

The Ontario Securities Commission

# OSC Bulletin

July 10, 2014

Volume 37, Issue 28

(2014), 37 OSCB

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

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Published under the authority of the Commission by:

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Subscriptions are available from Carswell at the price of \$773 per year.

Subscription prices include first class postage to Canadian addresses. Outside Canada, these airmail postage charges apply on a current subscription:

U.S.	\$175
Outside North America	\$400

Single issues of the printed Bulletin are available at \$20 per copy as long as supplies are available.

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# Chapter 1

## Notices / News Releases

### 1.1 Notices

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

#### OSC STAFF NOTICE 11-739 (REVISED)

#### POLICY REFORMULATION TABLE OF CONCORDANCE AND LIST OF NEW INSTRUMENTS

The following revisions have been made to the Table of Concordance and List of New Instruments. A full version of the Table of Concordance and List of New Instruments as of June 30, 2014 has been posted to the OSC Website at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

#### Table of Concordance

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

#### Reformulation

Instrument	Title	Status
	None	

#### New Instruments

Instrument	Title	Status
11-769	Statement of Priorities – Request for Comments Regarding the Statement of Priorities for Financial Year to End March 31, 2015	<i>Published for comment April 3, 2014</i>
91-507	Trade Repositories and Derivatives Data Reporting – Amendments	<i>Commission approval published April 17, 2014</i>
21-101	Marketplace Operation – Amendments	<i>Published for comment April 24, 2014</i>
23-101	Trading Rules – Amendments	<i>Published for comment April 24, 2014</i>
25-201	Guidance for Proxy Advisory Firms	<i>Published for comment April 24, 2014</i>
31-338	Guidance on Dispute Resolution Services – Client Disclosure for Registered Dealers and Advisers that are not Members of a Self-Regulatory Organization	<i>Published May 1, 2014</i>
11-739	Policy Reformulation Table of Concordance and List of New Instruments – Revised	<i>Published May 1, 2014</i>
81-724	Report on Staff's Continuous Disclosure Review of the Fees and Expenses Disclosure by Investment Funds	<i>Published May 8, 2014</i>
23-101	Trading Rules – Amendments	<i>Published for comment May 15, 2014</i>
51-102	Continuous Disclosure Obligations – Amendments	<i>Published for comment May 22, 2014</i>
41-101	General Prospectus Requirements – Amendments	<i>Published for comment May 22, 2014</i>
52-110	Audit Committees – Amendments	<i>Published for comment May 22, 2014</i>

**New Instruments**

<b>Instrument</b>	<b>Title</b>	<b>Status</b>
31-339	Omnibus/Blanket Orders Exempting IIROC and MFDA Registrants from Certain Provisions of NI 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations	<i>Published May 29, 2014</i>
11-327	Extension of Consultation Period – Proposed National Policy 25-201 Guidance for Proxy Advisory Firms	<i>Published June 12, 2014</i>
33-743	Guidance on sales practices, expense allocation and other relevant areas developed from the results of the targeted review of large investment fund managers	<i>Published June 19, 2014</i>
81-102	Mutual Funds – Amendments	<i>Commission approval published June 19, 2014</i>
81-106	Investment Fund Continuous Disclosure – Amendments (tied to 81-102)	<i>Commission approval published June 19, 2014</i>
81-101	Mutual Fund Prospectus Disclosure – Amendments (tied to 81-102)	<i>Commission approval published June 19, 2014</i>
41-101	General Prospectus Requirements – Amendments (tied to 81-102)	<i>Commission approval published June 19, 2014</i>
81-107	Independent Review Committee for Investment Funds – Amendments (tied to 81-102)	<i>Commission approval published June 19, 2014</i>
81-104	Commodity Pools – Amendment (tied to 81-102)	<i>Commission approval published June 19, 2014</i>
31-103	Registration Requirements, Exemptions and Ongoing Registrant Obligations – Amendments (tied to 81-102)	<i>Commission approval published June 19, 2014</i>
11-203	Process for Exemptive Relief Applications in Multiple Jurisdictions – Amendments (tied to 81-102)	<i>Commission approval published June 19, 2014</i>
91-507	Trade Repositories and Derivatives Data Reporting – Amendments	<i>Commission approval published June 26, 2014</i>
11-770	Statement of Priorities for Financial Year to End March 31, 2015	<i>Published June 26, 2014</i>
21-313	Information Processor for Exchange-Traded Securities other than Options	<i>Published June 27, 2014</i>
21-314	Information Processor for Corporate Debt Securities	<i>Published June 27, 2014</i>

For further information, contact:

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

**July 10, 2014**

1.2 Notices of Hearing

1.2.1 Kingship Capital Corporation et al. – s. 8(2)

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

**AND**

**IN THE MATTER OF  
KINGSHIP CAPITAL CORPORATION, 2389401 ONTARIO INC., KENNETH WHITE,  
DAVID HOPPS, STUART MCKINNON and PRO-FINANCIAL ASSET MANAGEMENT INC.**

**NOTICE OF HEARING  
(Subsection 8(2))**

**TAKE NOTICE THAT** the Ontario Securities Commission (the “Commission”) will hold a hearing pursuant to subsection 8(2) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”) at the offices of the Commission at 20 Queen Street West, 17th Floor Hearing Room on Wednesday, July 9, 2014 and Thursday, July 10, 2014, at 10:00 a.m., or as soon thereafter as the hearing can be held;

**AND TAKE NOTICE THAT** the purpose of the hearing is to: (a) consider the Applicants’ request for a *de novo* hearing and review pursuant to subsection 8(2) of the Act of a decision by a Director of the Compliance and Registrant Regulation Branch dated February 10, 2014 to object to the proposed transactions pursuant to section 11.9 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (“NI 31-103”) and section 11.10 of NI 31-103; (b) consider the Applicants’ request for an Order pursuant to subsection 8(2) of the Act approving the proposed transactions and the notices filed by Kingship Capital Corporation and 2389401 Ontario Inc.; and (c) make such other order as the Commission may consider appropriate;

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

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

**DATED** at Toronto, this 3rd day of July, 2014

“Josée Turcotte”  
Acting Secretary to the Commission

1.2.2 Paul Yoannou – ss. 127(1), 127(10)

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

AND

IN THE MATTER OF  
PAUL YOANNOU

NOTICE OF HEARING  
(Subsections 127(1) and 127(10) of the Securities Act)

**TAKE NOTICE THAT** the Ontario Securities Commission (the “Commission”) will hold a hearing pursuant to subsections 127(1) and 127(10) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”), at the offices of the Commission, 20 Queen Street West, 17th Floor, commencing on August 18, 2014 at 10:30 a.m.;

**TO CONSIDER** whether, pursuant to paragraph 1 of subsection 127(10) of the Act, it is in the public interest for the Commission to make an order:

1. against Paul Yoannou (“Yoannou”) that:
  - a. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities by Yoannou cease permanently;
  - b. pursuant to paragraph 2.1 of subsection 127(1) of the Act, acquisition of any securities by Yoannou be prohibited permanently;
  - c. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law shall not apply to Yoannou permanently;
  - d. pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act, Yoannou resign any positions that he holds as a director or officer of any issuer, registrant or investment fund manager;
  - e. pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act, Yoannou be prohibited permanently from becoming or acting as an officer or director of any issuer, registrant or investment fund manager; and
  - f. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Yoannou be prohibited permanently from becoming or acting as a registrant, as an investment fund manager or as a promoter;
2. to make such other order or orders as the Commission considers appropriate;

**BY REASON** of the allegations set out in the Statement of Allegations of Staff of the Commission dated July 3, 2014, and such additional allegations as counsel may advise and the Commission may permit;

**AND TAKE FURTHER NOTICE** that at the hearing on August 18, 2014 at 10:30 a.m., Staff will bring an application to proceed with the matter by written hearing, in accordance with Rule 11 of the Ontario Securities Commission *Rules of Procedure* (2014), 37 OSCB 4168 and section 5.1 of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22, as amended, and any party to the proceeding may make submissions in respect of the application to proceed by written hearing;

**AND TAKE FURTHER NOTICE** that any party to the proceeding may be represented by counsel if that party attends or submits evidence at the hearing;

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

**DATED** at Toronto this 3rd day of July, 2014.

“Josée Turcotte”  
Acting Secretary to the Commission



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

**AND**

**IN THE MATTER OF  
PAUL YOANNOU**

**STATEMENT OF ALLEGATIONS  
OF STAFF OF THE ONTARIO SECURITIES COMMISSION**

Staff of the Ontario Securities Commission ("Staff") allege:

**I. OVERVIEW**

1. On February 1, 2013, Paul Yoannou ("Yoannou") pleaded guilty in the Ontario Court of Justice to 15 counts of fraud over \$5,000, contrary to section 380(1)(a) of the *Criminal Code*, R.S.C., 1985, c. C-46 ("Criminal Code"). Yoannou's guilty plea was accepted by the Court, and he was convicted and sentenced to 6 years in prison.
2. The offences for which Yoannou was convicted arose from transactions, business or a course of conduct related to securities.
3. Staff are seeking an inter-jurisdictional enforcement order reciprocating Yoannou's convictions, pursuant to paragraph 1 of subsection 127(10) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act").
4. The conduct for which Yoannou was sanctioned took place between 2004 and 2011 (the "Material Time").

**II. THE RESPONDENT**

5. Yoannou is a resident of Ontario.
6. During the Material Time, Yoannou was employed as a mutual fund salesperson with Investors Group Financial Services Inc. ("Investors Group").
7. During the Material Time, Yoannou misappropriated approximately \$6,600,000 from one company and 18 individuals. Yoannou solicited investors, who were his clients, to invest in various fraudulent schemes. In exchange for their investments in those schemes, Yoannou provided investors with false promissory notes using Investors Group letterhead.
8. Yoannou did not use investor funds as promised, but instead deposited the monies in bank accounts under his control and for his own benefit.
9. Yoannou's employment with the Investors Group terminated on July 11, 2011 as a result of his misconduct.

**III. THE ONTARIO COURT OF JUSTICE PROCEEDINGS**

**Yoannou Guilty Plea**

10. By Information sworn June 28, 2012, Yoannou was charged with 32 counts of fraud over \$5,000, contrary to section 380(1)(a) of the *Criminal Code* (the "Information").
11. On February 1, 2013, Yoannou pleaded guilty to 15 counts of fraud over \$5,000, being counts 1, 2, 4, 7, 8, 9, 11, 12, 14, 19, 21, 26, 28, 31 and 32 of the Information.

**Yoannou's Sentence**

12. A sentencing hearing was subsequently held on February 28, 2013 before Justice Boivin of the Ontario Court of Justice. Justice Boivin issued oral reasons for sentence and sentenced Yoannou to a term of imprisonment of 6 years.

#### IV. THE MFDA PROCEEDINGS

13. On August 31, 2012, the Mutual Fund Dealers Association of Canada (“MFDA”) issued a Notice of Hearing (“MFDA Notice of Hearing”) concerning Yoannou’s misconduct while employed with the Investors Group, a member of the MFDA, during the Material Time.
14. The MFDA Notice of Hearing contained allegations, which formed the basis of the proceedings against Yoannou before the Ontario Court of Justice, and described the various investment programs (“Investment Programs”) Yoannou promoted, including:
  - i. A Credit Card Program, involving financing of unpaid credit card payments for credit cards issued by the Investors Group. Investments in the credit Card Program would be used to make up shortfalls in monthly payments for Investors Group credit cards. Investors were offered a guaranteed 12% rate of return;
  - ii. A Construction Loan Program, in which Investors Group purportedly sought funds on behalf real estate developers planning construction of condominium buildings in Toronto. Investments in the Construction Loan program served as short-term bridge financing required by the developers prior to commencing construction of the condominium buildings. Investors were offered a 10% return for 90-day loans;
  - iii. The purchase shares of X. Co. Limited, a private corporation whose business was the prevention of credit card fraud for retailers and banks. Yoannou told investors X. Co. Limited was planning to become publicly traded, at which time, its share value would increase substantially, and that Yoannou had personally invested in X. Co. Limited; and
  - iv. A Diamond Trading Program, in which investors were told Yoannou was working with a diamond jeweler seeking to raise funds to purchase diamonds in New York City at a price below market value. Investors were offered a return of 3% to 10% per month for their investment.
15. None of the Investment Programs were legitimate investment opportunities, nor were they known to or approved by the Investors Group.
16. On April 25, 2013, the matter was heard at a disciplinary hearing before a Panel of the MFDA (the “MFDA Panel”). In its Reasons for Decision dated May 8, 2013, the MFDA Panel acknowledged Yoannou’s guilty plea before the Ontario Court of Justice in relation to his misconduct.
17. The MFDA Panel accepted as proven the allegations contained within the MFDA Notice of Hearing, and found that Yoannou misappropriated at least \$6,000,000 from clients and other individuals, contrary to MFDA Rule 2.1.1. The MFDA Panel further found that Yoannou failed to attend an interview to provide a statement and to produce documents and records as requested by the MFDA in the course of their investigation, contrary to section 22.1 of MFDA By-law No. 1.
18. The MFDA Panel ordered a permanent prohibition against Yoannou from conducting securities related business in any capacity over which the MFDA has jurisdiction, pursuant to s. 24.1.1(e) of MFDA By-law No. 1.

#### V. JURISDICTION OF THE ONTARIO SECURITIES COMMISSION

19. Pursuant to paragraph 1 of subsection 127(10) of the Act, Yoannou’s convictions for offences arising from transactions, business or a course of conduct related to securities or derivatives may form the basis for an order in the public interest made under subsection 127(1) of the Act.
20. Staff allege that it is in the public interest to make an order against Yoannou.
21. Staff reserve the right to amend these allegations and to make such further and other allegations as Staff deem fit and the Commission may permit.
22. Staff request that this application be heard by way of a written hearing pursuant to Rules 2.6 and 11 of the Ontario Securities Commission *Rules of Procedure*.

**DATED** at Toronto, this 3rd day of July, 2014.

1.4 Notices from the Office of the Secretary

1.4.1 Howard Rash

**FOR IMMEDIATE RELEASE**  
June 26, 2014

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

**AND**

**IN THE MATTER OF  
HOWARD RASH**

**AND**

**IN THE MATTER OF  
A SETTLEMENT AGREEMENT BETWEEN  
STAFF OF THE ONTARIO SECURITIES COMMISSION  
AND HOWARD RASH**

**TORONTO** – Following a hearing held today, the Commission issued an Order in the above named matter approving the Settlement Agreement reached between Staff of the Commission and Howard Rash.

A copy of the Order dated June 26, 2014 and the Settlement Agreement dated June 19, 2014 are available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
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1.4.2 Steven George Conville

**FOR IMMEDIATE RELEASE**  
July 2, 2014

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

**AND**

**IN THE MATTER OF  
A DECISION OF THE INVESTMENT INDUSTRY  
REGULATORY ORGANIZATION OF CANADA**

**AND**

**IN THE MATTER OF  
STEVEN GEORGE CONVILLE**

**TORONTO** – The Commission issued an Order in the above named matter which provides that the Stay Order is revoked.

A copy of the Order dated June 30, 2014 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
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**1.4.3 Kingship Capital Corporation et al.**

**FOR IMMEDIATE RELEASE  
July 4, 2014**

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

**AND**

**IN THE MATTER OF  
KINGSHIP CAPITAL CORPORATION,  
2389401 ONTARIO INC., KENNETH WHITE,  
DAVID HOPPS, STUART MCKINNON and  
PRO-FINANCIAL ASSET MANAGEMENT INC.**

**TORONTO** – On July 3, 2014, the Commission issued a Notice of Hearing pursuant to subsection 8(2) of the *Securities Act* to consider the Application of Kingship Capital Corporation, 2389401 Ontario Inc., Kenneth White, David Hopps, Stuart McKinnon and Pro-Financial Asset Management Inc. dated March 12, 2014. The hearing will be held on July 9 and 10, 2014 at 10:00 a.m.

A copy of the Notice of Hearing dated July 3, 2014 and the Application dated March 12, 2014 are available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
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**1.4.4 Howard Rash**

**FOR IMMEDIATE RELEASE  
July 7, 2014**

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

**AND**

**IN THE MATTER OF  
HOWARD RASH**

**TORONTO** – The Commission issued an Order in the above named matter which provides that the hearing date scheduled for August 27, 2014 is vacated.

A copy of the Order dated June 26, 2014 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

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

**1.4.5 Paul Yoannou**

**FOR IMMEDIATE RELEASE  
July 8, 2014**

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

**AND**

**IN THE MATTER OF  
PAUL YOANNOU**

**TORONTO** – The Office of the Secretary issued a Notice of Hearing pursuant to subsections 127(1) and 127(10) of the Act on July 3, 2014 setting the matter down to be heard on August 18, 2014 at 10:30 a.m. or as soon thereafter as the hearing can be held in the above named matter. The hearing will be held at the offices of the Commission, 20 Queen Street West, 17th Floor, Toronto.

A copy of the Notice of Hearing dated July 3, 2014 and Statement of Allegations of Staff of the Ontario Securities Commission dated July 3, 2014 are available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOSÉE TURCOTTE  
ACTING SECRETARY

For media inquiries:  
[media\\_inquiries@osc.gov.on.ca](mailto:media_inquiries@osc.gov.on.ca)

Carolyn Shaw-Rimmington  
Manager, Public Affairs  
416-593-2361

Aly Vitunski  
Senior Media Relations Specialist  
416-593-8263

Alison Ford  
Media Relations Specialist  
416-593-8307

For investor inquiries:

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

**1.4.6 Ground Wealth Inc. et al.**

**FOR IMMEDIATE RELEASE  
July 8, 2014**

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

**AND**

**IN THE MATTER OF  
GROUND WEALTH INC., MICHELLE DUNK,  
ADRION SMITH, JOEL WEBSTER, DOUGLAS DEBOER,  
ARMADILLO ENERGY INC.,  
ARMADILLO ENERGY, INC., and  
ARMADILLO ENERGY, LLC  
(aka ARMADILLO ENERGY LLC)**

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

1. the parties shall appear for a status update hearing on July 16, 2014 at 2:00 p.m.; and
2. the April 30 Schedule is suspended pending the status update on July 16, 2014.

A copy of the Order dated July 8, 2014 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOSÉE TURCOTTE  
ACTING SECRETARY

For media inquiries:  
[media\\_inquiries@osc.gov.on.ca](mailto:media_inquiries@osc.gov.on.ca)

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1-877-785-1555 (Toll Free)

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## Chapter 2

# Decisions, Orders and Rulings

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### 2.1 Decisions

#### 2.1.1 Canada Bread Company, Limited – 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).

July 2, 2014

Torys LLP  
79 Wellington St. W. 30th Floor  
Box 2070, TD South Tower  
Toronto, Ontario  
M5K 1N2

Dear Sirs/Mesdames:

**Re: Canada Bread Company, Limited (the Applicant) – application for a decision under the securities legislation of Alberta, Saskatchewan, Ontario, Quebec and Nova Scotia (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 Daniels”  
Deputy Director, Corporate Finance  
Ontario Securities Commission

## 2.1.2 Brookfield Property Partners L.P.

### Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions – limited partnership units of entity created to enable Canadian resident shareholders to defer tax consequences associated with disposition of shares under a take-over bid and subsequent plan of arrangement are exchangeable into and in all material respects the economic equivalent to the issuer's publicly traded units – issuer may include entity's exchangeable limited partnership units when calculating market capitalization for the purposes of using the 25% market capitalization exemption for certain related party transactions – relief granted subject to conditions.

### Applicable Legislative Provisions

Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions, ss. 5.5(a), 5.7(1)(a), 9.1.

July 2, 2014

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  
BROOKFIELD PROPERTY PARTNERS L.P.  
(THE "FILER")

DECISION

### Background

The securities regulatory authority or regulator in the Jurisdiction (the "**Decision Maker**") has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the "**Legislation**") exempting the Filer, pursuant to section 9.1 of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") from the requirements of section 5.4 of MI 61-101 (the "**Formal Valuation Requirement**") and the requirements of section 5.6 of MI 61-101 (the "**Minority Approval Requirement**"), in each case relating to any related party transaction of the Filer entered into indirectly by the Filer through any subsidiary entity (as such term is defined in MI 61-101), if that transaction would qualify for the transaction size exemptions set out in sections 5.5(a) and 5.7(1)(a) of MI 61-101 if the indirect limited partnership interest in the Filer, which is held in the form of non-voting exchangeable limited partnership units (the "**Exchange LP Units**") of Brookfield Office Properties Exchange LP ("**Exchange LP**"), were included in the calculation of the Filer's market capitalization (collectively, the "**Requested Relief**").

The Filer is requesting exemptive relief in connection with the offer dated February 11, 2014 (the "**Offer**") by the Filer, Exchange LP and Brookfield Property Split Corp. (collectively, the "**Offerors**") to purchase any or all of the issued and outstanding common shares (the "**BPO Common Shares**") of Brookfield Office Properties Inc. ("**BPO**") other than BPO Common Shares held by the Offerors and their subsidiaries. Pursuant to the Offer, holders of BPO Common Shares (the "**Shareholders**") were able to elect to receive either US\$20.34 in cash or one (1) non-voting limited partnership unit of the Filer (each, a "**BPY Unit**") for each BPO Common Share that they tendered to the Offer, subject, in each case, to a maximum amount of cash and BPY Units. Canadian Shareholders also had the option of electing to receive Exchange LP Units in lieu of BPY Units pursuant to the Offer. The Offer expired on March 31, 2014, and 34,216,062 Exchange LP Units were issued to Shareholders pursuant to the Offer.

On June 9, 2014, the Offerors and BPO completed a statutory plan of arrangement (the "**Arrangement**") under the *Canada Business Corporations Act* pursuant to which, among other things, the Offerors acquired the remaining BPO Common Shares held by the public following the completion of the Offer. 13,260,336 Exchange LP Units were issued to Shareholders in connection with the Arrangement.



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 Québec.

**Interpretation**

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102 and MI 61-101 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 Bermuda exempted limited partnership that was established on January 3, 2013.
2. The Filer is a reporting issuer, or the equivalent, in each of the provinces and territories of Canada (collectively, the “**Reporting Jurisdictions**”) and is not in default of any requirements under applicable securities legislation or the rules and regulations made pursuant thereto in the Reporting Jurisdictions.
3. The Filer is authorized to issue an unlimited number of general partner units, and an unlimited number of BPY Units. As of June 10, 2014, the Filer has (i) 138,875 general partner units issued and outstanding, all of which are held by the Filer’s general partner, Brookfield Property Partners Limited (“**BPY General Partner**”), and (ii) 230,980,011 BPY Units issued and outstanding, in addition to 47,476,398 BPY Units which are issuable in exchange for Exchange LP Units, and 432,649,105 BPY Units which are issuable in exchange for redeemable-exchangeable limited partnership units of Brookfield Property L.P. (the “**Property Partnership**”, and such units, the “**REUs**”).
4. The BPY Units are listed on the New York Stock Exchange (the “**NYSE**”) and the Toronto Stock Exchange (the “**TSX**”) under the symbols “BPY” and “BPY.UN”, respectively.
5. The BPY Units are non-voting limited partnership units of the Filer. The Filer is controlled by its general partner, the BPY General Partner, a Bermuda company and a wholly-owned subsidiary of Brookfield Asset Management Inc. (“**BAM**”) holding a 0.1% general partnership interest in the Filer.
6. The Filer obtained relief on August 19, 2013 and April 16, 2013, granting the Filer substantially the same relief as the Requested Relief in respect of the REUs.
7. The Filer holds all of the managing general partner units of the Property Partnership (the “**Managing GP Units**”), which represent the Filer’s sole direct investment. As of June 10, 2014, the Managing GP Units represent 34.6% of the total number of units of the Property Partnership and have the same economic attributes as the REUs, save for the redemption right attributable to the REUs.
8. Exchange LP is an Ontario limited partnership that was established on December 16, 2013 solely for the purpose of the Offer.
9. Exchange LP is a reporting issuer, or the equivalent, in each of the Reporting Jurisdictions and is not in default of any requirements under applicable securities legislation or the rules and regulations made pursuant thereto in the Reporting Jurisdictions.
10. Exchange LP is authorized to issue an unlimited number of general partner units, an unlimited number of class A limited partnership units and an unlimited number of Exchange LP Units. As of June 10, 2014, Exchange LP has (i) 4 general partner units issued and outstanding, all of which are held by its general partner, BOP Exchange GP ULC (“**GP ULC**”), (ii) 6,545,255 class A limited partnership units issued and outstanding, all of which are held by Brookfield Property Split Corp., and (iii) 47,476,398 Exchange LP Units issued and outstanding.
11. The Exchange LP Units are not, and there are no plans for the Exchange LP Units to be, listed on the TSX, the NYSE, or other any stock exchange. The Exchange LP Units are not transferrable, except on the death of a holder of such units.

12. The Exchange LP Units are non-voting exchangeable limited partnership units of Exchange LP. Exchange LP is controlled by its general partner, GP ULC, an Alberta unlimited liability company and an indirect, wholly-owned subsidiary of the Filer holding a 0.01% interest in Exchange LP.
13. The Exchange LP Units are, in all material respects, economically equivalent to BPY Units on a per unit basis. The Exchange LP Units are, in substance, a proxy for BPY Units that were designed to provide an opportunity for Canadian resident Shareholders to defer the tax consequences of disposing of their BPO Common Shares under the Offer and the Arrangement. Holders of Exchange LP Units (the “**Exchange LP Unitholders**”) will be entitled to receive distributions economically equivalent to the distributions, if any, paid from time to time by the Filer on BPY Units. The declaration date, record date and payment date for distributions on the Exchange LP Units will be the same as that for any corresponding distributions on BPY Units. Subject to their terms and applicable law, the Exchange LP Units are exchangeable at any time on a one-for-one basis, at the option of the Exchange LP Unitholder(s), solely for BPY Units (plus all declared and unpaid distributions outstanding on the Exchange LP Units and all distributions declared on BPY Units that have not yet been declared or paid on the Exchange LP Units at the time of the exchange, if any (the “**Distribution Amount**”)).
14. The detailed terms and conditions of the Exchange LP Units are set out in the amended and restated limited partnership agreement of Exchange LP dated March 19, 2014, which is available on Exchange LP’s profile page at [www.sedar.com](http://www.sedar.com).
15. The Exchange LP Units effectively represent an ownership interest in the Filer rather than Exchange LP.
16. The Exchange LP Units represent part of the equity value of the Filer and, moreover, the economic interests that underlie the Exchange LP Units are based solely upon the assets and operations held directly or indirectly by the operating entities of the Filer as Exchange LP has not carried on any active business since its formation, other than in connection with the Offer and the Arrangement, and there are no plans for Exchange LP to be an operating business.
17. The Filer and Exchange LP entered into a support agreement on March 19, 2014 (the “**Support Agreement**”) which, among other things, ensures that Exchange LP is able to satisfy its obligations to the Exchange LP Unitholders, and which Support Agreement may not, except in limited circumstances, be amended without the approval of the Exchange LP Unitholders.
18. The Support Agreement provides that, without the prior approval of Exchange LP and the Exchange LP Unitholders, the Filer will not distribute additional BPY Units or rights to subscribe therefor or other property or assets to all or substantially all holders of the Filer, change any of the rights, privileges or other terms of BPY Units, or change the then outstanding number of BPY Units into a lesser or greater number, unless the same or an equivalent distribution on, or change to, the Exchange LP Units (or in the rights of the holders thereof) is made simultaneously. In the event of any proposed cash offer, share exchange offer, issuer bid, take-over bid or similar transaction affecting BPY Units, the Filer and Exchange LP will use reasonable best efforts to take all actions necessary or desirable to enable Exchange LP Unitholders to participate in such transaction to the same extent and on an economically equivalent basis as the holders of BPY Units, without discrimination.
19. The Support Agreement also provides that, as long as any outstanding Exchange LP Units are owned by any person or entity other than the Filer or any of its subsidiaries, the Filer will, unless approval to do otherwise is obtained from the Exchange LP Unitholders, remain the direct or indirect beneficial owner of all of the issued and outstanding limited partnership units of Exchange LP.
20. Under the Support Agreement, the Filer may not exercise, and will prevent its affiliates from exercising, any voting rights attached to the Exchange LP Units owned by the Filer or its affiliates on any matter considered at meetings of Exchange LP Unitholders (including any approval sought from such holders in respect of matters arising under the Support Agreement).
21. Subject to applicable law and the exercise by the Filer of its liquidation call right (the “**Liquidation Call Right**”), in the event of the liquidation, dissolution or winding up of Exchange LP or any other distribution of its assets among its holders for the purpose of winding up its affairs, Exchange LP Unitholders will be entitled to receive a liquidation payment from the assets of Exchange LP that will be satisfied by issuance of one (1) BPY Unit plus the Distribution Amount, if any, for each outstanding Exchange LP Unit. The Filer has an overriding Liquidation Call Right, in the event of and notwithstanding a proposed liquidation, dissolution or winding up of Exchange LP, to acquire all but not less than all of the Exchange LP Units then outstanding (other than Exchange LP Units held by the Filer or its subsidiaries) for a purchase price to be satisfied by delivering to the Exchange LP Unitholders one (1) BPY Unit for each Exchange LP Unit purchased plus the Distribution Amount, if any.

22. Commencing on March 24, 2021, Exchange LP will have the right to redeem all of the then outstanding Exchange LP Units for a purchase price equal to one (1) BPY Unit for each outstanding Exchange LP Unit plus the Distribution Amount, if any. This redemption date may be accelerated by the board of directors of GP ULC in the event that: (i) fewer than 5% of the total number of Exchange LP Units issued in connection with the Offer and the Arrangement (other than Exchange LP Units held by the Filer or its subsidiaries and subject to necessary adjustments to the number of units to reflect permitted changes to Exchange LP Units) are outstanding; (ii) (a) any person, firm or corporation acquires more than 90% of the BPY Units in a take-over bid; (b) the unitholders of the Filer approve a liquidation of the Filer; or (c) the Filer sells or disposes of all or substantially all of its assets, and the board of directors of GP ULC determines that it is not reasonably practicable to substantially replicate the terms and conditions of the Exchange LP Units in connection with such transaction and that the redemption of all but not less than all of the outstanding Exchange LP Units is necessary to enable the completion of such transaction; or (iii) any amendment to the *Income Tax Act* (Canada) (the "**Tax Act**") and other applicable provincial income tax laws is made that permits Exchange LP Unitholders who: (a) are resident in Canada; (b) hold their Exchange LP Units as capital property; and (c) deal at arm's length with the Filer or Exchange LP, to exchange their Exchange LP Units without requiring such Exchange LP Unitholders to recognize any gain or loss in respect of such exchange for the purposes of the Tax Act or applicable provincial income tax laws.
23. The Filer has an overriding redemption call right (the "**Redemption Call Right**"), notwithstanding any proposed redemption of the Exchange LP Units by Exchange LP, to acquire all but not less than all of the Exchange LP Units then outstanding (other than Exchange LP Units held by the Filer or its subsidiaries). The purchase price under the Redemption Call Right is satisfied by delivering to the Exchange LP Unitholder one (1) BPY Unit for each Exchange LP Unit purchased plus the Distribution Amount, if any. In the event of the exercise of the Redemption Call Right by the Filer, each Exchange LP Unitholder shall be obligated to sell all the Exchange LP Units held by such holder to the Filer on the redemption date upon payment by the Filer to such holder of the purchase price for such Exchange LP Units.
24. It is anticipated that the Filer will from time to time enter into transactions with certain related parties, including BAM and its affiliates other than the Filer and its related entities, indirectly through the Filer's direct and indirect wholly owned subsidiaries.
25. If Part 5 of MI 61-101 applies to a related party transaction by an issuer and the transaction is not otherwise exempt:
  - (a) the issuer must obtain a formal valuation of the transaction in a form satisfying the requirements of MI 61-101 by an independent valuator; and
  - (b) the issuer must obtain approval of the transaction by disinterested holders of the affected securities of the issuer (together, requirements (a) and (b) are referred to as the "**Minority Protections**").
26. A related party transaction that is subject to MI 61-101 may be exempt from the Minority Protections if at the time the transaction is agreed to, neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the transaction, exceeds 25% of the issuer's market capitalization (the "**Transaction Size Exemption**").
27. It is unclear whether the Filer will be entitled to include the Exchange LP Units in its market capitalization when determining whether it is able to rely on the Transaction Size Exemption available under the Legislation because the definition of "market capitalization" in the Legislation does not contemplate securities of another entity that are exchangeable into equity securities of the issuer.
28. The Exchange LP Units represent part of the equity value of the Filer and are, in all material respects, economically equivalent to the BPY Units. Exchange LP Unitholders will receive BPY Units in exchange for their Exchange LP Units on a one-for-one basis (plus any Distribution Amounts) at their election or, subject to certain conditions described in Representations 21, 22 and 23 above, at the election of Exchange LP or the Filer.
29. If the Exchange LP Units are not included in the market capitalization of the Filer, the equity value of the Filer will be understated by the value of the Exchange LP Unitholders' limited partnership interests in Exchange LP. As a result, related party transactions by the Filer may be subject to the Minority Protections in circumstances where the fair market value of the transactions are effectively less than 25% of the fully diluted market capitalization of the Filer.
30. The inclusion of the Exchange LP Units when determining the Filer's market capitalization is consistent with the logic of including unlisted equity securities of the issuer which are convertible into listed securities of the issuer in determining an issuer's market capitalization in that both are securities that are considered part of the equity value of the issuer whose value is measured on the basis of the listed securities into which they are convertible or exchangeable.

**Decision**

The Decision Maker is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met.

The decision of the Decision Maker under the Legislation is that the Requested Relief is granted provided that:

1. the transaction would qualify for the Transaction Size Exemption contained in the Legislation if the Exchange LP Units were considered an outstanding class of equity securities of the Filer that were convertible into BPY Units;
2. there be no material change to the terms of the Exchange LP Units, including the exchange rights associated therewith, as described above; and
3. any annual information form or equivalent of the Filer that is required to be filed in accordance with applicable securities laws contain the following disclosure, with any immaterial modifications as the context may require:

“Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”) provides a number of circumstances in which a transaction between an issuer and a related party may be subject to valuation and minority approval requirements. An exemption from such requirements is available when the fair market value of the transaction is not more than 25% of the market capitalization of the issuer. Brookfield Property Partners L.P. (“**BPY**”) has been granted exemptive relief from the requirements of MI 61-101 that, subject to certain conditions, permits it to be exempt from the minority approval and valuation requirements for transactions that would have a value of less than 25% of BPY’s market capitalization, if the indirect equity interests in BPY, which are held in the form of: (i) redeemable-exchangeable limited partnership units of Brookfield Property L.P. (the “**Property Partnership**”) and (ii) non-voting exchangeable limited partnership units of Brookfield Office Properties Exchange LP (“**Exchange LP**”), are included in the calculation of BPY’s market capitalization. As a result, the 25% threshold, above which the minority approval and valuation requirements apply, is increased to include the approximately [\_\_\_\_\_] % indirect interests in BPY held in the form of redeemable-exchangeable limited partnership units of the Property Partnership and non-voting exchangeable limited partnership units of Exchange LP.”

“Naizam Kanji”  
Deputy Director, Corporate Finance  
Ontario Securities Commission

### 2.1.3 MGM Energy Corp. – 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:** Re MGM Energy Corp., 2014 ABASC 252

July 2, 2014

Norton Rose Fulbright Canada LLP  
400 – 3rd Avenue SW, Suite 3700  
Calgary, AB T2P 4H2

Attention: Natasha L. Dhillon-Penner

Dear Madam:

**Re: MGM Energy Corp. (the Applicant) – Application for a decision under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador and Northwest Territories (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 and that the Applicant’s status as a reporting issuer is revoked.

“Denise Weeres”  
Manager, Legal, Corporate Finance

**2.1.4 HSBC Global Asset Management (Canada) Limited and Assante Capital Management Ltd.**

**Headnote**

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Section 6.1 of National Instrument 81-101 Mutual Fund Prospectus Disclosure (NI 81-101) – Relief from the requirement to send the fund facts document in s. 3.2(2) of NI 81-101 – A registered dealer, or a fund manager on behalf of a registered dealer, wants relief from the requirement to deliver a fund facts document – The dealer offers pre-authorized investment plans (PAPs); investors that have already invested in the PAP will (i) receive a notice that they will not receive a fund facts document with subsequent purchases unless they request delivery, that they do not have a withdrawal right but continue to have a misrepresentation right, and that they have the right to terminate their plan at any time and (ii) receive an annual notice indicating how to request the fund facts document and that they have a misrepresentation right; new investors will receive the current fund facts document together with notices similar to those sent to prior investors; the relief will terminate on the coming into force of new provisions related to PAPs.

**June 13, 2014**

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

**AND**

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

**AND**

**IN THE MATTER OF  
HSBC GLOBAL ASSET MANAGEMENT (CANADA) LIMITED  
(the Filer)**

**AND**

**IN THE MATTER OF  
ASSANTE CAPITAL MANAGEMENT LTD.  
(the Representative Dealer)**

**DECISION**

**Background**

The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer on behalf of the mutual funds that are or will be managed from time to time by the Filer or by an affiliate or successor of the Filer (the Funds) for a decision under the securities legislation of the Jurisdictions (the Legislation) that the requirement in the Legislation for a dealer to send the latest prospectus filed or required to be filed and any amendment to that prospectus, filed or required to be filed, at the time and manner prescribed by the Legislation (the Prospectus Delivery Requirement) and the requirement in the Legislation to deliver or send the fund facts document (Fund Facts) at the same time and in the same manner as otherwise required for the prospectus (the Fund Facts Delivery Requirement), not apply to any Dealer (as defined below) for purchases of securities of the Funds under a pre-authorized investment plan (each an Investment Plan), including any contracts or arrangements for the purchase of a specified amount of securities of the Funds on a regularly scheduled basis, but not including a Contractual Plan (as defined below) (the Exemption Sought).

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

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

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

### **Interpretation**

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

In this decision, Contractual Plan means a contract or other arrangement for the purchase of securities of a mutual fund by payments over a specified period or by a specified number of payments where the amount deducted from any one of the payments as sales charges is larger than the amount that would have been deducted from that payment for sales charges if deductions had been made from each payment at a constant rate for the duration of the plan.

### **Representations**

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

1. the Filer's head office is located in British Columbia;
2. the Funds are, or will be, reporting issuers in one or more of the Jurisdictions and the Other Jurisdictions;
3. securities of the Funds are, or will be, qualified for sale on a continuous basis under a simplified prospectus;
4. the Filer and its Funds are not in default of securities legislation in any jurisdiction of Canada;
5. securities of each Fund are, or will be, distributed through dealers which may or may not be affiliated with the Filer (individually, each dealer that distributes securities of a Fund managed by the Filer is a Dealer and collectively, the Dealers);
6. each Dealer is, or will be, registered as a dealer in one or more of the Jurisdictions and Other Jurisdictions;
7. securities of the existing Funds may be purchased through the Representative Dealer and/or other Dealers;
8. a Dealer or the Filer may offer an investor the opportunity to invest in a Fund on a regular or periodic basis under an Investment Plan;
9. under the terms of an Investment Plan: an investor instructs a Dealer to accept additional contributions on a pre-determined frequency and/or periodic basis and to apply such contributions on each scheduled investment date to additional investments in specified Funds; the investor authorizes a Dealer to debit a specified account or otherwise makes funds available in the amount of the additional contributions; and an investor may terminate the instructions, or give amended instructions, at any time;
10. an agreement of purchase and sale of mutual fund securities is not binding on the purchaser if a Dealer receives notice of the intention of the purchaser not to be bound by the agreement of purchase and sale within a specified time period (a Withdrawal Right);
11. under an Investment Plan, a Participant may terminate the instructions to the Dealer at any time; there is no agreement of purchase and sale until a scheduled investment date arrives and the instructions have not been terminated; and at this point, the securities are purchased;
12. under NI 81-101, a simplified prospectus is a prospectus for the purposes of the Legislation and so the requirement under the Legislation to deliver or send a prospectus of a mutual fund to a person or company is satisfied by delivering or sending a simplified prospectus for the mutual fund;
13. under a passport decision document dated August 26, 2011 and granted by the Ontario Securities Commission (OSC) as principal regulator on behalf of each of the other jurisdictions of Canada, the Filer obtained exemptive relief to permit Dealers who sell securities of the Funds to deliver or send the most recently filed Fund Facts to satisfy the Prospectus Delivery Requirement;
14. an investor who establishes an Investment Plan (a Participant) will therefore receive a copy of the latest simplified prospectus or Fund Facts relating to the relevant securities of the Fund at the time an Investment Plan is established;

15. under the Prospectus Delivery Requirement, a Dealer, not acting as agent of the purchaser, who receives an order or subscription for a security of a Fund offered in a distribution to which the Legislation applies, must, subject to the regulations, send to the purchaser before entering into the written confirmation of the agreement of purchase and sale resulting from the order or subscription, or not later than midnight on the second business day after entering into the agreement, the latest prospectus filed or required to be filed, with respect to the security, and any amendment to that prospectus, filed or required to be filed;
16. currently, the Prospectus Delivery Requirement requires a Dealer, not acting as agent for the applicable investor, to send to all Participants who purchase securities of the Funds under an Investment Plan, the latest simplified prospectus of the applicable Funds at the time the investor enters into the Investment Plan and thereafter, any subsequent simplified prospectus or amendment to such simplified prospectus (a Renewal Prospectus);
17. with the implementation of the amendments to National Instrument 81-101 *Mutual Fund Prospectus Disclosure* (NI 81-101) and consequential amendments as described in *Stage 2 of Point of Sale Disclosure for Mutual Funds – Delivery of Fund Facts* (Stage 2 POS), Dealers must deliver the Fund Facts to all investors, including the Participants, under the Fund Facts Delivery Requirement, effective June 13, 2014;
18. under the Fund Facts Delivery Requirement, a Dealer, not acting as agent of the purchaser, who receives an order or subscription for a security of a Fund offered in a distribution to which the Legislation applies, must, unless it has previously done so, send or deliver to the purchaser the Fund Facts most recently filed at the same time and in the same manner as otherwise required for the prospectus;
19. under NI 81-101, the Prospectus Delivery Requirement does not apply if a Dealer complies with the Fund Facts Delivery Requirement;
20. under the Exemption Sought, Dealers are not able to make use of the exemption described in Representation 19 for subsequent purchases under the Investment Plan because the Fund Facts are delivered or sent only for the initial purchase under the Investment Plan;
21. under BC Instrument 81-507 *Exemption from prospectus delivery requirement for pre-authorized purchase plans* (BC Blanket Order), the Prospectus Delivery Requirement does not apply for Investment Plans with securityholders in British Columbia, however, the BC Blanket Order is revoked effective June 13, 2014;
22. under a passport decision document dated November 24, 2009 and granted by the OSC as principal regulator on behalf of the Other Jurisdictions, the Filer obtained exemptive relief (PAC Relief) from the Prospectus Delivery Requirement to deliver the Renewal Prospectus of the Funds to Participants in an Investment Plan unless the Participant asks to receive them;
23. the PAC Relief for the Filer terminates one year after the publication in final form of any legislation or rule dealing with the Prospectus Delivery Requirement (the Sunset Clause);
24. the publication of Stage 2 POS on June 13, 2013 results in the Sunset Clause causing the PAC Relief to terminate on June 13, 2014;
25. the proposed amendments to NI 81-101 and consequential amendments as described in *Stage 3 of the Point of Sale Disclosure for Mutual Funds – Point of Sale Delivery of Fund Facts*, and published for comment on March 26, 2014, contemplate an exception from the Fund Facts Delivery Requirement for Investment Plans (Proposed Exception); and
26. until the Canadian Securities Administrators publish final amendments to implement the Proposed Exception, the Filer would like the Investment Plans to continue to operate in the same manner and using the same process as the existing regime under the PAC Relief with the exception of the delivery of a Fund Facts to a Participant instead of a simplified prospectus.

**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:

1. a Dealer or the Filer sends or delivers a one-time notice to current Participants, no later than the next scheduled annual reminder notice required by the Filer's current PAC Relief or the BC Blanket Order, in lieu of receiving a Fund Facts for



any purchase of securities of the Funds made on or after June 13, 2014 under the Investment Plan, advising the current Participants that:

- (a) Participants will not receive the Fund Facts when they purchase securities of the applicable Fund under the Investment Plan unless
    - (i) the Participant requests the Fund Facts; or
    - (ii) the Participant has previously instructed that they want to receive the simplified prospectus, in which case, a Dealer or the Filer will now send or deliver the Fund Facts in lieu of the simplified prospectus;
  - (b) Participants may request the most recently filed Fund Facts by calling a specified toll-free number or by sending a request via mail or e-mail to a specified address or email address;
  - (c) a Dealer or the Filer will send or deliver the most recently filed Fund Facts to any Participant that requests it at no cost to the Participant;
  - (d) the most recently filed Fund Facts may be found either on the SEDAR website or on the Filer's website;
  - (e) Participants will not have a Withdrawal Right in respect of a purchase of securities of any Funds made under an Investment Plan, but they will have the right of action for damages or rescission in the event any Fund Facts or document incorporated by reference into any Renewal Prospectus contains a misrepresentation (a Misrepresentation Right), whether or not they request the Fund Facts; and
  - (f) Participants will continue to have the right to terminate the Investment Plan at any time before a scheduled investment date;
2. a Dealer or the Filer will send or deliver to investors who become Participants and invest in any Funds on or after June 13, 2014 the most recently filed Fund Facts and a one-time notice advising the Participants that:
- (a) Participants will not receive the Fund Facts when they subsequently purchase securities of the applicable Fund under the Investment Plan unless they request the Fund Facts at the time they initially invest in an Investment Plan or subsequently request the Fund Facts by calling a specified toll-free number or by sending a request via mail or e-mail to a specified address or email address;
  - (b) a Dealer or the Filer will send or deliver the most recently filed Fund Facts to any Participant that requests it at no cost to the Participant;
  - (c) the most recently filed Fund Facts may be found either on the SEDAR website or on the Filer's website;
  - (d) Participants will not have a Withdrawal Right in respect of a purchase made under an Investment Plan, other than in respect of the initial purchase and sale, but they will have a Misrepresentation Right, whether or not they request the Fund Facts; and
  - (e) Participants have the right to terminate an Investment Plan at any time before a scheduled investment date; and
3. following either (1) or (2) above, a Dealer or the Filer will advise Participants annually in writing as to how the Participant can request the Fund Facts and that the Participant has a Misrepresentation Right.

The decision will terminate on the effective date following any applicable transition period for any legislation or rule dealing with the Proposed Exception.

“Peter Brady”  
Director, Corporate Finance  
British Columbia Securities Commission

**2.1.5 The Business, Engineering, Science & Technology Discoveries Fund Inc. and B.E.S.T. Investment Counsel Limited**

**Headnote**

One time transfer of assets of labour sponsored investment fund corporation to a non-investment fund operating entity, both advised by the same portfolio adviser, and one time transfer of securities of the non-investment fund operating entity to the labour sponsored investment fund, to implement a merger whereby the labour sponsored investment fund corporation will convert into the non-investment fund operating entity, which will be a venture capital issuer – Costs of the merger borne by the manager, among other conditions – Purchase and sale of securities exempt from the self-dealing prohibitions in paragraphs 13.5(2)(a) and 13.5(2)(b)(iii), National Instrument 31-103 – Registration Requirements and Exemptions and paragraph 4.2(1)4, National Instrument 81-102 – Mutual Funds.

**Applicable Legislative Provisions**

National Instrument 31-103 Registration Requirements and Exemptions, ss. 13.5(2)(a), 13.5(2)(b)(iii), 15.1.  
National Instrument 81-102 Mutual Funds, ss. 4.2(1)4, 19.1.

June 13, 2014

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

**AND**

**IN THE MATTER OF  
THE BUSINESS, ENGINEERING, SCIENCE &  
TECHNOLOGY DISCOVERIES FUND INC.  
(the Fund)**

**AND**

**IN THE MATTER OF  
B.E.S.T. INVESTMENT COUNSEL LIMITED  
(the Filer)**

**DECISION**

**Background**

The Ontario Securities Commission (the “**Commission**”) has received an application from the Filer for a decision pursuant to the securities legislation of Ontario (the “**Legislation**”), for exemptive relief from the following provisions in connection with the Proposed Transaction (as defined below):

- (a) Section 13.5(2)(a) of National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (“**NI 31-103**”), which prohibits

the Filer, as a registered adviser, from knowingly causing an investment portfolio managed by it, including an investment fund for which it acts as an adviser, to purchase a security of an issuer in which a responsible person or associate of a responsible person is a partner, officer or director, unless this fact is disclosed to the client and the written consent of the client to the purchase is obtained before the purchase;

- (b) Section 13.5(2)(b)(iii) of NI 31-103, which prohibits the Filer, as a registered adviser, from knowingly causing an investment portfolio managed by it from purchasing a security from the investment portfolio of an investment fund for which a responsible person acts as an adviser; and
- (c) Section 4.2(1)4 of National Instrument 81-102 – *Mutual Funds* (“**NI 81-102**”), which prohibits a mutual fund from selling a security to a person or company, having fewer than 100 security holders of record, of which a partner, director or officer of the mutual fund or its manager or adviser is a partner, director or officer or security holder;

(collectively, the “**Requested Relief**”).

**Representations**

*The Fund*

1. The Fund is registered as a labour sponsored investment fund corporation (“**LSIF**”) under the *Community Small Business Investment Funds Act* (Ontario) (the “**CSBIFA**”) and thus is a prescribed labour-sponsored venture capital corporation for the purposes of the *Income Tax Act* (Canada) (the “**Tax Act**”).
2. The Fund is technically considered to be a mutual fund under the Legislation but as an LSIF is not subject to certain securities regulatory policies and restrictions which would otherwise govern a public mutual fund.
3. The Fund was incorporated under the laws of Canada on November 21, 1996, and filed its first prospectus to qualify the sale of its Class A shares (the “**Existing Class A Shares**”) on December 31, 1996. The Fund’s Existing Class A Shares were in continuous distribution pursuant to a prospectus that was prepared and filed in accordance with securities legislation annually until the sales of the Existing Class A Shares were halted on December 19, 2008 in connection with the Reorganization (as defined below).

4. The registered office of the Fund is located in Toronto, Ontario.
5. The Filer acts as manager of the Fund pursuant to an amended and restated management agreement dated January 22, 2008 between the Fund and the Filer, as amended.
6. The Filer acts as the portfolio adviser for the Fund pursuant to an amended and restated management advisor agreement dated January 22, 2008 between the Fund and the Filer, as amended.
7. The Filer is a registered portfolio adviser, investment fund manager and exempt market dealer in Ontario pursuant to NI 31-103.
8. The Fund is a reporting issuer in Ontario and is not in default of the Legislation.
9. The Filer is not in default of the Legislation.
10. The authorized capital of the Fund consists of an unlimited number of Class A shares issuable in series, (the "**Class A Shares**"), 25,000 Class B shares, an unlimited number of Class C shares issuable in series (the "**Class C Shares**"), an unlimited number of Class L shares issuable in series (the "**Class L Shares**") and an unlimited number of Class P shares issuable in series. Six series of the Class A Shares have been designated, being Series I, Series II, Series III, Series IV, Series V and Series VI. No series of the Class C Shares has been designated, one series of the Class L Shares has been designated, being Series I, and two series of the Class P Shares have been designated, being Manager Series IPA and Advisor Series IPA.
11. The Fund relied on the prospectus exemption in Section 2.11(b) of National Instrument 45-106 *Prospectus and Registration Exemptions* ("**NI 45-106**") to issue the Class A Shares and Class L Shares in connection with the completion of the Plan of Arrangement (as defined below) pursuant to which the Existing Class A Shares were converted into either Class A Shares or Class L Shares. The one Class B share that is issued and outstanding (the "**Class B Share**") and the two Class P shares that are issued and outstanding (the "**Class P Shares**") were also issued pursuant to a prospectus exemption. There are no Class C Shares issued and outstanding.
12. The Class B Share is held by the Fund's sponsor, the International Federation of Professional and Technical Engineers – Local 164 (the "**Sponsor**"), and the Class P Shares are held by the Filer.
13. In light of the current unfavourable market conditions for LSIFs, which include the phase out of the tax credit programs as well as the continued difficulty in liquidating private company securities, the Fund's shares have not been in continuous distribution to the public since December 19, 2008.
14. The primary objective of the Fund is to achieve long-term capital appreciation for holders of the Class A Shares and Class L Shares by primarily investing in equity and equity-related securities, such as preferred shares and debt obligations which are convertible into equities, of eligible businesses which have the greatest potential for long-term growth. The Fund primarily maintains an investment focus on niche businesses and other companies with a broader market focus and which are capitalizing on innovative uses of engineering, science and technology. The Fund diversifies its portfolio by investing in eligible companies that are in differing stages of development in a variety of high growth potential industries, which, from time to time, may include telecommunications, information technology, computers and life sciences.
15. As a result of adverse market conditions, the Fund found it difficult to exit a sufficient number of venture investments to generate the cash needed to fund anticipated redemption requests in a manner that would be in the best interests of all shareholders. Consequently, the Fund halted both subscriptions and redemptions of the Existing Class A Shares on December 19, 2008 while the board of directors of the Fund explored strategic options for the Fund which resulted in the Plan of Arrangement (as defined below) in light of the liquidity issues the Fund was facing (the "**Reorganization**").
16. The Fund underwent a plan of arrangement effective July 24, 2009 (the "**Plan of Arrangement**"), the purpose of which was to preserve the interests of the holders of the Existing Class A Shares in light of the liquidity issues which had caused the Fund to suspend sales and redemption of such Existing Class A Shares. The Plan of Arrangement was approved by shareholders of the Fund by special resolution at an annual and special meeting of the Fund's shareholders on June 24, 2009.
17. Pursuant to the Plan of Arrangement, each holder of the Fund's Existing Class A Shares received, in accordance with each holder's election or deemed election, new Class A Shares and/or new Class L Shares. The Class A Shares are redeemable at net asset value of the applicable series of shares, and are convertible into the Class L Shares. The Class L Shares are listed on The Canadian Securities Exchange (the "**CSE**") and are not redeemable at the demand of the holder.
18. The Plan of Arrangement also included a three year suspension of redemptions of Class A

- Shares, except in limited circumstances, which commenced on July 24, 2009.
19. The Fund suspended redemptions again on June 24, 2013, as a result of reaching the cap on redemptions as set out in its Articles of Arrangement, which provide that the Fund is not required to redeem Class A Shares having an aggregate redemption price greater than 20% of the net asset value of the Class A Shares as of the end of the prior financial year.
20. On February 3, 2014, the Fund announced the Proposed Transaction (as defined below), and the continued suspension of redemptions of the Class A Shares. The Filer anticipates that, without the Proposed Transaction (as defined below), it might be necessary in the future to suspend the redemptions of the Class A Shares in order to prevent a diminishing asset base as a result of redemptions and the difficulty in issuing new Class A Shares.
21. The Class L Shares are currently trading at a discount to the net asset value for the Class L Shares.
22. Provided that the Class L Shares are listed on a designated stock exchange for the purposes of the Tax Act (which currently includes the CSE), the Class L Shares are generally “qualified investments” under the Tax Act and the regulations thereunder for trusts governed by a registered retirement savings plan (an “RRSP”), registered retirement income fund (an “RRIF”), deferred profit sharing plan (a “DPSP”), registered education savings plan (an “RESP”), registered disability savings plan (an “RDSP”) and tax-free savings account (a “TFSA”), as such terms are defined in the Tax Act (each, a “Registered Plan”).
23. Class A Shares are generally “qualified investments” for a trust governed by an RRSP, RRIF, or a TFSA, provided that at the time the Class A Share is acquired by the trust, (i) the Fund is registered as a “labour sponsored investment fund corporation” under the CSBIFA, and (ii) the Class A Share is not a “prohibited investment” for the trust (as defined for the purposes of the Tax Act).
25. The Limited Partnership became a limited partnership effective on February 21, 2014, the date of the filing of its declaration of limited partnership.
26. The registered office of the Limited Partnership is in Toronto, Ontario.
27. The initial limited partner of the Limited Partnership is Peter Hubenaar (the “Initial Limited Partner”).
28. Other than the one Unit issued to the Initial Limited Partner under a prospectus exemption, no other Units have been issued.
29. The general partner of the Limited Partnership is T1 General Partner LP (the “General Partner”), who will have day-to-day management and investment responsibility for the investee companies held in the Limited Partnership.
30. The General Partner and the Limited Partnership will enter into an investment advisory agreement pursuant to which the Filer will be engaged to (i) provide oversight and advice to the General Partner in respect of the investment activities of the Limited Partnership; (ii) assist the General Partner in the formulation of the investment objectives, restrictions and procedures of the Limited Partnership; and (iii) assist the General Partner in analyzing and evaluating potential investments.
31. The Limited Partnership will not be an investment fund and will not be subject to the CSBIFA.
32. The Limited Partnership’s investment objective will be to provide a return on investment for holders of Units and to provide regular cash distributions. The Limited Partnership’s investment objective and strategies are similar to the current Fund, except that (a) the Fund’s investment objective does not include providing regular cash distributions, (b) the Limited Partnership will not be subject to the requirements and investment restrictions of the CSBIFA and (c) the Limited Partnership will be permitted to use leverage.
33. The Limited Partnership will continue to invest in businesses as a venture capital investor, remaining actively involved in the management of its investee companies. The Limited Partnership will primarily invest in senior debt, preferred shares and debt obligations which are convertible into equities of eligible businesses which have the greatest potential for long term growth, and may also invest in equity and other equity-related securities. The Limited Partnership will be focused on funding rapidly growing Canadian companies by providing them with the capital needed to execute their growth strategies and acquisition plans. Its primary focus will be on companies with

*The Limited Partnership*

24. The Filer is proposing a transaction whereby the assets of the Fund would be purchased by a newly formed Ontario limited partnership, Tier One Capital Limited Partnership (the “Limited Partnership”) in exchange for units of the Limited Partnership (the “Units”) issued to the Fund (the “Proposed Transaction”).

recurring revenue streams in the technology, healthcare and financial services industry. The Limited Partnership will initially focus its investments on companies in the expansion phase of development in mid-to-late stages. In addition, the Limited Partnership may acquire previously issued securities of Portfolio Companies (as defined below) from the holders of such securities. The Limited Partnership will not be subject to any investment restrictions regarding any particular sector, industry or stage of development. The Limited Partnership will be permitted to use leverage up to 50% of its partners' equity as presented on the statement of financial position of the Limited Partnership from time to time.

34. Although the fee structure of the Limited Partnership will differ from that of the Fund, the aggregate quantum of fees payable by the Limited Partnership is not intended to be higher than the aggregate quantum of fees payable by the Fund. The fee structure differs as a result of the differences between the corporate structure of the Fund and the use of the limited partnership vehicle, as well as the fact that as an operating entity, the Limited Partnership will not calculate fees based on a net asset value. The Fund's fee structure includes payment of a management fee, an advisory fee, and a sales and marketing fee based on a percentage of the net asset value of the Fund, a flat monthly fee for accounting and administration services and its operating expenses. The Fund also pays an incentive participation amount to management based on the realized gains and cumulative performance of the Fund once certain performance criteria has been met. The Limited Partnership's fee structure includes a management fee, priority profit allocation and performance allocation as well as payment of its operating expenses. The Limited Partnership's fee structure is intended to better align the interests of management with the interests of the holders of the Units as compared to the Fund because to the extent the net income of the Limited Partnership is insufficient in any year to fully allocate amounts relating to the priority profit allocation and performance allocation for the year to the General Partner, the differential will be carried forward and factored into the allocation of the net income of the Limited Partnership in subsequent years. In addition, as a result of being outside of the CSBIFA, the Limited Partnership is expected by the Filer to have lower operating costs than the Fund.

35. It is intended that the valuation methodology used by the Limited Partnership for the investee companies will be substantially similar to the valuation methodology used by the Fund for its portfolio companies (the "Portfolio **Companies**"), except that the Limited Partnership will not be subject to the valuation requirements under the

CSBIFA. The Limited Partnership will value its portfolio investments on at least a quarterly basis.

- 36. On March 26, 2014, the Limited Partnership applied to list the Units on the CSE (the "**Listing**").
- 37. The Fund expects that the Limited Partnership will become a reporting issuer in Ontario upon completion of the Proposed Transaction and the listing of the Units on the CSE.
- 38. As the Circular (as defined below) included prospectus level disclosure of the Units and the Limited Partnership, the Limited Partnership is relying on the prospectus exemption in Section 2.11(b) of NI 45-106 to distribute the Units.
- 39. Provided the Units are listed on a "designated stock exchange" as defined in the Tax Act (which currently includes the CSE), the Units will generally be "qualified investments" under the Tax Act for trusts governed by a Registered Plan.

*Proposed Transaction*

- 40. Pursuant to the Proposed Transaction, following the sale of all or substantially all of the assets of the Fund, which consist primarily of securities of Portfolio Companies, to the Limited Partnership, the existing Class A Shares and Class L Shares will be redeemed in exchange for the Units and the Fund will be dissolved as soon as reasonably possible.
- 41. Holders of the Class A Shares and the Class L Shares will ultimately receive Units, the value of which are equal to the net asset value of the Class A Shares and Class L Shares held by such shareholder in the Fund.
- 42. The Proposed Transaction will occur at an exchange ratio for Units that is based on the net asset value of the applicable series of shares of the Fund on the valuation day immediately prior to the Effective Date (as defined below) of the transaction.
- 43. At a meeting held on January 31, 2014, the board of directors of the Fund (the "**Board**") unanimously approved the Proposed Transaction.
- 44. At a meeting held on February 3, 2014, the Fund's Independent Review Committee reviewed and considered the Proposed Transaction and concluded, after reasonable enquiry, that the Proposed Transaction achieves a fair and reasonable result for the Fund.
- 45. The Proposed Transaction is a material change for the Fund. A press release announcing the Proposed Transaction and the Meeting (as defined below) was filed and disseminated on February 3, 2014, and the corresponding material

- change report was filed on February 7, 2014. Upon the completion of the Proposed Transaction, a press release announcing the completion of the Proposed Transaction and the ratio by which Units were exchanged for Class A Shares and Class L Shares and the corresponding material change report will be filed and disseminated, as applicable.
46. Under the *Canada Business Corporations Act* (the “CBCA”), the sale of all or substantially all of the assets of the Fund requires the approval of the Fund’s shareholders by special resolution on a class basis.
47. A management proxy circular dated February 24, 2014 describing the Proposed Transaction was mailed to the shareholders of the Fund on March 6, 2014 (the “Circular”). The Circular contained prospectus level disclosure of the Units. The Circular also described the Proposed Transaction, the Limited Partnership, the principal income tax considerations of the Proposed Transaction for the Fund and the Limited Partnership and their shareholders, and the material differences between being a shareholder of a corporation and a security holder of the limited partnership. The Circular also contained an unqualified audit report in respect of the opening statement of financial position of the Limited Partnership.
48. The Circular provided sufficient information about the Proposed Transaction to allow the shareholders of the Fund to make an informed decision about the Proposed Transaction.
49. The Fund’s audited financial statements for the year ended September 30, 2013 were publicly filed and sent to shareholders of the Fund upon request, in accordance with securities legislation.
50. Shareholders of the Fund approved the Proposed Transaction by special resolution at an annual and special meeting of the Fund on March 28, 2014 (the “Meeting”). The special resolution at the Meeting also authorized the amendments to the Fund’s Articles of Arrangement necessary to facilitate the Proposed Transaction.
51. The Fund does not require approval from the CSE for the Proposed Transaction. The Fund will follow any applicable CSE rules and policies to delist the Class L Shares of the Fund.
52. The Proposed Transaction is conditional on the approval of the CSE of the Listing, which approval has been granted subject only to the completion of the Proposed Transaction and the filing of any remaining required documents as set out in the letter of conditional approval issued by the CSE and payment of the balance of the listing fee.
53. Holders of Class A Shares and Class L Shares have dissent rights under the CBCA with respect to the Proposed Transaction, which provide that shareholders who properly exercise their dissent rights will be entitled to be paid the fair value of their shares.
54. The holders of Class A Shares and Class L Shares will have the same proportion of ownership in the Limited Partnership upon the completion of the Proposed Transaction as they did in the Fund prior to the Proposed Transaction.
55. The portfolio assets of the Fund to be acquired by the Limited Partnership as a result of the Proposed Transaction are acceptable to the General Partner and the Filer, as the portfolio manager of the Limited Partnership, and are consistent with the investment objectives of the Limited Partnership.
56. The Proposed Transaction would be executed on a taxable basis, which could give rise to taxable income for shareholders, depending on individual circumstances. However, the tax implications to shareholders of the Proposed Transaction are expected to be minimal due to the small number of Class A Shares and Class L Shares held directly by individuals. The Fund believes that a majority of the Class A Shares and Class L Shares are held by registered plans and that there should be no material tax impact of the Proposed Transaction to registered plans.
57. The Fund has received advance rulings from the Ontario Ministry of Finance (the “**Ministry Ruling**”) with respect to the Proposed Transaction stating that:
- (a) subject to the requirements of the CSBIFA, the wind-up provisions of the CSBIFA will apply to the Fund such that the holders of Class A Shares who have held Class A Shares for less than eight years will not have to effectively repay tax credits (through special taxes) claimed in accordance with the CSBIFA on the original purchase of Class A Shares as a result of the Proposed Transaction;
  - (b) the Fund will not be in contravention of any provision of the CSBIFA by reason only of the Proposed Transaction;
  - (c) the Proposed Transaction will not contravene the spirit and intent of the CSBIFA;
  - (d) the registration of the Fund under the CSBIFA will not be revoked by reason of the Proposed Transaction; and

- (e) the Minister of Finance (Ontario) will not assess any penalty against any person under subsection 18(13) of the CSBIFA by reason of the Proposed Transaction.
58. As a result of the Ministry Ruling, the Filer understands that no provincial and federal tax credit amounts claimed in accordance with the CSBIFA on the original purchase of Class A Shares should be required to be repaid in connection with the Proposed Transaction.
59. All costs and expenses associated with the Proposed Transaction for the Fund and the Limited Partnership will be paid by the Filer. No sales charges, redemption fees or other fees or commissions will be payable by the Fund, the Limited Partnership, shareholders of the Fund or unitholders of the Limited Partnership in connection with the Proposed Transaction.
60. The Proposed Transaction is currently expected to become effective on or about June 24, 2014 (the “**Effective Date**”).
61. The Proposed Transaction is expected to involve the following steps:
- (a) prior to the Effective Date, amendments to the Articles of Arrangement of the Fund will be executed in order to add a redemption procedure to enable the Fund to redeem the Class A Shares and Class L Shares in exchange for Units in order to implement the transfer of the Units by the Fund to the holders of the Class A Shares, and the Class L Shares, respectively;
- (b) prior to the Effective Date, if necessary, the Fund will sell any securities in its portfolio necessary to meet redemption requests from Dissenting Shareholders (as defined below);
- (c) effective as of the close of business on the Effective Date, the Class L Shares of the Fund will be de-listed from the CSE;
- (d) in accordance with the Fund’s valuation policies (as described in further detail in the Circular and the Fund’s annual information form dated December 17, 2013) the value of the Fund’s portfolio and other assets will be determined at the close of business on the valuation day immediately prior to the Effective Date;
- (e) the Fund will purchase for cancellation for fair value the Class A Shares and the Class L Shares held by any shareholders who properly exercise their dissent rights
- under the CBCA (“**Dissenting Shareholders**”);
- (f) the Limited Partnership will acquire all of the assets of the Fund (other than liquid assets needed to satisfy all liabilities, including payments to Dissenting Shareholders), in consideration for the appropriate number of Units;
- (g) the Limited Partnership will not assume liabilities of the Fund and the Fund will retain sufficient assets to satisfy its estimated liabilities, if any, as of the Effective Date;
- (h) the Units received by the Fund will have an aggregate NAV equal to the value of the Fund’s portfolio assets and other assets that the Limited Partnership is acquiring, and the Units will be issued at a deemed issue price of \$14.00;
- (i) the Fund will increase the stated capital in respect of its Class A Shares by an amount equal to the capital gains earned by the Fund in respect of the current taxation year on or prior to that time, and will elect for the full amount of the dividend deemed to have arisen as a consequence of such stated capital increases for the purposes of the Tax Act to be “capital gains dividends” for the purposes of the Tax Act, such that it should not be subject to any material tax under Part I of the Tax Act in respect of net realized capital gains earned in respect of its taxation year that includes the Effective Date;
- (j) each issued and outstanding Class A Share and Class L Share (other than those held by the Dissenting Shareholders) will be redeemed by the Fund in consideration for Units, which will be distributed to the holders of Class A Shares and Class L Shares;
- (k) each holder of Class A Shares and Class L Shares (other than Dissenting Shareholders) will receive a specified number of Units based on the exchange ratio as described in complete detail in the Circular; and
- (l) as soon as reasonably possible following the Proposed Transaction, the Fund will be dissolved.
62. The holder of the Class B Share and the holder of the Class P Shares will not receive Class A Shares or Class L Shares or Units as a result of the Proposed Transaction. The Class B Share and

Class P Shares will remain outstanding until the corporate dissolution of the Fund is completed. Immediately prior to the dissolution of the Fund, in accordance with the Articles of Arrangement, the Sponsor, as holder of the Class B Share, is entitled to receive an amount equal to the amount received by the Fund as consideration for the issue of the Class B Share. The Filer, as holder of the Class P Shares, is entitled to receive an amount equal to the amount received by the Fund as consideration for the issue of the Class P Shares but has waived any rights pursuant to the Articles of Arrangement to receive any payments as a result of the Proposed Transaction. The Class B Share and Class P Shares will be cancelled at the time of dissolution of the Fund.

*Reasons for the Proposed Transaction*

63. The Board unanimously concluded that, in its opinion, the Proposed Transaction is fair and reasonable and is in the best interest of the Fund and its shareholders.

64. In the opinion of the Filer and the Board, the Proposed Transaction will not adversely affect shareholders of the Fund and is in the best interest of the shareholders of the Fund. The Filer and the Board believe that the Proposed Transaction will be beneficial to shareholders of the Fund for the following reasons:

- (a) the Fund's shareholders, as holders of Units, will have a liquidity option through the proposed listing of the Units on the CSE, and all of the Fund's shareholders, as holder of Units, are expected to have increased liquidity through the proposed listing on the CSE when compared to the current Class A Shares, which only have a limited redemption right;
- (b) the Fund's shareholders, as holders of Units, will have the opportunity to participate in a structure that can better provide regular distributions of income because, among other reasons, the Limited Partnership's constating documents and governing legislation are more flexible than those of the Fund with respect to the payment of distributions, the Filer expects that there will be lower operating costs associated with the Limited Partnership, and the Limited Partnership will not be an investment fund and will therefore not be required to reserve cash to satisfy redemption requests;
- (c) the Fund's shareholders, as holders of Units, will have the opportunity to continue to access the Filer's expertise in venture investing;

- (d) the Fund's shareholders, as holders of Units, will have exposure to additional venture capital investments and greater venture portfolio diversification due to the Limited Partnership not being subject to the investment restrictions that the Fund is subject to under the CSBIFA, and thus will not be subject to restrictions on the number, size or geographic location of its investee companies nor will it be subject to any investment pacing requirements;
- (e) as a result of being outside the CSBIFA, the Limited Partnership is expected to have lower costs than the Fund;
- (f) the Limited Partnership will have the potential for additional capital raising, which is not currently practical given recent developments applicable to LSIFs; and
- (g) if the Limited Partnership holds venture capital investments for sufficient time to permit the Filer, as investment adviser to the Limited Partnership, to identify and implement suitable exit opportunities, the Filer believes that this will provide a better opportunity to optimize the exit value potential of the specific holdings.

65. It is intended that the Proposed Transaction address concerns such as the diminishing asset base of the Fund as a result of redemptions of Class A Shares as well as the trading discount to the net asset value for the Class L Shares by:

- (a) providing a more stable asset base for all unitholders of the Limited Partnership, as the liquidity option for the Units will not diminish the asset base of the Fund;
- (b) all Units will be traded on the CSE, in contrast to the current structure of the Fund, in which only the Class L Shares trade on the CSE and the Class A Shares only have a limited right of redemption. The greater number of Units traded on the CSE as compared to the shares of the Fund should increase the trading frequency and liquidity of the Units as compared to the shares of the Fund, which should result in a reduction of the trading discount currently experienced by holders of the Class L Shares (who will hold Units instead);
- (c) the lower cost structure of the Limited Partnership is expected to promote a higher valuation and trading price of the Units; and



(d) the regular distributions to the unitholders of the Limited Partnership will increase the investment return for such unitholders, which is expected to increase the trading price of the Units and thereby reduce the trading discount to the net asset value of the Units.

66. Since the government phased out the Ontario tax credit program for LSIFs at the end of the 2011 taxation year, and the federal government's announcement that it will phase out the federal tax credit by 2017, the Filer and the Board have been evaluating the Fund's options. The Filer and Board are of the view that winding-up the Fund is not in the best interests of the Fund's shareholders. While the Filer believes that the Fund holds a high quality portfolio of investments, the Filer is of the view that it is not currently possible to liquidate the investments for the value that the Filer believes should be realized and it is difficult for the Filer to predict when the liquidity situation will improve.

*Requested Relief*

67. The Filer is a wholly-owned subsidiary of 1209762 Ontario Inc. Mr. John Richardson ("Mr. Richardson") controls 1209762 Ontario Inc. and is a director and officer of 1209762 Ontario Inc. All of the issued and outstanding voting preferred shares of 1209762 Ontario Inc. are owned by Mr. Richardson. Mr. Richardson is also an officer and director of the Filer and is therefore a "responsible person" (as defined in Section 13.5(1) of NI 31-103) of the Filer.

68. The Filer, as the adviser of the Fund and the Limited Partnership, is a responsible person.

69. The initial limited partner of the General Partner is 1209762 Ontario Inc., and its general partner is T1 General Partner Corp., which is owned by 1209762 Ontario Inc. As a result, Mr. Richardson beneficially owns and controls the General Partner. The General Partner is therefore an "associate" (as defined in the *Securities Act* (Ontario), the "Act") of Mr. Richardson, as he currently beneficially owns and controls voting securities carrying more than 10 per cent of the voting rights attached to all outstanding voting securities of the General Partner.

70. Mr. Richardson is an officer of the Fund.

71. Mr. Richardson is an indirect beneficial security holder of the Limited Partnership for the purpose of Section 4.2(1)4 of NI 81-102 as a result of the General Partner's 0.001% interest in the net income or loss of the Limited Partnership and the net assets upon dissolution of the Limited Partnership.

72. In order to complete the Proposed Transaction, the Filer requires relief from Section 13.5(2)(a) of NI 31-103, which prohibits the Filer, as a registered adviser and the adviser of the Fund, and therefore a responsible person, from knowingly causing the Fund to purchase Units, because the Limited Partnership is an issuer in which the General Partner, who is an associate of Mr. Richardson (a responsible person of the Filer), is a partner, unless this fact is disclosed to the client and the written consent of the client to the purchase is obtained before the purchase. It would be practically impossible and prohibitively expensive for the Fund to obtain such written consent from each and every shareholder of the Fund. In lieu of such consent, the Fund held the Meeting where the shareholders of the Fund approved the Proposed Transaction by special resolution.

73. In order to complete the Proposed Transaction, the Filer also requires relief from Section 13.5(2)(b)(iii) of NI 31-103, which prohibits the Filer, as a registered adviser and the adviser of the Limited Partnership, from knowingly causing the Limited Partnership's investment portfolio, which is in part managed by the Filer, to purchase the securities of the Portfolio Companies from the Fund, because the Filer is also the adviser of the Fund, and therefore a responsible person.

74. In order to complete the Proposed Transaction, the Filer also requires relief from Section 4.2(1)4 of NI 81-102, which prohibits the Fund from selling the securities of the Portfolio Companies to the Limited Partnership, because at the time of sale, the Limited Partnership will have fewer than 100 security holders of record, and Mr. Richardson, an officer of the Fund, is an indirect beneficial security holder of the Limited Partnership for the purpose of Section 4.2(1)4 of NI 81-102.

75. In the absence of the Requested Relief, the Proposed Transaction will not be able to occur.

**Decision**

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

The decision of the Commission under the Legislation is that the Requested Relief is granted, provided that the Filer ensures that:

- (a) the Fund has an unqualified audit report in respect of its audited terminating financial statements;
- (b) if the audit report accompanying the audited financial statements for the Limited Partnership's first completed financial year after the Proposed Trans-

action contains a modified opinion in respect of the value of the portfolio assets acquired by the Limited Partnership from the Fund pursuant to the Proposed Transaction, the Filer will send a copy of those financial statements to each person or company that was a shareholder of the Fund on the day immediately preceding the Effective Date;

- (c) the CSE shall have conditionally approved the listing of the Units;
- (d) dissent rights under the CBCA are not exercised by the shareholders of more than 10% of the Class A Shares and Class L Shares in the aggregate; and
- (e) the Fund and the Limited Partnership bear none of the costs and expenses associated with the Proposed Transaction.

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

## 2.1.6 Heritage Oil 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:** Re Heritage Oil Corporation, 2014 ABASC 249

June 30, 2014

McCarthy Tetrault LLP  
3300, 421 - 7 Avenue SW  
Calgary, AB T2P 4K9

Attention: Matthew E. Lawson

Dear Sir:

**Re: Heritage Oil Corporation (the Applicant) – Application for a decision under the securities legislation of Alberta 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.

“Denise Weeres”  
Manager, Legal  
Corporate Finance

2.1.7 1832 Asset Management L.P. and Aurion Capital Management Inc.

**Headnote**

National Policy 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions – relief granted from the mutual fund conflict of interest restrictions in the Securities Act (Ontario) to allow mutual funds to invest in securities of an issuer related to the mutual funds' management company – relief subject to certain conditions.

**Applicable Legislative Provisions**

Securities Act (Ontario), R.S.O. 1990, c. S.5, as am., ss. 111(2), 113.  
National Instrument 81-107 Independent Review Committee for Investment Funds, s. 5.2(2).

May 29, 2014

**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  
1832 ASSET MANAGEMENT L.P. ("1832") AND  
AURION CAPITAL MANAGEMENT INC. ("AURION")**  
  
**DECISION**

**Background**

The principal regulator in the Jurisdiction has received an application (the "**Application**") from 1832 and Aurion (together, the "**Filers**" or the "**Managers**"), on behalf of the mutual funds listed in Schedule A (each, a "**Fund**", and collectively, the "**Funds**"), for a decision under the securities legislation of the Jurisdiction of the principal regulator (the "**Legislation**"):

- (a) exempting the Funds from the requirements of securities legislation that prohibit a mutual fund from knowingly making an investment in any issuer in which (i) any officer or director of the mutual fund, its management company or distribution company or an associate of any of them has a significant interest, or (ii) any person or company who is a substantial securityholder of the mutual fund, its management company or its distribution company has a significant interest,

so as to enable the Funds to invest in common shares ("**Shares**") of CI Financial Corp. ("**CI**") during a secondary offering qualified by way of a short form prospectus (the "**Offering**") notwithstanding that The Bank of Nova Scotia ("**BNS**"), a substantial securityholder of each of 1832 and Aurion, has a significant interest in CI (the "**Requested Relief**").

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

- (a) the Ontario Securities Commission is the principal regulator for this Application, and
- (b) the Filers have provided notice that subsections 4.7(1) and 4.7(2) of Multilateral Instrument 11-102 – *Passport System* are intended to be relied upon in each of the provinces and territories of Canada (together with the Jurisdiction, the "**Jurisdictions**").

**Interpretation**

Unless otherwise defined herein, terms defined in National Instrument 14-101 – *Definitions* and National Instrument 81-107 – *Independent Review Committee for Investment Funds* ("**NI 81-107**") have the same meaning in this application.

## Representations

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

- (a) 1832 is an Ontario limited partnership, which is wholly-owned, indirectly, by BNS. The general partner of 1832 is 1832 Asset Management G.P. Inc., an Ontario corporation wholly-owned directly by BNS with its head office in Ontario.
- (b) 1832 is registered as (i) a portfolio manager in all of the provinces of Canada, and in the Yukon; (ii) an exempt market dealer in all of the provinces of Canada (except Prince Edward Island and Saskatchewan); (iii) an investment fund manager in Ontario, Quebec, and Newfoundland and Labrador; and (iv) a commodity trading manager in Ontario.
- (c) Aurion is a corporation established under the laws of Canada. BNS owns 60% of Aurion and intends to acquire the remainder, subject to regulatory approval.
- (d) Aurion is registered as (i) a portfolio manager in Alberta, Newfoundland and Labrador, Northwest Territories and Ontario; and (ii) an investment fund manager in Newfoundland and Labrador and Ontario.
- (e) 1832 and Aurion (together, the **Managers**) are affiliates.
- (f) 1832 is the manager and/or adviser of the Funds listed in Part 1 of Schedule A.
- (g) Aurion is the manager and/or adviser of the Funds listed in Part 2 of Schedule A.
- (h) Neither of the Managers, nor any Fund, is in default of securities legislation in any of the Jurisdictions.
- (i) BNS is the ultimate parent company of the Managers and of Scotia Capital Inc. ("**Scotia Capital**"), and therefore each of the Managers, Scotia Capital and BNS are affiliates of one another.
- (j) Each of the Funds is an open-ended mutual fund trust, corporation established under the laws of the Province of Ontario. The securities of each of the Funds listed in the left hand columns in Parts 1 and 2 of Schedule A are qualified for distribution in the Jurisdictions pursuant to simplified prospectuses and annual information forms prepared and filed in accordance with the securities legislation of the Jurisdictions. The securities of each of the Funds listed in the right hand columns of Parts 1 and 2 of Schedule A (the "**Pooled Funds**") are offered for sale only on an exempt basis pursuant to available prospectus and registration exemptions from the prospectus requirements in one or more of the Jurisdictions. None of the Pooled Funds is a reporting issuer.
- (k) The investment objective of each Fund permits an investment in the Shares. The portfolio manager(s) responsible for a Fund purchasing the Shares has made an independent investment decision to make the purchase in accordance with his or their fiduciary duties uninfluenced by considerations other than the best interests of the Fund.
- (l) The applicable Manager has appointed an independent review committee ("**IRC**") under NI 81-107 for each of the Funds managed by them. The Managers have sought and obtained, for the Funds managed by them, IRC approval of purchase of Shares under the Offering in accordance with section 5.2(2) of NI 81-107.
- (m) The Offering is a bought deal offering of approximately \$2.6 billion, pursuant to which 72 million Shares currently owned by BNS will be purchased by an underwriting syndicate (the "**Underwriters**") or by clients of the Underwriters. The Underwriters will have an over-allotment option which will allow them to purchase up to approximately 10.8 million additional Shares currently owned by BNS.
- (n) Following the completion of the Offering, BNS will retain approximately 32.6 million Shares (or 21.8 million Shares if the over-allotment option is fully exercised), representing approximately 11.4% of the issued and outstanding Shares (or 7.7% if the over-allotment option is fully exercised). The current closing date for the Offering is on or about June 17, 2014.
- (o) Scotia Capital, with a 27.5% underwriting interest in the Offering, is one of the nine Underwriters that will participate in the Offering. RBC Capital Markets has a 20% interest, and GMP Securities L.P. has a 12% interest. All three Underwriters are bookrunners. Of the remaining six Underwriters, each of four of them has a 10.5% interest. All of the Underwriters other than Scotia Capital are 'independent' ("**Independent**") of BNS within the meaning of national Instrument 33-105 – *Underwriting Conflicts*.

- (p) Scotia Capital is an affiliate of each of BNS and the Managers, and therefore the prohibition in Section 4.1 of National Instrument – *Mutual Funds* (“NI 81-102”) would apply to prevent the Funds from participating in the Offering if the exemption in Section 4.1(4) were not available to the Funds.
- (q) The offering price of the Shares being sold pursuant to the Offering is \$31.60 (“**Offering Price**”), which represents a 6.1% discount from the closing price of the Shares as of the close of trading on May 28, 2014.
- (r) The Offering Price was not more than the ask price for the Shares on the Toronto Stock Exchange as of the close of business on May 28, 2014.
- (s) As of May 28, 2014, there are 285,099,439 Shares outstanding, and 1832 and Aurion collectively exercise control and direction over approximately 941,800 of those Shares.
- (t) In the event that the Funds purchase the maximum permitted Shares under this Decision, which is 20% of the Offering, the aggregate value of the Shares based on the Offering Price of the Shares purchased by the Funds together with the value of the Shares managed by the Managers would represent approximately 0.60% of the combined assets under management as of April 30, 2014 by 1832 and Aurion.
- (u) No Fund shall participate in the Offering if following its purchase the Fund, together with related Funds, will hold more than 20% of the issued and outstanding Shares;
- (v) If the Funds are not permitted to invest in the Offering then in order to purchase Shares they would have to do so over the Toronto Stock Exchange and, as a result, would miss the opportunity to invest in the Shares at the favourable pricing that is available pursuant to the Offering; and, even if they could purchase Shares over the Toronto Stock Exchange, they might not be able to purchase the same number of Shares as they potentially could in the Offering.

**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) The purchase of Shares is consistent with the investment objectives of each of the Funds;
- (b) The IRC for each Fund managed by the Filers has approved the proposed purchase of Shares in the Offering by that Fund in accordance with section 5.2(2) of NI 81-107;
- (c) The Offering is a bought deal offering, being done by way of prospectus with a syndicate of nine Underwriters, eight of which are Independent, and one of which Independent Underwriters is allocated 20% of the Offering;
- (d) No Fund shall participate in the Offering if following its purchase the Fund, together with related Funds, will hold more than 20% of the issued and outstanding Shares;
- (e) The maximum Shares purchased by the Funds under this Decision will not exceed 20% of the Offering;
- (f) No Fund shall participate in the Offering if following its purchase the Fund would have more than 5% of its net assets invested in Shares; and
- (g) The Offering Price to be paid by each of the Funds in the Offering shall be no higher than the lowest price paid by any of the arm’s length purchasers who participate in the Offering.

“Mary G. Condon”  
Vice-Chair  
Ontario Securities Commission

“James E. A. Turner”  
Vice-Chair  
Ontario Securities Commission

**SCHEDULE A**

**List of Funds**

**Part 1  
FUNDS MANAGED BY 1832**

DYNAMIC POWER BALANCED CLASS	DYNAMIC FOCUS+ ALTERNATIVE FUND
DYNAMIC POWER BALANCED FUND	DYNAMIC CONTRARIAN FUND
DYNAMIC POWER CANADIAN GROWTH FUND	1832 CANADIAN VALUE STRATEGY
DYNAMIC POWER MANAGED GROWTH CLASS	1832 EQUITY INCOME STRATEGY
DYNAMIC POWER CANADIAN GROWTH CLASS	DYNAMIC INCOME OPPORTUNITIES FUND
MARQUIS INSTITUTIONAL CANADIAN EQUITY PORTFOLIO	I3 CANADIAN EQUITY FUND
SCOTIA CANADIAN GROWTH FUND	
SCOTIA CANADIAN BALANCED FUND	
SCOTIA CANADIAN BLUE CHIP FUND	
DYNAMIC VALUE FUND OF CANADA	
SCOTIA DIVIDEND BALANCED FUND	
DYNAMIC VALUE BALANCED FUND	
DYNAMIC DIVIDEND ADVANTAGE FUND	
DYNAMIC VALUE BALANCED CLASS	
DYNAMIC DIVIDEND ADVANTAGE CLASS	
DYNAMIC CANADIAN VALUE CLASS	
DYNAMIC DIVIDEND INCOME CLASS	
DYNAMIC DIVIDEND INCOME FUND	
SCOTIA DIVERSIFIED MONTHLY INCOME FUND	
SCOTIA CANADIAN DIVIDEND FUND	
DYNAMIC DIVIDEND FUND	
DYNAMIC STRATEGIC YIELD CLASS	
SCOTIA INCOME ADVANTAGE FUND	
DYNAMIC STRATEGIC YIELD FUND	
DYNAMIC SMALL BUSINESS FUND	
DYNAMIC EQUITY INCOME FUND	
DYNAMIC ALTERNATIVE YIELD FUND	
DYNAMIC PREMIUM YIELD FUND	
DYNAMIC INCOME GROWTH OPPORTUNITIES CLASS	
DYNAMIC FINANCIAL SERVICES FUND	

**Part 2  
FUNDS MANAGED BY AURION**

DYNAMIC AURION CANADIAN EQUITY CLASS  
AURION II EQUITY FUND  
DYNAMIC AURION TACTICAL BALANCED CLASS

2.1.8 1832 Asset Management L.P.

Headnote

Large asset manager with three separate operating divisions each headed by a de facto co-CEO exempted from requirements to register a single ultimate designated person (UDP) permitted to register three UDPs and three CCOs, one for each operating division.

Statutes Cited

Multilateral Instrument 11-102 Passport System, s. 4.7.  
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 11.2, 11.3.

June 30, 2014

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  
1832 ASSET MANAGEMENT L.P.  
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for the revocation and replacement of an existing decision (the **Prior Director's Decision** described below) under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) with a decision for an exemption from the requirement contained in section 11.3 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) to designate an individual to be the chief compliance officer (**CCO**) so that the Filer may increase the number of its designated and registered CCOs from two to three individuals (the **CCO Decision**) and a new decision for an exemption from the requirement contained in section 11.2 of NI 31-103 for the Filer to designate and have registered an individual to be the ultimate designated person (**UDP**) so that the Filer may increase the number of its designated and registered UDPs from one to three individuals (the **UDP Decision**) in respect of its three distinct lines of business (the **CCO Decision** and the **UDP Decision** are collectively, the **Exemption Sought**).

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

- (a) the Ontario Securities Commission is the principal regulator for this application; and
- (b) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in all of the other provinces and territories of Canada [except Nunavut] (the **Non-Principal Jurisdictions**, and together with the Jurisdiction, the **Jurisdictions**).

By decision dated March 21, 2011 *In the Matter of Scotia Asset Management L.P.*, the Director of the OSC as the principal regulator exempted the Filer from the requirement of NI 31-103 to have one CCO so that the Filer could designate and have registered two individuals as CCO (i.e., one for each of its then two distinct lines of business) (the **Prior Director's Decision**).

The Prior Director's Decision should be reconsidered at this time because the Filer, as of November 1, 2013, through the acquisition of assets from affiliates, carries on the Canadian asset management business through three distinct lines of securities business.

Interpretation

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

Representations

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

*The Filer*

1. The Filer is a limited partnership formed under the laws of the Province of Ontario and its head office is located in Toronto, Ontario. Its general partner is wholly owned by The Bank of Nova Scotia.
2. The Filer is registered as:
  - (a) a portfolio manager in all of the provinces and territories of Canada (except Nunavut) (each, a "**Jurisdiction**" and collectively, the "**Jurisdictions**");
  - (b) an exempt market dealer in all of the provinces of Canada (except Prince Edward Island and Saskatchewan);
  - (c) an investment fund manager in Ontario, Quebec, and Newfoundland and Labrador; and
  - (d) a commodity trading manager in Ontario.



3. The Filer is not, to the best of its knowledge, in default of any requirements of securities legislation in the Jurisdictions.

*The Divisions*

4. Effective as of September 30, 2013, the Filer changed its name to 1832 Asset Management L.P. from Scotia Asset Management L.P. (“**SAM LP**”). In addition, the Filer acquired the asset management businesses of its affiliates, CPA Securities Inc. (“**CPA**”) and WaterStreet Family Capital Counsel Inc. (“**WaterStreet**”).

5. Effective as of November 1, 2013, the Filer acquired the asset management business of its affiliate, GCIC Ltd. (“**GCIC**”).

6. The Filer now carries on the Canadian asset management business through the following three distinct lines of securities business (each, a “**Division**”) based on the business conducted by each Division and the nature of the Filer’s clients:

(a) **Fund Division** – The Fund Division continues to carry on the business of providing investment fund management and portfolio adviser services to open-ended mutual fund trusts and corporations, closed-end funds, institutional portfolios and certain private pooled funds, including the ScotiaFunds and Pinnacle Portfolios, and the Dynamic Funds and Marquis funds acquired from GCIC.

(b) **Private Client Division** – The Private Client Division continues to carry on the Private Investment Counsel business under the Scotia Private Client Group brand and carries on the ultra-high net worth client business acquired from CPA and WaterStreet under the WaterStreet Family Offices brand.

(c) **Institutional Division** – The Institutional Division is a newly created division that brings together the former SAM LP institutional business, operating under the Scotia Institutional Asset Management brand, and the former Dundee Wealth Investment Counsel business, acquired from GCIC, operating under the 1832 Asset Management brand. It provides a broad range of discretionary investment management and investment counseling services to institutions, foundations and endowments.

7. The Fund Division, the Private Client Division and the Institutional Division each have separate and distinct management structures and operating models. Although they are part of the same legal entity, each Division functions as a separate and

distinct business operation within the Filer’s operations.

8. As measured by the most recent IFIC statistics, 1832 Asset Management LP is among the largest asset managers in Canada.

*The UDP*

9. Previously, the Filer had one UDP (the “**Filer UDP**”), responsible for the investment fund business and the private client/institutional businesses of the Filer. The Filer UDP held the title, Managing Director, Scotia Asset Management. Similarly, GCIC had one UDP (the “**GCIC UDP**”) responsible for the investment funds and the private client/institutional businesses of GCIC. The GCIC UDP held the title, President and Chief Executive Officer.

10. Effective November 1, 2013, the Filer replaced the Filer UDP with the GCIC UDP.

11. Effective upon the Exemption Sought being granted, the Filer UDP will become the UDP of the Fund Division (the “**Fund UDP**”) and the Filer will appoint a new UDP for each of its Institutional Division (the “**Institutional UDP**”) and Private Client Division (the “**Private Client UDP**”) (collectively, the “**New UDPs**”). Each of the New UDPs is the most senior manager of the respective Division. Each of the New UDPs is a senior officer of the Filer.

12. The UDPs of the Fund Division, Institutional Division and Private Client Division, (each, a **Division Head**), while having different titles, each have the role that is the equivalent of chief executive officer in respect of his Division for which he is responsible and is the most senior and final decision maker for his Division. This means that each Division Head fulfills the following roles for his Division:

(a) supervises, oversees, and otherwise is responsible for running the Division;

(b) provides clear leadership and promotes a culture of compliance within the Division;

(c) is accountable for the operations and financial performance of the Division;

(d) is the individual that the executive management within the Division reports to;

(e) is responsible for setting and implementing the business objectives, strategies and plans for the Division;

- (f) is accountable for reporting to the Board of Directors of the Filer's general partner with respect to the Division; and
- (g) is responsible for the organizational structure and succession planning for the Division.

13. There will be no line of reporting between the New UDPs, each UDP will have direct access to the Board of Directors of the Filer's general partner, and no other executive officer of the Filer will have the authority to overrule a decision of either of them.

*The CCO*

- 14. By decision dated March 21, 2011 *In the Matter of Scotia Asset Management L.P.*, the Director of the OSC as the principal regulator exempted the Filer from the CCO requirement of NI 31-103 so that the Filer could designate and have registered two individuals as CCO (i.e., one for each of its then two distinct lines of business) (the "**Prior Director's Decision**"). A copy of the Prior Director's Decision is attached as Schedule A. Accordingly, currently, there are two CCOs of the Filer: one responsible for the investment management business (the "**CCO-IFM**") and the other responsible for the combined private client/institutional business (the "**CCO-PM**") of the Filer.
- 15. Previously, there was one CCO responsible for the asset management business of GCIC (the "**GCIC CCO**"). Effective November 1, 2013, the GCIC CCO became the Filer CCO-IFM and the Filer CCO-IFM became the Filer CCO-PM.
- 16. Upon the Exemption Sought being granted, the Filer proposes that each Division have its own CCO. The Filer proposes replacing the current CCO-IFM with the GCIC CCO for the Fund Division (the "**Fund CCO**"), replacing the CCO-PM with the CCO-IFM for the newly created Institutional Division (the "**Institutional CCO**") and appointing the previous Filer CCO-PM as the CCO for the Private Client Division (the "**Private Client CCO**"). The proposed Private Client CCO will be appointed as an officer of the Filer.
- 17. The CCO of each Division will report directly to the respective Division UDP and will have direct access to the Board of Directors of the Filer's general partner.

**REASONS FOR EXEMPTION SOUGHT**

*UDP Requirement*

- 18. Under section 11.2 of NI 31-103, a registered firm is required to designate and have registered an individual to be the UDP (the "**UDP Require-**

**ment**") and the UDP must be: (i) the chief executive officer; (ii) an officer in charge of a division of the registered firm, if the activity that requires the firm to register occurs only in the division; or (iii) an individual acting in a capacity similar to that of an officer described in (i) or (ii).

- 19. Given the autonomy, size, diversity, and complexity of each of the Filer's Divisions, designating only one of the Division Heads for purposes of satisfying the UDP Requirement would not be consistent with the policy objectives the securities legislation is intended to achieve. Each of the Fund Division, the Institutional Division and the Private Client Division is an independent operation with separate and distinct senior management structures of which each Proposed UDP is effectively the CEO. Each UDP requires different subject matter and business expertise, with different experience and focus to effectively discharge their respective responsibilities. It would be difficult for any one of the Division Heads to: (i) act as the Filer's UDP; (ii) identify and stay abreast of the different issues and risks applicable to each Division; and (iii) escalate all such issues and risks to the general partner of the Filer in a timely and effective manner.

*The CCO Requirement*

- 20. Under section 11.3 of NI 31-103, a registered firm is required to designate and have registered an individual to be the CCO (the "**CCO Requirement**").
- 21. Companion Policy 31-103 ("**CP**") *Registration Requirements, Exemptions and Ongoing Registrant Obligations*, at Section 5.2 *Responsibilities of the chief compliance officer*, states, in part, that:  

"Firms must designate one CCO. However, in large firms, the scale and kind of activities carried out by different operating divisions may warrant the designation of more than one CCO. [The Canadian Securities Administrators] will consider applications, on a case-by-case basis, for different individuals to act as the CCO of a firm's operating divisions."
- 22. Designating only one CCO for purposes of satisfying the CCO Requirement would not be consistent with the policy objectives it is intended to achieve because the Fund Division, the Institutional Division and the Private Client Division are independent operations that are distinct from one another and conducted on a very large scale.
- 23. Each of the Proposed CCOs will oversee a compliance system that is reasonably designed to ensure that the Division for which they are the

CCO, and each person acting on its behalf, comply with applicable securities legislation and will manage the risks associated with their respective Division in accordance with prudent business practices.

24. Upon the Exemption Sought being granted, each of the Proposed CCOs will have direct access to the Filer's UDP for the applicable Division, will report as required to the Board of Directors of the general partner of the Filer and will comply in all other respects with applicable securities requirements, including the requirements set out in NI 31-103.

25. Considering the Filer is part of a large financial institution, the Private Client CCO will report to the Institutional CCO for corporate organizational purposes. The matters on which the Private Client CCO will report to the Institutional CCO include, but are not limited to, the following: human resources matters (including staffing levels, hiring decisions, performance appraisals and vacation approvals) and departmental initiatives (including strategic planning, goal setting and efficiency evaluation). However, in the event that the Private Client CCO determines, in his/her sole discretion, that any of these matters overlap with, or directly or indirectly influence or affect, matters set out in section 5.2 of NI 31-103, as they relate to the Private Client Division, the Private Client CCO shall report directly to the UDP on such matters.

26. Allowing the Filer to designate and have registered the three Proposed UDPs and three Proposed CCOs is consistent with:

- (a) the policy objectives of the UDP Requirement and of the CCO Requirement, respectively;
- (b) the Prior Director's Decision; and
- (c) other Director's decisions granted in similar circumstances, for example, the Director's decision dated March 18, 2011 *In the Matter of RBC Global Asset Management Inc.* where RBC Global Asset Management Inc. was permitted to designate and register two CCOs and two UDPs.

27. While the Filer is not aware of the Director having granted relief to allow a registered firm to have three CCOs, there is no public policy basis on which such relief should be denied when the same rationale for permitting two CCOs applies. This was recognized in a slightly different context by the Director's decision dated January 19, 2011 *In the Matter of TD Waterhouse Canada Inc.* where TD Waterhouse Canada Inc. was permitted to designate and register three UDPs.

### Decision

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

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted so that the Filer may have a separate CCO and a separate UDP for each of its three Divisions, provided that:

- (a) each Division shall have its own UDP;
- (b) each UDP fulfills the responsibilities set out in section 5.1 of NI 31-103, or any successor provision thereto, in respect of the Division for which he or she is the designated UDP;
- (c) each Division shall have its own CCO;
- (d) each CCO reports to the UDP of the Division for which he or she is the designated CCO;
- (e) each CCO fulfills the responsibilities set out in section 5.2 of NI 31-103, or any successor provision thereto, in respect of the Division for which he or she is the designated CCO;
- (f) each CCO and UDP has access to the Board of Directors of the Filer's general partner; and
- (g) the Prior Director's Decision is revoked.

"Pat Chaukos"  
Manager, Compliance and Registrant Regulation  
Ontario Securities Commission

**2.1.9 Sandstorm Metals & Energy Ltd.**

**Headnote**

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – application for a decision that the issuer is not a reporting issuer under applicable securities laws – issuer in default of certain filing obligations as a reporting issuer under applicable securities laws – outstanding securities are beneficially owned, directly or indirectly by fewer than 15 securityholders in each jurisdiction and fewer than 51 securityholders worldwide – requested relief granted.

**Applicable Legislative Provisions**

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10)(a)(ii).  
CSA Staff Notice 12-307 Applications for a Decision that an Issuer is not a Reporting Issuer.

**June 26, 2014**

**IN THE MATTER OF  
THE SECURITIES LEGISLATION OF  
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,  
MANITOBA, ONTARIO, NEW BRUNSWICK,  
NOVA SCOTIA, NEWFOUNDLAND AND LABRADOR,  
PRINCE EDWARD ISLAND AND THE  
NORTHWEST TERRITORIES  
(THE JURISDICTIONS)**

**AND**

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

**AND**

**IN THE MATTER OF  
SANDSTORM METALS & ENERGY LTD.  
(THE FILER)**

**DECISION**

**Background**

The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) that the Filer is not a reporting issuer (the Exemptive Relief Sought).

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

- (a) the British Columbia Securities Commission is the principal regulator for this application; and
- (b) the decision is the decision of the principal regulator and evidences the decision of each other Decision Maker.

**Interpretation**

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

**Representations**

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

1. the Filer is a corporation existing under the laws of the Province of British Columbia; the Filer's head office and registered office is located at 400 Burrard Street, Suite 1400, Vancouver, British Columbia, V6C 3A6;
2. the Filer is a reporting issuer in each of the Jurisdictions;
3. on May 29, 2014, Sandstorm Gold Ltd., a corporation existing under the laws of British Columbia, acquired all the issued and outstanding common shares of the Filer (the Filer Shares) it did not already hold by way of a court approved plan of arrangement (the Arrangement) under Section 288 of the *Business Corporations Act* (British Columbia); under the terms of the Arrangement, the Filer became a wholly owned subsidiary of Sandstorm Gold;
4. as a result of the Arrangement, the outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions in Canada and fewer than 51 securityholders in total worldwide;
5. following completion of the Arrangement, the Filer Shares were delisted from the TSX Venture Exchange at the close of market on May 30, 2014;
6. no securities of the Filer, including debt securities, are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;
7. the Filer is not in default of any of its obligations under the Legislation other than its obligation to file and deliver on or before May 30, 2014 its interim financial statements and related management's discussion and analysis for the interim period ended March 31, 2014 as required under National Instrument 51-102 *Continuous Disclosure Obligations*, and the related certification of financial statements as required under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*;
8. the Filer did not voluntarily surrender its status as a reporting issuer in British Columbia under British

Columbia Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status* because the Filer did not wish to wait the 10-day waiting period under the Instrument;

9. the Filer is not eligible to use the simplified procedure under CSA Staff Notice 12-307 *Applications for a Decision that an Issuer is not a Reporting Issuer* because it is a reporting issuer in British Columbia and is in default of certain filing obligations under the Legislation described in paragraph 7; and
10. the Filer 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.

**Decision**

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

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

“Peter Brady”  
Director, Corporate Finance  
British Columbia Securities Commission

**2.2 Orders**

**2.2.1 Howard Rash – s. 127(1)**

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

**AND**

**IN THE MATTER OF  
HOWARD RASH**

**AND**

**IN THE MATTER OF  
A SETTLEMENT AGREEMENT BETWEEN  
STAFF OF THE ONTARIO SECURITIES COMMISSION  
AND HOWARD RASH**

**ORDER  
(Subsection 127(1))**

**WHEREAS** by Notice of Hearing dated March 7, 2014, the Ontario Securities Commission (the “Commission”) announced that it proposed to hold a hearing, commencing on March 28, 2014, pursuant to subsections 127(1) and 127(10) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”), to consider whether it is in the public interest to make orders, as specified therein, against Howard Rash (“Rash”). The Notice of Hearing was issued in connection with the allegations as set out in the Statement of Allegations of Staff of the Commission (“Staff”) dated March 7, 2014;

**AND WHEREAS** Rash entered into a settlement agreement with Staff dated June 18 and 19, 2014 (the “Settlement Agreement”) in which Rash agreed to a proposed settlement of the proceeding commenced by the Notice of Hearing dated March 7, 2014, subject to the approval of the Commission;

**AND WHEREAS** on June 23, 2014, the Commission issued a Notice of Hearing pursuant to subsection 127(1) of the Act to announce that it proposed to hold a hearing to consider whether it is in the public interest to approve a settlement agreement entered into between Staff and Rash;

**AND UPON** reviewing the Settlement Agreement, the Notices of Hearing, and the Statement of Allegations of Staff, and upon hearing submissions from counsel for Rash and from Staff;

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

**IT IS HEREBY ORDERED THAT:**

- (a) the Settlement Agreement is approved;
- (b) pursuant to clause 2 of subsection 127(1) of the Act, trading in any securities by

- Rash cease permanently from the date of this Order;
- (c) pursuant to clause 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Rash is prohibited permanently from the date of this Order;
  - (d) pursuant to clause 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Rash permanently from the date of this Order;
  - (e) pursuant to clause 6 of subsection 127(1) of the Act, Rash is reprimanded;
  - (f) pursuant to clauses 8, 8.2, and 8.4 of subsection 127(1) of the Act, Rash is prohibited permanently from the date of this Order from becoming or acting as a director or officer of any issuer, registrant, or investment fund manager;
  - (g) pursuant to clause 8.5 of subsection 127(1) of the Act, Rash is prohibited permanently from the date of this Order from becoming or acting as a registrant, as an investment fund manager or as a promoter; and
  - (h) pursuant to clause 9 of subsection 127(1) of the Act, in respect of his failure to comply with Ontario securities law, Rash shall pay an administrative penalty in the amount of \$313,461, such amount to be designated for allocation or for use by the Commission pursuant to subsection 3.4(2)(b) (i) or (ii) of the Act.

**DATED AT TORONTO** this 26th day of June, 2014.

“Edward Kerwin”

**2.2.2 Steven George Conville – s. 8(4) of the Act and Rule 14.7 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  
A DECISION OF THE INVESTMENT INDUSTRY  
REGULATORY ORGANIZATION OF CANADA**

**AND**

**IN THE MATTER OF  
STEVEN GEORGE CONVILLE**

**ORDER**

**(Subsection 8(4) of the Securities Act,  
Rule 14.7 of the Ontario Securities Commission  
Rules of Procedure (2012), 35 O.S.C.B. 10071)**

**WHEREAS** on March 10, 2013, Steven Conville (“**Conville**”) filed with the Ontario Securities Commission (the “**Commission**”) an application for hearing and review of decisions of a Hearing Panel of the Investment Industry Regulatory Organization of Canada (“**IIROC**”) dated June 11, 2012 and February 12, 2013 (the “**IIROC Penalty Decision**”) (together, the “**IIROC Decisions**”), pursuant to section 21.7 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “**Act**”) (the “**Conville Application**”);

**AND WHEREAS** on April 5, 2013, Enforcement Staff of IIROC (“**IIROC Staff**”) filed a cross-application for hearing and review of the IIROC Penalty Decision (the “**IIROC Application**”);

**AND WHEREAS** on April 8, 2013, Conville requested a stay of the IIROC Penalty Decision pending the determination of the hearing and review (the “**Stay Application**”) and IIROC Staff and Enforcement Staff of the Commission gave notice, in writing, that they did not oppose the Stay Application;

**AND WHEREAS** on April 12, 2013, the Commission ordered that the IIROC Penalty Decision be stayed, pursuant to subsection 8(4) of the Act and Rule 14.7 of the Rules, pending the determination of the Conville Application and the IIROC Application (the “**Stay Order**”);

**AND WHEREAS** on October 8, 2013, IIROC Staff informed the Commission, in writing, that Conville and IIROC Staff had agreed to discontinue the Conville Application and the IIROC Application;

**IT IS ORDERED THAT** the Stay Order is revoked.

**DATED** at Toronto this 30th day of June, 2014.

“James D. Carnwath”

**2.2.3 Canada Bread Company, Limited – s. 1(6) of the OBCA**

**Headnote**

Applicant deemed to have ceased to be offering its securities to the public under the OBCA.

**Statutes Cited**

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

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

**AND**

**IN THE MATTER OF  
CANADA BREAD COMPANY, LIMITED  
(the “APPLICANT”)**

**ORDER  
(Subsection 1(6) of the OBCA)**

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

**AND UPON** the Applicant representing to the Commission that:

1. The Applicant is an “offering corporation” as defined in the OBCA and has an authorized capital consisting of an unlimited number of common shares (the “**Common Shares**”) and 25,000 preference shares (the “**Preference Shares**”). There are no Preference Shares issued and outstanding.
2. The head office of the Applicant is located at 10 Four Seasons Place, Suite 1200, Etobicoke, Ontario M9B 6H7.
3. On May 23, 2014, Grupo Bimbo, S.A.B. de C.V. (“**Grupo Bimbo**”) acquired indirectly through Bimabel Canada Inc. (“**Bimabel**”), a wholly-owned subsidiary of Grupo Bimbo, all of the issued and outstanding securities of the Applicant by way of a plan of arrangement under the OBCA and became the sole beneficial holder of all of the Common Shares.
4. As of the date hereof, all of the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by Grupo Bimbo.

5. The Common Shares have been de-listed from the Toronto Stock Exchange, effective as of the close of trading on May 26, 2014.
6. No securities of the Applicant 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.
7. Pursuant to BC Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status*, the British Columbia Securities Commission confirmed the Applicant’s non-reporting issuer status in British Columbia effective June 6, 2014.
8. The Applicant is a reporting issuer, or the equivalent, in Alberta, Saskatchewan, Ontario, Quebec and Nova Scotia (the “**Jurisdictions**”), and is currently not in default of any of the applicable requirements under the legislation of the Jurisdictions.
9. On May 23, 2014, the Applicant made an application to the Ontario Securities Commission, as principal regulator on behalf of the securities regulatory authorities in the Jurisdictions, for a decision that the Applicant is not a reporting issuer in the Jurisdictions (the “**Reporting Issuer Relief Requested**”).
10. The Applicant has no intention to seek public financing by way of an offering of securities.
11. Upon the granting of the Reporting Issuer Relief Requested, the Applicant will not be a reporting issuer or equivalent in any jurisdiction of Canada.

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

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

**DATED** at Toronto on this 24th day of June, 2014.

“James Turner”  
Ontario Securities Commission

“Sarah B Kavanagh”  
Ontario Securities Commission

**2.2.4 Howard Rash**

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

**AND**

**IN THE MATTER OF  
HOWARD RASH**

**ORDER**

**WHEREAS** on March 7, 2014, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing (the "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") accompanied by a Statement of Allegations of Staff of the Commission dated March 7, 2014 with respect to Howard Rash ("Howard Rash");

**AND WHEREAS** the Notice of Hearing announced that a hearing would be held at the offices of the Commission on March 28, 2014;

**AND WHEREAS** on March 28, 2014, Staff attended the hearing and no one appeared on behalf of Rash;

**AND WHEREAS** the Commission was satisfied that Rash had notice of the hearing and consented to an adjournment;

**AND WHEREAS** on March 28, 2014, the Commission ordered that the hearing be adjourned to May 27, 2014 at 10:00 a.m.;

**AND WHEREAS** on May 27, 2014, Staff attended the hearing and no one appeared on behalf of Rash;

**AND WHEREAS** Staff requested an adjournment of the hearing to permit the parties to pursue a resolution of this proceeding;

**AND WHEREAS** the Commission was satisfied that Rash had notice of the hearing and consented to the adjournment;

**AND WHEREAS** on May 27, 2014, the Commission ordered that the hearing be adjourned to August 27, 2014 at 10:00 a.m.;

**AND WHEREAS** Rash entered into a settlement agreement with Staff dated June 18 and 19, 2014 (the "Settlement Agreement") in which Rash agreed to a proposed settlement of the proceeding commenced by the Notice of Hearing dated March 7, 2014, subject to the approval of the Commission;

**AND WHEREAS** on June 23, 2014, the Commission issued a Notice of Hearing pursuant to subsection 127(1) of the Act to announce that it proposed

to hold a hearing on June 26, 2014 to consider whether it is in the public interest to approve a settlement agreement entered into between Staff and Rash;

**AND WHEREAS** on June 26, 2014, Staff, Rash and counsel for Rash attended the hearing;

**AND WHEREAS** on June 26, 2014, the Commission approved the Settlement Agreement and issued an order in the form attached to the Settlement Agreement that included various sanctions against Rash;

**IT IS ORDERED** that the hearing date scheduled for August 27, 2014 is vacated.

**DATED** at Toronto this 26th day of June, 2014.

"Edward P. Kerwin"



2.2.5 Ground Wealth Inc. et al.

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

AND

IN THE MATTER OF  
GROUND WEALTH INC., MICHELLE DUNK, ADRION SMITH, JOEL WEBSTER,  
DOUGLAS DEBOER, ARMADILLO ENERGY INC., ARMADILLO ENERGY, INC.,  
and ARMADILLO ENERGY, LLC (aka ARMADILLO ENERGY LLC)

ORDER

**WHEREAS** the Ontario Securities Commission (the "Commission") issued a temporary order on July 27, 2011 (the "Temporary Order") pursuant to subsections 127(1) and 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") that:

1. Pursuant to paragraph 2 of subsection 127(1) of the Act, all trading in the securities of Armadillo Energy Inc. ("the Armadillo Securities") shall cease;
2. Pursuant to paragraph 2 of subsection 127(1) of the Act, Armadillo Energy Inc. ("Armadillo Texas"), Ground Wealth Inc. ("GWI"), Paul Schuett ("Schuett"), Doug DeBoer ("DeBoer"), James Linde ("Linde"), Susan Lawson ("Lawson"), Michelle Dunk ("Dunk"), Adrion Smith ("Smith"), Bianca Soto ("Soto") and Terry Reichert ("Reichert") (collectively, the "Respondents to the Temporary Order") shall cease trading in all securities; and
3. Pursuant to subsection 127(6) of the Act, the Temporary Order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by order of the Commission;

**AND WHEREAS** on August 11, 2011, the Commission held a hearing to consider whether it was in the public interest to extend the Temporary Order, and heard submissions from Staff of the Commission ("Staff") and counsel to the Respondents to the Temporary Order;

**AND WHEREAS** on August 11, 2011, the Commission extended the Temporary Order to February 13, 2012 (the "Amended Temporary Order") on the same terms and conditions as provided for in the Temporary Order; provided that the Temporary Order shall not prevent a Respondent from trading for the Respondent's own account, solely through a registered dealer or a registered dealer in a foreign jurisdiction (which dealer must be given a copy of the Amended Temporary Order), in (a) any "exchange traded security" or "foreign exchange traded security" within the meaning of National Instrument 21-101, provided the Respondent does not own beneficially or exercise control or direction over more than 5 per cent of the voting or equity securities of the issuer of any such securities, or (b) any security issued by a mutual fund that is a reporting issuer; and provided the Respondent provides Staff with the particulars of the accounts in which such trading is to occur before any trading in such accounts occurs;

**AND WHEREAS** on February 8, 2012, the Commission held a hearing to consider whether it was in the public interest to extend the Amended Temporary Order pursuant to subsections 127(7) and 127(8) of the Act, and heard submissions from Staff and from counsel to the Respondents to the Temporary Order;

**AND WHEREAS** on February 8, 2012, the Commission extended the Amended Temporary Order to August 8, 2012 (the "February 2012 Temporary Order") on the following terms:

1. Pursuant to paragraph 2 of subsection 127(1) of the Act, all trading in the Armadillo Securities shall cease;
2. Pursuant to paragraph 2 of subsection 127(1) of the Act, the Respondents to the Temporary Order shall cease trading in Armadillo Securities and/or in securities of a nature similar to Armadillo Securities, which are securities evidencing an interest in the production of barrels of oil still in the ground; and
3. This Order shall not prevent Staff from applying to the Commission for a variation of this Order if Staff considers that doing so was in the public interest;

**AND WHEREAS** on August 2, 2012, the Commission held a hearing to consider whether it was in the public interest to extend the February 2012 Temporary Order pursuant to subsections 127(7) and 127(8) of the Act, and heard submissions from Staff and from counsel to the Respondents to the Temporary Order;

**AND WHEREAS** on August 2, 2012, the Commission extended the February 2012 Temporary Order until February 4, 2013, and ordered that the matter return before the Commission on February 1, 2013;

**AND WHEREAS** on February 1, 2013, the Commission held a hearing to consider whether it was in the public interest to further extend the February 2012 Temporary Order pursuant to subsections 127(7) and 127(8) of the Act;

**AND WHEREAS** on February 1, 2013, Staff appeared, made submissions and requested that the February 2012 Temporary Order be extended against GWI, Armadillo Texas, DeBoer, Dunk and Smith only;

**AND WHEREAS** on February 1, 2013 Staff advised that they would be initiating proceedings in this matter under section 127 of the Act shortly and would not be naming Schuett, Linde, Lawson, Soto or Reichert as respondents;

**AND WHEREAS** on February 1, 2013, counsel to the Respondents to the Temporary Order did not appear, but email correspondence setting out his position and advising that he did not oppose the extension of the February 2012 Temporary Order to March 6, 2013 was filed by Staff;

**AND WHEREAS** on February 1, 2013, the Commission extended the February 2012 Temporary Order to March 6, 2013, as against the respondents GWI, Armadillo Texas, DeBoer, Dunk and Smith and ordered that a further hearing be held before the Commission on March 5, 2013 (the "February 2013 Temporary Order");

**AND WHEREAS** on February 1, 2013, the Commission issued a Notice of Hearing (the "Notice of Hearing") pursuant to sections 127 and 127.1 of the Act, in relation to a Statement of Allegations filed by Staff on February 1, 2013 (the "Statement of Allegations") naming as respondents GWI, Armadillo Texas, DeBoer, Dunk and Smith, as well as Joel Webster ("Webster"), Armadillo Energy, Inc., a Nevada company ("Armadillo Nevada") and Armadillo Energy LLC, an Oklahoma company ("Armadillo Oklahoma") (collectively, the "Respondents");

**AND WHEREAS** on March 5, 2013, a hearing was held to consider whether it was in the public interest to further extend the February 2013 Temporary Order pursuant to subsections 127(7) and 127(8) of the Act, and a concurrent hearing was held in relation to the Notice of Hearing;

**AND WHEREAS** on March 5, 2013, Staff appeared, made submissions and advised that Smith, GWI, Dunk and Armadillo Nevada had been successfully served with the Notice of Hearing and the Statement of Allegations, but that Staff required additional time to serve the Notice of Hearing and the Statement of Allegations on Webster, DeBoer, Armadillo Texas and Armadillo Oklahoma;

**AND WHEREAS** on March 5, 2013, counsel to GWI and Dunk appeared, made submissions and did not oppose the extension of the February 2013 Temporary Order; Smith appeared personally but made no submissions; and Webster, DeBoer, Armadillo Texas, Armadillo Nevada and Armadillo Oklahoma did not appear;

**AND WHEREAS** on March 5, 2013, the Commission continued the February 2013 Temporary Order to April 9, 2013, as against the respondents GWI, Armadillo Texas, DeBoer, Dunk and Smith, and adjourned the proceeding in relation to the February 2013 Temporary Order to April 8, 2013;

**AND WHEREAS** on April 8, 2013, a hearing was held to consider whether it was in the public interest to further extend the February 2013 Temporary Order pursuant to subsections 127(7) and 127(8) of the Act, and a concurrent hearing was held in relation to the Notice of Hearing;

**AND WHEREAS** on April 8, 2013, Staff appeared, made submissions and filed the Affidavit of Stephen Carpenter, sworn March 27, 2013;

**AND WHEREAS** Staff also filed materials confirming that (a) GWI, Dunk, Smith, Webster, DeBoer, Armadillo Texas and Armadillo Nevada were served with the Notice of Hearing and the Statement of Allegations, and that Armadillo Oklahoma was an inactive company, and (b) disclosure was being prepared and that Staff estimated that eight weeks would be required to complete production of the electronic disclosure briefs;

**AND WHEREAS** on April 8, 2013, counsel to GWI, Dunk and DeBoer appeared, made submissions and did not oppose the further extension of the February 2013 Temporary Order without prejudice, and also advised that he had been in contact with Smith and that Smith also did not oppose the further extension of the February 2013 Temporary Order;

**AND WHEREAS** counsel to GWI, Dunk and DeBoer also advised that his clients did not oppose an eight week adjournment of the proceeding in relation to the Notice of Hearing without prejudice, and that Smith also did not oppose the requested adjournment;

**AND WHEREAS** on April 8, 2013, Smith, Webster, Armadillo Texas, Armadillo Nevada and Armadillo Oklahoma did not appear;

**AND WHEREAS** on April 8, 2013, Schuett, Linde, Lawson, Soto and Reichert were no longer respondents to the February 2013 Temporary Order and were not respondents to the proceeding initiated by the Notice of Hearing;

**AND WHEREAS** on April 8, 2013, the remaining respondents to the February 2013 Temporary Order, being GWI, Armadillo Texas, DeBoer, Dunk and Smith, were all respondents to the proceeding initiated by the Notice of Hearing;

**AND WHEREAS** on April 8, 2013, the Commission ordered that:

1. The February 2013 Temporary Order be extended to June 7, 2013, or until further order of the Commission, as against the respondents GWI, Armadillo Texas, DeBoer, Dunk and Smith;
2. A further hearing in relation to the February 2013 Temporary Order be held on June 6, 2013;
3. The hearing in relation to the Notice of Hearing be adjourned to June 6, 2013; and
4. Any further notices or orders in this matter would proceed under a single style of cause of the proceeding initiated by the February 1, 2013 Notice of Hearing, being "IN THE MATTER OF GROUND WEALTH INC., MICHELLE DUNK, ADRIAN SMITH, JOEL WEBSTER, DOUGLAS DeBOER, ARMADILLO ENERGY INC., ARMADILLO ENERGY, INC. and ARMADILLO ENERGY LLC.";

**AND WHEREAS** on June 6, 2013, a hearing was held to consider whether it was in the public interest to further extend the February 2013 Temporary Order pursuant to subsections 127(7) and 127(8) of the Act, and a concurrent hearing was held in relation to the Notice of Hearing;

**AND WHEREAS** Staff appeared, made submissions and filed the Affidavit of Stephen Carpenter, sworn May 22, 2013, and advised that disclosure was prepared and available for delivery to all the Respondents, upon their signing of an undertaking in such terms suitable to protect the personal and private information contained in the disclosure brief;

**AND WHEREAS** at the hearings, Staff provided counsel to GWI, Dunk and DeBoer with three copies of the electronic disclosure brief;

**AND WHEREAS** counsel to GWI, Dunk and DeBoer made submissions and did not oppose the further extension of the February 2013 Temporary Order without prejudice;

**AND WHEREAS** Smith, Webster, Armadillo Texas, Armadillo Nevada and Armadillo Oklahoma did not appear;

**AND WHEREAS** the Commission advised the parties that it expected to set the dates for a hearing on the merits at the next appearance on this matter;

**AND WHEREAS** on June 6, 2013, the Commission ordered that:

1. The hearing in relation to the Notice of Hearing be adjourned to a pre-hearing conference to be held on August 20, 2013 at 10:00 a.m.;
2. The hearing in relation to the February 2013 Temporary Order be adjourned to August 20, 2013 at 10:30 a.m.; and
3. The February 2013 Temporary Order against the Respondents be extended to August 22, 2013;

**AND WHEREAS** on August 20, 2013, a confidential pre-hearing conference was held, followed by a public hearing to consider whether it was in the public interest to further extend the February 2013 Temporary Order pursuant to subsections 127(7) and 127(8) of the Act;

**AND WHEREAS** Staff appeared and made submissions and counsel to GWI, Dunk and DeBoer appeared, made submissions and did not oppose the further extension of the February 2013 Temporary Order without prejudice;

**AND WHEREAS** Smith, Webster, Armadillo Texas, Armadillo Nevada and Armadillo Oklahoma did not appear, although properly served with notice of the hearings;

**AND WHEREAS** after hearing the submissions of Staff and counsel to GWI, Dunk and DeBoer, the Commission deferred setting the dates for a hearing on the merits and advised the parties that it expected to set such dates at the next appearance on this matter;

**AND WHEREAS** on August 20, 2013 the Commission ordered that:

1. The pre-hearing conference be adjourned and would continue on October 1, 2013 at 10:00 a.m.;
2. The hearing in relation to the extension of the February 2013 Temporary Order be adjourned and would continue on October 1, 2013, at 10:30 a.m.; and
3. The February 2013 Temporary Order be extended to October 3, 2013, as against the respondents GWI, Armadillo Texas, DeBoer, Dunk and Smith;

**AND WHEREAS** on September 20, 2013, the Registrar of the Commission received a written request on behalf of counsel to GWI, Dunk and DeBoer, requesting an adjournment of the next appearances on this matter (the "Adjournment Request");

**AND WHEREAS** Staff and counsel to GWI, Dunk and DeBoer agreed that the next pre-hearing conference be rescheduled to October 11, 2013 and the February 2013 Temporary Order be extended to October 16, 2013;

**AND WHEREAS** Armadillo Texas, Armadillo Nevada and Smith were provided with an opportunity to object to the Adjournment Request and did not do so;

**AND WHEREAS** Staff submitted that Armadillo Oklahoma and Webster could not be served;

**AND WHEREAS** on September 30, 2013, the Commission ordered that:

1. The pre-hearing conference scheduled for October 1, 2013 at 10:00 a.m. be adjourned and would continue on October 11, 2013 at 10:00 a.m.;
2. The hearing in relation to the extension of the February 2013 Temporary Order scheduled for October 1, 2013 at 10:30 a.m. be adjourned and would continue on October 11, 2013 at 10:30 a.m.; and
3. The February 2013 Temporary Order be extended to October 16, 2013, as against the respondents GWI, Armadillo Texas, DeBoer, Dunk and Smith;

**AND WHEREAS** on October 11, 2013, a confidential pre-hearing conference was held, followed by a public hearing to consider whether it was in the public interest to further extend the February 2013 Temporary Order pursuant to subsections 127(7) and 127(8) of the Act;

**AND WHEREAS** Staff appeared and made submissions and counsel to GWI, Dunk and DeBoer appeared, made submissions and did not oppose the further extension of the February 2013 Temporary Order without prejudice;

**AND WHEREAS** Smith, Webster, Armadillo Texas, Armadillo Nevada and Armadillo Oklahoma did not appear, although properly served with notice of the hearings;

**AND WHEREAS** after hearing the submissions of Staff and counsel to GWI, Dunk and DeBoer, the Commission deferred setting the dates for a hearing on the merits and advised the parties that it expects to set such dates at the next appearance on this matter;

**AND WHEREAS** on October 11, 2013, the Commission ordered that:

1. The pre-hearing conference be adjourned and would continue on November 5, 2013, at 2:30 p.m.;
2. The hearing in relation to the extension of the February 2013 Temporary Order be adjourned and would continue on November 5, 2013, at 3:00 p.m.; and
3. The February 2013 Temporary Order be extended to November 8, 2013, as against the respondents GWI, Armadillo Texas, DeBoer, Dunk and Smith;

**AND WHEREAS** on October 31, 2013, the Commission issued an Amended Notice of Hearing and Staff filed an Amended Statement of Allegations, which amended the title of this proceeding by replacing the name "Armadillo Energy LLC" with "Armadillo Energy, LLC (aka Armadillo Energy LLC)" (collectively, "Armadillo Oklahoma", as defined above);

**AND WHEREAS** on November 5, 2013, a confidential pre-hearing conference was held, followed by a public hearing to consider whether it was in the public interest to further extend the February 2013 Temporary Order pursuant to subsections 127(7) and 127(8) of the Act;

**AND WHEREAS** Staff appeared and made submissions and counsel to GWI, Dunk and DeBoer appeared, made submissions and did not oppose the further extension of the February 2013 Temporary Order without prejudice;

**AND WHEREAS** Smith, Webster, Armadillo Texas, Armadillo Nevada and Armadillo Oklahoma did not appear, although properly served with notice of the hearings;

**AND WHEREAS** on November 5, 2013, the Commission ordered that:

1. The pre-hearing conference was adjourned to continue on January 15, 2014 at 10:00 a.m.;
2. A motion requested by Staff would be heard at a confidential hearing on February 6, 2014 at 10:00 a.m. ("Staff's Motion");
3. The hearing on the merits would commence on April 14, 2014 at 10:00 a.m. and continue until May 7, 2014, save and except for April 16, 17, 18 and 22 and May 6, 2014 (the "Merits Hearing"); and
4. The February 2013 Temporary Order was extended as against the respondents GWI, Armadillo Texas, DeBoer, Dunk and Smith, to two days following the conclusion of this proceeding, including the issuance of the Commission's decision on sanctions and costs should a sanctions hearing be required following the conclusion of the Merits Hearing in this matter;

**AND WHEREAS** on January 15, 2014, the Commission held a confidential pre-hearing conference, and Staff and counsel to GWI, Dunk and DeBoer appeared and made submissions;

**AND WHEREAS** Smith, Webster, Armadillo Texas, Armadillo Nevada and Armadillo Oklahoma did not appear, although properly served with notice of the hearing;

**AND WHEREAS** Staff undertook to make its best efforts to serve on each party and file its motion materials, in connection with Staff's Motion, by January 22, 2014;

**AND WHEREAS** on January 15, 2014, the Commission ordered that the pre-hearing conference be adjourned and would continue on March 24, 2014 at 10:00 a.m.;

**AND WHEREAS** on January 21, 2014, at the request of Staff and counsel to GWI, Dunk and DeBoer, the Commission held a confidential pre-hearing conference;

**AND WHEREAS** Staff and counsel to GWI, Dunk and DeBoer appeared and made submissions, and Smith, Webster, Armadillo Texas, Armadillo Nevada and Armadillo Oklahoma did not appear;

**AND WHEREAS** Staff requested that the scheduled date for Staff's Motion on February 6, 2014 be re-scheduled and counsel to GWI, Dunk and DeBoer consented;

**AND WHEREAS**, on January 21, 2014, the Commission ordered that the scheduled date for Staff's Motion on February 6, 2014 be vacated and the hearing for Staff's Motion would be held on March 4, 2014 at 10:00 a.m.

**AND WHEREAS** Staff's Motion did not proceed on March 4, 2014;

**AND WHEREAS** on March 20, 2014, Staff applied to convert the Merits Hearing from an oral hearing to a written hearing, pursuant to Rule 11 of the Commission's *Rules of Procedure* (2012), 35 O.S.C.B. 10071 (the "*Rules of Procedure*");

**AND WHEREAS** on March 24, 2014, the Commission held a further confidential pre-hearing conference, and Staff and counsel to GWI, Dunk, DeBoer and Webster appeared and made submissions;

**AND WHEREAS** Smith, Armadillo Texas, Armadillo Nevada and Armadillo Oklahoma did not appear, although properly served with notice of the hearing;

**AND WHEREAS** on March 24, 2014, the Commission ordered that the pre-hearing conference be adjourned and would continue on March 28, 2014 at 9:45 a.m.;

**AND WHEREAS** on March 28, 2014, the Commission held a further confidential pre-hearing conference, and Staff and counsel to GWI, Dunk, DeBoer and Webster appeared and made submissions;

**AND WHEREAS** Smith, Armadillo Texas, Armadillo Nevada and Armadillo Oklahoma did not appear, although properly served with notice of the hearing;

**AND WHEREAS** on April 7, 2014, the Commission ordered that:

1. the Merits Hearing was converted to a hearing in writing, pursuant to Rule 11 of the *Rules of Procedure* and would proceed on the following schedule:
  - a. Staff shall serve and file evidence briefs by May 2, 2014 at 4:00 p.m.;
  - b. counsel to GWI, Dunk, DeBoer and Webster shall advise Staff by May 23, 2014 if he intends to examine any of his former clients in this matter;
  - c. the Respondents shall serve and file evidence briefs by June 13, 2014 at 4:00 p.m.;
  - d. Staff shall serve and file any evidence brief in reply by June 25, 2014 at 4:00 p.m.;
  - e. Staff shall serve and file its written submissions by July 11, 2014 at 4:00 p.m.;
  - f. the Respondents shall serve and file their written submissions by August 1, 2014 at 4:00 p.m.; and
  - g. Staff shall serve and file any written submissions in reply by August 11, 2014 at 4:00 p.m.;
2. the Respondents shall have 10 days from the date of the Order to serve any notice of objection under Rule 11.7 of the *Rules of Procedure*; and
3. the dates scheduled for the oral Merits Hearing, being April 14, 15, 21, 23-25, 28-30 and May 1-2, 5 and 7, 2014, were vacated;

**AND WHEREAS** on April 28, 2014, Staff delivered correspondence to the Commission (the "April 2014 Letter") advising that on April 25, 2014, Staff received a substantial new volume of evidence that it was unable to review and analyze prior to the deadline of May 2, 2014 for the service and filing of Staff's evidence briefs;

**AND WHEREAS** Staff requested that the schedule set out in the Commission's Order dated April 7, 2014 for the Merits Hearing be amended to move each deadline to two weeks into the future;

**AND WHEREAS** Staff advised the Commission that counsel to GWI, Dunk, DeBoer and Webster stated that he had no objection to Staff's requested amendment to the schedule;

**AND WHEREAS** Staff advised the Commission that the April 2014 Letter was delivered to Armadillo Texas, Armadillo Nevada and Smith, and Staff did not receive a response from these respondents;

**AND WHEREAS** Staff submitted that Armadillo Oklahoma could not be served with the April 2014 Letter;

**AND WHEREAS** on April 30, 2014, the Commission ordered that:

1. the Merits Hearing shall proceed on the following schedule (the "April 30 Schedule"):
  - a. Staff shall serve and file evidence briefs by May 16, 2014 at 4:00 p.m.;
  - b. counsel to GWI, Dunk, DeBoer and Webster shall advise Staff by June 6, 2014 if he intends to examine any of his former clients in this matter;
  - c. the Respondents shall serve and file evidence briefs by June 27, 2014 at 4:00 p.m.;
  - d. Staff shall serve and file any evidence brief in reply by July 9, 2014 at 4:00 p.m.;

- e. Staff shall serve and file its written submissions by July 25, 2014 at 4:00 p.m.;
- f. the Respondents shall serve and file their written submissions by August 15, 2014 at 4:00 p.m.; and
- g. Staff shall serve and file any written submissions in reply by August 25, 2014 at 4:00 p.m.;

**AND WHEREAS** on May 16, 2014, Staff filed the Affidavit of Stephen Carpenter sworn May 14, 2014, together with an index and six volumes of documents (collectively, the "Carpenter Affidavit"), and the Affidavit of Service of Tia Faerber sworn May 16, 2014;

**AND WHEREAS** on June 2, 2014, the Commission ordered that all further service of notice or proceeding documents in this matter on Armadillo Oklahoma be waived;

**AND WHEREAS** on June 26, 2014, counsel for Dunk, DeBoer, GWI and Webster filed the affidavits sworn June 25, 2014 by Dunk and DeBoer (respectively, the "Dunk Affidavit" and the "DeBoer Affidavit");

**AND WHEREAS** no other Respondent has filed any evidence on the written hearing;

**AND WHEREAS** Staff wrote to the Panel on July 3, 2014, and advised that both Staff and counsel for Dunk, DeBoer, GWI and Webster were of the view that the written materials filed by the parties raise evidentiary issues that cannot be addressed on the basis of the written record and may require scheduling *viva voce* evidence, and requested that the April 30 Schedule be suspended pending discussion of these issues;

**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 parties shall appear for a status update hearing on July 16, 2014 at 2:00 p.m.; and
2. the April 30 Schedule is suspended pending the status update on July 16, 2014.

**DATED** at Toronto this 8th day of July, 2014.

"Christopher Portner"

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## Chapter 3

# Reasons: Decisions, Orders and Rulings

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### 3.1 OSC Decisions, Orders and Rulings

#### 3.1.1 Howard Rash

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

AND

IN THE MATTER OF  
HOWARD RASH

SETTLEMENT AGREEMENT  
BETWEEN STAFF AND HOWARD RASH

#### PART I – INTRODUCTION

1. By Notice of Hearing dated March 7, 2014, the Ontario Securities Commission (the “Commission”) announced that it proposed to hold a hearing, commencing on March 28, 2014, pursuant to subsections 127(1) and 127(10) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”), to consider whether it is in the public interest to make orders, as specified therein, against Howard Rash (“Rash”). The Notice of Hearing was issued in connection with the allegations as set out in the Statement of Allegations of Staff of the Commission (“Staff”) dated March 7, 2014.

2. The Commission will issue a Notice of Hearing to announce that it will hold a hearing to consider whether, pursuant to subsections 127(1) and 127(10) of the Act, it is in the public interest for the Commission to approve this Settlement Agreement and to make certain orders in respect of Rash.

#### PART II – JOINT SETTLEMENT RECOMMENDATION

3. Staff agree to recommend settlement of the proceeding initiated by the Notice of Hearing dated March 7, 2014 against Rash (the “Proceeding”) in accordance with the terms and conditions set out below. Rash consents to the making of an order in the form attached as Schedule “A”, based on the facts set out below.

#### PART III – AGREED FACTS

##### Overview

4. On June 8, 2010, Staff commenced proceedings against Rash in the Ontario Court of Justice by Information alleging, *inter alia*, one count of fraud contrary to sections 122 and 126.1(b) of the Act and one count of contravening Ontario securities law by trading in securities at a time when he was prohibited from doing so by order of the Commission contrary to section 122 of the Act (the “Offences”).

5. On August 31, 2012, Rash pleaded guilty to the Offences. As part of his plea, Rash admitted the truth of a Statement of Facts for Guilty Plea (the “Statement of Facts”) that was filed as an exhibit in that proceeding. The Statement of Facts is attached as schedule “B” to this Settlement Agreement.

6. Rash’s guilty plea was accepted by the Court and he was convicted in the Ontario Court of Justice of the Offences.

7. A sentencing hearing was subsequently held in connection with Rash’s convictions before Justice Gorewich of the Ontario Court of Justice. Following the sentencing hearing, Justice Gorewich sentenced Rash to a period of imprisonment of nine months and probation for two years.

8. As is reflected in the Statement of Facts, Rash’s convictions for the Offences arose from transactions, business and a course of conduct relating to securities and constituted non-compliance with Ontario securities law.

9. As a result of his non-compliance with Ontario securities law, Rash obtained \$313,461.

10. In addition to the above facts, Staff and Rash admit the Statement of Facts attached as schedule "B" to this Settlement Agreement as agreed facts for the purposes of this Settlement Agreement.

#### **PART IV – CONDUCT CONTRARY TO THE PUBLIC INTEREST**

11. By engaging in the conduct described above and in the Statement of Facts, Rash admits and acknowledges that he contravened Ontario securities law during the Material Time. Rash further admits and acknowledges that his conviction for the Offences arose from transactions, business and a course of conduct related to securities.

12. Rash admits and acknowledges that he acted contrary to the public interest by contravening Ontario securities law and engaging in the conduct set out above and in the Statement of Facts.

#### **PART V – TERMS OF SETTLEMENT**

13. Rash agrees to the terms of settlement listed below.

14. The Commission will make an order, pursuant to subsection 127(1) of the Act, that:

- (a) the Settlement Agreement is approved;
- (b) pursuant to clause 2 of subsection 127(1) of the Act, trading in any securities by Rash cease permanently;
- (c) pursuant to clause 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Rash is prohibited permanently;
- (d) pursuant to clause 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Rash permanently;
- (e) pursuant to clause 6 of subsection 127(1) of the Act, Rash is reprimanded;
- (f) pursuant to clauses 8, 8.2, and 8.4 of subsection 127(1) of the Act, Rash is prohibited permanently from becoming or acting as a director or officer of any issuer, registrant, or investment fund manager;
- (g) pursuant to clause 8.5 of subsection 127(1) of the Act, Rash is prohibited permanently from becoming or acting as a registrant, as an investment fund manager or as a promoter; and
- (h) pursuant to clause 9 of subsection 127(1) of the Act, in respect of his failure to comply with Ontario securities law, Rash shall pay an administrative penalty in the amount of \$313,461, such amount to be designated for allocation or for use by the Commission pursuant to subsection 3.4(2)(b) (i) or (ii) of the Act.

15. Rash undertakes to consent to a regulatory order made by any provincial or territorial securities regulatory authority in Canada containing any or all of the sanctions set out in sub-paragraphs 14 (b) to (g) above.

#### **PART VI – STAFF COMMITMENT**

16. If this Settlement Agreement is approved by the Commission, Staff will not initiate any other proceeding under the Act against Rash in relation to the facts set out in Part III herein, subject to the provisions of paragraph 17 below.

17. If this Settlement Agreement is approved by the Commission, and at any subsequent time Rash fails to honour the terms of the Settlement Agreement, Staff reserve the right to bring proceedings under Ontario securities law against Rash based on, but not limited to, the facts set out in Part III herein as well as the breach of the Settlement Agreement.

#### **PART VII – PROCEDURE FOR APPROVAL OF SETTLEMENT**

18. Approval of this Settlement Agreement will be sought at a hearing of the Commission scheduled on a date to be determined by the Secretary to the Commission, or such other date as may be agreed to by Staff and Rash for the scheduling of the hearing to consider the Settlement Agreement.

19. Staff and Rash agree that this Settlement Agreement, including schedule "B", will constitute the entirety of the agreed facts to be submitted at the settlement hearing regarding Rash's conduct in this matter, unless the parties agree that further facts should be submitted at the settlement hearing.

20. If this Settlement Agreement is approved by the Commission, Rash agrees to waive all rights to a full hearing, judicial review or appeal of this matter under the Act.

21. If this Settlement Agreement is approved by the Commission, neither party will make any public statement that is inconsistent with this Settlement Agreement or inconsistent with any additional agreed facts submitted at the settlement hearing.

22. Whether or not this Settlement Agreement is approved by the Commission, Rash agrees that he will not, in any proceeding, refer to or rely upon this Settlement Agreement or the settlement negotiations as the basis of any attack on the Commission's jurisdiction, alleged bias or appearance of bias, alleged unfairness or any other remedies or challenges that may otherwise be available.

**PART VIII – DISCLOSURE OF SETTLEMENT AGREEMENT**

23. If, for any reason whatsoever, this Settlement Agreement is not approved by the Commission or the order attached as Schedule "A" is not made by the Commission:

- (a) this Settlement Agreement and its terms, including all settlement negotiations between Staff and Rash leading up to its presentation at the settlement hearing, shall be without prejudice to Staff and Rash; and
- (b) Staff and Rash shall be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing on the merits of the allegations in the Notice of Hearing and Statement of Allegations of Staff, unaffected by the Settlement Agreement or the settlement discussions/negotiations.

24. The terms of this Settlement Agreement will be treated as confidential by all parties hereto until approved by the Commission. Any obligations of confidentiality shall terminate upon approval of this Settlement Agreement by the Commission. The terms of the Settlement Agreement will be treated as confidential forever if the Settlement Agreement is not approved for any reason whatsoever by the Commission, except with the written consent of Rash and Staff or as may be required by law.

**PART IX – EXECUTION OF SETTLEMENT AGREEMENT**

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

26. A facsimile copy of any signature will be as effective as an original signature.

Signed in the presence of:

"Matthew Shields"  
Witness:

"Howard Rash"  
Howard Rash

Dated this 18th day of June, 2014

"Tom Atkinson"  
STAFF OF THE ONTARIO SECURITIES COMMISSION  
per Tom Atkinson  
Director, Enforcement Branch

Dated this 19th day of June, 2014

**SCHEDULE "A"**

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

**AND**

**IN THE MATTER OF  
HOWARD RASH**

**AND**

**IN THE MATTER OF  
A SETTLEMENT AGREEMENT BETWEEN  
STAFF OF THE ONTARIO SECURITIES COMMISSION  
AND HOWARD RASH**

**ORDER  
(Subsection 127(1))**

**WHEREAS** by Notice of Hearing dated March 7, 2014, the Ontario Securities Commission (the "Commission") announced that it proposed to hold a hearing, commencing on March 28, 2014, pursuant to subsections 127(1) and 127(10) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), to consider whether it is in the public interest to make orders, as specified therein, against Howard Rash ("Rash"). The Notice of Hearing was issued in connection with the allegations as set out in the Statement of Allegations of Staff of the Commission ("Staff") dated March 7, 2014;

**AND WHEREAS** Rash entered into a settlement agreement with Staff dated \_\_\_\_\_, 2014 (the "Settlement Agreement") in which Rash agreed to a proposed settlement of the proceeding commenced by the Notice of Hearing dated March 7, 2014, subject to the approval of the Commission;

**AND WHEREAS** on \_\_\_\_\_, 2014, the Commission issued a Notice of Hearing pursuant to subsection 127(1) of the Act to announce that it proposed to hold a hearing to consider whether it is in the public interest to approve a settlement agreement entered into between Staff and Rash;

**AND UPON** reviewing the Settlement Agreement, the Notices of Hearing, and the Statement of Allegations of Staff, and upon hearing submissions from counsel for Rash and from Staff;

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

**IT IS HEREBY ORDERED THAT:**

- (a) the Settlement Agreement is approved;
- (b) pursuant to clause 2 of subsection 127(1) of the Act, trading in any securities by Rash cease permanently from the date of this Order;
- (c) pursuant to clause 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Rash is prohibited permanently from the date of this Order;
- (d) pursuant to clause 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Rash permanently from the date of this Order;
- (e) pursuant to clause 6 of subsection 127(1) of the Act, Rash is reprimanded;
- (f) pursuant to clauses 8, 8.2, and 8.4 of subsection 127(1) of the Act, Rash is prohibited permanently from the date of this Order from becoming or acting as a director or officer of any issuer, registrant, or investment fund manager;
- (g) pursuant to clause 8.5 of subsection 127(1) of the Act, Rash is prohibited permanently from the date of this Order from becoming or acting as a registrant, as an investment fund manager or as a promoter; and

- (h) pursuant to clause 9 of subsection 127(1) of the Act, in respect of his failure to comply with Ontario securities law, Rash shall pay an administrative penalty in the amount of \$313,461, such amount to be designated for allocation or for use by the Commission pursuant to subsection 3.4(2)(b) (i) or (ii) of the Act.

**DATED AT TORONTO** this \_\_\_\_ day of \_\_\_\_\_, 2014.

Schedule "B"

FILED IN #202  
August 31, 2012

Ontario Court

Regional Municipality of York

R vs RASH  
File # 10000614  
Exhibit # BETWEEN  
Produced by CROWN  
Date JAN 14 2013  
MITCHELL J  
Clerk

ONTARIO COURT OF JUSTICE  
(Toronto Region)  
CENTRAL EAST  
ONTARIO SECURITIES COMMISSION

COURT REPORTER  
SUSAN CLARK  
JUSTICE  
WILLIAM GOSWICK

- and -

HOWARD RASH

STATEMENT OF FACTS FOR GUILTY PLEA

I. Overview

1. The following facts are presented by the Ontario Securities Commission (the "Commission") upon the plea of guilty by Howard Rash ("Rash") to one count of fraud contrary to section 126.1 of the *Securities Act* (Ontario), the "Act" and to one count of contravening Ontario securities law by trading in securities at a time when he was prohibited from doing so contrary to section 122(1)(c) of the Act.

2. All charges emanate from a course of conduct engaged in by Rash and other persons associated with a company called Global Energy Group, Ltd. ("Global Energy").

3. Rash was at all material times a sales representative of Global Energy and was never a directing mind of that company.

A. Overview of the Global Energy Fraud and Rash's Involvement

i) Overview of the Global Energy Fraud

4. Global Energy operated an unregistered securities sales office, commonly called a boiler room, trading units of a series of limited partnerships called New Gold LLP (the "New Gold Securities") to members of the public.

5. The Global Energy boiler room offices were located at units located at 2727 Steeles Avenue, West in Toronto, Ontario and on Tandem Road in Concord, Ontario (the "Ontario Offices").

6. From approximately June 1, 2007 to June 25, 2008 (the "Material Time"), primarily using telephone solicitations, Rash and other persons associated with Global Energy (the "Global Energy Agents"), sold at least \$14.75 million (U.S.) worth of New Gold Securities to approximately 200 members of the public (the "New Gold Investors"), the majority of whom lived in western Canada. The New Gold Securities purported to constitute ownership interests in Kentucky oil and gas leases.

7. Rash was employed at Global Energy from mid-September 2007 to mid-June 2008. During that time, 15 to 20 of the persons whom he approached ended up investing with Global Energy.

Rash did not raise \$14.75 million and does not know how much money Global Energy raised before or during his employment.

8. The operations of Global Energy in Ontario were supervised and directed by Vadim Tsatskin ("Tsatskin") and Christina Harper ("Harper").

9. Under the direction and supervision of Tsatskin and Harper, the Global Energy Agents, including Rash, sold the New Gold Securities to members of the public using deceit, falsehood and other fraudulent means.

10. The New Gold Investors were led to believe that the offices of Global Energy were in Kentucky and were instructed by the Global Energy Agents to send their investment funds to bank accounts in Kentucky in the name of American Oil & Gas Resources Inc. ("American Oil & Gas") controlled by Brian Coffman ("Coffman"), a Kentucky lawyer and one of the directing minds of Global Energy. These investor funds were then diverted to number of overseas bank accounts and were also sent back to Canada to the fund operations from the boiler rooms at the Ontario Offices.

11. While Rash was aware that some persons he persuaded to buy New Gold Securities received an invoice with instructions to wire money to American Oil & Gas, he had no involvement in the design or implementation of these instructions. He further had no knowledge that any monies were sent or diverted overseas accounts as described in paragraph 10.

12. A significant amount of New Gold Investor Funds was transferred to accounts in the Bahamas, Panama, personal accounts controlled by Coffman and to accounts in Toronto linked to Tsatskin, Harper and others. Initially, the New Gold Investors did receive some minimal payments



or royalties in relation to their investments. This was done, in part, to persuade them to reinvest. However, by the time that the illicit scheme was detected by regulatory authorities including Staff, the New Gold Investors had suffered significant losses and received only nominal returns as compared to the returns promised by the Global Energy Agents. Rash was not aware that investor funds were being diverted overseas and to the personal accounts linked to Coffman, Tsatskin, Harper and others.

13. Rash did not own or operate an offshore account at any material time and does not do so at this time. He never received any funds by wire. Other sales staff received commission payments by wire, but Rash received cheques. Other than receiving inquiries from investors as to the quantum and delivery times of the royalty payments, Rash had no knowledge of these matters.

**ii) Overview of Rash's Involvement**

14. Rash clearly deceived investing members of the public in the following ways:

- i) Rash lied about his true identity by using the alias of David Wells;
- ii) Rash lied about where he was selling securities from, stating that he was in Kentucky when he was in Ontario; and
- iii) Rash improperly withheld from investors and potential investors that he was prohibited by Order of the Commission from trading in securities which would have prohibited him from selling New Gold Securities.

15. By engaging in the conduct set out in the previous paragraph, Rash prevented any members of the public from ascertaining his registration status with the Commission and the fact that he was prohibited from selling New Gold Securities to any member of the public from Ontario.

16. Further, during the course of his solicitations, Rash provided information to members of the public about Global Energy's prior business history, the expertise and qualifications of Global Energy's management, the oil production of the wells purportedly underlying the New Gold Securities and the use of the proceeds from the sale of the New Gold Securities that was false, untrue and/or misleading.

17. Rash primarily relied on information about Global Energy and its operations provided by Tsatskin, Coffman and Harper. While believed the information and made some inquiries, Rash failed to conduct sufficient due diligence to ensure the information being conveyed to investors was correct, in circumstances where he had reason to believe the information was inaccurate.

18. In sum, Rash was willfully blind as to whether this information being conveyed about Global Energy and the investments in New Gold was false.

**B. Sale of New Gold Securities: Badges of Fraud**

19. The following points serve to demonstrate fraud linked to the sale of the New Gold Securities subject to the facts contained in paragraphs 14-18 as they apply to Rash:

- i) There is no record of the registration of the New Gold Securities in Kentucky nor any legitimate evidence of their registration in the Bahamas (Coffman had prepared the Offering Memorandum that was

distributed to prospective investors and Rash had no role in preparing any materials provided to investors or potential investors);

- ii) Investors were told that the senior management of Global Energy had a long history of successful drilling in the oil and gas field. This was incorrect;
- iii) A significant amount of New Gold Investor funds were transferred to accounts in the Bahamas, Panama, personal accounts controlled by Coffman and to accounts in Toronto linked to Tsatskin, Harper, and other individuals involved in the sale of the New Gold Securities;
- iv) Global Energy Agents used aliases when selling the New Gold Securities, Rash used the alias David Wells;
- v) New Gold Investors were misled as to the true ownership and control of Global Energy;
- vi) New Gold Investors were informed or led to believe, by persons including Rash, that the Global Energy sales offices were in Kentucky when in fact they were in Toronto;
- vii) the New Gold Investors were informed by the Global Energy Agents that their funds were being used to fund drilling operations in Kentucky that would yield significant profits from oil and gas wells. This information was grossly exaggerated and fraudulent. **Although** the information was false and overstated, Rash was not aware of the extent of the falsehoods until the execution of the search warrants and until reading the allegations set out on the Commission website; and

- viii) The oil wells in Kentucky that were actually drilled produced little or no oil at all, contrary to the estimates and representations made by Global Energy Agents, Rash became aware of the falsehoods regarding these wells after Global Energy closed; that is, after the execution of the search warrants and the posting of the allegations on the Commission website.

**C. Contraventions of the Act by Rash**

**Fraud**

20. From approximately September 2007 up to approximately June 2008, Rash, a resident of Ontario, sold New Gold securities to members of the public from the Ontario Offices under the direction and supervision of Tsatskin and Harper.
21. Rash telephoned members of the public across Canada, from the Ontario Offices, for the purpose of selling the New Gold Securities. During these sales calls, Rash used the alias "David Wells" and represented that he was calling from Lexington, Kentucky.
22. By using an alias and lying about where he was calling from, Rash prevented any member of the public from ascertaining his registration status from the Commission. Rash used an alias because using his real name would have resulted in the discovery of his inability to trade in securities as the result of an existing Commission order. He had been diagnosed with cancer, believed that he did not have long to live and wanted to provide for his family.

23. Subject to the facts set out in paragraphs 13-17, Rash used deceit, falsehood and other fraudulent means when selling New Gold securities to members of the public by, among other things, misrepresenting Global Energy's prior business history, the experience and qualifications of Global Energy's management, the oil production of the wells purportedly underlying the New Gold Securities and the use of proceeds from the sale of the New Gold Securities.

24. Subject to the facts set out in paragraphs 13-17, as part of his solicitations, Rash also forwarded brochures and other promotional materials containing false, inaccurate and misleading information to members of the public for the purpose of convincing them to invest in the New Gold Securities. These materials were provided to Rash by Harper and Tsatskin.

25. Further, on at least one occasion, Rash contacted a New Gold Investor, using the alias "Ray Lewis", and under the pretense of being an investment banker from New York City who had purchased several units of the New Gold Securities. In this call, Rash (aka "Ray Lewis"), attempted to convince the investor about the legitimacy of the Global Energy operation to assist another salesman, Elliot Feder ("Feder") that was attempting to sell the investor additional New Gold Securities.

26. Rash received a commission of approximately 9.5 to 19% of his net sales of the New Gold securities. Some of these Commissions were split with Feder. Investors were not informed of this commission structure.

27. Rash received approximately \$313,461 in sales commissions from his sales of New Gold Securities to members of the public.

28. These actions of Rash in relation to the sale of the New Gold Securities constituted fraud contrary to section 126.1 of the Act.

#### **Breach of Cease Trade Order**

29. On July 23, 2007, the Commission made an order pursuant to subsection 127(1) of the Act that, *inter alia*, Rash permanently cease trading in securities (the "Cease Trade Order").

30. Subsection 1(1) of the Act defines "trade" or "trading" as including "any sale or disposition of a security for valuable consideration, whether the terms of payment be on margin, installment or otherwise, [...]" and "Ontario securities law" as, *inter alia*, "in respect of a person or company, a decision of the Commission or a Director to which the person or company is subject".

31. As outlined above, from approximately September 2007 to June 2008, Rash traded in New Gold Securities at a time he was subject to the Cease Trade Order and thereby contravened Ontario securities law by trading in securities at a time when he was prohibited from doing so contrary to section 122(1)(c) of the Act.

## Chapter 4

# Cease Trading Orders

### 4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke

THERE ARE NO ITEMS TO REPORT THIS WEEK.

### 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 TO REPORT THIS WEEK.

### 4.2.2 Outstanding Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
Pacific Vector Holdings Inc.	8 May 14	20 May 14	20 May 14		
Red Tiger Mining Inc.	2 May 14	14 May 14	14 May 14		
Sonomax Technologies Inc.	9 May 14	21 May 14	21 May 14		

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## Chapter 7

# Insider Reporting

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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](http://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](http://www.sedi.ca)).



## Chapter 8

# Notice of Exempt Financings

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There are no Reports of Exempt Distribution on Forms 45-106F1 or 45-501F1 (Reports) in this Bulletin.

Reports filed on or after February 19, 2014 must be filed electronically.

As a result of the transition to mandated electronic filings, the OSC is considering the most effective manner to make data about filed Reports available to the public, including whether and how this information should be reflected in the Bulletin. In the meantime, Reports filed with the Commission continue to be available for public inspection during normal business hours.

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## Chapter 11

# IPOs, New Issues and Secondary Financings

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**Issuer Name:**

CARDS II Trust  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Base Shelf Prospectus dated July 7, 2014  
NP 11-202 Receipt dated July 7, 2014

**Offering Price and Description:**

Up to \$11,000,000,000 Credit Card Receivables Backed  
Notes

**Underwriter(s) or Distributor(s):**

CIBC WORLD MARKETS INC.

**Promoter(s):**

CANADIAN IMPERIAL BANK OF COMMERCE

Project #2231202

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**Issuer Name:**

Freehold Royalties Ltd.  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Short Form Prospectus dated July 2, 2014  
NP 11-202 Receipt dated July 2, 2014

**Offering Price and Description:**

\$125,085,000 - 4,650,000 Common Shares  
Price: \$26.90 per Common Share

**Underwriter(s) or Distributor(s):**

CIBC World Markets Inc.  
RBC Dominion Securities Inc.  
TD Securities Inc.  
BMO Nesbitt Burns Inc.  
Scotia Capital Inc.  
AltaCorp Capital Inc.  
National Bank Financial Inc.

**Promoter(s):**

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Project #2227274

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**Issuer Name:**

Immunotec Inc. (formerly Magistral Biotech Inc.)  
Principal Regulator - Quebec

**Type and Date:**

Preliminary Short Form Prospectus dated July 2, 2014  
NP 11-202 Receipt dated July 3, 2014

**Offering Price and Description:**

Maximum Offering: \$15,000,000 - Minimum Offering:  
\$7,000,000 Up to \* Common Shares

Price: \$\* per Common Share

**Underwriter(s) or Distributor(s):**

Canaccord Genuity Corp.  
Euro Pacific Canada Inc.  
Industrial Alliance Securities Inc.

**Promoter(s):**

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Project #2230592

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**Issuer Name:**

Northern Blizzard Resources Inc.  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Long Form Prospectus dated June 27, 2014  
NP 11-202 Receipt dated June 30, 2014

**Offering Price and Description:**

\$\* - \* Common Shares  
Price: \$\* per Offerd Share

**Underwriter(s) or Distributor(s):**

CIBC WORLD MARKETS INC.  
RBC DOMINION SECURITIES INC.  
SCOTIA CAPITAL INC.  
TD SECURITIES INC.

**Promoter(s):**

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Project #2229469

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**Issuer Name:**

Sprott Inc.  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated June 30, 2014  
NP 11-202 Receipt dated June 30, 2014

**Offering Price and Description:**

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**Underwriter(s) or Distributor(s):**

TD SECURITIES INC.  
SCOTIA CAPITAL INC.  
RBC DOMINION SECURITIES INC.  
CIBC WORLD MARKETS INC.  
GMP SECURITIES L.P.  
CANACCORD GENUITY CORP.  
CORMARK SECURITIES INC.  
DESJARDINS SECURITIES INC.

**Promoter(s):**

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**Project #2226849**

**Issuer Name:**

SunOpta Inc.  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Base Shelf Prospectus dated July 3, 2014  
NP 11-202 Receipt dated July 3, 2014

**Offering Price and Description:**

U.S. \$200,000,000  
Senior Debt Securities  
Subordinated Debt Securities  
Special Shares  
Common Shares  
Subscription Receipts  
Warrants  
Units

**Underwriter(s) or Distributor(s):**

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**Promoter(s):**

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**Project #2230735**

**Issuer Name:**

Conservative Folio Fund (Quadrus series, H series, L series and N series securities)  
Moderate Folio Fund (Quadrus series, H series, L series, N series, D5 series, H5 series, L5 series, and N5 series securities)  
Balanced Folio Fund (Quadrus series, H series, L series, N series, D5 series, D8 series, H5 series, H8 series, L5 series, L8 series, N5 series and N8 series securities)  
Advanced Folio Fund (Quadrus series, H series, L series, N series, D5 series, D8 series, H5 series, H8 series, L5 series, L8 series, N5 series and N8 series securities)  
Aggressive Folio Fund (Quadrus series, H series, L series, N series, D5 series, D8 series, H5 series, H8 series, L5 series, L8 series, N5 series and N8 series securities)  
Money Market Fund (Quadrus series, H series, L series, N series and RS series securities)  
Short Term Bond Fund (Portico) (Quadrus series, H series, L series and N series securities)  
Canadian Bond Fund (Portico) (Quadrus series, H series, L series and N series securities)  
Fixed Income Fund (Portico) (Quadrus series, H series, L series and N series securities)  
Corporate Bond Fund (Portico) (Quadrus series, H series, L series and N series securities)  
North American High Yield Bond Fund (Putnam) (Quadrus series, H series, L series and N series securities)  
Mackenzie Floating Rate Income Fund (Quadrus series, H series, L series and N series securities)  
Real Return Bond Fund (Portico) (Quadrus series, H series, L series and N series securities)  
Monthly Income Fund (London Capital) (Quadrus series, H series, L series, N series, D5 series, H5 series, L5 series, and N5 series securities)  
Income Plus Fund (London Capital) (Quadrus series, H series, L series, N series, D5 series, H5 series, L5 series, and N5 series securities)  
Mackenzie Canadian Large Cap Balanced Fund (Quadrus series, H series, L series, N series, D5 series, D8 series, H5 series, H8 series, L5 series, L8 series, N5 series and N8 series securities)  
Mackenzie Strategic Income Fund (Quadrus series, H series, L series, N series, D5 series, H5 series, L5 series, and N5 series securities)  
Mackenzie Strategic Income Class\* (Quadrus series, H series, L series, N series, D5 series, H5 series, L5 series, and N5 series securities)  
Canadian Dividend Fund (London Capital) (Quadrus series, H series, L series, N series, D5 series, D8 series, H5 series, H8 series, L5 series, L8 series, N5 series and N8 series securities)  
Mackenzie Canadian Large Cap Dividend Fund (Quadrus series, H series, L series, N series, D5 series, D8 series, H5 series, H8 series, L5 series, L8 series, N5 series and N8 series securities)  
Canadian Growth Fund (GWLIM) (Quadrus series, H series, L series, N series, D5 series, D8

series, H5 series, H8 series, L5 series, L8 series, N5 series and N8 series securities)  
Canadian Diversified Equity Fund (London Capital) (Quadrus series, H series, L series, N series, D5 series, D8 series, H5 series, H8 series, L5 series, L8 series, N5 series and N8 series securities)  
Mackenzie Canadian Large Cap Growth Fund (Quadrus series, H series, L series, N series, D5 series, D8 series, H5 series, H8 series, L5 series, L8 series, N5 series and N8 series securities)  
Mackenzie Canadian Concentrated Equity Fund (Quadrus series, H series, L series, N series, D5 series, D8 series, H5 series, H8 series, L5 series, L8 series, N5 series and N8 series securities)  
U.S. Value Fund (London Capital) (Quadrus series, H series, L series, N series, D5 series, D8 series, H5 series, H8 series, L5 series, L8 series, N5 series and N8 series securities)  
Mackenzie US Large Cap Growth Fund (Quadrus series, H series, L series and N series securities)  
Mackenzie US Mid Cap Growth Class\* (Quadrus series, H series, L series and N series securities)  
North American Mid Cap Fund (GWLIM) (Quadrus series, H series, L series and N series securities)  
Mackenzie Ivy European Class\* (Quadrus series, H series, L series and N series securities)  
Mackenzie Global Growth Class\* (Quadrus series, H series, L series and N series securities)  
Mackenzie Emerging Markets Class\* (Quadrus series, H series, L series and N series securities)  
Global Real Estate Fund (London Capital) (Quadrus series, H series, L series, N series, D5 series, H5 series, L5 series, and N5 series securities)  
Mackenzie Canadian Resource Fund (Quadrus series, H series, L series and N series securities)  
Mackenzie Precious Metals Class\* (Quadrus series, H series, L series and N series securities)  
Cash Management Class\*\* (Quadrus series, H series, L series and N series securities)  
Canadian Equity Class\*\* (Quadrus series, H series, L series, N series, D5 series, D8 series, H5 series, H8 series, L5 series, L8 series, N5 series and N8 series securities)  
North American Specialty Class\*\* (Quadrus series, H series, L series and N series securities)  
U.S. and International Equity Class\*\* (Quadrus series, H series, L series, N series, D5 series, D8 series, H5 series, H8 series, L5 series, L8 series, N5 series and N8 series securities)  
U.S. and International Specialty Class\*\* (Quadrus series, H series, L series and N series securities)  
Growth and Income Class (GWLIM)\*\* (Quadrus series, H series, L series, N series, D5 series, D8 series, H5 series, H8 series, L5 series, L8 series, N5 series and N8 series securities)

Canadian Dividend Class (London Capital)\*\* (Quadrus series, H series, L series, N series, D5 series, D8 series, H5 series, H8 series, L5 series, L8 series, N5 series and N8 series securities)  
Canadian Value Class (Sionna)\*\* (Quadrus series, H series, L series, N series, D5 series, D8 series, H5 series, H8 series, L5 series, L8 series, N5 series and N8 series securities)  
Focused Canadian Equity Class (CGOV)\*\* (Quadrus series, H series, L series and N series securities)  
U.S. Dividend Class (GWLIM)\*\* (Quadrus series, H series, L series, N series, D5 series, D8 series, H5 series, H8 series, L5 series, L8 series, N5 series and N8 series securities)  
U.S. Value Class (Putnam)\*\* (formerly U.S. Value Class (Eaton Vance)) (Quadrus series, H series, L series, N series, D5 series, D8 series, H5 series, H8 series, L5 series, L8 series, N5 series and N8 series securities)  
Global Dividend Class (Setanta)\*\* (Quadrus series, H series, L series, N series, D5 series, D8 series, H5 series, H8 series, L5 series, L8 series, N5 series and N8 series securities)  
Global Equity Class (Setanta)\*\* (Quadrus series, H series, L series and N series securities)  
International Equity Class (Putnam)\*\* (Quadrus series, H series, L series, N series, D5 series, D8 series, H5 series, H8 series, L5 series, L8 series, N5 series and N8 series securities)  
Principal Regulator - Ontario  
**Type and Date:**  
Final Simplified Prospectuses dated June 27, 2014  
NP 11-202 Receipt dated July 2, 2014  
**Offering Price and Description:**  
Quadrus Series, H Series, L Series, N Series, D5 series, D8 Series, H5 series, H8 Series, L5 series, L8 Series, N5 series, N8 Series and R8 Series securities  
**Underwriter(s) or Distributor(s):**  
Quadrus Investment Services Ltd.  
Quadrus Investment Services Inc.  
**Promoter(s):**  
Mackenzie Financial Capital Corporation  
Multi-Class Investment Corp.  
Mackenzie Financial Corporation  
**Project #2213694**

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**Issuer Name:**

Anchor Capital Corporation  
Principal Regulator - Alberta

**Type and Date:**

Final CPC Prospectus dated June 30, 2014  
NP 11-202 Receipt dated July 2, 2014

**Offering Price and Description:**

\$400,000.00  
4,000,000 common shares  
Price: \$0.10 per common share

**Underwriter(s) or Distributor(s):**

Richardson GMP Limited

**Promoter(s):**

Darren Stark  
Project #2197867

Short Term Investment Fund (Class E Units, Class F Units,  
Class O Units and Class P Units  
only)

Long Duration Credit Bond Fund (Class O Units only)  
Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectuses dated June 25, 2014  
NP 11-202 Receipt dated July 7, 2014

**Offering Price and Description:**

Class D, D(H), E, E(H), F, F(H), I, I(H), O, O(H), P, P(H), R,  
R(H), S

**Underwriter(s) or Distributor(s):**

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**Promoter(s):**

SEI Investments Canada Company  
Project #2214353

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**Issuer Name:**

Class E Units, Class F Units, Class I Units, Class O Units,  
Class P Units, Class R Units of:

Canadian Equity Fund (also Class D Units)  
Canadian Small Company Equity Fund (also Class D Units)  
U.S. Large Company Equity Fund (also Class D Units,  
Class D(H) Units, Class E(H) Units, Class  
F(H) Units, Class I(H) Units, Class O(H) Units, Class P(H)  
Units and Class R(H) Units)  
U.S. Small Company Equity Fund (also Class D Units,  
Class D(H) Units, Class E(H) Units, Class  
F(H) Units, Class I(H) Units, Class O(H) Units, Class P(H)  
Units and Class R(H) Units)  
EAFE Equity Fund (also Class D Units)  
Emerging Markets Equity Fund (also Class D Units)  
Canadian Fixed Income Fund (also Class D Units)  
Long Duration Bond Fund (also Class D Units)  
Real Return Bond Fund (also Class D Units)  
Short Term Bond Fund (also Class D Units)  
Money Market Fund  
U.S. Large Cap Index Fund (formerly U.S. Large Cap  
Synthetic Fund) (also Class D Units, Class  
F(H) Units and Class O(H) Units)  
U.S. High Yield Bond Fund (also Class D Units, Class D(H)  
Units, Class E(H) Units, Class F(H)  
Units, Class I(H) Units, Class O(H) Units, Class P(H) Units  
and Class R(H) Units)  
Income 100 Fund (also Class S Units)  
Income 20/80 Fund (also Class S Units)  
Income 30/70 Fund (also Class S Units)  
Income 40/60 Fund (also Class S Units)  
Balanced Fund (formerly Balanced 50/50 Fund) (also Class  
S Units)  
Balanced 60/40 Fund (also Class S Units)  
Growth 70/30 Fund (also Class S Units)  
Growth 80/20 Fund (also Class S Units)  
Growth 100 Fund (also Class S Units)  
Global Growth 100 Fund (also Class S Units)  
Conservative Monthly Income Fund (also Class S Units)  
Balanced Monthly Income Fund (also Class S Units)  
Canadian Focused Balanced Fund (also Class S Units)  
Canadian Focused Growth Fund (also Class S Units)  
Global Managed Volatility Fund (Class D Units, Class E,  
Class F Units, Class O Units, Class P  
Units only)

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**Issuer Name:**

RBC Canadian T-Bill Fund (Series A and Series D units)  
RBC Canadian Money Market Fund (Series A, Advisor  
Series, Series D, Series F and Series O  
units)  
RBC Premium Money Market Fund (Series A, Series F and  
Series I units)  
RBC \$U.S. Money Market Fund (Series A, Series D and  
Series O units)  
RBC Premium \$U.S. Money Market Fund (Series A, Series  
F and Series I units)  
RBC Canadian Short-Term Income Fund (Series A, Advisor  
Series, Series D, Series F and  
Series O units)  
RBC Monthly Income Bond Fund (Series A, Advisor Series,  
Series H, Series D, Series F, Series  
I and Series O units)  
RBC Bond Fund (Series A, Advisor Series, Series H,  
Series D, Series F, Series I and Series O  
units)  
RBC Advisor Canadian Bond Fund (Advisor Series, Series  
F and Series O units)  
RBC Canadian Government Bond Index Fund (Series A  
units)  
RBC Global Bond Fund (Series A, Advisor Series, Series  
H, Series D, Series F, Series I and  
Series O units)  
RBC \$U.S. Investment Grade Corporate Bond Fund  
(Series A, Advisor Series, Series H, Series  
D, Series F, Series I and Series O units)  
RBC Global Corporate Bond Fund (Series A, Advisor  
Series, Series H, Series D, Series F,  
Series I and Series O units)  
RBC High Yield Bond Fund (Series A, Advisor Series,  
Series H, Series D, Series F, Series I and  
Series O units)  
RBC \$U.S. High Yield Bond Fund (Series A, Advisor  
Series, Series H, Series D, Series F, Series  
I and Series O units)  
RBC Global High Yield Bond Fund (Series A, Advisor  
Series, Series H, Series D, Series F,  
Series I and Series O units)  
RBC Monthly Income High Yield Bond Fund (Series A,  
Advisor Series, Series H, Series D,  
Series F, Series I and Series O units)



RBC Emerging Markets Bond Fund (Series A, Advisor Series, Series H, Series D, Series F, Series I and Series O units)  
BlueBay Global Monthly Income Bond Fund (Series A, Advisor Series, Series H, Series D, Series F, Series I and Series O units)  
BlueBay Emerging Markets Corporate Bond Fund (Series A, Advisor Series, Series H, Series D, Series F, Series I and Series O units)  
BlueBay Global Convertible Bond Fund (Canada) (Series A, Advisor Series, Advisor T5 Series, Series T5, Series H, Series D, Series F, Series FT5, Series I and Series O units)  
RBC Managed Payout Solution (Series A, Advisor Series and Series F units)  
RBC Managed Payout Solution – Enhanced (Series A, Advisor Series and Series F units)  
RBC Managed Payout Solution – Enhanced Plus (Series A, Advisor Series, Series D, Series F and Series O units)  
RBC Monthly Income Fund (Series A, Advisor Series, Series D, Series F and Series O units)  
RBC U.S. Monthly Income Fund (formerly RBC \$U.S. Income Fund) (Series A, Advisor Series, Series H, Series D, Series F and Series I units)  
RBC Balanced Fund (Series A, Advisor Series, Series T5, Series T8, Series D, Series F, Series I and Series O units)  
RBC Global Balanced Fund (Series A, Advisor Series, Series T5, Series T8, Series D, Series F and Series O units)  
RBC Jantzi Balanced Fund (Series A, Advisor Series, Series D, Series F and Series I units)  
RBC Balanced Growth & Income Fund (Series A, Advisor Series, Advisor T5 Series, Series T5, Series H, Series D, Series F, Series FT5, Series I and Series O units)  
RBC Select Very Conservative Portfolio (Series A, Advisor Series, Series T5, Series F and Series O units)  
RBC Select Conservative Portfolio (Series A, Advisor Series, Series T5, Series F and Series O units)  
RBC Select Balanced Portfolio (Series A, Advisor Series, Series T5, Series F and Series O units)  
RBC Select Growth Portfolio (Series A, Advisor Series, Series T5, Series F and Series O units)  
RBC Select Aggressive Growth Portfolio (Series A, Advisor Series, Series T5, Series F and Series O units)  
RBC Select Choices Conservative Portfolio (Series A and Advisor Series units)  
RBC Select Choices Balanced Portfolio (Series A and Advisor Series units)  
RBC Select Choices Growth Portfolio (Series A and Advisor Series units)  
RBC Select Choices Aggressive Growth Portfolio (Series A and Advisor Series units)  
RBC Target 2015 Education Fund (Series A units)  
RBC Target 2020 Education Fund (Series A and Series D units)  
RBC Target 2025 Education Fund (Series A and Series D units)  
RBC Target 2030 Education Fund (Series A and Series D units)  
RBC Canadian Dividend Fund Series A, Advisor Series, Advisor T5 Series, Series T5, Series T8, Series D, Series F, Series FT5, Series I and Series O units  
RBC Canadian Equity Fund (Series A, Advisor Series, Series D, Series F, Series I and Series O units)  
RBC QUBE Canadian Equity Fund (Series A, Advisor Series, Series D, Series F and Series O units)  
RBC QUBE Low Volatility Canadian Equity Fund (Series A, Advisor Series, Series H, Series D, Series F, Series I and Series O units)  
RBC Jantzi Canadian Equity Fund (Series A, Advisor Series, Series D, Series F and Series I units)  
RBC Canadian Index Fund (Series A units)  
RBC O’Shaughnessy Canadian Equity Fund (Series A, Advisor Series, Series D and Series F units)  
RBC O’Shaughnessy All-Canadian Equity Fund (Series A, Advisor Series, Series D, Series F and Series O units)  
RBC Canadian Equity Income Fund (Series A, Advisor Series, Series H, Series D, Series F, Series I and Series O units)  
RBC Canadian Small & Mid-Cap Resources Fund (Series O units)  
RBC North American Value Fund (Series A, Advisor Series, Advisor T5 Series, Series T5, Series H, Series D, Series F, Series FT5, Series I and Series O units)  
RBC North American Growth Fund (Series A, Advisor Series, Series D, Series F and Series O units)  
RBC U.S. Dividend Fund (Series A, Advisor Series, Advisor T5 Series, Series T5, Series H, Series D, Series F, Series FT5, Series I and Series O units)  
RBC U.S. Equity Fund (Series A, Advisor Series, Series H, Series D, Series F, Series I and Series O units)  
RBC U.S. Equity Currency Neutral Fund (Series A, Advisor Series, Series D, Series F and Series O units)  
RBC QUBE U.S. Equity Fund (Series A, Advisor Series, Series D, Series F and Series O units)  
RBC QUBE Low Volatility U.S. Equity Fund (Series A, Advisor Series, Series H, Series D, Series F, Series I and Series O units)  
RBC U.S. Equity Value Fund (Series A, Advisor Series, Series H, Series D, Series F, Series I and Series O units)  
RBC U.S. Index Fund (Series A units)  
RBC U.S. Index Currency Neutral Fund (Series A units)  
RBC O’Shaughnessy U.S. Value Fund (Series A, Advisor Series, Series D, Series F, Series I and Series O units)  
RBC U.S. Mid-Cap Equity Fund (Series A, Advisor Series, Series H, Series D, Series F, Series I and Series O units)

RBC U.S. Mid-Cap Equity Currency Neutral Fund (Series A, Advisor Series, Series D, Series F and Series O units)  
RBC U.S. Mid-Cap Value Equity Fund (Series A, Advisor Series, Series D, Series F and Series O units)  
RBC U.S. Small-Cap Core Equity Fund (Series A, Advisor Series, Series D, Series F and Series O units)  
RBC O'Shaughnessy U.S. Growth Fund (Series A, Series D, Series F and Series O units)  
RBC O'Shaughnessy U.S. Growth Fund II (Series A, Advisor Series, Series D and Series F units)  
RBC Life Science and Technology Fund (Series A, Series D and Series F units)  
RBC International Dividend Growth Fund (Advisor Series, Series F and Series O units)  
RBC International Equity Fund (Series A, Advisor Series, Series H, Series D, Series F, Series I and Series O units)  
RBC International Equity Currency Neutral Fund (Series A, Advisor Series, Series H, Series D, Series F, Series I and Series O units)  
RBC International Index Currency Neutral Fund (Series A units)  
RBC O'Shaughnessy International Equity Fund (Series A, Advisor Series, Series D, Series F, Series I and Series O units)  
RBC European Dividend Fund (Series A, Advisor Series, Series H, Series D, Series F, Series I and Series O units)  
RBC European Equity Fund (Series A, Advisor Series, Series D, Series F and Series O units)  
RBC Asian Equity Fund (Series A, Advisor Series, Series D, Series F and Series O units)  
RBC Asia Pacific ex-Japan Equity Fund (Series A, Advisor Series, Series H, Series D, Series F, Series I and Series O units)  
RBC Japanese Equity Fund (Series A, Advisor Series, Series H, Series D, Series F, Series I and Series O units)  
RBC Emerging Markets Dividend Fund (Series A, Advisor Series, Series D, Series F and Series O units)  
RBC Emerging Markets Equity Fund (Series A, Advisor Series, Series D, Series F, Series I and Series O units)  
RBC Emerging Markets Small-Cap Equity Fund (Series A, Advisor Series, Series D, Series F and Series O units)  
RBC Global Dividend Growth Fund (Series A, Advisor Series, Series T5, Series T8, Series H, Series D, Series F, Series I and Series O units)  
RBC Global Equity Fund (Series A, Advisor Series, Series H, Series D, Series F, Series I and Series O units)  
RBC Global Equity Focus Fund (Series A, Advisor Series, Series H, Series D, Series F, Series I and Series O units)  
RBC QUBE Global Equity Fund (Series A, Advisor Series, Series D, Series F and Series O units)

RBC QUBE Low Volatility Global Equity Fund (Series A, Advisor Series, Series H, Series D, Series F, Series I and Series O units)  
RBC Jantzi Global Equity Fund (Series A, Advisor Series, Series D, Series F and Series I units)  
RBC O'Shaughnessy Global Equity Fund (Series A, Advisor Series, Series D, Series F and Series O units)  
RBC QUBE All Country World Equity Fund (Series O units)  
RBC QUBE Low Volatility All Country World Equity Fund (Series O units)  
RBC Global Energy Fund (Series A, Advisor Series, Series D, Series F and Series O units)  
RBC Global Precious Metals Fund (Series A, Advisor Series, Series H, Series D, Series F, Series I and Series O units)  
RBC Global Resources Fund (Series A, Advisor Series, Series H, Series D, Series F, Series I and Series O units)  
RBC Global Technology Fund (Series A, Advisor Series, Series D and Series F units)  
RBC Private Short-Term Income Pool (Series F and Series O units)  
RBC Private Canadian Bond Pool (Series F and Series O units)  
RBC Private Canadian Corporate Bond Pool (Series F and Series O units)  
RBC Private Income Pool (Series T, Series F and Series O units)  
RBC Private Canadian Dividend Pool (Series F and Series O units)  
RBC Private Canadian Growth and Income Equity Pool (Series F and Series O units)  
RBC Private Canadian Equity Pool (Series F and Series O units)  
RBC Private Canadian Growth Equity Pool (Series F and Series O units)  
RBC Private Canadian Mid-Cap Equity Pool (Series F and Series O units)  
RBC Private U.S. Equity Pool (Series F and Series O units)  
RBC Private U.S. Large-Cap Value Equity Pool (Series F and Series O units)  
RBC Private U.S. Large-Cap Value Equity Currency Neutral Pool (Series O units)  
RBC Private U.S. Growth Equity Pool (Series F and Series O units)  
RBC Private O'Shaughnessy U.S. Growth Equity Pool (Series O units)  
RBC Private U.S. Large-Cap Core Equity Pool (Series F and Series O units)  
RBC Private U.S. Large-Cap Core Equity Currency Neutral Pool (Series O units)  
RBC Private U.S. Small-Cap Equity Pool (Series F and Series O units)  
RBC Private International Equity Pool (Series F and Series O units)  
RBC Private EAFE Equity Pool (Series F and Series O units)  
RBC Private Overseas Equity Pool (Series F and Series O units)  
RBC Private World Equity Pool (Series F and Series O units)  
Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectuses dated June 27, 2014  
NP 11-202 Receipt dated July 3, 2014

**Offering Price and Description:**

Series A, Advisor Series, Advisor T5 Series, Series T,  
Series T5, Series T8, Series H, Series D, Series F, Series  
FT5, Series I and Series O units

**Underwriter(s) or Distributor(s):**

RBC Global Asset Management Inc.  
Royal Mutual Funds Inc.  
RBC Global Asset Management Inc.  
Royal Mutual Funds Inc./RBC Direct Investing Inc.  
Royal Mutual Funds Inc.  
RBC Dominion Securities Inc.  
Royal Mutual Funds Inc./RBD Direct Investing Inc.  
The Royal Trust Company

**Promoter(s):**

RBC Global Asset Management Inc.  
**Project #2211387**

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**Issuer Name:**

Phillips, Hager & North Canadian Money Market Fund  
(Series C, Advisor Series, Series D,  
Series F and Series O units)  
Phillips, Hager & North \$U.S. Money Market Fund (Series  
C, Advisor Series, Series D, Series F  
and Series O units)  
Phillips, Hager & North Short Term Bond & Mortgage Fund  
(Series C, Advisor Series, Series H,  
Series D, Series F, Series I and Series O units)  
Phillips, Hager & North Bond Fund (Series C, Advisor  
Series, Series D, Series F and Series O  
units)  
Phillips, Hager & North Community Values Bond Fund  
(Series C, Advisor Series, Series D,  
Series F and Series O units)  
Phillips, Hager & North Total Return Bond Fund (Series C,  
Advisor Series, Series H, Series D,  
Series F, Series I and Series O units)  
Phillips, Hager & North Inflation-Linked Bond Fund (Series  
C, Advisor Series, Series D, Series  
F and Series O units)  
Phillips, Hager & North High Yield Bond Fund (Series C,  
Advisor Series, Series D, Series F and  
Series O units)  
Phillips, Hager & North Short Inflation-linked Bond Fund  
(Series O units)  
Phillips, Hager & North Long Inflation-linked Bond Fund  
(Series O units)  
Phillips, Hager & North Monthly Income Fund (Series C,  
Advisor Series, Series H, Series D,  
Series F, Series I and Series O units)  
Phillips, Hager & North Balanced Fund (Series C, Advisor  
Series, Series D, Series F and Series  
O units)  
Phillips, Hager & North Community Values Balanced Fund  
(Series C, Advisor Series, Series D,  
Series F and Series O units)  
Phillips, Hager & North Dividend Income Fund (Series C,  
Advisor Series, Series D, Series F and  
Series O units)

Phillips, Hager & North Canadian Equity Fund (Series C,  
Advisor Series, Series D, Series F and  
Series O units)  
Phillips, Hager & North Community Values Canadian  
Equity Fund (Series C, Advisor Series,  
Series D, Series F and Series O units)  
Phillips, Hager & North Canadian Equity Value Fund  
(Series C, Advisor Series, Series H, Series  
D, Series F, Series I and Series O units)  
Phillips, Hager & North Canadian Equity Underlying Fund  
(Series O units)  
Phillips, Hager & North Canadian Growth Fund (Series C,  
Advisor Series, Series D, Series F  
and Series O units)  
Phillips, Hager & North Canadian Income Fund (Series C,  
Advisor Series, Series D, Series F  
and Series O units)  
Phillips, Hager & North Vintage Fund (Series C, Advisor  
Series, Series D, Series F and Series O  
units)  
Phillips, Hager & North U.S. Dividend Income Fund (Series  
C, Advisor Series, Series D, Series F  
and Series O units)  
Phillips, Hager & North U.S. Multi-Style All-Cap Equity  
Fund (Series C, Advisor Series, Series D,  
Series F and Series O units)  
Phillips, Hager & North U.S. Equity Fund (Series C, Advisor  
Series, Series D, Series F and  
Series O units)  
Phillips, Hager & North Currency-Hedged U.S. Equity Fund  
(Series C, Advisor Series, Series D,  
Series F and Series O units)  
Phillips, Hager & North U.S. Growth Fund (Series C,  
Advisor Series, Series D, Series F and  
Series O units)  
Phillips, Hager & North Overseas Equity Fund (Series C,  
Advisor Series, Series D, Series F and  
Series O units)  
Phillips, Hager & North Currency-Hedged Overseas Equity  
Fund (Series C, Advisor Series,  
Series D, Series F and Series O units)  
Phillips, Hager & North Global Equity Fund (Series C,  
Advisor Series, Series D, Series F and  
Series O units)  
Phillips, Hager & North Community Values Global Equity  
Fund (Series C, Advisor Series, Series  
D, Series F and Series O units)  
Phillips, Hager & North LifeTime 2015 Fund (Series D and  
Series O units)  
Phillips, Hager & North LifeTime 2020 Fund (Series D and  
Series O units)  
Phillips, Hager & North LifeTime 2025 Fund (Series D and  
Series O units)  
Phillips, Hager & North LifeTime 2030 Fund (Series D and  
Series O units)  
Phillips, Hager & North LifeTime 2035 Fund (Series D and  
Series O units)  
Phillips, Hager & North LifeTime 2040 Fund (Series D and  
Series O units)  
Phillips, Hager & North LifeTime 2045 Fund (Series D and  
Series O units)  
Phillips, Hager & North LifeTime 2050 Fund (Series D and  
Series O units)

BonaVista Global Balanced Fund (Series C, Advisor Series, Series D, Series F and Series O units)  
BonaVista Canadian Equity Value Fund (Series C, Advisor Series, Series D, Series F and Series O units)  
Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectuses dated June 27, 2014  
NP 11-202 Receipt dated July 2, 2014

**Offering Price and Description:**

Series C, Advisor Series, Series H, Series D, Series F, Series I, and Series O units

**Underwriter(s) or Distributor(s):**

Phillips, Hager & North Investment Funds Ltd.

**Promoter(s):**

RBC Global Asset Management Inc.

**Project #2211271**

**Issuer Name:**

DataWind Inc.  
Principal Regulator - Ontario

**Type and Date:**

Final Long Form Prospectus dated June 27, 2014  
NP 11-202 Receipt dated June 30, 2014

**Offering Price and Description:**

Cdn\$30,001,000.00  
6,316,000 Common Shares  
Price: Cdn\$4.75 per Common Share

**Underwriter(s) or Distributor(s):**

CANACCORD GENUITY CORP.  
NATIONAL BANK FINANCIAL INC.  
CORMARK SECURITIES INC  
HAYWOOD SECURITIES INC.

**Promoter(s):**

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**Project #2211126**

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**Issuer Name:**

Bonavista Energy Corporation  
Principal Regulator - Alberta

**Type and Date:**

Final Short Form Prospectus dated July 3, 2014  
NP 11-202 Receipt dated July 3, 2014

**Offering Price and Description:**

\$200,860,000  
12,100,000 Common Shares  
Price: \$16.60 per Common Share

**Underwriter(s) or Distributor(s):**

CIBC WORLD MARKETS INC.  
RBC DOMINION SECURITIES INC.  
SCOTIA CAPITAL INC.  
TD SECURITIES INC.  
BMO NESBITT BURNS INC.  
NATIONAL BANK FINANCIAL INC.  
PETERS & CO. LIMITED  
ALTACORP CAPITAL INC.  
FIRSTENERGY CAPITAL CORP.

**Promoter(s):**

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**Project #2224839**

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**Issuer Name:**

Dream Hard Asset Alternatives Trust  
Principal Regulator - Ontario

**Type and Date:**

Final Long Form Prospectus dated July 4, 2014  
NP 11-202 Receipt dated July 7, 2014

**Offering Price and Description:**

\$10,000,000.00  
\$10.00 per Unit  
1,000,000 Units  
Secondary Distribution by the Distributing ROI Funds  
72,617,739 Units

**Underwriter(s) or Distributor(s):**

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**Promoter(s):**

Dream Asset Management Corporation

**Project #2209050**

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**Issuer Name:**

Exemplar Tactical Corporate Bond Fund  
Exemplar Investment Grade Fund  
Exemplar Leaders Fund  
Exemplar Yield Fund  
Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectuses dated June 27, 2014  
NP 11-202 Receipt dated July 4, 2014

**Offering Price and Description:**

Series A, AI, F, FI, I, L and LI units

**Underwriter(s) or Distributor(s):**

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**Promoter(s):**

Arrow Capital Management Inc.

**Project #2211266**

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**Issuer Name:**

Brigata Diversified Portfolio  
Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectus dated June 27, 2014  
NP 11-202 Receipt dated July 3, 2014

**Offering Price and Description:**

Series A Units and Series F Units @ Net Asset Value

**Underwriter(s) or Distributor(s):**

Independent Planning Group Inc.

**Promoter(s):**

COUNSEL PORTFOLIO SERVICES INC.

**Project #2211119**

**Issuer Name:**

Family Group Education Savings Plan  
Family Single Student Education Savings Plan  
Flex First Plan  
Principal Regulator - Ontario

**Type and Date:**

Amendment #1 dated March 10, 2014 to the Long Form  
Prospectus dated August 23, 2013  
NP 11-202 Receipt dated July 2, 2014

**Offering Price and Description:**

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**Underwriter(s) or Distributor(s):**

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**Promoter(s):**

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**Project #**2065489; 2065496;2065503

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**Issuer Name:**

Templeton Global Balanced Fund (Series A, F, I, M, O, S, T  
and T-USD units)  
Templeton Global Bond Fund (Series A, F, I, M and O  
units)

Franklin Bissett Corporate Bond Fund (Series A, F, I, M  
and O units)

The following are classes of Franklin Templeton Corporate  
Class Ltd.:

Templeton Growth Corporate Class (Series A, F, I, M and  
O shares)

Franklin U.S. Rising Dividends Corporate Class (Series A,  
F, I, M, O and T shares)

Franklin Bissett Canadian Balanced Corporate Class  
(Series A, F, I, M, O and T shares)

Franklin Bissett Canadian Equity Corporate Class (Series  
A, F, I, M, O, R and T shares)

Franklin Bissett Canadian High Dividend Corporate Class  
(Series A, F, I, M, O and T shares)

Franklin Bissett Dividend Income Corporate Class (Series  
A, F, I, M, O and T shares)

Franklin Mutual Global Discovery Corporate Class (Series  
A, F, I, M, O, T and T-USD shares)

Franklin Quotential Balanced Growth Corporate Class  
Portfolio (Series A, F, I, M, O, R, S and T  
shares)

Franklin Quotential Diversified Income Corporate Class  
Portfolio (Series A, F, I, M, O, R, S, T  
and T-USD shares)

Principal Regulator - Ontario

**Type and Date:**

Amendment #1 dated July 2, 2014 to the Simplified  
Prospectuses and Annual Information Form dated May 29,  
2014

NP 11-202 Receipt dated July 3, 2014

**Offering Price and Description:**

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**Underwriter(s) or Distributor(s):**

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

**Promoter(s):**

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**Project #**2189252

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**Issuer Name:**

Horizons BetaPro COMEX® Gold Bullion Bull Plus ETF  
Horizons BetaPro COMEX® Gold Bullion Bear Plus ETF  
Horizons BetaPro NYMEX® Crude Oil Bull Plus ETF  
Horizons BetaPro NYMEX® Crude Oil Bear Plus ETF  
Horizons BetaPro NYMEX® Natural Gas Bull Plus ETF  
Horizons BetaPro NYMEX® Natural Gas Bear Plus ETF  
Horizons BetaPro US 30-year Bond Bear Plus ETF  
Horizons BetaPro COMEX® Silver Bull Plus ETF  
Horizons BetaPro COMEX® Silver Bear Plus ETF

(Class A Units)

Principal Regulator - Ontario

**Type and Date:**

Final Long Form Prospectus dated July 3, 2014

NP 11-202 Receipt dated July 7, 2014

**Offering Price and Description:**

Class A Units @ Net Asset Value

**Underwriter(s) or Distributor(s):**

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**Promoter(s):**

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**Project #2214847**

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**Issuer Name:**

Horizons BetaPro S&P/TSX 60 Bull Plus ETF  
Horizons BetaPro S&P/TSX 60 Bear Plus ETF  
Horizons BetaPro S&P/TSX Global Base Metals Bull Plus ETF  
Horizons BetaPro S&P/TSX Global Base Metals Bear Plus ETF  
Horizons BetaPro S&P/TSX Capped Financials Bull Plus ETF  
Horizons BetaPro S&P/TSX Capped Financials Bear Plus ETF  
Horizons BetaPro S&P/TSX Capped Energy Bull Plus ETF  
Horizons BetaPro S&P/TSX Capped Energy Bear Plus ETF  
Horizons BetaPro S&P/TSX Global Gold Bull Plus ETF  
Horizons BetaPro S&P/TSX Global Gold Bear Plus ETF  
Horizons BetaPro S&P 500® Bull Plus ETF  
Horizons BetaPro S&P 500® Bear Plus ETF  
Horizons BetaPro NASDAQ-100® Bull Plus ETF  
Horizons BetaPro NASDAQ-100® Bear Plus ETF  
Horizons BetaPro MSCI Emerging Markets Bull Plus ETF  
Horizons BetaPro MSCI Emerging Markets Bear Plus ETF  
Horizons BetaPro MSCI Japan Bull Plus ETF  
Horizons BetaPro MSCI Japan Bear Plus ETF  
Horizons BetaPro S&P/TSX 60 Inverse ETF  
Horizons BetaPro S&P 500® Inverse ETF

Principal Regulator - Ontario

**Type and Date:**

Final Long Form Prospectus dated July 3, 2014

NP 11-202 Receipt dated July 7, 2014

**Offering Price and Description:**

Class A Units @ Net Asset Value

**Underwriter(s) or Distributor(s):**

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**Promoter(s):**

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**Project #2214809**

**Issuer Name:**

Phillips, Hager & North Balanced Pension Trust (Series A and Series O units)

Phillips, Hager & North Canadian Equity Pension Trust (Series O units)

Phillips, Hager & North Small Float Fund (Series A and Series O units)

Phillips, Hager & North Canadian Equity Plus Pension Trust (Series A and Series O units)

Phillips, Hager & North Overseas Equity Pension Trust (Series O units)

Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectuses dated June 27, 2014

NP 11-202 Receipt dated July 2, 2014

**Offering Price and Description:**

Series A and O units

**Underwriter(s) or Distributor(s):**

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**Promoter(s):**

RBC Global Asset Management Inc.

**Project #2211275**

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**Issuer Name:**

Royal Nickel Corporation  
Principal Regulator - Ontario

**Type and Date:**

Final Short Form Prospectus dated July 4, 2014

NP 11-202 Receipt dated July 4, 2014

**Offering Price and Description:**

\$5,004,000.00

8,340,000 Units

Price: \$0.60 per Unit

**Underwriter(s) or Distributor(s):**

SCOTIA CAPITAL INC.

SALMAN PARTNERS INC.

CLARUS SECURITIES INC.

HAYWOOD SECURITIES INC.

JACOB SECURITIES INC.

MACQUARIE CAPITAL MARKETS CANADA LTD.

**Promoter(s):**

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**Project #2227131**

**Issuer Name:**

Russell LifePoints Portfolios  
 Russell LifePoints Fixed Income Portfolio (Series A, B, B-3, E, F and F-3 Units)  
 Russell LifePoints Conservative Income Portfolio (Series A, B, B-5, E, F and F-5 Units)  
 Russell LifePoints Balanced Income Portfolio (Series A, B, B-5, E, F and F-5 Units)  
 Russell LifePoints Balanced Portfolio (Series A, B, B-6, E, F and F-6 Units)  
 Russell LifePoints Balanced Growth Portfolio (Series A, B, B-7, E, F and F-7 Units)  
 Russell LifePoints Long-Term Growth Portfolio (Series A, B, E and F Units)  
 Russell LifePoints All Equity Portfolio (Series A, B, E and F Units)  
 Russell LifePoints Class Portfolios\*  
 Russell LifePoints Fixed Income Class Portfolio (Series B, B-3, E, F and F-3 Shares)  
 Russell LifePoints Conservative Income Class Portfolio (Series B, B-5, E, F and F-5 Shares)  
 Russell LifePoints Balanced Income Class Portfolio (Series B, B-5, E, F and F-5 Shares)  
 Russell LifePoints Balanced Class Portfolio (Series B, B-6, E, F and F-6 Shares)  
 Russell LifePoints Balanced Growth Class Portfolio (Series B, B-7, E, F and F-7 Shares)  
 Russell LifePoints Long-Term Growth Class Portfolio (Series B, E and F Shares)  
 Russell LifePoints All Equity Class Portfolio (Series B, E and F Shares)  
 Russell Group of Funds  
 Russell Canadian Cash Fund (Series O Units)  
 Russell Canadian Fixed Income Fund (Series A and B Units)  
 Russell Inflation Linked Bond Fund (Series O Units)  
 Russell Canadian Equity Fund (Series A and B Units)  
 Russell US Equity Fund (Series A and B Units)  
 Russell Overseas Equity Fund (Series A and B Units)  
 Russell Global Equity Fund (Series A and B Units)  
 Russell Sovereign Investment Program  
 Russell Short Term Income Pool (Series A, B, E, F and O Units)  
 Russell Fixed Income Pool (Series A, B, B-3, E, F, F-3, O, P, US Dollar Hedged Series B and US Dollar Hedged Series F Units)  
 Russell Global Unconstrained Bond Pool (formerly Russell Core Plus Fixed Income Pool) (Series A, B, E, F and O Units)  
 Russell Global High Income Bond Pool (Series A, B, E, F, O, US Dollar Hedged Series B and US Dollar Hedged Series F Units)  
 Russell Canadian Dividend Pool (Series A, B, E, F and O Units)  
 Russell Focused Canadian Equity Pool (Series A, B, E, F and O Units)  
 Russell Canadian Equity Pool (Series A, B, E, F and O Units)  
 Russell Smaller Companies Pool (Series A, B, E, F and O Units)  
 Russell Focused US Equity Pool (Series A, B, E, F and O Units)  
 Russell US Equity Pool (Series A, B, E, F and O Units)

Russell Overseas Equity Pool (Series A, B, E, F and O Units)  
 Russell Focused Global Equity Pool (Series A, B, E, F and O Units)  
 Russell Global Equity Pool (Series A, B, E, F and O Units)  
 Russell Emerging Markets Equity Pool (Series A, B, E, F and O Units)  
 Russell Global Infrastructure Pool (Series A, B, E, F, O and P Units)  
 Russell Global Real Estate Pool (Series A, B, E, F and O Units)  
 Russell Money Market Pool (Series A, B, E, F and O Units)  
 Russell Income Essentials Portfolio (Series B, B-5, B-6, B-7, E, E-5, E-7, F, F-5, F-6, F-7, O and O-7 Units)  
 Russell Real Assets Portfolio (Series A, B, E, F and O Units)  
 Russell Diversified Monthly Income Portfolio (Series B-5, B-7, E-5, E-7, F-5, F-7, O and O-7 Units)  
 Russell Multi-Asset Growth & Income (formerly Russell Enhanced Canadian Growth & Income Portfolio) (Series B, B-5, B-6, B-7, E, E-5, E-7, F, F-5, F-6, F-7, O and O-7 Units)  
 Russell Sovereign Investment Classes\*  
 Russell Short Term Income Class (Series B, E, F, O, US Dollar Hedged Series B, US Dollar Hedged Series F Shares)  
 Russell Fixed Income Class (Series B, B-3, B-5, E, E-3, E-5, F, F-3, F-5, O, US Dollar Hedged Series B, US Dollar Hedged Series B-5 and US Dollar Hedged Series F Shares)  
 Russell Global Unconstrained Bond Class (formerly Russell Core Plus Fixed Income Class) (Series B, E, F and O Shares)  
 Russell Global High Income Bond Class (Series B, E, F and O Shares)  
 Russell Canadian Dividend Class (Series B, E, F, O and US Dollar Hedged Series B Shares)  
 Russell Focused Canadian Equity Class (Series B, E, F and O Shares)  
 Russell Canadian Equity Class (Series B, E, F and O Shares)  
 Russell Smaller Companies Class (Series B, E, F and O Shares)  
 Russell Focused US Equity Class (Series B, E, F and O Shares)  
 Russell US Equity Class (Series B, E, F and O Shares)  
 Russell Overseas Equity Class (Series B, E, F and O Shares)  
 Russell Focused Global Equity Class (Series B, E, F and O Shares)  
 Russell Global Equity Class (Series B, E, F and O Shares)  
 Russell Emerging Markets Equity Class (Series B, E, F and O Shares)  
 Russell Money Market Class (Series B, E, F and O Shares)  
 Russell Income Essentials Class Portfolio (Series B, B-5, B-6, B-7, E, E-5, E-6, E-7, F, F-5, F-6, F-7, O, O-7, US Dollar Hedged Series B-5 (formerly US Dollar Hedged Series B) and US Dollar Hedged Series F-5 Shares (formerly US Dollar Hedged Series F))

Russell Diversified Monthly Income Class Portfolio (Series B, B-5, B-7, E, E-5, E-7, F, F-5, F-7, O, O-7 (formerly Series O-5), US Dollar Hedged Series B-5 (formerly US Dollar Hedged Series B) and US Dollar Hedged Series F-5 (formerly US Dollar Hedged Series F))

Russell Multi-Asset Growth & Income Class (formerly Russell Enhanced Canadian Growth & Income Class Portfolio) (Series B, B-5, B-6, B-7, E, E-5, E-7, F, F-5, F-6, F-7, O and O-7 Shares) (\*Classes of shares of Russell Investments Corporate Class Inc.)

Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectuses dated June 27, 2014

NP 11-202 Receipt dated July 3, 2014

**Offering Price and Description:**

A, B, B-3, B-5, B-6, B-7, E, F, F-3, F-5, F-6, F-7, O, O-7 P, US Dollar Hedged Series B, US Dollar Hedged Series F Units, B, B-3, B-5, B-6, B-7, E, E-5, E-6, E-7, F, F-3, F-5, F-6, F-7, O, O-7, US Dollar Hedged Series B, US Dollar Hedged Series B-5, US Dollar Hedged Series F and US Dollar Hedged Series F-5 Shares @ Net Asset Value

**Underwriter(s) or Distributor(s):**

Russell Investments Canada Limited

**Promoter(s):**

Russell Investments Canada Limited

**Project #2218699**

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**Issuer Name:**

**Social Housing Canadian Short-Term Bond Fund**

**Social Housing Canadian Bond Fund**

**Social Housing Canadian Equity Fund**

**(Series A units)**

**Type and Date:**

Final Simplified Prospectuses dated June 27, 2014

Received on July 3, 2014

**Offering Price and Description:**

Series A units

**Underwriter(s) or Distributor(s):**

Phillips, Hager & North Investment Funds Ltd.

**Promoter(s):**

-

**Project #2214185**

**Issuer Name:**

Series A, Series F and Series I Securities (unless otherwise indicated) of

Sprott Global Infrastructure Fund

(formerly Exemplar Global Infrastructure Fund)

Sprott Timber Fund

(formerly Exemplar Timber Fund) (also offering Series L Securities)

Sprott Global Agriculture Fund

(formerly Exemplar Global Agriculture Fund) (also offering

Series L Securities)

Sprott Real Asset Class\*

(\*A class of shares of Sprott Corporate Class Inc.)

Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectuses dated June 30, 2014

NP 11-202 Receipt dated July 4, 2014

**Offering Price and Description:**

Series A, Series F, Series I and Series L Securities @ Net Asset Value

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #2217269**

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**Issuer Name:**

The Intertain Group Limited

Principal Regulator - Ontario

**Type and Date:**

Final Short Form Prospectus dated July 2, 2014

NP 11-202 Receipt dated July 4, 2014

**Offering Price and Description:**

\$90,000,000.00

6,500,000 Equity Subscription Receipts

44,500 Equity-Linked Debt Subscription Receipts

\$7.00 per Equity Subscription Receipt

\$1,000 per Equity-Linked Debt Subscription Receipt

**Underwriter(s) or Distributor(s):**

Canaccord Genuity Corp.

Mackie Research Capital Corporation

Clarus Securities Inc.

National Bank Financial Inc.

Cormark Securities Inc.

Haywood Securities Inc.

Global Maxfin Capital Inc.

**Promoter(s):**

-

**Project #2224224**



**Issuer Name:**

Thompson Creek Metals Company Inc.  
Principal Regulator - British Columbia

**Type and Date:**

Final Base Shelf Prospectus dated July 2, 2014  
NP 11-202 Receipt dated July 2, 2014

**Offering Price and Description:**

U.S.\$1,000,000,000.00

Common Shares  
First Preferred Shares  
Depository Shares  
Debt Securities  
Warrants  
Subscription Receipts  
Units

Share Purchase Contracts

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #2222883**

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**Issuer Name:**

Tribute Pharmaceuticals Canada Inc.  
Principal Regulator - Ontario

**Type and Date:**

Final Short Form Prospectus dated July 3, 2014  
NP 11-202 Receipt dated July 3, 2014

**Offering Price and Description:**

\$26,110,000.00

37,300,000 Units

Offering Price: \$0.70 per Unit

**Underwriter(s) or Distributor(s):**

DUNDEE SECURITIES LTD.  
MACKIE RESEARCH CAPITAL CORPORATION

**Promoter(s):**

-

**Project #2226703**

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**Issuer Name:**

Intertainment Media Inc.  
Principal Jurisdiction - Ontario

**Type and Date:**

Preliminary Base Shelf Prospectus dated July 26, 2013  
Withdrawn on July 3, 2014

**Offering Price and Description:**

\$12,000,000.00

Common Shares

Warrant

Units

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #2088037**

**Issuer Name:**

RBC Global Monthly Income Fund  
Principal Jurisdiction - Ontario

**Type and Date:**

Preliminary Simplified Prospectus dated May 16, 2014  
Withdrawn on June 27, 2014

**Offering Price and Description:**

Series A, Advisor Series, Advisor T5 Series, Series T,  
Series T5, Series T8, Series H, Series D, Series F, Series  
FT5, Series I and Series O units

**Underwriter(s) or Distributor(s):**

RBC Global Asset Management Inc.  
Royal Mutual Funds Inc.  
RBC Global Asset Management Inc.  
Royal Mutual Funds Inc./RBC Direct Investing Inc.  
Royal Mutual Funds Inc.  
RBC Dominion Securities Inc.  
Royal Mutual Funds Inc./RBD Direct Investing Inc.  
The Royal Trust Company

**Promoter(s):**

RBC Global Asset Management Inc.

**Project #2211387**

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**Issuer Name:**

Media Titans Growth & Income Fund  
Principal Jurisdiction - Ontario

**Type and Date:**

Amendment to Preliminary Long Form Prospectus dated  
April 9, 2014

Withdrawn on June 26, 2014

**Offering Price and Description:**

Maximum: \$ \* - \* Unit

Price: \$10.00 per Unit

Minimum Purchase: \$1,000 (100 Units)

**Underwriter(s) or Distributor(s):**

BMO Nesbitt Burns Inc.  
CIBC World Markets Inc.  
Scotia Capital Inc.  
National Bank Financial Inc.  
TD Securities Inc.

Raymond James Ltd.

Canaccord Genuity Corp.

Desjardins Securities Inc.

GMP Securities L.P.

Burgeonvest Bick Securities Limited

Mackie Research Capital Corporation

Manulife Securities Incorporated

Dundee Securities Ltd.

Industrial Alliance Securities Inc.

Laurentian Bank Securities Inc.

**Promoter(s):**

BMO Nesbitt Burns Inc.

**Project #2190183**

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## Chapter 12

# Registrations

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### 12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Name Change	From: G.I. Capital Corp. To: Davinci Capital Partners Inc.	Investment Fund Manager, Portfolio Manager and Exempt Market Dealer	July 7, 2014
Change in Registration Category	BT CROISSANCE GLOBALE / BT GLOBAL GROWTH INC.	From: Exempt Market Dealer  To: Exempt Market Dealer, Investment Fund Manager and Portfolio Manager	July 7, 2014

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## Chapter 13

# SROs, Marketplaces and Clearing Agencies

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### 13.1 SROs

#### 13.1.1 IIROC – Proposed Continuance under Canada Not-for-Profit Corporations Act – Notice of Commission Approval

##### INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA (IIROC)

##### PROPOSED CONTINUANCE UNDER CANADA NOT-FOR-PROFIT CORPORATIONS ACT

##### NOTICE OF COMMISSION APPROVAL

The Ontario Securities Commission approved amendments regarding IIROC's proposed continuance under the new *Canada Not-for-Profit Corporations Act*. The intent of the changes to IIROC By-Law Number 1 and related Articles of Continuance is to conform to the requirements of the new Act.

In addition, the British Columbia Securities Commission did not object to, and the Alberta Securities Commission, the Autorité des marchés financiers, the Financial and Consumer Affairs Authority of Saskatchewan, the Financial and Consumer Services Commission of New Brunswick, the Manitoba Securities Commission, the Nova Scotia Securities Commission, the Office of the Superintendent of Securities, Service Newfoundland and Labrador, and the Prince Edward Island Office of the Superintendent of Securities Office have approved the amendments.

The amendments were published for comment on October 31, 2013. No public comments were received. A copy of the IIROC Notice including the proposed amendments can be found at <http://www.osc.gov.on.ca>.

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## Chapter 25

# Other Information

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### 25.1 Permissions

#### 25.1.1 SEPLAT Petroleum Development Company Plc – s. 38(3)

##### Headnote

Filer granted permission from the Director, pursuant to s. 38(3) of the Securities Act (Ontario), to make listing representations in its preliminary and final offering documents to the effect that the filer intends to make and/or has made application to (A) the FCA for the New Ordinary Shares to be admitted to the standard listing segment of the Official List maintained by the FCA, (B) the LSE for the Shares to be admitted to trading on its main market for listed securities and (C) the NSEC and to the Council of the Nigerian Stock Exchange for the Ordinary Shares to be admitted to the Official Trading List of the Nigerian Stock Exchange.

##### Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., s. 38(3).

March 20, 2014

Norton Rose Fulbright Canada LLP  
200 Bay Street, Suite 3800  
Royal Bank Plaza, South Tower  
Toronto, Ontario  
M5J 2Z4

Attention: Mr. Matthew Lippa

Re: SEPLAT Petroleum Development Company Plc (the Corporation)

##### Application for Permission under s. 38(3) of the Securities Act (Ontario).

Pursuant to an application dated March 14, 2014 (the **Application**), SEPLAT Petroleum Development Company Plc applied for permission to include in its preliminary and final Canadian Offering Memorandums (as defined below) a representation that application has been made to list its Ordinary Shares (the **Ordinary Shares**) offered in Ontario under that document on (A) the standard listing segment of the Official List of the UK Financial Conduct Authority (**FCA**) (B) trading on the London Stock Exchange's (**LSE**) main market for listed securities and (C) trading on the Official Trading List of the Nigerian Stock Exchange. The Filer has represented that:

- 1 The Corporation is incorporated under the laws of the Federal Republic of Nigeria and registered with the Corporate Affairs Commission of Nigeria under number RC824838.
- 2 The Corporation is currently not a reporting issuer or the equivalent under the securities legislation of any province or territory of Canada.
- 3 The Corporation is proposing to issue Ordinary Shares by way of an initial public offering (the **Capital Raise**). The Capital Raise is being made by way of prospectus (the **Prospectus**) in the United Kingdom and certain other jurisdictions where the extension or availability of the Capital Raise would not breach any applicable law.
- 4 The Ordinary Shares are a new issuance by the Corporation and are not currently listed on any stock exchange or quotation system.
- 5 The Corporation will apply for the Ordinary Shares to be admitted to (A) the standard listing segment of the Official List of the FCA (B) trading on the LSE's main market for listed securities and (C) trading on the Official Trading List of the Nigerian Stock Exchange. The Corporation is under the understanding that the FCA and the Nigerian Securities and Exchange Commission (**NSEC**) will only approve the Prospectus on the day it is dated, and that neither the FCA, the LSE or the NSEC will provide it with written confirmation indicating that it does not object to the Listing Representations (as defined below) or that it consents to the Listing Representations, other than its eventual formal approval of the Prospectus. As a result of the foregoing timing, formal application will not have been made nor will the FCA, the LSE or

## Other Information

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- the NSEC have granted approval (conditional or otherwise) to the listing of the Ordinary Shares at the time of distribution of the Prospectus.
- 6 It is contemplated that the Capital Raise will be made by way of the Private Placement in the Canadian provinces of Ontario and Quebec.
- 7 The Canadian placement agent(s) for the Capital Raise will rely on appropriate exemptions from the prospectus requirements, and will either rely on the “international dealer” exemption to the registration requirements, or will be appropriately registered under the Securities Act (Ontario), when distributing securities to residents of Ontario.
- 8 Prospective investors in Ontario and Quebec will be “Accredited Investors” in accordance with National Instrument 45-106 *Prospectus and Registration Exemptions* and “Permitted Clients” in accordance with National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*.
- 9 In connection with the Private Placement, it is expected that prospective investors in Ontario and Quebec will be provided a preliminary and final offering memorandum (collectively the **Canadian Offering Memorandums**) that incorporate the preliminary or final Prospectus, as the case may be.
- 10 The Corporation will indicate in the Prospectus that the Corporation intends to make and/or has made application to (A) the FCA for the New Ordinary Shares to be admitted to the standard listing segment of the Official List maintained by the FCA, (B) the LSE for the Shares to be admitted to trading on its main market for listed securities and (C) the NSEC and to the Council of the Nigerian Stock Exchange for the Ordinary Shares to be admitted to the Official Trading List of the Nigerian Stock Exchange (the **Listing Representations**).

Based upon the representations above and the representations contained in your letter dated March 14, 2014, permission is hereby granted pursuant to subsection 38(3) of the Securities Act (Ontario) to include Listing Representations in the Canadian Offering Memorandums.

“Shannon O’Hearn”  
Manager, Corporate Finance Branch  
Ontario Securities Commission



**25.1.2 Deutsche Bank Securities Inc., on behalf of Urban Exposure Real Estate PLC – s. 38(3)**

**Headnote**

Filer granted permission from the Director, pursuant to s. 38(3) of the Securities Act (Ontario), to make listing representations in its offering documents to the effect that the filer intends to make application to the London Stock Exchange for its Ordinary Shares to be admitted for listing and trading.

**Statutes Cited**

Securities Act, R.S.O. 1990, c. S.5, as am., s. 38(3).

July 3, 2014

Norton Rose Fulbright Canada LLP  
200 Bay Street, Suite 3800  
Royal Bank Plaza, South Tower  
Toronto, Ontario  
M5J 2Z4

**Attention: Mr. Bruce Sheiner**

**Re: Deutsche Bank Securities Inc., on behalf of Urban Exposure Real Estate PLC.**

**Application for Permission under s. 38(3) of the Securities Act (Ontario) to Make Listing Representations.**

Further to your letter submitted on behalf of Deutsche Bank Securities Inc. (the **Filer**) on behalf of Urban Exposure Real Estate PLC (the **Company**) dated June 25, 2014 (the **Application**), we understand that:

1. The Company is incorporated in Jersey under the Companies (Jersey) Law 1991, as amended, with registered no. 115669.
2. The Company is contemplating an issuance of its Ordinary Shares by way of Cornerstone Subscription, the UE Subscription and the Placing (together the **Offering**).
3. The Company is not a reporting issuer in any jurisdiction in Canada.
4. The Offering is being made (i) in the United Kingdom by way of prospectus (the **Prospectus**), (ii) in the United States only to qualified institutional buyers and (iii) outside of the United States to select investors.
5. It is contemplated that the Offering will be made by way of a private placement (the **Private Placement**) in the Canadian provinces of Ontario and Quebec.
6. In connection with the Private Placement, it is expected that prospective investors in Ontario and Quebec will be provided a preliminary and final Canadian offering memorandum that includes, as applicable, the preliminary or final Prospectus (collectively the **Offering Memoranda**).
7. Each prospective investor in Ontario or Quebec will be an “*accredited investor*” in accordance with National Instrument 45-106 *Prospectus and Registration Exemptions* or a “permitted client” in accordance with National Instrument 31-103 *Registration Requirements and Exemptions*.
8. The placement agent in Canada for the Private Placement (the **Placement Agent**) will, when distributing securities to residents of Ontario, rely on appropriate exemptions from the prospectus requirements and will either (i) rely on the “international dealer” exemption to the registration requirements or (ii) be a dealer registered under the securities laws of Ontario.
9. The Offering Memoranda will contain representations identical or substantially similar to the following (the **Listing Representations**):
  - a. *“Application will be made to the FCA for all of the Ordinary Shares issued and to be issued in connection with the Cornerstone Subscription, the UE Subscription and the Placing to be admitted to the Official List (premium listing) of the UK Listing Authority and for all such*

**Other Information**

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*Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities."*

- b. *"It is expected that conditional dealings in the Ordinary Shares will commence at 8.00 a.m. (London time) on July [●] 2014. It is expected that admission will become effective and that unconditional dealings in the Ordinary Shares will commence at 8.00 a.m. (London time) on [●] July 2014."*
  - c. *"Applications will be made to the FCA and the London Stock Exchange, respectively, for all of the Ordinary Shares to be issued pursuant to the Issue to be admitted to listing on the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission will become effective and that unconditional dealings in the Ordinary Shares will commence at 8.00 a.m. on [●] July 2014."*
10. No approval for the listing of the Ordinary Shares on the London Stock Exchange, conditional or otherwise, has been granted, nor has such stock exchange consented to, nor indicated that they do not object to, the Listing Representations. The Company does not intend to apply to list the Ordinary Shares on any other exchange or quotation system.
11. The Filer seeks permission to include the Listing Representations in the Offering Memoranda to be provided and made available to prospective Ontario purchasers.

Based upon the representations above and the representations contained in your Application, permission is hereby granted pursuant to subsection 38(3) of the *Securities Act* (Ontario) to include the Listing Representations (through the incorporation of the preliminary or final Prospectus, as the case may be) in the Offering Memoranda to be provided to or made available to prospective Ontario purchasers.

Yours very truly,

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

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