor(s):

NATIONAL BANK FINANCIAL INC.

Promoter(s):

NATIONAL BANK OF CANADA

Project #2022325

Issuer Name:

Canadian Metals Inc.

Principal Regulator - Quebec

Type and Date:

Preliminary Long Form Prospectus dated February 27, 2013

NP 11-202 Receipt dated February 28, 2013

Offering Price and Description:

Minimum Offering: \$600,000.00 - * Units

Maximum Offering: \$1,6000,000.00 - * Units

Price: \$ * per Unit.

Minimum Subscription: 1,000 Units

Underwriter(s) or Distributor(s):

Industrial Alliance Securities Inc.

Promoter(s):

Stephane LeBlanc

Project #2020116

Issuer Name:

Canadian Tire Corporation, Limited

Principal Regulator - Ontario

Type and Date:

Preliminary Shelf Prospectus dated March 4, 2013

NP 11-202 Receipt dated March 4, 2013

Offering Price and Description:

\$750,000,000.00 - Medium Term Notes, (unsecured)

Underwriter(s) or Distributor(s):

BMO NESBITT BURNS INC.

CIBC WORLD MARKETS INC.

DESJARDINS SECURITIES INC.

HSBC SECURITIES (CANADA) INC.

NATIONAL BANK FINANCIAL INC.

RBC DOMINION SECURITIES INC.

SCOTIA CAPITAL INC.

TD SECURITIES INC.

Promoter(s):

-

Project #2023332

Issuer Name:

Catamaran Corporation (formerly SXC Health Solutions Corp.)

Principal Regulator - Ontario

Type and Date:

Preliminary Shelf Prospectus dated March 1, 2013

NP 11-202 Receipt dated March 4, 2013

Offering Price and Description:

U.S.\$ * - Debt Securities, Common Shares, Warrants, Convertible Securities, Share Purchase Contracts, Share Purchase, Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2022904

Issuer Name:

Difference Capital Funding Inc.

Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated February 26, 2013

NP 11-202 Receipt dated February 27, 2013

Offering Price and Description:

\$13,433,749.00 - 39,810,696 Units Issuable on Exercise of Outstanding Special Warrants

Price: \$0.35 per Special Warrant

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2019798

Issuer Name:

Dynamic High Yield Bond Class

Dynamic High Yield Credit Class

Dynamic Preferred Yield Class

Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectus dated February 25, 2013

NP 11-202 Receipt dated February 26, 2013

Offering Price and Description:

Series A, E, F, FH, FI, H, I and T Shares

Underwriter(s) or Distributor(s):

GCIC Ltd.

GCIC Ltd.

Promoter(s):

GCIC Ltd.

Project #2018653

Issuer Name:

Excel Latin America Bond Fund

Principal Regulator - Ontario

Type and Date:

Preliminary Long Form Prospectus dated February 27, 2013

NP 11-202 Receipt dated February 28, 2013

Offering Price and Description:

Maximum \$ * _ * Class A Units, Class F Units and/or Class U Units

Price: \$ * per Class A Unit, Class F Unit and U.S. \$ * per Class U Unit

Minimum purchase: 100 Class A Units, Class F Units or Class U Units

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc,

CIBC World Markets Inc.

RBC Dominion Securities Inc.

National Bank Financial Inc.

Raymond James Ltd.

TD Securities Inc.

Desjardins Securities Inc.

Canaccord Genuity Corp.

GMP Securities L.P.

Dundee Securities Ltd.

Mackie Research Capital Corporation

Macquarie Private Wealth Inc.

Manulife Securities Incorporated

Industrial Alliance Securities Inc.

Sherbrooke Street Capital (SSC) Inc.

Promoter(s):

Excel Funds Management Inc.

Project #2020543

Issuer Name:

Ford Auto Securitization Trust

Principal Regulator - Ontario

Type and Date:

Preliminary Shelf Prospectus dated February 28, 2013

NP 11-202 Receipt dated March 1, 2013

Offering Price and Description:

Up to \$3,500,000,000.00 of Asset-Backed Notes

Underwriter(s) or Distributor(s):

-

Promoter(s):

Ford Credit Canada Limited

Project #2021149

Issuer Name:

Guardian Balanced Income Fund
Guardian Growth & Income Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectus dated February 28, 2013
NP 11-202 Receipt dated March 1, 2013

Offering Price and Description:

Series A and I Units

Underwriter(s) or Distributor(s):

Guardian Capital LP

Promoter(s):

Guardian Capital Inc.

Project #2021048

Issuer Name:

Inovalis Real Estate Investment Trust
Principal Regulator - Ontario

Type and Date:

Preliminary Long Form Prospectus dated February 28, 2013
NP 11-202 Receipt dated February 28, 2013

Offering Price and Description:

\$ * - * Units

Price: \$10.00 per Unit

Underwriter(s) or Distributor(s):

DESJARDINS SECURITIES INC.
GMP SECURITIES L.P.
MACQUARIE CAPITAL MARKETS CANADA LTD.
LAURENTIAN BANK SECURITIES INC.
UBS SECURITIES CANADA INC.
MANULIFE SECURITIES INCORPORATED
BURGEONVEST BICK SECURITIES LIMITED
INDUSTRIAL ALLIANCE SECURITIES INC.
MACKIE RESEARCH CAPITAL CORPORATION

Promoter(s):

INOVALIS S.A.

Project #2020982

Issuer Name:

InterRent Real Estate Investment Trust
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated March 1, 2013
NP 11-202 Receipt dated March 1, 2013

Offering Price and Description:

\$75,003,580.00 Treasury Offering -11,486,000 Trust Units
Price: \$6.53 per Initial Unit

Underwriter(s) or Distributor(s):

DUNDEE SECURITIES LTD.
GMP SECURITIES L.P.
CANACCORD GENUITY CORP.
BMO NESBITT BURNS INC.
SCOTIA CAPITAL INC.
TD SECURITIES INC.
DESJARDINS SECURITIES INC.
RAYMOND JAMES LTD.
M. PARTNERS INC.

Promoter(s):

-

Project #2022392

Issuer Name:

LDIC North American Energy Infrastructure Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectus dated March 1, 2013
NP 11-202 Receipt dated March 4, 2013

Offering Price and Description:

Class A and F Units

Underwriter(s) or Distributor(s):

LDIC Inc.

Promoter(s):

-

Project #2023451

Issuer Name:

Maple Power Capital Corporation
Principal Regulator - Ontario

Type and Date:

Preliminary CPC Prospectus dated February 26, 2013
NP 11-202 Receipt dated February 27, 2013

Offering Price and Description:

Minimum Offering: \$750,000.00 - 7,500,000 Common
Shares

Maximum Offering: \$1,000,000.00 - 10,000,000 Common
Shares

Price: \$0.10 per Common Share

Underwriter(s) or Distributor(s):

Foster & Associates Financial Services Inc.

Promoter(s):

Bok Wong
To-Hon Lam

Project #2019413

Issuer Name:

Matrix 2013 Short Duration National Class
Principal Regulator - Ontario

Type and Date:

Preliminary Long Form Prospectus dated March 1, 2013
NP 11-202 Receipt dated March 1, 2013

Offering Price and Description:

Maximum: \$50,000,000.00 - 5,000,000 Matrix 2013 Short Duration National Class Units

Price: \$10.00 per Matrix 2013 Short Duration National Class Unit

Minimum Subscription: \$2,500.00 - 250 National Class Units

Underwriter(s) or Distributor(s):

National Bank Financial Inc.
CIBC World Markets Inc.
Desjardins Securities Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
Industrial Alliance Securities Inc.
Canaccord Genuity Corp.
GMP Securities L.P.
Argosy Securities Inc.
Burgeonvest Bick Securities Limited
Dundee Securities Ltd.
Laurentian Bank Securities Inc.
Mackie Research Capital Corporation
Macquarie Private Wealth Inc.
Raymond James Ltd.

Promoter(s):

Matrix 2013 Short Duration National and Quebec Flow Through Management Limited
Matrix Funds Management

Project #2022036

Issuer Name:

Matrix 2013 Short Duration Québec Class
Principal Regulator - Ontario

Type and Date:

Preliminary Long Form Prospectus dated March 1, 2013
NP 11-202 Receipt dated March 1, 2013

Offering Price and Description:

Maximum: \$25,000,000.00 - 2,500,000 Matrix 2013 Short Duration Québec Class Units

Price: \$10.00 per Matrix 2013 Short Duration Québec Class Unit

Minimum Subscription: \$2,500.00 - 250 Québec Class Units

Underwriter(s) or Distributor(s):

National Bank Financial Inc.
CIBC World Markets Inc.
Desjardins Securities Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
Industrial Alliance Securities Inc.
Canaccord Genuity Corp.
GMP Securities L.P.
Argosy Securities Inc.
Burgeonvest Bick Securities Limited
Dundee Securities Ltd.
Laurentian Bank Securities Inc.
Mackie Research Capital Corporation
Macquarie Private Wealth Inc.
Raymond James Ltd.

Promoter(s):

Matrix 2013 Short Duration National and Quebec Flow Through Management Limited
Matrix Funds Management

Project #2022042

Issuer Name:

Morguard North American Residential Real Estate Investment Trust
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated March 1, 2013
NP 11-202 Receipt dated March 1, 2013

Offering Price and Description:

\$95,105,000.00 - 8,270,000 Units

Price: \$11.50 per Offered Unit and
\$60,000,000.00 - 4.65% Convertible Unsecured Subordinated Debentures due March 30, 2018
Price: \$1,000 per Debenture

Underwriter(s) or Distributor(s):

RBC DOMINION SECURITIES INC.
TD SECURITIES INC.
BMO NESBITT BURNS INC.
CIBC WORLD MARKETS INC.
SCOTIA CAPITAL INC.
DUNDEE SECURITIES LTD.
HSBC SECURITIES (CANADA) INC.
NATIONAL BANK FINANCIAL INC.

Promoter(s):

-

Project #2022166

Issuer Name:

Norrep Short Duration 2013 Flow-Through Limited Partnership
Principal Regulator - Alberta

Type and Date:

Preliminary Long Form Prospectus dated February 28, 2013

NP 11-202 Receipt dated February 28, 2013

Offering Price and Description:

Maximum: \$50,000,000.00 - 5,000,000 Limited Partnership Units

Minimum: \$5,000,000.00 - 500,000 Limited Partnership Units

Price: \$10.00 per Unit

Minimum Purchase: 500 Units (\$5,000)

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.

CIBC World Markets Inc.

National Bank Financial Inc.

TD Securities Inc.

GMP Securities L.P.

Canaccord Genuity Corp.

Dundee Securities Ltd.

Macquarie Private Wealth Inc.

Raymond James Ltd.

Promoter(s):

Hesperian Capital Management Ltd.

Project #2021049

Issuer Name:

North American Preferred Share Advantage Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Long Form Prospectus dated February 28, 2013

NP 11-202 Receipt dated February 28, 2013

Offering Price and Description:

\$* -* Maximum

Price: \$25.00 per Unit

Minimum Purchase: 100 Units

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.

National Bank Financial Inc.

RBC Dominion Securities Inc.

BMO Nesbitt Burns Inc.

GMP Securities L.P.

Scotia Capital Inc.

TD Securities Inc.

Macquarie Private Wealth Inc.

Raymond James Ltd.

Canaccord Genuity Corp.

Desjardins Securities Inc.

Dundee Securities Ltd.

Manulife Securities Incorporated

Promoter(s):

Propel Capital Corporation

Project #2020496

Issuer Name:

Panoro Minerals Ltd.

Principal Regulator - British Columbia

Type and Date:

Preliminary Short Form Prospectus dated February 26, 2013

NP 11-202 Receipt dated February 26, 2013

Offering Price and Description:

\$15,015,000.00 - 27,300,000 Common Shares

Price: \$0.55 per Offered Share

Underwriter(s) or Distributor(s):

CANACCORD GENUITY CORP.

BMO NESBITT BURNS INC.

MACQUARIE CAPITAL MARKETS CANADA LTD.

MACKIE RESEARCH CAPITAL CORPORATION

Promoter(s):

-

Project #2019324

Issuer Name:

Partners Real Estate Investment Trust

Principal Regulator - British Columbia

Type and Date:

Preliminary Short Form Prospectus dated February 26, 2013

NP 11-202 Receipt dated February 26, 2013

Offering Price and Description:

\$20,000,000.00 - 5.5% Convertible Unsecured

Subordinated Debentures

Price: \$1,000.00 Debentures

Underwriter(s) or Distributor(s):

NATIONAL BANK FINANCIAL INC.

SCOTIA CAPITAL INC.

RBC DOMINION SECURITIES INC.

CIBC WORLD MARKETS INC.

CANACCORD GENUITY CORP.

TD SECURITIES INC.

MACQUARIE CAPITAL MARKETS CANADA LTD.

RAYMOND JAMES LTD.

M PARTNERS INC.

Promoter(s):

-

Project #2019341

Issuer Name:

Signature Cash Management Fund

Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectus dated February 26, 2013

NP 11-202 Receipt dated February 26, 2013

Offering Price and Description:

Class C Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

CI Investments Inc.

Project #2019138

Issuer Name:

Sophiris Bio Inc. (formerly Protox Therapeutics Inc.)
Principal Regulator - British Columbia

Type and Date:

Amended and Restated Preliminary Short Form Prospectus
dated March 4, 2013

NP 11-202 Receipt dated March 4, 2013

Offering Price and Description:

US\$65,000,000.00 - * Common Shares

Price: C\$ * per Common Share

Underwriter(s) or Distributor(s):

CITIGROUP GLOBAL MARKETS CANADA INC.

STIFEL NICOLAUS CANADA INC.

Promoter(s):

-

Project #2016044

Issuer Name:

Starlight U.S. Multi-Family Core Fund

Principal Regulator - Ontario

Type and Date:

Preliminary Long Form Prospectus dated February 20,
2013

NP 11-202 Receipt dated February 26, 2013

Offering Price and Description:

Maximum: US\$75,000,000.00 of Class A Units and/or

Class U Units and/or Class I Units and/or Class C Units

Price: C\$10.00 per Class A Unit, Class I Unit, Class C Unit
and US\$10.00 per Class U Unit

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.

National Bank Financial Inc.

Raymond James Ltd.

Scotia Capital Inc.

GMP Securities L.P.

Macquarie Private Wealth Inc.

Canaccord Genuity Corp.

Desjardins Securities Inc.

Dundee Securities Ltd.

Promoter(s):

Starlight Investments Ltd.

Project #2018483

Issuer Name:

Tourmaline Oil Corp.

Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated February 26,
2013

NP 11-202 Receipt dated February 26, 2013

Offering Price and Description:

\$171,250,000.00 - 5,000,000 Common Shares

Price: \$34.25 per Common Share and

\$31,612,500.00 - 750,000 Flow-Through Common Shares

Price: \$42.15 per Flow-Through Share

Underwriter(s) or Distributor(s):

Peters & Co. Limited

Scotia Capital Inc.

FirstEnergy Capital Corp.

CIBC World Markets Inc.

National Bank Financial Inc.

TD Securities Inc.

Stifel Nicolaus Canada Inc.

RBC Dominion Securities Inc.

Promoter(s):

-

Project #2019297

Issuer Name:

U.S.Cyclicals YieldSeeker Fund

Principal Regulator - Ontario

Type and Date:

Preliminary Long Form Prospectus dated February 28,
2013

NP 11-202 Receipt dated February 28, 2013

Offering Price and Description:

Maximum \$* - * Class A Units and U.S. \$ *- * Class U Units

Price: \$10.00 per Class A Unit and U.S. \$10.00 per Class
U Unit

Minimum purchase: 100 Class A Units or Class U Units

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.

Promoter(s):

BMO Nesbitt Burns Inc.

Project #2020572

Issuer Name:

AGF Aggressive Global Stock Fund
AGF Aggressive U.S. Growth Fund
AGF Canadian Small Cap Fund
Principal Regulator - Ontario

Type and Date:

Amendment # 3 dated February 19, 2013 to the Simplified Prospectus dated April 19, 2013 and Amendment #4 dated February 19, 2013 to the Annual Information Form dated April 19, 2012
NP 11-202 Receipt dated February 27, 2013

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

AGF Funds Inc.

Promoter(s):

AGF Investments Inc.

Project #1873154

Issuer Name:

AllBanc Split Corp.
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated February 26, 2013
NP 11-202 Receipt dated February 27, 2013

Offering Price and Description:

1,177,652 Class C Preferred Shares, 560,000 Class A Capital Shares
Price: \$31.64 per Preferred Share and \$41.88 per Class A Capital Share

Underwriter(s) or Distributor(s):

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

Promoter(s):

Scotia Managed Companies Administration Inc.

Project #2008408

Issuer Name:

Allied Properties Real Estate Investment Trust
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated February 28, 2013
NP 11-202 Receipt dated February 28, 2013

Offering Price and Description:

\$110,103,000.00 - 3,210,000 Units
Price: \$34.30 per Unit

Underwriter(s) or Distributor(s):

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

Promoter(s):

-

Project #2017525

Issuer Name:

Australian REIT Income Fund
Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated February 26, 2013
NP 11-202 Receipt dated February 27, 2013

Offering Price and Description:

Maximum: \$125,000,000.00 - (Maximum: 10,416,667 Class A Units and/or Class F Units)
Price: \$12.00 per Class A Unit or \$12.00 per Class F Unit
(Minimum Purchase: 200 Units (\$2,400))

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Macquarie Private Wealth Inc.
Scotia Capital Inc.
National Bank Financial Inc.
TD Securities Inc.
Canaccord Genuity Corp.
Desjardins Securities Inc.
GMP Securities L.P.
Raymond James Ltd.
All Group Financial Services Inc.
Burgeonvest Bick Securities Limited
MGI Securities Inc.

Promoter(s):

Harvest Portfolios Group Inc.

Project #2011143

Issuer Name:

Biovest Corp. I
Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated February 25, 2013
NP 11-202 Receipt dated February 27, 2013

Offering Price and Description:

Minimum offering: \$5,000,000.00 or 8,474,576 Common Shares ("Minimum Offering")
Maximum offering: \$6,000,000.00 or 10,169,491 Common Shares ("Maximum Offering")
\$0.59 per Common Share

Underwriter(s) or Distributor(s):

MACQUARIE PRIVATE WEALTH INC.

Promoter(s):

-

Project #1989003

Issuer Name:

Bissett Focus Balanced Corporate Class
Bissett Focus Balanced Fund
Principal Regulator - Ontario

Type and Date:

Amendment #2 dated February 20, 2013 to Final Simplified Prospectus and
Annual Information Form dated June 19, 2012
NP 11-202 Receipt dated February 28, 2013

Offering Price and Description:

Series A, F, I, O and T Units and Series A, F, I, O and T Shares of Net Asset Value

Underwriter(s) or Distributor(s):

Franklin Templeton Investments Corp.
Franklin Templeton Investments Corp.
Bissett Investment Management, a division of Franklin Templeton Investments Corp.
Franklin Templeton Investmetns Corp.

Promoter(s):

Franklin Templeton Investments Corp.

Project #1900450

Issuer Name:

Bloom U.S. Advantaged Income & Growth Fund
Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated February 25, 2013
NP 11-202 Receipt dated February 26, 2013

Offering Price and Description:

Maximum: \$125,000,000.00 - 12,500,000 Class A Units and/or Class U Units @ \$10/Unit
Minimum: \$20,000,000.00 - 2,000,000 Class A Units @ \$10/Unit

Underwriter(s) or Distributor(s):

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

Promoter(s):

Bloom Investment Counsel Inc.

Project #2010907

Issuer Name:

BMO International Equity ETF Fund (formerly BMO International Index Fund)
Principal Regulator - Ontario

Type and Date:

Amendment #6 dated February 8, 2013 to the Amended and Restated Simplified Prospectus and Annual Information Form, amending and restating the Simplified Prospectus and Annual Information Form dated March 26, 2012 NP 11-202 Receipt dated February 26, 2013

Offering Price and Description:

Series A and I Units @ Net Asset Value

Underwriter(s) or Distributor(s):

BMO Investments Inc.
BMO Investments Inc.

Promoter(s):

BMO Investments Inc.

Project #1862292

Issuer Name:

BUIG Trust
Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated February 25, 2013
NP 11-202 Receipt dated February 26, 2013

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

Bloom Investment Counsel Inc.

Project #2011520

Issuer Name:

Counsel Income Managed Portfolio
Counsel Regular Pay Portfolio
Counsel U.S. Value
Principal Regulator - Ontario

Type and Date:

Amendment #2 dated February 22, 2013 to Final Simplified
Prospectus and Annual Information Form dated October
26, 2012

NP 11-202 Receipt dated March 1, 2013

Offering Price and Description:

Series A, B, D, DT, E, EB, ET, F, I, IT, P and T Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

COUNSEL PORTFOLIO SERVICES INC.

December 18, 2012 - Amend #1 to SP and AIF

Project #1962195

Issuer Name:

Excel Blue Chip Fund (formerly Excel Blue Chip Emerging
Markets Fund)

Excel China Fund

Excel India Fund

Excel EM Capital Income Fund

Excel EM High Income Fund

Principal Regulator - Ontario

Type and Date:

Amendment #1 dated February 14, 2013 to Final Simplified
Prospectus and Annual Information Form dated September
28, 2012

NP 11-202 Receipt dated March 1, 2013

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

Excel Funds Management Inc.

Promoter(s):

Excel Funds Management Inc.

Project #1957397

Issuer Name:

First Asset Morningstar Advantaged U.S. Consumer
Defensive Index Fund

Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated February 27, 2013

NP 11-202 Receipt dated February 27, 2013

Offering Price and Description:

Maximum: \$100,000,000.00 - 10,000,000 Units @ \$10.00
per Unit

Minimum: \$20,000,000.00 - 2,000,000 Units @ \$10.00 per
Unit

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.

National Bank Financial Inc.

RBC Dominion Securities Inc.

BMO Nesbitt Burns Inc.

Scotia Capital Inc.

TD Securities Inc.

Raymond James Ltd.

Canaccord Genuity Corp.

GMP Securities L.P.

Desjardins Securities Inc.

Macquarie Private Wealth Inc.

Dundee Securities Ltd.

Manulife Securities Incorporated

Promoter(s):

First Asset Investment Management Inc.

Project #2008738

Issuer Name:

Global Champions Split Corp.

Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated February 28, 2013

NP 11-202 Receipt dated February 28, 2013

Offering Price and Description:

Maximum: \$50,000,000.00 - 2,000,000 Class A Preferred
Shares, Series 1 @ \$25/Share

Minimum: \$20,000,000.00 - 800,000 Series 1 Shares @
\$25/Share

Underwriter(s) or Distributor(s):

National Bank Financial Inc.

CIBC World Markets Inc.

RBC Dominion Securities Inc.

Scotia Capital Inc.

TD Securities Inc.

BMO Nesbitt Burns Inc.

Canaccord Genuity Corp.

GMP Securities L.P.

Raymond James Ltd.

Macquarie Private Wealth Inc.

Brookfield Financial Corp.

Promoter(s):

BAM Investments Corp.

Project #1995323

Issuer Name:

Great-West Lifeco Inc.
Principal Regulator - Manitoba

Type and Date:

Final Short Form Prospectus dated March 1, 2013
NP 11-202 Receipt dated March 4, 2013

Offering Price and Description:

\$650,210,000.00 - 25,300,000 Subscription Receipts each
representing the right to receive one Common Share
Price: \$25.70 per Subscription Receipt

Underwriter(s) or Distributor(s):

BMO NESBITT BURNS INC.
CIBC WORLD MARKETS INC.
RBC DOMINION SECURITIES INC.
SCOTIA CAPITAL INC.
TD SECURITIES INC.
MERRILL LYNCH CANADA INC.
DESJARDINS SECURITIES INC.
NATIONAL BANK FINANCIAL INC.
BARCLAYS CAPITAL CANADA INC.
CANACCORD GENUITY CORP.
CREDIT SUISSE SECURITIES (CANADA), INC.
J.P. MORGAN SECURITIES CANADA INC
MORGAN STANLEY CANADA LIMITED

Promoter(s):

-

Project #2018210

Issuer Name:

ING Diversified Floating Rate Senior Loan Fund
Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated February 26, 2013
NP 11-202 Receipt dated February 28, 2013

Offering Price and Description:

Maximum \$200,000,000.00 (20,000,000 Class A Units
and/or Class U Units)
Price: \$10.00 per Class A Unit and U.S. \$10.00 per Class
U Unit
Minimum purchase: 100 Class A Units or Class U Units

Underwriter(s) or Distributor(s):

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

Promoter(s):

Connor, Clark & Lunn Capital Markets Inc.

Project #2010912

Issuer Name:

Intus Capital Corporation
Principal Regulator - Alberta

Type and Date:

Amended and Restated CPC Prospectus dated March 1,
2013 amending and restating the Amended and Restated
Prospectus dated December 27, 2012, amending and
restating the CPC Prospectus dated September 27, 2012.
NP 11-202 Receipt dated March 1, 2013

Offering Price and Description:

\$300,000.00 - 3,000,000 Common Shares
Price: \$0.10 per Common Share

Underwriter(s) or Distributor(s):

Leede Financial Markets Inc.

Promoter(s):

Dimitris Agouridis

Project #1925392

Issuer Name:

Invesco Emerging Markets Class
Trimark Income Growth Fund
Principal Regulator - Ontario

Type and Date:

Amendment #5 dated February 21, 2013 to the Simplified
Prospectus dated July 30, 2012 and Amendment #6 dated
February 21, 2013 to the Annual Information Form dated
July 30, 2012
NP 11-202 Receipt dated February 27, 2013

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

INVESCO CANADA LTD.

Project #1916961

Issuer Name:

ISL Loan Trust II
Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated February 26, 2013
NP 11-202 Receipt dated February 28, 2013

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

Connor, Clark & Lunn Capital Markets Inc.

Project #2010915

Issuer Name:

Kimber Resources Inc.
Principal Regulator - British Columbia

Type and Date:

Final Shelf Prospectus dated February 26, 2013
NP 11-202 Receipt dated February 27, 2013

Offering Price and Description:

\$25,000,000.00 - Common Shares, Warrants to Purchase
Common Shares, Share Purchase Contracts, Subscription
Receipts, Debt Securities

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2007868

Issuer Name:

Low Volatility U.S. Equity Income Fund
Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated February 26, 2013
NP 11-202 Receipt dated February 27, 2013

Offering Price and Description:

Maximum: \$50,000,000.00 - 5,000,000 Units @
\$10.00/unit

Minimum: \$20,000,000.00 - 2,000,000 Units @ \$10/unit

Underwriter(s) or Distributor(s):

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

Promoter(s):

Strathbridge Asset Management Inc.

Project #2000619

Issuer Name:

Milestone Apartments Real Estate Investment Trust
Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated February 27, 2013
NP 11-202 Receipt dated February 27, 2013

Offering Price and Description:

C\$200,000,000.00 - 20,000,000 Units
Price C\$10.00 per Unit

Underwriter(s) or Distributor(s):

BMO NESBITT BURNS INC.
CIBC WORLD MARKETS INC.
RBC DOMINION SECURITIES INC.
SCOTIA CAPITAL INC.
TD SECURITIES INC.
NATIONAL BANK FINANCIAL INC.
CANACCORD GENUITY CORP.
GMP SECURITIES L.P.
MACQUARIE CAPITAL MARKETS CANADA LTD.

Promoter(s):

MST INVESTORS, LLC

Project #2008878

Issuer Name:

NAV CANADA
Principal Regulator - Ontario

Type and Date:

Final Shelf Prospectus dated February 26, 2013
NP 11-202 Receipt dated February 26, 2013

Offering Price and Description:

\$550,000,000.00 General Obligation Notes

Underwriter(s) or Distributor(s):

RBC DOMINION SECURITIES INC.
TD SECURITIES INC.
BMO NESBITT BURNS INC.
CIBC WORLD MARKETS INC.
NATIONAL BANK FINANCIAL INC.
DESJARDINS SECURITIES INC.
LAURENTIAN BANK SECURITIES INC.

Promoter(s):

-

Project #2014865

Issuer Name:

PACEpartners Inc.
Principal Regulator - Alberta

Type and Date:

Final Long Form Prospectus dated February 25, 2013
NP 11-202 Receipt dated February 27, 2013

Offering Price and Description:

Minimum Offering: \$2,000,000.00 (8,000,000 Offered Units)
Maximum Offering: \$6,000,000.00 (24,000,000 Offered Units)

Price: \$0.25 per Offered Unit

Underwriter(s) or Distributor(s):

Macquarie Private Wealth Inc.

Promoter(s):

Philip A. Tuttle
Chester J. Jachimiec
Kevin Kuykendall
J.J. Moskal

Project #1985241

Issuer Name:

Rainmaker Entertainment Inc.
Principal Regulator - British Columbia

Type and Date:

Final Short Form Prospectus dated February 28, 2013
NP 11-202 Receipt dated March 1, 2013

Offering Price and Description:

Offering of Rights to Subscribe for Up to \$5,828,392.00
Principal Amount of 8% Unsecured Convertible Debentures
Price: \$1,000.00 per Debenture

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2015792

Issuer Name:

San Gold Corporation
Principal Regulator - Manitoba

Type and Date:

Final Short Form Prospectus dated February 27, 2013
NP 11-202 Receipt dated February 27, 2013

Offering Price and Description:

\$50,000,000.00 - 8.00% CONVERTIBLE UNSECURED
SUBORDINATED DEBENTURES DUE MARCH 31, 2018
Price of \$1,000.00 per Debenture

Underwriter(s) or Distributor(s):

SCOTIA CAPITAL INC
CIBC WORLD MARKETS INC.
BMO NESBITT BURNS INC.
TD SECURITIES INC.
NATIONAL BANK FINANCIAL INC.
DUNDEE SECURITIES LTD.
MACKIE RESEARCH CAPITAL CORPORATION

Promoter(s):

-

Project #2017057

Issuer Name:

Sentry U.S. Balanced Income Fund
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus dated February 28, 2013
NP 11-202 Receipt dated March 1, 2013

Offering Price and Description:

Series A, Series F and Series I Units

Underwriter(s) or Distributor(s):

Sentry Investments Inc.

Promoter(s):

SENTRY INVESTMENTS INC.

Project #2012208

Issuer Name:

Stone 2013 Flow-Through Limited Partnership
Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated February 27, 2013
NP 11-202 Receipt dated February 28, 2013

Offering Price and Description:

Maximum: \$50,000,000.00 - 2,000,000 Units

Minimum: \$5,000,000.00 - 200,000 Units

Subscription Price: \$25 per Unit

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.
National Bank Financial Inc.
BMO Nesbitt Burns Inc.
Canaccord Genuity Corp.
Scotia Capital Inc.
TD Securities Inc.
GMP Securities L.P.
Macquarie Private Wealth Inc.
Raymond James Ltd.
Burgeonvest Bick Securities Limited
Industrial Alliance Securities Inc.
Mackie Research Capital Corporation
All Group Financial Services Inc.

Promoter(s):

Stone 2013 Flow-Through GP Inc.
Stone Asset Management Limited

Project #1998903

Issuer Name:

TD Canadian Equity Pool Class
TD Dividend Growth Class
TD Dividend Income Class
TD Fixed Income Capital Yield Pool Class
TD Global Equity Pool Class
TD Global High Yield Capital Class
TD Tactical Monthly Income Class
TD Tactical Pool Class
TD Target Return Balanced Fund
TD Target Return Conservative Fund
Principal Regulator - Ontario

Type and Date:

Simplified Prospectus dated February 28, 2013
NP 11-202 Receipt dated March 4, 2013

Offering Price and Description:

Advisor Series, T-Series, S-Series and WT-Series
Securites @ Net Asset Value

Underwriter(s) or Distributor(s):

TD Waterhouse Canada Inc.
TD Waterhouse Canada Inc.

Promoter(s):

TD Asset Management Inc.

Project #2006793

Issuer Name:

U.S. Consumer Defensive Index Portfolio Trust
Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated February 27, 2013
NP 11-202 Receipt dated February 28, 2013

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

First Asset Investment Management Inc.

Project #2011019

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Name Change	From: PWM Capital To: Arton Investments effective February 15, 2013	Investment Dealer	February 15, 2013
Voluntary Surrender	Linell Capital Inc.	Exempt Market Dealer	February 27, 2013
New Registration	Greenwich Prime Trading Group, LLC	Restricted Dealer	March 1, 2013
Change in Registration Category	Corporation Gestion de Placements Claret/Claret Asset Management Corporation	From: Portfolio Manager To: Portfolio Manager and Investment Fund Manager	March 4, 2013
Change in Registration Category	Gestion Placements Desjardins Inc./Desjardins Investment Management Inc.	From: Portfolio Manager To: Portfolio Manager and Investment Fund Manager	March 4, 2013

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Chapter 13

SROs, Marketplaces and Clearing Agencies

13.1 SROs

13.1.1 IIROC Rule Notice 13-0058 – Request for Comments – Proposed Requirements for Debt Securities Transaction Reporting

13-0058

February 20, 2013

Proposed Requirements for Debt Securities Transaction Reporting

Executive Summary

On January 30, 2013, the Board of Directors of IIROC approved the publication for comment of Proposed Rule 2800C – Transaction Reporting for Debt Securities (the Proposed Rule).

The Proposed Rule will require each IIROC Dealer Member to report on a post-trade basis all debt market transactions executed by the Dealer Member, including those executed on an Alternative Trading System (ATS) or through an Inter-Dealer Bond Broker (IDBB). The Proposed Rule will facilitate the creation of a database of transaction information that will enable IIROC to carry out its responsibilities with respect to surveillance and oversight of over-the-counter (OTC) debt market trading.

This proposal does not contemplate making data regarding individual transactions available to the public at this time; however, IIROC would continue to publish aggregate debt trading statistics consistent with our current practice.

IIROC's proposed Debt Market Surveillance Project Plan (the Project Plan) details the proposed timing, format and content for all execution reports required under the Proposed Rule.

The key objectives of the Proposed Rule and Project Plan are to:

- ensure consistent and standardized reporting of OTC debt market transactions,
- create a database of transactions for all specified OTC Debt Securities,
- develop regular surveillance reports for IIROC to monitor trade activity,
- provide tools for IIROC to query and analyze the transaction data,
- ensure the Market Trade Reporting System (MTRS) reports compiled by IIROC based upon transaction data collected from market participants and filed with the Bank of Canada are complete, reliable and accurate, and
- enable analysis of trends and developments in the debt and money markets.

Comments are requested on the Proposed Rule and Project Plan by **May 22, 2013**.

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1. Relevant History

IIROC's mandate is to "set and enforce high-quality regulatory and investment industry standards, protect investors and strengthen market integrity while maintaining efficient and competitive capital markets". This mandate applies to all trading activity on debt and equity markets in Canada.

Historically, the standards for regulatory reporting for debt instruments have been quite different from those for equities, in part because debt securities have been traded over the counter, with very little information available to the public. Equity markets, on the other hand, have traded on exchanges and Alternative Trading Systems (ATSS) with a high degree of transparency, including real-time order- and trade data as well as complete post-trade (historical) information.

Debt market activity represents a significant portion of the total value of securities market trading in Canada. In 2012, the value of secondary domestic bond market trading was approximately \$10 trillion¹; while money market trading represented an additional \$6.7 trillion². In comparison, equity markets represented about \$1.9 trillion in value traded for 2012³.

Fixed income has become increasingly important to investors in recent years. Following the 2008 financial crisis, investors have turned to debt instruments as a perceived "safe haven" from the uncertainty and volatility of the equity markets. Debt securities form an integral part of balanced portfolio strategies for both institutional investors and retail investors. While retail investors represent a relatively small percentage of the value of debt instruments traded, they represent almost half the number of transactions executed annually.

As trading in all markets and instruments continues to evolve and the structure of many OTC-traded products becomes increasingly complex, it is important that regulators adapt their oversight activities to reflect these changes. In continuing to strengthen its oversight program for Debt Securities, IIROC has in recent years introduced the OTC Securities Fair Pricing Rule and enhanced its trade desk compliance examinations.

There has been significant debate in Canada regarding debt market trading and the lack of systematic regulatory reporting or transparency for investors. Many market participants have argued that the unique characteristics of debt market trading require that it be conducted in OTC markets with limited transparency. Others, including regulators, have expressed concerns related to market fairness, transparency and integrity.

The debate around debt market trading is not unique to Canada. IIROC has closely monitored developments in debt market reporting and transparency in other jurisdictions, through consultations with fellow regulators in the United States and United Kingdom, following public debate on the issues, and monitoring media articles and academic papers.

In April 2009, IIROC proposed enhancements to its existing principles-based fair pricing requirements, known as the "Fair Pricing Rule", that would require Dealer Members to provide or procure fair and reasonable prices for OTC securities (both debt and equity) transactions for both retail and institutional clients. In its proposal, IIROC expressed concerns that, due to the different structure and operation of over-the-counter markets, investors, particularly retail investors, have far less access to pricing information than they do for listed markets. Due to the lack of timely pricing information, we felt it important that ongoing regulatory oversight of retail debt trading is necessary to protect investors.

Following the comment period and subsequent changes to the draft rule, the Fair Pricing Rule (IIROC Dealer Member Rule 3300) was implemented in October 2011. In its Notice of Approval/Implementation⁴ IIROC outlined the main objectives of the rule and its amendments, to:

1. ensure that clients, in particular retail clients, are being provided bid and offer prices for OTC securities that are fair and reasonable in relation to prevailing market conditions;
2. ensure that clients are provided sufficient disclosure regarding the security at issue that will enable them, as well as the clients' Registered Representative, to confirm through other market sources that the price being offered is a reasonable one in relation to prevailing market conditions;
3. underscore the principle that compliance activities are as important for OTC securities transactions as they are for listed securities transactions;

¹ Source IIROC website: http://www.iiroc.ca/industry/marketmonitoringanalysis/Documents/BondMarketSecondaryTrading_en.pdf

² Source IIROC website: http://www.iiroc.ca/industry/marketmonitoringanalysis/Documents/MoneyMarketSecondaryTrading_en.pdf

³ Source IIROC website: http://www.iiroc.ca/news/Documents/MarketplaceStatisticsReportCurrent_en.pdf

⁴ IIROC Notice of Approval/Implementation, Sept. 1, 2011

4. ensure that Dealer Members focus policies, procedures, supervisory and compliance efforts towards the OTC markets, in addition to the current focus on securities traded in organized markets, and provide Dealer Members' compliance departments with regulatory support for their compliance activities with respect to OTC business; and
5. acknowledge and highlight that the OTC markets differ in form and structure from the more formalized nature of the markets for listed securities, and to regulate the OTC markets taking these idiosyncrasies into account.

To ensure compliance with the Fair Pricing Rule, we also proposed that a system be developed which would enable IIROC staff to monitor Dealer Members' OTC debt market trading and provide the data that would allow IIROC to identify circumstances where trade prices do not align with the prevailing market. In consultation with industry and expert consultants, IIROC commenced work on the Debt Market Surveillance Project.

2. International Standards for Debt Market Regulatory Reporting

In many jurisdictions globally, regulators have historically had limited or no access to information for unlisted debt market trading. Information has typically been available only after the fact, usually through regulators' requests for information from participants.

Over the past decade, however, as market structure has continued to evolve, significant changes have increased the amount of information available in real time or post-trade for OTC Debt Securities. In many countries, trading of debt instruments now occurs on exchanges and ATSS. The rise of electronic trading has increased transparency in the secondary debt markets, just as it has in equity trading. Many regulators have also begun to implement more stringent requirements for trade reporting. Specifically, mandatory post-trade reporting has been established in a number of jurisdictions including the US, UK, Malaysia and Mexico⁵. Several countries have moved further toward more public transparency, and many academics⁶ and industry bodies such as the CFA⁷ have suggested that transparency in debt markets leads to more efficient markets and improved price discovery.

Regulatory reporting of OTC debt securities transactions can be expected to become even more common as securities regulators grapple with the globalization and growing interdependencies of financial markets.

In 2011, the CFA Institute published a paper entitled, "An Examination of Transparency in European Bond Markets", in which it suggested that investors would benefit from having access to more timely information about debt market trading. Recognizing that the issue of transparency is complex and that many participants have strong views against transparency, the CFA further stated that it believed that "the concerns of dealers in the market can be accommodated while still advancing transparency".

Italy, which has the largest European bond market, has extended pre-trade and post-trade transparency requirements beyond equities to include debt market trading.

The United States and the United Kingdom provide examples of debt securities markets that are subject to regulatory reporting similar to that being proposed by IIROC.

United States

In the US, Financial Industry Regulatory Authority (FINRA) rules require reporting of OTC debt transactions in nearly all non-governmental fixed-income securities⁸ to FINRA. The Municipal Securities Rulemaking Board (MSRB), which has rulemaking jurisdiction in the U.S. municipal securities market, also operates a transaction reporting system. MSRB rules require dealers to report essentially all of their municipal securities transactions to that system.

FINRA and MSRB transaction reporting programs have been operational in one form or another since the mid-1990s. Both organizations moved to a 15-minute reporting deadline approximately 10 years later. FINRA monitors transaction reports using the Trade Reporting and Compliance Engine (TRACE) system and generates alerts and exception reports to be investigated by staff in conducting their market surveillance activities. In addition to providing post-trade data to regulators, most TRACE data is also publicly disseminated, providing post-trade transparency.

FINRA and MSRB each began with a relatively limited scope for their transaction reporting rules and, over time, expanded the scope. Today, US Treasury securities represent the only major category of debt securities in the United States not covered by a transaction reporting requirement.

⁵ [Transparency of Corporate Bond Markets](#), Report of the Technical Committee of the International Organization of Securities Commissions (IOSCO), May 2004

⁶ Corporate Bond Market Transparency and Transaction Costs by Edwards, Amy K., Harris, Lawrence and Piwowar, Michael S; September 21, 2004

⁷ An Examination of Transparency in European Bond Markets, CFA Institute, October 2011, Volume 2011, No. 5

⁸ FINRA requires all trades in eligible Corporate, Equity Linked Notes and Convertible Debt and MSRB requires all trades in Municipal Debt

MSRB shares its municipal securities transaction data with FINRA, which has inspection and enforcement responsibilities with respect to MSRB rules. FINRA's surveillance operations staff conduct regular and ad hoc surveillance queries against the transaction databases.

United Kingdom and MiFID I

The UK is another example of a developed country with sizable markets for both domestic and international debt instruments and a substantial amount of cross-border, non-exchange trading. The Financial Services Authority (FSA) is the single UK securities regulator.

Because the UK is a member of the European Economic Area (EEA), FSA regulations conform to directives of the European Union. With respect to transaction reporting, the relevant EU Directive is the Markets in Financial Instruments Directive (MiFID) which became effective in November 2007.

The FSA's transaction reporting requirements in Section 17 of its Handbook Supervision Manual (SUP 17) do not distinguish between debt securities and equities. They require all transactions, including OTC, in any financial instrument to be reported to the FSA by close of business on T+1 if the transaction involves a financial instrument "admitted to trading" on any "Regulated Market" in the EEA or on a "Prescribed Market" in the UK. (The term "Regulated Market" essentially means a securities exchange, while the AIM and PLUS markets (both affiliated with the LSE) are the only two Prescribed Markets relevant to FSA rules.)

FSA rules also require the reporting of any transaction in an OTC derivative if the value of the instrument is derived from, or is otherwise dependent on, "an equity or debt-related financial instrument that is admitted to trading on a Regulated or Prescribed Market".

The FSA maintains a system, known as Zen, that accepts the transaction reports and provides FSA staff with a platform to perform market surveillance. While this information is not publicly available, there is some post-trade transparency offered for debt instruments via industry-led initiatives.

MiFID II

Most debt securities traded in the UK are not listed on a Regulated or Prescribed Market. Consequently, the current FSA rules have a somewhat limited reach in the UK OTC bond markets. MiFID II⁹, the proposed successor to MiFID I, would add the requirement to report transactions, including OTC transactions, if the financial instrument is "admitted to trading on" or "trading on" a "Multilateral Trading Facility" or an "Organized Trading Facility". The definition of "Organized Trading Facility" is sufficiently broad to include broker crossing networks and inter-dealer broker systems. The future implementation of MiFID II would likely, therefore, extend coverage of the reporting requirement to a much larger percentage of the UK bond market.

The table below compares existing and Proposed Rules for regulatory reporting in the US, UK and Canada.

	Current Rules in Other Selected Jurisdictions			Proposed Rules	
	US Non-Municipal Securities	US Municipal Securities	EEA Countries (UK) UK Rules conform with EEA Policy Stated in MiFID I	EEA Countries (UK) MiFID II – proposed for EEA (including UK) for 2015	Canada ¹⁰ Full implementation targeted for 2015
Regulator	FINRA	MSRB	FSA	FSA/ESMA	IIROC
Rule	Rules 6700-6770	Rule G-14	Section 17 of FSA Supervisor Handbook	Section 17 of FSA Supervisory Handbook	Dealer Member Rules Part 2800C
Coverage	Corporate, Government Agency, Mortgage-Backed and Other Asset-	Municipal Securities, including College Saving Plans	Any Instrument listed on EEA "Regulated Market" (exchange) or a "Prescribed Market" (PLUS-quoted and AIM	Add: Any Instrument (even if traded OTC) if it is "admitted to trading or trading on a Multilateral Trading Facility" or	All Debt Securities; Repo/Reverse Repo Transactions; Internal

⁹ MiFID II has not yet been approved and may be subject to further amendments. Final approval is expected sometime in 2015

¹⁰ See Appendix B, Section 4.1

	Current Rules in Other Selected Jurisdictions			Proposed Rules	
	US Non-Municipal Securities	US Municipal Securities	EEA Countries (UK) UK Rules conform with EEA Policy Stated in MiFID I	EEA Countries (UK) MiFID II – proposed for EEA (including UK) for 2015	Canada ¹⁰ Full implementation targeted for 2015
	Backed Debt Securities; Structured Products	("529" accounts)	markets in UK) even if traded OTC; OTC derivatives if <i>value is based on covered instrument</i>	an "Organized Trading Facility" AND instruments (e.g., derivative) that are correlated to and influence the price of instruments admitted to trading on an MTF or OTF	Transfers between Business Units
Reporting Deadline	15 min. after trade	15 min. after trade	Close of Business on T+1	Close of Business on T+1	Start of Business on T+1
Significant Exemptions	US Treasuries; Repos; Exchange Trades	General Collateral Repos	"Financing Transactions" (Repos); Primary Market Transactions	"Financing Transactions" (Repos); Primary Market Transactions	No CUSIP or ISIN; Exchange Trades

Current Rules in Canada

National Instrument 21-101 specifies the Pre-Trade and Post-Trade Information Transparency Requirements for Government and Corporate Debt Securities. The National Instrument requires that a marketplace, an inter-dealer bond broker and a dealer provide accurate and timely information regarding the details of trades in designated corporate debt securities to an information processor (currently CanPX). There is an exemption in place until January 1, 2015 for Government Debt Securities.

3. Bank of Canada and MTRS Reporting

At the present time, the most comprehensive standardized reporting of debt market transactions in Canada is the weekly statistical reports provided by Government Securities Distributors ("GSDs") to the Bank of Canada. This is a requirement for participation in Government of Canada securities auctions. The weekly statistics are submitted through the Market Trade Reporting System (MTRS) from which quarterly reports are produced. The Bank of Canada uses this data for various purposes related to its management of government securities auctions, including the calculation of bidding limits for GSDs and for analysis of trends and developments in the debt and money markets.

Over the years IIROC has had ongoing discussions with the Bank of Canada regarding the efficient functioning of the Canadian debt markets and the importance of the MTRS reporting. The Bank of Canada, IIROC and the dealer community have held discussions on ways to improve the efficiency of MTRS data collection, and the quality, comparability and reliability of the data collected. There have been some concerns regarding potential inconsistencies in the MTRS reporting methodologies among dealers.

It is currently contemplated that IIROC will produce the MTRS reports from the transaction data collected and that the reporting of transaction data will continue to be a condition of participation in Government of Canada securities auctions for GSDs. IIROC's electronic system for reporting debt securities transactions will serve as the successor to MTRS. The Proposed Rule will require that all GSDs begin reporting debt securities transactions to IIROC's transaction reporting system and IIROC will share this data with the Bank of Canada, obviating the need for dealers to submit weekly aggregate reports covering the same transactions. Reflecting this role as the successor system to MTRS, IIROC proposes to name its system the MTRS 2.0.

4. Proposed IIROC Debt Market Reporting Requirements

4.1 The Debt Market Surveillance Project

In establishing the Debt Market Surveillance Project (the Project), the primary goal was to examine various options for the creation of a transaction database, and reporting and analytical tools, to enable IIROC to cost-effectively carry out its responsibilities regarding surveillance and oversight of OTC debt market trading, and to replace the existing MTRS framework.

The Project was initiated in October 2011 following implementation of IIROC Dealer Member Rule 3300 – Fair Pricing of Over-The-Counter Securities. The Project team met with a variety of dealers and industry stakeholders to consider all views, analyze alternatives, and develop the Project Plan.

The feedback received from industry participants, the Bank of Canada and other interested parties has demonstrated general support for the objectives of the Project and the potential benefits to the industry of improved data quality and integrity. The following guidelines, representing the common views of most stakeholders, were applied in developing the detailed Project Plan:

- More detailed reporting requirements are critical to effective IIROC oversight of OTC debt market trading;
- IIROC should specify the content and format of data to be provided and allow for different data delivery options;
- Reporting should be required on a post-trade basis only (T+1);
- New requirements should be implemented in phases where appropriate;
- Dealer Members should provide standard reports, which could be supplemented by ad hoc information where requested;
- IIROC staff could refine the requirements for reports after implementation of the Proposed Rule, based on its analysis of the data received during the initial phase of reporting; and
- Dealer Members should be given a reasonable implementation period following final approval of the Proposed Rule.

4.2 Regulatory Objectives

IIROC's priorities in conducting oversight of debt market trading are to strengthen the fairness and integrity of the debt markets, and to ensure compliance and prevent and/or address identified abuses in areas such as:

- best execution and fair pricing;
- front running (use of material non-public information to trade ahead of client bond trades or issuances);
- manipulation of the price of a debt market instrument or class of instruments; and
- suitability (particularly with respect to certain specific instrument types).

These priorities were the primary considerations in determining the data elements that IIROC expects to be reported under the Proposed Rule.

4.3 Proposed Reporting Requirements

Dealer Members will be required to report transactions to IIROC on T+1 for all transactions in debt securities (as defined in section 1.1 of the Proposed Rule, attached in Appendix A) including those executed on an ATS or through an Inter-Dealer Bond Broker (IDBB).

Dealer Members will be required to report transaction information promptly, accurately and completely. For transactions that involve a Dealer Member and a non-Dealer Member (including a customer), the Dealer Member will be required to submit a trade report to IIROC. For transactions between two Dealer Members, both Dealer Members will be required to submit a trade report.

It is anticipated that Members will have several options on how to deliver trade reports to IIROC, based on the volume of their activity. Transaction reports will be required to include specific data elements, as described in the Project Plan and updated from time to time.

Dealer Members will be permitted to use third-party agents for the purpose of submitting transaction information; however, the primary responsibility for timely, accurate and complete reporting will remain the duty of the Dealer Member.

Complete details regarding data elements, system specifications, delivery times, exception reporting (on non-business days or outside normal business hours), etc. will be covered in the MTRS 2.0 User Guide, to be published at a later date.

4.4 Implementation of Reporting Requirements

It is expected that the reporting requirements will be implemented in phases, which will depend on the type of instrument traded and whether the Dealer Member is a participant in the Bank of Canada MTRS. Details of the proposed implementation timeframes are set out in Section 4 of the Project Plan, attached as Appendix B.

The Proposed Rule provides IIROC with the specific power to change the reporting requirements. In the event that IIROC proposes at some future time to make a material change, IIROC will issue a notice requesting public comment during a comment period of at least 30 days. Following the comment period and upon the approval of the change by the applicable securities regulatory authorities, IIROC will issue an updated MTRS 2.0 User Guide and confirm the effective date of the change. Regardless of materiality, Dealer Members will be provided with an appropriate notice period to permit development and implementation of a change to the reporting requirements.

5. Rule-making Process

As part of the rule development process, IIROC Staff consulted with several Dealer Members' representatives, both individually and collectively, that represent the majority of debt market trading activity in Canada. IIROC's Fixed Income Committee also reviewed and commented on the Proposed Rule and Project Plan. The goal of these consultations was to ensure that the Proposed Rule and Project Plan are reasonable in scope and operationally achievable.

In general, most firms were supportive of the objectives of the project and also saw benefits to be derived for the industry. All of the major dealers indicated that they did not anticipate major issues with collecting and reporting the trade data required.

The Proposed Rule and Project Plan were approved for publication by the IIROC Board of Directors on January 30, 2013.

The text of Proposed Rule is set out in Appendix A. The Project Plan is set out in Appendix B.

5.1 Issues and Alternatives Considered

IIROC believes that the policy rationale for the introduction of transaction reporting requirements in other jurisdictions applies equally in the Canadian context, and that the Proposed Rule is necessary to ensure that IIROC is able to provide effective oversight of trading in the debt markets in Canada.

Discussions (spanning a number of years) have been held with the Canadian Depository for Securities (CDS) to determine if the required data could be collected from a single source, eliminating the need for each dealer to report to IIROC. It was determined, however, that CDS is not a viable, comprehensive and exclusive source of the required data as it does not collect or receive any information regarding retail transactions, and existing CDS records are missing a number of the data elements that are critical to our overall objectives. One such element is the time at which each transaction occurred. We were unable to identify any other existing sources for the required transaction data.

5.2 Proposed Rule Classification

Statements have been made elsewhere as to the nature and effects of the Proposed Rule. The purposes of the Proposed Rule are to:

- promote just and equitable principles of trade and the duty to act fairly, honestly and in good faith, and
- foster cooperation and coordination with entities engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in, securities.

The Board has determined that the Proposed Rule is not contrary to the public interest.

Due to the substantive nature of the Proposed Rule, it has been classified as a Public Comment Rule proposal.

6. Effects of Proposed Rule on Market Structure, Dealer Members, Non-Members, Competition and Costs of Compliance

The Proposed Rule does not impose any burden or constraint on competition or innovation that is not necessary or appropriate in furtherance of IIROC's regulatory objectives. IIROC has consulted with Dealer Members who have confirmed that existing trade capture systems can be leveraged to create transaction files suitable for transmission to IIROC. Therefore, the Proposed Rule does not impose costs or restrictions on the activities of market participants (including Dealer Members and non-Dealer Members) that are disproportionate to the goals of the regulatory objectives sought to be realized.

The costs associated with the ongoing operation and maintenance of MTRS 2.0, including technology, staff and other direct costs, will be allocated to IIROC Dealer Members on a cost-recovery basis. A cost-recovery model, which may be based on transactions, will be developed separately and published for comment prior to implementation.

Dealer Members will incur their own technology start-up costs as well. We have not been provided with any estimates of these costs but we do not anticipate that they will be disproportionate to the benefit associated with the elimination of MTRS reporting that is currently done.

7. Technological Implications and Implementation Plan

Dealer Members that participated in industry consultations under the Debt Market Surveillance Project indicated that the data elements to be reported under the Proposed Rule could be collected from existing data sources using client order management systems or the Dealer Members' mid-office systems, where client information is held along with trade execution information. All of the Dealer Members consulted indicated that they did not anticipate significant issues with collecting and reporting the required trade data.

The Proposed Rule will be implemented following approval by the recognizing regulators and in accordance with the Project Plan and MTRS 2.0 User Guide, which is to be developed and finalized in consultation with Dealer Members.

8. Request for Public Comment

Comments are sought on the Proposed Rule and Project Plan. Comments should be made in writing. Two copies of each comment letter should be delivered within 90 days of the publication of this notice.

One copy should be addressed to the attention of:

Richard Corner
Vice-President, Member Regulation Policy
Investment Industry Regulatory Organization of Canada
Suite 2000, 121 King Street West
Toronto, Ontario M5H 3T9
rcorner@iirroc.ca

A second copy should be addressed to the attention of:

Manager of Market Regulation
Ontario Securities Commission
20 Queen Street West
19th Floor, Box 55
Toronto, Ontario M5H 3S8
marketregulation@osc.gov.on.ca

Those submitting comment letters should be aware that a copy of their comment letter will be made publicly available on the IIROC website (www.iirroc.ca under the heading "IIROC Rulebook - Dealer Member Rules - Policy Proposals and Comment Letters Received").

Questions may be referred to:

Mike Prior
Vice President, Market Surveillance
Investment Industry Regulatory Organization of Canada
416-646-7217
mprior@iirroc.ca

9. Attachments

Appendix A - Proposed Rule 2800C – Transaction Reporting for Debt Securities
Appendix B - Debt Market Surveillance Project Plan

Appendix A – Proposed Rule 2800C - Transaction Reporting for Debt Securities**Introduction**

This Rule 2800C requires Dealer Members to report information about each of their transactions (and their related affiliates' transactions) in Debt Securities to the Corporation through an electronic system maintained by the Corporation.

Purpose

Rule 2800C requires Dealer Members to report information about each of their transactions (and their affiliates' transactions) in Debt Securities to the Corporation through the electronic system operated by the Corporation for this purpose. The reported transaction data is used in the Corporation's surveillance of the debt market to identify potential market abuses such as violations of the fair pricing requirements of Dealer Member Rule 3300, insider trading and market manipulation. It also supports the Corporation's general inspection and enforcement activities, rulemaking, and other regulatory functions. The trade data received pursuant to this rule enables appropriate oversight to ensure the integrity of OTC debt market trading and strengthen standards of investor protection. Reported transaction data may be shared on a confidential basis with other securities market regulators as well as the Bank of Canada and may be aggregated for statistical reports and other market research that is made public.

1. Definitions

For purposes of Rule 2800C, the terms below have the meanings noted.

- 1.1 "Debt Securities" means any securities that provide the holder with a legal right, in specified circumstances, to demand payment of the amount owing and includes a debtor-creditor relationship. The fact that a security was issued in another country or denominated in a foreign currency does not disqualify it from being a Debt Security. The term includes securities with short-term maturities or mandatory tender periods such as commercial paper and floating rate notes as well as traditional notes and bonds. Derivative products that are not securities (e.g., futures contracts, interest-rate swaps) are not Debt Securities.
- 1.2 "MTRS 2.0" means the Debt Securities transaction reporting system operated by the Corporation. As used in this term, "MTRS" is an abbreviation of "Market Trade Reporting System". MTRS 2.0 replaces the Bank of Canada's MTRS.
- 1.3 "Bank of Canada's MTRS" means the transaction reporting system for Debt Securities currently operated by the Bank of Canada. As used in this term, "MTRS" is an abbreviation of "Market Trade Reporting System".
- 1.4 "MTRS 2.0 User Manual" means the electronic document containing technical specifications, business rules, reporting procedures and other official instructions on transaction reporting under Rule 2800C. The MTRS 2.0 User Manual is available on the Corporation's web site and is updated as necessary.
- 1.5 "MTRS 2.0 Enrollment Form" means the electronic form filed by a Dealer Member with the Corporation to supply contact and other information that may be needed by the Corporation in connection with the Dealer Member's reporting of Debt Securities transactions. An MTRS 2.0 Enrollment Form must also be filed by any party seeking to act as an agent for a Dealer Member in reporting transaction data to MTRS 2.0.
- 1.6 "MTRS 2.0 Submitter Identifier" means a code assigned by the Corporation to a Dealer Member or an agent of a Dealer Member that has successfully enrolled in MTRS 2.0 for transaction reporting.
- 1.7 "Special Condition Indicator" means a code used on a transaction report to indicate that the transaction has certain attributes described as Special Conditions in the MTRS 2.0 User Manual. Among other uses, the Special Condition Indicator helps to identify transactions that may be priced differently than other transactions in the same issue (e.g., a primary market transaction subject to a fixed price offering agreement). Special Condition Indicators are also used to identify sale and repurchase and reverse sale and repurchase transactions, transactions that involve parties related to the Dealer Member executing the transaction, and certain other conditions that may apply to a transaction and that are relevant to the regulatory and market surveillance purposes of Rule 2800C.
- 1.8 "Riskless Principal Trade" means a trade in a Debt Security that involves two offsetting orders (buy and sell) that are filled through transactions executed against a Dealer Member's trading or other proprietary account, with the execution of one of the orders dependent upon the receipt or execution of the other. A riskless principal trade results in two offsetting principal transactions on the Dealer Member's books, rather than one agency transaction. A Dealer Member typically performs a riskless principal trade to fill a client order with an offsetting transaction in the market or with another client.

2. Reporting Requirements

2.1 (a) General Transaction Reporting Requirement

Every Dealer Member must report each of its transactions in Debt Securities to the Corporation within the timeframes and in the manner specified in this Rule 2800C, as supplemented and explained in the MTRS 2.0 User Manual as may change from time to time, subject to the exceptions stated below:

(b) Exceptions

(i) Debt Securities Without Assigned ISIN or CUSIP Numbers

A transaction in a Debt Security that has no ISIN or CUSIP number assigned on the Date of Trade Execution is exempt from the transaction reporting requirement in this Section 2.1 of Rule 2800C; provided, however, that a transaction in a new issue of a Debt Security shall be reported within the timeframe stated in Section 2.5 of this Rule 2800C if an ISIN or CUSIP number is assigned to the Debt Security by 6:00 p.m. Eastern Time on the Business Day following the date of sale of the new issue.

(ii) Transactions Executed on an Exchange

A transaction in a Debt Security executed on a domestic securities exchange is exempt from the transaction reporting requirement in this Section 2.1 of Rule 2800C.

2.2 Reporting Responsibilities of Dealer Members in Specific Situations

The responsibilities of Dealer Members for transaction reporting in specific trading situations are described in detail in the MTRS 2.0 User Manual. Reporting responsibilities in the most common situations are as follows:

- (a) In a transaction between a Dealer Member and a client (or another dealer that is not a Dealer Member), the Dealer Member reports.
- (b) In a transaction between two Dealer Members, each Dealer Member is responsible to report the transaction from its perspective (buy-side or sell-side). This responsibility includes the requirement for a Dealer Member to make a buy-side or sell-side transaction report, as appropriate, when it is a party to a transaction that results in the movement of securities between the accounts of an introducing broker and its clearing broker. Similarly, a report is required when a Dealer Member is one of the parties in a transaction between two dealer clients of the same clearing broker.
- (c) A Dealer Member that executes a transaction in the market to fill an order it has received from a source external to the trading desk executing the order must report both a market-side transaction and a client-side transaction, regardless of whether the trade is effected as a Riskless Principal Trade or is executed in an agency capacity.

- 2.3 A Dealer Member may use an agent to submit transactions to MTRS 2.0 by ensuring that the conditions stated in the MTRS 2.0 User Manual for use of an agent are met. These conditions include enrollment in MTRS 2.0 by both the Dealer Member and the agent. A Dealer Member utilizing an agent for transaction reporting remains responsible for compliance with Rule 2800C and is responsible for the agent's actions on its behalf as well as any failure by the agent to act as required under the Rule.

2.4 Information Required on Transaction Reports

Each transaction report must contain accurate and complete information about the reported transaction as specified in the Transaction Record Specifications and other instructions contained in the MTRS 2.0 User Manual. Required information includes, but is not limited to, price and quantity information, identifiers for the securities and parties involved in the transaction, the time and date that the transaction was executed, and any Special Condition Indicators applicable to the transaction.

2.5 Reporting Timeframes

(a) File Receipts

The MTRS 2.0 User Manual provides detailed specifications on how to transmit electronic files containing transaction records to the Corporation. Upon a successful submission and receipt by the Corporation, MTRS 2.0 provides the submitter with an electronic receipt including a control number, the time and date that the transmission was received, and certain other information for each successful file transmission. A Dealer Member should not consider a file containing transaction records to have been received unless the Corporation generates such a file receipt.

File receipts must be retained by the Dealer Member for seven years and be retrievable within a reasonable period of time. File receipts must be retained in a central, readily accessible place for a period of two years from the date of each file receipt.

(b) Reporting Deadlines

A Dealer Member must ensure that a transaction report for which the Dealer Member is responsible is received by the Corporation in proper form and with complete and accurate information within the following timeframes:

- (i) For transactions in Debt Securities with ISIN or CUSIP Numbers assigned on the Date of Transaction Execution:
 - (A) if the date of transaction execution is a Business Day and the time of transaction execution is no later than 6:00 p.m. Eastern Time, the report must be made no later than 2:00 a.m. Eastern Time on the Business Day following the date of transaction execution;
 - (B) if the date of transaction execution is a Business Day and the time of transaction execution is after 6:00 p.m. Eastern Time, the report must be made no later than 2:00 a.m. Eastern Time on the second Business Day following the date of transaction execution; and
 - (C) for all other transactions, including those executed on a Saturday, Sunday, or any officially recognized Federal or Provincial statutory holiday on which the system is closed, the report must be made no later than 2:00 a.m. Eastern Time on the second Business Day following the Date of Transaction Execution;

provided, however, that:

- (ii) for transactions in new issue debt securities with no ISIN or CUSIP number assigned a transaction report required under Paragraph 2.1(b) of this Rule must be made no later than 6:00 p.m. Eastern Time on the Business Day following the day that the ISIN or CUSIP number is assigned.

3. Enrollment Requirements

(a) Initial Enrollment

Prior to submitting Debt Securities transaction reports to MTRS 2.0, a Dealer Member (and its agent if an agent is used for submitting transaction reports) must enroll in MTRS 2.0 and receive an MTRS 2.0 Submitter Identifier from the Corporation. The Corporation will accept transaction reports only from Dealer Members and agents of Dealer Members that are enrolled in MTRS 2.0 and that have an assigned Submitter Identifier. Enrollment is accomplished by completing the MTRS 2.0 Enrollment Form with all required information, including technical and business contact points.

(b) Requirements for Continued Enrollment

Once enrolled, Dealer Members remain responsible to keep all information on the MTRS 2.0 Enrollment Form up-to-date and to follow procedures stated in Rule 2800C and the MTRS 2.0 User Manual. The Corporation may revoke a Dealer Member's enrollment and/or the enrollment of a Dealer Member's agent, thereby removing access to MTRS 2.0, in the case of continued behavior that threatens the accuracy of transaction data collected by the Corporation or the reliable operation of any of the Corporation's electronic systems including MTRS 2.0 (e.g., continued submission of files with erroneous data; incorrectly formatted files or records; or files containing computer viruses).

4. Testing Requirements

Prior to submitting Debt Securities transaction reports to MTRS 2.0, a Dealer Member or prospective agent for a Dealer Member must successfully test its capability to submit transaction files and records. Procedures for testing are included in the MTRS 2.0 User Manual as may change from time to time.

Appendix B - Debt Market Surveillance Project Plan

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1. Introduction

At this time, IIROC is addressing the issue of improved regulatory reporting only for debt market transactions in Canada with the Debt Market Surveillance Project to establish and maintain MTRS 2.0. This Project Plan outlines the scope and objectives of the Project and the steps that will be taken toward its implementation. The Project Plan includes a high-level summary of dealer reporting requirements, the instruments to be covered and the data elements for each transaction to be reported. Unless otherwise defined, capitalized terms are as defined in the Proposed Rule 2800C - Transaction Reporting for Debt Securities or in existing Dealer Member Rules.

2. Project Overview

2.1 Objectives

The Debt Market Surveillance Project was initiated by IIROC in October 2011 following approval of Rule 3300, the Fair Pricing Rule, to implement a debt market regulatory reporting and compliance program. This Project will enable IIROC to address regulatory issues and to conduct appropriate oversight in order to ensure the integrity of OTC debt market trading and thus strengthen standards of investor protection and promote investor confidence. In addition, this Project will result in the development of IIROC's trade repository for debt security transactions and is likely to serve as the successor to MTRS. The key stakeholders for this project are:

- IIROC, who will use the information to monitor trading in various Debt Securities in fulfilling its oversight mandate;
- Dealer Members (and their related affiliates) who execute transactions in Debt Securities and will be required to report on activities carried out by their organizations as well as their affiliated entities; and
- Bank of Canada, who will use this data to assess trends in debt market activities and as part of their requirements for participation in primary distributions.

Specifically, the Project aims to:

- ensure consistent and standardized reporting of all OTC debt market transactions on a post-trade basis;
- create a complete transaction database;
- develop regular surveillance reports and query tools for IIROC staff to monitor and analyze trade activity; and
- ensure reliable and accurate MTRS reports are produced.

2.2 Project Approach

With the initiation of the Project in October 2011, a Project team was formed and an outside consultant hired to develop the detailed Project Plan.

An introductory meeting was held with representatives of all key dealer participants in November 2011 to provide information regarding the objectives of the project, outline the intended scope and timeline for the project, and answer preliminary questions. Subsequent, individual meetings were held with a number of firms¹¹ from November 2011 to February 2012, to solicit dealers' comments and feedback on the project. Each dealer was asked to outline their organizational structure for debt market trading, their trade process and what systems were used to capture and store data throughout the process. Meetings were also held with key industry participants including CanDeal, CBID, CDS and two data vendors.

In general, most firms were supportive of the objectives of the Project and also saw benefits to be derived for the industry in relation to improving the quality and integrity of MTRS data. Dealers suggested that the best source of the data for regulatory reporting would be either the client order management systems or the mid-office system where client information is held along with trade execution information, including details such as client ID and time of the trade. All of the major dealers indicated that they did not anticipate major issues with collecting and reporting the trade data required.

Discussions were held with CDS to determine if the required data could be collected from a single source and thus alleviate the need for each dealer to report to IIROC. However, it was determined that the current absence of retail trade information and

¹¹ All dealers were offered the opportunity to meet with the project team representatives. Meetings were held with appropriate representatives from Bank of America/Merrill, BMO, Canaccord, Casgrain, CIBC, Deutsche Bank, GMP, HSBC, NBF, RBC, Scotia, TD Securities as well as CanDeal, CBID, CDS, Bloomberg and GMarkets.

transaction time stamps precludes this approach through CDS. IIROC and the Bank of Canada have been collaborating on improvements to the MTRS reporting framework.

During July and August 2012, the project team began development of the Project Plan and draft rule. In September 2012, a follow-up meeting was held with the Dealer representatives to provide an update on the project and to discuss the key elements of the proposed regulatory reporting requirements.

2.3 Scope

Dealer Members will be required to report transactions to IIROC, on T+1, for all transactions in Debt Securities (as defined in section 1.1 of the Proposed Rule) including those executed on an ATS or through an Inter-Dealer Bond Broker (IDBB).

2.4 Risks

The following risks to successful implementation of the project have been identified:

- delays in approval of the Proposed Rule; and
- reduced availability of internal resources committed to the Project due to unforeseen shifts in business priorities (e.g., industry-driven issues that necessitate near-term regulatory changes).

3. IIROC Surveillance Requirements

3.1 Surveillance Oversight

Transaction data from IIROC Dealer Members will be collected and the Surveillance team will be provided with a set of alerts and reports for their review and investigation.

In the initial phases of the project, basic reports and queries will be developed. It is expected that, over time, as IIROC Surveillance staff become familiar with the trading patterns and trends in debt market trading, additional reports and more sophisticated query tools will be developed.

Basic reports will include information regarding:

- transactions identified with trade prices outside an acceptable range from the average trade price for that instrument on the trade date;
- instruments which have traded outside of their normal trade price or volume ranges;
- insider trading that has occurred in equities for examination of related debt instruments;
- distribution of primary debt issuances, including on the date of the distribution as well as trading prior to and after the distribution; and
- distribution of primary BA issuances in relation to the corresponding CDOR rate.

Basic queries will include the ability to select and analyze:

- all transactions by date for a specific instrument by ISIN/CUSIP;
- all transactions for an instrument over a specified period of time; and
- all transactions for an instrument in relation to the associated benchmark bond.

3.2 Use of Data

Reporting of data by Dealer Members to IIROC is a regulatory obligation as defined in Proposed Rule 2800C – Transaction Reporting for Debt Securities. All data collected by IIROC will be received for regulatory purposes in order to conduct appropriate surveillance and oversight of debt market trading.

This proposal does not contemplate making data regarding individual transactions available to the public at this time; however,

IIROC would continue to publish aggregate debt trading statistics consistent with current reporting¹². Changes to this position, if any, would be subject to comprehensive industry consultation and public comment.

4. Reporting Requirements for Dealers

Proposed Rule 2800C establishes the requirements for reporting of OTC Debt Securities.

4.1 Phasing In of Reporting

To facilitate the initial implementation of transaction reporting for Debt Securities, Dealer Member responsibilities under Proposed Rule 2800C are to be phased in based on: (i) the Dealer Member's participation in Bank of Canada's MTRS system, (ii) the types of Debt Securities traded, and (iii) the type of transaction, as follows:

Phase 1

All Dealer Members that, as of September 1, 2013, were GSDs and participants in Bank of Canada's MTRS must comply with the full Rule. For those Dealer Members, the Rule is effective with respect to all of their transactions in Debt Securities issued in Canada and denominated in Canadian dollars, including all sale and repurchase and reverse sale and repurchase transactions in Canadian dollars involving Debt Securities issued in Canada.

Phase 2

- (a) Dealer Members that, as of September 1, 2013, were GSDs and participants in the Bank of Canada's MTRS must comply with the full Rule with respect to all transactions in Debt Securities, including transactions that involve foreign currency or Debt Securities not denominated in Canadian dollars.
- (b) Dealer Members that, as of September 1, 2013, were not GSDs and participants in the Bank of Canada's MTRS must comply with the full Rule for all transactions, including transactions that involve foreign currency or Debt Securities not denominated in Canadian dollars.

The following table summarizes the proposed phases and projected timeline:

Action Item	Timeline
Proposed Rule Comment Period	Q1/Q2 2013 (90 days)
System Requirements to be finalized and published	Q1 2013 – Q3 2013
Publish Final Rule	Q4 2013
Phase 1 Implementation	6-12 months after final rule published
Phase 2	12-24 months after final rule published

4.2 Reporting Obligation

Trade data input obligations will be as follows:

- In transactions between two Dealer Members, both Dealer Members shall submit a trade report to IIROC; and
- In transactions involving a Dealer Member and a non-Dealer Member (including a customer) the Dealer Member shall be required to submit a trade report to IIROC.

Dealer Members have an ongoing obligation to report transaction information promptly, accurately, and completely. The Dealer Member may employ an agent for the purpose of submitting transaction information; however, the primary responsibility for the timely, accurate and complete reporting of transaction information remains the duty of the Dealer Member.

4.3 Timing of Transaction Reporting

Dealer Members will be required to submit transaction information to IIROC on the day following the trade (i.e. T+1). Complete details regarding timing of transaction reporting will be covered in the MTRS 2.0 User Guide. This specification will cover delivery times for reports to be delivered to IIROC and reporting of trade exceptions such as trades executed on non-business days or outside normal business hours.

¹² See http://www.iiroc.ca/industry/marketmonitoringanalysis/Documents/BondMarketSecondaryTrading_en.pdf

4.4 Data Elements

Each transaction report must contain the following information about the transaction:

- Submitter Identifier
- Securities Identifier
- Coupon of Securities (using “variable” designation stated in User Manual if the coupon is variable)
- Quantity of Securities
- Price of Transaction
- Commission or Mark-Up Stated on Confirmation (if any)
- Yield Stated on Confirmation (if any)
- Date of Transaction Execution
- Time of Transaction Execution
- Settlement Date
- Reporting Dealer MTRS Identifier – Primary (the dealer that executed the transaction)
- Reporting Dealer MTRS Identifier – Secondary (populated for example if a second Dealer Member, acting as a fully disclosed introducing broker, is the source of the order executed on the reporting side of a trade and no movement of securities occurs between an account of the Dealer Member acting introducing broker and an account of the executing dealer).
- Buy/Sell Indicator
- Capacity - Principal or Agent (“Riskless Principal Trades” reported as Principal Capacity)
- Counterparty Indicator
- Counterparty Identifier
- Trader Identifier
- Customer Account Identifier
- Benchmark Security Identifier (ISIN or CUSIP of any Canada Bond used as pricing benchmark)
- Trading Venue Code
- Any Applicable Special Condition Indicators, including:
 - Repo Indicator
 - Fee-Based Account Indicator
 - Primary Market Indicator
 - Internal Transaction Indicator
 - Related Party Indicator
 - Non-Resident Indicator

- For trades where the Repo Indicator is reported:
 - Repo Rate
 - Repo Maturity Date (if fixed)
 - Open Repo Indicator (opening or closing)
 - Repo Haircut
 - Repo Collateral Security Identifier

5. Technology Infrastructure

Currently, there is no database of debt market transactions and there are no fixed-income alerts or reports available. IIROC will build a database for debt market transactions and implement a debt surveillance module which will produce a suite of alerts and reports. Staff will also obtain, from external sources, certain reference data to create a security master file, which will include details of each debt instrument.

It is anticipated that Dealer Members will have several options for delivery of trade reports to IIROC, based on the volume of their activity. These options will include:

- File transfer (CSV file) via a direct dedicated line between the Dealer and IIROC;
- File transfer (CSV file) over secure internet connection from Dealer to IIROC; and
- Web Interface for Dealers with small transaction volumes – screen entry of all trades.

Note that some Dealer Members may choose to have a third party provide their transaction data to IIROC. This is acceptable to IIROC but the Dealer must ensure that their provider meets all IIROC specifications and requirements.

Detailed system specifications will be prepared by IIROC staff and published as part of the MTRS 2.0 User Guide prior to the final Rule being published.

13.2 Marketplaces

13.2.1 Alpha Exchange Inc – Notice of Proposed Changes and Request for Feedback – Amendments to the Alpha Exchange Trading Policies to Reflect Migration to TSX Quantum

NOTICE OF PROPOSED CHANGES AND REQUEST FOR FEEDBACK

The Rules Committee of the Board of Directors of Alpha Exchange Inc. ("Alpha") has approved amendments ("Amendments") to the Alpha Exchange Trading Policies ("Trading Policies"). The Amendments, shown as blacklined text, are attached as Appendix "A".

Alpha is publishing this Notice of Proposed Changes ("Notice") in accordance with the requirements set out in the rule protocol attached to its Recognition Order. Market participants are invited to provide the Commission with feedback on the proposed Public Interest Rule Changes.

Feedback on the proposed amendments should be in writing and submitted by April 4, 2013 to:

Market Regulation Branch
Ontario Securities Commission
Suite 1903, Box 55
20 Queen Street West
Toronto, Ontario M5H 3S8
Fax: (416) 595-8940
e-mail: marketregulation@osc.gov.on.ca

And to:

Stacey Hoisak
Alpha Exchange Inc.
70 York Street, Suite 1501
Toronto, Ontario M5J 1S9
Fax: (416) 642-2120
e-mail: stacey.hoisak@alpha-group.ca

Feedback received will be made public on the OSC website. Upon completion of the review by OSC staff, and in the absence of any regulatory concerns, notice will be published to confirm the completion of Commission staff's review and to outline the intended implementation date of the changes.

Terms not defined in this Notice are defined in the Alpha Exchange Inc. Trading Policies.

NOTICE OF PROPOSED CHANGES

I. Proposed Changes, Rationale and Relevant Supporting Analysis

In connection with the migration of Alpha to the Quantum platform and the overall integration of Alpha with TMX, certain changes are required to Alpha's Trading Policies. The public interest changes and supporting rationale are referenced below:

1. All references to the Alpha Listing Markets (Main and Venture Plus), Alpha Listed Securities and the Alpha Listing Handbooks have been removed. This is consistent with the OSC's approval of the abandonment of Alpha's listings business, as has been previously communicated to clients.
2. The section on Market Making and Odd Lot Dealers has been modified to remove all references to market making on Alpha, and to make the odd lot structure consistent with the TSX Venture odd lot dealer structure.
3. All references to Alpha's "TTM Service" have been removed, consistent with the decision to move to the TSX SOR (Smart Order Router) from Alpha's own "TTM Service" order router.
4. The sections referencing the Order Protection Rule have been modified to reflect the fact that Alpha will leverage the TSX SOR in order to offer a Route Out option for order protection. A reference has been added to TSX's existing Order Protection document that all the TMX markets currently use to comply with the Order Protection Rule.
5. The Section on "Governance of Trading Sessions" has been modified to reflect the operational changes that will result once Alpha has been migrated to Quantum. These include items such as changes to order types, changes in how price parameters operate, the removal of the "closing auction", and the removal of certain commentary and examples. All of these changes are consistent with aligning such operational features on Alpha with those on TMX, and further to the migration to the Quantum platform.
6. The terms and conditions which are required to be included in agreements between Sponsoring Members and their DMA Sponsored Access Clients have been moved from the Alpha Member Agreement to the Trading Policies. This was done in order to streamline the Alpha Member Agreement to make it more consistent with the existing Agreements for TSX, TSX Venture, and TMX Select. The terms and conditions themselves have not been changed.

II. Expected Date of Implementation

April 29, 2013

III. Expected Impact on Market Structure, Members, Investors, Issuers and the Capital Markets

Expected Impact to Members primarily relate to the following:

- Order entry and data feed protocol changes to TMX FIX and STAMP standards
- Possible connectivity and infrastructure changes due to re-location of the trading system to TMX Data Centers
- Consideration of operational/functional changes to order types and market features.

The changes may result in certain required adjustments by customers, they are expected to provide a more consistent offering across all markets and to deliver benefits to in the form of efficiencies and cost savings over the mid to long-term, including:

- Increased alignment of order entry and data feed protocols across TMX markets;
- Reduced development, maintenance, and testing costs associated with customer trading and data applications;
- Potential reductions in complexity and client infrastructure costs with respect to physical circuits, network routers and data centres;

- Further alignment of operational and support standards, and the standardization of policies, procedures and contracting;
- Consolidated management, customer facing and support touch points.

IV. Impact on Exchange's Compliance with the Securities Law, Especially Fair Access and Maintenance of Fair and Orderly Markets

The changes are being made pursuant to the Rule Change Protocol that applies to Alpha. The changes are consistent with NI 21-101, Alpha's Recognition Order and Securities Law.

V. Consultation and Review

The changes being referenced are all part of the broader integration effort and have been generally communicated publicly.

The TMX Group will continue to operate the Alpha trading platform and ensure many of the capabilities and features currently valued by customers are maintained in the most cost-effective way and deliver enhanced value to customers.

The Alpha Exchange Rules Committee met and approved the changes to the Trading Policies on February 8, 2013.

VI. Technology Implementation Impact on Members and Service Vendors

The TMX Group and Alpha provided updates to Members and Service Vendors regarding the technological impact and considerations of the migration. Alpha Specifications have been made public and Alpha was made available in TMX Quantum GTE (test environment) effective February 19, 2013.

The updates include the following TMX Notices to Participating Organizations, Members and Subscribers:

- Notice 2012-046 dated October 24, 2012
- Notice 2012-050 dated December 5, 2012
- Notice 2013-003 dated February 1, 2013
- Notice 2013-005 dated February 5, 2013

A Technical Launch is scheduled for April 1, 2013 to facilitate client connectivity and routing testing/validation prior to the migration. Test symbols will also be enabled in the Alpha production environment on TMX Quantum upon Technical Launch.

VII. Comparable Rules

Not Applicable

APPENDIX "A"

ALPHA EXCHANGE INC.
TRADING POLICIES
(the "Trading Policies")

October 15,
April 29, 2013

Blacklined changes to reflect Alpha Exchange Inc. migration to TSX Quantum platform subject to regulatory review

Change History

Version	Change	Date
V 1.0	Rebranded for Alpha Exchange	April 1, 2012
V1.1	Changes to IntraSpread and Opening Functionality	April 1, 2012
V 1.2	Changes to IntraSpread facility and Inside Match order respecting UMIR Dark liquidity provisions, effective October 15, 2012	July 16, 2012
	Changes to short sell functionality respecting UMIR short selling provisions, effective October 15 2012.	
	Change to TTM consolidated order book depth.	
<u>V.1.3</u>	<u>Changes to reflect migration to TSX Quantum platform.</u>	<u>February 25, 2013</u>

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PART I. Definitions and Interpretations

1.1 DEFINITIONS

Unless otherwise defined or interpreted or the subject matter or context otherwise requires, every term used in Alpha Requirements that is defined or interpreted in

- (a) Ontario securities law,
- (b) UMIR, or
- (c) IIROC Rules,

has the same meaning in these Trading Policies.

The following terms have the meanings set out when used in the Alpha Requirements and apply to the trading of both Alpha Listed Securities and Other Traded Securities unless otherwise specified:

Alpha	The recognized exchange which provides a marketplace for Alpha Listed Securities and Other Traded Securities on Alpha.
Alpha Approval	Any approval given by Alpha under the Alpha Requirements.
Alpha Best Bid and Offer (ABBO)	In respect of a particular security, the best bid, the highest price and its corresponding volume that a Member has published to buy, and the best offer, the lowest price and its corresponding volume that a Member has published to sell, in the Alpha CLOB.
Alpha Closing Price or (ACP)	The CCP for an Alpha Listed Security unless it exceeds parameters established by Alpha. The Alpha Closing Price for Other Traded Securities will be adjusted overnight to reflect the closing price on the principal market as established in UMIR.
Alpha Last Sale Price (ALSP)	The price at which the last trade of a Board Lot was executed on Alpha, other than a Special Terms trade.
Alpha Listed Security	Securities listed on Alpha Main or Alpha Venture Plus.
Alpha Requirements	Alpha Requirements include the following: <ul style="list-style-type: none"> (1) These Trading Policies; (2) The Alpha Main Listing Handbook and Alpha Venture Plus Listing Handbook (together, the "Listing Handbooks"); (2)(3) Obligations arising out of the Member Agreement, Lead Market Maker Agreement for Alpha Listed Securities, Market Maker Agreement for Alpha Listed Securities, Market Maker Agreement for Other Traded Securities or any Listing Forms; or (3) (4) Any forms issued pursuant to these Trading Policies or the Listing Handbooks and any obligations related to or created by such Forms; (4)(5) UMIR; and (5)(6) Ontario securities law, and any decision thereunder as it may be amended, supplemented and in effect from time to time.
Alpha Systems	The electronic systems operated by Alpha for providing all facilities and services related to the trading of Alpha Listed Securities and Other Traded Securities on Alpha.
Approved Trader	An employee of a Member, or an employee of a client of a Sponsoring Member, authorized through a direct market access arrangement to enter orders onto a marketplace as a trader, who has been provided with a trading identifier to be used when accessing a marketplace.
Assigned Security	The particular Alpha Listed Security or Other Traded Security for which a Member has been appointed either as the Lead Market Maker or Market Maker.

Board	The Board of Directors of Alpha and any committee of the Board of Directors to which powers have been delegated.
Board Lot	A standard trading unit.
Bypass Cross	A cross that has a bypass marker.
Bypass Order	<p>An order that has a bypass marker to indicate that it is:</p> <ol style="list-style-type: none">(1) part of a designated trade; or(2) to satisfy an obligation to fill an order imposed on a Member or DMA Eligible Client by any provision of UMIR or a Policy; <p>and that is entered on a protected marketplace to execute as against the disclosed volume on that marketplace prior to the execution or cancellation of the balance of the order.</p>
Calculated Opening Price (COP)	A single price calculated for a security whereby the trading volume is maximized and the trading imbalance is minimized and is within parameters defined by Alpha in the opening call.
Calculated Closing Price (CCP)	A single price calculated for a security whereby the trading volume is maximized and the trading imbalance is minimized, and is within parameters defined by Alpha in the closing call.
Central Limit Order Book (CLOB)	The electronic book containing all Board Lot orders entered for execution in a continuous manner with price and priority rankings.
Clearing Corporation	CDS Clearing and Depository Services Inc. and any successor corporation or entity recognized as a clearing agency.
Contra Order Matching Preference (COMP)	Dark order designation identifying which orders in the IntraSpread™ facility the Dark order will trade against.
Dark Order	A fully hidden order used to manage passive interest within the IntraSpread™ Facility. It includes the Touch Dark order and Midpoint Dark order.
Directed Action Order (DAO)	A specific order type as defined in NI 23-101 that informs a marketplace that the order can be immediately carried out without delay or regard to any other better priced orders displayed by another marketplace.
Decision	Any decision, direction, order, ruling, guideline or other determination of Alpha, or of the Market Regulator made in the administration of these Trading Policies.
DMA Eligible Client	<p>A DMA Eligible Client is a client of a Sponsoring Member to which it provides sponsored access to Alpha Systems and that is:</p> <ol style="list-style-type: none">(1) A client that falls within the definition of “acceptable counterparties” or “acceptable institutions” or “regulated entities” as defined in the General Notes and Definitions section of the Joint Regulatory Financial Questionnaire and Report.(2) A client that is registered as a portfolio manager under the Securities Act of one or more of the Provinces of Canada.(3) A client that is a foreign broker or dealer (or the equivalent registration) registered with the appropriate regulatory body in the broker’s or dealer’s home jurisdiction and that is an affiliate of a Member acting for its own account, the accounts of other Eligible Clients or the accounts of its clients.(4) A client that in the aggregate owns and invests on a discretionary basis at least \$100 million in securities of issuers that are not affiliated with the customer and falls into one of the following categories:<ol style="list-style-type: none">(a) An insurance company as defined in section 2(13) of the U.S. Securities Act of 1933,

- (b) An investment company registered under the U.S. Securities Act of 1933 or any business development company as defined in section 2(a)(48) of that Act,
 - (c) A small business investment company licensed by the U.S. Small Business Administration under section 301 I or (d) of the U.S. Small Business Investment Act of 1958,
 - (d) A plan established and maintained by a U.S. state, its political subdivisions, or any agency or instrumentality of a U.S. state or its political subdivisions, for the benefit of its employees,
 - (e) An employee benefit plan within the meaning of Title I of the U.S. Employee Retirement Income Securities Act of 1974,
 - (f) A trust fund whose trustee is a bank or trust company and whose participants are exclusively plans of the types identified in (d) or (e) above, except trust funds that include as participants individual retirement accounts or U.S. H.R. 10 plans,
 - (g) A business development company as defined in section 202(a)(22) of the U.S. Investment Advisers Act of 1940,
 - (h) An organization described in section 501 I(3) of the U.S. Internal Revenue Code, corporation (other than a bank as defined in section 3(a)(2) of the U.S. Securities Act of 1933 or a savings and loan association or other institution referenced in section 3(a)(5)(A) of the U.S. Securities Act of 1933 or a foreign bank or savings and loan association or equivalent institution), partnership or Massachusetts or similar business trust, and
 - (i) An investment adviser registered under the U.S. Investment Advisers Act.
- (5) A client that is a dealer registered pursuant to section 15 of the U.S. Securities Exchange Act of 1934, acting for its own account or the accounts of other Eligible Clients, that in the aggregate owns and invests on a discretionary basis at least \$10 million of securities of issuers that are not affiliated with the dealer, provided that securities constituting the whole or a part of an unsold allotment to or subscription by a dealer as a participant in a public offering shall not be deemed to be owned by such dealer.
- (6) A client that is an investment company registered under the U.S. Investment Company Act, acting for its own account or for the accounts of other Eligible Clients, that is part of a family of investment companies which own in the aggregate at least \$100 million in securities of issuers, other than issuers that are affiliated with the investment company or are part of such family of investment companies and, for these purposes, "family of investment companies" means any two or more investment companies registered under the U.S. Investment Company Act, except for a unit investment trust whose assets consist solely of shares of one or more registered investment companies, that have the same investment adviser (or, in the case of unit investment trusts, the same depositor), provided, for these purposes:
- (a) Each series of a series company (as defined in Rule 18f-2 under the U.S. Investment Company Act) shall be deemed to be a separate investment company; and
 - (b) Investment companies shall be deemed to have the same adviser (or depositor) if their advisers (or depositors) are majority-owned subsidiaries of the same parent, or if one investment company's adviser or depositor is a majority owned subsidiary of the other investment company's adviser (or depositor).

- (7) A client, all of the equity owners of which are Eligible Clients, acting for its own account or the accounts of other Eligible Clients.
- (8) A client that is not an individual, with total securities under administration or management exceeding \$10 million, where the client is a resident in a Basel Accord country as defined in the General Notes and Definitions section of the Joint Regulatory Financial Questionnaire and Report.
- (9) A client that is a bank as defined in section 3(a)(2) of the U.S. Securities Act of 1933, or any savings and loan institution or other institution as referenced in section 3(a)(5)(A) of the U.S. Securities Act of 1933, acting for its own account or the accounts of other Eligible Clients, that in the aggregate owns and invests on a discretionary basis at least \$100 million in securities of issuers that are not affiliated with it and that has an audited net worth of at least \$25 million.

IIROC	The Investment Industry Regulatory Organization of Canada.
IIROC Rules	UMIR and IIROC's dealer member rules.
Intentional Cross	A trade resulting from the entry by a Member or DMA Eligible Client of both the order to purchase and the order to sell a security, but does not include a trade in which the Member has entered one of the orders as a jitney order.
Internal Cross	An Intentional Cross between two accounts which are managed by a single firm acting as a portfolio manager with discretionary authority to manage the investment portfolio granted by each of the holders of the accounts and includes a trade in respect of which the Member or DMA Eligible Client is acting as a portfolio manager in authorizing the trade between the two accounts.
IntraSpread™ Facility	An optional facility which allows a Member to seek order matches with price improvement for active orders, without pre-trade transparency.
Large order	An order with a volume over 50 Board lots or a value greater than \$100,000. It may be combined with a specific type of order such as an SDL order (Large SDL order) to indicate that the SDL Order has a volume over 50 Board lots or a value of greater than \$100,000.
Lead Market Maker	The Member appointed as a Lead Market Maker by Alpha for a particular Alpha Listed Security.
Lead Market Maker Approved Trader	The Approved Trader identified by the Lead Market Maker to fulfill a Lead Market Maker's responsibilities under these Trading Policies.
Market Maker	The Member or Members appointed as market maker for a particular Alpha Listed Security or Other Traded Security. Commentary: The terms "Market Maker for an Alpha Listed Security" and "Market Maker for an Other Traded Security" will be used if the provision is only applicable to one and not the other. Otherwise the provision will be applicable to both.
Market Maker Approved Trader	The Approved Trader given responsibility to fulfill a Market Maker's responsibilities under these Trading Policies.
Market Regulator	IIROC or such other person recognized by the Ontario Securities Commission as a Regulation Services Provider for the purposes of Ontario securities law and which has been retained by Alpha as an acceptable Regulation Services Provider.
Member	A member approved by Alpha to access the Alpha Systems, provided such access has not been terminated.
Member Agreement	The agreement entered into between Alpha and a Member which sets out the terms and conditions of the Member's access to the Alpha Systems.

Member Related Entity¹	<p>A Person that is</p> <p>1. an affiliated entity of a Member, or</p> <p>a control person of a Member or of which the Member is a control person,</p> <p>and that carries on as a substantial part of its business in Canada that of a broker, dealer or advisor in securities and that is not itself a Member.</p>
Member Related Person²	<p>A Member Related Person is:</p> <p>2. A Member Related Entity,</p> <p>An employee, agent or contractor acting as an employee of a Member or a Member Related Entity,</p> <p>Partners, directors and officers of a Member or Member Related Entity,</p> <p>An Approved Trader; and</p> <p>Any other Person designated by Alpha.</p>
Minimum Acceptable Quantity (MAQ)	Optional minimum acceptable execution quantity condition attached to a Dark order.
Mixed Lot	An order containing at least one Board Lot and an Odd Lot.
National Best Bid and Offer (NBBO)	The best bid and best offer of at least a Board Lot on all visible marketplaces, but does not include special terms orders.
National Cross	A cross entered during the continuous trading session which at the time of entry was at or within the NBBO.
National Last Sale Price (NLSP)	The most recent trade of at least a Board Lot on any marketplace, other than a special terms trade.
Notice	A communication or document given, delivered, sent or served by Alpha.
Odd Lot	Any amount less than a Board Lot.
Odd Lot Dealer	A Member appointed by Alpha as an Odd Lot dealer for a particular security to perform the functions described in Part VI.
Odd Lot Order Book (OLOB)	The electronic book containing all Odd Lot orders.
Opening Market Condition Security (OMC Security)	A security identified by Alpha through a Trading Notice as subject to an Opening Market Conditions price band validation.
Order Protection Rule (OPR)	NI 23-101, which sets out the requirements that ensure that all immediately accessible, visible, better-priced limit orders are executed before inferior-priced limit orders and are not traded through. OPR requires each marketplace to establish, maintain and ensure compliance with written policies and procedures that are reasonably designed to prevent trade-throughs on that marketplace.
Other Marketplace	An exchange, quotation and trade reporting system, or alternative trading system other than Alpha, which is subject to National Instrument 23-101 – Trading Rules, on which any of the same securities as are tradable on Alpha are tradable, which has been identified as a Protected Marketplace by an applicable regulatory authority, excluding marketplaces which Alpha specifically identifies as an excepted Other Marketplace.

¹ Note that this definition is being used for the purpose of these Trading Policies and may differ from definitions used by other parties.

² Note that this definition is being used for the purpose of these Trading Policies and may differ from definitions used by other parties

Person Other Traded Security (OTS) <u>Person</u>	Includes without limitation an individual, corporation, incorporated syndicated or other incorporated organization, sole proprietorship, partnership or trust. A security listed by an exchange other than Alpha and traded on Alpha. Commentary: A security that is listed both on Alpha and on another exchange in Canada will be considered to be an Alpha Listed Security for purposes of Alpha Requirements unless otherwise specified.
Retail Customer	Is defined in accordance with IIROC's dealer member rules.
Settlement Day	Any day on which trades may be settled through the facilities of the Clearing Corporation.
Small Order	An order with a volume less than 50 Board lots or and a value less than \$100,000. It may be combined with a specific type of order such as an SDL order (Large SDL order) to indicate that the SDL Order has a volume less than 50 Board lots or a value of less than \$100,000.
Sponsoring Member	A Member that provides a DMA Eligible Client with access to the Alpha Systems.
Trading Contract	Any agreement or contract: <ol style="list-style-type: none"> (1) To buy or sell any Alpha Listed Security or Traded Security through Alpha's facilities; or (2) For delivery of, or payment for, any Traded Security (or security which was a Traded Security when the contract was made) arising from settlement through the Clearing Corporation.
Trading Policies	<ol style="list-style-type: none"> (3) These Alpha Exchange trading policies, as they may be amended or supplemented from time to time.
UMIR TTM Service <u>UMIR</u>	The Universal Market Integrity Rules adopted by IIROC as amended, supplemented and in effect from time to time. The service used by Alpha to route designated orders, in part or in whole, to Other Marketplaces with the objective of complying with the Order Protection Rule (NI 23-101) to not trade through displayed better priced orders on such marketplaces.

1.2 INTERPRETATION

- (1) A company is an affiliate of another company if one of them is a subsidiary of the other or if both are subsidiaries of the same company or if each of them is controlled by the same Person.
- (2) The division of Alpha Requirements into separate policies, divisions, sections, subsections and clauses and the provision of a table of contents, headings and notes is for convenience of reference only and shall not affect the construction or interpretation of Alpha Requirements.
- (3) The words "hereof," "herein," "hereby," "hereunder" and similar expressions mean the whole of these Trading Policies and not simply the particular section of the Trading Policies in which the term is mentioned, unless the context clearly indicates otherwise.
- (4) The word "or" is not exclusive.
- (5) The word "including," when following any general statement or term, does not limit the meaning of the general statement or term to the specific matter immediately following the statement or term.
- (6) Unless otherwise specified, any reference to a statute includes that statute and the regulations made pursuant to that statute, with all amendments made and in force from time to time, and to any statute or regulation that supersedes that statute or regulation.
- (7) Unless otherwise specified, any reference to a rule, policy, blanket order or instrument includes all amendments made and in force from time to time, and to any rule, policy, blanket order or instrument that supersedes that rule, policy, blanket order or instrument.
- (8) Grammatical variations of any defined term have the same meaning.

- (9) Any word imputing gender includes the masculine, feminine and neuter genders.
- (10) Any word in the singular includes the plural and vice versa.
- (11) All references to time in Alpha Requirements are to Toronto time unless otherwise stated.
- (12) All references to currency in Alpha Requirements are to Canadian dollars unless otherwise stated.
- (13) ~~All provisions of these Trading Policies apply to the trading of both Alpha Listed Securities and Other Traded Securities unless otherwise specified.~~

PART II. Application of Policies and Authority of Alpha

2.1 APPLICATION OF POLICIES

- (1) Members and Member Related Persons must comply with all applicable Alpha Requirements when trading on Alpha.
- (2) Alpha may take disciplinary action against any Member or Member Related Person who violates any Alpha Requirement.

2.2 EXERCISE OF POWERS

- (1) Unless otherwise expressly provided, whenever Alpha is given any power, right, exercise of discretion or entitlement to take action in respect of Alpha Requirements, the same may be exercised by the Board, any Committee of the Board, the appropriate officers of Alpha or any committee or person designated by the Board or the CEO of Alpha, including the Market Regulator.
- (2) Unless the subject matter or context otherwise requires, any action taken by a Person under subsection (1) is subject to the overall authority of the Board.

2.3 GENERAL EXEMPTIVE RELIEF

- (1) Alpha may exempt any Member from the application of any Alpha Requirement, if in the opinion of Alpha, the provision of such exemption:
 - (a) Would not be contrary to the provisions of the Securities Act (Ontario) and the rules and regulations thereunder or UMIR;
 - (b) Would not be prejudicial to the public interest or to the maintenance of a fair and orderly market; and
 - (c) Is warranted after due consideration of the circumstances.

2.4 NO WAIVER OF RIGHTS

- (1) Failure by Alpha or the Market Regulator to exercise any of its rights, powers or remedies under Alpha Requirements or their delay to do so is not a waiver of those rights, powers or remedies.
- (2) The single or partial exercise of a right, power or remedy does not in any way limit the ability of Alpha or the Market Regulator to exercise that right, power or remedy.
- (3) Any waiver of a right, power or remedy must be in writing and may be general or particular in its application.

2.5 ANTI-AVOIDANCE

- (1) If, in the opinion of Alpha, a Member has organized its business and affairs for the purpose of avoiding the application of any Alpha Requirement, Alpha may apply such Alpha Requirement to the Member in the same manner as if such provision had directly applied to such Member.

PART III. Membership

DIVISION 1 – APPROVAL

3.1 QUALIFICATION FOR BECOMING A MEMBER

- (1) An applicant must
 - (a) be a dealer member of IIROC (or any successor recognized as a self regulatory entity or comparable self-regulatory entity) in good standing;
 - (b) be a participant of the Clearing Corporation or have entered into an arrangement for the clearing and settlement of trade with a participant in the Clearing Corporation; and
 - (c) meet Alpha Requirements, including completion of a Member Agreement.
- ~~(2) A Member is authorized to trade both Alpha Listed Securities and OTSs on Alpha.~~
- ~~(2) (3) Membership is not transferable or assignable.~~
- ~~(3) (4) Membership is solely an authorization to have access to Alpha Systems and to trade on Alpha and does not confer any ownership or shareholder rights.~~

3.2 APPLICATION AND APPROVAL

- (1) An applicant for membership shall submit:
 - (a) a completed Member Agreement; and
 - (b) such information, books and records as may be reasonably required by Alpha to ascertain relevant facts bearing on the applicant's qualifications or activities on the Alpha Systems.
- (2) Alpha may:
 - (a) approve an applicant for membership without condition,
 - (b) defer approval pending receipt of further information concerning the applicant,
 - (c) approve a Person as a Member subject to such terms and conditions as are appropriate or necessary to ensure compliance with Alpha Requirements, or
 - (d) refuse the application for such factors it considers relevant, including
 - (i) past or present misconduct by the applicant or any Member Related Person,
 - (ii) the applicant or any Member Related Person refuses to comply with Alpha Requirements,
 - (iii) the applicant is not qualified by reason of integrity, solvency, training or experience, or
 - (iv) such approval is otherwise not in the public interest.
- (3) An applicant that is approved subject to conditions or is rejected may appeal the Decision using the procedures set out in Part 40.9.
- (4) Subject to the exercise of a right of appeal, a rejected applicant may not reapply for a period of six months following the date of refusal.

DIVISION 2 – CONTINUING REQUIREMENTS

3.3 AUTHORIZED REPRESENTATIVE

- (1) Each Member must appoint a senior officer, director or partner as its representative who shall be named in the Member Agreement.

- (2) The representative shall:
 - (a) have authority to speak for the Member in dealings with Alpha; and
 - (b) serve as primary contact to Alpha on inquiries regarding the conduct and supervision of the Member's Approved Traders and DMA Eligible Clients.
- (3) A Member must give Alpha notice of a change of its representative at least 10 business days prior to the change unless circumstances make this impossible, in which case notice must be given as soon as possible.

3.4 PAYMENT OF FEES, ETC.

- (1) Members must pay all fees and charges fixed by Alpha and the Market Regulator, which are due and payable as Alpha or the Market Regulator require from time to time.
- (2) Alpha may at any time, and from time to time, on not less than 30 days' Notice to Members, increase any or all fees or charges. Alpha may decrease fees by providing Members with Notice of such a change within 30 days prior to the effective date of the change.
- (3) Alpha may suspend without further notice a Member that has not paid any fees or charges within 30 days of becoming payable, and such suspension shall remain in place until all outstanding fees and charges have been paid by the Member. If the Member has not paid all outstanding fees and charges within 15 days of such suspension, Alpha may terminate such Member's membership.

3.5 CONTINUING SRO MEMBERSHIP

- (1) A Member that ceases to comply with the requirements of Section 3.1(1) must notify Alpha immediately.
- (2) A Member must inform Alpha immediately if it ceases to be a member of, or becomes aware that it is being investigated by, or is subject to an enforcement action (a hearing has been scheduled) by a recognized self-regulatory organization.
- (3) If a Member ceases to be a member of IIROC (or any successor recognized as a self regulatory entity or comparable self-regulatory entity), it may be suspended pursuant to Section 3.10(1)(a) or terminated as a Member of Alpha pursuant to Section 3.13(1)(b), at the discretion of Alpha. In case of termination, the Member may reapply for membership with Alpha upon becoming reinstated as a member of IIROC, by following the procedures set forth in Section 3.2.
- (4) Alpha may from time to time review the continued eligibility of a Member for membership.

3.6 NOTIFICATIONS

- (1) A Member must give Alpha written notice of:
 - (a) a change of its name or the name under which it does business; or
 - (b) a change in the address of its head office.
- (2) The Member must give such notice at least 10 business days prior to the change.

3.7 MAINTAINING RECORDS

- (3) The Member shall be responsible for maintaining any required records relating to transactions sent and received by it on the Alpha Systems. For the purpose of this section records relating to transactions will include all information directly or indirectly relating to orders routed to the Alpha Systems or trades executed on the Alpha Systems.

3.8 TRAINING

- (4) The Member shall be responsible for developing and providing comprehensive training and materials for Approved Traders (and any other Person deemed appropriate by the Member) with respect to applicable regulatory requirements relating to, among other things, the entry and trading of orders through Alpha and other Canadian marketplaces required to allow the Member to meet its obligations under applicable regulatory requirements, these Trading Policies and the Member Agreement.

DIVISION 3 – TERMINATION OF MEMBERSHIP

3.9 VOLUNTARY SURRENDER

- (1) A Member may resign its membership by giving not less than 30 days' prior written notice.
- (2) Alpha may postpone the effective date of termination if the Member
 - (a) is the subject of disciplinary proceedings or is under investigation for a failure to comply with Alpha Requirements, or
 - (b) has any trades outstanding.

3.10 SUSPENSION BY ALPHA WITHOUT PRIOR NOTICE

- (1) A Member may be suspended immediately and without prior notice if any of the following events occur:
 - (a) the Member ceases to comply with the requirements of Section 3.1(1);
 - (b) the Member is for any reason unable to meet its obligations as they generally become due;
 - (c) the Member has ceased paying its current obligations in the ordinary course of business as they become due;
 - (d) the aggregate of the property of the Member is not, at a fair valuation, sufficient, or if disposed of in a fairly-conducted sale under legal process, would not be sufficient to enable payment of all of its obligations due or becoming due;
 - (e) the Member defaults in, or fails to meet or admits its inability to meet its liabilities to the Canadian Investor Protection Fund or the Clearing Corporation or another Member;
 - (f) Section 3.13(1) applies and Alpha has elected not to exercise its right to terminate the Member's membership pursuant to such section;
 - (g) Section 3.4(3) applies; or
 - (h) continued access by the Member raises inappropriate risk to the operations of Alpha, financial risk to other Members, and/or market quality issues.

Commentary: A suspension without prior notice under Section 3.10(1) will only be considered where the continuing trading by the Member will put Alpha or any of its Members at risk of serious immediate harm.

- (2) The Member may, at Alpha's discretion, be reinstated with or without any restrictions upon the Member demonstrating to Alpha's satisfaction that:
 - (a) it now complies with all provisions of Section 3.1,
 - (b) if the Member has been suspended due to the occurrence of one or more of the events listed in Section 3.10(1), such events have been remedied to Alpha's satisfaction; and
 - (c) it otherwise meets the criteria for membership with Alpha.

3.11 DISCRETIONARY SUSPENSION

- (1) Alpha may, in its sole and absolute discretion, suspend the Member's access to the System for any period of time as Alpha believes is advisable. Alpha shall, where practical, provide prior written notification of such a suspension. Where the provision of prior written notice is impractical, Alpha shall promptly notify the Member that access has been suspended. In each case Alpha shall advise of the reasons for such suspension.

Commentary: Examples of situations where Alpha may exercise its discretion to suspend a Member's access to the System include:

1. runaway algorithmic trading by an employee or DMA Eligible Client;

2. continuous breaches of price band parameters unrelated to a market event; or
 3. failure to provide information in response to a request due to concerns about order entry or other Alpha Requirements.
- (2) The Member's access to the System may, at Alpha's discretion, be reinstated upon the Member demonstrating to Alpha's satisfaction that the reasons for the suspension have been remedied.

3.12 TERMINATION BY ALPHA WITH NOTICE

- (1) Alpha may terminate a membership by giving not less than 5 days' prior written notice if Alpha has concluded after reasonable investigation that the Member has
- (a) failed to comply or is not in compliance with Alpha Requirements; 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 Alpha.

3.13 TERMINATION BY ALPHA WITHOUT NOTICE

- (1) Alpha may terminate a membership without notice if:
- (a) the Member has committed an act of bankruptcy as provided in the *Bankruptcy and Insolvency Act* (Canada); or
 - (b) Section 3.4(3) or Section 3.5(3) applies.

Commentary: A termination without notice under Section 3.13(1) will only be considered where the continuing trading by the Member will put Alpha or any of its Members at risk of serious immediate harm.

- (2) A Member must give Alpha immediate notice on the occurrence of an act listed in subsection (1)(a).

3.14 EFFECT OF SUSPENSION OR TERMINATION

- (1) Upon suspension or termination, Alpha may at its discretion cancel all of the Member's or former Member's open orders or impose any other restrictions and/or conditions on the Member's rights until the Member has been reinstated in accordance with Section 3.14(3) or Section 3.14(4).
- (2) A Member that has been suspended or terminated or that has been deprived of some of the rights of membership under Alpha Requirements does not for that reason alone lose its rights in respect of any claims it may have against another Member unless such rights are expressly dealt with.
- (3) A Member that has been suspended may have its rights reinstated, at Alpha's discretion, upon providing evidence, satisfactory to Alpha in its sole discretion, that the reason for the suspension has been remedied.
- (4) A Member that has had its membership terminated may, no sooner than six months after the date of the termination of membership, reapply for membership with Alpha by following the procedures set out in Section 3.2.

Commentary: The requirements in this section 3.14(4) supersede any ability of a Member to re-apply for membership pursuant to the provisions of section 3.5(3).

PART IV. Access to Trading

DIVISION 1 – APPROVED TRADERS

4.1 APPROVED TRADERS

- (1) A Member must provide Alpha with the names and identifiers of all Approved Traders.
- (2) A Member must maintain a list of all Approved Traders and their identifiers for the preceding 7-year period.

- (3) A Member must give Alpha written notice of additions or terminations of Approved Traders at least 10 business days prior to the change unless circumstances make such prior notice of a termination impossible, in which case notice must be given as soon as possible.
- (4) The Member shall be responsible for all instructions entered, transmitted or received under an Approved Trader identifier, and for the trading and other consequences thereof.

4.2 ACCESS

- (1) A Member must not allow an employee to enter orders or crosses on Alpha if the person is not properly qualified in accordance with the requirements of a Market Regulator or securities regulatory authority.
- (2) Alpha may suspend an Approved Trader's access to the Alpha Systems without notice if it concludes after reasonable investigation that the Approved Trader is misusing the Alpha Systems or is causing a disorderly market.

Commentary: This section includes a conclusion that the Approved Trader has engaged in conduct, business or affairs that is unbecoming, inconsistent with just and equitable principles of trade or detrimental to the interests of Alpha, for example where such conduct, business or affairs would cause technical problems for the Alpha System or a market integrity issue.

- (3) Subject to Section 4.2(2), Alpha may suspend an Approved Trader's access to the Alpha Systems by giving not less than 5 days' prior written notice if Alpha has concluded after reasonable investigation that the Approved Trader has failed to comply or is not in compliance with Alpha Requirements.
- (4) A Member must terminate an Approved Trader's access to the Alpha Systems immediately upon receiving notice and must not reinstate access without Alpha's written approval. If the Member fails to comply with this provision, Alpha shall have the right to take such action as it considers necessary, in its sole discretion, to prevent access to the Alpha Systems by any person, including the termination of the Member's right to access the Alpha Systems in its entirety.
- (5) Upon termination of an Approved Trader, Alpha may in its sole discretion cancel all open orders entered by that trader.

Commentary: In making any decision regarding cancellation of orders under this provision, Alpha will take into consideration the interests of the clients of the Member.

A Member shall cease use of the Alpha Systems as soon as practicable after it is notified by Alpha of, or it otherwise becomes aware of or suspects, a technical failure or security breach of the Alpha Systems and shall immediately notify Alpha of such failure or breach of security in accordance with the notice provisions set out in these Trading Policies.

DIVISION 2 – DMA ELIGIBLE CLIENTS AND MEMBER-SPONSORED ACCESS

4.3 SPONSORING MEMBER SUPERVISORY RESPONSIBILITIES

- (1) If a Sponsoring Member provides access to the Alpha Systems to its DMA Eligible Clients, then prior to granting such access, the Sponsoring Member shall enter into a binding legal agreement with such DMA Eligible Client which contains, at a minimum, the prescribed terms and conditions set out in ~~Schedule 3 to the Member Agreement~~section 4.5 and shall provide to Alpha any DMA Eligible Client documentation as requested by Alpha from time to time;
- (2) A Sponsoring Member which enters into an agreement with a DMA Eligible Client to transmit orders received from the DMA Eligible Client in accordance with these Trading Policies shall exercise due diligence to ensure that each such DMA Eligible Client complies with all Alpha Requirements and shall put in place policies and procedures governing, and be responsible for, compliance with the Alpha Requirements with respect to the entry and execution of orders transmitted by DMA Eligible Clients through the Member.
- (3) The Sponsoring Member shall have the ability to receive an immediate report of the entry and execution of orders entered by the DMA Eligible Client. The Sponsoring Member shall have the capability of rejecting orders that do not fall within the designated parameters of authorized orders for a particular DMA Eligible Client.
- (4) The Sponsoring Member shall have procedures in place to ensure that DMA Eligible Clients use system interconnects and can comply with the Alpha Requirements and other applicable regulatory requirements.
- (5) The eligibility of DMA Eligible Clients using system interconnects shall be reviewed at least annually by the Sponsoring Member.

- (6) In addition to all other account documentation, the Sponsoring Member shall ensure specifically that the Sponsoring Member or Alpha has the right, at any time and for any reason, including if compelled to do so by any regulatory authority or Alpha to discontinue receiving or processing orders which will be routed to the System from any DMA Eligible Client.

4.4 TERMINATION OF SPONSORED ACCESS

- (1) Alpha may suspend a DMA Eligible Client's access to Alpha Systems without notice if it concludes after reasonable investigation that the DMA Eligible Client has:
- (a) misused the Alpha Systems or has caused a disorderly market;
 - (b) failed to comply or is not in compliance with Alpha Requirements; or
 - (c) engaged in conduct, business or affairs that is unbecoming, inconsistent with just and equitable principles of trade or detrimental to the interests of Alpha.
- (2) 1)–A Sponsoring Member must terminate a DMA Eligible Client's access to the Alpha Systems immediately upon receiving notice from Alpha or the Market Regulator and must not reinstate access to Alpha Systems without Alpha's written approval.

4.5 TERMS AND CONDITIONS

For the purposes of Section 4.3(1), the agreement between the Member and the DMA Eligible Client shall provide that:

- 1) the DMA Eligible Client will only enter orders in compliance with Alpha Requirements and other applicable regulatory requirements respecting the entry and trading of orders;
- 2) specific parameters defining the orders that may be entered by the DMA Eligible Client are stated, including restriction to specific securities or size of orders;
- 3) the Sponsoring Member has the right to reject an order for any reason;
- 4) the Sponsoring Member has the right to change or remove an order in the Alpha Systems and has the right to cancel any trade made by the DMA Eligible Client for any reason;
- 5) the Sponsoring Member has the right to discontinue accepting orders from the DMA Eligible Client at any time without notice;
- 6) the Sponsoring Member agrees to train the DMA Eligible Client in the Alpha Requirements dealing with the entry and trading of orders and other applicable Alpha Requirements, so that individuals with adequate training and knowledge of applicable regulatory requirements will be provided with access to the Alpha Systems;
- 7) the Sponsoring Member accepts the responsibility to ensure that revisions and updates to Alpha Requirements relating to the entry and trading of orders are promptly communicated to the DMA Eligible Client;
- 8) the Alpha Systems are being provided on an "as is" basis and none of Alpha, its related parties, subsidiaries, affiliates, partners, officers, directors and employees or Member makes any warranty (whether express or implied) as to the operation of the Alpha Systems or its fitness for purpose. In no event shall Alpha, its related parties, subsidiaries, affiliates, partners, officers, directors and employees have any liability to DMA Eligible Clients under, or related to, the agreement;
- 9) all disclaimers or other limitations shall apply irrespective of the nature of the loss or of the cause of action (including but not limited to breach of contract, breach of warranty, negligence, strict liability, tort) and shall survive a fundamental breach or breaches of the agreement.

PART V. Governance of Trading Sessions

DIVISION 1 – GENERAL

5.1 MARKET INTEGRITY AND GENERAL COMPLIANCE REQUIREMENT

- (1) Each Member and each Approved Trader on Alpha shall comply with all Alpha Requirements.

5.2 TIMES OF SESSIONS

- (1) On each business day Alpha will be open for trading sessions.
- (2) Alpha will determine from time to time the opening and closing times for each session and will publish the time of the sessions by Notice to Members.
- (3) The current trading sessions are:
 - (a) System open for queries
 - (b) Pre-opening until the opening call (Pre-Open)
 - (c) Opening Call
 - (d) Continuous trading ~~from the opening call to the closing call (Continuous Trading)~~session
 - (e) ~~Closing Call~~
 - (f) ~~Extended closing session from the closing call to the final closing call (Extended Closing)~~
 - (g) ~~Final Closing Call~~
 - (e) (h) Extended Trading session

5.3 CHANGES TO TRADING SESSIONS

- (1) The CEO of TMX Group Limited ~~or in his or her absence~~ any person designated by the CEO may at any time in the event of an emergency
 - (a) suspend all trading at any session or sessions or trading in any security during any session or sessions, or
 - (b) close, reduce, extend or otherwise alter the time of any session or sessions.

5.4 TRADES OR QUERIES OUTSIDE OF TRADING SESSION HOURS

- (1) No Member or DMA Eligible Client may make a bid, offer or transaction on Alpha or issue a commitment to trade on Alpha outside trading session hours.
- (2) Members and DMA Eligible Clients have the ability to run queries on the Alpha Systems during and outside of trading session hours.

5.5 TRADING HALTS

- (1) Alpha can initiate a trading halt based on certain external events at any time.
- (2) The Market Regulator may initiate a trading halt due to market conditions, or to allow for the dissemination of material information by an issuer.
- (3) Trading may be halted by Alpha or any applicable securities regulatory authority.

Commentary: Examples of circumstances when a halt may occur include:

1. Halt trading of a security to permit the dissemination of material news; or
2. Halt trading of a security during a trading halt imposed by another marketplace to permit the dissemination of material news; or
3. Halt trading in a security when Alpha determines that extraordinary market activity in the security is occurring, such as the execution of a series of transactions for a significant dollar value at prices substantially unrelated to the current market for the security, as measured by the NBBO; or
4. other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market are present.

- (4) — Alpha can initiate two types of trading halts based on certain external events.
- (5) — During a “full” halt order entry, amendment and matching are not permitted, and orders can be cancelled.
- (6) — During a “no matching” halt, new orders can be entered and existing orders can be amended or cancelled, but no matching is permitted.
- (4) (7) After a trading halt is lifted, Once the security is halted the security enters a Pre-open phase allowing for order entry, amendment and cancellation, followed by an but no matching is permitted. When the halt is lifted an opening auction is initiated.
- (5) (8) For greater certainty, in the event that the decision as to whether to impose a halt has been outsourced to the Market Regulator, such decision will be made by such Market Regulator and not by Alpha. In all other cases, Alpha may make the decision to impose a trading halt, but Alpha will make all reasonable efforts to

Commentary: Notification messages pertaining to trading halts are sent out on the Alpha public feed.

5.6 ~~EXCEEDING PRICE BAND PARAMETERS (PRICE BAND LIMITS)~~PRICE VOLATILITY PARAMETERS

- (1) — Alpha may determine price band parameters which set limits based on a variance from the ALSP or any other reference price.
- (2) — Alpha may change the price band parameters to adjust to changes in the markets or to events on a particular day.
- (3) — Alpha will publish, through a Member Notice and by posting on its website, the establishment of a price band parameter and any changes (other than those made for a temporary period to adjust to a particular event) before implementation.
- (4) — During the Continuous Trading session, if a tradable order would trade through the price band parameter or limit for a security, the order will trade up to the price band parameter and any remaining balance will be cancelled.
- (5) — Price band parameters do not affect execution of crosses and Special Terms trades.

5.7 ~~GENERAL CAPACITY THRESHOLDS TO ACHIEVE PERFORMANCE~~

- (1) Alpha may determine thresholds based on system capacity criteria. Freeze limits are:
 - 1. configurable for each security and are determined at Alpha’s discretion;
 - 2. established by applying a pre-determined price deviation against the most recent independent Alpha trade or another reference price; and
 - 3. breached when an order, if executed, will cause the price of the security to exceed the freeze limit, and produce a temporary suspension of trading on the security.
 - 4. When a security freezes, Alpha staff to assess and determine whether the order will be allowed, and whether to resume trading in the security. While the security is frozen, further order entry is prevented and existing orders cannot be cancelled or modified.
- (2) If a Member or DMA Eligible Client, directly or indirectly, exceeds the threshold, Alpha may take action to mitigate the impact. Bid/Ask limits:
 - 1. are configurable across the market based on the security’s quoted price, and apply automatically to market and better price limit orders; and
 - 2. limit the number of ticks past the best bid price or best ask price an order can trade through.

If an incoming tradable order hits the bid/ask limit and still has volume remaining, the remaining volume is booked at the bid/ask limit.

5.7 ~~5.8 CANCELLATION AND CORRECTION OF TRADES BY ALPHA~~

- (1) Subject to Section 5.9, 5.8, Alpha retains the discretion to cancel and correct executed trades on Alpha that have not yet been submitted by Alpha to the clearing agency clearance and settlement process for the purposes of mitigating

errors made by Alpha in order execution. Cancellation or correction of trades involving orders with regulatory markers (insider or significant shareholder) will be subject to the guidelines set out by Market Regulator or any other applicable regulator.

Commentary: Decisions may require consultation with and instructions by Market Regulator and/or other marketplaces and the counterparties of the trade.

5.8 5.9 ERROR CORRECTIONS REQUESTED BY MEMBER

- (1) A Member, and persons authorized by the Member to do so, may seek to have a trade cancelled or changed. ~~Alpha has implemented processes for handling these requests, and has implemented price bands to minimize erroneous trades from occurring. Information regarding the price bands will be published so that Members can efficiently manage risks due to erroneous trades.~~
- (2) Trade Cancellations or Amendments at the Opening:
 - (a) *Requests for cancelling trades that occurred at the opening.* Any trade that occurs during the opening can only be cancelled upon consent of both parties to the trade or upon instructions of the Market Regulator. The trader can seek the consent of the party on the other side to cancel the trade, request Alpha to seek consent from the contra-party or can call the Market Regulator who can then instruct Alpha to cancel or correct the trade.
 - (b) *Requests to amend or correct a trade at the opening.* Any request to change the price or increase the volume of a trade that occurs during the opening can only be amended upon consent of both parties to the trade and consent of a representative of the Market Regulator or upon instructions of a representative of the Market Regulator. Any request to decrease the volume of a trade that occurs during the opening can only be amended upon consent of both parties to the trade or upon instructions of the Market Regulator. The trader can seek the consent of the party on the other side to cancel the trade, request Alpha to seek consent from the contra-party or can call the Market Regulator who can then instruct Alpha to cancel or correct the trade.
 - (c) ~~*Impact of hitting the price bands.* Alpha has established price bands for the opening auction. If the COP is outside the price band, then the security will go into delayed opening. Such price bands can be amended from time to time by publication of a notice describing the amended price bands.~~
- (3) Trade Cancellations or Amendments during Continuous Session:
 - a) *Requests for cancelling trades that occurred during the continuous trading session.* Any trade that occurs can only be cancelled upon consent of both parties to the trade or upon instructions of the Market Regulator. The trader can seek the consent of the party on the other side to cancel or correct the trade, request Alpha to seek consent from the contra-party or can call the Market Regulator who can then instruct Alpha to cancel or correct the trade.
 - b) *Requests to amend or correct a trade during the continuous trading session.* Any request to change the price or increase the volume of a trade that occurs during the continuous trading session can only be amended upon consent of both parties to the trade and consent of a representative of the Market Regulator or upon instructions of a representative of the Market Regulator. Any request to decrease the volume of a trade that occurs during the continuous trading session can only be amended upon consent of both parties to the trade or upon instructions of the Market Regulator. The trader can seek the consent of the party on the other side to cancel the trade, request Alpha to seek consent from the contra-party or can call the Market Regulator who can then instruct Alpha to cancel or correct the trade.
 - (c) ~~*Impact of hitting the price bands.* Alpha has established price bands for the continuous trading session. If an order for a security hits a price band parameter, it will be rejected at the price that is outside the price band. Such price bands can be amended from time to time by publication of a notice describing the amended price bands.~~
- (4) ~~Trade Cancellations or Amendments at the Closing Auction~~
 - (a) ~~*Requests for cancelling trades that occurred at the closing.* Any trade that occurs during the closing can only be cancelled upon consent of both parties to the trade or upon instructions of the Market Regulator. The trader can seek the consent of the party on the other side to cancel the trade, request Alpha to seek consent from the contra-party or can call the Market Regulator who can then instruct Alpha to cancel the trade.~~

- (b) ~~Requests to amend or correct a trade at the closing.~~ Any request to change the price or increase the volume of a trade that occurs during the closing can only be amended upon consent of both parties to the trade and consent of a representative of the Market Regulator or upon instructions of a representative of the Market Regulator. Any request to decrease the volume of a trade that occurs during the closing can only be amended upon consent of both parties to the trade or upon instructions of the Market Regulator. The trader can seek the consent of the party on the other side to cancel the trade, request Alpha to seek consent from the contra-party or can call the Market Regulator who can then instruct Alpha to cancel or correct the trade..
- (c) ~~Impact of hitting the price bands.~~ Alpha has established price bands for the closing auction. If the CCP is outside the price band, then the security will go into delayed closing. Such price bands can be amended from time to time by publication of a notice describing the amended price bands
- (4) (5) Requests for trade cancellations or amendments on T+1 and T+2. Members must send requests for trade cancellations or amendments on T+1 or T+2, for trades executed on T, directly to the Clearing Corporation. Alpha cannot process these requests.

Commentary: *Market Regulator time limit.* It is the Member's obligation to promptly contact the Market Regulator if it wants to seek a decision from it regarding whether it will permit a cancellation or amendment. Generally the Market Regulator must be contacted within 30 minutes of the time of the trade.

DIVISION 2 – ORDER ENTRY

5.9 5.10 ORDER TYPES

Dark	A fully hidden order used to manage passive interest within the IntraSpread™ Facility.
Fill Immediate or Kill Cancel (FOKIOC)	An order that is to be filled immediately in full or in part, with the unfilled quantity cancelled.
Fill and/or Kill (FAKFOK)	An order that is to be filled immediately in full, or cancelled.
Good for Day	Order that is valid until it is fully filled or cancelled by the Member or DMA Eligible Client or until the end of the continuous trading session
Good for Extended Day	Order that is valid until it is fully filled or cancelled by the Member or DMA Eligible Client or until the end of the extended trading session
Good till Cancel	Order that remains valid until it is fully filled or is cancelled by the Member or DMA Eligible Client.
Good till Date	Order that is valid until it is fully filled or cancelled by the Member or DMA Eligible Client or until a specified expiry date
Good till Time	Order that is valid until it is fully filled or cancelled by the Member or DMA Eligible Client or until the specified expiry date and time
Inside Match (IM)	Order with a limit price at 50% of the NBBO hat trades with PII orders immediately on entry. Any unfilled balance of an IM order is cancelled. Trades may occur at smaller price increments than the minimum quotation increments contained in UMIR.
Limit on Open (LOO)	A Limit Order that is only available for execution at the opening call.
Limit Order	An order to buy or sell a security at a price equal to, or better than, the specified limit price. An unfilled Limit Order entered during the Pre-Open session will be available for trading in the Continuous Trading session
Market on Close (MOC)	A Market Order participating only in the closing and executing at the CCP. MOC orders do not participate in the continuous trading session. MOC orders can be entered, modified and cancelled any time between 7:00 a.m. and the closing call. Any unfilled part of the order is killed after the Closing Call. Commentary: MOC orders are currently being rejected.

Market on Open (MOO)	A Market Order that is only available for execution at the Opening Call. Any unfilled MOO orders will be killed when the Continuous Trading Session begins.
Market Order	An order to buy or sell a security at the best price available, up to a specified volume. An unfilled Market Order entered during the Pre-Open session, is booked as a Limit Order for trading in the Continuous Trading session at the COP.
Mixed Lot	An order for at least one Board Lot and an Odd Lot.
Odd Lot	An order for less than a Board Lot.
On-Stop	An order that becomes a Market Order or Limit Order if a specified price (the stop price) is reached, or passed.
Passive Only (PO)	The PO order is cancelled at the time of entry if any portion of the order is immediately tradable. PO orders are also cancelled if the order becomes active due to a price change (i.e., a price amendment). Passive Only is also available for TTM orders.
Price Improvement Iceberg (PII)	An SI with a non-disclosed, discretionary limit price expressed in a number of ticks beyond its limit price. The PII can match with IM orders at the price of the IM order, if the price of the IM order is equal to or better than the PII discretionary price.
Seek Dark Liquidity™ (SDL™)	A Fill or Kill/Cancel order that trades with eligible IntraSpread Dark orders and CLOB orders to the extent possible and any residual is cancelled.
Short Sell	An order to sell a security that the seller does not own (either directly, or through an agent or trustee) at the time of the order.
Special Terms	Orders that are not for standard settlement or that have a minimum execution condition.
Standard Iceberg (SI)	A Limit Order that specifies a total size and a disclosed size. Once the disclosed size is executed in full, the new quantity of the disclosed size is released with time priority corresponding to the release time.

5.9.1 5.10.1 PRICE RELATED ORDERS

A "price-related execution condition" means any restrictions that apply to the price at which an order can execute. Alpha supports the following price conditions:

- (a) **Market Order:** Executed at multiple price levels until the volume of the order is satisfied. The unfilled part of the order is converted to a Limit Order at a price equal to the price of the last fill of the order or the ALSP.

Example:

XYZ Security

Bid		Ask	
500 shares	10.00	10.01	500 shares
300 shares	9.99	10.02	200 shares
200 shares	9.98		

A trader enters a Market Order to buy 3000 shares.

After the trades of 500 shares at \$10.01 and 200 shares at \$10.02, the remaining 2300 shares will be booked at \$10.02.

The book for XYZ would look as follows:

XYZ Security

Bid	Ask
2300 shares — 10.02	
500 shares — 10.00	
300 shares — 9.99	
200 shares — 9.98	

(b) **Limit Order:** Executed at the price equal to or better than the specified limit price.

(c) **IM Order:** Upon receipt, it will trigger PII orders for an immediate match. Any unfilled part of the IM order is killed. If there are no matching PII orders, the entire IM order is killed.

Example:

XYZ Security

Bid	Ask
200 shares (1000 reserve) — 3.00 (discretionary 3.20)	4.00 — 200 shares
500 shares — 3.00	

NBBO is 3.00 — 4.00

A trader enters a sell Inside Match order for 100 shares with a specified percentage 80%

The engine assigns a limit of \$3.20 to the IM order

The IM is matched against the PII order and 100 shares will trade at 3.20

The book for XYZ would look as follows:

XYZ Security

Bid	Ask
100 shares (1000 reserve) — 3.00 (discretionary 3.20)	4.00 — 200 shares
500 shares — 3.00	

5.10.2 TRADE SESSION RELATED ORDERS

Some orders are only valid during specific Trading Sessions: MOO, LOO, and MOC.

5.9.2 5.10.3 VOLUME- RELATED ORDERS

These are volume-related execution conditions: ~~FAK~~IOC orders and FOK orders. **Commentary:** A Fill or Kill Order is known in other marketplaces as an Immediate or Cancel Order (IOC).

5.9.3 5.10.4 TIME RELATED ORDERS

These are orders with time-related conditions, which limit the time the unfilled part of the order remains in the order book. (Note that for Good till Cancel Orders, Alpha will automatically cancel the order if it is older than a set number of days determined by Alpha. Currently, Good till Cancel orders are cancelled after 90 days).

5.9.4 5.10.5 ON-STOP ORDERS

An On-Stop order activates once the specified trigger price is equal to or better than the ALSP. A buy On-Stop order triggers a buy order when the ALSP is greater to or equal to the stop price. A sell On-Stop order triggers a sell order when the ALSP is less than or equal to the stop price.

~~On-Stop orders may execute immediately after triggering but before entry in the CLOB (see example below).~~

The trading system will reject an On-Stop order with a Limit price that is not equal to the trigger price.

Commentary: ~~On-Stop orders processed via the Trade Through Management Service of the Alpha Router will support On-Stop Market Orders and On-Stop Limit Orders with a limit price not equal to the trigger price.~~

Example:

XYZ Security

Bid	Ask
500 shares — 10.00	10.04 — 400 shares
200 shares — 9.99	10.0 — 500 shares
300 shares — 9.98	10.06 — 500 shares

ALSP is 10.03.

Trader 1 enters a limit on-stop buy order for 600 shares, with trigger and limit price of 10.05.

A market buy order for 500 shares is entered and executed.

ALSP becomes 10.05 and triggers the on-stop order. The order is immediately executed 400 shares at 10.05 and the remaining 200 shares is booked into the CLOB with a limit price of 10.05

The book for XYZ would look as follows:

XYZ Security

Bid	Ask
200 shares 10.05	10.06 500 shares
500 shares 10.00	
200 shares 9.99	
300 shares 9.98	

5.9.5 5.10.6 SHORT SALE ORDERS

A Short Sell order is an order to sell a security that the seller does not own.

Commentary: Members are responsible for the identification and designation of short sell and short-marking exempt orders.

5.9.6 5.10.7 ICEBERG ORDERS

An SI/iceberg order is a Limit Order containing a total size and a disclosed size. The CLOB displays the disclosed size. Once the displayed size is completely executed, the CLOB will display another order equal to the originally disclosed size and the undisclosed size, or reserve, will be reduced accordingly.

A PII order is an SI order with a hidden, discretionary limit price expressed as a number of ticks beyond its limit price. The PII can match with IM orders at the price of the IM order, if the price of the IM order is equal to or better than the PII discretionary price.

5.9.7 ~~5.10.8~~ SPECIAL TERMS ORDERS

Special Settlement Terms: Orders with settlement terms that differ from the standard settlement terms.

5.9.8 ~~5.10.9~~ MIXED AND ODD LOT ORDERS

A Mixed Lot order is a Market Order or Limit Order for a quantity that is larger than a Board Lot but is not a Board Lot.

An Odd Lot order is a Market Order or Limit Order for a quantity that is less than a Board Lot.

5.10 ~~5.11~~ ACCOUNT TYPES

- (1) The Alpha Systems support order entry for:
- (a) Client accounts;
 - (b) House or principal accounts;
 - (c) Non-client accounts;
 - (d) Options Market Maker;
 - (e) Options Firm;
 - (f) Equity Specialist; and
 - (g) — Orders entered for execution of a Normal Course Issuer Bid (i.e. NCIB).

5.11 ~~5.12~~ CROSSES

- (1) A Member or DMA Eligible Client may report crosses made outside the CLOB subject to any regulatory provisions applicable to the entry of crosses.
- (2) Subject to any regulatory provisions, crosses other than Specialty Price crosses during the Continuous Trading session must be entered at a price that is at or within the ABBO.
- (3) — National Crosses entered during the continuous trading session must be made at a price that is at or within the NBBO.
- (4) — Crosses can be entered at any price during the Extended Trading session provided the Member complies with the Alpha process.

Commentary: Crosses entered during the Extended Trading session at the Closing Price can be entered by the Approved Trader through the Alpha Systems. For crosses at any other price during the Extended Trading Session, Alpha must be in receipt of a completed "Extended Trading Cross Request" Form prior to executing the cross in the Extended Session. This form must be received between 4:15 and 4:50 pm on the day the cross is to be entered. The Extended Session cross will be entered by a representative of Alpha in accordance with the submitted request and confirmed to the client by email. Alpha will confirm that the price of the cross is at or within the NBBO at the time Alpha receives the order. If the price is not at or within the NBBO, the cross will be rejected. Alpha staff will also confirm that the price of the cross would not trade outside a better priced order in the Alpha CLOB at 4 pm. If the cross would in fact trade outside a better priced order in the Alpha book, the cross will be rejected. Alpha will not be responsible for a Member's compliance with applicable securities regulation or rules of a Market Regulator. A Bypass Cross entered in the Extended Trading Session is allowed at any price. As a result, the submission of a completed "Extended Trading Cross Request" Form is not required for crosses marked bypass.

- (3) (5) Bypass Crosses are only allowed on a regular Alpha cross (no BBO check), and are not allowed on SPC Contingent Cross, Internal Cross, National Cross and SST Cross. A bypass Cross is exempt from cross interference, is only allowed on round lots and mixed lots and does not update NLSP.
- (4) (6) Jitney Crosses will reflect the Jitney order designation on both sides of the cross.
- (5) An internal cross is an intentional cross at or between the best bid/ask and between two client accounts of a Member which are managed by the Member as a portfolio manager with discretionary authority and is not subject to interference.

5.12 5.13 SPECIALTY PRICE CROSSES

- (1) A Specialty Price cross is one of the following:

Basis Cross	A cross of at least 80% of the component share weighting of the basket of securities or index participation unit that is the subject of the basis trade. A Member shall report details of the transaction to Alpha and the Market Regulator in the format and at the time required by Alpha and the Market Regulator and such information shall include complete details relating to the calculation of the price of the basis trade and all relevant supporting documentation
Volume-Weighted Average Price (VWAP) Cross	A VWAP trade price based on all trades during the Continuous Trading session. A VWAP trade price calculated on any other basis must be determined in such a manner that the time period for calculating the volume-weighted average price commences after the receipt of the order by the Member and the types of trades to be excluded from the calculation are determined prior to the commencement of the calculation. A Member shall report details of the transaction to Alpha and the Market Regulator in the format and at the time required by Alpha and the Market Regulator.

Basis Cross

A trade whereby a basket of securities or an index participation unit is transacted at prices achieved through the execution of related exchange-traded derivative instruments which may include index futures, index options and index participation units in an amount that will correspond to an equivalent market exposure.

- (2) ~~Specialty Price Crosses may be executed during the Continuous Trading session and the Extended Trading session.~~VWAP Cross

A transaction for the purpose of executing a trade at a volume-weighted average price of a security traded for a continuous period on or during a trading day on Toronto Stock Exchange.

- (3) ~~Specialty Price Crosses will not be reflected in the ALSP and will not be used in the calculation of the ACP.~~Contingent Cross

A trade resulting from a paired order placed by a Member on behalf of a client to execute an order on a security that is contingent on the execution of a second order placed by the same client for an offsetting volume of a related security.

- (4) ~~Specialty Price Crosses must contain the order identifier required by the Market Regulator.~~Special Trading Session (STS Cross)

An STS Cross is a closing price cross resulting from an order placed by a Member on behalf of a client for execution in the Special Trading Session at the last sale price.

5.13 5.14 BYPASS ORDER

- (1) A Bypass Order must be entered as a Limit Order during the Continuous Trading or ~~Extended Trading session~~session.

- (1) ~~(2)~~ The Bypass marker is only allowed on Board Lot orders.

- (2) ~~(3)~~ A Bypass Order only executes against disclosed volume.

Commentary: All Bypass Orders are FOK/ FAK~~IOC~~; as a result all CFO or Cancel instructions with the bypass marker are rejected. It can be used through the Trade Through Service and updates the national last sale price (NLSP) which is the most recent trade of at least a Board Lot on any marketplace, other than a Special Terms trade.

Example 1:

The book for XYZ would look as follows:

XYZ Security

Buy Volume	Bid	Offer	Sell Volume	Non-disclosed/Reserved Volume
500 shares	\$2.00	\$2.50	200 shares	800 shares
		\$2.51	500 shares	
		\$2.53	200 shares	1000 shares

A user enters a Bypass Limit Order to buy 1000 @2.54

The order is validated and accepted by the system

The order is checked against the order book

Three trades occur:

- 200 @2.50
- 500 @2.51
- 200 @2.53

The remaining 100 of the Bypass Order is cancelled (Bypass Order is always FOK or FAK).

ALSP updates to 2.53

Post-Trade:

XYZ Order Book

Buy Volume	Bid	Offer	Sell Volume	Non-disclosed/Reserved Volume
500 shares	\$2.00	\$2.50	200 shares	600 shares
		\$2.53	200 shares	800 shares

Commentary:—UMIR Rule 6.2 Designations and Identifiers, clarifies the responsibility of ensuring that each order in any marketplace has specific identifiers and designations upon entry.

5.14 5.15 CANCEL ON DISCONNECT

- (1) — Orders may be marked Cancel on Disconnect. The Alpha Systems will cancel all orders that are designated Cancel on Disconnect when the user is logged out from the trading system. When the session for the user in question is either disconnected or logged out, no matter whether it is planned or not, executed by the user or not, then any orders marked as cancel on disconnect managed through this session will be cancelled.

Self Trade Management

Cancel on disconnect (COD) is an optional gateway session feature that will restrict order entry capability of specified session bundles and attempt to cancel all entered outstanding open orders per session upon involuntary loss of connectivity between TMX and the client. Once the COD is triggered, the associated session bundle will be blocked and new orders entered will be rejected on the associated order entry port until session is re-opened and re-established upon client requests. All open orders pertaining to the associated session bundle will be cancelled, with the exception of duration orders (i.e. GTC/GTD) and cancellation due to the stock/stock group state (e.g. stock is frozen, stock state is inhibited).

5.15 SELF TRADE MANAGEMENT

- (1) Alpha Self Trade Management is a designation that suppresses trades that occur in the Continuous Trading Session in the CLOB from the public feed, and prevents trades between two Dark orders in the IntraSpread™ facility, where orders on both sides of the trade are from the same Member and contain the same “self trade key” set by the Member.
- (2) Self Trade Management applies only to unintentional trading (e.g. does not apply to intentional crosses).
- (3) The designation is only applicable in Continuous Trading in CLOB and IntraSpread™.
- (4) Self trades that occur in the CLOB Continuous Trading Session are not disseminated on the public trade messages and do not update the last sale price, daily volume and turnover, or other trading statistics.
- (5) The designation is applicable to board lot orders and board lot portion of mixed lot orders.

Commentary: The unique trading key provided by the Member for Self Trade Management is intended for use only on buy and sell orders for accounts that may result in trades where there is no change in beneficial or economic ownership.

5.16 TRADES ON A “WHEN-ISSUED” BASIS~~SELF TRADE PREVENTION~~

- ~~(1) Alpha may post any security to trade on a when issued basis if such security is approved for listing as an Alpha Listed Security prior to the closing of the offering related to such security.~~
- ~~(2) Alpha may trade any OTS on a when issued basis if it is trading on a when issued basis on the marketplace where it has been conditionally listed.~~
- ~~(3) Unless otherwise specified, trades on a when issued basis are subject to all applicable Alpha Requirements relating to trading in an Alpha Listed Security or OTS, notwithstanding that the security has not yet been issued.~~
- ~~(4) All trades on a when issued basis shall be cancelled if the securities subject to such trades will not be listed.~~

5.17 ADVANTAGE GOES WITH SECURITIES SOLD

- ~~(1) Except as provided in section 5.18(2), in all trades of Alpha Listed Securities or OTSs, all entitlements to receive dividends or any other distribution made or right given to holders of that security shall pass with the security and shall belong to the purchaser, unless otherwise provided by Alpha for Alpha Listed Securities or the listing market of the OTS, as applicable, or the parties to the trade by mutual agreement.~~
- ~~(2) In all sales of listed bonds and debentures, all accrued interest shall belong to the seller unless otherwise provided by Alpha for Alpha Listed Securities or the listing market of the bonds or debentures for OTSs, or parties to the trade by mutual agreement.~~
- ~~(3) Claims for dividends, rights or any other benefits to be distributed to holders of record of listed securities on a certain date shall be made in accordance with the procedures established by the Clearing Corporation.~~
- ~~(4) If subscription rights attaching to securities are not claimed by the persons entitled to those rights at least twenty-four hours before the expiration of the time within which trading in respect of such rights may take place on Alpha, a Member holding such rights may, in its discretion, sell or exercise all or any part of such rights, and shall account for such sale or exercise to the person or persons entitled to such rights, but in no case shall a Member be liable for any loss arising through failure to sell or exercise any unclaimed rights.~~

5.18 FOREIGN CURRENCY TRADING

- ~~(1) A report of a cross trade agreed to in a foreign currency shall be converted to Canadian dollars using the mid-market spot rate or 7-day forward exchange rate in effect at the time of the trade, plus or minus 15 basis points.~~
- ~~(2) If the converted price falls between two ticks, trades shall be done at each of the ticks immediately above and below the converted price for the number of shares, which yields the appropriate average price per share.~~
- ~~(3) The Member making the cross shall keep a record of the exchange rate used.~~

Commentary: The cross must be at or within the NBBO when entered.

- (1) An optional feature that prevents two orders from the same broker from executing against each other based on unique trading keys defined by the broker. An active order is rejected instead of trading against a resting order from the same broker with the same unique trading key.

5.17 5.19 UNATTRIBUTED ORDERS

- (1) Members and DMA Eligible Clients may enter orders on an attributed or unattributed basis.

Commentary: When an order is entered in an Alpha order book, the identity of the Member will be disclosed to the trading community for attributed orders and will not be disclosed for unattributed (anonymous) orders.

- (2) Orders with Special Settlement terms must be attributed.

5.18 5.20 ALPHA INTRASPREAD™ FACILITY

- (1) Scope

- (a) Alpha IntraSpread™ facility allows Members to seek order matches without pre-trade transparency. It can also provide price improvement to active orders.
- (b) The IntraSpread™ facility is available to all Members and for all symbols traded on Alpha .
- (c) Order types in the Alpha IntraSpread™ facility include Dark orders and Seek Dark Liquidity™ (SDL™) orders.

- (2) Dark Orders

- (a) The Dark order is a fully hidden order with no pre-trade transparency.

Commentary: Dark orders have no pre-trade transparency as information on Dark orders is not disseminated on any public feeds.

- (b) Dark orders can trade with other Dark orders or with SDL™ orders, but do not trade with CLOB orders.

- (c) Based on the COMP attribute, the Dark order can trade as follows:

- (i) only with incoming SDL™ orders, or
- (ii) only with other Dark orders, or
- (iii) with both SDL™ and Dark orders.

- (d) The price of a Dark order is calculated as an offset of the NBBO by adding the price offset to the national best bid for a buy order and subtracting it from the national best offer for a sell order.

- (i) The price offset is calculated as a percentage of the NBBO:

- (1) A Touch Dark Order will be calculated at 0% of the NBBO (at the BB for a sell order and at the BO for a buy order), or
- (2) A Midpoint Dark Order will be calculated at 50% of the NBBO.;

- (ii) The price of the Dark order can be optionally capped.

- (iii) If relevant side of the NBBO is not set, or the NBBO is locked or crossed, Dark orders will not trade.

- (e) Touch Dark orders:

- (i) trade with incoming Large SDL orders after all visible and iceberg reserve volume in the CLOB at the same price has been exhausted;
- (ii) trade with incoming Small SDL orders after all visible and iceberg reserve volume in the CLOB at the same price has been exhausted and if no visible volume at the same price is available on other markets;

- (iii) do not trade with other Dark orders.
 - (f) Midpoint Dark orders trade with:
 - (i) all incoming SDL orders, regardless of SDL order size;
 - (ii) other Midpoint Dark orders, if COMP attribute of both Dark Orders supports trading against Dark orders.
 - (g) Dark orders must be for a board lot quantity and are day only orders.
 - (h) Dark orders cannot be Iceberg, On-Stop, Inside Match~~IOC~~, FOK, FAK, ~~MOO~~, ~~LOO~~, ~~MOC~~, Special Terms, Bypass, or Passive Only, ~~TTM or ROC~~.
 - (i) Dark orders can be amended for quantity, price offset and price cap, in addition to other standard amendable order attributes.
 - (j) Dark order marked with the MAQ attribute may specify the minimum acceptable number of shares that it will trade against when trading with another Dark order. The MAQ condition does not apply to trades against SDL orders.
 - (k) Dark orders marked with the STM attribute will not trade with a matching STM marked Dark order from the same Member account.
- (3) Seek Dark Liquidity™ (SDL™) Orders
- (a) SDL™ orders trade with eligible Dark orders and transparent orders in the Alpha CLOB while not trading through price levels on other marketplaces.
 - (b) SDL™ Orders can only be entered on behalf of Retail Customers.

Commentary: It is expected that Members have policies and procedures in place in regards to identifying which accounts qualify and supervisory procedures to monitor ongoing compliance. If Alpha deems that a firm is entering SDL™ orders from non-retail clients, it may take appropriate action against the firm in question (i.e. access to IntraSpread).
 - (c) SDL™ orders can be market or limit orders but are treated as ~~FOK~~IOC – they trade with eligible orders to the extent possible, and any residual is cancelled.
 - (d) SDL™ orders must be for a board lot quantity.
 - (e) ~~(i)-~~SDL™ orders cannot be Iceberg, On-Stop, Inside Match, FAK, ~~MOO~~, ~~LOO~~, ~~MOC~~FOK, Special Terms, Bypass, or Passive Only, ~~TTM or ROC~~.
 - (f) SDL™ orders are marked with a Seek Liquidity Type attribute which will determine what type of liquidity the orders will interact with. There are three values for the Seek Liquidity Type attribute:
 - (i) All Dark and Lit: SDL™ orders marked with this attribute value will trade with all eligible Dark and visible orders.
 - (ii) Price Improving Dark Only: SDL™ orders marked with this attribute value will only trade with Dark orders that offer price improvement.
 - (iii) All Dark orders: SDL™ orders marked with this attribute will trade with all eligible Dark orders whether price improvement is offered or not. SDL™ orders marked with this attribute value will not interact with visible orders.
- (4) Eligible Trading Sessions
- (a) Dark orders are accepted in Pre-Open and Continuous Trading sessions (from 7:00am to 4:00pm).
 - (b) Dark orders trade in the Continuous Trading Session but do not participate in opening or closing auctions.

- (c) SDL™ orders are accepted only during the Continuous Trading Session (from 9:30am to 4:00pm)
- (5) Post-trade Transparency
 - (a) IntraSpread™ trades are disseminated on the public data feed in real-time. These trades set the Alpha last sale price (ALSP) and/or the NLSP.
 - (b) Trade prices may have up to three decimal places for prices above \$0.50 and up to four decimal places for prices below \$0.50.
- (6) IntraSpread™ Matching
 - (a) Incoming SDL™ orders trade with eligible resting Dark and CLOB orders in price priority.
 - (b) Within a price level, transparent and Iceberg reserve CLOB volume has priority over Dark orders.
 - (c) Subject to Section 5.23(6)(a) and (b), resting Dark orders are matched with incoming Dark orders and SDL™ orders according to the following allocation priority:
 - (i) Broker preferencing: Dark orders from the same Member have priority, then
 - (ii) Smart size priority: Dark orders with sufficient size to fully fill the incoming order have priority, then
 - (iii) Round-robin priority: Dark orders take turns interacting with the incoming order. Each time a Dark order is inserted, it trades, or its priority is changed through amendment, the order is placed at the bottom of the round-robin priority queue.

Commentary: Unlike in the CLOB, Broker preferencing is observed regardless of whether the order on either side is marked anonymous. ~~In addition, orders designated as Jitney are subject to broker preferencing.~~ Resting CLOB orders are matched with incoming SDL™ orders according to CLOB allocation priority.

DIVISION 3 – TRADING AT THE OPENING~~Pre-Open Session and Opening Auction~~

5.21~~— DISPLAY OF ORDERS~~

- (1) ~~During the pre-opening session, Market Orders and better-priced Limit Orders will be displayed at the COP.~~
- (2) ~~Between the hours of 7:00 a.m. and the Opening Call, CLOB orders will be displayed and the COP and the imbalance are disseminated. During this time the following orders can be entered, modified or cancelled:~~
 - (a) ~~Market Order~~
 - (b) ~~Limit Order~~
 - (c) ~~Order with time conditions~~
 - (d) ~~Market on Open Order~~
 - (e) ~~Limit on Open Order~~
 - (f) ~~Market on Close Order~~
 - (g) ~~On-Stop Order~~
 - (h) ~~Short Sell Order~~
 - (i) ~~Standard and Price Improvement Iceberg Order~~
 - (j) ~~Odd Lot Order~~
 - (k) ~~Mixed Lot Order~~
 - (l) ~~Dark Order~~

5.22 — OPENING CALL

- (1) — The Opening Call for each security will occur at a random time between 9:30:00 a.m. and a time specified by Notice.
- (2) — Each security will open at the COP.

Commentary: The COP is calculated to maximize the traded volume. If there are two prices at which the same volume will trade, the COP is the price that will leave the smallest imbalance. If there is more than one price that satisfies the second rule, then the price that does not leave the better priced order in the book will be the COP. If the imbalances are equal, and no price leaves better priced orders in the book, the price will be the one closest to the previous day's closing price. For the purposes of determining the COP, Market Orders are assigned the worst price on the opposite side of the book, or if that price is not available, the best price of its own side.

- (3) — Orders will be matched at the COP in the following priority:
- (a) — Better-priced Limit and LOO orders trade with offsetting orders entered by the same Member, according to time priority, provided that neither order is an unattributed order; then
 - (b) — Better-priced Limit and LOO orders trade with all other offsetting orders according to time priority; then
 - (c) — Market and MOO Orders trade with offsetting orders entered by the same Member, according to time priority, provided that neither order is an unattributed order; then
 - (d) — Market and MOO Orders trade with all other offsetting orders, according to time priority; then
 - (e) — Limit and LOO Orders at the COP trade with offsetting orders entered by the same Member, according to time priority, provided that neither order is an unattributed order; then
 - (f) — Remaining orders in the Opening Call trade with offsetting orders, according to time priority.

Commentary: Limit Orders and LOO Orders have the same priority. Market Orders and MOO Orders have the same priority.

- (4) — Market Orders that are not completely filled in the Opening Call will be booked in the CLOB as Limit Orders at the COP.
- (5) — Limit Orders that are not completely filled in the Opening Call will be booked in the CLOB at the original limit price.
- (6) — The unfilled balance of any LOO and MOO Order will be cancelled immediately after the opening call.

5.23 — DELAYED OPENINGS

Market and limit priced orders can be entered but will not be executed until 9:30am. The Calculated Opening Price (COP) is calculated, displayed and updated continuously from 7:00am to 9:30am. The COP is determined as the price where the most shares can trade at the price closest to the previous day's closing price. Orders priced more aggressively than the current COP are displayed at the COP price instead of revealing their true limit price. Market priced orders are also displayed at the COP instead of revealing their unconditional market price. Limit orders that were previously booked as good 'till cancelled or good 'thru date also participate. Odd lot orders do not participate in the opening auction. Odd lot orders with a price equal to or better than the opposite side of the first continuous session quote will auto-execute at the price of that quote against the odd lot dealer.

- (1) Alpha may delay the opening of a security for trading on Alpha for the following reasons: Market On Open Allocation
- (a) — Opening Deviation Price Band Validation. If the COP differs from the previous day's ACP (adjusted to the Closing price of the listing marketplace) by an amount greater than the price band parameters set by Alpha and provided to Members by way of a Member Notice, or
 - (b) — Opening Markets Conditions Price Validation. If the COP of an OMC Security is
 - (i) — Lower than each of the NBB, NBO and NLSP by more than the market conditions price variation parameter, or

- (ii) — Higher than each of the NBB, NBO and NLSP by more than the market conditions price variation parameter.
- (c) — Alpha determines that it is appropriate due to market conditions.

Commentary: If a security is listed on both Alpha and another Canadian exchange, the ACP will be based on the closing price of the initial listing marketplace.

Allocation is guaranteed for most orders that are priced at or better than the COP as of 9:30am (with a few exceptions). Undisclosed portions of iceberg orders have the same priority as disclosed portions. The general matching of orders is still performed sequentially with first allocation based on best price/same broker/latest time with the specific rules outlined below

- (2) During a delayed opening, a Member may place new orders and cancel or amend existing orders regarding the security that is subject to the delay. Guaranteed orders

Commentary: With every change in the boo, the COP is recalculated and revalidated using the updated pricing band validation and can move out of the delayed state immediately.

Aggressively priced displayed limit orders that are better than the COP and displayed market priced orders are both guaranteed to trade fully in the opening. Non-displayed portions of these orders will contribute to COP formation but the non-displayed portions are not guaranteed. A guarantee means that the security will not open unless the guaranteed portions of these orders are completely filled. In the event that the guaranteed portions of orders are not filled the security will not open until either more liquidity is provided to offset the guaranteed portions of orders or (after a delay) the guaranteed orders themselves are either removed or price adjusted. All orders not filled during the opening are subsequently booked in the continuous market at their limit price and are then eligible to trade throughout the day in the continuous market.

DIVISION 4 – CONTINUOUS TRADING SESSION

5.19 5.24 ESTABLISHING PRICE AND TIME PRIORITY

- (1) An order, other than a Special Terms order, entered in the CLOB at a particular price will be executed in priority to all orders at inferior prices.
- (2) Except as provided in section 5.28, an order at a particular price, other than a Special Terms order, will be executed prior to any orders at the same price entered subsequently in time, and after all orders at the same price entered previously ('time priority').
- (3) An undisclosed portion of an order does not have time priority until it is disclosed.
- (4) An order loses its time priority if its disclosed volume is increased
- (5) Special Terms orders have no priority in the CLOB.

5.20 5.25 ALLOCATION OF TRADES

- (6) Internal Crosses, unattributed Intentional Crosses and Specialty Price crosses may be entered without interference from orders in the CLOB at that price.
- (7) Intentional attributed crosses will be subject to interference only from attributed orders in the CLOB from the same Member according to time priority.
- (8) A tradable order entered in the CLOB will be executed in the following sequence:
 - (a) against offsetting orders entered in the CLOB by the same Member, according to the time of entry of the offsetting order, provided neither order is an unattributed order; then
 - (b) against offsetting orders in the CLOB according to time priority.

DIVISION 6 – EXTENDED CLOSING SESSION:

5.26 – ADDITIONAL CLOSING CALL

- (1) ~~If the CCP for a security exceeds the price band parameters set by Alpha, an Extended Closing session for the security will follow.~~
- (2) ~~During the Extended Closing session, Market Orders, Limit Orders and MOC orders may be entered, modified and cancelled.~~
- (3) ~~During the Extended Closing session a new CCP will be calculated.~~
- (4) ~~At the end of the Extended Closing session, a Closing call will occur at a random time between 4:10:00 p.m. and 4:10:30 p.m.~~

Commentary: If this new Calculated Closing Price does not exceed the price band parameters, it will become the ACP.

- (5) ~~Orders will be executed in the new Closing Call in the priority listed in section 5.23.~~
- (6) ~~If the new CCP exceeds the price band parameters, Alpha may set a Closing Price within the price band parameters.~~

5.27 **CLOSING PRICE ADJUSTMENT**

- (1) ~~The Alpha Closing Price for all OTSs will be adjusted overnight to reflect the closing on the listing marketplace, which will be the listing marketplace unless otherwise identified by Notice.~~

Commentary: If a security is listed on both Alpha and another Canadian exchange, the ACP will be based on the closing price of the initial listing marketplace.

- (a) **DIVISION 7.5 – EXTENDED TRADING SESSION:** ~~Protect Cancel~~

During the Extended Trading Session, odd lots, board lots and crosses can trade at the ALSP set during the CLOB session. Orders priced at or better than the Last Sale Price are carried forward from CLOB and where those order prices are better than the LSP those orders are eligible to trade in the Extended Trading Session at the LSP.

DIVISION 6 –Order Protection Rule:

The following features are supported by Alpha related to the Order Protection Rule (OPR):

- (a) Directed Action Order (DAO)

The private DAO marker is an implicit or explicit order instruction as defined in NI 23-101. Orders are considered to be DAO by Alpha for all Alpha orders provided directly to the order entry gateway from a Member's system, or if the explicit DAO marker is provided. DAO orders trade or book without any attempt to protect better-priced orders on away markets. The responsibility to prevent trade-throughs for orders considered DAO is assumed by the Member.

- (b) Protect Cancel

~~This order designation is specific to DAO orders sent to Alpha. These orders will execute to the extent possible at the NBBO before cancelling any residual volume that would trade at a worse price than available on another marketplace, or unintentionally lock/cross the market.~~

- (c) ~~(b) Protect Reprice~~

~~This order designation is specific to DAO orders sent to Alpha. These orders will execute to the extent possible at the NBBO before adjusting the price of any residual volume that would trade at a worse price than available on another marketplace or unintentionally lock/cross the market. Orders will be re-priced to one tick from the opposite of the NBBO (NBO-1 for buy orders and NBB+1 for sell orders).~~

5.28 **ELIGIBLE SECURITIES TRADE AT ACP**

- (1) ~~All Alpha Listed Securities and OTSs shall be eligible for trading during the Extended Trading session at the Alpha Closing Price for each security.~~

Commentary: See Section 5.12 for facilitation of Intentional Crosses at any price.

(d) OPR Route Out Service

The OPR Route Out Service provided by TSX Inc. may be used to comply with the Order Protection Rule. Members not prepared to accept the default designation of orders as DAO can have their orders intermediated by the OPR Route Out Service made available through the TSX Smart Order Router. The use of this service, which will route orders to other marketplaces with better priced orders, requires Members to send orders to the TSX SOR through a separate SOR connection.

Order routing is offered as part of the OPR Route Out Service. Members have a choice of two best price compliant routing algorithms to comply with the Order Protection Rule obligation.

Slice and Spray

A single spray of child orders is sent for a simultaneous depth-of-book sweep. Child orders are sized to match visible quotes, hence no interaction with hidden liquidity. Any residual, unfilled portion is posted on preferred marketplace.

Iterative

A sequence of child orders generated and iteratively routed to venue with best price for a top-of-book sweep while fully accessing hidden volume where present, until parent order is filled. Any residual, unfilled portion is posted on preferred marketplace.

PART VI. Lead Market Makers, Market Makers and Odd Lot Dealers

DIVISION 1 – LEAD MARKET MAKERS AND MARKET MAKERSOdd Lot Dealers

6.1 — APPOINTMENT OF LEAD MARKET MAKERS AND MARKET MAKERS

- (1) — ~~Alpha shall appoint a Member as Lead Market Maker for an Alpha Listed Security, and may appoint a Member or Members as a Market Maker for an Alpha Listed Security, each for the term specified in the Lead Market Maker or Market Maker Application Form and Agreement, as applicable.~~

Commentary: ~~It is expected that initially, there will be only one Lead Market Maker for a security and, where appropriate, an additional Market Maker for such security. Not every Alpha Listed Security will be assigned a Market Maker.~~

- (2) — ~~Alpha may appoint a Member as a Market Maker for an OTS for the term specified in the Market Maker Agreement for OTS.~~
- (3) — ~~A Member wishing to be appointed as a Lead Market Maker for a particular Alpha Listed Security or Market Maker for a particular Alpha Listed Security or OTS must apply and agree to the terms of the applicable Lead Market Maker or Market Maker Application Form and Agreement.~~
- (4) — ~~Alpha may~~
- ~~(a) — approve an applicant;~~
 - ~~(b) — defer approval pending receipt of further information concerning the applicant's qualifications to be appointed a Lead Market maker or Market Maker; or~~
 - ~~(c) — refuse the application for such factors it considers relevant.~~
- (5) — ~~A Member whose application is refused may not make another application for a period of 90 days from the date of refusal.~~
- (6) — ~~A Member that is approved as a Lead Market Maker or Market Maker agrees to: (i) maintain its status as a Member of Alpha; and (ii) take all commercially reasonable steps to ensure that it complies with all requirements to act as a Lead Market Maker or Market Maker set out in the Alpha Requirements, as amended from time to time. Where the Lead Market Maker or Market Maker does not comply with such requirements it will immediately advise Alpha of such failure in writing. Such notification will include specific information as to the nature of such failure to comply.~~
- (7) — ~~A Member that is approved as a Lead Market Maker or Market Maker agrees that it has and will continue to have necessary resources, including trained personnel and technology, to allow it to carry out all if its obligations pursuant to the Lead Market Maker or Market Maker Agreement and these Trading Policies.~~

- (8) — ~~Alpha may revoke the Lead Market Maker or Market Maker's appointment as a Lead Market Maker or Market Maker for any or all securities or attach such additional terms or conditions to the Lead Market Maker or Market Maker Agreement as Alpha deems to be necessary, where:~~
- (a) — ~~the Lead Market Maker or Market Maker fails to comply with any term of the Lead Market Maker or Market Maker Agreement, these Trading Policies or if the Lead Market Maker or Market Maker fails to consistently perform at an adequate level to the satisfaction of Alpha (determined in Alpha's sole discretion);~~
 - (b) — ~~Alpha determines, in its sole discretion, that the Lead Market Maker or Market Maker or its officers, employees, directors or agents have violated any applicable Alpha Requirements;~~
 - (c) — ~~Alpha believes, in its sole discretion, that the Lead Market Maker or Market Maker cannot or may not in the future carry out its obligations as a Lead Market Maker or Market Maker under these Trading Policies or the Market Maker Agreement; or~~
 - (d) — ~~Alpha has determined, in its sole discretion, that the Lead Market Maker or Market Maker or its officers, employees, directors or agents have in any way acted in a manner that is detrimental to the interests of Alpha or the public.~~

6.1 6.2 RESPONSIBILITIES OF LEAD MARKET MAKERS AND MARKET MAKERS FOR THEIR ASSIGNED ALPHA LISTED SECURITIES ODD LOT DEALERS

- (1) — ~~A Lead Market Maker or Market Maker for Assigned Alpha Listed Securities must trade for its own account in a sufficient degree to ensure reasonable price continuity and liquidity for the Alpha Listed Securities assigned to it.~~
- (2) — ~~In particular, a Lead Market Maker or Market Maker for an Alpha Listed Security must meet the criteria and requirements established in the applicable Lead Market Maker or Market Maker Agreement, including:~~
- (a) — ~~posting bids and offers on a continuous basis during the continuous trading session at no more than the specified spread agreed upon with Alpha for required time periods;~~
 - (b) — ~~maintaining a minimum quote size during the continuous trading session for required time periods;~~
 - (c) — ~~with respect to the Lead Market Maker, achieving a minimum percentage of volume traded at the opening auction;~~
 - (d) — ~~appointing a Lead Market Maker or Market Maker Approved Trader and back-up acceptable to Alpha;~~
- ~~**Commentary:** The benefits set out in the Lead Market Maker Agreement and Market Maker Agreement will only be applied to the transactions associated with one trader ID (either the Market Maker Approved Trader ID or the back-up trader ID).~~
- (e) — ~~assisting other Members in executing orders for their Assigned Securities;~~
 - (f) — ~~notifying Alpha and the Market Regulator of any perceived violation of Alpha Requirements; and~~
 - (g) — ~~providing Alpha with information concerning trading in their Assigned Securities.~~

~~**Commentary:** Alpha will establish and/or confirm minimum standard criteria on an annual basis. Alpha may also establish by agreement with the Lead Market Maker more stringent criteria than the minimum standards. The applicable criteria and benefits will be set out in the executed Lead Market Maker Agreement.~~

- (3) — ~~A Lead Market Maker must act as the Odd Lot Dealer for its Assigned Alpha Listed Securities.~~
- (4) — ~~Assignments may be made for debt securities listed on Alpha, but not for OTS.~~
- (5) — ~~A Member wishing to be appointed as a Market Maker for Alpha Listed Securities must be willing to be assigned at least 20 securities, unless Alpha consents to a lower number. A Market Maker for an Alpha Listed Security must act as the Odd Lot Dealer for their Assigned Securities if there is no Lead Market Maker.~~

~~**Commentary:** The factors that Alpha may consider in determining whether to approve a Market Maker be assigned less than 20 securities include the size of the dealer, interests of other Market Makers and whether the Lead Market Makers are meeting their criteria.~~

- (6) — A Lead Market Maker or a Market Maker for an Alpha Listed Security must appoint, in writing, a trading officer, director or partner of the Member as its Market Maker Contact.
- (7) — The Lead Market Maker or Market Maker Contact:
- (a) — serves as the primary contact with Alpha, with authority to speak for the Member concerning its activities as a Market Maker; and
 - (b) — manages the Member's market making responsibilities.
- (8) — The Lead Market Maker and Market Maker for Alpha Listed Securities shall implement policies and procedures to monitor the conduct for compliance with these Trading Policies applicable to the Lead Market Maker and changes to such policies.
- (9) — Lead Market Makers and Market Makers for Alpha Listed Securities shall not assign the performance and benefits of their market making and odd lot responsibilities to DMA Eligible Clients or Approved Traders of DMA Eligible Clients.
- (10) — The Lead Market Maker for Alpha Listed Securities who has odd lot responsibilities must accept and honour automatic execution of Odd Lot Orders.

Commentary: Only the Lead Market Maker will have the benefit of UMIR exemptions applicable in the context of "marketplace trading obligations" and be eligible for the market maker discount on regulatory fees.

6.3 — RESPONSIBILITIES OF MARKET MAKERS FOR THEIR ASSIGNED OTHER TRADED SECURITIES

- (1) — A Market Maker for Other Traded Securities must trade for its own account in a sufficient degree to ensure reasonable price continuity and liquidity for the securities assigned to it.
- (2) — In particular, a Market Maker for an Other Traded Security must meet the criteria and any other requirements established in the applicable Market Maker for Other Traded Securities Agreement in order to receive the applicable benefits set out in the Market Maker for Other Traded Securities Agreement, including:
- (a) — trading passively a minimum percentage of trading volume established by Alpha for the continuous trading session;
 - (b) — achieving a daily minimum percentage of volume traded at the opening auction and a maximum opening price deviation from the listing marketplace opening price;
 - (c) — appointing a Market Maker Approved Trader and back-up acceptable to Alpha;
- Commentary:** The benefits set out in the Lead Market Maker Agreement and Market Maker Agreement will only be applied to the transactions associated with one trader ID (either the Market Maker Approved Trader ID or the back-up trader ID).
- (d) — notifying Alpha and the Market Regulator of any perceived violation of Alpha Requirements;
 - (e) — providing Alpha with information concerning trading in their Assigned Securities.
- (3) — A Market Maker for Other Traded Securities must act as the Odd Lot Dealer for their Assigned Securities.

Commentary: Not more than one Market Maker will be appointed as a Market Maker for OTS.

- (4) — A Market Maker must appoint, in writing, a trading officer, director or partner of the Member as its Market Maker Contact.
- (5) — A Member wishing to be appointed as a Market Maker for Other Traded Securities must be willing to be assigned at least 200 securities, unless Alpha consents to a lower number.
- (6) — The Market Maker for Other Traded Securities Contact:
- (a) — serves as the primary contact with Alpha, with authority to speak for the Member concerning its activities as a Market Maker; and

(b) — manages the Member's market making responsibilities.

(7) — The Market Maker for Other Traded Securities shall implement policies and procedures to monitor the conduct for compliance with these Trading Policies applicable to the Market Maker and changes to such policies.

(8) — Market Makers for Other Traded Securities may assign the performance of their responsibilities for trading in their Assigned Other Traded Securities to DMA Eligible Clients or Approved Traders of DMA Eligible Clients.

Commentary: Market Makers on Other Traded Securities are not eligible for the market maker discount on regulatory fees relating to their trading in their Assigned OTS. In addition, the UMIR exemptions applicable to "marketplace trading obligations" only apply with respect to the OTS Market Maker's odd lot activities.

(9) — The Market Maker for OTS who has odd lot responsibilities must accept and honour automatic execution of Odd Lot Orders.

6.4 — TERMINATION OF RESPONSIBILITIES DUE TO EVENTS

(1) — A Lead Market Maker or Market Maker's obligations with respect to a right, warrant or similar security terminate 10 business days prior to the expiry date of the security.

(2) — A Lead Market Maker or Market Maker's obligations with respect to a preferred share that has been called for redemption or retraction terminate 10 business days prior to the redemption or retraction date of the security.

(3) — Alpha may suspend or terminate a Lead Market Maker or Market Maker's responsibilities where a corporate action or other unusual circumstance makes it impractical for the Lead Market Maker or Market Maker to carry out its responsibilities.

Commentary: Ordinary market volatility will not be considered to be an "unusual circumstance" for the purposes of this section.

(4) — Alpha may suspend or terminate a Lead Market Maker or Market Maker's obligation to post an offer where

(a) — the Lead Market Maker or Market Maker is not long the security; and

(b) — the Lead Market Maker or Market Maker cannot borrow securities to cover short sales at a reasonable cost.

6.5 — NOTIFICATION

(1) — A Lead Market Maker or Market Maker must give Alpha at least 10 days' prior notice of any change in the Lead Market Maker or Market Maker Contact, the Lead Market Maker or Market Maker Approved Trader or backup, unless circumstances make such prior notice impossible, in which case notice must be given as soon as possible.

(2) — A Lead Market Maker or Market Maker must inform Alpha and the Market Regulator immediately if market conditions in any of its Assigned Securities have changed such that it is not possible for the Market Maker to carry out its responsibilities.

(3) — A Lead Market Maker or Market Maker must give Alpha at least 60 days' prior written notice that it intends to relinquish its responsibilities in an Assigned Security, unless Alpha has consented to a shorter notice period.

6.6 — TRANSITION

Where the Exchange allocates listed securities to an Odd Lot Member, the Odd Lot Member shall be responsible for guaranteeing odd lot bids or offers, through orders generated automatically by the trading system

(1) — Alpha will provide Notice to all Members at least 30 days prior to the end of a Lead Market Maker or Market Maker's term when a Lead Market Maker or Market Maker has given notice under Section 6.5. Inventory of securities traded in odd lots is considered the property and the responsibility of the Odd Lot Member.

(2) — If the Lead Market Maker or Market Maker has not given notice of its intention to terminate its status as a Lead Market Maker (which shall have an initial 3 year term) or Market Maker (which shall have an initial 1 year term), the Assigned Securities will remain with the current Lead Market Maker or Market Maker for successive one year terms after the respective initial term. The Odd Lot Member may assign one or more of its own Approved Trader employee(s) as its Odd Lot Trader(s). The Odd Lot Member may assign the performance of their responsibilities for trading in their

Assigned Securities to DMA Eligible Clients or Approved Traders of DMA Eligible Clients. (The UMIR exemptions applicable to “marketplace trading obligations” only apply with respect to the Market Maker’s odd lot activities.)

- (3) The transfer of an assignment occurs on the date of the assignment to a new Lead Market Maker or Market Maker. Unless otherwise provided by Alpha and as set out in a Notice, the transfer of the assignment will occur 5 business days after Notice of the new appointment. Each Odd Lot Member may be assigned and maintain a number of securities in their odd lot inventory.
- (4) New Members will be invited to apply to participate in odd lot trading of said securities at the discretion of the Exchange.
- (5) If an Odd Lot Member is requested by the Exchange to withdraw from the pool of Odd Lot Members, the Exchange will provide the Odd Lot Member with no less than 6 months notice before the Exchange reassigns the odd lot inventory to another Odd Lot Member or to a new Member.
- (6) If an Odd Lot Member wishes to give up any part of its Odd Lot Inventory, it must give the Exchange not less than 60 days notice of its intention to withdraw its services.
- (7) The method of allocating and/or reallocating odd lot securities between Odd Lot Members will be determined by the Exchange.
- (8) A name change and/or symbol change of an issue will not be considered, for purposes of odd lot inventory allocation, as a new security.

DIVISION 2 – ASSIGNMENT OF SECURITIES AND OTHER MATTERS

6.7 — ASSIGNMENT OF SECURITIES

- (1) ~~Alpha will assign securities to Lead Market Makers and Market Makers at least five business days prior to the effective date of the assignment.~~
 - (2) ~~Alpha may reassign a security if~~
 - (a) ~~the number of Market Makers increases;~~
 - (b) ~~the Market Maker for that security requests a reassignment due to specific circumstances;~~
 - (c) ~~the Market Maker for that security has chosen not to renew its appointment; or~~
 - (d) ~~Alpha withdraws its approval of the Lead Market Maker or Market Maker for that security.~~
 - (3) ~~Any reassignment will be made on a random basis in accordance with Alpha procedures.~~
 - (4) ~~If a reassignment request has been made pursuant to Rule 6.4 and the security cannot be reassigned, the Market Maker will continue to have responsibility for the rest of its one year term, subject to Rule 6(4).~~
- DIVISION 3 – TRADING IN THE ODD LOT BOOK**

6.2 6.8 SESSIONS, DATES AND TIMES FOR ODD LOT ORDERS

- (1) ~~Odd Lot Orders may be entered for trading during the Pre-Open Phase, and Continuous Trading Session, and Extended Trading Session.~~
- (2) ~~Odd Lot Orders may be executed during the Continuous Trading Session and the Extended Trading Session.~~

6.3 6.9 CONTINUOUS TRADING SESSION.

- (1) Incoming Odd Lot Market Orders will auto-execute at the time of order entry, at the National Alpha Best Bid and Offer price (sell orders at the best bid and buy orders at the best offer).
 - (a) ~~If the relevant price is not available in the National Best Bid and Offer, the Odd Lot Market Order will be booked in the Odd Lot Order Book (OLOB) at the National Last Sale Price.~~

(2) Incoming Odd Lot Limit Orders

~~(a) (b) with price equal to or better than the National Alpha Best Bid and Offer will auto-execute at the time of order entry, at the National Best Alpha Bid and Offer price, and~~

~~(b) (c) all other Odd Lot Limit Orders will be booked in the OLOB.~~

~~(a) (3) Odd Lot Limit Orders booked in the OLOB will be executed at the NBBO. Odd Lot limit sell orders will be executed at the National Best Bid price if the limit price is equal to or better than the National Best Bid and Odd Lot limit buy orders will be executed at the National Best offer price if the limit price is equal to or better than the National Best Offer their limit price.~~

~~(a) at each National Last Sale Price-setting trade Odd Lot limit orders booked in the OLOB will be validated against the NBBO.~~

~~(b) when there is an update (i.e. new order or order amend) in the Alpha CLOB Odd Lot limit orders booked in the OLOB will be validated against the NBBO.~~

~~(c) when the Odd Lot limit price is worse than the National Best Bid for sell orders and worse than the National Best Offer for buy orders, than the Odd Lot order will remain in the Odd Lot order book.~~

(3) (4) For Mixed Lot Orders,

(a) the round lot portion will trade in the CLOB using regular CLOB matching mechanism, and

(b) the Odd Lot portion will auto-execute when the last Board Lot of the round lot portion is executed, at the price of the last Board Lot its limit.

Commentary:

Examples:

XYZ Security NBBO

Bid	Ask
200 shares — 10.00	10.05 — 100 shares

NLSP is 10.04

Example 1:

Incoming order to buy 50 @ market will auto-execute at 10.05 (section 6.9(1)(a))

Example 2:

Incoming order to buy 50 @ 10.06 will auto-execute at 10.05 (section 6.9(2)(a))

Example 3:

Incoming order to buy 50 @ 10.03 will be registered in the OLOB — no auto-execution (section 6.9(2)(b))

Example 4:

A new order to buy 100 @ market is entered and 100 shares execute in the CLOB at 10.05. As a result there is now no current National Best Offer price.

An order is entered to buy 50 @ 10.03 and is registered in the OLOB.

A new sell order is entered for 500 shares at \$10.03, 200 shares subsequently execute at \$10.03. As a result the NBBO: \$10.00 — \$10.03 and NLSP: \$10.03).

The odd lot order will auto-execute at 10.03, which is at the National Best Offer (section 6.9(3)(a)).

Example 5:

An order is entered to buy 50 @10.03 and is registered in the OLOB.

A new order to sell 200 @ 10.02 is registered in the Alpha CLOB.

~~The odd lot order will auto-execute at \$10.02, since there was an update to the Alpha CLOB (section 6.9(3)(b))~~

Example 6:

An order is entered to buy 250 @ 10.05.

~~1 trade will execute: 100 shares at 10.05. 100 shares are registered in the CLOB and available for trading and 50 shares hidden. ABBO is now 10.05-10.06~~

~~An order to sell 100 @ market is entered and 100 shares execute at 10.05.~~

~~The 50 hidden shares will now execute at 10.05, since 10.05 is the price at which the last board lot of the original mixed lot order was executed (section d.)~~

Example 7:

An order is entered to buy 50 @10.04 and is registered in the OLOB.

The NLSP is updated to \$10.04

~~No Trade is executed (Section 6.9(3)(c)). Limit Price is outside the National Best Offer.~~

6.4 6.10 OPENING SESSION

- (1) Odd Lot Orders do not participate in the opening auction.
- (2) If trades are executed in the Opening,
 - (A) ~~Odd Lot Market Orders entered in the pre-open lots orders with a price equal to or better than the opposite side of the first continuous session quote will auto-execute at the COP, immediately following the Opening price of that quote against the odd lot dealer.~~
 - (B) ~~Odd Lot Limit Orders with price equal to or better than the will auto-execute at the COP, in accordance with rule 6.9(3), immediately following the Opening.~~
- (3) ~~If no trades are executed in the Opening~~
 - (a) ~~Odd lot market orders entered in the Pre-Open will be booked as the odd lot limit orders at the price equal to the adjusted closing price that is used in the pre-open.~~
- (4) ~~If the last board lot size of a mixed lot order is executed in the Opening, the odd lot part of the mixed lot order will be executed at the COP.~~

6.11 CLOSING SESSION

- (1) ~~Odd Lot orders do not participate in the Closing auction.~~
- (2) ~~If trades are executed in the Closing, odd lot limit orders with price equal to or better than the Alpha Closing Price will auto-execute at the closing price, immediately following the Closing.~~
- (3) ~~If the last board lot size of a mixed lot order is executed in the Closing, the odd lot part of the mixed lot order will be executed at the Alpha Closing Price.~~

6.12 ORDERS BOOKED IN OLOB

- (1) ~~Orders booked in the OLOB are not disseminated on the public data feed.~~

- (2) — Odd-Lot Dealer will receive an auto-execution message for each Odd-Lot trade that it participated in.

Accepted Odd-Lot Orders Market Orders	Non-Accepted Odd-Lot Orders Standard Iceberg Orders
Limit Orders	Price Improvement Iceberg Order
FOK Orders	Inside Match Order
FAK Orders	Specialty Price Cross
On-Stop Orders	MOO
Short Sale	LOO
Special Terms Orders	MOC
Gross (Regular)	
GTx Orders	

DIVISION 4 — ASSESSMENT OF PERFORMANCE OF LEAD MARKET MAKERS AND MARKET MAKERS

6.13 — ASSESSMENT OF PERFORMANCE

- (1) — ~~As set out in the applicable Lead Market Maker or Market Maker Agreement, from time to time and at least quarterly, Alpha will assess the performance of Lead Market Makers or Market Makers.~~
- (2) — ~~On completion of the quarterly assessment of performance, Alpha may, for such factors as it sees fit~~
- ~~(a) — continue the appointment of the Member as a Lead Market Makers or Market Maker in any or all of its Assigned Securities;~~
 - ~~(b) — continue the appointment of the Member as a Lead Market Makers or Market Maker in any or all of its Assigned Securities and impose additional terms and condition; or~~
 - ~~(c) — withdraw approval of the Member as a Lead Market Makers or Market Maker in any or all of its Assigned Securities.~~
- (3) — ~~Alpha may withdraw approval of or impose additional terms and conditions on a Lead Market Maker or Market Maker, its Lead Market Maker or Market Maker Contact, any Lead Market Maker or Market Maker Approved Traders or backups, if Alpha determines that any of these parties has contravened or is contravening any Alpha Requirement or Market Regulator rule.~~

DIVISION 5 — UNFAIR TRADING

6.14 — UNFAIR TRADING IN ODD LOTS

- (1) — ~~Lead Market Makers or Market Makers and Members are responsible to ensure that Odd Lot activity is in compliance with all requirements.~~

Commentary: The following types of activity may be reviewed as an indication of unfair trading:

- ~~1. — Unbundling Round Lots for the purpose of entering Odd Lot orders.~~
- ~~2. — Entering of both buy and sell Odd Lot Limit orders in the same security before one of the orders is executed, for the purpose of capturing the spread in the stock.~~
- ~~3. — Other types of trading activity that is not consistent with traditional Odd Lot investment activity.~~
- ~~4. — Effecting pre-arranged wash sales in Odd Lots, which are trades in which an offer to buy is coupled with an offer to sell back at the same or advanced price (or vice versa).~~

5. ~~Entering orders into the CLOB for the purpose of affecting the execution price of the Odd Lot trades.~~

(2) ~~If Alpha deems a Member is engaging in Odd Lot trading activity that is unfair, Alpha may restrict the Member or suspend the Approved Trader from Odd Lot activity.~~

PART VII. Clearing and Settlement

7.1 CLEARING AND SETTLEMENT

(1) All trades on the Alpha Systems will be reported, confirmed and settled through the Clearing Corporation pursuant to the Clearing Corporation's rules and procedures, unless otherwise authorized or directed by Alpha.

(1) ~~(2)~~ A Member must clear and settle all of their Alpha trades by: self-clearing as a participant of the Clearing Corporation; or maintaining a clearing and settlement arrangement with a carrying broker, custodian or other institution that is a participant of the Clearing Corporation.

(2) ~~(3)~~ Except in circumstances where the transaction is settled outside Canada or where the Member and the settlement agent are not participants in the same securities depository, the client or settlement agent shall use the facilities or services of a securities depository for the affirmation and settlement of all depository eligible transactions, including both book entry settlements and certificate based settlements.

(3) ~~(4)~~ A Member shall provide a client, by electronic, facsimile or physical means, a confirmation as soon as possible on the next business day following execution, with respect to the execution of any order, in whole or in part, for the purchase or delivery of securities where payment for or delivery of the securities is to be made to or by a settlement agent of the client, and shall indicate that the trade occurred on Alpha.

(4) ~~(5)~~ Members shall obtain agreement from their clients that the client will provide instructions with respect to the receipt or delivery of the securities to the settlement agent promptly upon receipt by the client of the confirmation referred to in Section 7.1(4) and that the client will ensure that its settlement agent affirms the transaction in accordance with National Instrument 24-101.

7.2 SETTLEMENT OF ALPHA TRADES

(1) Unless otherwise provided by the parties to the trade by mutual agreement, trades of ~~OTS~~securities on Alpha must settle on the date fixed for settlement by the exchange on which the security is listed.

~~7.3~~ SETTLEMENT OF ALPHA TRADES OF ALPHA LISTED SECURITIES

~~(1) Unless otherwise provided by Alpha or the parties to the trade by mutual agreement, trades of Alpha Listed Securities on Alpha must settle on the third settlement day following the trade.~~

~~(2) Notwithstanding Section 7.3(1), unless otherwise provided by Alpha or the parties to the trade by mutual agreement:~~

~~(a) trades on a when issued basis made on Alpha Listed Securities:~~

~~(i) prior to the second trading day before the anticipated date of issue of the security must settle on the anticipated date of issue of such security, and~~

~~(ii) on or after the second trading day before the anticipated date of issue of the security must settle on the third settlement day after the trade date,~~

~~provided if the security has not been issued on the date for settlement such trades shall settle on the date that the security is actually issued and provided that if the security will not be issued all trades made on a when issued basis will be cancelled;~~

~~(b) trades for rights, warrants and instalment receipts made on Alpha Listed Securities:~~

~~(i) on the third trading day before the expiry or payment date must settle on the settlement day before the expiry or payment date;~~

~~(ii) on the second and first trading day before the expiry or payment date, must be made as cash trades for next day settlement, and~~

- ~~(iii) — on expiry or payment date must be made as cash trades for immediate settlement and trading will cease at 12:00 noon (unless the expiry or payment time is set prior to the close of business, in which case trading will cease at the close of business on the trading day preceding the expiry or payment); and~~
 - ~~(iv) — selling Members must have the securities that are being sold in their possession or credited to the selling account's position prior to such sale;~~
 - ~~(c) — cash trades on Alpha Listed Securities for next day delivery must be settled through the facilities of the Clearing Corporation on the first settlement cycle following the date of the trade or, if applicable, over-the-counter, by noon of the first settlement day following the trade; and~~
 - ~~(d) — cash trades on Alpha Listed Securities for same day settlement must be settled by over-the-counter delivery no later than 2:00 p.m. on the trade day.~~
- ~~(3) — Notwithstanding Section 7.3(1), a trade on Alpha may specify delayed delivery, which gives the seller the option to deliver at any time within the period specified in the contract, and, if no time is specified, delivery will be at the option of the seller within thirty days from the date of the trade.~~

7.3 7.4 WHEN SECURITY DISQUALIFIED, SUSPENDED OR NO FAIR MARKET

- (1) Alpha may postpone the time for delivery on Alpha trades if:
 - (a) the security is delisted;
 - (b) trading is suspended in the security; or
 - (c) Alpha is of the opinion that there is not a fair market in the security.
- (2) If Alpha is of the opinion that a fair market in the security is not likely to exist, Alpha may provide that trades on Alpha be settled by payment of a fair settlement price and if the parties to an Trading Contract cannot agree on the amount, Alpha may at its discretion fix the fair settlement price after providing each party with an opportunity to be heard.

7.4 7.5 FAILED TRADES IN RIGHTS, WARRANTS AND INSTALMENT RECEIPTS

- (1) Should fail positions in rights, warrants or instalment receipts exist on the expiry or payment date, purchasing Members have the option of demanding delivery of the securities into which the rights, warrants or instalment receipts are exercisable, any additional subscription privilege, and any subscription fee payable to a Member, that may be available, such demand shall be made before 4:00 p.m. on the expiry date.
- (2) Where a demand has been made in accordance with Section 7.3(2), payment by purchasing Members for:
 - (a) the rights, warrants or instalment receipts shall be in accordance with normal settlement procedures, but delivery of the rights, warrants or instalment receipts, as the case may be, is not required; and
 - (b) the securities into which the rights, warrants or instalment receipts are exercisable and payment for any additional subscription privilege shall be made upon delivery of the securities.
- (3) Where a demand has not been made in accordance with Section 7.3(2), settlement shall be in accordance with normal settlement procedures, but delivery of the rights, warrants or instalment receipts, as the case may be, is not required.

7.5 7.6 DEFAULTERS

- (1) If a Member against which an Alpha trade is closed out under the Clearing Corporation's rules and procedures fails to make payment of the money difference between the contract price and the buy-in price within the time specified, the Member concerned shall become a defaulter, and Notice of such default shall be provided by Alpha to each Member.
- (2) A Member failing to make delivery to the Clearing Corporation of securities and/or a certified cheque within the time limited by the rules governing the Clearing Corporation may be adjudged a defaulter.

7.6 7.7 DELIVERING MEMBER RESPONSIBLE FOR GOOD DELIVERY FORM

- (1) The delivering Member is responsible for the genuineness and complete regularity of the Alpha-Listed~~Traded~~ Security, and a certificate that is not in proper negotiable form shall be replaced forthwith by one which is valid and in prior negotiable form, or by a certified cheque in lieu thereof, if a replacement certificate is not available.
- (2) A Member that has received delivery of a certificate that is not acceptable as good transfer by the transfer agent shall return it to the delivering Member, which shall make delivery of a certificate that is good delivery or of a certified cheque in lieu thereof.

7.7 7.8 DELISTED SECURITIES

- (1) Any open orders on an Alpha-Listed Security or an OTS~~a security~~ that will no longer be listed on its applicable exchange will be cancelled after the end of the Extended Trading Session on the day preceding the delisting.

PART VIII. Order Protection**8.1 IMPLEMENTATION OF THE ORDER PROTECTION RULE (OPR)**

- (1) Alpha will use the Alpha Order Router's Trade Through Management Service to comply with the Order Protection Rule.

8.2 THE TRADE THROUGH MANAGEMENT (TTM) SERVICE

- (1) The TTM Service routes designated orders, in part or in whole, to all Other Marketplaces to meet Alpha marketplace obligations under the Order Protection Rule (NI 23-101) to not trade through visible, immediately accessible better-priced limit orders on any Canadian marketplace.

8.3 DIRECTED ACTION ORDER (DAO)

- (1) An order sent to Alpha that is not designated as TTM will be treated as a DAO.

8.4 PARTICIPATION AND CONNECTIVITY IN OTHER MARKETPLACES**(1) Access to Marketplaces**

- (a) In addition to being a Member of Alpha, the Member have either access or arrangements with other protected marketplaces.
- (b) If the Member has direct access to the Other Marketplace, orders routed away to Other Marketplaces will include the Member's firm ID and trader ID. If the Member does not have direct access to the Other Marketplace, it must have an acceptable arrangement with another Member or participant of the Other Marketplace through which they can place orders. Automated Jitney Service: The Alpha TTM jitney service will be available to TTM members who do not have direct relationship with all marketplaces. Member must sign agreement with a dealer who must be an Alpha Member that has access to all Canadian visible protected marketplaces.
- (c) If the Member/trader ID in Alpha is different from the Other Marketplace, the Member/trader ID on the Other Marketplace must be provided to Alpha. It is assumed that the Member will provide Alpha with any updates to keep this information correct and up-to-date. Similarly, if the Member is using a Sponsored DMA or other acceptable arrangement, then up-to-date details of the arrangement and IDs of both parties shall be made available to Alpha upon request.

(2) Order Routing When a Service is Not Available.

- (a) When the TTM Service has been shut down for any reason during continuous trading, the incoming TTM orders will be rejected back to the Client as Alpha will not be able to route to Other Marketplaces. A notice will be sent to all Members, regulation service providers, Other Marketplaces and any information processor indicating that Alpha will not be routing to Other Marketplaces.

(3) Trading Halts.

- (a) Alpha may disallow the use of its routing services for the routing of an order if a trading halt has been initiated by a regulator ("Regulatory Halt") or a Marketplace ("Non-Regulatory Halt").

- (b) — In circumstances in which Alpha deems it necessary or in other unusual conditions or circumstances impacting the Alpha Order Router Services, Alpha may suspend all routing.
- (c) — When the routing is not suspended, the TTM Service will facilitate order entry during Regulatory Halts and Non-Regulatory Halts on Alpha and/or one or more Other Marketplaces, and will continue to route orders in accordance with its standard functionality outlined in this document; however the following matters should be considered:
 - (i) — The routed order will be processed in accordance with the rules or policies of the Other Marketplace to which it has been routed. This may result in:
 - 1. — The generation of a “rejection” notice where trading is halted on the Other Marketplace to which the order is routed where such Marketplace will not accept orders;
 - 2. — The generation of a “time out” event where the order is routed to an Other Marketplace which accepts and queues orders received and does not acknowledge the order within the “time out” duration. Such queued orders cannot be cancelled or amended utilizing the Order Router.
 - (ii) — The entry of cancellations is permitted during both Regulatory Halts and Non-Regulatory Halts and will be routed to the Marketplace where the order is booked, for action in accordance with that Marketplace’s standard operational processes.
- (4) — Exclusion of a Marketplace and Self Help
 - (a) — Automatic Exclusion of a Marketplace

Alpha will cease routing to an Other Marketplace where (i) the Other Marketplace’s continuous trading session is not operating (ii) and/or no data on orders in its CLOB are available.
 - (b) — Manual Exclusion of a Marketplace and Self Help

A specific Other Marketplace may be excluded based on the following criteria:

 - (i) — The Other Marketplace is not disseminating order information, is not distributing data in relation to its CLOB in a timely manner or Alpha considers, in its discretion, that such data is not reliable. This covers the case when a system failure or degradation of service occurs at an Other Marketplace during continuous trading at that Other Marketplace.
 - (ii) — The connectivity to the Other Marketplace is lost.
 - (iii) — An Other Marketplace is not responding to orders sent by the Order Router (system failures, slowdowns, etc.). This may include circumstances where the response time to orders routed by Alpha from the Other Marketplaces is too long for it to be practically considered reliable.

Alpha may declare self help in the above instances. Alpha will notify the affected Other Marketplace, Members, any information processors and regulators (i.e. Market Regulator and the OSC) that it has done so and has excluded such Other Marketplace from the TTM Service. After the issue is resolved, Alpha will send out another notification stating self help has been revoked.
 - (c) — Impact of Exclusions
 - (i) — Once an Other Marketplace is excluded manually or automatically from the Order Router Services, no further orders will to be routed to that Marketplace. Any remaining “in-flight” orders (where an order sent by the Order Router has not received an acknowledgment from the Other Marketplace) will be processed in the same manner as they would have been if the exclusion had not occurred.
 - (ii) — Once the event precipitating the Other Marketplace exclusion has ended, Alpha may commence routing to the previously excluded Other Marketplace at its discretion.

8.5 TTM SERVICE

(1) Member's Choice

- (a) A Member relying on Alpha to comply with the OPR will designate each order as a TTM order. Any order that is designated as a TTM order will be eligible for trade-through protection through the TTM Service. For TTM orders, Alpha will be responsible for complying with the requirements applicable to marketplaces under NI 23-101.
- (b) Any order that is not designated as a TTM order will be treated by Alpha as a Directed Action order (DAO) to immediately execute or book on Alpha without checking for better-priced orders on Other Marketplaces. For DAO orders, any requirements regarding order protection under NI 23-101 will be the responsibility of the Member.

(2) TTM Routing Strategy

- (a) The TTM Service simultaneously routes portions of the order to all Other Marketplaces with better-priced orders, up to the original order's limit price. Any residual is sent to Alpha.

Commentary: The TTM Service receives information on the depth of book up to 5 price levels.

(b) The TTM Service will:

- (i) Receive the depth of book made available by each marketplace, then
- (ii) Create a Consolidated Market Feed of the aggregate bid or ask order volume for each price level, then
- (iii) Identify the marketplace which has the best priced order(s) for a particular security and will route the order based on the following criteria: (1) price and (2) volume of shares available. If the same price is available on Alpha and another marketplace, priority is given to Alpha, then
- (iv) Send orders to Other Marketplaces as Fill or Kill (FOK) Bypass Limit orders and will be treated as DAO:
 - 1. If the order is tradable upon receipt by the Other Marketplace, it is immediately executed and any unfilled portion will be killed at the Other Marketplace and sent to Alpha. If there is no unfilled portion of the order resting on Alpha, the TTM will re-initiate the routing strategy (i.e. the TTM will commence routing as of step (a) above).
 - 2. If the order is not tradable upon receipt by the Other Marketplace, the whole order will be killed at the Other Marketplace and sent to Alpha. If there is no unfilled portion of the order resting on Alpha, the TTM will re-initiate the routing strategy (i.e. the TTM will commence routing as of step (a) above).

8.6 EXECUTIONS

- (1) If an order is routed to an Other Marketplace, Alpha may receive an execution response from the Other Marketplace. In the case of an execution (full or partial), an execution message will be sent back by Alpha to the originator of the order.
- (2) An incoming order may result in two different types of executions; those at Alpha and those at Other Marketplaces:
 - (a) The executions at Alpha will be sent to the appropriate clearing agency from Alpha and they will reflect the clearing identifier of the Member for the applicable order.
 - (b) The executions at the Other Marketplaces will be sent to the clearing agency from the Other Marketplace on which the execution occurred and they will reflect the clearing identifier of the originator of the order or its designated clearing agent.
- (3) In both cases, it is assumed that the Member originating the order is able to clear its trades (either directly or through an agent) and the reconciliation is done directly between the Member and the appropriate clearing agency.

PART VIII. ~~PART IX.~~ Application of UMIR

8.1 ~~9.1~~ APPLICATION

- (1) The provisions of UMIR as amended from time to time apply to trading on the Alpha Systems and form part of Alpha Requirements.
- (2) Any investigations and enforcement actions concerning a violation of a provision of UMIR will be conducted by the Market Regulator following the procedures set out in UMIR.

PART IX. ~~PART X.~~ Appeals

9.1 ~~10.1~~ APPEALS OF DECISION

- (1) A Member or any other person adversely affected by a Decision, other than a Decision of the Market Regulator, may appeal such Decision to Alpha's Board of Directors (or a designated committee thereof).

Commentary: Appeals shall be conducted according to the procedures established by the Alpha Board.

- (2) A Member or other person who has appealed a decision pursuant to Subsection (1) may appeal the decision of the Alpha Board by following the arbitration procedures set out in the Member Agreement and/or by appeal to the securities regulatory authority.
- (3) A Member or any other person adversely affected by a Decision of the Market Regulator may appeal such Decision pursuant to the provisions of UMIR.

PART X. ~~PART XI.~~

PART XI. ~~PART XII.~~ Administration

11.1 ~~12.1~~ METHOD OF NOTIFICATIONS

- (1) Unless otherwise specifically provided in any Alpha Requirement, Notice shall be sufficiently given and be reasonably expected to come to the attention of such person if:
 - (a) delivered to the person to whom it is to be given;
 - (b) delivered to the last address of such Person as recorded by Alpha or any recognized self-regulatory organization; or,
 - (c) mailed or sent electronically, including e-mail, to such person.
- (2) Alpha may change the address of any person on the records of Alpha in accordance with any information believed by Alpha to be reliable.
- (3) A Notice delivered in accordance with this policy shall be deemed to have been given when it is sent.
- (4) Alpha will provide Notice of updates to this Trading Policies within 30 days prior to the change and provide the link to the updated or newly added section.

11.2 ~~12.2~~ COMPUTATION OF TIME

- (1) In computing the time when a Notice must be given for the doing of anything or taking any proceeding under any provision of an Alpha Requirement, the date of giving of the Notice or of such event shall be excluded and the date of the meeting, hearing, doing of the act or taking of the proceedings shall be included.
- (2) Where the time limited for a proceeding or the doing of anything under any provision of an Alpha policy or requirement expires, the time so limited extends to and the thing may be done on the next day following.

11.3 ~~12.3~~ **WAIVER OF NOTICE**

- (1) Any Person referred to in Section ~~11.4~~10.1 may waive any Notice required to be given to such person and such waiver, whether given before or after the meeting, hearing or other event of which Notice is required to be given, shall cure any default in giving such Notice.

11.4 ~~12.4~~ **OMISSION OR ERRORS IN GIVING NOTICE**

- (1) The accidental omission to give any Notice to any person or the non-receipt of any Notice by any person or any error in any Notice not affecting the substance thereof shall not invalidate any action or proceeding founded thereon or taken at any hearing held pursuant thereto.

11.5 ~~12.5~~ **WITHDRAWAL OF APPROVAL AND CHANGES IN ALPHA REQUIREMENTS**

- (1) Any Alpha Approval and any Alpha Requirement may at any time be changed, suspended, withdrawn or revoked by Alpha, with 30 days' Notice unless otherwise provided in these Trading Policies, agreements or as required by circumstance subject to the rule approval process of the securities regulatory authorities.
- (2) Each Member and each Approved Trader will comply with such change, suspension, withdrawal or revocation and any Decisions made by Alpha.

~~12.6~~ — **CONTACT INFORMATION**

For information on Member and Market Services please contact:

Manager, Alpha Client Services and Business Operations
Alpha Exchange Inc.
70 York Street, Suite 1501
Toronto ON, M5J 1S9
tradingservices@alpha-group.ca

13.2.2 TSX Inc. – Notice of Withdrawal - Post Only Attribute for Dark Order Types

TSX INC.

NOTICE OF WITHDRAWAL

POST ONLY ATTRIBUTE FOR DARK ORDER TYPES

In accordance with the Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 and the Exhibits thereto (the "Protocol") in Schedule 10 of the Ontario Securities Commission ("OSC") Recognition Order (the "Recognition Order") recognizing Toronto Stock Exchange ("TSX") as an exchange, TSX has withdrawn the Notice of Proposed Changes and Request for Feedback published on July 5, 2012 in relation to Post Only Attribute for Dark Order Types.

13.3 Clearing Agencies

13.3.1 CDCC – Notice of Commission Order – Second Variation to the Temporary Exemption Order

CANADIAN DERIVATIVES CLEARING CORPORATION (CDCC)

SECOND VARIATION TO THE TEMPORARY EXEMPTION ORDER (SECTION 144 OF THE *SECURITIES ACT* (Ontario))

NOTICE OF COMMISSION ORDER

On February 25, 2013 the Commission granted CDCC an order (Second Variation Order) pursuant to section 144 of the *Securities Act* (Ontario) (Act) further varying and restating a temporary exemption order (Temporary Exemption Order) dated February 15, 2011, as varied and restated by the Commission pursuant to section 144 of the Act on February 14, 2012 (First Variation Order). The Temporary Exemption Order exempts CDCC for an interim period from the requirement in subsection 21.2(0.1) of the Act to be recognized as a clearing agency. The Second Variation Order amends the Temporary Exemption Order (as varied and restated by the First Variation Order) by extending CDCC's temporary exemption until the earlier of (i) the date that the Commission renders a final order recognizing CDCC as a clearing agency under subsection 21.2 (0.1) of the Act or exempting it from the requirement to be recognized as a clearing agency under section 147 of the Act and (ii) July 1, 2013. The Second Variation Order also amends the terms and conditions in Schedule "A" to the Temporary Exemption Order.

A copy of the Second Variation Order is published in Chapter 2 of this Bulletin.

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