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

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

AND

IN THE MATTER OF
GITC INVESTMENTS AND TRADING CANADA LTD.
carrying on business as
GITC INVESTMENTS AND TRADING CANADA INC. and
GITC, GITC INC., and AMAL TAWFIQ ASFOUR

NOTICE OF HEARING
(Subsections 127(7) and (8) of the Securities Act)

WHEREAS on December 11, 2014, the Ontario Securities Commission (the "Commission") issued a temporary order (the "Temporary Order"), pursuant to subsections 127(1) and (5) of the *Securities Act*, R.S.O., c. S.5., as amended (the "Act"), ordering the following:

(a) that all trading in any securities by GITC Investments & Trading Canada Ltd. carrying on business as GITC Investments and Trading Canada Inc. and GITC ("GITC"), GITC Inc., and Amal Tawfiq Asfour ("Asfour") shall cease; and

(b) that the exemptions contained in Ontario securities law do not apply to any of GITC, GITC Inc., and Asfour.

TAKE NOTICE THAT the Commission will hold a Hearing (the "Hearing") pursuant to subsections 127(7) and (8) of the Act at the offices of the Commission at 20 Queen Street West, 17th Floor Hearing Room, Toronto, Ontario on Thursday December 18, 2014 at 10:00 a.m. or as soon thereafter as the Hearing can be held;

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

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

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

BY REASON OF the facts recited in the Temporary Order and of such allegations and evidence as counsel may advise and the Commission may permit;

AND TAKE FURTHER NOTICE that any party to the proceeding 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 further notice of the proceeding;

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

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

DATED at Toronto this 12th day of December, 2014.

"Josée Turcotte"
Secretary to the Commission

1.2.2 Pro-Financial Asset Management Inc. et al. – ss. 127, 127.1

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

AND

IN THE MATTER OF
PRO-FINANCIAL ASSET MANAGEMENT INC.,
STUART McKINNON and JOHN FARRELL

NOTICE OF HEARING
(Sections 127 and 127.1)

TAKE NOTICE THAT the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to sections 127 and 127.1 of the *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 January 14, 2015 at 9:00 a.m., or as soon thereafter as the hearing can be held, to consider:

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

(i) pursuant to section 127(1) clause 2 of the Act that trading in any securities by Pro-Financial Asset Management Inc., Stuart McKinnon and John Farrell (the "Respondents") cease permanently or for such period as is specified by the Commission;

(ii) pursuant to section 127(1) clause 2.1 of the Act that the acquisition of any securities by the Respondents is prohibited permanently or for such other period as is specified by the Commission;

(iii) pursuant to subsection 127(1) clause 3 of the Act that any exemptions contained in Ontario securities law do not apply to the Respondents permanently or for such period as is specified by the Commission;

(iv) pursuant to section 127(1) clause 6 of the Act that the Respondents be reprimanded;

(v) pursuant to section 127(1) clauses 7, 8.1 and 8.3 of the Act that Stuart McKinnon and John Farrell (the "Individual Respondents") resign one or more positions that they hold as a director or officer of any issuer, registrant and/or investment fund manager;

(vi) pursuant to section 127(1) clauses 8, 8.2 and 8.4 of the Act that the Individual Respondents be prohibited from becoming or acting as a director or officer of any issuer, registrant and/or investment fund manager;

(vii) pursuant to section 127(1) clause 8.5 of the Act that the Respondents be prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter;

(viii) pursuant to section 127(1) clause 9 of the Act that the Respondents each pay an administrative penalty of not more than $1 million for each failure by that Respondent to comply with Ontario securities law;

(ix) pursuant to section 127(1) clause 10 of the Act that each of the Respondents disgorge to the Commission any amounts obtained as a result of non-compliance by that Respondent with Ontario securities law; and

(x) pursuant to section 127.1 of the Act that the Respondents be ordered to pay the costs of the Commission investigation and the hearing;

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

BY REASON OF the allegations as set out in the Statement of Allegations of Staff of the Commission dated December 8, 2014 and such additional allegations as counsel may advise and the Commission may permit;

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

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

DATED at Toronto this 9th day of December, 2014

"Josée Turcotte"
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
PRO-FINANCIAL ASSET MANAGEMENT INC.,
STUART MCKINNON and JOHN FARRELL

STATEMENT OF ALLEGATIONS
OF STAFF OF THE ONTARIO SECURITIES COMMISSION

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

I. OVERVIEW

1. On or between May 2003 to August 2014 (the "Material Time"), Pro-Financial Asset Management Inc. ("PFAM") acted as adviser, selling agent and note administrator for certain series of principal protected notes ("PPNs") issued by Société Générale (Canada) ("SGC") and BNP Paribas (Canada) ("BNP") (collectively, the "Banks"). A chart of the nine series of PPNs and PFAM's role with each series is attached as Appendix "A".

2. Stuart McKinnon ("McKinnon") has been a director and directing mind of PFAM since its incorporation on November 6, 2002. McKinnon was registered as PFAM's Ultimate Responsible Person ("URP") from October 19, 2005 to September 28, 2009 and as PFAM's Ultimate Designated Person ("UDP") since October 28, 2009.

3. John Farrell ("Farrell") was a vice-president or senior vice-president of PFAM from October 17, 2006 to April 15, 2013 and was a director from October 17, 2006 to April 15, 2013. Farrell acted as PFAM's chief compliance officer ("CCO") from November 27, 2007 to September 28, 2009 and from October 28, 2009 to April 15, 2013.

4. In 2010, PFAM became aware of a discrepancy in the number of outstanding PPNs as reflected in the records of its record-keeper, The Investment Administration Solution Inc. ("IAS") and the records of the trustee, Concentra Financial ("Concentra"). PFAM failed to fully investigate this discrepancy in a timely manner and failed to change its internal controls and procedures related to the redemption of early redemption of PPNs which resulted in further PPN discrepancies.

5. On April 23, 2013, PFAM delivered a report to Staff ("PFAM's Reconciliation Report") that stated that the total cash obligation to noteholders of the PPNs (the "PPN Noteholders") as reflected in Concentra's records and IAS's records differed by $1,222,549.45 (the "PPN Discrepancy"). As a result of the PPN Discrepancy, there was a shortfall of $1,222,549.45 in the amount available to honour all outstanding maturity liabilities to PPN Noteholders.

6. On May 17, 2013, the Commission issued a temporary order (the "Temporary Order") with PFAM's consent which suspended PFAM's registration as a dealer in the category of exempt market dealer ("EMD") and restricted PFAM in its role as an adviser in the category of portfolio manager ("PM") and its operation as an investment fund manager ("IFM") to dealing only with existing clients and existing client accounts.

7. The PPN Discrepancy was primarily caused by PFAM submitting more redemption requests to the Banks than PFAM received from PPN Noteholders (the "Unsupported Redemption Requests"). PFAM also made redemption payments to PPN Noteholders using prices which were different from the prices used by the Banks.

8. PFAM failed to keep track of the monies received on the Unsupported Redemption Requests in PFAM's trust account (the "Trust Account"). PFAM also made redemption and/or maturity payments to Noteholders in one series of PPNs with monies received in respect of another PPN series. By mishandling the redemptions of PPNs, PFAM failed to act fairly, honestly and in good faith with PFAM's clients.

9. PFAM failed to maintain adequate internal controls and compliance systems and failed to maintain satisfactory books, records and other documents to record its business transactions, financial affairs and the transactions executed on behalf of others.

10. In 2013 and 2014, PFAM also experienced problems managing the Pro-Index Funds (defined below) including: (i) disclosure of inaccurate and incorrectly calculated management expense ratios ("MERs") for the Pro-Index Funds; (ii) failure to renew the Pro-Index Funds' prospectus, causing the Pro-Index Funds to cease distribution of their securities to the public, contrary to investor expectations and PFAM's plan to continue distribution of the securities of the Pro-Index Funds; (iii) late filing of both the 2013 annual audited financial statements and management reports of fund performance ("MRFPs"); (iv) late delivery

of T3 tax slips to unitholders of the Pro-Index Funds; and (v) failure, as of December 4, 2014, to file the interim financial reports and interim MRFPs for the Pro-Index Funds for the period ended June 30, 2014, which were due on August 29, 2014.

11. In 2012, PFAM operated with a capital deficiency in breach of section 12.1 of NI 31-103, failed to report its capital deficiency to Staff and failed to rectify the capital deficiency, which were factors resulting in the Temporary Order.

12. McKinnon failed to meet his obligations as PFAM's URP and UDP and Farrell failed to meet his obligations as PFAM's CCO.

13. As officers and directors of PFAM, McKinnon and Farrell, authorized, permitted or acquiesced in PFAM's non-compliance with Ontario securities law and are deemed to have not complied with Ontario securities law.

II. THE RESPONDENTS

(a) PFAM

14. PFAM was registered as a dealer in the category of EMD prior to this registration being suspended with PFAM's consent by the Temporary Order. PFAM was registered as an adviser in the category of PM although these activities became restricted to dealing with existing clients and existing client accounts by terms and conditions imposed by the Temporary Order.

15. PFAM acted as IFM of the Pro-Index Funds under the transition provisions of section 16.4 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("NI 31-103"). Staff of the Compliance and Registrant Regulation ("CRR") Branch recommended to the Director that PFAM's application for registration as an IFM be refused, in part due to PFAM's ongoing capital deficiency, and communicated CRR Staff's position to PFAM by letter dated December 21, 2012.

(b) McKinnon

16. McKinnon was the directing mind of PFAM. McKinnon was: (i) PFAM's president and chief executive officer since March 2, 2003 (except for the period of approximately November 2010 to March 2011); (ii) a PFAM director since November 6, 2002; (iii) PFAM's URP from October 19, 2005 until September 28, 2009; and (iv) PFAM's UDP since October 28, 2009.

(c) Farrell

17. Farrell acted as: (i) PFAM's vice-president or senior vice-president from October 17, 2006 to April 15, 2013; (ii) PFAM's CCO from November 27, 2007 to April 15, 2013 (except for approximately one month in September and October 2009); and (iii) a PFAM director from October 17, 2006 to April 15, 2013.

III. THE PPN DISCREPANCY AND PFAM'S FAILURE TO DEAL FAIRLY, HONESTLY AND IN GOOD FAITH WITH ITS CLIENTS

18. During the Material Time, PFAM engaged in the following conduct in its roles as adviser, selling agent and/or notes administrator of nine series of PPNs, which conduct resulted in or contributed to the PPN Discrepancy.

(a) *Unsupported Redemption Requests*

19. During the Material Time, PFAM submitted Unsupported Redemption Requests to the Banks. PFAM caused the Banks to redeem approximately 11,814 more PPN units than PPN Noteholders actually requested to redeem. The Unsupported Redemption Requests submitted by PFAM contributed to the PPN Discrepancy.

(b) *Mishandling of Redemption Payments*

20. During the Material Time, PFAM made redemption payments to PPN Noteholders at prices different from the prices used by the Banks (the "Bank Prices") to calculate the redemption amounts paid by the Banks via Concentra to PFAM (the "Price Variance Issue").

21. PFAM's Reconciliation Report stated that the Bank Prices often differed from the price received by PPN Noteholders and that the Price Variance Issue caused PFAM to pay $566,839.26 more to PPN Noteholders than PFAM received from the Banks via Concentra for redeemed PPNs.

(c) *Failure to Account for Monies in the Trust Account*

22. PFAM failed to account for the monies that PFAM received from the Banks via Concentra for the Unsupported Redemption Requests. More specifically, PFAM was not in a position to identify the beneficial owners of the monies in the Trust Account, as least in part, due to the following:

i. PFAM failed to keep track of: (i) the Unsupported Redemption Requests submitted to the Banks; (ii) the monies received from the Banks via Concentra in relation to the Unsupported Redemption Requests; and (iii) how the monies were used;

ii. PFAM commingled monies received for the different PPN series, as well as monies related to other PFAM products, in the Trust Account;

iii. PFAM failed to perform reconciliations of the Trust Account such that PFAM did not know, at any given time, how much of the balance of the Trust Account related to each PPN series; and

iv. redemption and/or maturity proceeds received for one PPN series were used to make redemption and/or maturity payments for another PPN series.

23. PFAM failed to regularly analyze or reconcile the balance in the Trust Account and in doing so failed to comply with its own internal policies and procedures.

(d) *Caused or Permitted Deficiencies in the PPN Records*

24. PFAM was responsible, through IAS, for maintaining a register of PPN Noteholders but has failed to explain to Staff:

i. why the opening number of PPN units differed between the records of IAS and Concentra in eight of nine PPN series;

ii. other than the Price Variance Issue, how the balance of the redemption proceeds that PFAM received for Unsupported Redemption Requests were used; and

iii. why the PPN Discrepancy was not investigated earlier and reported to the Banks, Concentra, IAS and/or PPN Noteholders.

(e) *Failure to Communicate and Investigate PPN Discrepancies*

25. In December 2010, when the first PPN series ("Pro 101") matured, PFAM was aware that IAS's records on the Pro 101 series differed from Concentra's records such that the maturity proceeds provided by SGC via Concentra was $197,031 greater than what was necessary to repay all outstanding units based on IAS's records.

26. In December, 2011 when the second PPN series ("Pro 706") matured, PFAM should have been aware of a further discrepancy between IAS's records for the Pro 706 series and Concentra's records as the maturity liability was $114,803 greater than the maturity proceeds which PFAM received.

27. On May 1, 2012, McKinnon was provided with results of a reconciliation conducted by PFAM which identified a discrepancy between the records of IAS and Concentra for each and every then outstanding PPN series and an overall discrepancy of $13,122.84.

28. PFAM failed to fully investigate the PPN discrepancies in a timely manner and failed to inform the Banks, Concentra, IAS and/or PPN Noteholders.

29. PFAM continued to submit Unsupported Redemption Requests to the Banks until late 2012 and used, at least in part, the surplus maturity proceeds from the Pro 101 series to fund the shortfall in maturity proceeds relating to the Pro 706 series and/or redemption payments of other PPN series.

30. The manner in which PFAM dealt with the redemptions and maturity payments of PPNs was a breach of PFAM's obligation to deal fairly, honestly and in good faith with its clients, contrary to subsection 2.1(1) of OSC Rule 31-505 *Conditions of Registration* ("OSC Rule 31-505").

IV. PFAM'S BREACH OF ITS STANDARD OF CARE AS AN IFM AND BREACHES OF PRO-INDEX FUNDS' CONTINUOUS DISCLOSURE OBLIGATIONS

31. As a result of the management expense ratio ("MER") errors and PFAM's failure to deliver key documents in a timely manner as set out below, PFAM breached its statutory standard of care as an IFM as set out in subsection 116(b) of the Act.

(a) MER Errors

32. On March 28, 2013, PFAM filed its annual MRFPs for the year ended December 31, 2012 ("December 2012 MRFPs") on SEDAR for each of the following prospectus-qualified mutual funds: (i) Pro FTSE RAFI Canadian Index Fund; (ii) Pro FTSE RAFI US Index fund; (iii) Pro FTSE RAFI Global Index Fund; (iv) Pro Money Market Fund; (v) Pro FTSE RAFI Hong Kong China Index Fund; (vi) Pro FTSE RAFI Emerging Markets Index Fund; (vii) Pro FTSE NA Dividend Index Fund; (viii) Pro-Fundamental Balanced Index Fund; and (ix) Pro-Fundamental Bond Index Fund (collectively, the "Pro-Index Funds").

33. On August 29, 2013, PFAM filed its semi-annual MRFPs for the period ended June 30, 2013 (the "June 2013 MRFPs") on SEDAR for each of the Pro-Index Funds.

34. In late 2013, Staff became aware of possible inaccuracies in the MERs for the Pro-Index Funds.

35. Each of the 26 published MERs in the December 2012 MRFPs were incorrect. In two instances, the original published MERs were overstated by between 58% and 69%. In 24 instances, the original published MERs were understated by between 11% and 96%.

36. Each of the 26 published MERs in the June 2013 MRFPs were incorrect. In all 26 instances, the original published MERs were understated by between 41% and 379%.

37. MERs for investment funds must not be disclosed unless the MERs are calculated in accordance with section 15.1 of National Instrument 81-106 *Investment Fund Continuous Disclosure* ("NI 81-106"). The MERs published in the December 2012 MRFPs and the June 2013 MRFPs for the Pro-Index Funds were not calculated in accordance with section 15.1 of NI 81-106. By disclosing MERs for the Pro-Index Funds that were not calculated in accordance with section 15.1 of NI 81-106, the Pro-Index Funds and PFAM contravened section 15.1 of NI 81-106 and made misrepresentations in the December 2012 MRFPs and the June 2013 MRFPs.

38. On March 10, 2014, PFAM issued a press release which disclosed that calculation errors were made by PFAM in the MERs in both the December 2012 MRFPs and the June 2013 MRFPs. The press release was required by the Commission as a condition to granting a further extension of the lapse date for the Pro-Index Funds' prospectus from March 4 to April 7, 2014.

(b) Failure to Deliver Key Documents

i. *Pro-Index Funds' Prospectus Renewal*

39. On January 15, 2014, Staff were advised that the Pro-Index Funds' prospectuses receipted on January 14, 2013 had not been renewed through PFAM's inadvertence.

40. Lapse date extensions for the Pro-Index Funds' prospectus were provided by Commission orders dated January 21, March 4 and April 7, 2014. On April 21, 2014, PFAM's lapse date extension was dismissed without prejudice to PFAM bringing an application under section 144 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") to vary the April 21, 2014 Order once the annual audited financial statements and MRFPs for the Pro-Index Funds were filed. As a result, the distribution of securities of the Pro-Index Funds ceased at the end of the day on April 21, 2014 contrary to investor expectations and PFAM's plan to continue distribution of the securities of the Pro-Index Funds.

ii. *Pro-Index Funds' Audited Financial Statements and MRFPs*

41. The annual audited financial statements and MRFPs for the Pro-Index Funds for the year ended December 31, 2013 were due on or before March 31, 2014, as required by sections 2.2 and 4.2 of NI 81-106.

42. On June 6, 2014, the Pro-Index Funds' annual audited financial statements and MRFPs were filed on SEDAR which was 67 days after they were due.

iii. *2013 T3 Tax Slips for Pro-Index Fund Unitholders*

43. PFAM was required to provide Pro-Index Fund unitholders with 2013 T3 tax slips – Statement of Trust Income Allocations and Designations by no later than 90 days after the end of the Pro-Index Funds' taxation year which ended December 31, 2013.

44. The 2013 tax slips for the Pro-Index Funds were mailed to clients on June 12, 2014.

iv. *Failure to File Interim Financial Reports and MRFPs of the Pro-Index Funds*

45. The interim financial reports and interim MRFPs for the Pro-Index Funds for the period ended June 30, 2014 were due on or before August 29, 2014. As of December 4, 2014, these documents have not been filed, as required by sections 2.4 and 4.2 of NI 81-106.

46. As a result of the above MER errors and failures to file and deliver key documents in a timely manner, PFAM breached its statutory standard of care as an IFM as set out in subsection 116(b) of the Act.

V. PFAM'S FAILURE TO MAINTAIN REQUIRED WORKING CAPITAL

47. On November 21, 2012, CRR Staff conducted a PFAM site visit. PFAM's chief financial officer ("CFO") provided CRR Staff with documents showing PFAM's monthly working capital calculations for the period from May to October 2012 which confirmed that PFAM had adequate working capital as at October 31, 2012 and all other month-ends during the period.

48. On November 30, 2012, PFAM's CFO advised CRR Staff that recent adjustments affected PFAM's working capital calculations such that PFAM was capital deficient by $183,367 as at October 31, 2012 (the "Revised Calculation").

49. The Revised Calculation reflected additional accrued liabilities that PFAM failed to initially account for which was the primary reason for PFAM's working capital decreasing to a deficit of $183,367.

50. CRR Staff then prepared its own excess working calculation for PFAM which indicated that PFAM's working capital deficiency was approximately $634,423 as of October 31, 2012 after the necessary adjustments.

51. On February 22, 2013, after its annual financial statements were audited, PFAM filed a Form 31-103F1 – *Calculation of Excess Working Capital* ("Form 31-103F1") which reflected a revised capital deficiency of $726,746 as at October 31, 2012.

52. PFAM's annual audited financial statements, on which the Form 31-103F1 for October 31, 2012 was based, reflected an increase in accounts payables and accrued liabilities and an increase in the current note payable balance (the "Note Payable") when compared to the amounts included in the Revised Calculation. These additional current liabilities were the primary reasons for PFAM's working capital, as at October 31, 2012, decreasing to a deficit of $726,746.

53. Staff alleges that PFAM's monthly Form 31-103F1 for the period of May 31, 2012 to October 31, 2012 inclusive were incorrect as PFAM failed to reflect the full Note Payable balance as a current liability in PFAM's working capital calculation when the full loan balance was due to mature on May 1, 2013. The effect of this error was that PFAM was below its minimum capital requirements as of May 31, 2012.

54. In the period from May 1 to November 30, 2012, PFAM failed to report its capital deficiency in breach of subsection 12.1(1) of NI 31-103. During this period and after November 30, 2012, PFAM operated with an excess working capital less than zero contrary to section 12.1 of NI 31-103.

VI. PFAM'S FAILURE TO KEEP SATISFACTORY BOOKS AND RECORDS

55. PFAM's failure to have or retain the following documents, books and/or records breached PFAM's record-keeping obligation as required by subsections 19(1) and 32(1) of the Act, sections 11.5 and 11.6 of NI 31-103 and PFAM's own policies and procedures.

(a) Trust Account Disbursements

56. By summons dated February 13, 2014, PFAM was required to produce supporting documents for 125 transactions from PFAM's Trust Account in order for Staff to identify recipients of payments, amounts received and reasons for the payments. Staff subsequently reduced the number of transactions for which Staff required supporting documents.

57. On September 19, 2014, in response to the summons, PFAM's counsel advised Staff that "Best efforts have been made to locate this information, but it is presently in storage."

(b) Calculation of Original December 2012 MERs

58. By summons dated September 18, 2013, PFAM's CFO was required to produce: (i) PFAM's calculation of the December 2012 MERs; and (ii) copies of supporting documents for the total expense amounts used in the December 2012 MER calculations, including financial statements.

59. By email dated October 9, 2013, in response to the summons, PFAM's counsel advised Staff that, with respect to December 2012 MER calculations, "the employee who prepared the calculations is no longer with PFAM and PFAM is unable to locate the calculation in the archival record of her emails."

(c) PFAM's Monthly Approved Form 31-103F1s for Period of May to October 2012

60. During McKinnon's examination on July 30, 2014, McKinnon provided an undertaking to: (i) confirm that the monthly Form 31-103F1s for the period of May to October 2012 provided to CRR Staff by PFAM's CFO on November 21, 2012 were approved by McKinnon and Farrell; or (ii) provide the Form 31-103F1s which were approved by McKinnon and Farrell as at November 2012.

61. On September 19, 2014, in response to this undertaking, PFAM's counsel advised that "Mr. McKinnon is unable to confirm that the monthly Form 31-103F1 provided to Staff in November 2012 were approved by Mr. McKinnon and does not presently have access to the Form 31-103F1 which were approved by Mr. McKinnon and Mr. Farrell in November, 2012".

(d) "Management Fees-Contra" line item in the Pro-Index Funds' G/L Trial Balance Reports

62. During an examination on December 30, 2013, PFAM's CFO provided an undertaking to advise of the types of transactions that are reported under the "Management Fees–Contra" line item in the Pro-Index Funds' General Ledger Trial Balance Reports.

63. By email dated January 17, 2014, PFAM's counsel advised that "PFAM is having difficulty obtaining a detailed explanation from IAS of these items".

(e) Expenses waived/absorbed by Manager" amounts in the Pro-Index Funds' financial statements for years ended December 31, 2012 and 2013

64. During an examination on July 17, 2014, PFAM's CFO was unable to explain to Staff the source or basis for the line items entitled "Expenses waived/absorbed by Manager" in the Pro-Index Funds' financial statements for the years ended December 31, 2012 and 2013. PFAM's CFO advised that only IAS could explain the "Expenses waived/absorbed by Manager" numbers in the Pro-Index Funds' financial statements.

65. PFAM's failure to have or retain the following documents, books and/or records breached PFAM's obligation to accurately record PFAM's business activities, financial affairs and transactions that it executes on behalf of others as required by subsection 19(1) of the Act and sections 11.5 and 11.6 of NI 31-103 and as required by PFAM's own internal policies and procedures.

VII. INADEQUATE INTERNAL CONTROLS AND COMPLIANCE SYSTEMS

66. PFAM had an obligation as a registrant to have adequate internal controls and systems to ensure compliance with securities laws and to manage the risks associated with its business in accordance with prudent business practices.

67. The following conduct and/or failures by PFAM demonstrate its inadequate internal controls and compliance systems:

a. submitting Unsupported Redemption Requests to the Banks and/or failing to track monies received for Unsupported Redemption Requests;

b. paying PPN Noteholders at redemption prices different from the prices paid by the Banks;

c. using redemption or maturity proceeds from one PPN series to pay redemptions or maturity proceeds for other PPN series;

d. failing to analyze and identify components of the balance in the Trust Account;

e. failing to investigate PPN discrepancies fully and in a timely manner and report the discrepancies to the Banks, Concentra, IAS and/or PPN Noteholders;

f. failing to maintain and deliver books, records and documents required to accurately record PFAM's business activities, financial affairs and client transactions;

g. failing to ensure that reasonable controls were in place for the for the calculation of MERs for the Pro-Index Funds; and

h. failing to ensure that reasonable controls were in place for the calculation and maintenance of PFAM's excess working capital.

68. PFAM's conduct and/or failures as set out above were contrary to PFAM's obligation to establish, maintain and apply policies and procedures that establish an adequate system of controls and supervision and in doing so breached section 11.1 of NI 31-103 and subsection 32(2) of the Act.

VIII. FAILURE OF MCKINNON TO FULFILL RESPONSIBILITIES AS PFAM's URP AND UDP

69. McKinnon was PFAM's URP from October 19, 2005 to September 28, 2009. As PFAM's URP, pursuant to former subsection 1.3(2) of OSC Rule 31-505, McKinnon had ultimate responsibility for ensuring that PFAM's obligations under Ontario securities law were discharged.

70. McKinnon has been PFAM's UDP since October 28, 2009. As PFAM's UDP, pursuant to section 5.1 of NI 31-103, McKinnon has an obligation to supervise the activities of PFAM that are directed towards ensuring compliance with securities legislation by PFAM and individuals acting on its behalf and to promote compliance with securities legislation by PFAM and the individuals acting on its behalf.

71. As a result of the conduct and/or failures set out above, since October 19, 2005 and before September 28, 2009, McKinnon breached his obligations as PFAM's URP pursuant to subsection 1.3(2) of OSC Rule 31-505. On or after September 28, 2009, McKinnon breached his obligation as PFAM's UDP pursuant to section 5.1 of NI 31-103.

IX. FAILURE OF FARRELL TO FULFILL RESPONSIBILITIES AS PFAM's CCO

72. Farrell was the CCO of PFAM from November 27, 2007 to September 28, 2009 and from October 28, 2009 to April 15, 2013. As PFAM's CCO, pursuant to former subsection 1.3(1) of OSC Rule 31-505 before September 28, 2009 and on and after September 28, 2009, pursuant to section 5.2 of NI 31-103, Farrell had statutorily prescribed obligations in connection with PFAM's compliance with securities legislation.

73. As a result of the conduct and/or failures set out above, Farrell breached his obligations as PFAM's CCO pursuant to former subsection 1.3(1) of OSC Rule 31-505 from November 27, 2007 to September 27, 2009 and pursuant to section 5.2 of NI 31-103 from September 28, 2009 to April 15, 2013.

X. MCKINNON'S AND FARRELL'S LIABILITY AS OFFICERS AND DIRECTORS

74. McKinnon was PFAM's president and chief executive officer since March 2, 2003 (except for the period of approximately November 2010 to March 2011). McKinnon has been a PFAM director since November 6, 2002.

75. Farrell was vice-president or senior vice-president and a director of PFAM from October 17, 2006 to April 15, 2013.

76. As officers and directors of PFAM, McKinnon and Farrell authorized, permitted or acquiesced in the breaches of Ontario securities law by PFAM set out above and, pursuant to section 129.2 of the Act, McKinnon and Farrell are deemed to have not complied with Ontario securities law.

XI. BREACHES OF ONTARIO SECURITIES LAW AND CONDUCT CONTRARY TO THE PUBLIC INTEREST

77. Staff's allegations are that:

a. PFAM failed to deal fairly, honestly and in good faith with its clients, in breach of its obligations under subsection 2.1(1) of OSC Rule 31-505;

b. PFAM failed to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances and in doing so, breached the standard of care for IFMs under subsection 116(b) of the Act;

c. PFAM failed to maintain the minimum capital required of a registered firm and failed to report its capital deficiency contrary to section 12.1 of NI 31-103;

d. PFAM failed to keep satisfactory books, records or other documents contrary to subsection 19(1) of the Act and contrary to sections 11.5 and 11.6 of NI 31-103;

e. PFAM failed to establish, maintain and apply policies and procedures that establish an adequate system of controls and supervision contrary to section 11.1 of NI 31-103 and subsection 32(2) of the Act;

f. McKinnon and Farrell, as officers and directors of PFAM, authorized, permitted or acquiesced in breaches by PFAM of subsection 2.1(1) of OSC Rule 31-505, subsection 116(b) of the Act, sections 11.1 and 12.1 of NI 31-103, subsections 19(1) and 32(2) of the Act and sections 11.5 and 11.6 of NI 31-103 and thereby McKinnon and Farrell are deemed to have breached subsection 2.1(1) of OSC Rule 31-505, subsection 116(b) of the Act, sections 11.1 and 12.1 of NI 31-103, subsections 19(1) and 32(2) of the Act and sections 11.5 and 11.6 of NI 31-103 pursuant to section 129.2 of the Act;

g. Farrell breached his obligations as CCO of PFAM contrary to former subsection 1.3(1) of OSC Rule 31-505 and, on and after September 28, 2009, contrary to section 5.2 of NI 31-103; and

h. McKinnon breached his obligations as URP and UDP of PFAM contrary to former subsection 1.3(2) of OSC Rule 31-505 and, on and after September 28, 2009, contrary to section 5.2 of NI 31-103.

78. Staff alleges that the conduct set out above was also conduct contrary to the public interest.

79. Staff reserves the right to make such other allegations as Staff may advise and the Commission may permit.

Dated at Toronto this 8th day of December, 2014

PFAM - List of PPN Series

Appendix "A"

	PPN Series	Short Name (Fund Code)	Issuer	Settlement / Closing Date	Maturity Date	Agent	Investment Advisor / Manager	Note Administrator
1	Pro-Hedge Principal Protect Notes, Univest Series 1	**SGC Series I** (Pro 101)	Société Générale (Canada)	10-Jul-03	31-Dec-10	Legacy Investment Management Inc. ("Legacy")	PFAM	-
2	Pro-Hedge Principal Protected Notes, Series II	**SGC Series II** (Pro 201)	Société Générale (Canada)	19-Dec-03	19-Dec-12	Legacy	PFAM	-
3	Pro-Hedge Principal Protected Deposit Notes, Series III	**SGC Series III** (Pro 301 & 311)	Société Générale (Canada)	30-Apr-04	19-Dec-12	PFAM	PFAM	-
4	Pro-Hedge G.I.S., Series 1	**BNP GIS 1** (Pro 401 & 411)	BNP Paribas (Canada)	23-Dec-04	31-Oct-13	-	-	PFAM
5	Pro-Hedge G.I.S., Series 2	**BNP GIS 2** (Pro 421 & 431)	BNP Paribas (Canada)	27-Apr-05	31-Mar-14	-	-	PFAM
6	Pro-Hedge Principal Protected Deposit Notes, Series IV	**SGC Series IV** (Pro 441 & 451)	Société Générale (Canada)	16-Dec-05	30-Jun-14	PFAM	PFAM	-
7	Pro-Performance Blue Chip Yield Deposit Notes, Series 1	**BNP Blue Chip** (Pro 701)	BNP Paribas (Canada)	31-Mar-06	31-Mar-14	-	-	PFAM
8	Pro-Performance Principal Protected Commodity Deposit Notes	**SGC Commodity** (Pro 706)	Société Générale (Canada)	21-Jul-06	15-Dec-11	PFAM	-	-
9	Pro-Performance Berkshire/iShares Linked Deposit Notes	**SGC Berkshire** (Pro 711)	Société Générale (Canada)	05-Dec-06	12-Dec-16	PFAM	-	-

1.2.3 Darren Spears and May Spears – ss. 127(7), 127(8)

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

AND

IN THE MATTER OF
DARREN SPEARS and MAY SPEARS

NOTICE OF HEARING
(Subsections 127(7) and (8) of the Securities Act)

WHEREAS on December 12, 2014, the Ontario Securities Commission (the "Commission") issued a temporary order (the "Temporary Order"), pursuant to subsections 127(1) and (5) of the *Securities Act*, R.S.O., c. S.5., as amended (the "Act"), ordering the following:

(a) that all trading in securities of Magna International Inc. ("Magna") by Darren Spears and May Spears shall cease; and

(b) that the exemptions contained in Ontario securities law do not apply to any of Darren Spears and May Spears.

TAKE NOTICE THAT the Commission will hold a Hearing (the "Hearing") pursuant to subsections 127(7) and (8) of the Act at the offices of the Commission at 20 Queen Street West, 17th Floor Hearing Room, Toronto, Ontario on December 18, 2014 at 2:00 p.m. or as soon thereafter as the Hearing can be held;

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

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

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

BY REASON OF the facts recited in the Temporary Order and of such allegations and evidence as counsel may advise and the Commission may permit;

AND TAKE FURTHER NOTICE that any party to the proceeding 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 further notice of the proceeding;

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

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

DATED at Toronto this 12th day of December, 2014.

"Josée Turcotte"
Secretary to the Commission

1.4 Notices from the Office of the Secretary

1.4.1 Bluestream Capital Corporation et al.

FOR IMMEDIATE RELEASE
December 10, 2014

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

AND

IN THE MATTER OF
BLUESTREAM CAPITAL CORPORATION,
BLUESTREAM INTERNATIONAL INVESTMENTS INC.,
KROWN CONSULTING CORP.,
1859585 ONTARIO LTD. (operating as
SOVEREIGN INTERNATIONAL INVESTMENTS)
and PETER BALAZS

TORONTO – The Commission issued an Order in the above named matter which provides that the hearing on the merits in this matter will proceed on January 12, 2015 and continue as currently scheduled or such other dates as are agreed to by the parties and fixed by the Office of the Secretary.

A copy of the Order dated December 9, 2014 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
SECRETARY

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

1.4.2 7997698 Canada Inc. et al.

FOR IMMEDIATE RELEASE
December 10, 2014

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

AND

IN THE MATTER OF
7997698 CANADA INC., carrying on business as
INTERNATIONAL LEGAL AND ACCOUNTING
SERVICES INC., WORLD INCUBATION CENTRE, or
WIC (ON), JOHN LEE also known as CHIN LEE, and
MARY HUANG also known as
NING-SHENG MARY HUANG

TORONTO – The Commission issued a Temporary Order in the above named matter which provides that the Temporary Order is extended to June 3, 2015; and the Hearing is adjourned to Wednesday, May 27, 2015, at 10:00 a.m. or such other date as may be determined by the Office of the Secretary.

A copy of the Order dated December 3, 2014 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
SECRETARY

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

1.4.3 Eric Inspektor

FOR IMMEDIATE RELEASE
December 11, 2014

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

AND

IN THE MATTER OF
ERIC INSPEKTOR

TORONTO – The Commission issued its Reasons and Decision Regarding a Motion for Disclosure in the above named matter.

A copy of the Reasons and Decision Regarding a Motion for Disclosure dated December 10, 2014 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
SECRETARY

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

1.4.4 GITC Investments and Trading Canada Ltd. et al. – ss. 127(7), 127(8)

FOR IMMEDIATE RELEASE
December 12, 2014

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

AND

IN THE MATTER OF
GITC INVESTMENTS AND TRADING CANADA LTD.
carrying on business as
GITC INVESTMENTS AND TRADING CANADA INC.
and GITC, GITC INC., and AMAL TAWFIQ ASFOUR

TORONTO – The Office of the Secretary issued a Notice of Hearing on setting the matter down to be heard on December 18, 2014 at 10:00 a.m. consider whether it is in the public interest for the Commission:

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

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

A copy of the Notice of Hearing dated December 12, 2014 and Temporary Order dated December 11, 2014 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
SECRETARY

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

1.4.5 Pro-Financial Asset Management Inc. et al.

FOR IMMEDIATE RELEASE
December 15, 2014

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

AND

IN THE MATTER OF
PRO-FINANCIAL ASSET MANAGEMENT INC.,
STUART McKINNON and JOHN FARRELL

TORONTO – The Office of the Secretary issued a Notice of Hearing setting the matter down to be heard on January 14, 2015 at 9:00 a.m. 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 at 20 Queen Street West, 17th Floor, Toronto.

A copy of the Notice of Hearing dated December 9, 2014 and the Statement of Allegations of Staff of the Ontario Securities Commission dated December 8, 2014 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
SECRETARY

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

1.4.6 Darren Spears and May Spears

FOR IMMEDIATE RELEASE
December 15, 2014

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

AND

IN THE MATTER OF
DARREN SPEARS and MAY SPEARS

TORONTO – The Office of the Secretary issued a Notice of Hearing on setting the matter down to be heard on December 18, 2014 at 2:00 p.m. consider whether it is in the public interest for the Commission:

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

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

A copy of the Notice of Hearing dated December 12, 2014 and Temporary Order dated December 12, 2014 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
SECRETARY

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media_inquiries@osc.gov.on.ca

For investor inquiries:

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

1.4.7 Bradon Technologies Ltd. et al.

FOR IMMEDIATE RELEASE
December 16, 2014

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

AND

IN THE MATTER OF
BRADON TECHNOLOGIES LTD., JOSEPH COMPTA,
ENSIGN CORPORATE COMMUNICATIONS INC.
and TIMOTHY GERMAN

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

1. the hearing on the merits dates of December 16, and 18, 2014 are vacated;

2. Staff shall serve and file written closing submissions by 4:30p.m. on January 21, 2015;

3. the Respondents shall serve and file written closing submissions by 4:30 p.m. on February 4, 2015;

4. the hearing on the merits shall continue, commencing at 10:00 a.m. on February 11, 2015 for the purpose of hearing oral closing submissions of the parties; and

5. the record be sealed until the exhibits have been redacted to remove personal information of investors from the exhibits

A copy of the Order dated December 12, 2014 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
SECRETARY

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Next Edge Capital Corp. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – approval of investment fund merger – approval required because the merger does not meet the criteria for pre-approved reorganizations and transfers in National Instrument 81-102 – Investment Funds – merger is not a "qualifying exchange" or a tax-deferred transaction under the Income Tax Act – securityholders provided with timely and adequate disclosure regarding the merger.

Applicable Legislative Provisions

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

December 9, 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
NEXT EDGE CAPITAL CORP.
(the Filer)

AND

IN THE MATTER OF
NEXT EDGE ALPHA FUND
(the Terminating Fund)

AND

IN THE MATTER OF
NEXT EDGE AHL FUND
(the Continuing Fund)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Terminating Fund and the Continuing Fund (collectively, the **Funds**) for approval pursuant to subsection 5.5(1)(b) of National Instrument 81-102 *Investment Funds* (**NI 81-102**) in connection with the merger (the **Merger**) of the Funds as the Filer has concluded the pre-approval under section 5.6 of NI 81-102 is not available because the Merger will not be a "qualifying exchange" within the meaning of section 132.2 of the *Income Tax Act* (Canada) (the **ITA**) or a tax-deferred transaction under subsection 85(1), 85.1(1), 86(1) or 87(1) of the ITA as required under section 5.6(1)(b) of NI 81-102 (the **Requested Approval**).

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

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

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

Interpretation

Unless expressly defined herein, terms in this application have the respective meanings given to them in NI 81-102, National Instrument 14-101 *Definitions* and MI 11-102.

Representations

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

The Filer

1. The Filer is a corporation incorporated under the *Canada Business Corporations Act*. The Filer's head office is located in Toronto, Ontario.

2. The Filer is registered as an Investment Fund Manager in Ontario, Québec and Newfoundland and Labrador, as an adviser in the category of Portfolio Manager in Ontario and Alberta and as a dealer in the category of Exempt Market Dealer in Ontario, British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick and Nova Scotia.

3. The Filer's head office is located in Toronto, Ontario.

4. None of the Filer, the Terminating Fund or the Continuing Fund is in default of any securities legislation in any of the Jurisdictions.

The Funds

5. Each Fund is a mutual fund to which NI 81-102, National Instrument 81-106 – *Investment Fund Continuous Disclosure* (**NI 81-106**) and National Instrument 81-107 – *Independent Review Committee for Investment Funds* (**NI 81-107**) applies. Each Fund is also a commodity pool as such term is defined in National Instrument 81-104 *Commodity Pools* (**NI 81-104**), in that each Fund has adopted fundamental investment objectives that permit each Fund to gain exposure to or use or invest in specified derivatives in a manner that is not permitted under NI 81-102.

6. The Terminating Fund is a reporting issuer in each of the Jurisdictions and the Terminating Fund does not have a current prospectus and is not currently in continuous distribution.

7. The Continuing Fund is a reporting issuer in each of the Jurisdictions and the units of the Continuing Fund are qualified for distribution in each of the Jurisdictions under the current prospectus of the Continuing Fund.

8. Units of each Fund are "qualified investments" under the ITA for registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered disability savings plans, registered education savings plans and tax-free savings accounts.

9. Each Fund's investment objective is to provide investors with the opportunity to realize capital appreciation through investment returns that have a low correlation to traditional forms of stock and bond securities. Accordingly, each Fund is intended to provide added diversification and enhance the risk/reward profile of conventional investment portfolios.

10. The Continuing Fund has been created to obtain exposure to the returns of a diversified portfolio of financial instruments across a range of global markets including, without limitation, stocks, bonds, currencies, short-term interest rates, energy, metals and agricultural commodities (the **Underlying Assets**) managed by the Investment Manager using a predominantly trend-following trading program.

11. To pursue its investment objectives, the Continuing Fund obtains exposure to the Underlying Assets acquired and maintained by the Man AHL DP Limited (the **Bottom Fund**), a company incorporated with limited liability in the Cayman Islands, by investing in a class or series of redeemable non-voting participating shares (the **AHL DP Shares**) issued by the Bottom Fund.

12. The Terminating Fund is authorized to issue an unlimited number of classes of transferable, redeemable units of each class, of which only Class A Units and Class F Units are issued and outstanding. All classes of units of the Terminating Fund have the same investment objective, strategy and restrictions but differ in respect of one or more of their features, such as management fees, expenses or commissions.

13. The Continuing Fund is authorized to issue an unlimited number of classes of transferable, redeemable units of each class, including two classes designated as Class J Units and the Class K Units. All of the classes of units of the Continuing Fund have the same investment objective, strategy and restrictions but differ in respect of one or more of their features, such as management fees, expenses or commissions.

14. The net asset value per unit for each class of units of each Fund is calculated on Monday of each week, or, if not a business day, on the following business day (each a **Valuation Date**). The valuation procedures of the Funds are substantially similar.

15. Units of each Fund are redeemable on a weekly basis at a price equal to the net asset value per unit applicable to the class of units (the **Redemption Price**) on each Valuation Date upon which the units are redeemed. Notice of redemption must be received on the third business day immediately preceding a Valuation Date in order to receive the Redemption Price in effect as at the next Valuation Date.

16. The fundamental investment objectives and fee structure of the Funds are substantially similar.

The Merger

17. The Terminating Fund obtained the decision dated May 30, 2014 (the **Prior Exemptive Relief**), which provided the Terminating Fund with certain exemptions to permit the Terminating Fund to invest in a class or series of participating shares of the Bottom Fund. The conditions attached to the Prior Exemptive Relief provided that, among other things, such exemptive relief will expire on the earlier of December 31, 2014 or at the time of a merger of the Terminating Fund with the Continuing Fund.

18. As a result of the conditions imposed under the Prior Exemptive Relief, which will expire on December 31, 2014, the Filer considered a number of different options for the Terminating Fund, including a wind-up, and determined that the Merger would be in the best interests of the unitholders of the Terminating Fund.

19. A press release in respect of the proposed Merger was filed on SEDAR on September 26, 2014.

20. The value of the Terminating Fund's assets will be determined as at the close of business on the effective date of the Merger.

21. The Continuing Fund will acquire the assets, which may consist substantially of cash but may include AHL DP Shares, of the Terminating Fund, other than such assets as are required to satisfy the liabilities of the Terminating Fund, in exchange for Class J Units and Class K Units of the Continuing Fund.

22. The Continuing Fund will not assume liabilities of the Terminating Fund and the Terminating Fund will retain sufficient assets to satisfy its estimated liabilities, if any, as of the date of the Merger.

23. There will be no sales charges payable by the unitholders of the Terminating Fund in connection with the Merger.

24. The Class J Units and Class K Units of the Continuing Fund received by the Terminating Fund will have an aggregate net asset value equal to the value of the Terminating Fund's portfolio assets and other assets that the Continuing Fund is acquiring, which units will be issued at the applicable net asset value per unit as of the effective date of the Merger.

25. Immediately thereafter, the units of the Continuing Fund received by the Terminating Fund will be distributed to unitholders of the Terminating Fund in exchange for their units of the Terminating Fund, with holders of Class A Units of the Terminating Fund receiving Class J Units of the Continuing Fund and holders of Class A Units of the Terminating Fund receiving Class K Units of the Continuing Fund.

26. The Class J Units and Class K Units of the Continuing Fund received by unitholders of the Terminating Fund as a result of the Merger will have the same sales charge option and, for units purchased under a low load option, remaining deferred sales charge schedule as their units in the Terminating Fund.

27. The Terminating Fund will be wound up as soon as reasonably possible following the Merger, but in any event not later than December 31, 2014 in accordance with the Prior Exemptive Relief, and the Continuing Fund will continue as a publicly offered open-end mutual fund existing under the laws of Ontario.

28. The Filer has concluded that the Merger will not constitute a material change for the Continuing Fund, as the net asset value of the Continuing Fund is significantly larger than the net asset value of the Terminating Fund.

29. Subject to receipt of the necessary regulatory approval and the outcome of any special unitholder votes with respect to the proposed Merger, the Merger is expected to become effective on or about December 15, 2014.

30. The Filer has determined that it would not be appropriate to effect the Merger as a "qualifying exchange" within the meaning of section 132.2 of the ITA or as a tax-deferred transaction for the following reasons: (i) effecting the Merger on a taxable basis would preserve the net losses and loss carry-forwards in the Continuing Fund; (ii) no unitholders of the Terminating Fund will pay tax as a result of effecting the Merger on a taxable basis; and (iii) effecting the Merger on a taxable basis will have no tax impact on the Continuing Fund.

31. If all necessary approvals required for the Merger in respect of the Terminating Fund are not obtained, the Filer will consider other alternatives for the Terminating Fund, including wind-up, in accordance with the declaration of trust governing the Terminating Fund and applicable securities laws.

32. A notice of meeting, a management information circular dated October 30, 2014 (the **Circular**), a form of proxy and a copy of the current prospectus of the Continuing Fund was mailed to the unitholders of the Terminating Fund in accordance with applicable securities laws and were subsequently filed on SEDAR on November 5, 2014. The Circular contains a description of the proposed Merger, information about the Terminating Fund and the Continuing Fund and income tax considerations for unitholders of the Terminating Fund. The Circular discloses that unitholders of the Terminating Fund may obtain in respect of the Continuing Fund, at no cost, copies of the current prospectus, the most recent annual and interim financial statements, and the most recent management report on fund performance of the Continuing Fund that have been made public by contacting the Filer either accessing the Filer's website or the System for Electronic Document Analysis and Retrieval (**SEDAR**).

33. At the special meeting of unitholders of the Fund held on December 5, 2014, unitholders of the Terminating Fund unanimously passed the special resolution approving the Merger, as required pursuant to section 5.1(f) of NI 81-102.

34. The Filer will pay for the costs and expenses associated with the Merger, including the cost of holding the meeting in connection with the Merger and of soliciting proxies, including costs of mailing the Circular and accompanying materials. The Funds will bear none of the costs and expenses associated with the Merger.

35. Pursuant to NI 81-107, the terms of the Merger were presented to the independent review committee (the **Independent Review Committee**) of the Funds for review and consideration. After considering the potential conflict of interest matter related to the Merger, the independent review committee provided their approval that the Merger would achieve a fair and reasonable result for the Funds, if approved by the Terminating Fund's unitholders.

36. Units of the Terminating Fund will continue to be redeemable by unitholders on a weekly basis up to the business day immediately prior to the effective date of the Merger, provided that notice of redemption must be received on the third business day immediately preceding a Valuation Date in order to receive the Redemption Price in effect as at the next Valuation Date.

37. The cash and any other assets of the Terminating Fund acquired by the Continuing Fund in connection with the Merger will be acquired and invested in accordance with the investment objectives, strategies, and restrictions of the Continuing Fund and NI 81-102, except as otherwise permitted by NI 81-104 and subject to receipt of any exemptions therefrom obtained by the Continuing Fund.

38. The Funds have complied with Part 11 of NI 81-106 in connection with the making of the decision to proceed with the Merger.

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

    (a) given the elimination of the tax benefits for which the Terminating Fund was structured, it no longer makes sense to continue to operate both the Terminating Fund and the Continuing Fund as the Terminating Fund will no longer provide an additional tax benefit to investors;

    (b) following the Merger, the unitholders of the Terminating Fund will be able to benefit from a continued investment which most closely corresponds to their original investment decision since the portfolio composition and asset allocation of both Funds are substantially the same (without the expense of the Forward Agreement and without the tax benefits that are being eliminated by the Canadian government) and unitholders will continue to have substantially the same investment exposure as they currently have;

(c) unitholders of the Terminating Fund who continue as unitholders of the Continuing Fund will benefit from lower aggregate management fees than they currently pay as unitholders of the Terminating Fund, and the unitholders of the Terminating Fund will not be responsible for the costs associated with the Merger;

(d) by merging the Terminating Fund instead of terminating it, there is expected to be a benefit for the Continuing Fund from a small reduction of its management expense ratio as the fixed portion of its administrative and regulatory costs will be spread over a larger unitholder and asset base;

(e) investors in the Terminating Fund received prior notice of the Merger and may redeem their units prior to the Merger in compliance with the redemption policies of the Terminating Fund should they wish to do so, and will continue to have the right to redeem their units until the close of business on the last redemption date before the Merger expected to be December 15, 2014;

(f) the Continuing Fund, after the Merger and the addition of the Terminating Fund's assets to the portfolio of the Continuing Fund, will have a larger portfolio and will have the potential to have an even larger portfolio, as the Continuing Fund will be in continuous distribution, and is expected to offer improved portfolio diversification to unitholders;

(g) holders of units of the Terminating Fund will acquire the Continuing Fund units, which will benefit from the same rights with respect to weekly purchases and redemptions; and

(h) it is not expected that the Merger will give rise to material adverse tax implications for holders of units of the Terminating Fund.

Securities Law Requirements for a Pre-Approved Transaction

40. Under section 5.6 of NI 81-102, approval of the Merger by the regulator is not required if all of the applicable criteria for pre-approval listed in paragraphs 5.6(1)(a) through (k) are satisfied.

41. The Merger will satisfy the applicable requirements of paragraphs 5.6(1)(a) through (k) of NI 81-102 with the exception of paragraph 5.6(1)(b) as the Merger will not be "qualifying exchange".

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 is that the Requested Approval is granted.

"Darren McKall"
Manager,
Investment Funds and Structured Products Branch
Ontario Securities Commission

2.1.2 Melcor Real Estate Investment Trust

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 – issuer is a real estate investment trust which holds all of its properties through limited partnerships – entity holds units in limited partnerships which are exchangeable into and in all material respects the economic equivalent to the issuer's publicly traded units – relief granted from the valuation requirement for certain non-cash assets in connection with a specific related party transaction – valuation not required of exchangeable limited partnership units since public units can be a proxy for such exchangeable units – no information imbalance between the related party and minority shareholders since the reporting issuer has continuous disclosure obligations.

Applicable Legislative Provisions

Multilateral Instrument 61-101 Protection of Minority Shareholders in Special Transactions, ss. 5.4, 6.3, 9.1.

December 10, 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
MELCOR REAL ESTATE INVESTMENT TRUST
(the "Filer")

DECISION

Background

The principal regulator in the Jurisdiction (the "**Decision Maker**") has received an application (the "**Application**") from the Filer for a decision under the securities legislation of the Jurisdiction (the "**Legislation**") pursuant to section 9.1 of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") granting relief from the requirements of section 5.4 and subsection 6.3(1)(d) of MI 61-101 to obtain a formal valuation of the Exchangeable LP Units (as defined below) to be issued in connection with the Transaction (as defined below) (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 the Application; and

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

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 61-101 and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

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

1. The Filer is an unincorporated open-ended real estate investment trust established under the laws of the Province of Alberta pursuant to a declaration of trust dated January 25, 2013, as amended, (the "**Declaration of Trust**") with its principal and head office located at 900, 10310 Jasper Avenue, Edmonton, Alberta, T5J 1Y8. The Ontario Securities

Commission has been selected as the principal regulator for this Application in accordance with the guidelines set out in section 4.5(1) of MI 11-102 and section 3.6(8) of National Policy 11-203 *Process for Exemptive Relief Applications In Multiple Jurisdictions* on the basis that the Filer's trust units ("**Trust Units**") are listed and posted for trading on the Toronto Stock Exchange (the "**TSX**") (TSX: MR.UN).

2. The Filer is authorized to issue an unlimited number of Trust Units and an unlimited number of Special Voting Units. As at November 11, 2014, there were 11,275,000 Trust Units and 10,225,634 Special Voting Units issued and outstanding. The number of Special Voting Units outstanding at any point in time is equivalent to and accompanies the number of Class B LP Units ("**Exchangeable LP Units**") of Melcor REIT Limited Partnership ("**Melcor LP**") outstanding. The Special Voting Units entitle the holders thereof to voting rights in respect of the Filer that are in all respects equivalent to the voting rights such holders would have if they held Trust Units into which the Exchangeable LP Units are exchangeable.

3. The Filer is a reporting issuer under the securities legislation of each of the provinces and territories of Canada and is not in default of securities legislation in any such jurisdiction.

4. The Filer invests in income-producing retail real property located in Canada and the United States comprised primarily of office, retail, industrial and land lease community properties, with a future growth strategy focused primarily on the acquisition of further commercial properties. As at the date of this Application, the Filer owns a portfolio of 32 income producing properties in Western Canada comprising approximately 1.84 million square feet of gross leaseable area (net of the portion of such properties owned by the Filer's joint venture partners).

5. Melcor LP is a limited partnership formed under the laws of the Province of Alberta on January 25, 2013 and is governed by an amended and restated limited partnership agreement dated May 1, 2013 (the "**LP Agreement**"). Melcor LP's head office is located at 900, 10310 Jasper Avenue, Edmonton, Alberta, T5J 1Y8. It is the operating entity through which the Filer conducts its business.

6. Melcor REIT GP Inc. ("**Melcor GP**"), a corporation incorporated under the laws of the Province of Alberta on January 23, 2013, is the general partner of Melcor LP and is wholly owned by the Filer.

7. Melcor LP is not a reporting issuer (or the equivalent thereof) in any jurisdiction and none of its securities are listed or posted for trading on any stock exchange or other market.

8. Under the LP Agreement, Melcor LP is authorized to issue an unlimited number of units designated as "Class A LP Units", of which 11,275,000 Class A LP Units were issued and outstanding as of November 11, 2014; an unlimited number of Exchangeable LP Units, of which 10,225,634 Exchangeable LP Units were issued and outstanding as of November 11, 2014; and an unlimited number of units designated as "Class C LP Units", of which 9,454,411 Class C LP Units were issued and outstanding as of November 11, 2014; as well as an unlimited number of general partnership units designated as "Class A GP Units", of which 1 Class A GP Unit was issued and outstanding as of November 11, 2014.

9. All of the outstanding Class A LP Units are held by the Filer, all of the outstanding Exchangeable LP Units and Class C LP Units are held indirectly by Melcor Developments Ltd. ("**Melcor**"), and all of the outstanding Class A GP Units are held by Melcor GP. Melcor's Exchangeable LP Units and Class C LP Units are held by Melcor REIT Holdings GP Inc. ("**Melcor Holdings**") (a wholly owned subsidiary of Melcor, acting in its capacity as general partner of Melcor REIT Holdings Limited Partnership).

10. As of November 11, 2104, Melcor, indirectly through Melcor Holdings, holds a 47.6% economic interest in the Filer comprised of 10,225,634 Exchangeable LP Units and 9,454,411 Class C LP Units. In addition, Melcor, indirectly through Melcor Holdings, holds 10,225,634 Special Voting Units of the Filer (i.e., one Special Voting Unit for each Exchangeable LP Unit held by Melcor). Melcor does not, directly or indirectly, hold any Trust Units and the Trust Units are widely held by the public.

11. The Exchangeable LP Units are, in all material respects, economically equivalent to the Trust Units on a per unit basis. Pursuant to the terms of an exchange agreement dated May 1, 2013 among the Filer, Melcor and Melcor LP (the "**Exchange Agreement**"), each Exchangeable LP Unit is exchangeable at the option of the holder for one Trust Unit of the Filer. Each Exchangeable LP Unit also has the same economic rights and entitlements to distributions as a Trust Unit of the Filer, and is accompanied by one Special Voting Unit which provides for the same voting rights in the Filer as a Trust Unit.

12. The Exchangeable LP Units may neither be exchanged for any other securities other than the Trust Units, nor for cash, and are not listed and posted for trading on the TSX or any other stock exchange.

13. The Exchangeable LP Units represent part of the equity value of the Filer and provide the holder of the Exchangeable LP Units with the economic rights which are, in all material respects, equivalent to the Trust Units. The effect of Melcor's exchange right is that Melcor will receive Trust Units upon the exchange of the Exchangeable LP Units. Moreover, the economic interests that underlie the Exchangeable LP Units are identical to those underlying the Trust Units; namely, the assets and operations held directly or indirectly by Melcor LP.

14. The Exchangeable LP Units are not transferable, except pursuant to an exchange of Exchangeable LP Units for Trust Units in accordance with the terms of the Exchange Agreement and provided:

    (a) such transfer is to an affiliate of the holder of the Exchangeable LP Units making the transfer or, so long as Melcor, Melcor REIT Holdings Limited Partnership or any of their affiliates is a holder of Exchangeable LP Units, to Melcor, Melcor REIT Holdings Limited Partnership or any of their affiliates, in each case, so long as such transferee remains such an affiliate;

    (b) the conditions of such transfer do not require the person acquiring such Exchangeable LP Units to make an offer to the registered holders of Trust Units to acquire Trust Units on the same terms and conditions under applicable securities laws if such Exchangeable LP Units, and all other outstanding Exchangeable LP Units, were converted into Trust Units at the then current exchange ratio in effect under the Exchange Agreement immediately prior to such transfer;

    (c) the person acquiring such Exchangeable LP Units submits an identical and contemporaneous offer for Trust Units to the registered holders thereof (having regard to timing, price, proportion of securities sought to be acquired and any other conditions thereto), and acquires such Exchangeable LP Units along with a proportionate number of Trust Units actually tendered to such identical offer;

    (d) such transfer will not cause, or create a significant risk that would cause, Melcor LP to be liable for any taxes under subsection 197(2) of the *Income Tax Act* (Canada) (the "**Tax Act**");

    (e) such transfer does not cause, or create a significant risk that would cause, the Filer to cease to qualify as a "real estate investment trust" under the Tax Act; and

    (f) such transfer is not to an Excluded Person. The LP Agreement defines "Excluded Person" as a person that is: (i) a "non-resident" for the purposes of the Tax Act or a "financial institution" as defined in subsection 142.2(1) of the Tax Act; (ii) a person, an interest in which is a "tax shelter investment" for the purposes of the Tax Act; (iii) a person which would acquire an interest in Melcor LP as a "tax shelter investment" for the purposes of the Tax Act; (iv) a partnership that is not a "Canadian partnership" within the meaning of the Tax Act; or (v) not described in subparagraphs (b)(i) through (b)(v) of the definition of "excluded subsidiary entity" in subsection 122.1(1) of the Tax Act.

15. Further, certain rights affecting Melcor or any affiliates or related parties of Melcor, including Melcor REIT Holdings Limited Partnership, (collectively referred to as a "**Melcor Limited Partner**") in its capacity as a holder of Exchangeable LP Units, as such rights are set out in the Declaration of Trust and the Exchange Agreement, are exclusive to the Melcor Limited Partner and are not transferable to a transferee of the Exchangeable LP Units that is not an affiliate of a Melcor Limited Partner.

16. The Filer and Melcor are parties to a Development and Opportunities Agreement dated May 1, 2013 ("**Development and Opportunities Agreement**") which gives the Filer a preferential right to acquire any interest of Melcor in investment properties that it owns prior to disposition of any such interest to third parties.

17. Pursuant to the terms of an acquisition agreement dated November 12, 2014, the Filer, indirectly through Melcor LP, has agreed to acquire six commercial properties (the "**Acquisition Properties**") from Melcor for an aggregate purchase price of $138.25 million (the "**Purchase Price**"), subject to certain customary adjustments (the "**Transaction**"). The Filer intends to satisfy: (i) approximately $45 million of the Purchase Price by the issuance of 4,390,244 Exchangeable LP Units (and a corresponding number of Special Voting Units) to Melcor at an issue price of $10.25 per Exchangeable LP Unit; (ii) $78.4 million by the assumption of certain mortgages on the Acquisition Properties; and (iii) $14.8 million in cash. The Acquisition Properties were offered by Melcor to the Filer pursuant to the Development and Opportunities Agreement.

18. As a result of Melcor's indirect ownership of Exchangeable LP Units, Class C LP Units and Special Voting Units, Melcor is a "control person" (as defined in the *Securities Act* (Ontario)) and a "related party" of the Filer and the Transaction is a "related party transaction", each within the meaning of MI 61-101. Accordingly, the Transaction is subject to the applicable requirements of Part 5 of MI 61-101 relating to, among other things, preparation of a formal valuation of the non-cash assets involved in the Transaction (the "**Non-Cash Valuation Requirement**") and the

approval by a majority of the votes cast by disinterested unitholders of the Filer entitled to vote on the Transaction at a duly constituted meeting of unitholders of the Filer ("Unitholders") held to consider the Transaction.

19. A committee of independent trustees of the Filer (the "**Special Committee**") was established by the Filer for the purposes of considering the Transaction, supervising the process to be carried out by the Filer and its professional advisors in connection with the Transaction, determining whether the Transaction is in the best interests of the Filer and reporting and making recommendations to the board of trustees of the Filer with respect to the Transaction.

20. In order to satisfy the formal valuation requirements of MI 61-101, the Special Committee retained Altus Group Limited to provide an independent estimate of the market value of each of the Acquisition Properties as at September 30, 2014 (the "**Appraisals**"), under the supervision of the Special Committee. The Appraisals are "formal valuations" within the meaning of MI 61-101 and were prepared in conformity with the Canadian Uniform Standards of Professional Appraisal Practice and the Code of Professional Ethics and Standards of Professional Practice, each adopted by the Appraisal Institute of Canada.

21. The Special Committee also retained Trimaven Capital Advisors Inc. ("**Trimaven**") to act as an independent financial advisor to the Special Committee to prepare and deliver to the Special Committee a formal fairness opinion in respect of the Transaction. On November 12, 2014, Trimaven delivered a formal fairness opinion which concluded, subject to the qualifications and assumptions therein, that the consideration payable pursuant to the Transaction is fair, from a financial point of view, to Unitholders, other than Melcor and certain of its associates and affiliates.

22. Based on the results of their due diligence and independent analysis, the Special Committee unanimously recommended the Transaction to the board of trustees of the Filer, which, in turn, has resolved to unanimously recommend that the Unitholders vote in favour of the Transaction at the Unitholder Meeting (as hereinafter defined).

23. The Filer expects to hold a special meeting of Unitholders on or about December 17, 2014 to obtain the approval of the Transaction by a majority of the minority Unitholders (the "**Unitholder Meeting**") as required by MI 61-101.

24. The management information circular to be mailed to Unitholders in connection with the Unitholder Meeting (the "**Circular**") will comply with the requirements of applicable securities law and will disclose, among other matters, that neither the Filer nor Melcor has knowledge of any material non-public information concerning the Filer, Melcor LP or their respective securities that has not been generally disclosed in accordance with subsection 6.3(2)(b) of MI 61-101. The Circular will also provide a description of the effect of the Transaction on the direct or indirect voting interest in the Filer of Melcor.

25. Subsection 6.3(1)(d) of MI 61-101 states that an issuer required to obtain a formal valuation shall provide the valuation in respect of the non-cash assets involved in a related party transaction, which would include the Exchangeable LP Units to be issued to Melcor.

26. Subsection 6.3(2) of MI 61-101 states that a formal valuation of non-cash assets is not required for a related party transaction if:

    (a) the non-cash consideration or assets are securities of a reporting issuer or are securities of a class for which there is a published market;

    (b) the person that would otherwise be required to obtain the formal valuation of those securities states in the disclosure document for the transaction that the person has no knowledge of any material information concerning the issuer of the securities, or concerning the securities, that has not been generally disclosed;

    (c) in the case of an insider bid, issuer bid or business combination:

        (i) a liquid market in the class of securities exists;

        (ii) the securities constitute 25 per cent or less of the number of securities of the class that are outstanding immediately before the transaction;

        (iii) the securities are freely tradeable at the time the transaction is completed; and

        (iv) the valuator is of the opinion that a valuation of the securities is not required; and

(d) in the case of a related party transaction for the issuer of the securities, the conditions of subparagraphs (c)(i) and (ii) of section 5.5 of MI 61-101 are satisfied, regardless of the form of the consideration for the securities;

(the foregoing referred to as the "**Valuation Exemption**").

27. Subsection 6.3(2)(a) of MI 61-101 would provide the Requested Relief if Melcor were to be issued Trust Units instead of Exchangeable LP Units.

28. Although the Exchangeable LP Units are not securities of a reporting issuer or of a class for which there is a published market, they are, as a result of the rights, privileges and restrictions attaching to such Exchangeable LP Units and the various material agreements relating to and governing the Exchangeable LP Units, equivalent to the Trust Units in all material respects on a per unit basis and, from the Filer's perspective, issuing Exchangeable LP Units through Melcor LP is equivalent to issuing Trust Units of the Filer.

29. The Exchangeable LP Units are economically equivalent to the Trust Units in that:

(a) they are exchangeable into Trust Units on a one-for-one basis at the option of the holder as well as automatically exchanged into Trust Units on a one-for-one basis in certain circumstances, including in connection with a take-over bid, the transfer of all or substantially all of the Filer's assets and other similar circumstances;

(b) they have the same economic rights as Trust Units;

(c) together with the Special Voting Units, they carry the same voting rights as Trust Units; and

(d) any additional rights attached to the Exchangeable LP Units either: (i) pre-exist the issuance of the Exchangeable LP Units under the Transaction and treat the Exchangeable LP Units and Trust Units on the same basis, or (ii) arise solely by virtue of the Exchangeable LP Units being limited partnership units and are customary rights associated with limited partnership units.

30. Under section 2.1 of the Exchange Agreement, subject to certain conditions, the Exchangeable LP Units are directly exchangeable on a one-for-one basis for Trust Units at any time at the option of the holder as well as automatically exchanged into Trust Units on a one-for-one basis in certain circumstances, including in connection with a take-over bid, the transfer of all or substantially all of the Filer's assets and other similar circumstances.

31. The Exchangeable LP Units entitle the holder to distributions from Melcor LP equal to any distributions paid to holders of Trust Units by the Filer. Under the Exchange Agreement, the Filer may not distribute rights, options, securities, evidence of indebtedness or assets to its Unitholders, unless the economic equivalent of such rights, options, securities, evidence of indebtedness or assets to be issued or distributed are simultaneously issued or distributed by Melcor LP to holders of Exchangeable LP Units.

32. Each Exchangeable LP Unit is accompanied by one Special Voting Unit of the Filer, which provides for the same voting rights in the Filer as a Trust Unit. Additionally, except as required by law and in certain circumstances in which the rights of a holder of Exchangeable LP Units are affected, holders of Exchangeable LP Units are not entitled to vote at a meeting of the holders of LP Units.

33. Although Melcor was granted additional rights at the time of the Filer's initial public offering, including pre-emptive rights, registration rights, board appointment rights and limited approval rights, these rights are independent of, and pre-exist, the issuance of the Exchangeable LP Units under the Transaction and are based on ownership thresholds that treat Exchangeable LP Units and Trust Units on a combined basis. As a result, by acquiring Exchangeable LP Units rather than Trust Units, Melcor does not gain any additional or unique rights or benefits that it would not otherwise have. Any additional rights attached to the Exchangeable LP Units arise solely by virtue of the Exchangeable LP Units being limited partnership units and are customary rights associated with limited partnership units that do not confer any special benefit on the holders of Exchangeable LP Units. Other than the rights described above, the Exchangeable LP Units carry no other rights that would impact their value.

34. Other than in respect of matters affecting the rights, benefits or entitlements of the holders of Exchangeable LP Units or as required by law, a holder of Exchangeable LP Units does not, and shall not, have the right to exercise any votes in respect of matters to be decided by the partners of Melcor LP and the Exchangeable LP Units do not provide the holder thereof with an interest in any specific asset or property of Melcor LP.

35. Absent the Requested Relief, the Non-Cash Valuation Requirement would require the Filer to have a formal valuation prepared in respect of the Exchangeable LP Units to be issued to Melcor as partial consideration for the Acquisition

Properties. Any such formal valuation would, in all material respects, mirror a formal valuation of the Trust Units. Pursuant to the Valuation Exemption in subsection 6.3(2) of MI 61-101, a formal valuation would not be required if Trust Units, rather than their economic equivalent, Exchangeable LP Units, were issued as the Trust Units are securities of a reporting issuer for which there is a published market.

36. As a result, absent the Request Relief, the Filer would be subject to a requirement that is inconsistent with the logic underlying the exemption of securities of a reporting issuer or for which there is a published market from the requirement to obtain a formal valuation (i.e., the Valuation Exemption).

Decision

The Decision Maker is satisfied that the decision meets the test set out in the Legislation for the Requested Relief.

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

(a) pursuant to subsection 6.3(2) of MI 61-101, a formal valuation of the Trust Units is not required.

(b) neither the Filer, nor to the knowledge of the Filer after reasonable inquiry, Melcor or its affiliates has knowledge of any material information concerning the Filer, Melcor LP or their respective securities that has not been generally disclosed;

(c) the Circular includes the required disclosure under MI 61-101 with respect to the Transaction and otherwise complies with the requirements of applicable securities law, and includes:

(i) a statement that neither the Filer, nor to the knowledge of the Filer after reasonable inquiry, Melcor or its affiliates has knowledge of any material information concerning the Filer, Melcor LP or their respective securities that has not been generally disclosed; and

(ii) a description of the effect of the Transaction on the direct or indirect voting interest in the Filer of Melcor and its affiliates.

"Naizam Kanji"
Deputy Director, Corporate Finance
Ontario Securities Commission

2.1.3 National Bank Investments Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief from certain specified derivatives and custodial requirements to permit mutual funds to enter into swap transactions that are cleared through a clearing corporation – relief required because of new U.S. requirements to clear over-the-counter derivatives including swaps – decision treats cleared swaps similar to other cleared derivatives – National Instrument 81-102 Investment Funds.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 2.7(1) and (4), 6.1(1), 19.1.

[Translation]

December 3, 2014

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

AND

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

AND

IN THE MATTER OF
NATIONAL BANK INVESTMENTS INC.
(the Filer)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**), pursuant to section 19.1 of *Regulation 81-102 respecting Investment Funds* (c. V-1.1, r. 39) (**Regulation 81-102**), exempting the NB Funds (as defined below):

(i) from the requirement in subsection 2.7(1) of Regulation 81-102 that a mutual fund must not purchase an option or a debt-like security or enter into a swap or a forward contract unless, at the time of the transaction, the option, debt-like security, swap or contract has a designated rating or the equivalent debt of the counterparty, or of a person or company that has fully and unconditionally guaranteed the obligations of the counterparty in respect of the option, debt-like security, swap or contract, has a designated rating;

(ii) from the limitation in subsection 2.7(4) of Regulation 81-102 that the mark-to-market value of the exposure of a mutual fund under its specified derivatives positions with any one counterparty other than an acceptable clearing corporation or a clearing corporation that clears and settles transactions made on a futures exchange listed in Appendix A to Regulation 81-102 shall not exceed, for a period of 30 days or more, 10 percent of the net asset value of the mutual fund; and

(iii) from the requirement in subsection 6.1(1) of Regulation 81-102 to hold all portfolio assets of a mutual fund under the custodianship of one custodian in order to permit each NB Fund to deposit cash and other portfolio assets directly with a Futures Commission Merchant (as defined below) and indirectly with a Clearing Corporation (as defined below) as margin,

in each case, with respect to cleared Swaps (the **Requested Relief**).

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

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

(b) the Filer has provided notice that subsection 4.7(1) of *Regulation 11-102 respecting Passport System* (c. V-1.1, r. 1) (**Regulation 11-102**) is intended to be relied upon in each jurisdiction of Canada other than the Jurisdictions (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 Regulation 81-102, *Regulation 14-101 respecting Definitions* (c. V-1.1, r. 3), and Regulation 11-102 have the same meaning if used in this decision, unless otherwise defined. Capitalized terms used in this decision have the following meanings:

"Applicable NB Funds" means each of National Bank Global Tactical Bond Fund, National Bank High Yield Bond Fund, National Bank Corporate Bond Fund, National Bank Bond Fund, National Bank Global Bond Fund, National Bank Long Term Bond Fund, National Bank Floating Rate Income Fund, National Bank Income Fund and National Bank Preferred Equity Fund;

"CFTC" means the U.S. Commodity Futures Trading Commission;

"Clearing Corporation" means any of the Chicago Mercantile Exchange Inc., ICE Clear Credit LLC and LCH.Clearnet Limited and any other clearing organization that is permitted to operate in the Jurisdictions or the Other Jurisdictions, as the case may be, where the NB Fund is located;

"Dodd-Frank" means the Dodd-Frank Wall Street Reform and Consumer Protection Act;

"Futures Commission Merchant" means any futures commission merchant that is registered with the CFTC and is a member of a Clearing Corporation;

"NB Funds or individually, an NB Fund" means (i) the Applicable NB Funds and (ii) all existing mutual funds and any mutual funds subsequently established in the future that may enter into cleared Swaps (as defined below) and for which the Filer acts, or will act, as investment fund manager;

"OTC" means over-the-counter;

"Portfolio Manager" means each portfolio manager retained from time to time by the Filer to manage all or a portion of the investment portfolio of one or more NB Funds;

"Swaps" means the swaps that are, or will become, subject to a clearing determination issued by the CFTC, including fixed-to-floating interest rate swaps, basis swaps, forward rate agreements in U.S. dollars, the Euro, Pounds Sterling or the Japanese Yen, overnight index swaps in U.S. dollars, the Euro and Pounds Sterling and untranched credit default swaps on certain North American indices (CDX.NA.IG and CDX.NA.HY) and European indices (iTraxx Europe, iTraxx Europe Crossover and iTraxx Europe HiVol) at various tenors;

"U.S. Person" has the meaning attributed thereto by the CFTC.

Representations

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

1. The Filer is, or will be, the investment fund manager of each NB Fund. The Filer is registered as an investment fund manager in each of the Provinces of Québec, Ontario and Newfoundland and Labrador and as a mutual fund dealer in the Jurisdictions and in the Other Jurisdictions. The head office of the Filer is located at 1100 University Street, Montreal, Québec, H3B 2G7.

2. Fiera Capital Corporation is the portfolio manager for all of the Applicable NB Funds other than National Bank Global Tactical Bond Fund. BNY Mellon Asset Management Canada Ltd. is the portfolio manager of National Bank Global Tactical Bond Fund. The Filer will retain duly registered portfolio manager for the investment portfolio of each future NB Fund.

3. Fiera Capital Corporation and BNY Mellon Asset Management Canada Ltd. are duly registered as portfolio manager in the Jurisdictions and in the Other Jurisdictions.

4. Each NB Fund is, or will be, a mutual fund created under the laws of the Province of Ontario and is, or will be, subject to the provisions of Regulation 81-102.

5. Neither the Filer nor the NB Funds, are or will be, in default of securities legislation in the Jurisdictions or any Other Jurisdictions.

6. The securities of each NB Fund are, or will be, qualified for distribution pursuant to a simplified prospectus that is, or will be, prepared and filed in accordance with the securities legislation of the Jurisdictions and the Other Jurisdictions. Accordingly, each NB Fund is, or will be, a reporting issuer or the equivalent in the Jurisdictions and in the Other Jurisdictions.

7. The investment objective and investment strategies of each NB Fund permits, or will permit, the NB Fund to enter into derivative transactions, including Swaps. Each of the Portfolio Managers for the Applicable NB Funds considers Swaps to be an important investment tool that is available to it to properly manage the Applicable NB Fund's portfolio. Some of the Applicable NB Funds currently use foreign exchange swaps and/or interest rate swaps to achieve their investment objectives. All of the Applicable NB Funds may use Swaps in the future.

8. Dodd-Frank requires that certain OTC derivatives be cleared through a Futures Commission Merchant at a clearing organization recognized by the CFTC. Generally, where one party to a Swap is a U.S. Person, that Swap must be cleared, absent an available exception.

9. Each Applicable NB Fund may enter into derivatives on an OTC basis with Canadian, U.S. and other international counterparties. These OTC derivatives are entered into in compliance with the derivative provisions of Regulation 81-102.

10. In order to benefit from both the pricing benefits and reduced trading costs that the Portfolio Manager may be able to achieve through its trade execution practices for its advised investment funds and other accounts and from the reduced costs associated with cleared OTC derivatives as compared to other OTC trades, the Filer wishes to have the NB Funds have the ability to enter into cleared Swaps.

11. In the absence of the Requested Relief, each Portfolio Manager will need to structure the Swaps entered into by the NB Funds so as to avoid the clearing requirements of the CFTC. The Filer respectfully submits that this would not be in the best interests of the NB Funds and their investors for a number of reasons, as set out below.

12. The Filer strongly believes that it is in the best interests of the NB Funds and their investors to be able to execute OTC derivatives with U.S. Persons, including U.S. swap dealers.

13. In its role as a manager for the NB Funds, the Filer has determined that central clearing represents a good choice for the investors in the NB Funds to mitigate the legal, operational and back office risks faced by investors in the global swap markets.

14. A Portfolio Manager may use the same trade execution practices for all of its advised investment funds and other accounts, including the NB Funds. An example of these trade execution practices is block trading, where a large number of securities are purchased or sold or large derivative trades are entered into on behalf of a number of investment funds and other accounts advised by one Portfolio Manager. These practices include the use of cleared Swaps if such trades are executed with a U.S. swap dealer. If the NB Funds are unable to employ these trade execution practices, then each affected Portfolio Manager will have to create separate trade execution practices only for the NB Funds and will have to execute trades for the NB Funds on a separate basis. This will increase the operational risk for the NB Funds, as separate execution procedures will need to be established and followed only for the NB Funds.

    In addition, the NB Funds will no longer be able to enjoy the possible price benefits and reduction in trading costs that a Portfolio Manager may be able to achieve through a common practice for its advised funds and other accounts. In the Filer's opinion, best execution and maximum certainty can best be achieved through common trade execution practices, which, in the case of OTC derivatives, involve the execution of Swaps on a cleared basis.

15. As a member of the G20 and a participant in the September 2009 commitment of G20 nations to improve transparency and mitigate risk in derivatives markets, Canada has expressly recognized the systemic benefits that clearing OTC derivatives offers to market participants, such as the NB Funds. The Filer respectfully submits that the NB Funds

should be encouraged to comply with the robust clearing requirements established by the CFTC by granting them the Requested Relief.

16. The Requested Relief is analogous to the treatment currently afforded under Regulation 81-102 to other types of derivatives that are cleared, such as clearing corporation options, options on futures and standardized futures. This demonstrates that, from a policy perspective, the Requested Relief is consistent with the views of the Canadian securities authorities in respect of cleared derivative trades.

17. For the reasons provided above, the Filer submits that it would not be prejudicial to the public interest to grant the Requested Relief.

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 Requested Relief is granted provided that, in respect of the deposit of cash and portfolio assets as margin:

(a) in Canada,

  (i) the Futures Commission Merchant is a member of a SRO that is a participating member of CIPF; and

  (ii) the amount of margin deposited and maintained with the Futures Commission Merchant does not, when aggregated with the amount of margin already held by the Futures Commission Merchant on behalf of the NB Fund, exceed 10 percent of the net asset value of the NB Fund as at the time of deposit; and

(b) outside of Canada,

  (i) the Futures Commission Merchant is a member of a Clearing Corporation and, as a result, is subject to a regulatory audit;

  (ii) the Futures Commission Merchant has a net worth, determined from its most recent audited financial statements that have been made public or from other publicly available financial information, in excess of the equivalent of $50 million; and

  (iii) the amount of margin deposited and maintained with the Futures Commission Merchant does not, when aggregated with the amount of margin already held by the Futures Commission Merchant on behalf of the NB Fund, exceed 10 percent of the net asset value of the NB Fund as at the time of deposit.

This decision will terminate on the earlier of (i) the coming into force of any revisions to the provisions of Regulation 81-102 that address the clearing of OTC derivatives, and (ii) two years from the date of this decision.

“Josée Deslauriers”
Senior Director,
Investment Funds and Continuous Disclosure
Autorité des marchés financiers

2.1.4 Stream Oil & Gas Ltd. – 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 Stream Oil & Gas Ltd., 2014 ABASC 494

December 11, 20114

Borden Ladner Gervais LLP
1200 Waterfront Centre
200 Burrard St., P.O. Box 48600
Vancouver, BC V7X 1T2

Attention: Andy Roy

Dear Sir:

Re: Stream Oil & Gas Ltd.(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

2.1.5 Element Financial Corporation

Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – exemption granted from requirement to provide audited financial statements of the acquired business in a business acquisition report. Filer granted relief to include alternative financial information, comprising an audited statement of assets acquired and liabilities assumed, a 12 month audited financial forecast and additional information about the acquisition as financial statement disclosure for a significant acquisition.

Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations, ss. 8.4, 13.1.

December 15, 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
ELEMENT FINANCIAL CORPORATION
(the "Filer" or "Element")

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the "**Legislation**") for an exemption (the "**Exemption Sought**") from the financial statement requirements in Section 8.4 of National Instrument 51-102 *Continuous Disclosure Obligations* ("**NI 51-102**") for the business acquisition report ("**BAR**") to be prepared and filed with the applicable Canadian securities regulatory authorities in connection with the acquisition by the Filer of certain railcars (the "**Railcars**") and underlying leases (the "**Leases**" and, together with the Railcars, the "**Railcar Assets**") pursuant to a vendor finance program with Trinity Industries Inc. (the "**Trinity Vendor Program**").

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 British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador.

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102 or NI 51-102 have the same meanings if used in this decision, unless otherwise defined herein.

Representations

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

The Filer

1. The Filer is a corporation formed under the *Business Corporations Act* (Ontario).

2. The principal and head office of the Filer is located in Toronto, Ontario.

3. The financial year end of the Filer is December 31.

4. The Filer is an equipment finance company in the business of providing financing to customers to facilitate purchases of equipment by its customers. Financing provided by the Filer typically involves the provision of equipment loans and leases. The Filer originates business through vendor finance programs established with equipment manufacturers.

5. The Filer is a reporting issuer in each of Ontario, British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador.

6. To its knowledge, the Filer is not in default of securities legislation in any such jurisdiction in Canada in which it is a reporting issuer.

7. The common shares, Cumulative 5-Year Rate Reset Preferred Shares, Series A, Cumulative 5-Year Rate Reset Preferred Shares, Series C, Cumulative 5-Year Rate Reset Preferred Shares, Series E and 5.125% Extendible Convertible Unsecured Subordinated Debentures of the Filer are listed on the Toronto Stock Exchange under the symbols "EFN", "EFN.PR.A", "EFN.PR.C", "EFN.PR.E" and "EFN.DB", respectively.

The Trinity Vendor Program and the Prior Tranches

8. On December 9, 2013, Element established the Trinity Vendor Program with Trinity Industries Inc. ("**Trinity**") to acquire Railcar Assets from Trinity and/or its affiliates over a two year period.

9. Under the terms of the Trinity Vendor Program, Element and Trinity formed a strategic alliance whereby Element is presented with preferred opportunities from time to time to acquire Railcar Assets from Trinity on financial terms to be agreed upon by the parties at the time of offer.

10. The identification of the Railcar Assets offered by Trinity to Element under the Trinity Vendor Program may include Leases for: (a) newly manufactured Railcars; (b) existing Railcars; and (c) secondary market purchases of Railcars from third parties identified by Trinity, and is based on predetermined diversification criteria, including limits on Railcar type, use, Lease duration, average age and credit quality of the lessee. Offers of qualifying Railcar Assets are to be made to Element by Trinity from time to time for the duration of the Trinity Vendor Program. Trinity and Element meet on a quarterly basis to report on and consult with respect to material business and process issues under the Trinity Vendor Program.

11. In connection with the Trinity Vendor Program, Element previously acquired approximately US$619 million of Railcar Assets (collectively, the "**2013/14 Tranches**") pursuant to an approximately US$105 million tranche completed on December 19, 2013, an approximately US$396 million second tranche completed on January 28, 2014 and an approximately US$118 million third tranche completed on March 27, 2014.

12. On May 26, 2014, the OSC, on behalf of the Canadian Securities Administrators, granted an order in response to an exemptive relief application made by the Filer in connection with the 2013/14 Tranches (the "**2013/14 Relief**"). The 2013/14 Relief provided that in lieu of historical financial statements required by Part 8 of NI 51-102 the Filer would provide alternative financial information in the BAR in respect of the 2013/14 Tranches comprised of: (a) an audited statement of assets acquired and liabilities assumed as at the date of each 2013/14 Tranche; (b) a 12 month financial forecast accompanied by an independent auditor's report reflecting the financial impact of the 2013/14 Tranches; and (c) additional information about the Trinity Vendor Program, including a description of the terms of the Trinity Vendor Program and a description of the Railcars and Leases acquired in the 2013/14 Tranches which includes disclosure of the Leases in default, if any, the year of manufacture of the Railcars, credit ratings of the lessees, remaining Lease terms of the Leases acquired and average initial Lease rates.

13. On May 27, 2014, the Filer filed a BAR in connection with the 2013/14 Tranches.

14. On June 27, 2014, in connection with the Trinity Vendor Program, Element acquired approximately US$121.4 million of Railcar Assets (the "**June Tranche**", and together with the 2013/14 Tranches, the "**Prior Tranches**").

15. On September 9, 2014, the OSC, on behalf of the Canadian Securities Administrators, granted an order in response to an exemptive relief application made by the Filer in connection with the June Tranche (the "**June Relief**", and together

with the 2013/14 Relief, the "**Prior Relief**"). The June Relief provided that in lieu of historical financial statements required by Part 8 of NI 51-102 the Filer would provide alternative financial information in the BAR in respect of the June Tranche comprised of: (a) an audited statement of assets acquired and liabilities assumed as at June 27, 2014; (b) a 12 month financial forecast accompanied by an independent auditor's report reflecting the financial impact of the June Tranche; and (c) additional information about the Trinity Vendor Program, including a description of the terms of the Trinity Vendor Program and a description of the Railcars and Leases acquired in the June Tranche which includes disclosure of the Leases in default, if any, the year of manufacture of the Railcars, credit ratings of the lessees, remaining Lease terms of the Leases acquired and average initial Lease rates.

16. On September 10, 2014, the Filer filed a BAR in connection with the June Tranche.

The New Tranche

17. In connection with the Trinity Vendor Program, on September 29, 2014, Element acquired approximately US$135.2 million of additional Railcars Assets from Trinity (the "**New Tranche**").

18. When aggregated with the Prior Tranches pursuant to Section 8.3(12) of NI 51-102, the New Tranche constitutes a "significant acquisition" under Part 8 of NI 51-102.

19. Sections 8.4(1) and 8.4(2) of NI 51-102 require that the Filer include in the BAR the following annual financial statements in respect of the business acquired:

    (a) a statement of comprehensive income, a statement of changes in equity and a statement of cash flows for (i) the year ended December 31, 2013 (audited); and (ii) the year ended December 31, 2012 (not required to be audited);

    (b) a statement of financial position as at December 31, 2013 (audited) and December 31, 2012 (not required to be audited); and

    (c) notes to the required financial statements.

20. Sections 8.4(3) and 8.4(3.1) of NI 51-102 require that the Filer include in the BAR the following interim financial statements in respect of the business acquired:

    (a) a statement of comprehensive income, a statement of changes in equity and a statement of cash flows for the six month period ended June 30, 2014 and comparative financial information for the period ended June 30, 2013;

    (b) a statement of financial position as at June 30, 2014; and

    (c) notes to the required financial statements.

21. Section 8.4(5) of NI 51-102 requires that the Filer include the following pro forma financial statements of the Filer:

    (a) a pro forma statement of financial position of the Filer as at June 30, 2014 that gives effect, as if the New Tranche and Prior Tranches had taken place as at the date of the pro forma statement of financial position, to the New Tranche and Prior Tranches;

    (b) a pro forma income statement of the Filer that gives effect to the New Tranche and prior tranches as if they had taken place on January 1, 2013 for the year ended December 31, 2013; and

    (c) a pro forma income statement of the Filer that gives effect to the New Tranche and prior tranches as if they had taken place on April 1, 2014 for the six month period ended June 30, 2014.

22. The purchase price for the New Tranche was determined by Element based on the contractual rental payments for each of the individual Leases, the credit profile of the individual lessees underlying the Leases and the Filer's estimates of the residual value of the Railcars forming the Railcar Assets at the end of their respective lease term.

23. The Filer did not acquire any physical facilities, employees, marketing systems, sales forces, operating rights, production techniques or trade names of Trinity in connection with the New Tranche. Such items remained with Trinity following the completion of the New Tranche.

24. Element did not acquire a separate entity, a subsidiary or a division of Trinity. Pursuant to the Trinity Vendor Program, Trinity presents Element with opportunities from time to time to purchase Railcars and underlying Leases. The acquisition of the Leases and Railcars is an equipment financing transaction under the Trinity Vendor Program consistent with Element's business as a finance company.

25. The financial information in respect of the individual Railcar Assets and operations of Trinity necessary to produce historical financial statements for the New Tranche has not been made available to Element. Trinity did not prepare financial statements in respect of the Railcar Assets. The Filer has made every reasonable effort to obtain historical financial statements for the Railcar Assets and has been unable to do so.

26. The Filer has established a financing program whereby it expects to securitize substantially all of the Railcar Assets acquired in the New Tranche through the sale of such Railcar Assets to a special purpose vehicle or other entity, which entity issues notes secured by such Railcar Assets.

27. The Filer does not believe that historical financial statements for the New Tranche would be relevant to investors or assist investors in understanding the New Tranche or the Trinity Vendor Program as any such historical financial statements would require extensive assumptions regarding Trinity and would not reflect the financial impact of the Railcar Assets in the hands of the Filer.

28. In lieu of the historical financial statements required by Part 8 of 51-102, the Filer proposes to provide alternative financial information (the "**Alternative Financial Information**") in respect of the New Tranche as follows:

    (a) an audited statement of assets acquired and liabilities assumed as at September 29, 2014 that:

        (i) is comprised of the Railcar Assets acquired and liabilities assumed in the New Tranche, such information to be presented in a single statement;

        (ii) includes a statement that the statement of assets acquired and liabilities assumed is prepared using accounting policies that are permitted by IFRS and would apply to those line items if those line items were presented as part of a complete set of financial statements prepared in accordance with IFRS;

        (iii) includes a description of the accounting policies used to prepare the statement;

        (iv) is accompanied by an independent auditor's report that reflects the fact the statement was prepared in accordance with the basis of accounting disclosed in the notes to the statement;

    (b) a 12 month financial forecast covering the period from October 1, 2014 to September 30, 2015 accompanied by an independent auditor's report on the financial forecast reflecting the financial impact of the New Tranche; and

    (c) additional information about the Trinity Vendor Program, including a description of the terms of the Trinity Vendor Program and a description of the Railcars and Leases acquired in the New Tranche which includes disclosure of the leases in default, if any, the year of manufacture of the Railcars, credit ratings of the lessees, remaining lease terms of the leases acquired and average initial lease rates.

29. The Exemption Sought is consistent with the Prior Relief.

30. The Filer submits that the Exemption Sought would not be prejudicial to the public interest because the Alternative Financial Information will provide investors with the information material to their understanding of the New Tranche and the Filer believes that the presentation of financial statements prepared strictly in compliance with Section 8.4 of NI 51-102 would not be more meaningful or relevant to investors than the Alternative Financial Information.

31. Any subsequent acquisition under the Trinity Vendor Program that qualifies as a significant acquisition pursuant to Part 8 of NI 51-102 shall not be part of the exemptive relief sought hereunder.

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 in respect of the New Tranche, provided that the BAR for the New Tranche includes the Alternative Financial Information.

"Sonny Randhawa"
Manager, Corporate Finance Branch
Ontario Securities Commission

2.1.6 EquiLend Canada Corp.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Exemption from requirements for securities permitted to be traded on an ATS and from pre-trade and post-trade information transparency requirements – Relief needed to accommodate the full range of securities lending transactions on the Filer's trading platform and to reflect the lack of pre-trade and post-trade transparency in the securities lending market – National Instrument 21-101 Marketplace Operation.

Applicable Legislative Provisions

National Instrument 21-101 Marketplace Operation, ss. 6.3, 7.2, 7.4, 8.1(3), 8.2(3), 15.1.

December 9, 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
EQUILEND CANADA CORP.
(THE FILER)

DECISION

Background

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

(a) exempt from section 6.3 of National Instrument 21-101 *Marketplace Operation* (**NI 21-101**) so that users of the Filer's platform (**Platform**) can borrow and lend debt securities described in Schedule 1 (as Schedule 1 may be amended from time to time through an amendment to Form 21-101F2);

(b) exempt from sections 7.2 and 7.4 of NI 21-101 to relieve the Filer from the transparency requirements in respect of trades in exchange-traded securities and foreign exchange-traded securities executed on the Platform resulting from securities lending transactions; and

(c) exempt from subsections 8.1(3) and 8.2(3) of NI 21-101 to relieve the Filer from the transparency requirements in respect of trades in corporate debt securities and government debt securities executed on the Platform resulting from securities lending transactions (collectively, the **Exemption Sought**).

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

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

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

Interpretation

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

Representations

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

1. The Filer is a Nova Scotia limited company organized on April 17, 2008 and is a wholly-owned subsidiary of EquiLend Holdings LLC (**EquiLend Holdings**);

2. The Filer is registered as an investment dealer in Ontario and Quebec and is also a member of the Investment Industry Regulatory Organization of Canada (Ontario District) (**IIROC**) for the purposes of operating as an alternative trading system (**ATS**) in Ontario and Quebec;

3. Through subsidiaries of EquiLend Holdings including the Filer (the **Subsidiaries**), the Platform is operated in the U.S., the U.K., Europe and Canada;

4. The Platform facilitates securities lending and borrowing transactions in equities and fixed income securities by providing secure access and connectivity between potential borrowers and lenders through a private network or the internet;

5. The Filer will offer access to the Platform for the purpose of securities lending and borrowing transactions in equities and fixed income securities to Authorized Users (as defined in Schedule 2), in the Provinces of Ontario and Quebec that have represented to the Filer through the Filer's user agreement (**User Agreement**) or by way of a separate formal representation that their conduct of securities lending is subject to a level of regulation and oversight (under applicable securities, banking or other appropriate law) that imposes upon the participant a combination of requirements such as audits, public disclosure of financial information, capital rules, collateral requirements, record keeping requirements or other similar safeguards (**Participants**);

6. The Filer will be the sole party furnishing access to the Platform in Ontario and Quebec to Participants;

7. Participants, through the Filer, will be able to engage in securities borrowing and lending transactions with non-Participants who have been granted access to the Platform through Subsidiaries on substantially similar terms as the Participants;

8. Securities traded over the Platform include "foreign exchange traded securities" and "exchange-traded securities" (**Permitted Equity Securities**) within the meaning of NI 21-101 and those debt securities described in Schedule 1;

9. Section 6.3 of NI 21-101 provides that an ATS can only execute trades in exchange-traded securities, corporate debt securities, government debt securities, or foreign exchange-traded securities, as defined in section 1.1 of NI 21-101;

10. The relief from Section 6.3 is needed to accommodate the full range of securities lending and borrowing activity in international securities that can occur currently under the Platform and the relief from sections 7.2, 7.4, 8.1 and 8.2 is required to be consistent with the limited transparency that exists in and is required in the securities lending environments in both Canada and internationally;

11. Sections 7.2 and 7.4 of NI 21-101 impose post-trade transparency requirements for exchange-traded securities and foreign exchange-traded securities. Subsections 8.1(3) and 8.2(3) of NI 21-101 impose, subject to the temporary exemption available for government debt securities under section 8.6, post-trade transparency requirements for government debt securities and corporate debt securities;

12. Pre-trade transparency requirements are not applicable to EquiLend pursuant to sections 7.1 and 8.1 of NI 21-101 because orders capable of acceptance in foreign exchange-traded securities and exchange-traded securities and debt securities will not be displayed on the Platform;

13. By order cited as *In the Matter of Equilend Canada Inc.* (2009), 32 OSCB, the Filer had been granted in Ontario relief substantially similar to the Exemption Sought (the **2009 Order**). The 2009 Order, which is attached at Schedule 3, will expire not later than December 31, 2014. The effect of the Exemption Sought will be to replace and extend in Ontario the 2009 Order, and to grant the Exemption Sought in Quebec, in each case with effect as of and from January 1, 2015.

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 effective January 1, 2015 provided that:

1. The Filer provides access to the Platform only to Participants;

2. the Platform only executes trades with respect to Permitted Equity Securities and the securities listed in Schedule 1 (as Schedule 1 may be amended from time to time through an amendment to Form 21-101F2); and

3. The Filer is exempt from the requirements in sections 7.2 and 7.4 and subsections 8.1(3) and 8.2(3) of NI 21-101 until the earlier of December 31, 2019, or the implementation by the Commission of a rule, policy, or notice relating to the transparency of securities lending transactions.

"Susan Greenglass"
Director, Market Regulation
Ontario Securities Commission

SCHEDULE 1

The following non-Canadian debt securities are offered through the Platform:

(a) high-grade and high-yield U.S. corporate bonds;

(b) U.S. Government sponsored agency bonds (e.g. Ginnie Mae, issued by the Government National Mortgage Association; Fannie Mae, issued by the Federal National Mortgage Association; and Freddie Mac, issued by the Federal Home Loan Mortgage Corporation);

(c) U.S. Government Treasury Bonds;

(d) emerging market bonds, which are defined as U.S. dollar or Euro-denominated bonds issued by sovereign entities or corporations domiciled in a developing country, including both high grade and non-investment grade debt;

(e) European high-grade corporate bonds, which are defined as corporate bonds issued by entities domiciled in Europe; and

(f) non U.S. sovereign bonds (e.g. UK gilts or German bundesbonds).

SCHEDULE 2

In this Decision Document, "Authorized Users" means:

(a) a bank listed in Schedule I or II of the *Bank Act* (Canada), or an authorized foreign bank listed in Schedule III of that Act;

(b) the Business Development Bank incorporated under the *Business Development Bank Act* (Canada);

(c) a loan corporation, trust company, trust corporation, savings company or loan and investment society registered under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in any province or territory of Canada;

(d) a co-operative credit society, credit union central, federation of caisses populaires, credit union or league, or regional caisse populaire, or an association under the *Cooperative Credit Associations Act* (Canada), in each case, located in Canada;

(e) a company licensed to do business as an insurance company in a province or territory of Canada;

(f) a subsidiary of any company referred to in paragraph (a), (b), (c), (d) or (e), where the company owns all of the voting shares of the subsidiary;

(g) a financial services cooperative within the meaning of the *Act respecting Financial Services Cooperatives* (Quebec);

(h) the Caisse centrale Desjardins du Québec established under the *Act respecting the Mouvement des Caisses Desjardins* (Quebec) and the Caisse de dépôt et placement du Québec;

(i) a person or company registered under the securities legislation of the applicable province or territory of Canada as an adviser or dealer, other than a limited market dealer;

(j) the government of Canada or of any jurisdiction, or any crown corporation, instrumentality or agency of a Canadian federal, provincial or territorial government;

(k) any Canadian municipality or any Canadian provincial or territorial capital city;

(l) any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any instrumentality or agency thereof;

(m) a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada) or a provincial pension commission or similar regulatory authority;

(n) a registered charity under the *Income Tax Act* (Canada);

(o) a company, limited partnership, limited liability partnership, trust or estate, other than a mutual fund or non-redeemable investment fund, that had net assets of at least C$5,000,000 as reflected in its most recently prepared financial statements;

(p) a person or company, other than an individual, that is recognized or designated by a Canadian securities regulatory authority as an "accredited investor" or by the Autorité des marchés financiers as a "sophisticated purchaser";

(q) a mutual fund or non-redeemable investment fund that, in the applicable province of Canada, distributes its securities only to persons or companies that are accredited investors;

(r) a mutual fund or non-redeemable investment fund that, in the applicable province of Canada, distributes its securities under a prospectus for which a receipt has been granted;

(s) an account that is fully managed by a registered portfolio manager or an entity listed in paragraphs (a), (c), (d) or (e);

(t) an entity organized outside of Canada that is analogous to any of the entities referred to in paragraphs (a) through (f) and paragraph (m) in form and function; and

(u) a person or company in respect of which all of the owners of interests, direct or indirect, legal or beneficial, are persons or companies that are Institutional Investors; provided that:

i. two or more persons who are the joint registered holders of one or more securities of the issuer shall be counted as one beneficial owner of those securities; and

ii. a corporation, partnership, trust or other entity shall be counted as one beneficial owner of securities of the issuer unless the entity has been created or is being used primarily for the purpose of acquiring or holding securities of the issuer, in which event each beneficial owner of an equity interest in the entity or each beneficiary of the entity, as the case may be, shall be counted as a separate beneficial owner of those securities of the issuer.

SCHEDULE 3

2009 EQUILEND ORDER

September 25, 2009

IN THE MATTER OF
NATIONAL INSTRUMENT 21-101 MARKETPLACE OPERATION
(N1 21-101)

AND

IN THE MATTER OF
EQUILEND CANADA INC.

DECISION
(Section 15.1 of National Instrument 21-101)

WHEREAS on March 19, 2009, EquiLend Canada Inc. ("ECI") applied (the "Application") to the Director for a decision under section 15.1 of NI 21-101 granting:

(a) an exemption from section 6.3 of NI 21-101 to permit to be traded over the ECI platform (the "Platform") the debt securities described in Schedule 1 which do not qualify as "corporate debt securities" or "government debt securities" for purposes of section 6.3 of NI 21-101;

(b) an exemption from sections 7.2 and 7.4 of NI 21-101 to relieve ECI from the transparency requirements in respect of trades in exchange-traded securities and foreign exchange-traded securities executed on the Platform resulting from securities lending transactions; and

(c) an exemption from subsections 8.1(3) and 8.2(3) of NI 21-101 to relieve ECI from the transparency requirements in respect of trades in corporate debt and government debt securities executed on the Platform resulting from securities lending transactions;

AND WHEREAS ECI has represented to the Director that:

1. ECI is a Nova Scotia limited company organized on April 17, 2008 and is a wholly-owned subsidiary of EquiLend Holdings LLC ("EquiLend Holdings");

2. ECI is registered as an investment dealer in the Province of Ontario and is also a member of the Investment Industry Regulatory Organization of Canada (Ontario District) ("IIROC") for the purposes of operating as an alternative trading system ("ATS");

3. EquiLend LLC is a limited liability company incorporated under the laws of the State of Delaware and a wholly-owned subsidiary of EquiLend Holdings;

4. EquiLend LLC is registered with the United States Securities and Exchange Commission as a broker-dealer and is a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation;

5. EquiLend LLC operates an electronic trading platform (the "Platform") in the U.S. and is the sole provider of the Platform in the U.S.;

6. EquiLend Europe Limited ("EquiLend Europe") is a limited company organized under the laws of England and a wholly-owned subsidiary of EquiLend Holdings;

7. EquiLend Europe is registered in the U.K. and European Economic Area ("EEA") as a multilateral trading facility ("MTF") and is regulated by the Financial Services Authority ("FSA");

8. EquiLend Europe operates the Platform in the U.K. and the EEA and is the sole provider of the Platform in the U.K. and the EEA;

9. The Platform facilitates securities lending and borrowing transactions in equities and fixed income securities by providing secure access and connectivity between potential borrowers and lenders through a private network or the internet;

10. ECI will offer access to the Platform for the purpose of securities lending and borrowing transactions in equities and fixed income securities to Authorized Users (as defined in Schedule 2), in the Province of Ontario that have represented to ECI through ECI's user agreement ("User Agreement") or by way of a separate formal representation that their conduct of securities lending is subject to a level of regulation and oversight (under applicable securities, banking or other appropriate law) that imposes upon the participant a combination of requirements such as audits, public disclosure of financial information, capital rules, collateral requirements, record keeping requirements or other similar safeguards ("Ontario Participants");

11. ECI will be the sole party furnishing access to the Platform in Ontario to Ontario Participants;

12. Ontario Participants, through ECI, will be able to engage in securities borrowing and lending transactions with non-Ontario Participants who have been granted access to the Platform through EquiLend LLC or EquiLend Europe, as the case may be, on substantially similar terms as the Ontario Participants;

13. Securities traded over the Platform once ECI has commenced operations will include "foreign exchange traded securities" and "exchange-traded securities" ("Permitted Equity Securities") within the meaning of NI 21-101 and those debt securities described in Schedule 1;

14. Section 6.3 of NI 21-101 provides that an ATS can only execute trades in exchange-traded securities, corporate debt securities, government debt securities, or foreign exchange-traded securities, as defined in section 1.1 of NI 21-101;

15. Sections 7.2 and 7.4 of NI 21-101 impose post-trade transparency requirements for exchange-traded securities and foreign exchange-traded securities and subsections 8.1(3) and 8.2(3) of NI 21-101 impose post-trade transparency requirements for government debt securities and corporate debt securities;

16. Pre-trade transparency requirements are not applicable to EquiLend pursuant to sections 7.1 and 8.1 of NI 21-101 because orders capable of acceptance in foreign exchange-traded securities and exchange-traded securities and debt securities will not be displayed on the Platform;

17. The relief from Section 6.3 is needed to accommodate the full range of securities lending and borrowing activity in international securities that can occur currently under the Platform and the relief from sections 7.2, 7.4, 8.1 and 8.2 is required to be consistent with the limited transparency that exists in and is required in the securities lending environments in both Canada and internationally;

AND WHEREAS the Director has received certain other representations from ECI in connection with the Application;

AND WHEREAS based on the Application and the representations and undertakings made to the Director, the Director is satisfied that granting exemptions from section 6.3, section 7.4, and subsection 8.2(3) of NI 21-101 would not be prejudicial to the public interest;

IT IS THE DECISION of the Director that pursuant to section 15.1 of NI 21-101 that ECI is:

(a) exempt from section 6.3 of NI 21-101 so that users of its Platform can borrow and lend debt securities described in Schedule 1 (as Schedule 1 may be amended from time to time through an amendment to Form 21-101F2);

(b) exempt from sections 7.2 and 7.4 of NI 21-101 to relieve ECI from the transparency requirements in respect of trades in exchange-traded securities and foreign exchange-traded securities executed on the Platform resulting from securities lending transactions; and

(c) exempt from subsections 8.1(3) and 8.2(3) of NI 21-101 to relieve ECI from the transparency requirements in respect of trades in corporate debt securities and government debt securities executed on the Platform resulting from securities lending transactions;

PROVIDED THAT:

(d) ECI provides access to the Platform only to Ontario Participants;

(e) the Platform only executes trades with respect to Permitted Equity Securities and the securities listed in Schedule 1 (as Schedule 1 may be amended from time to time through an amendment to Form 21-101F2); and

(f) ECI is exempt from the requirements in sections 7.2 and 7.4 and subsections 8.1(3) and 8.2(3) of NI 21-101 until the earlier of December 31, 2014, or the implementation by the Commission of a rule, policy, or notice relating to the transparency of securities lending transactions.

"Susan Greenglass"
Acting Director – Market Regulation
Ontario Securities Commission

2.1.7 Bear Lake Gold Ltd.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – application by a reporting issuer for an order under subsection 1(10) of the Securities Act (Ontario) that it is not a reporting issuer – the filer is a wholly owned subsidiary of another issuer as a result of a plan of arrangement under the Business Corporations Act (Ontario) – the filer is in default of its obligation to file and deliver its interim financial statements and management's discussion and analysis and the related certifications as required under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings.

Applicable Legislative Provisions

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

December 16, 2014

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

AND

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

AND

IN THE MATTER OF
BEAR LAKE GOLD LTD.
(the Filer)

DECISION

Background

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

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

(a) the Ontario 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* and Multilateral Instrument 11-102 *Passport System* have the same meaning as if used in this decision, unless otherwise defined.

Representations

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

1. The Filer was formed on May 22, 2014 by way of an amalgamation under the *Business Corporations Act* (Ontario).

2. The Filer's head office is located in Toronto, Ontario.

3. The Filer is currently a reporting issuer in each of the Jurisdictions and is not a reporting issuer or the equivalent in any jurisdiction of Canada, other than the Jurisdictions.

4. The authorized share capital of the Filer consists of an unlimited number of common shares.

5. On May 22, 2014, pursuant to the completion of a plan of arrangement under the *Business Corporations Act* (Ontario) (the **Arrangement**) among Kerr Mines Inc. (**Kerr Mines**), 2402196 Ontario Inc. (**Kerr Subco**), a wholly-owned subsidiary of Kerr Mines, and Bear Lake Gold Ltd. (a predecessor to the Filer, also referred to in this document as **Bear Lake**), Kerr Mines acquired the ownership and control of all of the issued and outstanding common shares of Bear Lake. Holders of options and warrants of Bear Lake also received consideration for such securities and as a result, there are no longer any options or warrants of Bear Lake outstanding.

6. On May 22, 2014, pursuant to the terms of the Arrangement, Kerr Subco and Bear Lake amalgamated to form the Filer. As a result of the Arrangement, the Filer is a wholly-owned subsidiary of Kerr Mines and all of the outstanding common shares of the Filer are held by Kerr Mines. The Filer has no other securities outstanding, including debt securities.

7. The common shares of the Filer were delisted from the TSX Venture Exchange at the close of business on May 26, 2014. No securities of the Filer, including any debt securities are traded in Canada or another country on a marketplace, as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported.

8. Effective June 22, 2014, the Filer successfully surrendered its status as a reporting issuer in British Columbia pursuant to BC Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status*.

9. The Filer is not in default of any of its obligations under the Legislation as a reporting issuer, other than an obligation to file on or before May 30, 2014 and August 29, 2014, its interim financial statements and management discussion and analysis (**MD&As**) in respect of such statements for the periods ended March 31, 2014 and June 30, 2014, respectively, as required under National Instrument 51-102 *Continuous Disclosure Obligations* and the related certificates as required under National Instrument 52-109 *Certification of Disclosure in Issuer's Annual and Interim Filings* (collectively, the **Filings**).

10. 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* as it is in default for failure to file the Filings.

11. The Filer has no current intention to seek public financing by way of an offering of securities.

12. The Filer is applying for a decision that it is not a reporting issuer in all of the Jurisdictions. Upon the receipt of the decision and the granting of the Exemptive Relief Sought, the Filer will no longer be a reporting issuer or the equivalent thereof in any jurisdiction in Canada.

Decision

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

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

"Deborah Leckman"
Ontario Securities Commission

"Sarah B. Kavanagh"
Ontario Securities Commission

2.1.8 Canadian Imperial Bank of Commerce

Headnote

OSC Rule 91-507 – derivatives trade reporting obligations – applicant seeking relief from requirements relating to the reporting of certain counterparty information – relief granted, subject to conditions, for a period of one year from the date of the decision.

Applicable Legislative Provisions

OSC Rule 91-507 Trade Repositories and Derivatives Data Reporting, Parts 3 and 6.

December 17, 2014

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(THE PRINCIPAL JURISDICTION)

AND

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

AND

IN THE MATTER OF
CANADIAN IMPERIAL BANK OF COMMERCE
(THE APPLICANT)

DECISION

Background

The securities regulatory authority or regulator (each a "**Decision Maker**") in each of Ontario, Manitoba and Québec (collectively, the "**Jurisdictions**") has received an application from the Applicant for an order in Ontario pursuant to Part 6 of OSC Rule 91-507 – *Trade Repositories and Derivatives Data Reporting*, in Manitoba pursuant to Part 6 of MSC Rule 91-507 – *Trade Repositories and Derivatives Data Reporting* and in Québec pursuant to Section 86 of the *Derivatives Act*, RLRQ, c. I-14.01, requesting relief (the "**Exemptive Relief Sought**") from the following derivatives data reporting requirements, arising in relation to new and existing transactions under Part 3 of OSC Rule 91-507 – *Trade Repositories and Derivatives Data Reporting*, Part 3 of the MSC Rule 91-507 – *Trade Repositories and Derivatives Data Reporting*, and Chapter 3 of the Autorité des marchés financiers' Regulation 91-507 – *respecting Trade Repositories and Derivatives Data Reporting* (collectively, the "**Local Reporting Provisions**"):

(a) the requirement for a reporting counterparty to report, update, amend or supplement (collectively, "**Report**") the Legal Entity Identifier ("**LEI**") of a transaction counterparty where such reporting could result in the reporting counterparty breaching laws applicable in the transaction counterparty's own jurisdiction that restrict or limit the disclosure of information relating to the transaction or to the counterparty or that require the transaction counterparty's consent to such disclosure in circumstances where such consent has not been obtained;

(b) the requirement for a reporting counterparty to Report certain information (as more fully described below) related to or dependent on a transaction counterparty, which information has not been provided to the reporting counterparty by the transaction counterparty or has not otherwise been obtained by the reporting counterparty at the time of reporting; and

(c) the requirement for a reporting counterparty to Report information in the creation data field entitled "Broker/Clearing Intermediary" where the reporting counterparty has not established reporting systems and procedures that are sufficient to enable it to Report such information.

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

1. the Ontario Securities Commission (the "**OSC**") is the Principal Regulator for the application; and

2. 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* and MI 11-102 – *Passport System* have the same meanings if used in this decision, unless otherwise defined.

For the purposes of this decision the following terms have the meanings defined below:

"Blocking Law" means any statute, law, enactment, rule, order, judgement, practice, guideline or decree that would restrict or limit a subject person's disclosure of information relating to a Subject Transaction or to the counterparty of a Subject Transaction.

"Consent Requirement" means any statute, law, enactment, rule, order, judgement, practice, guideline or decree that would require a counterparty to a Subject Transaction to consent to a subject person's disclosure of information relating to such Subject Transaction or counterparty.

"Trade Specific Requirement" means a requirement arising under a Blocking Law or in connection with a Consent Requirement that would require that steps be taken to comply therewith in connection with and at the time of a Subject Transaction, on a transaction by transaction basis.

Representations

The Applicant has made the following representations:

1. the Applicant is a Canadian Schedule I bank under the *Bank Act*, with its head office located in Toronto, Ontario;

2. the Applicant enters into derivatives transactions with multiple counterparties across Canada and around the world;

3. the Applicant will be required to Report derivative transaction data in accordance with the applicable Local Reporting Provisions, as mandated by Draft Guideline B-7 of the Office of the Superintendent of Financial Institutions ("**OSFI**");

4. while it is not specifically required by Draft Guideline B-7, the Applicant believes that adhering to the Local Reporting Provisions in Québec and Manitoba is consistent with the principles of the G-20 OTC derivatives reforms, which have been supported by the Government of Canada;

5. on October 29, 2014, the OSC and the Manitoba Securities Commission, and on October 30, 2014, the Autorité des marchés financiers, each published a press release (collectively, the "**Press Releases**") to among other things, provide guidance on the situation where a reporting counterparty may be required to Report a transaction counterparty's LEI despite the fact that such LEI has not been obtained by the transaction counterparty or provided by the transaction counterparty to a reporting counterparty;

6. to the extent that the Press Releases provide guidance in relation to compliance matters pertaining to a transaction counterparty's failure to obtain an LEI or to provide its LEI to the Applicant, the Applicant intends to reflect its understanding of such guidance in complying with the applicable Local Reporting Provisions;

7. the Applicant has established or procured internal technology, systems and procedures that the Applicant believes should enable it to give effect to the Local Reporting Provisions, with the exception of the ability to Report data fields requiring completion of an LEI for a broker acting as an intermediary to a transaction;

8. in order to comply with the Local Reporting Provisions applicable to a transaction, the Applicant may need to: (a) if required by applicable law, obtain a consent from the counterparty to enable the reporting counterparty to disclose information relating to the transaction or counterparty; and (b) receive certain counterparty-specific information, including the counterparty's LEI (or its equivalent), its broker's LEI (where applicable), or information sufficient to enable the Applicant to determine whether the counterparty is a local counterparty (collectively, in respect of a counterparty to a transaction, the "**Required Counterparty Feedback**");

9. the Applicant has engaged in diligent efforts to solicit Required Counterparty Feedback through direct client outreach and through industry efforts; however, despite these efforts, a significant percentage of the Applicant's counterparties have not provided some or all of the Required Counterparty Feedback;

10. a failure to provide the Exemptive Relief Sought could result in inconsistent or disrupted reporting of derivatives data by the Applicant, or in the Applicant not entering into new derivatives transactions with affected transaction counterparties, all of which could have negative implications for the Applicant, the Canadian financial system and the broader Canadian economy;

11. if the Exemptive Relief Sought is granted, the Applicant will continue to make diligent efforts to obtain the Required Counterparty Feedback; and

12. the Applicant is not in default of securities legislation in any jurisdiction.

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 Principal Regulator is that the Exemptive Relief Sought is granted and it orders that, in respect of each transaction that is subject to Reporting in accordance with the applicable Local Reporting Provisions (in each case, a "**Subject Transaction**"):

1. Relief related to Blocking Laws – The Applicant is exempted from the Reporting of creation data under Reporting requirements contained in sections 26, 27(a), 28, 31, 32, 34 and 35 of the applicable Local Reporting Provisions (the "**Reporting Provisions**") only to the extent that the Applicant would be required to Report the creation data contemplated in Appendix A of the applicable Local Reporting Provisions under "Identifier of non-reporting counterparty" in respect of a Subject Transaction, in the following circumstances:

    (A) the Applicant determines that its transaction counterparty or the Subject Transaction is subject to a Blocking Law; or

    (B) the Applicant has yet to determine, or having used reasonable efforts has been unable to determine, if its transaction counterparty or the Subject Transaction is subject to a Blocking Law,

    provided that the Applicant:

        (i) either (x) reports an internal identifier code for its transaction counterparty or (y) if it is not feasible or not practical for the Applicant to Report an internal identifier code for the transaction counterparty in compliance with the applicable Blocking Law, reports that the LEI of the transaction counterparty is undisclosed;

        (ii) prepares and makes available in a timely manner to OSFI and in turn to the OSC (x) a list of all jurisdictions that it reasonably determines are subject to an applicable Blocking Law; and (y) a list of jurisdictions in respect of which the Applicant has yet to determine, or using reasonable efforts has been unable to determine, if an applicable Blocking Law exists;

        (iii) makes diligent efforts to determine whether Blocking Laws exist in the jurisdiction where its transaction counterparty is located; and

        (iv) makes diligent efforts, where required, to correct any reporting it has made in relation to a Subject Transaction in reliance on the foregoing exemptions on a timely basis after any previously applicable Blocking Law no longer applies to limit or restrict the Applicant's disclosure of information relating to the Subject Transaction or the transaction counterparty,

    and provided further that the foregoing exemption will continue to apply in respect of the Subject Transaction during a period of up to 3 months following the date on which the Applicant becomes aware that any previously applicable Blocking Law no longer applies to limit or restrict the Applicant's disclosure of information relating to the Subject Transaction or the transaction counterparty.

2. Relief Related to Consent Requirements – The Applicant is exempted from the Reporting of creation data under the Reporting Provisions only to the extent that the Applicant would be required to Report the creation data contemplated in Appendix A of the applicable Local Reporting Provisions under "Identifier of non-reporting counterparty" in respect of the Subject Transaction, in the following circumstances:

    (A) the Applicant determines that its transaction counterparty or the Subject Transaction is subject to a Consent Requirement that has not been provided by the transaction counterparty to the Applicant; or

(B) the Applicant has yet to determine, or having used reasonable efforts has been unable to determine, if its transaction counterparty or the Subject Transaction is subject to a Consent Requirement,

provided that the Applicant:

(i) either (x) reports an internal identifier code for its transaction counterparty or (y) if the Applicant has all necessary processes in place to internally identify its transaction counterparty and it is not feasible or not practical for the Applicant to Report an internal identifier code for the transaction counterparty in compliance with the applicable Consent Requirement, reports that the LEI of the transaction counterparty is undisclosed;

(ii) prepares and makes available in a timely manner to OSFI and in turn to the OSC (x) a list of all jurisdictions that it reasonably determines are jurisdictions in which an applicable Consent Requirement exists; and (y) a list of jurisdictions in respect of which the Applicant has yet to determine, or using reasonable efforts has been unable to determine, if an applicable Consent Requirement exists;

(iii) makes diligent efforts to obtain any required consent from the transaction counterparty, other than any consent that would arise in connection with a Trade Specific Requirement; and

(iv) makes diligent efforts, where required, to correct any reporting it has made in relation to the Subject Transaction in reliance on the foregoing exemptions on a timely basis after all consents required to satisfy a Consent Requirement in relation to the Subject Transaction have been obtained by the Applicant,

and provided further that the foregoing exemption will continue to apply in respect of the Subject Transaction during a period of up to 3 months following the later of (x) the date on which the transaction counterparty has provided the Applicant with all such required consents and (y) the date on which the Applicant becomes aware that any previously applicable Consent Requirement no longer applies to limit or restrict the Applicant's disclosure of information relating to the Subject Transaction or the transaction counterparty.

3. Required Counterparty Feedback – The Applicant is exempted from the Reporting of creation data under the applicable Local Reporting Provisions only to the extent that the Applicant would be required to Report the creation data contemplated in Appendix A of the applicable Local Reporting Provisions under "Jurisdiction of non-reporting counterparty" and "Broker/Clearing Intermediary" in respect of the Subject Transaction, in the following circumstances:

(A) Counterparty Status as a Local Counterparty – if the transaction counterparty has not provided the Applicant with Required Counterparty Feedback sufficient to enable the Applicant to determine if the transaction counterparty is a "local counterparty" in the Jurisdiction, provided that the Applicant reports the Subject Transaction to the jurisdiction in which the Applicant has its principal place of business and, if reasonably practicable, makes diligent efforts to use the information from its own systems to Report the Subject Transaction in the transaction counterparty's jurisdiction, in each case if and to the extent it is reportable by the Applicant in such jurisdiction;

(B) Existence of a Guaranteed Affiliate – if the transaction counterparty has not provided the Applicant with Required Counterparty Feedback sufficient to enable the Applicant to determine if the transaction counterparty has an affiliate that is organized under the laws of the Jurisdiction or that has its head office or principal place of business in the Jurisdiction and that is responsible for the liabilities of the transaction counterparty (a "**Guaranteed Affiliate**"), provided that the Applicant otherwise reports the Subject Transaction on the basis that the transaction counterparty is not a Guaranteed Affiliate; or

(C) Broker LEI – if any applicable broker, who acts as an intermediary for the Applicant in respect of the Subject Transaction, without itself becoming a counterparty, has not provided its LEI to the Applicant, provided that the Applicant reports the Subject Transaction on the basis that the creation data contemplated in Appendix A of the applicable Local Reporting Provisions under "Broker/Clearing Intermediary" is undisclosed, until such time as such information has been provided to the Applicant.

provided that the Applicant:

(i) makes diligent efforts to prepare quarterly compliance reports regarding its efforts to obtain Required Counterparty Feedback;

(ii) makes such quarterly compliance reports available in a timely manner to OSFI and in turn to the OSC; and

(iii) makes diligent efforts, where required, to correct any reporting it has made in relation to a Subject Transaction in reliance on the foregoing exemptions on a timely basis after Required Counterparty Feedback has been obtained,

and provided further that the foregoing exemptions will continue to apply in respect of a Subject Transaction during a period of up to 3 months following the date on which previously unknown or unavailable Required Counterparty Feedback has been provided to the Applicant by the transaction counterparty.

4. Broker LEIs – The Applicant is exempted from the Reporting of creation data under the Reporting Provisions only to the extent that the Applicant is required to Report the creation data contemplated in Appendix A of the applicable Local Reporting Provisions under "Broker/Clearing Intermediary" in respect of the Subject Transaction until such time as the Applicant has established or procured the necessary systems and infrastructure to enable the Applicant to Report such data, provided that the Applicant:

(i) makes diligent efforts to establish such systems and infrastructure;

(ii) makes diligent efforts to prepare quarterly compliance reports regarding its efforts to establish such systems and infrastructure;

(iii) makes such quarterly compliance reports available in a timely manner to OSFI and in turn to the OSC; and

(iv) makes diligent efforts, where required, to correct any reporting it has made in relation to a Subject Transaction in reliance on the foregoing exemptions on a timely basis after such systems and infrastructure has been established,

and provided further that the foregoing exemption will continue to apply in respect of the Subject Transaction during a period of up to 3 months following the date on which the Applicant has implemented any systems, processes or other changes that the Applicant determines are needed in order to satisfy the applicable Local Reporting Provisions in respect of the Subject Transaction.

5. Effectiveness of the Order – The exemptions provided pursuant to paragraphs 1, 2, 3 and 4 shall cease to be available 1 year after the date hereof.

"Kevin Fine"
Director
Ontario Securities Commission

2.1.9 Bank of Montreal

Headnote

OSC Rule 91-507 – derivatives trade reporting obligations – applicant seeking relief from requirements relating to the reporting of certain counterparty information – relief granted, subject to conditions, for a period of one year from the date of the decision.

Applicable Legislative Provisions

OSC Rule 91-507 Trade Repositories and Derivatives Data Reporting, Parts 3 and 6.

December 17, 2014

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(THE PRINCIPAL JURISDICTION)

AND

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

AND

IN THE MATTER OF
BANK OF MONTREAL
(THE APPLICANT)

DECISION

Background

The securities regulatory authority or regulator (each a "**Decision Maker**") in each of Ontario, Manitoba and Québec (collectively, the "**Jurisdictions**") has received an application from the Applicant for an order in Ontario pursuant to Part 6 of OSC Rule 91-507 – *Trade Repositories and Derivatives Data Reporting*, in Manitoba pursuant to Part 6 of MSC Rule 91-507 – *Trade Repositories and Derivatives Data Reporting* and in Québec pursuant to Section 86 of the *Derivatives Act*, RLRQ, c. I-14.01, requesting relief (the "**Exemptive Relief Sought**") from the following derivatives data reporting requirements, arising in relation to new and existing transactions under Part 3 of OSC Rule 91-507 – *Trade Repositories and Derivatives Data Reporting*, Part 3 of the MSC Rule 91-507 – *Trade Repositories and Derivatives Data Reporting*, and Chapter 3 of the Autorité des marchés financiers' Regulation 91-507 – *respecting Trade Repositories and Derivatives Data Reporting* (collectively, the "**Local Reporting Provisions**"):

(a) the requirement for a reporting counterparty to report, update, amend or supplement (collectively, "**Report**") the Legal Entity Identifier ("**LEI**") of a transaction counterparty where such reporting could result in the reporting counterparty breaching laws applicable in the transaction counterparty's own jurisdiction that restrict or limit the disclosure of information relating to the transaction or to the counterparty or that require the transaction counterparty's consent to such disclosure in circumstances where such consent has not been obtained; and

(b) the requirement for a reporting counterparty to Report certain information (as more fully described below) related to or dependent on a transaction counterparty, which information has not been provided to the reporting counterparty by the transaction counterparty or has not otherwise been obtained by the reporting counterparty at the time of reporting.

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

1. the Ontario Securities Commission (the "**OSC**") is the Principal Regulator for the application; and

2. 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* and MI 11-102 – *Passport System* have the same meanings if used in this decision, unless otherwise defined.

For the purposes of this decision the following terms have the meanings defined below:

"Blocking Law" means any statute, law, enactment, rule, order, judgement, practice, guideline or decree that would restrict or limit a subject person's disclosure of information relating to a Subject Transaction or to the counterparty of a Subject Transaction.

"Consent Requirement" means any statute, law, enactment, rule, order, judgement, practice, guideline or decree that would require a counterparty to a Subject Transaction to consent to a subject person's disclosure of information relating to such Subject Transaction or counterparty.

"Trade Specific Requirement" means a requirement arising under a Blocking Law or in connection with a Consent Requirement that would require that steps be taken to comply therewith in connection with and at the time of a Subject Transaction, on a transaction by transaction basis.

Representations

The Applicant has made the following representations:

1. the Applicant is a Canadian Schedule I bank under the *Bank Act*, with its head office located in Montréal, Québec, and its principal place of business and executive office in Toronto, Ontario;

2. the Applicant enters into derivatives transactions with multiple counterparties across Canada and around the world;

3. the Applicant will be required to Report derivative transaction data in accordance with the applicable Local Reporting Provisions, as mandated by Draft Guideline B-7 of the Office of the Superintendent of Financial Institutions ("**OSFI**");

4. while it is not specifically required by Draft Guideline B-7, the Applicant believes that adhering to the Local Reporting Provisions in Québec and Manitoba is consistent with the principles of the G-20 OTC derivatives reforms, which have been supported by the Government of Canada;

5. on October 29, 2014, the OSC and the Manitoba Securities Commission, and on October 30, 2014, the Autorité des marchés financiers (the "**AMF**"), each published a press release (collectively, the "**Press Releases**") to among other things, provide guidance on the situation where a reporting counterparty may be required to Report a transaction counterparty's LEI despite the fact that such LEI has not been obtained by the transaction counterparty or provided by the transaction counterparty to a reporting counterparty;

6. to the extent that the Press Releases provide guidance in relation to compliance matters pertaining to a transaction counterparty's failure to obtain an LEI or to provide its LEI to the Applicant, the Applicant intends to reflect its understanding of such guidance in complying with the applicable Local Reporting Provisions;

7. the Applicant has established or procured internal technology, systems and procedures that the Applicant believes should enable it to give effect to the Local Reporting Provisions;

8. in order to comply with the Local Reporting Provisions applicable to a transaction, the Applicant may need to: (a) if required by applicable law, obtain a consent from the counterparty to enable the reporting counterparty to disclose information relating to the transaction or counterparty; and (b) receive certain counterparty-specific information, including the counterparty's LEI (or its equivalent), its broker's LEI (where applicable), or information sufficient to enable the Applicant to determine whether the counterparty is a local counterparty (collectively, in respect of a counterparty to a transaction, the "**Required Counterparty Feedback**");

9. the Applicant has engaged in diligent efforts to solicit Required Counterparty Feedback through direct client outreach and through industry efforts; however, despite these efforts, the majority of the Applicant's counterparties have not provided some or all of the Required Counterparty Feedback;

10. a failure to provide the Exemptive Relief Sought could result in inconsistent or disrupted reporting of derivatives data by the Applicant, or in the Applicant not entering into new derivatives transactions with affected transaction counterparties, all of which could have negative implications for the Applicant, the Canadian financial system and the broader Canadian economy;

11. if the Exemptive Relief Sought is granted, the Applicant will continue to make diligent efforts to obtain the Required Counterparty Feedback; and

12. the Applicant is not in default of securities legislation in any jurisdiction.

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 Principal Regulator is that the Exemptive Relief Sought is granted and it orders that, in respect of each transaction that is subject to Reporting in accordance with the applicable Local Reporting Provisions (in each case, a "**Subject Transaction**"):

1. Relief related to Blocking Laws – The Applicant is exempted from the Reporting of creation data under Reporting requirements contained in sections 26, 27(a), 28, 31, 32, 34 and 35 of the applicable Local Reporting Provisions (the "**Reporting Provisions**") only to the extent that the Applicant would be required to Report the creation data contemplated in Appendix A of the applicable Local Reporting Provisions under "Identifier of non-reporting counterparty" in respect of a Subject Transaction, in the following circumstances:

   (A) the Applicant determines that its transaction counterparty or the Subject Transaction is subject to a Blocking Law; or

   (B) the Applicant has yet to determine, or having used reasonable efforts has been unable to determine, if its transaction counterparty or the Subject Transaction is subject to a Blocking Law,

   provided that the Applicant:

   (i) either (x) reports an internal identifier code for its transaction counterparty or (y) if it is not feasible or not practical for the Applicant to Report an internal identifier code for the transaction counterparty in compliance with the applicable Blocking Law, reports that the LEI of the transaction counterparty is undisclosed;

   (ii) prepares and makes available in a timely manner to OSFI and in turn to the OSC and the AMF (x) a list of all jurisdictions that it reasonably determines are subject to an applicable Blocking Law; and (y) a list of jurisdictions in respect of which the Applicant has yet to determine, or using reasonable efforts has been unable to determine, if an applicable Blocking Law exists;

   (iii) makes diligent efforts to determine whether Blocking Laws exist in the jurisdiction where its transaction counterparty is located; and

   (iv) makes diligent efforts, where required, to correct any reporting it has made in relation to a Subject Transaction in reliance on the foregoing exemptions on a timely basis after any previously applicable Blocking Law no longer applies to limit or restrict the Applicant's disclosure of information relating to the Subject Transaction or the transaction counterparty,

   and provided further that the foregoing exemption will continue to apply in respect of the Subject Transaction during a period of up to 3 months following the date on which the Applicant becomes aware that any previously applicable Blocking Law no longer applies to limit or restrict the Applicant's disclosure of information relating to the Subject Transaction or the transaction counterparty.

2. Relief Related to Consent Requirements – The Applicant is exempted from the Reporting of creation data under the Reporting Provisions only to the extent that the Applicant would be required to Report the creation data contemplated in Appendix A of the applicable Local Reporting Provisions under "Identifier of non-reporting counterparty" in respect of the Subject Transaction, in the following circumstances:

   (A) the Applicant determines that its transaction counterparty or the Subject Transaction is subject to a Consent Requirement that has not been provided by the transaction counterparty to the Applicant; or

   (B) the Applicant has yet to determine, or having used reasonable efforts has been unable to determine, if its transaction counterparty or the Subject Transaction is subject to a Consent Requirement,

provided that the Applicant:

(i) either (x) reports an internal identifier code for its transaction counterparty or (y) if the Applicant has all necessary processes in place to internally identify its transaction counterparty and it is not feasible or not practical for the Applicant to Report an internal identifier code for the transaction counterparty in compliance with the applicable Consent Requirement, reports that the LEI of the transaction counterparty is undisclosed;

(ii) prepares and makes available in a timely manner to OSFI and in turn to the OSC and the AMF (x) a list of all jurisdictions that it reasonably determines are jurisdictions in which an applicable Consent Requirement exists; and (y) a list of jurisdictions in respect of which the Applicant has yet to determine, or using reasonable efforts has been unable to determine, if an applicable Consent Requirement exists;

(iii) makes diligent efforts to obtain any required consent from the transaction counterparty, other than any consent that would arise in connection with a Trade Specific Requirement; and

(iv) makes diligent efforts, where required, to correct any reporting it has made in relation to the Subject Transaction in reliance on the foregoing exemptions on a timely basis after all consents required to satisfy a Consent Requirement in relation to the Subject Transaction have been obtained by the Applicant,

and provided further that the foregoing exemption will continue to apply in respect of the Subject Transaction during a period of up to 3 months following the later of (x) the date on which the transaction counterparty has provided the Applicant with all such required consents and (y) the date on which the Applicant becomes aware that any previously applicable Consent Requirement no longer applies to limit or restrict the Applicant's disclosure of information relating to the Subject Transaction or the transaction counterparty.

3. Required Counterparty Feedback – The Applicant is exempted from the Reporting of creation data under the applicable Local Reporting Provisions only to the extent that the Applicant would be required to Report the creation data contemplated in Appendix A of the applicable Local Reporting Provisions under "Jurisdiction of non-reporting counterparty" and "Broker/Clearing Intermediary" in respect of the Subject Transaction, in the following circumstances:

(A) Counterparty Status as a Local Counterparty – if the transaction counterparty has not provided the Applicant with Required Counterparty Feedback sufficient to enable the Applicant to determine if the transaction counterparty is a "local counterparty" in the Jurisdiction, provided that the Applicant reports the Subject Transaction to the jurisdiction in which the Applicant has its principal place of business and, if reasonably practicable, makes diligent efforts to use the information from its own systems to Report the Subject Transaction in the transaction counterparty's jurisdiction, in each case if and to the extent it is reportable by the Applicant in such jurisdiction;

(B) Existence of a Guaranteed Affiliate – if the transaction counterparty has not provided the Applicant with Required Counterparty Feedback sufficient to enable the Applicant to determine if the transaction counterparty has an affiliate that is organized under the laws of the Jurisdiction or that has its head office or principal place of business in the Jurisdiction and that is responsible for the liabilities of the transaction counterparty (a "**Guaranteed Affiliate**"), provided that the Applicant otherwise reports the Subject Transaction on the basis that the transaction counterparty is not a Guaranteed Affiliate; or

(C) Broker LEI – if any applicable broker, who acts as an intermediary for the Applicant in respect of the Subject Transaction, without itself becoming a counterparty, has not provided its LEI to the Applicant, provided that the Applicant reports the Subject Transaction on the basis that the creation data contemplated in Appendix A of the applicable Local Reporting Provisions under "Broker/Clearing Intermediary" is undisclosed, until such time as such information has been provided to the Applicant.

provided that the Applicant:

(i) makes diligent efforts to prepare quarterly compliance reports regarding its efforts to obtain Required Counterparty Feedback;

(ii) makes such quarterly compliance reports available in a timely manner to OSFI and in turn to the OSC and the AMF; and

(iii) makes diligent efforts, where required, to correct any reporting it has made in relation to a Subject Transaction in reliance on the foregoing exemptions on a timely basis after Required Counterparty Feedback has been obtained,

and provided further that the foregoing exemptions will continue to apply in respect of a Subject Transaction during a period of up to 3 months following the date on which previously unknown or unavailable Required Counterparty Feedback has been provided to the Applicant by the transaction counterparty.

4. Effectiveness of the Order – The exemptions provided pursuant to paragraphs 1, 2 and 3 shall cease to be available 1 year after the date hereof.

"Kevin Fine"
Director
Ontario Securities Commission

2.1.10 Bank of Nova Scotia

Headnote

OSC Rule 91-507 – derivatives trade reporting obligations – applicant seeking relief from requirements relating to the reporting of certain counterparty information – relief granted, subject to conditions, for a period of one year from the date of the decision.

Applicable Legislative Provisions

OSC Rule 91-507 Trade Repositories and Derivatives Data Reporting, Parts 3 and 6.

December 17, 2014

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(THE PRINCIPAL JURISDICTION)

AND

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

AND

IN THE MATTER OF
THE BANK OF NOVA SCOTIA
(THE APPLICANT)

DECISION

Background

The securities regulatory authority or regulator (each a "**Decision Maker**") in each of Ontario, Manitoba and Québec (collectively, the "**Jurisdictions**") has received an application from the Applicant for an order in Ontario pursuant to Part 6 of OSC Rule 91-507 – *Trade Repositories and Derivatives Data Reporting*, in Manitoba pursuant to Part 6 of MSC Rule 91-507 – *Trade Repositories and Derivatives Data Reporting* and in Québec pursuant to Section 86 of the *Derivatives Act*, RLRQ, c. I-14.01, requesting relief (the "**Exemptive Relief Sought**") from the following derivatives data reporting requirements, arising in relation to new and existing transactions under Part 3 of OSC Rule 91-507 – *Trade Repositories and Derivatives Data Reporting*, Part 3 of the MSC Rule 91-507 – *Trade Repositories and Derivatives Data Reporting*, and Chapter 3 of the Autorité des marchés financiers' Regulation 91-507 – *respecting Trade Repositories and Derivatives Data Reporting* (collectively, the "**Local Reporting Provisions**"):

(a) the requirement for a reporting counterparty to report, update, amend or supplement (collectively, "**Report**") the Legal Entity Identifier ("**LEI**") of a transaction counterparty where such reporting could result in the reporting counterparty breaching laws applicable in the transaction counterparty's own jurisdiction that restrict or limit the disclosure of information relating to the transaction or to the counterparty or that require the transaction counterparty's consent to such disclosure in circumstances where such consent has not been obtained;

(b) the requirement for a reporting counterparty to Report certain information (as more fully described below) related to or dependent on a transaction counterparty, which information has not been provided to the reporting counterparty by the transaction counterparty or has not otherwise been obtained by the reporting counterparty at the time of reporting; and

(c) the requirement for a reporting counterparty to Report information in the creation data field entitled "Broker/Clearing Intermediary" where the reporting counterparty has not established reporting systems and procedures that are sufficient to enable it to Report such information.

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

1. the Ontario Securities Commission (the "**OSC**") is the Principal Regulator for the application; and

2. 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* and MI 11-102 – *Passport System* have the same meanings if used in this decision, unless otherwise defined.

For the purposes of this decision the following terms have the meanings defined below:

"Blocking Law" means any statute, law, enactment, rule, order, judgement, practice, guideline or decree that would restrict or limit a subject person's disclosure of information relating to a Subject Transaction or to the counterparty of a Subject Transaction.

"Consent Requirement" means any statute, law, enactment, rule, order, judgement, practice, guideline or decree that would require a counterparty to a Subject Transaction to consent to a subject person's disclosure of information relating to such Subject Transaction or counterparty.

"Trade Specific Requirement" means a requirement arising under a Blocking Law or in connection with a Consent Requirement that would require that steps be taken to comply therewith in connection with and at the time of a Subject Transaction, on a transaction by transaction basis.

Representations

The Applicant has made the following representations:

1. the Applicant is a Canadian Schedule I bank under the *Bank Act*, with its head office located in Halifax, Nova Scotia, and its principal place of business and executive office in Toronto, Ontario;

2. the Applicant enters into derivatives transactions with multiple counterparties across Canada and around the world;

3. the Applicant will be required to Report derivative transaction data in accordance with the applicable Local Reporting Provisions, as mandated by Draft Guideline B-7 of the Office of the Superintendent of Financial Institutions ("**OSFI**");

4. while it is not specifically required by Draft Guideline B-7, the Applicant believes that adhering to the Local Reporting Provisions in Québec and Manitoba is consistent with the principles of the G-20 OTC derivatives reforms, which have been supported by the Government of Canada;

5. on October 29, 2014, the OSC and the Manitoba Securities Commission, and on October 30, 2014, the Autorité des marchés financiers, each published a press release (collectively, the "**Press Releases**") to among other things, provide guidance on the situation where a reporting counterparty may be required to Report a transaction counterparty's LEI despite the fact that such LEI has not been obtained by the transaction counterparty or provided by the transaction counterparty to a reporting counterparty;

6. to the extent that the Press Releases provide guidance in relation to compliance matters pertaining to a transaction counterparty's failure to obtain an LEI or to provide its LEI to the Applicant, the Applicant intends to reflect its understanding of such guidance in complying with the applicable Local Reporting Provisions;

7. the Applicant has established or procured internal technology, systems and procedures that the Applicant believes should enable it to give effect to the Local Reporting Provisions, with the exception of the ability to Report data fields requiring completion of an LEI for a broker acting as an intermediary to a transaction;

8. in order to comply with the Local Reporting Provisions applicable to a transaction, the Applicant may need to: (a) if required by applicable law, obtain a consent from the counterparty to enable the reporting counterparty to disclose information relating to the transaction or counterparty; and (b) receive certain counterparty-specific information, including the counterparty's LEI (or its equivalent), its broker's LEI (where applicable), or information sufficient to enable the Applicant to determine whether the counterparty is a local counterparty (collectively, in respect of a counterparty to a transaction, the "**Required Counterparty Feedback**");

9. the Applicant has engaged in diligent efforts to solicit Required Counterparty Feedback through direct client outreach and through industry efforts; however, despite these efforts, the majority of the Applicant's counterparties have not provided some or all of the Required Counterparty Feedback;

10. a failure to provide the Exemptive Relief Sought could result in inconsistent or disrupted reporting of derivatives data by the Applicant, or in the Applicant not entering into new derivatives transactions with affected transaction counterparties, all of which could have negative implications for the Applicant, the Canadian financial system and the broader Canadian economy;

11. if the Exemptive Relief Sought is granted, the Applicant will continue to make diligent efforts to obtain the Required Counterparty Feedback; and

12. the Applicant is not in default of securities legislation in any jurisdiction.

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 Principal Regulator is that the Exemptive Relief Sought is granted and it orders that, in respect of each transaction that is subject to Reporting in accordance with the applicable Local Reporting Provisions (in each case, a "**Subject Transaction**"):

1. Relief related to Blocking Laws – The Applicant is exempted from the Reporting of creation data under Reporting requirements contained in sections 26, 27(a), 28, 31, 32, 34 and 35 of the applicable Local Reporting Provisions (the "**Reporting Provisions**") only to the extent that the Applicant would be required to Report the creation data contemplated in Appendix A of the applicable Local Reporting Provisions under "Identifier of non-reporting counterparty" in respect of a Subject Transaction, in the following circumstances:

   (A) the Applicant determines that its transaction counterparty or the Subject Transaction is subject to a Blocking Law; or

   (B) the Applicant has yet to determine, or having used reasonable efforts has been unable to determine, if its transaction counterparty or the Subject Transaction is subject to a Blocking Law,

   provided that the Applicant:

   (i) either (x) reports an internal identifier code for its transaction counterparty or (y) if it is not feasible or not practical for the Applicant to Report an internal identifier code for the transaction counterparty in compliance with the applicable Blocking Law, reports that the LEI of the transaction counterparty is undisclosed;

   (ii) prepares and makes available in a timely manner to OSFI and in turn to the OSC (x) a list of all jurisdictions that it reasonably determines are subject to an applicable Blocking Law; and (y) a list of jurisdictions in respect of which the Applicant has yet to determine, or using reasonable efforts has been unable to determine, if an applicable Blocking Law exists;

   (iii) makes diligent efforts to determine whether Blocking Laws exist in the jurisdiction where its transaction counterparty is located; and

   (iv) makes diligent efforts, where required, to correct any reporting it has made in relation to a Subject Transaction in reliance on the foregoing exemptions on a timely basis after any previously applicable Blocking Law no longer applies to limit or restrict the Applicant's disclosure of information relating to the Subject Transaction or the transaction counterparty,

   and provided further that the foregoing exemption will continue to apply in respect of the Subject Transaction during a period of up to 3 months following the date on which the Applicant becomes aware that any previously applicable Blocking Law no longer applies to limit or restrict the Applicant's disclosure of information relating to the Subject Transaction or the transaction counterparty.

2. Relief Related to Consent Requirements – The Applicant is exempted from the Reporting of creation data under the Reporting Provisions only to the extent that the Applicant would be required to Report the creation data contemplated in Appendix A of the applicable Local Reporting Provisions under "Identifier of non-reporting counterparty" in respect of the Subject Transaction, in the following circumstances:

   (A) the Applicant determines that its transaction counterparty or the Subject Transaction is subject to a Consent Requirement that has not been provided by the transaction counterparty to the Applicant; or

(B) the Applicant has yet to determine, or having used reasonable efforts has been unable to determine, if its transaction counterparty or the Subject Transaction is subject to a Consent Requirement,

provided that the Applicant:

(i) either (x) reports an internal identifier code for its transaction counterparty or (y) if the Applicant has all necessary processes in place to internally identify its transaction counterparty and it is not feasible or not practical for the Applicant to Report an internal identifier code for the transaction counterparty in compliance with the applicable Consent Requirement, reports that the LEI of the transaction counterparty is undisclosed;

(ii) prepares and makes available in a timely manner to OSFI and in turn to the OSC (x) a list of all jurisdictions that it reasonably determines are jurisdictions in which an applicable Consent Requirement exists; and (y) a list of jurisdictions in respect of which the Applicant has yet to determine, or using reasonable efforts has been unable to determine, if an applicable Consent Requirement exists;

(iii) makes diligent efforts to obtain any required consent from the transaction counterparty, other than any consent that would arise in connection with a Trade Specific Requirement; and

(iv) makes diligent efforts, where required, to correct any reporting it has made in relation to the Subject Transaction in reliance on the foregoing exemptions on a timely basis after all consents required to satisfy a Consent Requirement in relation to the Subject Transaction have been obtained by the Applicant,

and provided further that the foregoing exemption will continue to apply in respect of the Subject Transaction during a period of up to 3 months following the later of (x) the date on which the transaction counterparty has provided the Applicant with all such required consents and (y) the date on which the Applicant becomes aware that any previously applicable Consent Requirement no longer applies to limit or restrict the Applicant's disclosure of information relating to the Subject Transaction or the transaction counterparty.

3. Required Counterparty Feedback – The Applicant is exempted from the Reporting of creation data under the applicable Local Reporting Provisions only to the extent that the Applicant would be required to Report the creation data contemplated in Appendix A of the applicable Local Reporting Provisions under "Jurisdiction of non-reporting counterparty" and "Broker/Clearing Intermediary" in respect of the Subject Transaction, in the following circumstances:

(A) Counterparty Status as a Local Counterparty – if the transaction counterparty has not provided the Applicant with Required Counterparty Feedback sufficient to enable the Applicant to determine if the transaction counterparty is a "local counterparty" in the Jurisdiction, provided that the Applicant reports the Subject Transaction to the jurisdiction in which the Applicant has its principal place of business and, if reasonably practicable, makes diligent efforts to use the information from its own systems to Report the Subject Transaction in the transaction counterparty's jurisdiction, in each case if and to the extent it is reportable by the Applicant in such jurisdiction;

(B) Existence of a Guaranteed Affiliate – if the transaction counterparty has not provided the Applicant with Required Counterparty Feedback sufficient to enable the Applicant to determine if the transaction counterparty has an affiliate that is organized under the laws of the Jurisdiction or that has its head office or principal place of business in the Jurisdiction and that is responsible for the liabilities of the transaction counterparty (a "**Guaranteed Affiliate**"), provided that the Applicant otherwise reports the Subject Transaction on the basis that the transaction counterparty is not a Guaranteed Affiliate; or

(C) Broker LEI – if any applicable broker, who acts as an intermediary for the Applicant in respect of the Subject Transaction, without itself becoming a counterparty, has not provided its LEI to the Applicant, provided that the Applicant reports the Subject Transaction on the basis that the creation data contemplated in Appendix A of the applicable Local Reporting Provisions under "Broker/Clearing Intermediary" is undisclosed, until such time as such information has been provided to the Applicant.

provided that the Applicant:

(i) makes diligent efforts to prepare quarterly compliance reports regarding its efforts to obtain Required Counterparty Feedback;

(ii) makes such quarterly compliance reports available in a timely manner to OSFI and in turn to the OSC; and

(iii) makes diligent efforts, where required, to correct any reporting it has made in relation to a Subject Transaction in reliance on the foregoing exemptions on a timely basis after Required Counterparty Feedback has been obtained,

and provided further that the foregoing exemptions will continue to apply in respect of a Subject Transaction during a period of up to 3 months following the date on which previously unknown or unavailable Required Counterparty Feedback has been provided to the Applicant by the transaction counterparty.

4. Broker LEIs – The Applicant is exempted from the Reporting of creation data under the Reporting Provisions only to the extent that the Applicant is required to Report the creation data contemplated in Appendix A of the applicable Local Reporting Provisions under "Broker/Clearing Intermediary" in respect of the Subject Transaction until such time as the Applicant has established or procured the necessary systems and infrastructure to enable the Applicant to Report such data, provided that the Applicant:

(i) makes diligent efforts to establish such systems and infrastructure;

(ii) makes diligent efforts to prepare quarterly compliance reports regarding its efforts to establish such systems and infrastructure;

(iii) makes such quarterly compliance reports available in a timely manner to OSFI and in turn to the OSC; and

(iv) makes diligent efforts, where required, to correct any reporting it has made in relation to a Subject Transaction in reliance on the foregoing exemptions on a timely basis after such systems and infrastructure has been established,

and provided further that the foregoing exemption will continue to apply in respect of the Subject Transaction during a period of up to 3 months following the date on which the Applicant has implemented any systems, processes or other changes that the Applicant determines are needed in order to satisfy the applicable Local Reporting Provisions in respect of the Subject Transaction.

5. Effectiveness of the Order – The exemptions provided pursuant to paragraphs 1, 2, 3 and 4 shall cease to be available 1 year after the date hereof.

"Kevin Fine"
Director
Ontario Securities Commission

2.1.11 Toronto-Dominion Bank

Headnote

OSC Rule 91-507 – derivatives trade reporting obligations – applicant seeking relief from requirements relating to the reporting of certain counterparty information – relief granted, subject to conditions, for a period of one year from the date of the decision.

Applicable Legislative Provisions

OSC Rule 91-507 Trade Repositories and Derivatives Data Reporting, Parts 3 and 6.

December 17, 2014

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(THE PRINCIPAL JURISDICTION)

AND

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

AND

IN THE MATTER OF
THE TORONTO-DOMINION BANK
(THE APPLICANT)

DECISION

Background

The securities regulatory authority or regulator (each a "**Decision Maker**") in each of Ontario, Manitoba and Québec (collectively, the "**Jurisdictions**") has received an application from the Applicant for an order in Ontario pursuant to Part 6 of OSC Rule 91-507 – *Trade Repositories and Derivatives Data Reporting*, in Manitoba pursuant to Part 6 of MSC Rule 91-507 – *Trade Repositories and Derivatives Data Reporting* and in Québec pursuant to Section 86 of the *Derivatives Act*, RLRQ, c. I-14.01, requesting relief (the "**Exemptive Relief Sought**") from the following derivatives data reporting requirements, arising in relation to new and existing transactions under Part 3 of OSC Rule 91-507 – *Trade Repositories and Derivatives Data Reporting*, Part 3 of the MSC Rule 91-507 – *Trade Repositories and Derivatives Data Reporting*, and Chapter 3 of the Autorité des marchés financiers' Regulation 91-507 – *respecting Trade Repositories and Derivatives Data Reporting* (collectively, the "**Local Reporting Provisions**"):

(a) the requirement for a reporting counterparty to report, update, amend or supplement (collectively, "**Report**") the Legal Entity Identifier ("**LEI**") of a transaction counterparty where such reporting could result in the reporting counterparty breaching laws applicable in the transaction counterparty's own jurisdiction that restrict or limit the disclosure of information relating to the transaction or to the counterparty or that require the transaction counterparty's consent to such disclosure in circumstances where such consent has not been obtained; and

(b) the requirement for a reporting counterparty to Report certain information (as more fully described below) related to or dependent on a transaction counterparty, which information has not been provided to the reporting counterparty by the transaction counterparty or has not otherwise been obtained by the reporting counterparty at the time of reporting.

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

1. the Ontario Securities Commission (the "**OSC**") is the Principal Regulator for the application; and

2. 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* and MI 11-102 – *Passport System* have the same meanings if used in this decision, unless otherwise defined.

For the purposes of this decision the following terms have the meanings defined below:

"Blocking Law" means any statute, law, enactment, rule, order, judgement, practice, guideline or decree that would restrict or limit a subject person's disclosure of information relating to a Subject Transaction or to the counterparty of a Subject Transaction.

"Consent Requirement" means any statute, law, enactment, rule, order, judgement, practice, guideline or decree that would require a counterparty to a Subject Transaction to consent to a subject person's disclosure of information relating to such Subject Transaction or counterparty.

"Trade Specific Requirement" means a requirement arising under a Blocking Law or in connection with a Consent Requirement that would require that steps be taken to comply therewith in connection with and at the time of a Subject Transaction, on a transaction by transaction basis.

Representations

The Applicant has made the following representations:

1. the Applicant is a Canadian Schedule I bank under the *Bank Act*, with its head office located in Toronto, Ontario;

2. the Applicant enters into derivatives transactions with multiple counterparties across Canada and around the world;

3. the Applicant will be required to Report derivative transaction data in accordance with the applicable Local Reporting Provisions, as mandated by Draft Guideline B-7 of the Office of the Superintendent of Financial Institutions ("**OSFI**");

4. while it is not specifically required by Draft Guideline B-7, the Applicant believes that adhering to the Local Reporting Provisions in Québec and Manitoba is consistent with the principles of the G-20 OTC derivatives reforms, which have been supported by the Government of Canada;

5. on October 29, 2014, the OSC and the Manitoba Securities Commission, and on October 30, 2014, the Autorité des marchés financiers, each published a press release (collectively, the "**Press Releases**") to among other things, provide guidance on the situation where a reporting counterparty may be required to Report a transaction counterparty's LEI despite the fact that such LEI has not been obtained by the transaction counterparty or provided by the transaction counterparty to a reporting counterparty;

6. to the extent that the Press Releases provide guidance in relation to compliance matters pertaining to a transaction counterparty's failure to obtain an LEI or to provide its LEI to the Applicant, the Applicant intends to reflect its understanding of such guidance in complying with the applicable Local Reporting Provisions;

7. the Applicant has established or procured internal technology, systems and procedures that the Applicant believes should enable it to give effect to the Local Reporting Provisions;

8. in order to comply with the Local Reporting Provisions applicable to a transaction, the Applicant may need to: (a) if required by applicable law, obtain a consent from the counterparty to enable the reporting counterparty to disclose information relating to the transaction or counterparty; and (b) receive certain counterparty-specific information, including the counterparty's LEI (or its equivalent), its broker's LEI (where applicable), or information sufficient to enable the Applicant to determine whether the counterparty is a local counterparty (collectively, in respect of a counterparty to a transaction, the "**Required Counterparty Feedback**");

9. the Applicant has engaged in diligent efforts to solicit Required Counterparty Feedback through direct client outreach and through industry efforts; however, despite these efforts, the majority of the Applicant's counterparties have not provided some or all of the Required Counterparty Feedback;

10. a failure to provide the Exemptive Relief Sought could result in inconsistent or disrupted reporting of derivatives data by the Applicant, or in the Applicant not entering into new derivatives transactions with affected transaction counterparties, all of which could have negative implications for the Applicant, the Canadian financial system and the broader Canadian economy;

11. if the Exemptive Relief Sought is granted, the Applicant will continue to make diligent efforts to obtain the Required Counterparty Feedback; and

12. the Applicant is not in default of securities legislation in any jurisdiction.

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 Principal Regulator is that the Exemptive Relief Sought is granted and it orders that, in respect of each transaction that is subject to Reporting in accordance with the applicable Local Reporting Provisions (in each case, a "**Subject Transaction**"):

1. Relief related to Blocking Laws – The Applicant is exempted from the Reporting of creation data under Reporting requirements contained in sections 26, 27(a), 28, 31, 32, 34 and 35 of the applicable Local Reporting Provisions (the "**Reporting Provisions**") only to the extent that the Applicant would be required to Report the creation data contemplated in Appendix A of the applicable Local Reporting Provisions under "Identifier of non-reporting counterparty" in respect of a Subject Transaction, in the following circumstances:

    (A) the Applicant determines that its transaction counterparty or the Subject Transaction is subject to a Blocking Law; or

    (B) the Applicant has yet to determine, or having used reasonable efforts has been unable to determine, if its transaction counterparty or the Subject Transaction is subject to a Blocking Law,

    provided that the Applicant:

        (i) either (x) reports an internal identifier code for its transaction counterparty or (y) if it is not feasible or not practical for the Applicant to Report an internal identifier code for the transaction counterparty in compliance with the applicable Blocking Law, reports that the LEI of the transaction counterparty is undisclosed;

        (ii) prepares and makes available in a timely manner to OSFI and in turn to the OSC (x) a list of all jurisdictions that it reasonably determines are subject to an applicable Blocking Law; and (y) a list of jurisdictions in respect of which the Applicant has yet to determine, or using reasonable efforts has been unable to determine, if an applicable Blocking Law exists;

        (iii) makes diligent efforts to determine whether Blocking Laws exist in the jurisdiction where its transaction counterparty is located; and

        (iv) makes diligent efforts, where required, to correct any reporting it has made in relation to a Subject Transaction in reliance on the foregoing exemptions on a timely basis after any previously applicable Blocking Law no longer applies to limit or restrict the Applicant's disclosure of information relating to the Subject Transaction or the transaction counterparty,

    and provided further that the foregoing exemption will continue to apply in respect of the Subject Transaction during a period of up to 3 months following the date on which the Applicant becomes aware that any previously applicable Blocking Law no longer applies to limit or restrict the Applicant's disclosure of information relating to the Subject Transaction or the transaction counterparty.

2. Relief Related to Consent Requirements – The Applicant is exempted from the Reporting of creation data under the Reporting Provisions only to the extent that the Applicant would be required to Report the creation data contemplated in Appendix A of the applicable Local Reporting Provisions under "Identifier of non-reporting counterparty" in respect of the Subject Transaction, in the following circumstances:

    (A) the Applicant determines that its transaction counterparty or the Subject Transaction is subject to a Consent Requirement that has not been provided by the transaction counterparty to the Applicant; or

    (B) the Applicant has yet to determine, or having used reasonable efforts has been unable to determine, if its transaction counterparty or the Subject Transaction is subject to a Consent Requirement,

provided that the Applicant:

(i) either (x) reports an internal identifier code for its transaction counterparty or (y) if the Applicant has all necessary processes in place to internally identify its transaction counterparty and it is not feasible or not practical for the Applicant to Report an internal identifier code for the transaction counterparty in compliance with the applicable Consent Requirement, reports that the LEI of the transaction counterparty is undisclosed;

(ii) prepares and makes available in a timely manner to OSFI and in turn to the OSC (x) a list of all jurisdictions that it reasonably determines are jurisdictions in which an applicable Consent Requirement exists; and (y) a list of jurisdictions in respect of which the Applicant has yet to determine, or using reasonable efforts has been unable to determine, if an applicable Consent Requirement exists;

(iii) makes diligent efforts to obtain any required consent from the transaction counterparty, other than any consent that would arise in connection with a Trade Specific Requirement; and

(iv) makes diligent efforts, where required, to correct any reporting it has made in relation to the Subject Transaction in reliance on the foregoing exemptions on a timely basis after all consents required to satisfy a Consent Requirement in relation to the Subject Transaction have been obtained by the Applicant,

and provided further that the foregoing exemption will continue to apply in respect of the Subject Transaction during a period of up to 3 months following the later of (x) the date on which the transaction counterparty has provided the Applicant with all such required consents and (y) the date on which the Applicant becomes aware that any previously applicable Consent Requirement no longer applies to limit or restrict the Applicant's disclosure of information relating to the Subject Transaction or the transaction counterparty.

3. Required Counterparty Feedback – The Applicant is exempted from the Reporting of creation data under the applicable Local Reporting Provisions only to the extent that the Applicant would be required to Report the creation data contemplated in Appendix A of the applicable Local Reporting Provisions under "Jurisdiction of non-reporting counterparty" and "Broker/Clearing Intermediary" in respect of the Subject Transaction, in the following circumstances:

(A) Counterparty Status as a Local Counterparty – if the transaction counterparty has not provided the Applicant with Required Counterparty Feedback sufficient to enable the Applicant to determine if the transaction counterparty is a "local counterparty" in the Jurisdiction, provided that the Applicant reports the Subject Transaction to the jurisdiction in which the Applicant has its principal place of business and, if reasonably practicable, makes diligent efforts to use the information from its own systems to Report the Subject Transaction in the transaction counterparty's jurisdiction, in each case if and to the extent it is reportable by the Applicant in such jurisdiction;

(B) Existence of a Guaranteed Affiliate – if the transaction counterparty has not provided the Applicant with Required Counterparty Feedback sufficient to enable the Applicant to determine if the transaction counterparty has an affiliate that is organized under the laws of the Jurisdiction or that has its head office or principal place of business in the Jurisdiction and that is responsible for the liabilities of the transaction counterparty (a "**Guaranteed Affiliate**"), provided that the Applicant otherwise reports the Subject Transaction on the basis that the transaction counterparty is not a Guaranteed Affiliate; or

(C) Broker LEI – if any applicable broker, who acts as an intermediary for the Applicant in respect of the Subject Transaction, without itself becoming a counterparty, has not provided its LEI to the Applicant, provided that the Applicant reports the Subject Transaction on the basis that the creation data contemplated in Appendix A of the applicable Local Reporting Provisions under "Broker/Clearing Intermediary" is undisclosed, until such time as such information has been provided to the Applicant.

provided that the Applicant:

(i) makes diligent efforts to prepare quarterly compliance reports regarding its efforts to obtain Required Counterparty Feedback;

(ii) makes such quarterly compliance reports available in a timely manner to OSFI and in turn to the OSC; and

(iii) makes diligent efforts, where required, to correct any reporting it has made in relation to a Subject Transaction in reliance on the foregoing exemptions on a timely basis after Required Counterparty Feedback has been obtained,

and provided further that the foregoing exemptions will continue to apply in respect of a Subject Transaction during a period of up to 3 months following the date on which previously unknown or unavailable Required Counterparty Feedback has been provided to the Applicant by the transaction counterparty.

4. Effectiveness of the Order – The exemptions provided pursuant to paragraphs 1, 2 and 3 shall cease to be available 1 year after the date hereof.

"Kevin Fine"
Director
Ontario Securities Commission

2.1.12 Royal Bank of Canada

Headnote

OSC Rule 91-507 – derivatives trade reporting obligations – applicant seeking relief from requirements relating to the reporting of certain counterparty information – relief granted, subject to conditions, for a period of one year from the date of the decision.

Applicable Legislative Provisions

OSC Rule 91-507 Trade Repositories and Derivatives Data Reporting, Parts 3 and 6.

TRANSLATION

December 17, 2014

IN THE MATTER OF
THE DERIVATIVES ACT OF
QUÉBEC
(THE PRINCIPAL JURISDICTION)

AND

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

AND

IN THE MATTER OF
ROYAL BANK OF CANADA
(THE APPLICANT)

DECISION

Background

The securities regulatory authority or regulator (each a "**Decision Maker**") in each of Québec, Ontario and Manitoba (collectively, the "**Jurisdictions**") has received an application from the Applicant for an order in Québec pursuant to section 86 of the *Derivatives Act* (Québec), RLRQ, c. I-14.01, in Ontario pursuant to Part 6 of OSC Rule 91-507 – *Trade Repositories and Derivatives Data Reporting* and in Manitoba pursuant to Part 6 of MSC Rule 91-507 – *Trade Repositories and Derivatives Data Reporting*, requesting relief (the "**Exemptive Relief Sought**") from the following derivatives data reporting requirements, arising in relation to new and existing transactions under Chapter 3 of the Autorité des marchés financiers' Regulation 91-507 – *respecting Trade Repositories and Derivatives Data Reporting*, Part 3 of OSC Rule 91-507 – *Trade Repositories and Derivatives Data Reporting* and Part 3 of the MSC Rule 91-507 – *Trade Repositories and Derivatives Data Reporting* (collectively, the "**Local Reporting Provisions**"):

(a) the requirement for a reporting counterparty to report, update, amend or supplement (collectively, "**Report**") the Legal Entity Identifier ("**LEI**") of a transaction counterparty where such reporting could result in the reporting counterparty breaching laws applicable in the transaction counterparty's own jurisdiction that restrict or limit the disclosure of information relating to the transaction or to the counterparty or that require the transaction counterparty's consent to such disclosure in circumstances where such consent has not been obtained;

(b) the requirement for a reporting counterparty to Report certain information (as more fully described below) related to or dependent on a transaction counterparty, which information has not been provided to the reporting counterparty by the transaction counterparty or has not otherwise been obtained by the reporting counterparty at the time of reporting; and

(c) the requirement for a reporting counterparty to Report information in the creation data field entitled "Broker/Clearing Intermediary" where the reporting counterparty has not established reporting systems and procedures that are sufficient to enable it to Report such information.

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

1. the Autorité des marchés financiers (the "**AMF**") is the Principal Regulator for the application; and

2. 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* and MI 11-102 – *Passport System* have the same meanings if used in this decision, unless otherwise defined.

For the purposes of this decision the following terms have the meanings defined below:

"Blocking Law" means any statute, law, enactment, rule, order, judgement, practice, guideline or decree that would restrict or limit a subject person's disclosure of information relating to a Subject Transaction or to the counterparty of a Subject Transaction.

"Consent Requirement" means any statute, law, enactment, rule, order, judgement, practice, guideline or decree that would require a counterparty to a Subject Transaction to consent to a subject person's disclosure of information relating to such Subject Transaction or counterparty.

"Trade Specific Requirement" means a requirement arising under a Blocking Law or in connection with a Consent Requirement that would require that steps be taken to comply therewith in connection with and at the time of a Subject Transaction, on a transaction by transaction basis.

Representations

The Applicant has made the following representations:

1. the Applicant is a Canadian Schedule I bank under the *Bank Act*, with its head office located in Montréal, Québec, and its principal place of business and executive office in Toronto, Ontario;

2. the Applicant enters into derivatives transactions with multiple counterparties across Canada and around the world;

3. the Applicant will be required to Report derivative transaction data in accordance with the applicable Local Reporting Provisions, as mandated by Draft Guideline B-7 of the Office of the Superintendent of Financial Institutions ("**OSFI**");

4. while it is not specifically required by Draft Guideline B-7, the Applicant believes that adhering to the Local Reporting Provisions in Québec and Manitoba is consistent with the principles of the G-20 OTC derivatives reforms, which have been supported by the Government of Canada;

5. on October 29, 2014, the Ontario Securities Commission (the "**OSC**") and the Manitoba Securities Commission, and on October 30, 2014, the AMF, each published a press release (collectively, the "**Press Releases**") to among other things, provide guidance on the situation where a reporting counterparty may be required to Report a transaction counterparty's LEI despite the fact that such LEI has not been obtained by the transaction counterparty or provided by the transaction counterparty to a reporting counterparty;

6. to the extent that the Press Releases provide guidance in relation to compliance matters pertaining to a transaction counterparty's failure to obtain an LEI or to provide its LEI to the Applicant, the Applicant intends to reflect its understanding of such guidance in complying with the applicable Local Reporting Provisions;

7. the Applicant has established or procured internal technology, systems and procedures that the Applicant believes should enable it to give effect to the Local Reporting Provisions, with the exception of the ability to Report data fields requiring completion of an LEI for a broker acting as an intermediary to a transaction;

8. in order to comply with the Local Reporting Provisions applicable to a transaction, the Applicant may need to: (a) if required by applicable law, obtain a consent from the counterparty to enable the reporting counterparty to disclose information relating to the transaction or counterparty; and (b) receive certain counterparty-specific information, including the counterparty's LEI (or its equivalent), its broker's LEI (where applicable), or information sufficient to enable the Applicant to determine whether the counterparty is a local counterparty (collectively, in respect of a counterparty to a transaction, the "**Required Counterparty Feedback**");

9. the Applicant has engaged in diligent efforts to solicit Required Counterparty Feedback through direct client outreach and through industry efforts; however, despite these efforts, the majority of the Applicant's counterparties have not provided some or all of the Required Counterparty Feedback;

10. a failure to provide the Exemptive Relief Sought could result in inconsistent or disrupted reporting of derivatives data by the Applicant, or in the Applicant not entering into new derivatives transactions with affected transaction counterparties, all of which could have negative implications for the Applicant, the Canadian financial system and the broader Canadian economy;

11. if the Exemptive Relief Sought is granted, the Applicant will continue to make diligent efforts to obtain the Required Counterparty Feedback; and

12. the Applicant is not in default of securities legislation in any jurisdiction.

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 Principal Regulator is that the Exemptive Relief Sought is granted and it orders that, in respect of each transaction that is subject to Reporting in accordance with the applicable Local Reporting Provisions (in each case, a "Subject Transaction"):

1. Relief related to Blocking Laws – The Applicant is exempted from the Reporting of creation data under Reporting requirements contained in sections 26, 27(a), 28, 31, 32, 34 and 35 of the applicable Local Reporting Provisions (the "**Reporting Provisions**") only to the extent that the Applicant would be required to Report the creation data contemplated in Appendix A of the applicable Local Reporting Provisions under "Identifier of non-reporting counterparty" in respect of a Subject Transaction, in the following circumstances:

   (A) the Applicant determines that its transaction counterparty or the Subject Transaction is subject to a Blocking Law; or

   (B) the Applicant has yet to determine, or having used reasonable efforts has been unable to determine, if its transaction counterparty or the Subject Transaction is subject to a Blocking Law,

   provided that the Applicant:

   (i) either (x) reports an internal identifier code for its transaction counterparty or (y) if it is not feasible or not practical for the Applicant to Report an internal identifier code for the transaction counterparty in compliance with the applicable Blocking Law, reports that the LEI of the transaction counterparty is undisclosed;

   (ii) prepares and makes available in a timely manner to OSFI and in turn to the AMF and the OSC (x) a list of all jurisdictions that it reasonably determines are subject to an applicable Blocking Law; and (y) a list of jurisdictions in respect of which the Applicant has yet to determine, or using reasonable efforts has been unable to determine, if an applicable Blocking Law exists;

   (iii) makes diligent efforts to determine whether Blocking Laws exist in the jurisdiction where its transaction counterparty is located; and

   (iv) makes diligent efforts, where required, to correct any reporting it has made in relation to a Subject Transaction in reliance on the foregoing exemptions on a timely basis after any previously applicable Blocking Law no longer applies to limit or restrict the Applicant's disclosure of information relating to the Subject Transaction or the transaction counterparty,

   and provided further that the foregoing exemption will continue to apply in respect of the Subject Transaction during a period of up to 3 months following the date on which the Applicant becomes aware that any previously applicable Blocking Law no longer applies to limit or restrict the Applicant's disclosure of information relating to the Subject Transaction or the transaction counterparty.

2. Relief Related to Consent Requirements – The Applicant is exempted from the Reporting of creation data under the Reporting Provisions only to the extent that the Applicant would be required to Report the creation data contemplated

in Appendix A of the applicable Local Reporting Provisions under "Identifier of non-reporting counterparty" in respect of the Subject Transaction, in the following circumstances:

(A) the Applicant determines that its transaction counterparty or the Subject Transaction is subject to a Consent Requirement that has not been provided by the transaction counterparty to the Applicant; or

(B) the Applicant has yet to determine, or having used reasonable efforts has been unable to determine, if its transaction counterparty or the Subject Transaction is subject to a Consent Requirement,

provided that the Applicant:

(i) either (x) reports an internal identifier code for its transaction counterparty or (y) if the Applicant has all necessary processes in place to internally identify its transaction counterparty and it is not feasible or not practical for the Applicant to Report an internal identifier code for the transaction counterparty in compliance with the applicable Consent Requirement, reports that the LEI of the transaction counterparty is undisclosed;

(ii) prepares and makes available in a timely manner to OSFI and in turn to the AMF and the OSC (x) a list of all jurisdictions that it reasonably determines are jurisdictions in which an applicable Consent Requirement exists; and (y) a list of jurisdictions in respect of which the Applicant has yet to determine, or using reasonable efforts has been unable to determine, if an applicable Consent Requirement exists;

(iii) makes diligent efforts to obtain any required consent from the transaction counterparty, other than any consent that would arise in connection with a Trade Specific Requirement; and

(iv) makes diligent efforts, where required, to correct any reporting it has made in relation to the Subject Transaction in reliance on the foregoing exemptions on a timely basis after all consents required to satisfy a Consent Requirement in relation to the Subject Transaction have been obtained by the Applicant,

and provided further that the foregoing exemption will continue to apply in respect of the Subject Transaction during a period of up to 3 months following the later of (x) the date on which the transaction counterparty has provided the Applicant with all such required consents and (y) the date on which the Applicant becomes aware that any previously applicable Consent Requirement no longer applies to limit or restrict the Applicant's disclosure of information relating to the Subject Transaction or the transaction counterparty.

3. Required Counterparty Feedback – The Applicant is exempted from the Reporting of creation data under the applicable Local Reporting Provisions only to the extent that the Applicant would be required to Report the creation data contemplated in Appendix A of the applicable Local Reporting Provisions under "Jurisdiction of non-reporting counterparty" and "Broker/Clearing Intermediary" in respect of the Subject Transaction, in the following circumstances:

(A) Counterparty Status as a Local Counterparty – if the transaction counterparty has not provided the Applicant with Required Counterparty Feedback sufficient to enable the Applicant to determine if the transaction counterparty is a "local counterparty" in the Jurisdiction, provided that the Applicant reports the Subject Transaction to the jurisdiction in which the Applicant has its principal place of business and, if reasonably practicable, makes diligent efforts to use the information from its own systems to Report the Subject Transaction in the transaction counterparty's jurisdiction, in each case if and to the extent it is reportable by the Applicant in such jurisdiction;

(B) Existence of a Guaranteed Affiliate – if the transaction counterparty has not provided the Applicant with Required Counterparty Feedback sufficient to enable the Applicant to determine if the transaction counterparty has an affiliate that is organized under the laws of the Jurisdiction or that has its head office or principal place of business in the Jurisdiction and that is responsible for the liabilities of the transaction counterparty (a "**Guaranteed Affiliate**"), provided that the Applicant otherwise reports the Subject Transaction on the basis that the transaction counterparty is not a Guaranteed Affiliate; or

(C) Broker LEI – if any applicable broker, who acts as an intermediary for the Applicant in respect of the Subject Transaction, without itself becoming a counterparty, has not provided its LEI to the Applicant, provided that the Applicant reports the Subject Transaction on the basis that the creation data contemplated in Appendix A of the applicable Local Reporting Provisions under "Broker/Clearing Intermediary" is undisclosed, until such time as such information has been provided to the Applicant.

provided that the Applicant:

(i) makes diligent efforts to prepare quarterly compliance reports regarding its efforts to obtain Required Counterparty Feedback;

(ii) makes such quarterly compliance reports available in a timely manner to OSFI and in turn to the AMF and the OSC; and

(iii) makes diligent efforts, where required, to correct any reporting it has made in relation to a Subject Transaction in reliance on the foregoing exemptions on a timely basis after Required Counterparty Feedback has been obtained,

and provided further that the foregoing exemptions will continue to apply in respect of a Subject Transaction during a period of up to 3 months following the date on which previously unknown or unavailable Required Counterparty Feedback has been provided to the Applicant by the transaction counterparty.

4. Broker LEIs – The Applicant is exempted from the Reporting of creation data under the Reporting Provisions only to the extent that the Applicant is required to Report the creation data contemplated in Appendix A of the applicable Local Reporting Provisions under "Broker/Clearing Intermediary" in respect of the Subject Transaction until such time as the Applicant has established or procured the necessary systems and infrastructure to enable the Applicant to Report such data, provided that the Applicant:

(i) makes diligent efforts to establish such systems and infrastructure;

(ii) makes diligent efforts to prepare quarterly compliance reports regarding its efforts to establish such systems and infrastructure;

(iii) makes such quarterly compliance reports available in a timely manner to OSFI and in turn to the AMF and the OSC; and

(iv) makes diligent efforts, where required, to correct any reporting it has made in relation to a Subject Transaction in reliance on the foregoing exemptions on a timely basis after such systems and infrastructure has been established,

and provided further that the foregoing exemption will continue to apply in respect of the Subject Transaction during a period of up to 3 months following the date on which the Applicant has implemented any systems, processes or other changes that the Applicant determines are needed in order to satisfy the applicable Local Reporting Provisions in respect of the Subject Transaction.

5. Effectiveness of the Order – The exemptions provided pursuant to paragraphs 1, 2, 3 and 4 shall cease to be available 1 year after the date hereof.

Derek West
Directeur principal de l'encadrement des dérivés
Autorité des marchés financiers

2.1.13 National Bank of Canada

Headnote

OSC Rule 91-507 – derivatives trade reporting obligations – applicant seeking relief from requirements relating to the reporting of certain counterparty information – relief granted, subject to conditions, for a period of one year from the date of the decision.

Applicable Legislative Provisions

OSC Rule 91-507 Trade Repositories and Derivatives Data Reporting, Parts 3 and 6.

TRANSLATION

December 17, 2014

IN THE MATTER OF
THE DERIVATIVES ACT OF
QUÉBEC
(THE PRINCIPAL JURISDICTION)

AND

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

AND

IN THE MATTER OF
NATIONAL BANK OF CANADA
(THE APPLICANT)

DECISION

Background

The securities regulatory authority or regulator (each a "**Decision Maker**") in each of Québec, Ontario and Manitoba (collectively, the "**Jurisdictions**") has received an application from the Applicant for an order in Québec pursuant to section 86 of the *Derivatives Act* (Québec), RLRQ, c. I-14.01, in Ontario pursuant to Part 6 of OSC Rule 91-507 – *Trade Repositories and Derivatives Data Reporting* and in Manitoba pursuant to Part 6 of MSC Rule 91-507 – *Trade Repositories and Derivatives Data Reporting*, requesting relief (the "**Exemptive Relief Sought**") from the following derivatives data reporting requirements, arising in relation to new and existing transactions under Chapter 3 of the Autorité des marchés financiers' Regulation 91-507 – *respecting Trade Repositories and Derivatives Data Reporting*, Part 3 of OSC Rule 91-507 – *Trade Repositories and Derivatives Data Reporting* and Part 3 of the MSC Rule 91-507 – *Trade Repositories and Derivatives Data Reporting* (collectively, the "**Local Reporting Provisions**"):

(a) the requirement for a reporting counterparty to report, update, amend or supplement (collectively, "**Report**") the Legal Entity Identifier ("**LEI**") of a transaction counterparty where such reporting could result in the reporting counterparty breaching laws applicable in the transaction counterparty's own jurisdiction that restrict or limit the disclosure of information relating to the transaction or to the counterparty or that require the transaction counterparty's consent to such disclosure in circumstances where such consent has not been obtained; and

(b) the requirement for a reporting counterparty to Report certain information (as more fully described below) related to or dependent on a transaction counterparty, which information has not been provided to the reporting counterparty by the transaction counterparty or has not otherwise been obtained by the reporting counterparty at the time of reporting.

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

1. the Autorité des marchés financiers (the "**AMF**") is the Principal Regulator for the application; and

2. 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* and MI 11-102 – *Passport System* have the same meanings if used in this decision, unless otherwise defined.

For the purposes of this decision the following terms have the meanings defined below:

"Blocking Law" means any statute, law, enactment, rule, order, judgement, practice, guideline or decree that would restrict or limit a subject person's disclosure of information relating to a Subject Transaction or to the counterparty of a Subject Transaction.

"Consent Requirement" means any statute, law, enactment, rule, order, judgement, practice, guideline or decree that would require a counterparty to a Subject Transaction to consent to a subject person's disclosure of information relating to such Subject Transaction or counterparty.

"Trade Specific Requirement" means a requirement arising under a Blocking Law or in connection with a Consent Requirement that would require that steps be taken to comply therewith in connection with and at the time of a Subject Transaction, on a transaction by transaction basis.

Representations

The Applicant has made the following representations:

1. the Applicant is a Canadian Schedule I bank under the *Bank Act*, with its head office located in Montréal, Québec;

2. the Applicant enters into derivatives transactions with multiple counterparties across Canada and around the world;

3. the Applicant will be required to Report derivative transaction data in accordance with the applicable Local Reporting Provisions, as mandated by Draft Guideline B-7 of the Office of the Superintendent of Financial Institutions ("OSFI");

4. on October 29, 2014, the Ontario Securities Commission and the Manitoba Securities Commission, and on October 30, 2014, the AMF, each published a press release (collectively, the "**Press Releases**") to among other things, provide guidance on the situation where a reporting counterparty may be required to Report a transaction counterparty's LEI despite the fact that such LEI has not been obtained by the transaction counterparty or provided by the transaction counterparty to a reporting counterparty;

5. to the extent that the Press Releases provide guidance in relation to compliance matters pertaining to a transaction counterparty's failure to obtain an LEI or to provide its LEI to the Applicant, the Applicant intends to reflect its understanding of such guidance in complying with the applicable Local Reporting Provisions;

6. the Applicant has established or procured internal technology, systems and procedures that the Applicant believes should enable it to give effect to the Local Reporting Provisions;

7. in order to comply with the Local Reporting Provisions applicable to a transaction, the Applicant may need to: (a) if required by applicable law, obtain a consent from the counterparty to enable the reporting counterparty to disclose information relating to the transaction or counterparty; and (b) receive certain counterparty-specific information, including the counterparty's LEI (or its equivalent), its broker's LEI (where applicable), or information sufficient to enable the Applicant to determine whether the counterparty is a local counterparty (collectively, in respect of a counterparty to a transaction, the "**Required Counterparty Feedback**");

8. the Applicant has engaged in diligent efforts to solicit Required Counterparty Feedback through direct client outreach and through industry efforts; however, despite these efforts, a significant percentage of the Applicant's counterparties have not provided some or all of the Required Counterparty Feedback;

9. a failure to provide the Exemptive Relief Sought could result in inconsistent or disrupted reporting of derivatives data by the Applicant, or in the Applicant not entering into new derivatives transactions with affected transaction counterparties, all of which could have negative implications for the Applicant, the Canadian financial system and the broader Canadian economy;

10. if the Exemptive Relief Sought is granted, the Applicant will continue to make diligent efforts to obtain the Required Counterparty Feedback; and

11. the Applicant is not in default of securities legislation in any jurisdiction.

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 Principal Regulator is that the Exemptive Relief Sought is granted and it orders that, in respect of each transaction that is subject to Reporting in accordance with the applicable Local Reporting Provisions (in each case, a "Subject Transaction"):

1. Relief related to Blocking Laws – The Applicant is exempted from the Reporting of creation data under Reporting requirements contained in sections 26, 27(a), 28, 31, 32, 34 and 35 of the applicable Local Reporting Provisions (the "**Reporting Provisions**") only to the extent that the Applicant would be required to Report the creation data contemplated in Appendix A of the applicable Local Reporting Provisions under "Identifier of non-reporting counterparty" in respect of a Subject Transaction, in the following circumstances:

   (A) the Applicant determines that its transaction counterparty or the Subject Transaction is subject to a Blocking Law; or

   (B) the Applicant has yet to determine, or having used reasonable efforts has been unable to determine, if its transaction counterparty or the Subject Transaction is subject to a Blocking Law,

   provided that the Applicant:

   (i) either (x) reports an internal identifier code for its transaction counterparty or (y) if it is not feasible or not practical for the Applicant to Report an internal identifier code for the transaction counterparty in compliance with the applicable Blocking Law, reports that the LEI of the transaction counterparty is undisclosed;

   (ii) prepares and makes available in a timely manner to OSFI and in turn to the AMF (x) a list of all jurisdictions that it reasonably determines are subject to an applicable Blocking Law; and (y) a list of jurisdictions in respect of which the Applicant has yet to determine, or using reasonable efforts has been unable to determine, if an applicable Blocking Law exists;

   (iii) makes diligent efforts to determine whether Blocking Laws exist in the jurisdiction where its transaction counterparty is located; and

   (iv) makes diligent efforts, where required, to correct any reporting it has made in relation to a Subject Transaction in reliance on the foregoing exemptions on a timely basis after any previously applicable Blocking Law no longer applies to limit or restrict the Applicant's disclosure of information relating to the Subject Transaction or the transaction counterparty,

   and provided further that the foregoing exemption will continue to apply in respect of the Subject Transaction during a period of up to 3 months following the date on which the Applicant becomes aware that any previously applicable Blocking Law no longer applies to limit or restrict the Applicant's disclosure of information relating to the Subject Transaction or the transaction counterparty.

2. Relief Related to Consent Requirements – The Applicant is exempted from the Reporting of creation data under the Reporting Provisions only to the extent that the Applicant would be required to Report the creation data contemplated in Appendix A of the applicable Local Reporting Provisions under "Identifier of non-reporting counterparty" in respect of the Subject Transaction, in the following circumstances:

   (A) the Applicant determines that its transaction counterparty or the Subject Transaction is subject to a Consent Requirement that has not been provided by the transaction counterparty to the Applicant; or

   (B) the Applicant has yet to determine, or having used reasonable efforts has been unable to determine, if its transaction counterparty or the Subject Transaction is subject to a Consent Requirement,

   provided that the Applicant:

   (i) either (x) reports an internal identifier code for its transaction counterparty or (y) if the Applicant has all necessary processes in place to internally identify its transaction counterparty and it is not feasible or not practical for the Applicant to Report an internal identifier code for the transaction counterparty

in compliance with the applicable Consent Requirement, reports that the LEI of the transaction counterparty is undisclosed;

(ii) prepares and makes available in a timely manner to OSFI and in turn to the AMF (x) a list of all jurisdictions that it reasonably determines are jurisdictions in which an applicable Consent Requirement exists; and (y) a list of jurisdictions in respect of which the Applicant has yet to determine, or using reasonable efforts has been unable to determine, if an applicable Consent Requirement exists;

(iii) makes diligent efforts to obtain any required consent from the transaction counterparty, other than any consent that would arise in connection with a Trade Specific Requirement; and

(iv) makes diligent efforts, where required, to correct any reporting it has made in relation to the Subject Transaction in reliance on the foregoing exemptions on a timely basis after all consents required to satisfy a Consent Requirement in relation to the Subject Transaction have been obtained by the Applicant,

and provided further that the foregoing exemption will continue to apply in respect of the Subject Transaction during a period of up to 3 months following the later of (x) the date on which the transaction counterparty has provided the Applicant with all such required consents and (y) the date on which the Applicant becomes aware that any previously applicable Consent Requirement no longer applies to limit or restrict the Applicant's disclosure of information relating to the Subject Transaction or the transaction counterparty.

3. Required Counterparty Feedback – The Applicant is exempted from the Reporting of creation data under the applicable Local Reporting Provisions only to the extent that the Applicant would be required to Report the creation data contemplated in Appendix A of the applicable Local Reporting Provisions under "Jurisdiction of non-reporting counterparty" and "Broker/Clearing Intermediary" in respect of the Subject Transaction, in the following circumstances:

(A) Counterparty Status as a Local Counterparty – if the transaction counterparty has not provided the Applicant with Required Counterparty Feedback sufficient to enable the Applicant to determine if the transaction counterparty is a "local counterparty" in the Jurisdiction, provided that the Applicant reports the Subject Transaction to the jurisdiction in which the Applicant has its principal place of business and, if reasonably practicable, makes diligent efforts to use the information from its own systems to Report the Subject Transaction in the transaction counterparty's jurisdiction, in each case if and to the extent it is reportable by the Applicant in such jurisdiction;

(B) Existence of a Guaranteed Affiliate – if the transaction counterparty has not provided the Applicant with Required Counterparty Feedback sufficient to enable the Applicant to determine if the transaction counterparty has an affiliate that is organized under the laws of the Jurisdiction or that has its head office or principal place of business in the Jurisdiction and that is responsible for the liabilities of the transaction counterparty (a "**Guaranteed Affiliate**"), provided that the Applicant otherwise reports the Subject Transaction on the basis that the transaction counterparty is not a Guaranteed Affiliate; or

(C) Broker LEI – if any applicable broker, who acts as an intermediary for the Applicant in respect of the Subject Transaction, without itself becoming a counterparty, has not provided its LEI to the Applicant, provided that the Applicant reports the Subject Transaction on the basis that the creation data contemplated in Appendix A of the applicable Local Reporting Provisions under "Broker/Clearing Intermediary" is undisclosed, until such time as such information has been provided to the Applicant.

provided that the Applicant:

(i) makes diligent efforts to prepare quarterly compliance reports regarding its efforts to obtain Required Counterparty Feedback;

(ii) makes such quarterly compliance reports available in a timely manner to OSFI and in turn to the AMF; and

(iii) makes diligent efforts, where required, to correct any reporting it has made in relation to a Subject Transaction in reliance on the foregoing exemptions on a timely basis after Required Counterparty Feedback has been obtained,

and provided further that the foregoing exemptions will continue to apply in respect of a Subject Transaction during a period of up to 3 months following the date on which previously unknown or unavailable Required Counterparty Feedback has been provided to the Applicant by the transaction counterparty.

4. Effectiveness of the Order – The exemptions provided pursuant to paragraphs 1, 2 and 3 shall cease to be available 1 year after the date hereof.

Derek West
Directeur principal de l'encadrement des dérivés
Autorité des marchés financiers

2.2 Orders

2.2.1 Bluestream Capital Corporation et al. – s. 127

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

AND

IN THE MATTER OF
BLUESTREAM CAPITAL CORPORATION,
BLUESTREAM INTERNATIONAL INVESTMENTS INC.,
KROWN CONSULTING CORP.,
1859585 ONTARIO LTD.
(operating as SOVEREIGN INTERNATIONAL INVESTMENTS)
and PETER BALAZS

ORDER
(Section 127)

WHEREAS on March 12, 2014, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), in relation to a Statement of Allegations filed by Staff of the Commission ("Staff") on March 11, 2014, to consider whether it is in the public interest to make certain orders against Bluestream Capital Corporation ("Bluestream Capital"), Bluestream International Investments Inc. ("Bluestream International"), Krown Consulting Corp. ("Krown"), 1859585 Ontario Ltd. (operating as Sovereign International Investments) ("Sovereign") (together, the "Corporate Respondents") and Peter Balazs ("Balazs") (together with the Corporate Respondents, the "Respondents");

AND WHEREAS the Notice of Hearing set a hearing in this matter for April 2, 2014 at 10:00 a.m.;

AND WHEREAS on April 2, 2014, Staff attended the hearing and Balazs attended on his own behalf and on behalf of Bluestream International, Krown, and Sovereign;

AND WHEREAS on April 2, 2014 the Commission ordered that this matter be adjourned to a confidential pre-hearing conference on June 26, 2014 at 10:00 a.m.;

AND WHEREAS on June 26, 2014, Staff attended the confidential pre-hearing conference while no one appeared on behalf of Balazs or the Corporate Respondents, although the Respondents were properly served with notice of the hearing;

AND WHEREAS on June 26, 2014, the Commission ordered that the hearing on the merits in this matter will commence on January 12, 2015 at 10:00 a.m and will continue through January 21, 2015, except for January 13, 2015 (the "June 26 Order");

AND WHEREAS on December 9, 2014, Staff attended a status update while no one appeared on behalf of Balazs or the Corporate Respondents;

AND WHEREAS Staff filed the Affidavit of Maria Sequeria, sworn August 22, 2014, evidencing service of the June 26 Order on the Respondents;

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

IT IS HEREBY ORDERED that the hearing on the merits in this matter will proceed on January 12, 2015 and continue as currently scheduled or such other dates as are agreed to by the parties and fixed by the Office of the Secretary.

DATED at Toronto, this 9th day of December, 2014.

"Alan J. Lenczner"

2.2.2 7997698 Canada Inc. et al. – ss. 127(7), 127(8)

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

AND

IN THE MATTER OF
7997698 CANADA INC.,
carrying on business as
INTERNATIONAL LEGAL AND ACCOUNTING SERVICES INC., WORLD INCUBATION CENTRE, or WIC (ON), JOHN LEE also known as CHIN LEE, and MARY HUANG also known as NING-SHENG MARY HUANG

TEMPORARY ORDER
(Subsection 127(7) or 127(8))

WHEREAS on November 21, 2014, the Ontario Securities Commission (the "Commission") issued a temporary order, pursuant to subsections 127(1) and 127(5) of the *Securities Act*, R.S.O., c. S.5., as amended (the "Act"), ordering the following:

1. that all trading in any securities by 7997698 Canada Inc., carrying on business as International Legal and Accounting Services Inc., World Incubation Centre, or WIC (ON) ("7997698"), John Lee also known as Chin Lee ("Lee"), and Mary Huang also known as Ning-Sheng Mary Huang ("Huang") shall cease; and

2. that the exemptions contained in Ontario securities law do not apply to any of 7997698, Lee, and Huang (the "Temporary Order");

AND WHEREAS on November 21, 2014, the Commission ordered that the Temporary Order shall expire on the 15th day after its making unless extended by order of the Commission;

AND WHEREAS on November 24, 2014, the Commission issued a Notice of Hearing to consider, among other things, the extension of the Temporary Order, to be held on Wednesday December 3, 2014, at 10:00 a.m. (the "Notice of Hearing");

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

AND WHEREAS Staff of the Commission ("Staff") served the Respondents with copies of the Temporary Order, the Notice of Hearing, the Hearing Brief, the Supplementary Hearing Brief, and Staff's Written Submissions and Brief of Authorities as evidenced by the Affidavits of Service sworn by Steve Carpenter on December 1, 2014, and December 2, 2014, and filed with the Commission;

AND WHEREAS the Commission held a hearing on December 3, 2014, at which Lee attended but Huang did not attend although properly served;

AND WHEREAS the Commission heard submissions from counsel for Staff and from Lee on his own behalf and on behalf of 7997698 and Huang;

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

IT IS HEREBY ORDERED that the Temporary Order is extended to June 3, 2015; and specifically:

1. that all trading in any securities by 7997698, Lee, and Huang shall cease; and

2. that the exemptions contained in Ontario securities law do not apply to any of 7997698, Lee, and Huang; and

IT IS FURTHER ORDERED that the Hearing is adjourned to Wednesday, May 27, 2015, at 10:00 a.m or such other date as may be determined by the Office of the Secretary.

DATED at Toronto this 3rd day of December, 2014.

"Mary G. Condon"

2.2.3 GITC Investments and Trading Canada Ltd. et al. – ss. 127(1), 127(5)

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

AND

IN THE MATTER OF
GITC INVESTMENTS AND TRADING CANADA LTD.
carrying on business as
GITC INVESTMENTS AND TRADING CANADA INC.
and GITC, GITC INC., and AMAL TAWFIQ ASFOUR

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

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

1. GITC Investments & Trading Canada Ltd. carrying on business as GITC Investments and Trading Canada Inc. and GITC ("GITC") is a New Brunswick corporation that is registered in Ontario as an extra-provincial corporation;

2. GITC Inc. is a Canadian corporation with a business address in Ontario;

3. Amal Tawfiq Asfour ("Asfour") is a director of and is the directing mind of GITC and GITC Inc., and is an Ontario resident;

4. GITC, GITC Inc., and Asfour (collectively, the "Respondents") may have engaged in or held themselves out as engaging in the business of trading in securities without being registered in accordance with Ontario securities law and without an exemption from the registration requirement contrary to subsection 25(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") and National Instrument 31-103 – *Registration Requirements, Exemptions, and Ongoing Registration Obligations*;

5. None of the Respondents are registered in accordance with Ontario securities law as a dealer or are exempt under Ontario securities law from the requirement to comply with subsection 25(1) of the Act;

6. The Respondents may have traded securities that were a distribution without a prospectus having been filed with the Director and without the exemption from the prospectus requirement contrary to subsection 53(1) of the Act;

7. GITC and GITC Inc. are not reporting issuers. No prospectus receipt has been issued with respect to GITC and GITC Inc. No report of exempt distribution with respect to GITC or GITC Inc. has been filed with the Commission pursuant to section 6.1 of National Instrument 45-106;

8. Asfour may have authorized, permitted or acquiesced in the noncompliance with the Act by GITC and GITC Inc. contrary to section 129.2 of the Act;

9. Staff is continuing to investigate the conduct described above;

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

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

AND WHEREAS by Authorization Order made October 21, 2014, pursuant to subsection 3.5(3) of the Act, any one of Howard I. Wetston, James E. A. Turner, Monica Kowal, James D. Carnwath, Mary G. Condon, Edward P. Kerwin, Alan J. Lenczner, and Christopher Portner, acting alone, is authorized to make orders under section 127 of the Act;

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

(a) pursuant to clause 2 of subsection 127(1), all trading in any securities by GITC shall cease;

(b) pursuant to clause 2 of subsection 127(1), all trading in any securities by GITC Inc. shall cease.

(c) pursuant to clause 2 of subsection 127(1), all trading in any securities by Asfour shall cease; and

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

IT IS FURTHER ORDERED that pursuant to subsection 127(6) of the Act, this Order shall take effect immediately and shall expire on the 15th day after its making unless extended by Order of the Commission.

DATED at Toronto this 11th day of December, 2014.

"James Turner"
Vice-Chair

2.2.4 Telus Corporation – s. 104(2)(c)

Headnote

Subsection 104(2)(c) of the Act – Issuer bid – relief from issuer bid requirements in sections 94 to 94.8 and 97 to 98.7 of the Act – Issuer proposes to purchase, at a discounted purchase price, up to 1,200,000 of its common shares from one of its shareholders – due to the discounted purchase price, proposed purchases cannot be made through the TSX trading system – but for the fact that the proposed purchases cannot be made through the TSX trading system, the Issuer could otherwise acquire the subject shares in reliance upon the issuer bid exemption available under section 101.2 of the Act and in accordance with the TSX rules governing normal course issuer bid purchases – the selling shareholder did not purchase the subject shares in anticipation or contemplation of resale to the Issuer and has not, for a minimum of 30 days prior to the date of the application seeking the requested relief, purchased common shares of the Issuer in anticipation or contemplation of resale to the Issuer – no adverse economic impact on, or prejudice to, the Issuer or public shareholders – proposed purchases exempt from the issuer bid requirements in sections 94 to 94.8 and 97 to 98.7 of the Act, subject to conditions, including that the Issuer not purchase, in the aggregate, more than one-third of the maximum number of shares to be purchased under its normal course issuer bid by way of off-exchange block purchases, and that the Issuer will not make any proposed purchase unless it has first obtained written confirmation that the selling shareholder has not purchased common shares of the Issuer on the open market between the date of the order and the date on which the proposed purchase is completed.

Applicable Legislative Provisions

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

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

AND

IN THE MATTER OF
TELUS CORPORATION

ORDER
(Clause 104(2)(c))

UPON the application (the "**Application**") of TELUS Corporation (the "**Issuer**") to the Ontario Securities Commission (the "**Commission**") for an order pursuant to clause 104(2)(c) of the *Securities Act* (Ontario) (the "**Act**") exempting the Issuer from the requirements of sections 94 to 94.8, inclusive, and sections 97 to 98.7, inclusive, of the Act (the "**Issuer Bid Requirements**") in respect of the proposed purchases by the Issuer of up to 1,200,000 (the "**Subject Shares**") of its Common Shares (the "**Common Shares**") in one or more trades with National Bank of Canada (the "**Selling Shareholder**").

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

AND UPON the Issuer (and the Selling Shareholder in respect of paragraphs 5, 6, 7, 8, 11, 23, 24 and 27 as they relate to the Selling Shareholder) having represented to the Commission that:

1. The Issuer is a corporation governed by the *Business Corporations Act* (British Columbia).

2. The Issuer maintains its registered office at Floor 5, 3777 Kingsway, Burnaby, British Columbia and its executive office at Floor 8, 555 Robson, Vancouver, British Columbia.

3. The Issuer is a reporting issuer in each of the provinces of Canada and the Common Shares of the Issuer are listed for trading on the Toronto Stock Exchange (the "**TSX**") and the New York Stock Exchange (the "**NYSE**"). The Issuer is not in default of any requirement of the securities legislation in the jurisdictions in which it is a reporting issuer.

4. The authorized share capital of the Issuer consists of 4,000,000,000 shares, divided into: (i) 2,000,000,000 Common Shares without par value; (ii) 1,000,000,000 First Preferred shares without par value; and (iii) 1,000,000,000 Second Preferred shares without par value. As at November 30, 2014, 610,815,404 Common Shares, no First Preferred Shares and no Second Preferred Shares were issued and outstanding.

5. The corporate headquarters of the Selling Shareholder are located in the Province of Québec. The trades contemplated by this application will be executed and settled in the Province of Ontario. The Issuer has been advised that the Selling Shareholder's Toronto branch office located in the Province of Ontario intends to undertake the negotiation, execution and delivery of each Agreement (defined below) and the execution and settlement of trades contemplated thereunder.

6. The Selling Shareholder has advised the Issuer that it does not directly or indirectly own more than 5% of the issued and outstanding Common Shares.

7. The Selling Shareholder is the beneficial owner of at least 1,200,000 Common Shares. None of the Subject Shares were acquired by, or on behalf of, the Selling Shareholder in anticipation or contemplation of resale to the Issuer.

8. The Selling Shareholder is at arm's length to the Issuer and is not an "insider" of the Issuer or an

"associate" of an "insider" of the Issuer, or an "associate" or "affiliate" of the Issuer, as such terms are defined in the Act. The Selling Shareholder is an "accredited investor" within the meaning of National Instrument 45-106 *Prospectus and Registration Exemptions*.

9. Pursuant to a "Notice of Intention to Make a Normal Course Issuer Bid" filed with the TSX as of September 28, 2014 (the "**Notice**"), the Issuer is permitted to make normal course issuer bid (the "**Normal Course Issuer Bid**") purchases for up to 16,000,000 Common Shares subject to a maximum aggregate purchase price consideration of $500.0 million. In accordance with the Notice, the Normal Course Issuer Bid is conducted through the facilities of the TSX, the NYSE or alternative Canadian trading platforms, or such other means as may be permitted by the TSX or a securities regulatory authority, in accordance with sections 628 to 629.3 of Part VI of the TSX Company Manual (the "**TSX NCIB Rules**"), including, private agreements under an issuer bid exemption order issued by a securities regulatory authority (each, an "**Off Exchange Block Purchase**").

10. On September 30, 2014, the Issuer entered into an automatic repurchase plan (the "**ARP**") with a broker providing for automatic purchases of Common Shares to be conducted by the broker on the TSX or alternative Canadian trading platforms within pre-determined parameters as part of the Normal Course Issuer Bid at such times when the Issuer would not be permitted to trade in its shares during internal blackout periods, including regularly scheduled quarterly blackout periods. Under the ARP, at times when it is not subject to blackout restrictions, the Issuer may, but is not required to, instruct the designated broker to make purchases under its Normal Course Issuer Bid in accordance with the terms of the ARP. Such purchases will be determined by the designated broker in its sole discretion based on parameters established by the Issuer prior to any blackout period in accordance with TSX rules, applicable securities laws (including this Order) and the terms of the agreement between the broker and the Issuer. The ARP has been approved by the TSX and has been implemented on October 1, 2014. The Issuer will instruct the broker not to conduct a Block Purchase (defined below) in accordance with the TSX NCIB Rules during the calendar week in which the Issuer completes a Proposed Purchase (defined below). No Subject Shares will be acquired under the ARP or otherwise during the Issuer's blackout periods.

11. The Issuer and the Selling Shareholder intend to enter into one or more agreements of purchase and sale (each, an "**Agreement**") pursuant to which the Issuer will agree to acquire some or all of the Subject Shares from the Selling Shareholder by one or more purchases each occurring on or before December 31, 2014 (each such purchase, a "**Proposed Purchase**") for a purchase price (each, a "**Purchase Price**") that will be negotiated at arm's length between the Issuer and the Selling Shareholder. The Purchase Price, in each case, will be at a discount to the prevailing market price of the Common Shares on the TSX and below the bid-ask price on the TSX for the Common Shares at the time of each Proposed Purchase.

12. The Subject Shares acquired under each Proposed Purchase will constitute a "block" as that term is defined in section 628 of the TSX NCIB Rules.

13. The purchase of the Subject Shares by the Issuer pursuant to each Agreement will constitute an "issuer bid" for purposes of the Act to which the Issuer Bid Requirements would apply.

14. Because the Purchase Price, in each case, will be at a discount to the prevailing market price and below the bid-ask price for the Common Shares on the TSX at the time of each Proposed Purchase, each Proposed Purchase cannot be made through the TSX trading system and, therefore, will not occur "through the facilities" of the TSX. As a result, the Issuer will be unable to acquire the Subject Shares from the Selling Shareholder in reliance upon the exemption from the Issuer Bid Requirements that is available pursuant to section 101.2(1) of the Act.

15. But for the fact that the Purchase Price will be at a discount to the prevailing market price and below the bid-ask price for the Common Shares on the TSX at the time of each Proposed Purchase, the Issuer could otherwise acquire the Subject Shares through the facilities of the TSX as a "block purchase" (a "**Block Purchase**") in accordance with the block purchase exception in section 629(l)7 of the TSX NCIB Rules and the exemption from the Issuer Bid Requirements that is available pursuant to section 101.2(1) of the Act.

16. The sale of any of the Subject Shares to the Issuer will not be a "distribution" (as defined in the Act).

17. The Notice contemplates that purchases under the Normal Course Issuer Bid may be made by such other means as may be permitted by the TSX or a securities regulatory authority, including, private agreements under an issuer bid exemption order issued by a securities regulatory authority.

18. For each Proposed Purchase, the Issuer will be able to acquire the Subject Shares from the Selling Shareholder without the Issuer being subject to the dealer registration requirements of the Act.

19. The Issuer is of the view that through the Proposed Purchases, it will be able to purchase the Subject Shares at a lower price than the price at which it would be able to purchase Common Shares under the Normal Course Issuer Bid through the facilities of the TSX and the exemption from the Issuer Bid Requirements available pursuant to subsection 101.2(1) of the Act, and the Issuer is of the view that this is an appropriate use of the Issuer's funds on hand.

20. The purchase of the Subject Shares will not adversely affect the Issuer or the rights of any of the Issuer's security holders and it will not materially affect the control of the Issuer. To the knowledge of the Issuer, the Proposed Purchases will not prejudice the ability of other shareholders of the Issuer to otherwise sell Common Shares in the open market at the then prevailing market price. The Proposed Purchases will be carried out with a minimum of cost to the Issuer.

21. To the best of the Issuer's knowledge, as of November 30, 2014, the "public float" (calculated in accordance with the TSX NCIB Rules) for the Common Shares represented more than 99.64% of all issued and outstanding Common Shares for purposes of the TSX NCIB Rules.

22. The Common Shares are "highly liquid securities" within the meaning of section 1.1 of OSC Rule 48-501 *Trading During Distributions, Formal Bids and Share Exchange Transactions* and section 1.1 of the Universal Market Integrity Rules.

23. Other than the Purchase Price, no additional fee or other consideration will be paid in connection with the Proposed Purchases.

24. At the time that each Agreement is entered into by the Issuer and the Selling Shareholder and at the time of each Proposed Purchase, neither the Issuer nor the trading group of, nor personnel of, the Selling Shareholder that have negotiated the Agreement or have made, or participated in the making of, or provided advice in connection with, the decision to enter into the Agreement and sell the Subject Shares, will be aware of any "material change" or any "material fact" (each as defined in the Act) in respect of the Issuer that has not been generally disclosed.

25. The Issuer will not purchase, pursuant to Off Exchange Block Purchases, in the aggregate, more than one-third of the maximum number of Common Shares that the Issuer can purchase under its Normal Course Issuer Bid, such one-third being equal to 5,333,333 Common Shares as of the date of this Order.

26. The Issuer will not purchase Common Shares pursuant to the Proposed Purchases during designated blackout periods administered in accordance with the Issuer's corporate policies.

27. No Common Shares were purchased by, or on behalf of, the Selling Shareholder on or after November 1, 2014, being the date that was 30 days prior to the date of the application of the Issuer seeking this Order, in anticipation or contemplation of a sale of Common Shares to the Issuer.

28. To date, the Issuer has not purchased any Common Shares under the Normal Course Issuer Bid pursuant to Off Exchange Block Purchases.

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

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

a) the Proposed Purchases will be taken into account by the Issuer when calculating the maximum annual aggregate limit that is imposed upon the Issuer's Normal Course Issuer Bid in accordance with the TSX NCIB Rules;

b) the Issuer will refrain from conducting a Block Purchase in accordance with the TSX NCIB Rules or an Off Exchange Block Purchase during the calendar week that it completes each Proposed Purchase and may not make any further purchases under the Normal Course Issuer Bid for the remainder of that calendar day on which it completes each Proposed Purchase;

c) the Purchase Price in respect of each Proposed Purchase will be at a discount to the last "independent trade" (as that term is used in paragraph 629(l)1 of the TSX NCIB Rules) of a board lot of Common Shares immediately prior to the execution of such Proposed Purchase;

d) the Issuer will otherwise acquire any additional Common Shares pursuant to the Normal Course Issuer Bid and in accordance with the Notice and the TSX NCIB Rules, as applicable, subject to condition (i) below;

e) immediately following each Proposed Purchase of the Subject Shares from the Selling Shareholder, the Issuer will report the purchase of the Subject Shares to the TSX;

f) at the time that each Agreement is entered into by the Issuer and the Selling Shareholder and at the time of each Proposed Purchase, neither the Issuer, nor the trading group of, nor personnel of, the Selling Shareholder that have negotiated the Agreement or have made, or participated in the making of, or provided advice in connection with, the decision to enter into the Agreement and sell the Subject Shares, will be aware of any "material change" or any "material fact" (each as defined in the Act) in respect of the Issuer that has not been generally disclosed;

g) the Issuer will issue a press release disclosing (i) its intention to make the Proposed Purchases, and where such Proposed Purchases are made in tranches, in advance of the first tranche purchased from the Selling Shareholder, and (ii) that information regarding each Proposed Purchase, including the number of Common Shares purchased and the aggregate purchase price, will be available on the System for Electronic Document Analysis and Retrieval ("SEDAR") following the completion of each such Proposed Purchase;

h) the Issuer will report information regarding each Proposed Purchase, including the number of Common Shares purchased and the aggregate purchase price, on SEDAR before 5:00 p.m. (Toronto time) on the business day following such purchase;

i) the Issuer does not purchase, pursuant to Off Exchange Block Purchases, in the aggregate, more than one-third of the maximum number of Common Shares the Issuer can purchase under the Normal Course Issuer Bid such one-third being equal to, as of the date of this Order, 5,333,333 Common Shares; and

j) the Issuer will not make any Proposed Purchase unless it has first obtained confirmation in writing that between the date of this Order and the date on which such Proposed Purchase is to be completed, the Selling Shareholder has not purchased, or had purchased on its behalf, or otherwise accumulated, any Common Shares on the facilities of the TSX or any other published market.

DATED at Toronto this 12th day of December, 2014.

"Deborah Leckman"
Commissioner
Ontario Securities Commission

"Edward P. Kerwin"
Commissioner
Ontario Securities Commission

2.2.5 Darren Spears and May Spears – ss. 127(1), 127(5)

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

AND

IN THE MATTER OF
DARREN SPEARS and MAY SPEARS

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

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

1. May Spears is an employee of the Finance Group at Magna International Inc. ("Magna");

2. Darren Spears is May Spears' husband. He is a Director of Finance for Cosma International Inc., which is an operating division of Magna;

3. Darren Spears and May Spears (the "Respondents") may have purchased and sold securities of Magna, a reporting issuer, with knowledge of material facts that were not generally disclosed;

4. May Spears is a person in a special relationship with Magna as she is an employee of the Finance Group at Magna. May Spears had access to material, undisclosed information concerning Magna's financial performance at the relevant times and was restricted from trading Magna securities during various blackout periods;

5. May Spears may have informed Darren Spears of material, undisclosed facts regarding Magna financial results and he may have made purchases and sales of Magna securities with knowledge of the material, undisclosed facts concerning Magna's financial results and while in a special relationship with Magna;

6. Trading in Magna securities repeatedly took place in May Spears' brokerage accounts while she was subject to blackout restrictions at Magna;

7. The Respondents may have breached subsections 76(1) and (2) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"); and

8. Staff are continuing to investigate the conduct described above;

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

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

AND WHEREAS by Authorization Order made October 21, 2014, pursuant to subsection 3.5(3) of the Act, any one of Howard I. Wetston, James E. A. Turner, Monica Kowal, James D. Carnwath, Mary G. Condon, Edward P. Kerwin, Alan J. Lenczner, and Christopher Portner, acting alone, is authorized to make orders under section 127 of the Act;

IT IS ORDERED, pursuant to clause 2 of subsection 127(1) of the Act that all trading in securities of Magna by the Respondents shall cease.

IT IS FURTHER ORDERED that pursuant to subsection 127(6) of the Act, this Order shall take effect immediately and shall expire on the 15th day after its making unless extended by Order of the Commission.

DATED at Toronto this 12TH day of December, 2014.

"James E. A. Turner"
Vice-Chair

2.2.6 Bear Lake Gold Ltd. – s. 1(6) of the OBCA

Headnote

Subsection 1(6) of the Business Corporations Act (Ontario) – application for an order that than issuer is deemed to have ceased to be offering its securities to the public – the applicant is a wholly owned subsidiary of another issuer as a result of a plan of arrangement under the Business Corporations Act (Ontario).

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
BEAR LAKE GOLD LTD.
(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 was formed on May 22, 2014 by way of an amalgamation under the OBCA. The Applicant is an "offering corporation" as defined in the OBCA, and has an authorized capital consisting of an unlimited number of common shares.

2. The head office of the Applicant is located at 365 Bay Street, Suite 400, Toronto, Ontario M5H 2V1.

3. On May 22, 2014, pursuant to the completion of a plan of arrangement under the OBCA (the **Arrangement**) among Kerr Mines Inc. (**Kerr Mines**), 2402196 Ontario Inc. (**Kerr Subco**), a wholly-owned subsidiary of Kerr Mines, and Bear Lake Gold Ltd. (a predecessor to the Applicant, also referred to in this document as **Bear Lake**), Kerr Mines acquired the ownership and control of all of the issued and outstanding common shares of Bear Lake. Holders of options and warrants of Bear Lake also received consideration for such securities and as a result, there are no longer any options or warrants of Bear Lake outstanding.

4. On May 22, 2014, pursuant to the terms of the Arrangement, Kerr Subco and Bear Lake amalgamated to form the Applicant. As a result of the Arrangement, the Applicant is a wholly-owned subsidiary of Kerr Mines and all of the outstanding common shares of the Applicant are held by Kerr Mines. The Applicant has no other securities outstanding, including debt securities.

5. The common shares of the Applicant, which were listed on TSX Venture Exchange (the **TSX-V**) under the symbol "BLG", have been delisted from the TSXV at the close of business on May 26, 2014.

6. No securities of the Applicant, including any 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.

7. Effective June 22, 2014, the Applicant successfully surrendered its status as a reporting issuer in British Columbia pursuant to BC Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status*.

8. The Applicant is currently a reporting issuer in each of Ontario and Alberta (the **Jurisdictions**) and is not a reporting issuer or the equivalent in any jurisdiction of Canada, other than the Jurisdictions. The Applicant has applied for relief to cease to be a reporting issuer in all of the Jurisdictions (the **Relief Requested**).

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

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

IT IS HEREBY ORDERED pursuant to subsection 1(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 this 16th day of December, 2014.

"Deborah Leckman"
Ontario Securities Commission

"Sarah B. Kavanagh"
Ontario Securities Commission

2.2.7 Bradon Technologies Ltd. et al.

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

AND

IN THE MATTER OF
BRADON TECHNOLOGIES LTD., JOSEPH COMPTA,
ENSIGN CORPORATE COMMUNICATIONS INC.
and TIMOTHY GERMAN

ORDER

WHEREAS on October 3, 2013, the Commission issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended, accompanied by a Statement of Allegations dated October 3, 2013, issued by Staff of the Commission ("Staff") with respect to Bradon Technologies Ltd. ("Bradon"), Joseph Compta ("Compta"), Ensign Corporate Communications Inc. ("Ensign") and Timothy German ("German") (collectively, the "Respondents");

AND WHEREAS the Commission conducted the hearing on the merits on December 1, 5, and 8 to 12, 2014;

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 hearing on the merits dates of December 16, and 18, 2014 are vacated;

2. Staff shall serve and file written closing submissions by 4:30p.m. on January 21, 2015;

3. the Respondents shall serve and file written closing submissions by 4:30 p.m. on February 4, 2015;

4. the hearing on the merits shall continue, commencing at 10:00 a.m. on February 11, 2015 for the purpose of hearing oral closing submissions of the parties; and

5. the record be sealed until the exhibits have been redacted to remove personal information of investors from the exhibits.

DATED at Toronto this 12th day of December, 2014.

"James E.A. Turner"

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions, Orders and Rulings

3.1.1 Eric Inspektor – Rule 3 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
ERIC INSPEKTOR

REASONS AND DECISION REGARDING A MOTION FOR DISCLOSURE
(Rule 3 of the Commission's Rules of Procedure (2014), 37 O.S.C.B. 4168)

Hearing:	October 21, 2014		
Decision:	December 10, 2014		
Panel:	Mary Condon	–	Commissioner and Chair of the Panel
Appearances:	Eric Inspektor	–	Self-represented
	Swapna Chandra	–	For Staff of the Ontario Securities Commission

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REASONS AND DECISION

I. OVERVIEW

[1] On October 21, 2014, the Ontario Securities Commission (the "**Commission**") heard a motion brought by Eric Inspektor (the "**Applicant**") for an order pursuant to section 17 of the of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "**Act**"), authorizing disclosure of certain investigation notes that the Applicant received from Enforcement Staff of the Commission ("**Staff**") as part of Staff's disclosure obligations in an administrative proceeding against him (the "**Motion**"). Staff opposes the Motion.

[2] The Applicant is the subject of an administrative proceeding before the Commission, commenced by Notice of Hearing issued on March 28, 2014 in relation to a Statement of Allegations filed by Staff on the same day. Staff makes a number of allegations against the Applicant including that he engaged in unregistered trading and the illegal distribution of securities.

[3] On October 6, 2014, the Applicant served and filed a letter requesting disclosure pursuant to section 17 of the Act of certain of Staff's investigation notes and describing reasons for the requests. The Applicant also attached the specific investigation notes for which he seeks disclosure. Staff served and filed a Memorandum of Fact and Law and a Brief of Authorities on October 20, 2014.

[4] On October 21, 2014 the Motion hearing was held *in camera*, pursuant to Rule 8.1 of the Commission's *Rules of Procedure* (2014), 37 O.S.C.B. 4168 (the "**Rules of Procedure**") and subsection 9(1) of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22, as amended (the "**Motion Hearing**"). There were 12 exhibits tendered into evidence at the Motion Hearing, including investigation notes documenting discussions between Staff and: (i) Bank A; (ii) a Court-Appointed Receiver; (iii) Witness A, the Applicant's former counsel; (iv) Witness B; and (v) Witness C. Staff also tendered a list of bank accounts related to the Applicant held at Bank A.

[5] At the outset of the Motion Hearing, the Applicant submitted that he did not have an opportunity to respond to Staff's Memorandum of Fact and Law as it was not served and filed in accordance with the Rules of Procedure, but nevertheless he was prepared to make his submissions on the Motion. I reminded the Applicant that he was present at the appearance of September 17, 2014, at which time dates were scheduled for the exchange of submissions on the Motion, he was aware of the tight timelines, he did not object, and a written order was issued to the same effect. I also cited the Rules of Procedure, which provide that it is possible for the Commission to waive timelines set out in the Rules of Procedure (Rule 1.4(3)). Nevertheless, I provided the Applicant with an opportunity to make additional written submissions in response to Staff's Memorandum of Fact and Law, to be filed by October 28, 2014. The Applicant served and filed a Factum on October 28, 2014 in reply to Staff's Memorandum of Fact and Law. In his reply, the Applicant withdrew his request for Staff's investigation notes with respect to the Court-Appointed Receiver. As a result these reasons and decision do not consider that specific request for disclosure.

[6] I requested and received further submissions from the parties with respect to: (a) whether and when an investigation order was made pursuant to section 11 of the Act; (b) whether the contents of the Staff investigation notes, which are sought to be disclosed, were obtained pursuant to section 13 of the Act; and (c) what is the application and scope, if any, of the implied undertaking rule in this matter, as raised in *Re Y* (2009), 32 O.S.C.B. 7188 ("***Re Y***"). Staff filed supplementary submissions on November 18, 2014 and the Applicant filed supplementary submissions on November 25, 2014.

II. SUBMISSIONS

A. The Applicant's Submissions

[7] The Applicant seeks orders for disclosure of Staff's investigation notes for use in a number of parallel civil proceedings. These include: (a) an action commenced by the Applicant against Bank A (the "**Bank Action**"); (b) actions commenced by the Applicant against his former counsel, Witness A (the "**Breach of Fiduciary Duty Action**"); and (c) a derivative action commenced by investors of certain companies (referred to herein as the "**Kaptor Group**") for which the Applicant was a directing mind (the "**Derivative Action**") (collectively, the "**Civil Actions**"). The Applicant submits that the Derivative Action was initiated against the Applicant by an investor, Witness B, who in turn refers to Witness C in an affidavit prepared for the Derivative Action. Therefore, the Applicant is a defendant in the Derivative Action as he was a directing mind of Kaptor Group.

[8] The Applicant submits that there is a discrepancy between Kaptor Group account information provided by Bank A to the Commission and Kaptor Group account information provided by Bank A to the Applicant in his capacity as a defendant to the Derivative Action referred to above. The Applicant argues that there is no way of making a request to examine for discovery the person from Bank A named in Staff's investigation note, unless there is disclosure pursuant to section 17 of the Act.

[9] With respect to Staff's investigation note relating to Witness A, the Applicant submits that he commenced an action against his former counsel for breach of fiduciary duty and breach of duty of loyalty. As a result, the Applicant seeks disclosure for the purpose of determining what, if anything, Witness A told Staff.

[10] The Applicant also submits that Witness B circulated an email to other investors of the Kaptor Group, which insinuates misconduct by the Applicant, and that Witness C has been vocal in the community and in meetings about the Applicant's alleged misconduct. The Applicant takes the position that Staff's investigation notes are the only documents that refer to such accusations in a blatant manner and he seeks their disclosure for use in one or more of the Civil Actions. The Applicant admits that Witness B will be examined in discovery for the Derivative Action.

[11] The Applicant argues that the Motion does not seek disclosure of compelled testimony and a witness cannot expect his or her voluntary statements to be protected. Further, he submits that witnesses cannot expect that statements relevant to civil

litigation would not be disclosed, there is no potential harm to witnesses as a result of disclosure, and the requested disclosure does not undermine the integrity of the ongoing investigation because it assists the investigation.

[12] The Applicant does not object to notifying parties who could be affected by the order. In other words, he is not seeking an order without notice pursuant to subsection 17(2.1) of the Act.

[13] With respect to voluntary evidence, the Applicant agrees that the Implied Undertaking Rule ("**IU Rule**") encourages individuals to provide candid information to Staff, as long as the information is factual, truthful and not misleading. The Applicant submits that he seeks disclosure for use in the Civil Actions to challenge the validity and accuracy of the information being provided to Staff.

[14] Lastly, the Applicant submits that the purpose of the IU Rule is to protect the privacy of witnesses. However, where the accuracy of information being provided by a witness is questioned, where the information being provided breaches the witness' fiduciary obligations, or where a witness makes unfounded allegations, the witness should not be afforded the protection of the IU Rule.

B. Staff's Submissions

[15] Staff submits that the Applicant has failed to demonstrate that the public interest in disclosure outweighs the public interest in maintaining the integrity and confidentiality of Staff's ongoing investigation. Staff also submits that the use of the disclosure material in a collateral civil proceeding would not further the Commission's mandate under the Act.

[16] Staff submits that the investigation of this matter is ongoing and many of the parties that would be affected by the disclosure that is sought by the Applicant are cooperating with Staff in that investigation. Staff takes the position that the integrity and confidentiality of its investigation would be compromised as would the ability to secure the co-operation of potential witnesses if their initial contact with the Commission found its way into existing or proposed civil actions.

[17] Staff also submits that the Applicant has not clearly demonstrated that the disclosure he seeks is relevant or critical to the Civil Actions or could not be obtained through the civil discovery process.

[18] Staff submits that the investigation notes relating to Bank A were obtained pursuant to section 13 of the Act following the issuance of summonses dated December 5 and 11, 2012 and, therefore, section 16 of the Act prohibits the Applicant from disclosing them.

[19] Staff submits that the investigation notes relating to Witness A, Witness B and Witness C were obtained voluntarily (the "**Voluntary Evidence**") and are subject to the IU Rule. Staff submits that the IU Rule restricts the use of disclosed materials for any purpose other than making full answer and defence in the Commission proceeding. Staff submits that the privacy of the individuals who offered voluntary evidence to the Commission should be protected.

[20] Lastly, Staff submits that the Applicant has not provided notice to the relevant parties of this request and has not given them an opportunity to object.

III. THE LAW

[21] Subsection 17(1) of the Act provides that:

> If the Commission considers that it would be in the public interest, it may make an order authorizing the disclosure to any person or company of,
>
> (a) the nature or content of an order under section 11 or 12;
>
> (b) the name of any person examined or sought to be examined under section 13, any testimony given under section 13, any information obtained under section 13, the nature or content of any questions asked under section 13, the nature or content of any demands for the production of any document or other thing under section 13, or the fact that any document or other thing was produced under section 13; or
>
> (c) all or part of a report provided under section 15.

[22] Subsection 17(2) of the Act prohibits the Commission from making an order under subsection 17(1) unless the Commission has, where practicable, given notice and an opportunity to object to the parties that would be affected by an order. Nevertheless, the statutory framework gives authority to the Commission to make an order without notice pursuant to subsection 17(2.1) of the Act where it would be in the public interest.

[23] The Commission has established that an applicant bears a heavy burden of demonstrating that disclosure is in the public interest. The Commission has held that:

> The Applicants accept that they have the onus of demonstrating that the requested use and disclosure of the Evidence is in the public interest under subsection 17(1) of the Act. There is a high expectation of privacy with respect to all testimony under section 13 of the Act which renders satisfying this onus a heavy burden.
>
> (*Re Black* (2008), 31 O.S.C.B. 10397 ("***Black***") at para. 78)

[24] The test for disclosure under subsection 17(1) of the Act is found in the Court of Appeal's decision in *Deloitte & Touche v. Ontario Securities Commission* (2002), 159 O.A.C. 257 ("***Deloitte & Touche* (CA)**") affirmed by the Supreme Court of Canada in *Deloitte & Touche LLP v Ontario (Securities Commission)*, [2003] 2 S.C.R. 713 ("***Deloitte & Touche* (SCC)**"). The decision in *Deloitte & Touche* (CA) in turn refers to the test articulated by the Divisional Court in *Coughlan v WMC International Ltd.*, [2000] O.J. No. 5109 ("***Coughlan***"). In determining whether it is in the public interest to order disclosure, the Commission must:

> (i) consider the purpose for which the evidence is sought and the specific circumstances of the case, and
>
> (ii) balance the continued requirements for confidentiality with its assessment of the public interest at stake, including harm to the person whose testimony is sought.
>
> (*Deloitte & Touche* (CA), *supra* at para. 15, citing *Coughlan*, *supra* at para. 38; *Black*, *supra* at para. 82)

[25] The Supreme Court of Canada has also held that the Commission is obligated to order disclosure only to the extent necessary to carry out its mandate under the Act (*Deloitte & Touche* (SCC), *supra* at para. 29).

[26] In applying the test under subsection 17(1) of the Act, the Commission must consider the following non-exhaustive list of factors:

> (i) The high degree of confidentiality associated with compelled evidence and the strict limitations on its use imposed by sections 16, 17 and 18 of the Act;
>
> (ii) The reasonable expectations of witnesses compelled to provide evidence;
>
> (iii) The potential harm to witnesses as a result of the Commission authorizing use and disclosure of their compelled evidence;
>
> (iv) The protections against self-incrimination provided by the Charter, the Canada Evidence Act, and the Ontario Evidence Act; and
>
> (v) The integrity of Commission investigations.
>
> (*Black*, *supra* at para. 135)

[27] The production of confidential materials obtained by the Commission under Part VI of the Act for use by a party in a civil action is not in and of itself in the public interest (*Re X and A Co.* (2007), 30 O.S.C.B. 327 ("***X and A Co.***") at para. 32).

[28] With respect to evidence collected on a voluntary basis, the Commission has held that the IU Rule is a recognized principle of law in Ontario, which applies to Commission proceedings (*Re Melnyk* (2006), 29 O.S.C.B. 7875 ("***Melnyk***") at para. 36, citing *A Co. v Naster* (2001), 143 O.A.C. 356 (Div. Ct.) ("***Naster***") at para. 23).

[29] In the civil context, the Supreme Court of Canada stated that, where the IU Rule applies, the onus is on the applicant to demonstrate a "superior public interest in disclosure" that outweighs the values that the implied undertaking is designed to protect and noted that such undertaking "should only be set aside in exceptional circumstances" (*Doucette (Litigation Guardian of) v. Wee Watch Day Care Systems*, [2008] 1 S.C.R. 157 (sub nom. *Juman v. Doucette*) ("***Doucette***") at paras. 32 and 38).

[30] In *Doucette*, the Supreme Court of Canada expressed the view that an implied undertaking is designed in part to encourage complete and candid discovery by assuring parties that "the documents and answers will not be used for a purpose collateral or ulterior to the proceedings in which they are demanded" (*Doucette*, *supra* at paras. 26 and 38). In addition, the Supreme Court also stated that the IU Rule is designed to protect privacy, the right against self-incrimination and the efficient conduct of litigation (*Doucette*, *supra* at paras. 32-33).

[31] In *Melynk*, the Commission held that:

> The implied undertaking rule prohibits the use of information obtained in a proceeding's discovery process for "any purpose collateral or ulterior to the resolution of the issues in that [proceeding]." (*Naster*, at para. 22). "[T]he respondents in the proceedings can demand to inspect the words of any documents produced by ... [although] they are bound under pain of sanction by the Commission not to use the information for any purpose outside the matter of the investigation." (*Naster*, at para. 24).
>
> (*Melnyk*, *supra* at para. 37, citing *Naster*, *supra* at paras. 22 and 24).

[32] I find that the factors discussed in Doucette and Melnyk are relevant and applicable to a determination of whether relief from the IU Rule should be granted in the present matter.

IV. ANALYSIS

[33] The Applicant seeks disclosure of Staff's investigation notes relating to four different parties. I find that Staff's investigation notes relating to Bank A were collected pursuant to section 13 of the Act and are, therefore, compelled evidence. I also find that the Voluntary Evidence collected is subject to the IU Rule. I will apply the relevant legal considerations to each request below to determine whether the Commission should order disclosure.

A. Compelled Evidence Relating to Bank A

[34] The Applicant submits that disclosure of the investigation notes relating to Bank A, for the purpose of one or more of the Civil Actions, is in the public interest because the public has been told that $38 million has been lost and the public is entitled to know the truth. The Applicant submits that the Commission must grant these orders in order to determine the actual amounts lost by investors and who should be held accountable for the losses.

[35] Staff submits that the relevance of the investigation notes relating to Bank A to the Civil Actions is unclear because the state of accounts reflected in the notes was obtained in the initial phases of the investigation and may pertain to any one of 43 accounts for which the Applicant was on record. Staff argues that the probative value, if any, of the evidence sought with respect to Bank A is far outweighed by the public interest in maintaining the confidentiality of Staff's investigation. Further, Staff submits that the Applicant has not provided any evidence that he attempted to procure the evidence sought to be disclosed in any other way.

[36] Recognizing that subsection 16(2) of the Act states that all things obtained under section 13 of the Act are for the exclusive use of the Commission and that the use of that confidential material in a civil action is not in and of itself in the public interest (*X and A Co.*, *supra* at paras. 32 and 38), my determination is that the Applicant has not met the burden of demonstrating that the requested use and disclosure of this evidence is in the public interest under subsection 17(1) of the Act.

[37] In making this determination, I am guided by the Supreme Court of Canada's decision that the Commission is obligated to order disclosure only to the extent necessary to carry out its mandate under the Act and owes a duty to protect the privacy interests of affected parties (*Deloitte & Touche* (SCC), *supra* at para. 29).

[38] This matter is distinguishable from matters in which respondents to Commission proceedings have sought orders for purposes relating to their defence in criminal proceedings (*Black*, *supra* at para. 5; *Re Y*, *supra* at para 86). The Commission has acknowledged that:

> It is an integral part of the Act's investigation and examination scheme that these broad powers are balanced with detailed protections for persons compelled to give materials and evidence under oath. The Commission is responsible for maintaining all evidence obtained under Part VI of the Act in the highest degree of confidence. This responsibility is the quid pro quo in return for the broad and unusual power afforded by the Legislature to the Commission to enable it to carry out its responsibilities to the public under the Act.
>
> (*Black*, *supra* at para. 234)

[39] Contrary to the Applicant's submissions, the Applicant will have an opportunity to fully respond to Staff's allegations, and make use of the disclosure materials in that context if he so chooses. In so doing, the public interest is served through the Commission hearing to determine whether the Applicant should be held accountable for the losses to investors. The Applicant has not persuaded me that the broad powers provided to the Commission to engage in evidence gathering should be used for the purpose of a parallel civil proceeding.

[40] Furthermore, I am not persuaded that disclosing this investigation note is the only way that the Applicant can access relevant account records of Bank A. In particular, the Applicant has not demonstrated that he is unable to obtain information about accounts in Bank A through other means, including the civil discovery process.

[41] Having considered the purpose for which the evidence is sought, the specific circumstances of the case, and the need to balance the requirements for confidentiality with the public interest at stake, I am not satisfied that disclosure of this material is in the public interest.

B. Voluntary Evidence Relating to Witness A

[42] The Applicant submits that the public should be aware of Witness A's breach of his obligations as counsel, if any, and that disclosure would have no impact on Staff's ongoing investigation.

[43] Staff submits that the Applicant has not provided any particulars of the Civil Actions to demonstrate the relevance or necessity of the information contained within the investigation note relating to Witness A. Staff takes the position that any value that the investigation note has is outweighed by protecting the confidentiality of an ongoing investigation.

[44] Although the Commission granted partial relief from the IU Rule in respect of certain of the voluntary evidence in *Re Y*, Staff submits that the Commission considered extraordinary circumstances, which are not present in this case. In particular, Staff submits that Y's proposed use of the voluntary evidence was to defend serious criminal charges, in which Y's liberty was at stake and the issues engaged Y's right to make full answer and defence. Staff also submits that in *Re Y* the panel considered the reasonable expectations of individuals that their privacy would be protected, the absence of potential harm to the witnesses and the absence of an ongoing investigation.

[45] While framed as a request for disclosure, the Applicant's submission at the Motion Hearing made it apparent that his interest was in inquiring about whether or not Witness A spoke to Staff and, if so, the particulars of such conversation. His submission included: "Point three, […Witness A]. This is a little bit – and maybe I'm not really requesting a section 17, but maybe I'm really requesting some clarity." (Confidential Motion Hearing Transcript of October 21, 2014 at p. 39).

[46] Having reviewed Staff's investigation note relating to Witness A, provided to me on a confidential basis, I conclude that the Applicant's argument with respect to its relevance to the Breach of Fiduciary Duty Action is speculative at best. The investigation note consists of two sentences and no substantive particulars. I note that Staff is obliged to make full disclosure to the Respondent and, if Staff had had further discussions with the Applicant's counsel, I would expect that Staff would disclose it to the Applicant.

[47] I am not satisfied that, with respect to the investigation note involving Witness A, the Applicant has demonstrated a public interest in disclosure such that the implied undertaking should be set aside.

C. Voluntary Evidence Relating to Witness B and Witness C

[48] The Applicant submits that he wishes to challenge the validity and accuracy of the information being provided to Staff by Witness B and Witness C by using it in the Derivative Action. The Applicant argues that the public should be aware of the truth and that disclosure would have no impact on Staff's ongoing investigation as there is no reason for Witness B or Witness C to stop cooperating with Staff.

[49] Staff again submits that there is an ongoing investigation in this matter and disclosure would undermine the cooperation of these witnesses, who may be called to testify in the hearing on the merits before the Commission. Witness B, Staff submits, was already the subject of a compelled interview by Staff and specifically raised concerns about the confidentiality of the information he was providing and its potential use in civil litigation. Staff takes the position that any value that the investigation notes have to the Applicant is outweighed by protecting the confidentiality of an ongoing investigation. Staff submits that the investigation notes are not certified transcripts of interviews, but rather notes of telephone conversations. Accordingly, Staff submits that their purported use for purposes of impeaching witnesses is without foundation.

[50] Staff submits that the distinguishing factors referred to in paragraph [44] above, with respect to *Re Y*, apply equally to the Applicant's requests relating to Witness B and Witness C.

[51] The Applicant admits that Witness B is a party to one of the Civil Actions who will be examined in the civil discovery process and that Witness C made statements in meetings related to one of the Civil Actions. The Applicant also admits that Witness B and Witness C have made allegations to Staff which they have repeated in public. Therefore, I am not persuaded that use of Staff's investigation notes relating to Witness B and Witness C are the only method by which the Applicant can examine them in the context of the Civil Actions. Nor did the Applicant provide sufficient particulars concerning the scope and content of the Civil Actions, which would have assisted me in assessing the relevance of the evidence sought to be disclosed for the Applicant's collateral use.

[52] I find that the Applicant's proposed use of the investigation notes relating to Witness B and Witness C for the Civil Actions is distinguishable from *Re Y*, which dealt with disclosure in a criminal proceeding engaging the right to make full answer and defence. In addition, in *Re Y*, the investigation had been completed, whereas in this case the investigation is ongoing. I accept Staff's submission that disclosure of the investigation notes relating to Witness B and Witness C could undermine Staff's ongoing investigation and the cooperation of these witnesses.

[53] It is in the public interest for individuals to cooperate with Staff's investigations and the case law acknowledges that potential witnesses should have the benefit of some assurance that their privacy is being protected. There are a number of reasons why, in pursuing the purposes of the Act, Staff would seek information on a voluntary basis. Such evidence can be tested by respondents in defending themselves against the allegations made by Staff. The Applicant will have an opportunity to challenge statements made by Witness B and Witness C, call them as witnesses or be afforded an opportunity to cross-examine them during the Commission hearing to determine the merits of Staff's allegations.

[54] It is less clear that a respondent should be able to use disclosed materials in a collateral civil proceeding, where doing so could jeopardize Staff's ongoing investigation and the potential cooperation of witnesses who provide voluntary evidence. I am not satisfied that, with respect to the investigation notes involving Witness B and Witness C, the Applicant has demonstrated a public interest in disclosure such that the implied undertaking should be set aside.

V. CONCLUSION

[55] The Applicant has not met the burden of demonstrating that the requested use and disclosure of evidence relating to Bank A is in the public interest under subsection 17(1) of the Act. With respect to the Voluntary Evidence, the Applicant has also failed to demonstrate a public interest in disclosure such that the implied undertaking should be set aside.

[56] The Applicant had no objection to providing notice to the parties affected by an order pursuant to section 17 of the Act. Had I taken the view that the Applicant could meet the burden of demonstrating that disclosure for a collateral purpose in a civil proceeding should be ordered, I would have requested submissions, if any, by the affected parties, before making any disclosure orders.

[57] For these reasons, the Motion is dismissed.

DATED at Toronto this 10th day of December 2014.

"Mary Condon"

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Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke
Hi Ho Silver Resources Inc.	16 December 2014	29 December 2014		
Marauder Resources East Coast Inc.	10 December 2014	22 December 2014		
Mercator Minerals Ltd.	01 December 2014	12 December 2014	12 December 2014	

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
Besra Gold Inc.	10 October 14	22 October 14	22 October 14		

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Chapter 7

Insider Reporting

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

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

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

Chapter 8

Notice of Exempt Financings

REPORT OF TRADES ON FORM 45-106F1 AND 45-501F1

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

Issuer Name:
Bank of Nova Scotia, The
Principal Regulator - Ontario
Type and Date:
Preliminary Base Shelf Prospectus dated December 9, 2014
NP 11-202 Receipt dated December 10, 2014
Offering Price and Description:
$2,000,000,000 - Senior Notes (Principal at Risk Notes)
Underwriter(s) or Distributor(s):
SCOTIA CAPITAL INC.
LAURENTIAN BANK SECURITIES INC.
MANULIFE SECURITIES INCORPORATED
DESJARDINS SECURITIES INC.
Promoter(s):
-
Project #2291607

Issuer Name:
Capital Power Corporation
Principal Regulator - Alberta
Type and Date:
Preliminary Base Shelf Prospectus dated December 10, 2014
NP 11-202 Receipt dated December 10, 2014
Offering Price and Description:
$3,000,000,000.00
Common Shares
Preference Shares
Subscription Receipts
Debt Securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2291810

Issuer Name:
Capital Power L.P.
Principal Regulator - Alberta
Type and Date:
Preliminary Base Shelf Prospectus dated December 10, 2014
NP 11-202 Receipt dated December 10, 2014
Offering Price and Description:
$1,000,000,000.00 - Medium Term Notes (unsecured)
Underwriter(s) or Distributor(s):
BMO NESBITT BURNS INC.
CIBC WORLD MARKETS INC.
DESJARDINS SECURITIES INC.
HSBC SECURITIES (CANADA) INC.
MERRILL LYNCH CANADA INC.
NATIONAL BANK FINANCIAL INC.
RBC DOMINION SECURITIES INC.
SCOTIA CAPITAL INC.
TD SECURITIES INC.
Promoter(s):
-
Project #2291813

Issuer Name:
DH Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Base Shelf Prospectus dated December 12, 2014
NP 11-202 Receipt dated December 12, 2014
Offering Price and Description:
$1,5000,000,000.00
Common Shares
Preferred Shares
Debt Securities
Warrants
Subscription Receipts
Share Purchase Contracts
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2292429

Issuer Name:
Faircourt Split Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated December 9, 2014
NP 11-202 Receipt dated December 10, 2014
Offering Price and Description:
Maximum: $* - * 6.00% Preferred Securities and $ * - * Units
Price: $10.00 per 6.00% Preferred Security and $ * per Unit
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
CIBC World Markets Inc.
Canaccord Genuity Corp.
GMP Securities L.P.
Raymond James Ltd.
Promoter(s):
-
Project #2291707

Issuer Name:
Fairfax Financial Holdings Limited
Principal Regulator - Ontario
Type and Date:
Preliminary Base Shelf Prospectus dated December 12, 2014
NP 11-202 Receipt dated December 12, 2014
Offering Price and Description:
Cdn$2,000,000,000.00
Subordinate Voting Shares
Preferred Shares
Debt Securities
Subscription Receipts
Warrants
Share Purchase Contracts
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2292456

Issuer Name:
Knight Therapeutics Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated December 9, 2014
NP 11-202 Receipt dated December 9, 2014
Offering Price and Description:
$86,958,900.00 - 12,882,800 Common Shares
Price: $6.75 per Offered Share
Underwriter(s) or Distributor(s):
GMP SECURITIES L.P.
CORMARK SECURITIES INC.
NATIONAL BANK FINANCIAL INC.
LAURENTIAN BANK SECURITIES INC.
BLOOM BURTON & CO. LIMITED
CLARUS SECURITIES INC.
MACKIE RESEARCH CAPITAL CORPORATION
TD SECURITIES INC.
Promoter(s):
Jonathan Ross Goodman
Project #2290451

Issuer Name:
Norrep Short Duration 2015 Flow-Through Limited Partnership
Principal Regulator - Alberta
Type and Date:
Preliminary Long Form Prospectus dated December 11, 2014
NP 11-202 Receipt dated December 11, 2014
Offering Price and Description:
Maximum: $75,000,000.00 - 7,500,000 Limited Partnership Units
Minimum: $5,000,000.00 - 500,000 Limited Partnership Units
Purchase Price: $10.00 per Unit
Minimum Purchase: 500 Units ($5,000)
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
GMP Securities L.P.
Raymond James Ltd.
Canaccord Genuity Corp.
Burgeonvest Bick Securities Limited
Manulife Securities Incorporated
Promoter(s):
NORREP INVESTMENT MANAGEMENT GROUP INC.
Project #2292118

Issuer Name:
Platinum Group Metals Ltd.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated December 9, 2014
NP 11-202 Receipt dated December 9, 2014
Offering Price and Description:
US$ * - * Common Shares
Price: US$ * per Offered Share
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
GMP Securities L.P.
Promoter(s):
-
Project #2291475

Issuer Name:
Platinum Group Metals Ltd.
Principal Regulator - British Columbia
Type and Date:
Amended and Restated Preliminary Short Form Prospectus dated December 10, 2014
NP 11-202 Receipt dated December 10, 2014
Offering Price and Description:
US$110,028,000.00 - 207,600,000 Common Shares
Price: US$0.53 per Offered Share
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
GMP Securities L.P.
Promoter(s):
-
Project #2291475

Issuer Name:
U.S. Financials Income Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated December 12, 2014
NP 11-202 Receipt dated December 15, 2014
Offering Price and Description:
Maximum: US$ * - * Class A Units and * Class U Units
Minimum: $20,000,000 - Class A Units
Price: $10.00 per Class A Unit and US$10.00 per Class U Unit
Minimum Purchase:100 Class A Units and 100 Class U Units
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
TD Securities Inc.
GMP Securities L.P.
Raymond James Ltd.
Canaccord Genuity Corp.
Desjardins Securities Inc.
Dundee Securities Ltd.
Mackie Research Capital Corporation
Promoter(s):
STRATHBRIDGE ASSET MANAGEMENT INC.
Project #2292632

Issuer Name:
Aston Hill Strategic Yield Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated December 11, 2014
NP 11-202 Receipt dated December 15, 2014
Offering Price and Description:
Series A, F, I, UA and UF units @ net asset value
Underwriter(s) or Distributor(s):
Aston Hill Asset Management Inc.
Promoter(s):
Aston Hill Asset Management Inc.
Project #2277236

Issuer Name:
Blue Ribbon Income Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated December 9, 2014 to the Short Form Prospectus dated December 5, 2014
NP 11-202 Receipt dated December 11, 2014
Offering Price and Description:
units @ net asset value
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
National Bank Financial Inc.
TD Securities Inc.
Desjardins Securities Inc.
GMP Securities L.P.
Raymond James Ltd.
Canaccord Genuity Corp.
Dundee Securities Ltd.
Haywood Securities Inc.
Industrial Alliance Securities Inc.
Mackie Research Capital Corporation
Promoter(s):
-
Project #2286954

Issuer Name:
Cameco Corporation
Principal Regulator - Saskatchewan
Type and Date:
Final Base Shelf Prospectus dated December 9, 2014
NP 11-202 Receipt dated December 9, 2014
Offering Price and Description:
$1,000,000,000.00
COMMON SHARES
FIRST PREFERRED SHARES
SECOND PREFERRED SHARES
WARRANTS
SUBSCRIPTION RECEIPTS
DEBT SECURITIES
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2289835

Issuer Name:
CI G5|20i 2034 Q4 Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated November 26, 2014 to the Simplified Prospectus and Annual Information Form dated September 19, 2014
NP 11-202 Receipt dated December 12, 2014
Offering Price and Description:
-
Class A, F and O units @ Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
CI Investments Inc.
Project #2246129

Issuer Name:
CI Investments Inc.
Principal Regulator - Ontario
Type and Date:
Final Base Shelf Prospectus dated December 12, 2014
NP 11-202 Receipt dated December 12, 2014
Offering Price and Description:
$1,000,000,000.00
Debt Securities (unsecured)
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2290808

Issuer Name:
Financial 15 Split Corp.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated December 9, 2014
NP 11-202 Receipt dated December 11, 2014
Offering Price and Description:
Preferred Shares @ $10/per share and Class A Shares @ $9.75/share
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
CIBC World Markets Inc.
RBC Dominion Securities
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
GMP Securities L.P.
Canaccord Genuity Corp.
Raymond James Ltd.
Promoter(s):
-
Project #2288583

Issuer Name:
First Asset Global Dividend Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated December 2, 2014 to the Simplified Prospectus and Annual Information Form dated June 17, 2014
NP 11-202 Receipt dated December 9, 2014
Offering Price and Description:
Class A, A1, F and F1 units @ net asset value
Underwriter(s) or Distributor(s):
-
Promoter(s):
First Asset Investment Management Inc.
Project #2206127

Issuer Name:
Kinaxis Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated December 9, 2014
NP 11-202 Receipt dated December 9, 2014
Offering Price and Description:
Cdn$45,875,000.00
2,500,000 Common Shares
Price: Cdn$18.35 per Offered Share
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
Canaccord Genuity Corp.
National Bank Financial Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
Cormark Securities Inc.
CIBC World Markets Inc.
Promoter(s):
-
Project #2283729

Issuer Name:
Liquor Stores N.A. Ltd.
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated December 12, 2014
NP 11-202 Receipt dated December 12, 2014
Offering Price and Description:
$50,029,750.00
3,415,000 Common Shares
Price: $14.65 per Common Share
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
National Bank Financial Inc.
Cormark Securities Inc.
PI Financial Corp.
HSBC Securities (Canada) Inc.
Promoter(s):
-
Project #2289134

Issuer Name:
Monarques Resources Inc.
Principal Regulator - Quebec
Type and Date:
Final Short Form Prospectus dated November 26, 2014
NP 11-202 Receipt dated December 9, 2014
Offering Price and Description:
Minimum Offering: $1,500,000
A minimum of 2,307,692 A Units, 1,000 B Units and 1,250,000 C Units (the “Minimum Offering”)
Maximum Offering: Subject to the Minimum Offering, any combination of A Units, B Units and C Units
up to a maximum of $3,000,000 (the “Maximum Offering”)
Price: $0.13 per A Unit, $1,000 per B Unit and $0.16 per C Unit
Underwriter(s) or Distributor(s):
Industrial Alliance Securities Inc.
Promoter(s):
-
Project #2277069

Issuer Name:
Monarques Resources Inc.
Principal Regulator - Quebec
Type and Date:
Amendment #1 dated December 4, 2014 to the Short Form Prospectus dated November 26, 2014
NP 11-202 Receipt dated December 9, 2014
Offering Price and Description:
Minimum Offering: $1,025,000
A minimum of 2,115,385 A Units, 550 B Units and 1,250,000 C Units (the “Minimum Offering”)
Maximum Offering: Subject to the Minimum Offering, any combination of A Units, B Units and C Units
up to a maximum of $3,000,000 (the “Maximum Offering”)
Price: $0.13 per A Unit, $1,000 per B Unit and $0.16 per C Unit
Underwriter(s) or Distributor(s):
Industrial Alliance Securities Inc.
Promoter(s):
-
Project #2277069

Issuer Name:
NEI Global Strategic Yield Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated December 10, 2014
NP 11-202 Receipt dated December 15, 2014
Offering Price and Description:
Series A units, Series F units, Series I units, Series T units, Series P units and Series PF units @ net asset value
Underwriter(s) or Distributor(s):
Credential Asset Management Inc.
Promoter(s):
Northwest & Ethical Investments Inc.
Project #2279622

Issuer Name:
Redwood Emerging Markets Dividend Fund
Redwood Global Total Return Portfolio (formerly Redwood Global Bond Portfolio)
Redwood Global Innovations Class
Redwood Pension Class (formerly Redwood Energy Income Class)
Redwood Unconstrained Bond Fund
Trapeze Value Class (formerly Ark Aston Hill Opportunities Class)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated December 3, 2014
NP 11-202 Receipt dated December 12, 2014
Offering Price and Description:
Series A, F, I, A USD, F USD and PHP securities @ Net Asset Value
Underwriter(s) or Distributor(s):
Redwood Asset Management Inc.
Promoter(s):
REDWOOD ASSET MANAGEMENT INC.
Project #2269324

Issuer Name:
Sintana Energy Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated December 8, 2014
NP 11-202 Receipt dated December 9, 2014
Offering Price and Description:
Maximum Offering: $3,500,000 (38,888,889 Units)
Minimum Offering: $1,600,000 (17,777,777 Units)
$0.09 per Unit
Underwriter(s) or Distributor(s):
CANACCORD GENUITY CORP.
CORMARK SECURITIES INC.
M PARTNERS INC.
Promoter(s):
-
Project #2282962

Issuer Name:
Sun Life MFS Global Growth Fund (Series A, D, T5, T8, E, F, I, O)
Sun Life MFS Global Value Fund (Series A, T5, T8, E, F, I, O)
Sun Life MFS U.S. Growth Fund (Series A, AH, T5, T8, E, F, I, O)
Sun Life MFS U.S. Value Fund (Series A, AH, T5, T8, E, F, I, O)
Sun Life MFS International Growth Fund (Series A, D, T5, T8, E, F, I, O)
Sun Life MFS International Value Fund (Series A, T5, T8, E, F, I, O)
Sun Life Schroder Emerging Markets Fund (Series A, E, F, I, O)
Sun Life MFS Global Total Return Fund (Series A, T5, E, F, I, O)
Sun Life Milestone 2020 Fund (Series A, E)
Sun Life Milestone 2025 Fund (Series A, E)
Sun Life Milestone 2030 Fund (Series A, E)
Sun Life Milestone 2035 Fund (Series A, E)
Sun Life Beutel Goodman Canadian Bond Fund (Series A, E, F, I, O)
Sun Life MFS Monthly Income Fund (Series A, T5, E, F, I, O)
Sun Life Money Market Fund (Series A, D, E, F, I, O)
Principal Regulator - Ontario
Type and Date:
Amendment #2 dated November 27, 2014 to the Simplified Prospectuses and Annual Information Form dated August 28, 2014
NP 11-202 Receipt dated December 12, 2014
Offering Price and Description:
Series A, AH, D,T5, T8, E, F, I, O @ Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
Sun Life Global Investments (Canada) Inc.
Project #2237028

Issuer Name:
Sun Life BlackRock Canadian Equity Fund (Series A, T5, T8, E, F, I and O units)
Sun Life BlackRock Canadian Balanced Fund (Series A, T5, E, F, I and O units)
Sun Life MFS Canadian Bond Fund (Series A, D, E, F, I and O units)
Sun Life MFS Balanced Growth Fund (Series A, D, E, F, I and O units)
Sun Life MFS Balanced Value Fund (Series A, D, E, F, I and O units)
Sun Life MFS Canadian Equity Growth Fund (Series A, D, E, F, I and O units)
Sun Life MFS Canadian Equity Fund (Series A, D, E, F, I and O units)
Sun Life MFS Canadian Equity Value Fund (Series A, D, E, F, I and O units)
Sun Life MFS Dividend Income Fund (Series A, D, E, F, I and O units)
Sun Life MFS U.S. Equity Fund (Series A, D, E, F, I and O units)
Principal Regulator - Ontario
Type and Date:
Amendment #2 dated November 27, 2014 to the Simplified Prospectuses and Annual Information Form dated March 27, 2014
NP 11-202 Receipt dated December 12, 2014
Offering Price and Description:
Series A, D, T5, T8, E, F, I and O Units @ Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
Sun Life Global Investments (Canada) Inc.
Project #2166585

Issuer Name:
Sun Life Managed Conservative Portfolio (Series A, T5, E, F, I, O)
Sun Life Managed Moderate Portfolio (Series A, T5, E, F, I, O)
Sun Life Managed Balanced Portfolio (Series A, T5, E, F, I, O)
Sun Life Managed Balanced Growth Portfolio (Series A, T5, T8, E, F, I, O)
Sun Life Managed Growth Portfolio (Series A, T5, T8, E, F, I, O)
Sun Life Managed Income Portfolio (Series A, E, F, I, O)
Sun Life Managed Enhanced Income Portfolio (Series A, E, F, I, O)
Sun Life Dynamic Equity Income Fund (Series A, E, F, I, O)
Sun Life Dynamic Strategic Yield Fund (Series A, E, F, I, O)
Sun Life Sentry Value Fund (Series A, E, F, I, O)
Sun Life NWQ Flexible Income Fund (Series A, E, F, I, O)
Principal Regulator - Ontario
Type and Date:
Amendment No. 3 dated November 27, 2014 to the Simplified Prospectuses dated January 23, 2014 (SP amendment no. 3) and Amendment No. 4 dated November 27, 2014 (together with SP amendment no. 3, “Amendment no. 4”) to the Annual Information Form dated January 23, 2014
NP 11-202 Receipt dated December 12, 2014
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
SUN LIFE GLOBAL INVESTMENTS (CANADA) INC.
Project #2136831

Issuer Name:
Tekmira Pharmaceuticals Corporation
Principal Regulator - British Columbia
Type and Date:
Final Base Shelf Prospectus dated December 10, 2014
NP 11-202 Receipt dated December 11, 2014
Offering Price and Description:
US$150,000,000
Common Shares

Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2284957

Issuer Name:
Maple Leaf 2014 Oil & Gas Royalties/Flow-Through Limited Partnership - Oil & Gas Royalty Income CDE/COGPE Class
Principal Regulator - British Columbia
Type and Date:
Preliminary Long Form Prospectus dated October 2, 2014
Withdrawn on December 2, 2014
Offering Price and Description:
Price: $25 per Unit
Minimum Purchase: $5,000 (200 Oil& Gas Royalty Income Class Units)
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2265391

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Consent to Suspension (Pending Surrender)	Robert W. Baird & Co. Incorporated	Portfolio Manager	December 9, 2014
Consent to Suspension (Pending Surrender)	DGM Holdings (Canada) Inc.	Exempt Market Dealer	December 10, 2014
Consent to Suspension (Pending Surrender)	CNC Asset Management Ltd.	Portfolio Manager	December 12, 2014
Firm Name Change	Kingship Capital Corp. To: Smart Investments Inc.	Exempt Market Dealer, Investment Fund Manager and Portfolio Manager	December 12, 2014

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Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.1 SROs

13.1.1 IIROC – OSC Staff Notice of Request for Comment – Proposed amendments to Dealer Member Rules 100 and 1200 and to the Form 1 relating to the client free credit cash usage limit, client free credit segregation requirements, and securities concentration test

OSC STAFF NOTICE OF REQUEST FOR COMMENT

THE INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA (IIROC)

THE CLIENT FREE CREDIT CASH USAGE LIMIT, CLIENT FREE CREDIT SEGREGATION REQUIREMENT, AND SECURITIES CONCENTRATION TEST

AMENDMENTS TO DEALER MEMBER RULE 100 and 1200 and to the FORM 1

On November 26, 2014, the Board of Directors (the Board) of the Investment Industry Regulatory Organization of Canada (IIROC) approved the publication for comment of proposed amendments to the Dealer Member Rules 100 and 1200 and to the Form 1 relating to the client free credit cash usage limit, client free credit segregation requirements, and securities concentration test (collectively, "the Proposed Amendments"). The primary objective of the proposed amendments is to strengthen the prudential framework for IIROC Dealer Members for ensuring the safeguarding of and timely client access to client assets. The proposed amendments seek to appropriately restrict a Dealer Member's ability to use client free credit cash balances in the conduct of its business, by reducing the allowable usage ratio to a more appropriate ratio of client free credits to liquid capital (i.e. early warning reserve (EWR)). The proposed amendments also serve to prevent any undue concentration of the investment of client free credit cash balances and Dealer Member capital in securities of a single issuer by expanding the types of securities that will be subject to the securities concentration test.

A copy of the IIROC Notice including the amended documents was also published on our website at http://www.osc.gov.on.ca. The comment period ends on April 17, 2015.

13.1.2 Notice of Commission Approval – Amendments to MFDA Rules to harmonize with Client Relationship Model Phase 2 provisions effective July 15, 2015 and July 15, 2016

MUTUAL FUND DEALERS ASSOCIATION OF CANADA (MFDA)

AMENDMENTS TO MFDA RULES TO HARMONIZE WITH CLIENT RELATIONSHIP MODEL PHASE 2 PROVISIONS EFFECTIVE JULY 15, 2015 AND JULY 15, 2016

NOTICE OF COMMISSION APPROVAL

The Recognizing Regulators of the Mutual Fund Dealers Association of Canada (**MFDA**) have approved or not objected to amendments to MFDA Rules and Form1, and enacted a new policy (the **MFDA 2015-16 CRM2 Amendments**). The amendments and new policy will harmonize requirements for MFDA members with certain requirements in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* that were introduced as part of the Client Relationship Model, Phase 2 and which take effect on July 15, 2015 and July 15, 2016.

The Ontario Securities Commission approved the MFDA 2015-16 CRM2 Amendments. The British Columbia Securities Commission, the Alberta Securities Commission, the Financial and Consumer Affairs Authority of Saskatchewan, the Manitoba Securities Commission, the Financial and Consumer Services Commission of New Brunswick, the Nova Scotia Securities Commission, and Prince Edward Island Office of the Superintendent of Securities also approved or did not object to the MFDA 2015-16 CRM2 Amendments.

The MFDA 2015-16 CRM2 Amendments were published as proposals for public comment on June 13, 2014. The MFDA's summary of the public comments and responses to them, along with the text of the MFDA 2015-16 CRM2 Amendments, will be available on the MFDA's website.

December 18, 2014

13.2 Marketplaces

13.2.1 CX2 Canada ATS – Notice of Commission Approval of Proposed Changes

CX2 CANADA ATS

NOTICE OF COMMISSION APPROVAL OF PROPOSED CHANGES

On December 13, 2014, the Commission approved changes proposed by CX2 Canada ATS, which would introduce broker preferencing for hidden orders.

A notice requesting feedback on the proposed changes was published on the OSC website and in the OSC Bulletin on November 6, 2014 at (2014), 37 OSCB 9876. No comments were received.

CX2 Canada ATS is expected to publish a notice indicating the intended implementation date of the approved changes.

13.3 Clearing Agencies

13.3.1 Material Amendments to CDS Procedures – Amendments Related to the Extenders of Credit and Settlement Agents Category Credit Rings

CDS CLEARING AND DEPOSITORY SERVICES INC. (CDS®)

ERRATA

MATERIAL AMENDMENTS TO CDS PROCEDURES

AMENDMENTS RELATED TO
THE EXTENDERS OF CREDIT AND SETTLEMENT AGENTS CATEGORY CREDIT RINGS

A. DESCRIPTION OF CORRECTION

The notice **AMENDMENTS RELATED TO THE EXTENDERS OF CREDIT AND SETTLEMENT AGENTS CATEGORY CREDIT RINGS** (the "**Notice**"), which was published for public comment on the OSC and AMF websites on November 20, 2014, states that procedural amendments were made to both the Extenders of Credit and the Settlement Agent Category Credit Rings.

CDS would like to clarify that the proposed procedural amendments do not affect the Extenders of Credit Category Credit Ring. References to the Extenders of Credit Category Credit Ring should not have been included in the notice.

Procedural changes impacting the Extenders of Credit Category Credit Ring, will be addressed as they emerge under a separate amendment notice at a later date.

Note that this notice of correction applies only to the text of the Notice, not the text of the CDS Procedures being amended, which remains unchanged.

The public comment period for the Notice remains December 19, 2014.

Subject to regulatory approval, CDS still intends to implement the Amendments on **December 31, 2014**. Please refer to the original Notice published on the OSC and AMF websites for further details on how to comment.

13.3.2 Material Amendments to CDS Rules – Amendments Related to the Extenders of Credit and Settlement Agent Category Credit Rings

CDS CLEARING AND DEPOSITORY SERVICES INC. (CDS®)

ERRATA

MATERIAL AMENDMENTS TO CDS RULES

AMENDMENTS RELATED TO
THE EXTENDERS OF CREDIT AND SETTLEMENT AGENT CATEGORY CREDIT RINGS

A. DESCRIPTION OF CORRECTION

The notice **AMENDMENTS RELATED TO THE EXTENDERS OF CREDIT AND SETTLEMENT AGENTS CATEGORY CREDIT RINGS** (the "**Notice**"), which was published for public comment on the OSC and AMF websites on November 20, 2014, states that rule amendments were made to both the Extenders of Credit and the Settlement Agent Category Credit Rings.

CDS would like to clarify that the proposed rule amendments do not affect the Extenders of Credit Category Credit Ring. References to the Extenders of Credit Category Credit Ring should not have been included in the notice.

Rule changes impacting the Extenders of Credit Category Credit Ring, will be addressed as they emerge under a separate amendment notice at a later date.

Note that this notice of correction applies only to the text of the Notice, not the text of the CDS Rule being amended, which remains unchanged.

The public comment period for the Notice remains December 19, 2014.

Subject to regulatory approval, CDS still intends to implement the Amendments on **December 31, 2014**. Please refer to the original Notice published on the OSC and AMF websites for further details on how to comment.

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Chapter 25

Other Information

25.1 Permissions

25.1.1 Jasmine Broadband Internet Infrastructure Fund

Headnote

Application for permission to make listing representations in preliminary and final offering memorandum that an issuer intends to make application to have its Investment Units listed and quoted on the Stock Exchange of Thailand – permission granted.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 38(1) and (3).

November 27, 2014

Blake, Cassels & Graydon LLP
23 College Hill, Fifth Floor
London, United Kingdom
EC4R 2RP

Re: Jasmine Broadband Internet Infrastructure Fund

Application for Permission to Make Listing Representations

Pursuant to an application dated November 26, 2014 (the **Application**), BBL Asset Management Co. Ltd. (the **Management Company**) acting as management company of Jasmine Broadband Internet Infrastructure Fund (the **Fund**) and Morgan Stanley & Co. Ltd. (the **Initial Purchaser** and collectively with the Management Company and the Fund, the **Filer**) applied for permission to include in the Fund's preliminary and final Canadian Offering Memorandum (as defined below) a representation that an application will be made to list the Fund's investment units (the **Investment Units**) offered in Ontario under that document on the Stock Exchange of Thailand (the **SET**). The Filer has represented that:

a) The Fund will be established and regulated as an individual mutual fund under the laws of Thailand and the Management Company is incorporated in Thailand and is licensed by the Ministry of Finance of Thailand to undertake the securities business of mutual fund management in Thailand.

b) The Management Company is not a reporting issuer in any jurisdiction in Canada and the Fund does not intend to become a reporting issuer in Canada.

c) Following the closing of the Offering (as defined below), it is expected that the Fund will acquire and lease certain optical fiber cables with the expectation that it will generate revenue from such leases.

d) The Application is being made in connection with the initial public offering (the **Offering**) of 5,500,000,000 Investment Units. The Investment Units are proposed to be distributed on a private placement basis by the Initial Purchaser to investors in Ontario and Quebec. The Investment Units are not currently listed on any stock exchange or quotation system and no other securities of the Fund are listed on any stock exchange or quotation system.

e) Prospective Ontario purchasers, who must be "accredited investors", as defined in section 1.1 of National Instrument 45-106 *Prospectus and Registration Exemptions*, and "permitted clients", as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*, will receive a copy of the preliminary and/or final offering memorandum provided to investors outside Thailand, together with a Canadian supplement or "wrapper" (together, the **Canadian Offering Memorandum**).

f) The Canadian Offering Memorandum will contain one or more representations identical or substantially similar to the following (the **Listing Representations**):

> "Prior to the offerings described above, there has been no trading market for the Investment Units within or outside Thailand. The Management Company will apply to the Stock Exchange of Thailand (the "SET") for the Investment Units to be listed and quoted on the SET. Assuming the Investment Units are approved for listing, the Investment Units will be listed on the SET and quoted in Thai Baht. For a description of the SET, see "The Thai Securities Market"."

g) The Filer obtained permission by the Autorité des marchés financiers (**Authority**) on November 26, 2014, pursuant to paragraph 199(4)(a) of the *Securities Act* (Quebec) to permit the Listing Representations to be included in the preliminary and final Canadian Offering Memorandum. Section 199(4) of the *Securities Act* (Quebec) prohibits, among other things, when effecting a trade, to declare that the security will be listed or that an application has been or will be made to that end without express authorization by the Authority to make such declaration.

h) By operation of Section 38(3) of the *Securities Act* (Ontario), the Filer is prohibited from making any written representation that an application will be made to list security on an exchange or quote the security or derivative on a quotation and trade reporting system, unless certain criteria is met, or otherwise with the written permission of the Director.

i) The Filer seeks permission to include the Listing Representations in the Canadian Offering Memorandum to be provided to or made available to prospective Ontario purchasers.

Based on the representations above, permission is hereby granted pursuant to subsection 38(3) of the *Securities Act* (Ontario) to include the Listing Representations in the preliminary and final Canadian Offering Memorandum.

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

25.2 Consents

25.2.1 Family Memorials Inc. – s. 4(b) of the Regulation

Headnote

Consent given to an offering corporation under the Business Corporations Act (Ontario) to continue under the Business Corporations Act (British Columbia).

Statutes Cited

Business Corporations Act, R.S.O. 1990, c. B.16, as am., s. 181.
Securities Act, R.S.O. 1990, c. S.5, as am.

Regulations Cited

Regulation made under the Business Corporations Act, O. Reg. 289/00, as am., s. 4(b).

IN THE MATTER OF
R.R.O. 1990, REGULATION 289/00, AS AMENDED
(The "Regulation")
MADE UNDER THE BUSINESS CORPORATIONS ACT (ONTARIO),
R.S.O. 1990, c.B.16, AS AMENDED
(the "OBCA")

AND

IN THE MATTER OF
FAMILY MEMORIALS INC.

CONSENT
(Subsection 4(b) of the Regulation)

UPON the application of Family Memorials Inc. (the "**Applicant**") to the Ontario Securities Commission (the "**Commission**") requesting the consent from the Commission, pursuant to subsection 4(b) of the Regulation, for the Applicant to continue into the Province of British Columbia (the "**Continuance**") pursuant to Section 181 of the OBCA;

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

AND UPON the Applicant having represented to the Commission that:

1. The Applicant is a corporation incorporated under the OBCA by articles of incorporation effective February 26, 2002.

2. The Applicant's registered and head office located at 1126 Roland St., Thunder Bay, Ontario, P7B 5M4.

3. The authorized capital of the Applicant consists of an unlimited number of common shares ("**Common Shares**"), of which 39,723,603 Common Shares are issued and outstanding as of December 5, 2014. The Common Shares of the Applicant are listed for trading on the TSX Venture Exchange (the "**TSXV**") under the symbol "FAM". The Applicant does not have any securities listed on any other exchange, except for the TSXV.

4. The Applicant intends to apply to the Director under the OBCA pursuant to Section 181 of the OBCA (the "**Application for Continuance**") for authorization to continue into the Province of British Columbia under the *Business Corporations Act* (British Columbia), S.B.C. 2002, c. 57 (the "**BCBCA**") under its name Family Memorials Inc. The Applicant has a name reservation granted by the Registrar of Companies, British Columbia in the name FAMILY MEMORIALS INC., under name reservation number NR 2308308. The Applicant does not intend to change its name in connection with the Continuance.

5. Pursuant to subsection 4(b) of the Regulation, the Application for Continuance must, in the case of an "offering corporation" (as the term is defined in the OBCA), be accompanied by the consent from the Commission.

6. The Applicant is an "offering corporation" under the OBCA and is a reporting issuer under the *Securities Act* (Ontario) R.S.O. 1990, c S.5, as amended (the "**Act**"), and is also a reporting issuer under the securities legislation of British

Columbia, Alberta, Saskatchewan, Manitoba and New Brunswick. The Applicant is not a reporting issuer or equivalent in any other jurisdiction. The Ontario Securities Commission is currently the Applicant's principal regulator.

7. The general nature of the Applicant's business is that it is a monument company, carrying on the retail business of selling granite monuments for placement on individual cemetery lots. It currently carries on business on its own as well as through its wholly-owned subsidiaries. In addition, the Applicant retails monuments through independently owned funeral homes with its web-based sales software imonument.

8. The Applicant has six wholly-owned subsidiaries, Grajack Industries Ltd., Somerville Memorials Ld., R.H. Verduyn Granite Company Ltd., Barber Monuments Limited, Stratford Memorials Ltd. and Remco Memorials Ltd.

9. The Applicant is not in default under any provision of the OBCA and the Act, or any of the regulations or rules made under the OBCA and the Act or under the securities legislation of any other jurisdiction where it is a reporting issuer.

10. The Applicant is not a party to any proceeding, or to the best of its information, knowledge or belief, any pending proceeding under the OBCA and the Act or under the securities legislation of any other jurisdiction where it is a reporting issuer.

11. A summary of the material provisions respecting the proposed Continuance was provided to the Applicant's shareholders in the management information circular of the Applicant dated November 5, 2014 (the "**Circular**") in respect of the Applicant's special meeting of shareholders held on December 5, 2014 (the "**Meeting**"). The Circular was mailed to shareholders of record at the close of business on November 13, 2014 and was filed on SEDAR on November 13, 2014.

12. In accordance with the OBCA and the Act and the Applicant's constating documents, the special resolution of shareholders to be obtained at the Meeting in connection with the proposed Continuance (the "**Continuance Resolution**") requires the approval of a minimum majority of 66 ?% of the aggregate votes cast by shareholders present in person or by proxy at the Meeting. Each shareholder is entitled to one vote for each Common Share held.

13. The Applicant's shareholders had the right to dissent with respect to the proposed Continuance pursuant to Section 185 of the OBCA, and the Circular disclosed full particulars of this right in accordance with applicable law.

14. The Continuance Resolution was approved at the Meeting by 99.26% of the votes cast by the shareholders of the Applicant in respect of the Continuance Resolution. None of the shareholders of the Applicant exercised dissent rights pursuant to section 185 of the OBCA.

15. The Applicant believes that the BCBCA will provide the Applicant with greater flexibility than the OBCA in paying dividends and amalgamating with other companies including with its subsidiaries.

16. Following the Continuance:

    a. the Applicant intends to remain a reporting issuer in Ontario and in each of the other jurisdictions where it is currently a reporting issuer;

    b. the Applicant's registered office will be located at 304 – 1200 Lonsdale Avenue, North Vancouver, British Columbia, V7M 3H6;

    c. the Applicant's head office will remain to be located at 1126 Roland St., Thunder Bay, Ontario, P7B 5M4;

    d. the Ontario Securities Commission will remain as the Applicant's principal regulator; and

    e. the Applicant and its wholly-owned subsidiary, Remco Memorials Ltd., propose to amalgamate under the BCBCA.

17. The material rights, duties and obligations of a corporation governed by the BCBCA are substantially similar to those of a corporation governed by the OBCA.

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

THE COMMISSION HEREBY CONSENTS to the continuance of the Applicant as a corporation under the BCBCA.

DATED at Toronto, this 12th day of December, 2014.

"Deborah Leckman"
Ontario Securities Commission

"Edward P. Kerwin"
Ontario Securities Commission

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