The Ontario Securities Commission

OSC Bulletin

December 30, 2014

Volume 37, Issue 52

(2014), 37 OSCB

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

The Ontario Securities Commission
Cadillac Fairview Tower
22nd Floor, Box 55
20 Queen Street West
Toronto, Ontario
M5H 3S8

416-593-8314 or Toll Free 1-877-785-1555

Contact Centre - Inquiries, Complaints:

Office of the Secretary:

Published under the authority of the Commission by:
Carswell, a Thomson Reuters business
One Corporate Plaza
2075 Kennedy Road
Toronto, Ontario
M1T 3V4

416-609-3800 or 1-800-387-5164

Fax: 416-593-8122
TTY: 1-866-827-1295

Fax: 416-593-2318

THOMSON REUTERS

The OSC Bulletin is published weekly by Carswell, a Thomson Reuters business, under the authority of the Ontario Securities Commission.

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

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

U.S.	$175
Outside North America	$400

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

Carswell also offers every issue of the Bulletin, from 1994 onwards, fully searchable on S*ecuritiesSource*™, Canada's pre-eminent web-based securities resource. *SecuritiesSource*™ also features comprehensive securities legislation, expert analysis, precedents and a weekly Newsletter. For more information on *SecuritiesSource*™, as well as ordering information, please go to:

http://www.westlawecarswell.com/SecuritiesSource/News/default.htm

or call Carswell Customer Relations at 1-800-387-5164 (416-609-3800 Toronto & Outside of Canada).

Claims from *bona fide* subscribers for missing issues will be honoured by Carswell up to one month from publication date.

Space is available in the Ontario Securities Commission Bulletin for advertisements. The publisher will accept advertising aimed at the securities industry or financial community in Canada. Advertisements are limited to tombstone announcements and professional business card announcements by members of, and suppliers to, the financial services industry.

ISSN 0226-9325

THOMSON REUTERS

One Corporate Plaza
2075 Kennedy Road
Toronto, Ontario
M1T 3V4

Customer Relations
Toronto 1-416-609-3800
Elsewhere in Canada/U.S. 1-800-387-5164
Fax 1-416-298-5082
www.carswell.com
Email www.carswell.com/email

Table of Contents

Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Notice of Ministerial Approval of Amendments to NI 21-101 Marketplace Operation and Companion Policy 21-101CP

NOTICE OF MINISTERIAL APPROVAL OF AMENDMENTS TO
NATIONAL INSTRUMENT 21-101 MARKETPLACE OPERATION
AND COMPANION POLICY 21-101CP

On December 15, 2014, the Minister of Finance approved amendments (Amendments) to National Instrument 21-101 *Marketplace Operation* and Companion Policy 21-101CP. The Amendments are reproduced in Chapter 5 of this Bulletin and at www.osc.gov.on.ca. The key objective of these amendments is to extend the existing exemption from transparency requirements for government debt securities from January 1, 2015 to January 1, 2018.

The Amendments were published in the Ontario Securities Commission Bulletin on October 23, 2014 at (2014), 37 OSCB 9579. No changes have been made to the rule since this publication.

The Amendments will come into force on December 31, 2014.

1.1.2 OSC Staff Notice 11-742 (Revised) – Securities Advisory Committee

REVISED ONTARIO SECURITIES COMMISSION STAFF NOTICE 11-742

SECURITIES ADVISORY COMMITTEE

In a Notice published in the OSC Bulletin on October 23, 2014, the Commission invited applications for positions on the Securities Advisory Committee ("SAC"). SAC provides advice to the Commission and staff on a variety of matters including legislative and policy initiatives and important capital markets trends and brings various issues to the attention of the Commission and staff.

The Commission was very impressed with the number of highly qualified practitioners who applied for positions on SAC. Unfortunately, there were far more applicants than there were positions available and selection from among the group was very difficult. The Commission would like to thank everyone who applied, for their interest in serving on SAC.

The Commission is pleased to publish the names of the four new members who will be participating on SAC for the next three years.

–	Blair Cowper–Smith	OMERS Administration Corporation
–	Sheldon Freeman	Goodmans LLP
–	Mindy Gilbert	Davies Ward Phillips & Vineberg LLP
–	Kathleen Ritchie	Gowling Lafleur Henderson LLP

The members of SAC have staggered terms. The continuing members of SAC are:

–	Julie Shin	Toronto Stock Exchange
–	Judy Cotte	RBC Global Asset Management
–	Diana Wisner	Bank of Montreal
–	Ian Michael	McCarthy Tétrault LLP
–	Douglas Bryce	Osler Hoskin & Harcourt LLP
–	Carol Derk	Borden Ladner Gervais LLP
–	Shahen Mirakian	McMillan LLP
–	Sean Vanderpol	Stikeman Elliott LLP

The Commission would like to take this opportunity to thank the four members of SAC, listed below, who completed their term in December 2014, having served on the Committee with great dedication over the last three years. Their advice and guidance on a range of issues has been very valuable to the Commission.

–	Brad Brasser	Jones Day, USA
–	Jeff Davis	Ontario Teachers' Pension Plan
–	Christopher Hewat	Blake, Cassels & Graydon LLP
–	Leslie McCallum	Torys LLP

The Commission will publish a notice in Fall 2015 inviting applications for the next group of new SAC members, who will commence their terms in January 2016.

Reference: Krista Martin Gorelle
Acting General Counsel
Tel: (416) 593–3689
kgorelle@osc.gov.on.ca

December 30, 2014

1.1.3 Ontario Securities Commission, Investment Funds and Structured Products Branch – IFRS Release No. 3

ONTARIO SECURITIES COMMISSION,
INVESTMENT FUNDS AND STRUCTURED PRODUCTS BRANCH – IFRS RELEASE NO. 3

OUTCOMES FROM THE REVIEW OF FIRST IFRS INTERIM FINANCIAL REPORTS

Staff of the Investment Funds and Structured Products Branch of the Ontario Securities Commission (OSC) has completed the review of the first IFRS interim financial reports required to be filed for the period ended June 30, 2014. This communication is to inform investment fund issuers and their advisers of the resolution of the issues identified in IFRS Releases No. 1 and 2, issued on September 30, 2014 and November 26, 2014, respectively.

For those investment funds that have yet to file their first IFRS interim financial reports and related management reports of fund performance (MRFPs), we encourage the fund, its manager and advisers to review this release to inform their first IFRS filings.

Opening IFRS Statement of Financial Position

In our review of the first IFRS interim financial reports, we noted that approximately half of the fund managers with investment funds that started in 2013 failed to include an opening IFRS statement of financial position at the date of transition to IFRS (the Opening Statement) on the face of the financial statements.

Background

The Opening Statement is required by IFRS 1 *First-time Adoption of International Financial Reporting Standards* (IFRS 1) and is also mandated in securities law under subsection 18.5.1(1) of National Instrument 81-106 *Investment Funds Continuous Disclosure* (NI 81-106). Companion Policy 81-106CP *Investment Fund Continuous Disclosure* (the Companion Policy) explains that, in staff's view, the continuous disclosure requirements set out in NI 81-106 are minimum requirements that investment funds must include to provide full disclosure in their financial statements, in addition to the requirements in IFRS. Regardless of whether the requirement in IFRS 1 is triggered based on a materiality threshold under IFRS, securities law has made it an express requirement to provide an Opening Statement in the interim financial report under subsection 18.5.1(1) of NI 81-106.

The Opening Statement represents the starting point of an entity's accounting in accordance with IFRS and, as we stated in October 2009[1], we believe that investors need this information to understand how the transition from Part V of the CPA Canada Handbook (pre-changeover Canadian GAAP) to IFRS affects the investment fund's reported financial position, even if to show that the transition has had no effect.

New funds in 2013

All new funds that started in 2013 (the 2013 Funds) prepared annual financial statements at their first year-end in accordance with pre-changeover Canadian GAAP. Accordingly, all 2013 Funds are required to present an Opening Statement at the date of transition to IFRS which, given that these funds are new, is typically the fund's inception date[2] rather than January 1, 2013. Depending on what the fund manager determines the inception date of the fund to be, the fund may have net assets equal to zero, the seed capital, or some other amount which will be reflected on the Opening Statement. We expect the date of transition chosen by the fund to be clear in the financial statements and that fund managers are able to substantiate the transition date selected.

In all cases, once a transition date has been selected, it should be applied consistently by investment funds when preparing their financial statements. While not an exhaustive list, some examples include: (i) the net assets on the Opening Statement should be the same as the net asset balance on the statement of changes in net assets for the beginning of the comparative period; (ii) the transition date associated with the Opening Statement should be the same as the fund's inception date generally disclosed in Note 1 to the financial statements; and (iii) the same transition date should be used in both the interim financial report and the annual financial statements.

1 In Appendix A, Summary of Proposed Amendments to the Notice and Request for Comments, dated October 16, 2009, which published the IFRS amendments to NI 81-106 and related amendments for comment.

2 Preparers of the financial statements should note that the fund's inception date for purposes of the financial statements may differ from the dates used in the Fund Facts and in calculating past performance for the MRFP.

Annual financial statements

For the 2013 Funds that did not include an Opening Statement, staff did not request that the funds refile their interim financial reports. This was done on the understanding that these funds would comply with IFRS 1 and subsection 18.5.1(2) of NI 81-106 in their annual financial statements for the period ended December 31, 2014 by including three statements of financial position: one for each of the current financial year and the comparative period, and the third being the Opening Statement. The Opening Statement is required to be presented on the face of the financial statements. If an investment fund determines that the Opening Statement would show zero balances, the fund may replace the Opening Statement with a footnote on the face of the statement of financial position, disclosing the date of transition to IFRS and explaining that the fund had no or minimal net assets on the date of transition.

For some 2013 Funds that have already filed their first IFRS interim financial reports, the guidance in this release may cause a fund to reconsider its inception date, and result in balances in its first IFRS annual financial statements that will be different from amounts in previously filed interim financial reports or in a set of annual financial statements prepared in accordance with pre-changeover Canadian GAAP. In such cases, staff expects an explanation of the differences to be included in the notes to the financial statements.

IFRS 1 Reconciliations

Further to the discussion in IFRS Release No. 1, for investment funds that did not include all of the reconciliation disclosures in their interim financial reports, staff did not request that the financial statements be refiled on the understanding that the equity and comprehensive income reconciliations required by paragraph 24 of IFRS 1 would be included in the first IFRS annual financial statements.

MRFP Disclosure

Further to the discussion in IFRS Release No. 1, for investment funds that did not include a footnote to the Financial Highlights table in the interim MRFP explaining the accounting principles applicable to each period in the table, we did not request that the interim MRFP be restated if the discussion had been included in the management discussion of fund performance (MDFP) section. We asked that the information appear as a footnote to the table in future MRFPs, since the discussion in the MDFP may not be carried forward in subsequent years.

Staff did request the restatement and refiling of the interim MRFP, accompanied by a press release explaining the information being refiled, in cases where there was no discussion of the transition to IFRS at all in the MRFP. Such funds were placed on the Refilings and Errors List on the OSC website. This public list includes issuers that have restated and refiled continuous disclosure documents after a staff review, or for which errors were noted during the review. For more information, please refer to OSC Staff Notice 51-711 *List of Refilings and Corrections of Errors as a Result of Regulatory Reviews* (OSC Staff Notice 51-711).

Auditor Involvement with Interim Financial Reports

Further to the discussion in IFRS Release No. 2, in cases when an investment fund did not engage an auditor to review its interim financial report, staff requested a refiling and press release if a notice did not accompany the interim financial report to explain that a review had not been performed. These funds were placed on the Refilings and Errors List.

If a review was performed subsequent to the filing of an interim financial report that did not include a notice in the absence of a review, staff also requested that a press release be issued although no refiling of the interim financial report was required. The purpose of the press release was to explain that an error had occurred at the time of the filing, but that a review of the interim financial report had since been completed and resulted in no changes. These funds were placed on the Refilings and Errors List to acknowledge that an error had occurred.

Regulatory Consequences and Remedies

It is the responsibility of every investment fund issuer to meet its continuous disclosure reporting obligations. We remind investment fund managers that an investment fund that has filed financial statements or MRFPs that do not comply with securities legislation or IFRS, could be placed on the list of defaulting reporting issuers maintained on the OSC website until the default is remedied. A content deficiency in any such documents could also lead to the reporting issuer being placed on the default list. For more information, please refer to OSC Policy 51-601 Reporting Issuer Defaults and OSC Staff Notice 51-711.

Next Steps

IFRS Release No. 4 will be issued early in 2015 and will take the form of a “tip sheet” to assist investment fund issuers in checking for some of the key elements in a set of first IFRS annual financial statements.

Questions

Questions may be referred to the following staff members of the Investment Funds and Structured Products Branch:

Stacey Barker
Senior Accountant
416-593-2391
sbarker@osc.gov.on.ca

Ritu Kalra
Senior Accountant
416-593-8063
rkalra@osc.gov.on.ca

Sovener Yu
Accountant
416-593-2395
syu@osc.gov.on.ca

December 19, 2014

1.1.4 Frank Dunn et al. – Notice of Withdrawal

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

AND

IN THE MATTER OF
FRANK DUNN, DOUGLAS BEATTY AND MICHAEL GOLLOGLY

NOTICE OF WITHDRAWAL

WHEREAS on March 12, 2007, 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, to consider whether it is in the public interest to make certain orders against Frank Dunn, Douglas Beatty and Michael Gollogly (collectively, the "Respondents") by reason of the allegations set out in the Statement of Allegations filed by Staff of the Commission ("Staff") dated March 12, 2007;

AND WHEREAS the Notice of Hearing gave notice to the Respondents that a hearing would be held on a date and at a time to be scheduled;

AND WHEREAS this matter was not brought back for a hearing;

TAKE NOTICE that Staff withdraw the Statement of Allegations against the Respondents.

December 19, 2014

Staff of the Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, ON M5H 3S8

1.1.5 Notice of Revocation of Strip Bond Information Statement

NOTICE OF REVOCATION OF STRIP BOND INFORMATION STATEMENT

On July 28, 2003, the Director accepted an information statement dated June 2003 (the **2003 Information Statement**) under section 4.2 of Ontario Securities Commission Rule 91-501 – *Strip Bonds* (the **Strip Bond Rule**). The 2003 Information Statement was submitted by the Investment Dealers Association, the predecessor of the Investment Industry Regulatory Organization of Canada (**IIROC**).

On June 4, 2014, the Director accepted a revised form of strip bond information statement (the **2014 Information Statement**) submitted by IIROC pursuant to section 4.2 of the Strip Bond Rule. The Director's acceptance is evidenced in a decision document dated June 4, 2014. IIROC has asked IIROC-regulated investment dealers to begin using the 2014 Information Statement no later than January 2, 2015. Further information regarding the use of the Information Statement by IIROC-regulated investment dealers and market participants that are not regulated by IIROC can be found in IIROC Notice 14-0158 dated June 26, 2014, available on the IIROC website at www.iiroc.ca.

As the 2003 Information Statement no longer complies with paragraph 4.1(f) of the Strip Bond Rule, the Director has revoked the acceptance of the 2003 Information Statement pursuant to section 4.3 of the Strip Bond Rule. The revocation will take effect on January 2, 2015. The revocation is published in Chapter 2 of the Bulletin.

Contact:

Winnie Sanjoto
Senior Legal Counsel
Corporate Finance
416-593-8119
wsanjoto@osc.gov.on.ca

1.2 Notices of Hearing

1.2.1 Welcome Place 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
WELCOME PLACE INC., DANIEL MAXSOOD also known as
MUHAMMAD M. KHAN, TAO ZHANG, and TALAT ASHRAF

NOTICE OF HEARING
(Sections 127 and 127.1 of the Securities Act)

TAKE NOTICE that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to sections 127 and 127.1 of the Ontario *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), at the offices of the Commission located at 20 Queen Street West, 17th Floor, commencing on February 2, 2015 at 2:00 p.m. or as soon thereafter as the hearing can be held;

AND TAKE NOTICE that the purpose of the hearing is for the Commission to consider whether, in the Commission's opinion, it is in the public interest for the Commission to make the following orders against Welcome Place Inc. ("Welcome Place"), Daniel Maxsood also known as Muhammad M. Khan ("Maxsood"), Tao Zhang ("Zhang"), and Talat Ashraf ("Ashraf") (collectively the "Respondents"):

a. that trading in any securities or derivatives by the Respondents cease permanently or for such period as is specified by the Commission, pursuant to paragraph 2 of subsection 127(1) of the Act;

b. that trading in any securities of the Respondents cease permanently or for such period as is specified by the Commission, pursuant to paragraph 2 of subsection 127(1) of the Act;

c. that the acquisition of any securities by the Respondents is prohibited permanently or for such period as is specified by the Commission, pursuant to paragraph 2.1 of subsection 127(1) of the Act;

d. 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, pursuant to paragraph 3 of subsection 127(1) of the Act;

e. that the Respondents be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act;

f. that Maxsood, Zhang, and Ashraf resign one or more positions that he or she holds as a director or officer of any issuer, registrant, or investment fund manager, pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act;

g. that Maxsood, Zhang, and Ashraf be prohibited from becoming or acting as a director or officer of any issuer, registrant, or investment fund manager, permanently or for such period as is specified by the Commission, pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act;

h. that the Respondents be prohibited from becoming or acting as a registrant, as an investment fund manager, or as a promoter, permanently or for such period as is specified by the Commission, pursuant to paragraph 8.5 of subsection 127(1) of the Act;

i. that each Respondents pay an administrative penalty of not more than $1 million for each failure by the respective Respondent to comply with Ontario securities law, pursuant to paragraph 9 of subsection 127(1) of the Act;

j. that each Respondent disgorge to the Commission any amounts obtained as a result of non-compliance by that Respondent with Ontario securities law, pursuant to paragraph 10 of subsection 127(1) of the Act;

k. that the Respondents be ordered to pay the costs of the Commission investigation and the hearing, pursuant to section 127.1 of the Act; and

l. such other order as the Commission considers appropriate in the public interest.

BY REASON OF the allegations set out in the Statement of Allegations of Staff of the Commission, dated December 18, 2014 and such further allegations 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 stated above, the hearing may proceed in the absence of that party, and such party is not entitled to any further notice of the proceedings;

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 18th 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
WELCOME PLACE INC., DANIEL MAXSOOD also known as
MUHAMMAD M. KHAN, TAO ZHANG, and TALAT ASHRAF

STATEMENT OF ALLEGATIONS OF
STAFF OF THE ONTARIO SECURITIES COMMISSION

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

A. OVERVIEW

1. This proceeding involves the unregistered trading and illegal distribution of securities by the Respondents Welcome Place Inc. ("Welcome Place"), Daniel Maxsood also known as Muhammad M. Khan ("Maxsood"), Tao Zhang ("Zhang"), and Talat Ashraf ("Ashraf") (collectively, the "Respondents") between March 1, 2008 and May 15, 2013 (the "Material Time"). The Respondents breached sections 25 and 53 of the Ontario *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") by raising approximately $5,250,000 through investment contracts, including promissory notes, from approximately 90 investors, who were solicited to participate in an investment scheme created and carried out by Maxsood and Welcome Place.

2. Furthermore, Maxsood and Welcome Place engaged in fraudulent conduct in breach of section 126.1(b) of the Act by misleading investors as to the use of investor funds, by using investor funds to repay investor capital to other investors and by using investor funds for personal expenditures, which uses were not disclosed to investors.

3. In addition, contrary to subsection 44(2) of the Act, Maxsood and Welcome Place made false, inaccurate or misleading statements and failed to disclose important facts to investors and potential investors with respect to securities.

4. The Respondents have acted in a manner contrary to Ontario securities law and contrary to the public interest.

B. THE RESPONDENTS

5. During the Material Time, Welcome Place was a federal company, incorporated on March 3, 2008, with its registered office address in Mississauga, Ontario. Welcome Place has never been registered with the Ontario Securities Commission (the "Commission") in any capacity. Welcome Place is not a reporting issuer in Ontario. Welcome Place has never filed a prospectus or preliminary prospectus with the Commission.

6. Maxsood is a resident of Oakville, Ontario. Maxsood legally changed his name from Muhammad M. Khan in 2010. He is the founding director of Welcome Place, and its directing mind. He has never been registered with the Commission in any capacity.

7. Zhang is a resident of Oakville, Ontario, and she is the spouse of Maxsood. In June 2012, Welcome Place claimed in an employment letter provided to a financial institution that since January 2011, Zhang was a permanent full-time employee of Welcome Place in the role of Investment Advisor. Zhang has never been registered with the Commission in any capacity.

8. Ashraf is a resident of Mississauga, Ontario. He has worked for Welcome Place since 2011, and is the marketing manager. He has never been registered with the Commission in any capacity.

C. THE RESPONDENTS' MISCONDUCT

(i) The Solicitation of Investors through the Trading School

9. Welcome Place operates a trading school located in Mississauga, Ontario. During the Material Time, through radio and newspaper advertisements (mostly on South Asian community stations and papers, and often in Hindi), as well as through the Welcome Place website, Maxsood and Welcome Place offered to teach the public how to trade commodity futures contracts including foreign exchange and indices. In its advertisements, Welcome Place guaranteed a daily return of $200 to $300 if students followed the day trading methods taught by Welcome Place and used its trading software. Similarly, Welcome Place's website represented that investors can "make 24% to 36% Guaranteed".

10. Students were first invited to attend a free seminar presented by Maxsood, who purported to provide information and advice regarding day trading strategies in both English and Hindi. Thereafter, seminar attendees were solicited by Maxsood and Ashraf to sign up for paid trading workshops, for which they were generally charged tuition of approximately $5,000. During the Material Time, approximately 230 students paid approximately $730,000 in tuition fees.

11. At these seminars and trading workshops, Maxsood held out Welcome Place's "systematic approach" as providing all the tools necessary to become a successful trader. Maxsood instructed and invited students to follow and copy his trading methodology. Maxsood and Welcome Place purported "to show how the theory can be profitably executed from our personal trading experience". Some students traded in person at the trading school and sought ongoing instruction from Maxsood while doing so.

12. After gaining the students' trust, Maxsood and Ashraf used these seminars and trading workshops to meet potential investors and to promote investment in other business opportunities being pursued by Maxsood. During and after seminars and trading workshops, certain students who participated in, or expressed interest in, Welcome Place's trading workshops were subsequently solicited by Maxsood and/or Ashraf to lend money to Maxsood and/or Welcome Place. In these circumstances, the trading school activities were acts in furtherance of trading, and as particularized below, were part of a fraudulent course of conduct relating to securities. This conduct was also contrary to the public interest.

(ii) Particulars of Unregistered Trading and Illegal Distribution

13. Maxsood, Ashraf and Welcome Place engaged in the solicitation of investors, which included meeting with potential investors in person and on the telephone, discussing the nature of the investment on offer, and making representations regarding guarantees and the purported profits to be earned by entering into the investment.

14. Most of the investors were initially students at Welcome Place. In some instances, however, seminar attendees simply proceeded to make an investment with Maxsood and Welcome Place and did not register for the trading workshop course.

15. Maxsood, Ashraf and Welcome Place represented to investors that they would receive monthly payments of 2% to 3% of their investment, and after receiving back their investment, investors would be entitled to share in the profits arising from Maxsood's and/or Welcome Place's business ventures. Most investors were told that Maxsood was establishing, and then later, operating an import/export business, and that investors would be entitled to share in the profits of that business. However, some investors understood that Maxsood would be applying their loan monies to trade futures utilizing Welcome Place's trading methods and software, which would generate the investment returns for these investors.

16. Investor monies were received by both Maxsood and Ashraf, on behalf of Maxsood and/or Welcome Place, on the basis of the various representations made to investors by Maxsood, Ashraf and Welcome Place. In return for the investment, in many instances promissory notes were drafted, executed and issued to the investors. The promissory notes were issued by Welcome Place and executed by Maxsood. During the Material Time, at least 28 promissory notes were issued to at least 26 investors totalling approximately $1,365,000 (the "Promissory Notes").

17. The Promissory Notes were similar to one another and typically included a provision stating that the principal is to be returned at the end of the term or within 30 days of written notice given by the investor to the investment company. Each Promissory Note evidenced indebtedness and/or was an "investment contract" and therefore a "security" as defined in subsection 1(1) of the Act.

18. In other instances, formal Promissory Notes were not executed, but investors provided monies to Maxsood and Ashraf on the understanding that the monies were payable for an investment, sometimes including such a notation directly on cheques. The investments being offered by Maxsood, Ashraf and/or Welcome Place were "investment contracts" and therefore securities under the Act.

19. Through representations by Maxsood, Welcome Place and Ashraf, investors in the investment contracts, including the Promissory Notes, were promised that:

(a) investors would receive monthly payments of between 2-3% of the principal per month, and the loans would repaid in approximately 3-4 years; and

(b) after the principal was returned, investors would be entitled to share in the profits of Maxsood's business ventures in perpetuity.

20. Maxsood prepared and signed the Promissory Notes and deposited investor funds to several bank accounts in his name and in the name of Welcome Place. In addition to the monies received for which Promissory Notes were issued, accounts in Maxsood's name and in the name of Welcome Place received at least an additional $3,885,000 from approximately 64 other

investors as investment monies. In total, approximately $5,250,000 was received from approximately 90 investors. The monies received from investors were commingled with tuition fees.

21. Maxsood also directed investor funds to be paid or transferred to the Canadian bank accounts of his spouse. Zhang consequently received a significant amount of funds both from investors directly and from the accounts of Welcome Place and Maxsood as follows:

(a) $21,000 directly from people who have been identified as investors;

(b) $19,589 transferred from Welcome Place; and

(c) $984,006.43 transferred from Maxsood's accounts, which was comprised primarily of funds deposited to Maxsood's accounts as loans from investors and fees for trading workshops.

The receipts of funds by Zhang were acts in furtherance of unregistered trading.

22. Additionally, during the Material Time, Ashraf received funds totalling approximately $262,000 from various accounts controlled by Maxsood as commission and interest free loans. Further, as compensation for the solicitation of investors, Ashraf became entitled to share in the profits of, and receive other benefits from, Maxsood's business ventures.

23. By engaging in the conduct described above, the Respondents traded and engaged in, or held themselves out as engaging in, the business of trading in securities, namely investment contracts, without being registered with the Commission to trade in such securities during the Material Time. The Respondents participated in acts, advertisements, solicitations, conduct, or negotiations directly or indirectly in furtherance of the sale or disposition of securities for valuable consideration, in circumstances where there were no exemptions available to them under the Act, contrary to section 25 of the Act.

24. The dealing in Promissory Notes and investment contracts were trades in securities not previously issued and were therefore distributions. The Respondents have never filed a preliminary prospectus or a prospectus with the Commission, and no prospectus receipt has ever been issued to qualify the sale of the Promissory Notes or other investment contracts.

25. Many of the investors did not qualify as accredited investors or meet applicable exemptions from registration and prospectus requirements, nor were inquiries generally made by the Respondents' about investors' financial situation. In some instances, the investors borrowed funds to make the investments, including mortgaging their homes.

(iii) Particulars of Fraudulent Conduct and Prohibited Representations

26. Maxsood and Welcome Place engaged in a course of conduct related to securities, commencing with the solicitation of investors through the trading school, which they knew, or ought to have reasonably known, perpetrated a fraud on investors contrary to paragraph 126.1(b) of the Act.

27. While soliciting students and allegedly teaching trading strategies, Maxsood and Welcome Place made statements that they knew or reasonably ought to have known were misleading or untrue. In particular, Maxsood and Welcome Place made the following misleading representations to their students, through advertisements, presentations and/or on the Welcome Place web site:

(a) Through on-air paid advertisements in the form of interviews and in other presentations, Maxsood purported to have developed a successful trading program, notwithstanding that Maxsood has no formal securities training and has never been registered with the Commission;

(b) Welcome Place guaranteed that its students will consistently make $200 to $300 per day as long as they followed Welcome Place's strategies, and invited students to "Invest with us and make 24% to 36% yearly guaranteed", notwithstanding the fact that students did not consistently make such returns but instead many sustained losses; and

(c) Welcome Place claimed that it had "removed all the risk".

28. Maxsood and Welcome Place further committed a fraud by using investor funds for purposes other than the investment purposes that were communicated to investors. In addition, Maxsood and Welcome Place perpetrated a fraud on investors by making misleading or untrue statements to investors, including as follows:

(a) that they would receive monthly payments of their principal in the range of 2-3% and repayment of principal within approximately 3-4 years;

(b) by creating the impression and/or making representations that investor funds would be used for business purposes and not disclosing that funds would be used for personal benefit and to make principal repayments to other investors; and

(c) that monthly payments received by investors would be from Maxsood or his business ventures, when in fact, Maxsood and Welcome Place had no source of funds other than what was obtained through new investors and tuition for the trading workshops.

29. Contrary to the representations made to investors, investors' money was used for two primary purposes: payments to other persons who were also investors in the scheme or for Maxsood's personal lifestyle expenses.

30. In particular, during the Material Time, Maxsood directed at least $1,850,000, of the funds received from investors to be used to make capital repayments to other investors. However, the majority of investors continue to have principal amounts outstanding.

31. Further, Maxsood directed investor funds to be used for the personal benefit of himself and his family members as follows:

(a) in addition to the approximately $1,000,000 transferred to Zhang's Canadian bank accounts referenced in paragraph 21 above, a further $44,000 was transferred to a bank account held by Zhang in China;

(b) approximately $573,000 was transferred offshore to Thailand and China and paid to family members and/or related parties of Maxsood and/or Zhang;

(c) approximately $382,000 was used to make payments to mortgages on properties owned by Maxsood and/or Zhang located in Ontario;

(d) approximately $262,000 was used to pay the bills of credit cards in the names of Maxsood, Zhang and Welcome Place;

(e) approximately $1,141,000 was transferred to a company called Oseka Co. Ltd. ("Oseka"), incorporated in August 2012 in Bangkok, Thailand, which appears to be an import/export business of which Maxsood is a director and a shareholder; and

(f) prior to Oseka even being incorporated, approximately $21,000 was sent to another director of Oseka.

32. Welcome Place had no source of funds other than what it obtained through new investors and tuition for the trading workshop courses. Further, contrary to the representations of Maxsood and Ashraf to investors, only a small portion of the monies raised from investors was used in relation to Maxsood's import/export business. Oseka did not make any payments to either Maxsood or Welcome Place. As tuition fees and revenues from Welcome Place were insufficient, Maxsood and Welcome Place had no way of repaying the Promissory Note holders and other investors without seeking out additional investors.

33. The representations made to investors were misleading and fraudulent and provided to investors a picture that was not accurate or true.

34. Further, in making these representations or omissions, Maxsood and Welcome Place made statements about matters that a reasonable investor would consider relevant in deciding whether to enter into or maintain a trading relationship with Maxsood and Welcome Place and the statements were untrue or omitted information necessary to prevent the statements from being false or misleading in the circumstances in which they were made, contrary to subsection 44(2) of the Act.

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

35. The specific allegations advanced by Staff are:

(a) During the Material Time, all of the Respondents traded and engaged in, or held themselves out as engaging in, the business of trading in securities without being registered to do so in circumstances in which no exemption was available, contrary to paragraph 25(1)(a) of the Act as that section existed at the time the conduct commenced in 2008, and after September 28, 2009, contrary to subsection 25(1) of the Act;

(b) During the Material Time, all of the Respondents distributed securities when a preliminary prospectus and a prospectus had not been filed and receipts had not been issued for them by the Director, contrary to subsection 53(1) of the Act;

(c) During the Material Time, Maxsood and Welcome Place engaged or participated in acts, practices, or courses of conduct relating to securities that they knew perpetrated a fraud on persons or companies contrary to paragraph 126.1(b) of the Act;

(d) During the Material Time, Maxsood and Welcome Place made statements about matters that a reasonable investor would consider relevant in deciding whether to enter into or maintain a trading relationship with Maxsood and Welcome Place and the statements were untrue or omitted information necessary to prevent the statements from being false or misleading in the circumstances in which they were made, contrary to subsection 44(2) of the Act;

(e) During the Material Time, Maxsood, being an officer and director of Welcome Place, authorized, permitted or acquiesced in Welcome Place's non-compliance with Ontario securities law and accordingly failed to comply with Ontario securities law, contrary to section 129.2 of the Act; and

(f) The Respondents' conduct was contrary to the public interest and harmful to the integrity of the capital markets in Ontario.

36. Staff reserve the right to amend these allegations and to make such further and other allegations as Staff may advise and the Commission may permit.

DATED at Toronto, this 18th day of December, 2014.

1.4 Notices from the Office of the Secretary

1.4.1 Quadrexx Hedge Capital Management Ltd. et al.

FOR IMMEDIATE RELEASE
December 17, 2014

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

AND

IN THE MATTER OF
QUADREXX HEDGE CAPITAL MANAGEMENT LTD.,
QUADREXX SECURED ASSETS INC.,
MIKLOS NAGY and TONY SANFELICE

TORONTO – The Commission issued an Order in the above named matter which provides that the Withdrawal Motion be heard in writing; and that Sean Zaboroski is granted leave to withdraw as representative for the respondents Quadrexx Hedge Capital Management Ltd., Quadrexx Secured Assets Inc. and Miklos Nagy.

A copy of the Order dated December 16, 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 Powerwater Systems, Inc. et al.

FOR IMMEDIATE RELEASE
December 18, 2014

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

AND

IN THE MATTER OF
POWERWATER SYSTEMS, INC.,
DUNCAN CLEWORTH and POWERWATER USA LTD.

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

(a) pursuant to Rule 11.5 of the Commission's *Rules of Procedure*, this matter shall continue as an oral hearing;

(b) any additional affidavit evidence from the Respondents shall be served and filed no later than January 23, 2015;

(c) any additional affidavit evidence from Staff shall be served and filed no later than February 4, 2015;

(d) an oral hearing in this matter shall be held on February 9, 2015;

(e) at the hearing, the Respondents and Staff shall have the right to cross-examine any affiant(s) and make oral submissions; and

(f) following the hearing, the Respondents and Staff shall have the right to serve and file written closing submissions.

A copy of the Order dated December 11, 2014 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
ACTING 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 Frank Dunn et al.

FOR IMMEDIATE RELEASE
December 19, 2014

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

AND

IN THE MATTER OF
FRANK DUNN, DOUGLAS BEATTY
AND MICHAEL GOLLOGLY

TORONTO – Staff of the Ontario Securities Commission filed a Notice of Withdrawal against the Respondents as of December 19, 2014 in the above noted matter.

In January, 2013, Justice Marrocco of the Superior Court of Justice acquitted the Respondents of criminal charges brought against them respecting earnings disclosures which were the subject of the Commission Staff proceeding.

A copy of the Notice of Withdrawal dated December 19, 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 Welcome Place Inc. et al.

FOR IMMEDIATE RELEASE
December 19, 2014

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

AND

IN THE MATTER OF
WELCOME PLACE INC., DANIEL MAXSOOD
also known as MUHAMMAD M. KHAN,
TAO ZHANG, and TALAT ASHRAF

TORONTO – The Office of the Secretary issued a Notice of Hearing setting the matter down to be heard on February 2, 2015 at 2:00 p.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 18, 2014 and Statement of Allegations of Staff of the Ontario Securities Commission dated December 18, 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 Alexander Christ Doulis and Liberty Consulting Ltd.

FOR IMMEDIATE RELEASE
December 22, 2014

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

AND

IN THE MATTER OF
ALEXANDER CHRIST DOULIS
(aka ALEXANDER CHRISTOS DOULIS,
aka ALEXANDROS CHRISTODOULIDIS)
and LIBERTY CONSULTING LTD.

TORONTO – The Commission issued its Reasons and Decision on Sanctions and Costs and an Order in the above noted matter.

A copy of the Reasons and Decision on Sanctions and Costs and the Order dated December 22, 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)

This page intentionally left blank

Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 NexGen Financial Limited Partnership

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – approval for indirect change of control of manager resulting from the acquisition of its parent holding company by Natixis Global Asset Management LP and abridgment of securityholder notice period to 33 days – acquirer has requisite experience and integrity to participate in Canadian capital markets – transaction will not result in any material changes to operations and management of the manager or the funds it manages.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 5.5(1)(a.1), 5.7(1)(a), 5.8(1), 19.1.

December 12, 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
NEXGEN FINANCIAL LIMITED PARTNERSHIP
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for approval with respect to a proposed change of control of the Filer pursuant to section 5.5(1)(a.1) of National Instrument 81-102 – *Investment Funds* (**NI 81-102**) (the **Approval Sought**) and an abridgement to no less than 33 days of the time period prescribed by section 5.8(1)(a) of NI 81-102 for delivering notice to the securityholders of the Funds (as defined below) of the change of control of the Filer resulting from the Proposed Transaction (as defined below) (the **Abridgement Relief**).

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

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

(b) the Filer has provided notice that section 4.7(2) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of British Columbia, Alberta, Quebec, Newfoundland and Labrador and Northwest Territories with respect to the relief sought (together with the Jurisdiction, the Jurisdictions).

Interpretation

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

Representations

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

NexGen Financial Limited Partnership

1. The Filer is a limited partnership established under the laws of the Province of Ontario. The general partner of the Filer is NexGen Limited, a corporation incorporated under the laws of the Province of Ontario. 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 a portfolio manager and mutual fund dealer in Ontario and has provided notice of its intention to surrender its registration as a commodity trading manager in Ontario.

3. The Filer is not in default of securities legislation in any of the Jurisdictions.

4. The Filer is a wholly-owned subsidiary of NexGen Financial Corporation (**NexGen Holdco**).

NexGen Holdco

5. NexGen Holdco is a Toronto-based holding company incorporated under the laws of the Province of Ontario and publicly listed on TSX Venture Exchange (NFX:TSX.V).

6. NexGen Holdco conducts its business through the Filer, which has more than CA$919 million in assets under management as at September 30, 2014.

7. NexGen Holdco is a reporting issuer in each of Ontario, British Columbia and Alberta and is not in default of securities legislation in any of these Jurisdictions.

NexGen Funds

8. The Filer is the manager of the open-ended public retail mutual funds listed in Schedule "A" (the **Funds**).

9. Each Fund is organized either as a trust established under the laws of the Province of Ontario or as a combination of classes of NexGen Investment Corporation, a corporation amalgamated under the laws of the Province of Ontario.

10. Each Fund is a reporting issuer in each of the Jurisdictions and is not in default of securities legislation in any of the Jurisdictions.

11. Securities of the Funds are distributed in each of the Jurisdictions under a simplified prospectus, annual information form and Fund Facts documents dated May 28, 2014.

The Proposed Transaction

12. In a press release issued on October 24, 2014 (and filed on SEDAR), NexGen Holdco and Natixis Global Asset Management, S.A. (**NGAM SA**) announced that NexGen Holdco and 2438801 Ontario Inc. (**Natixis Holdco**), a wholly-owned subsidiary of Natixis Global Asset Management, L.P. (**NGAM LP**), have entered into an agreement (the **Arrangement Agreement**) in which NGAM LP indirectly will acquire all of the outstanding common shares of NexGen Holdco for consideration consisting of CA$7.25 cash per common share, for an enterprise value of approximately CA $35 million (the **Proposed Transaction**).

13. The Proposed Transaction will be completed by way of a statutory plan of arrangement pursuant to the *Business Corporations Act* (Ontario) (**OBCA**). The statutory arrangement by which the Proposed Transaction is to be effected is subject to approval by order of the Ontario Superior Court of Justice (Commercial List) (the **Court**). An interim order of the Court was obtained on November 10, 2014. It is further anticipated that a final order of the Court will be obtained at a motion scheduled for December 18, 2014.

14. Upon receipt of the unanimous recommendation of the special committee of independent directors, the NexGen Holdco board approved the Proposed Transaction and recommended that NexGen Holdco shareholders vote in favour of the Proposed Transaction at a special meeting of the shareholders to approve the Proposed Transaction.

15. Blair Franklin Capital Partners Inc. provided an opinion to the NexGen Holdco board of directors and special committee that, as of October 24, 2014, the consideration under the Proposed Transaction is fair, from a financial point of view, to NexGen Holdco's shareholders.

16. In connection with the execution of the Arrangement Agreement, shareholders who collectively own over 50% of NexGen Holdco's issued and outstanding common shares have entered into agreements with NGAM LP pursuant to which they have agreed, among other things, that they will vote all of their NexGen Holdco common shares in favour of the Proposed Transaction, unless the Arrangement Agreement is terminated in certain circumstances.

17. NexGen Holdco will seek shareholder approval for the Proposed Transaction at a special meeting to be held on December 17, 2014 (the **Meeting**). In connection with the Meeting, NexGen Holdco has mailed an information circular to its shareholders providing further details of the Proposed Transaction (the **Information Circular**).

18. Completion of the Proposed Transaction is subject to customary closing conditions, including receipt of Court approval, a favourable vote of at least two-thirds of the votes cast by NexGen Holdco shareholders and receipt of applicable regulatory approvals. Assuming timely receipt of all necessary approvals and the satisfaction of all other conditions, closing is expected to occur on or about December 22, 2014 or on such other later date when all of the conditions precedent have been satisfied or waived, and all approvals have been obtained, and in any event no later than March 1, 2015, subject to extension by the parties (the **Closing**).

19. A material change report and an amendment to the Funds' current simplified prospectus and annual information form and related Fund Facts documents were filed on SEDAR on November 3, 2014.

Natixis Global Asset Management

20. NGAM SA is a multi-affiliate organization with more than 20 specialized investment firms in the U.S., Europe and Asia. NGAM SA is one of the world's largest asset managers. NGAM SA is headquartered in Paris and Boston with offices around the world.

21. NGAM SA is a wholly-owned subsidiary of Natixis S.A. (**Natixis**), which is a public company listed on Euronext (the Paris stock exchange).

22. Natixis is directly owned as to 72% by Groupe BPCE (a co-operative which is the second largest banking group in France) and as to 28% by other shareholders (none of whom own more than 10% of Natixis S.A.).

23. NGAM LP is indirectly wholly-owned by Natixis and is the principal U.S. holding entity for NGAM SA. It is indirectly owned 85% by NGAM SA and indirectly owned 15% by Natixis.

24. NGAM LP has created Natixis Holdco, a corporation incorporated under the laws of the Province of Ontario, for the purpose of entering into the Arrangement Agreement with NexGen Holdco. NGAM LP has guaranteed the obligations of Natixis Holdco in connection with the Arrangement Agreement.

25. Pursuant to the Arrangement Agreement, Natixis Holdco will acquire all of the issued and outstanding shares of NexGen Holdco (other than in respect of dissenting shareholders who will be paid fair value for such shares) and then NexGen Holdco and Natixis Holdco will be amalgamated and continued as one corporation (**Amalco**) under the OBCA.

Change of Control of Manager

26. As the share ownership of the Filer will change such that on Closing, Amalco will own 100% of the common shares of the Filer and NGAM SA will indirectly own 100% of the Filer, the Proposed Transaction will result in a change of control of the Filer and accordingly regulatory approval is required pursuant to section 5.5(1)(a.1) of NI 81-102.

Impact on the Manager and the Funds

27. In keeping with the NGAM SA multi-affiliate business model, the Filer will operate autonomously with the existing senior management team. There are no immediate plans to make staffing changes or changes to the Filer's business model.

28. As NGAM SA does not manage any investment funds in Canada, the Filer anticipates that there will be no duplication of Canadian personnel, systems, products or services resulting from the Proposed Transaction which will require rationalization. Accordingly, completion of the Proposed Transaction is not expected to result in any material changes to, or impact on, the business, operations or affairs of the Funds, the securityholders of the Funds or the Filer. In particular:

(a) There are no plans to change the role of the Filer as manager of the Funds or the structure of the Funds, as the Funds are fundamental to the business of the Filer.

(b) There is no current intention to change the name of the Filer or the names of the Funds as a result of the Proposed Transaction.

(c) The Filer will continue to act as the investment fund manager of the Funds as a discrete, separate and distinct legal entity in materially the same manner as it has conducted such activities immediately prior to the Closing.

(d) There is no current intention:

(i) to make any substantive changes as to how the Filer operates or manages the Funds;

(ii) to merge the Filer with any other investment fund manager; or

(iii) to, immediately following the Proposed Transaction, or within a foreseeable period of time, change the Filer to another investment fund manager.

(e) There is no current intention to change the officers, directors or registered individuals of the Filer or of NexGen Investment Corporation, the mutual fund corporation.

(f) No current directors, officers or employees of NGAM SA or its affiliates are expected to become involved in the day-to-day management of the Funds following completion of the Proposed Transaction.

(g) It is not expected that there will be any change to the investment objectives, strategies and portfolio managers (including any sub-advisers) of the Funds. In the future, affiliates of NGAM LP may be appointed as sub-advisers of new funds and, in keeping with the discharge of its standard of care, the Filer will consider whether changes in sub-advisers (which may include affiliates of NGAM LP) are appropriate.

(h) It is not expected that there will be any change to the fund accounting and other administrative functions undertaken by the current providers to the Filer, both internal and external.

(i) It is not expected that there will be any change to the custodian or trustee, as applicable, of the Funds.

(j) Wholesale and client service support for the Funds will continue to be performed by the Filer.

(k) It is not expected that there will be any change in how the Funds are managed or the expenses that are charged to the Funds as a result of the Proposed Transaction therefore, the management fees and operating expenses of the Funds will remain unchanged.

(l) The members of the Independent Review Committee (**IRC**) of the Funds will cease to be IRC members by operation of section 3.10(1)(c) of National Instrument 81-107 – *Independent Review Committee for Investment Funds* (**NI 81-107**). Immediately following the completion of the Proposed Transaction, the same members of the IRC will be re-appointed by the Filer.

29. To the extent that any related party issues arise following the Proposed Transaction, in particular if, in the future, the Filer wishes to appoint a portfolio manager or sub-adviser for the Funds that is an affiliate, the Filer will establish written policies and procedures to address the conflict of interest matter and will refer such policies and procedures to the IRC for its review and input, in accordance with its obligations under NI 81-107.

30. The Proposed Transaction is expected to benefit the Filer and the Funds as it will result in the Filer becoming part of one of the largest international, multi-affiliate asset managers in the world, which should be advantageous to its financial position and its ability to fulfill its regulatory obligations and obligations to the Funds.

Notice Requirement

31. Written notice (the **Notice**) regarding the Proposed Transaction was sent to each securityholder of the Funds on November 19, 2014, which, if the Closing occurs on December 22, 2014, means that securityholders of the Funds will have received the Notice approximately 33 days before the Closing of the Proposed Transaction.

32. It is the Filer's view that it would not be prejudicial to the securityholders of the Funds to abridge the notice period required under s. 5.8(1)(a) of NI 81-102 from 60 days to not less than 33 days for the following reasons:

(a) the Proposed Transaction is not expected to result in any change in how the Filer administers or manages the Funds;

(b) the Proposed Transaction will not have any impact on the securityholders' interest in the Funds and securityholders are not required to take any action; securityholders need only consider whether they wish to exit the Funds. The change of control of the Filer, by itself, will not trigger any other material change to the Funds;

(c) the securityholders of the Funds will still be able to redeem their securities of the Funds prior to the Closing; and

(d) the Proposed Transaction has been well publicized since it was first announced on October 24, 2014, such that securityholders of the Funds will be sufficiently aware of the Proposed Transaction by the combination of the Notice and the media coverage of the Proposed Transaction.

Decision

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

The decision of the principal regulator under the Legislation is that:

(a) the Approval Sought is granted; and

(b) the Abridgement Relief is granted provided that

(i) the Notice is given to securityholders of the Funds at least 33 days before the Closing, and

(ii) no material changes will be made to the management, operations or portfolio management of the Funds for at least 60 days following the date the Notice was delivered.

"Raymond Chan"
Manager, Investment Funds and
Structured Products Branch
Ontario Securities Commission

SCHEDULE "A"

NEXGEN FUNDS

NexGen Canadian Cash Fund
NexGen Canadian Bond Fund
NexGen Corporate Bond Fund
NexGen Canadian Diversified Income Registered Fund
NexGen Turtle Canadian Balanced Registered Fund
NexGen Intrinsic Balanced Registered Fund
NexGen Canadian Dividend Registered Fund
NexGen Turtle Canadian Equity Registered Fund
NexGen North American Large Cap Registered Fund
NexGen Intrinsic Growth Registered Fund
NexGen U.S. Dividend Plus Registered Fund
NexGen U.S. Growth Registered Fund
NexGen Global Equity Registered Fund
NexGen Canadian Preferred Share Registered Fund
NexGen Canadian Cash Tax Managed Fund
NexGen Canadian Bond Tax Managed Fund
NexGen Corporate Bond Tax Managed Fund
NexGen Turtle Canadian Balanced Tax Managed Fund
NexGen Turtle Canadian Equity Tax Managed Fund
NexGen Intrinsic Growth Tax Managed Fund
NexGen U.S. Dividend Plus Tax Managed Fund
NexGen U.S. Growth Tax Managed Fund
NexGen Global Equity Tax Managed Fund
NexGen Canadian Diversified Income Tax Managed Fund
NexGen Intrinsic Balanced Tax Managed Fund
NexGen Canadian Dividend Tax Managed Fund
NexGen North American Large Cap Tax Managed Fund
NexGen Canadian Preferred Share Tax Managed Fund

2.1.2 Interglobe Financial Services Corp. and Hub Capital Inc.

Headnote

Multilateral Instrument 11-102 Passport System – National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 33-109 Registration Information (NI 33-109) – relief from certain filing requirements of NI 33-109 in connection with a bulk transfer of business locations and registered and non-registered individuals pursuant to an amalgamation in accordance with section 3.4 of Companion Policy 33-109CP to NI 33-109.

Applicable Legislative Provisions

Multilateral Instrument 11-102 Passport System.
National Instrument 33-109 Registration Information and Companion Policy 33-109CP.
National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions.

December 16, 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
INTERGLOBE FINANCIAL SERVICES CORP.
(INTERGLOBE)

AND

HUB CAPITAL INC.
(HUB AND TOGETHER WITH INTERGLOBE,
THE FILERS)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filers for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for relief from the requirements contained in sections 2.2, 2.3, 2.5, 3.2 and 4.2 of National Instrument 33-109 *Registration Information* (**NI 33-109**) pursuant to section 7.1 of NI 33-109 to allow the bulk transfer of dealing representatives, permitted individuals and business locations from Interglobe to Hub (the **Bulk Transfer**), on December 31, 2014 (the **Amalgamation Date**) in accordance with section 3.4 of the Companion Policy to NI 33-109 (the **Exemption Sought**).

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

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

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

Interpretation

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

Representations

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

Hub

1. Hub is a corporation amalgamated pursuant to the *Business Corporations Act* (Canada) and has its principal office located at 400-1565 Carling Avenue, Ottawa, ON, K1Z 8R1.

2. Hub is a wholly-owned subsidiary of Hub International Canada West ULC.

3. Hub is a member of the Mutual Fund Dealers Association of Canada (the **MFDA**) and is registered in each of the jurisdictions as a dealer in the category of mutual fund dealer.

4. Hub is in compliance with all of the MFDA's requirements and is not in default of the securities legislation in any of the jurisdictions in which it is registered.

Interglobe

5. Interglobe is a corporation incorporated pursuant to the *Business Corporations Act* (Ontario) and has its principal office located at 1001 – 3700 Steeles Avenue West, Woodbridge, ON, L4L 8M9.

6. Interglobe is a wholly-owned subsidiary of MGA Partners Inc.

7. Interglobe is a member of the MFDA and is registered in each of the provinces of New Brunswick,

Nova Scotia, Newfoundland and Labrador, Ontario and Prince Edward Island as a dealer in the category of mutual fund dealer. Interglobe is also registered as a dealer in the category of exempt market dealer in each of the provinces of New Brunswick, Nova Scotia, Newfoundland and Labrador, Ontario and Prince Edward Island.

8. Interglobe is in compliance with all of the MFDA's requirements and is not in default of the securities legislation in any of the jurisdictions in which it is registered.

The Amalgamation

9. On October 28, 2014, the MFDA issued a letter approving (i) the transaction whereby an affiliate of Hub acquired all of the issued and outstanding shares of MGA Partners Inc. and, thereby, Interglobe; and (ii) the amalgamation of Interglobe and Hub.

10. Subject to the necessary approvals, the Filers intend to amalgamate on the Amalgamation Date. The company that will result from the amalgamation of Interglobe and Hub (**Amalco**) will be known as Hub Capital Inc. and will retain Hub's head office and National Registration Database (**NRD**) number.

11. Amalco's registration will encompass the registration categories and jurisdictions of both Interglobe and Hub immediately prior to the amalgamation.

12. On the Amalgamation Date, all Interglobe dealing representatives and permitted individuals, other than Julie Yim, Chief Compliance Officer of Interglobe, will be transferred to Amalco on NRD (**Transferred Individuals**) in addition to the affected business locations.

13. Effective on the Amalgamation Date, Amalco will carry on the same business as the Filers and all of the registerable activities of the Filers will be carried out by Amalco. Subject to obtaining the Exemption Sought, no disruption in the services provided by the Filers to their clients will result further to the amalgamation.

14. Given the number of Transferred Individuals in connection with the amalgamation, it would be unduly time consuming and difficult to transfer the registration of each of the Transferred Individuals on an individual basis through NRD in accordance with NI 33-109 if the Exemption Sought is not granted.

15. The Bulk Transfer will ensure that the transfer of the affected individuals and business locations occur effective as of the same date, the Amalgamation Date, in order to ensure that there is no interruption in registration.

16. The Exemption Sought complies with the requirements of, and the reasons for, a bulk transfer as set out in Section 3.4 of the Companion Policy to NI 33-109 and Appendix C thereto.

17. It would not be prejudicial to the public interest to grant the Exemption Sought.

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.

"Marianne Bridge"
Deputy Director
Compliance and Registrant Regulation
Ontario Securities Commission

2.1.3 Pethealth Inc.

Headnote

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

Applicable Legislative Provisions

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

December 16, 2014

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, ONTARIO
AND QUÉBEC
(the "Jurisdictions")

AND

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

AND

IN THE MATTER OF
PETHEALTH INC.
(the "Filer")

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions ("**Decision Maker**") has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") that the Filer is not a reporting issuer 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* have the same meaning if used in this decision, unless otherwise defined.

Representations

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

1. The Filer is a corporation governed by the *Canada Business Corporations Act* (the "**CBCA**") with its registered office located at 710 Dorval Drive, Suite 700, Oakville, Ontario L6K 3V7.

2. The authorized share capital of the Filer consists of an unlimited number of common shares (the "**Common Shares**") and an unlimited number of preferred shares (the "**Preferred Shares**", and, together with the Common Shares, the "**Shares**"). The Filer has no other securities outstanding, including debt securities and convertible securities.

3. The Filer is a reporting issuer in each of the Jurisdictions and is thus subject to continuous disclosure requirements under the Legislation.

4. On August 29, 2014, the Filer entered into an arrangement agreement with Fairfax Financial Holdings Limited ("**Fairfax**") and 8653291 Canada Inc. (the "**Purchaser**") to complete a transaction by way of a statutory plan of arrangement under Section 192 of the CBCA (the "**Arrangement**"), pursuant to which the Purchaser will acquire all of the outstanding shares of the Filer.

5. The Arrangement was completed on November 14, 2014 (the "**Effective Date**"). Pursuant to the Arrangement, among other things:

   (a) Fairfax acquired, directly or indirectly through a wholly-owned subsidiary, all of the issued and outstanding Common Shares and Preferred Shares of the Filer;

   (b) each option to acquire a Common Share (an "**Option**") of the Filer with an exercise price lower than the consideration paid per Common Share under the Arrangement was deemed transferred and assigned to the Filer and cancelled by the Filer and, in consideration for such Option, the Filer paid to the holder of such Option an amount equal to the consideration paid per Common Share under the Arrangement less the exercise price of such Option, and each Option of the Filer with an exercise price equal to or higher than the consideration paid per Common Share under the Arrangement

was disposed of to the Filer and cancelled; and

(c) each deferred share unit (a "**DSU**") was deemed transferred and assigned to the Filer and cancelled by the Filer in exchange for an amount equal to the consideration paid per Common Share under the Arrangement.

6. As a result of the Arrangement, the only securityholder of the Filer is Fairfax, directly or indirectly through a wholly-owned subsidiary.

7. The outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide.

8. The Common Shares of the Filer were delisted from the Toronto Stock Exchange as at the close of business on November 18, 2014.

9. None of the Filer's securities are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported.

10. The Filer does not currently intend to seek public financing by an offering of its securities in Canada.

11. The Filer is applying for a decision that it is not a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer.

12. Upon the grant of the Exemptive Relief Sought, the Filer will no longer be a reporting issuer in any jurisdiction in Canada.

13. The Filer did not voluntarily surrender its status as a reporting issuer in British Columbia pursuant to British Columbia Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status* because it wanted to avoid the 10-day waiting period under that instrument.

14. The Filer is not eligible to use the simplified procedure under CSA Staff Notice 12-307 *Applications for a Decision that an Issuer is not a Reporting Issuer* because it is a reporting issuer in British Columbia and is in default of certain filing obligations under the Legislation as described in paragraph 15.

15. The Filer is not in default of any of its obligations as a reporting issuer under the Legislation other than its obligation to file its interim financial statements, related management's discussion and analysis and certificates under National Instrument 52-109 *Certification of Disclosure in Issuer's Annual and Interim Filings* for its third quarter ended September 30, 2014. On November 14, 2014, the last date by which the Filer was required to make such filings, Fairfax owned 100% of the Shares of the Filer.

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.

"Edward P. Kerwin"
Commissioner
Ontario Securities Commission

"Mary Condon"
Commissioner
Ontario Securities Commission

2.1.4 RCM Partners Inc. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief from the conflict of interest restrictions in the Securities Act (Ontario) and the self-dealing prohibition in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations to allow pooled funds to invest in securities of underlying pooled funds under common management subject to conditions.

Applicable Legislative Provisions

Securities Act (Ontario), R.S.O. 1990, c. S.5, as am., ss. 111(2)(b), 111(2)(c), 111(4), 113.
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 13.5(2)(a), 15.1.

November 28, 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
RCM PARTNERS INC. (the Filer)

AND

RCM VALUE OPPORTUNITIES TRUST
(the Initial Top Fund)

AND

RCM SPECIAL SITUATIONS FUND
(the Initial Underlying Fund)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Filer, its affiliates, the Initial Top Fund and any other mutual fund that is not a reporting issuer in any jurisdiction of Canada that may be established, advised or managed by the Filer or its affiliate in the future (the "**Future Top Funds**" and, together with the Initial Top Fund, the "**Top Funds**") for a decision under the securities legislation of the Jurisdiction of the principal regulator (the "**Legislation**") exempting the Filer, its affiliates and the Top Funds, as applicable, in respect of the Top Funds' investment in the Initial Underlying Fund or any other mutual fund that is not a reporting issuer in any jurisdiction of Canada that may be established, advised or managed by the Filer or its affiliate in the future (the "**Future Underlying Funds**" and, together with the Initial Underlying Fund, the "**Underlying Funds**") from:

(a) the restriction in securities legislation that prohibits an investment fund from knowingly making an investment in a person or company in which the investment fund, alone or together with one or more related investment funds, is a substantial securityholder;

(b) the restriction in securities legislation that prohibits an investment fund from knowingly making an investment in an issuer in which:

(i) any officer or director of the investment fund, its management company or distribution company or an associate of any of them, or

(ii) any person or company who is a substantial securityholder of the investment fund, its management company or its distribution company,

has a significant interest;

(c) the restriction in securities legislation that prohibits an investment fund, its management company or its distribution company, from knowingly holding an investment described in paragraph (a) or (b) above (the "**Related Issuer Relief**"); and

(d) the restriction in paragraph 13.5(2)(a) of National Instrument 31-103 *Registration Requirements* prohibiting a registered adviser from knowingly causing an investment portfolio managed by it, including an investment fund for which it acts as an adviser, to invest in the securities of an issuer in which a responsible person or an associate of a responsible person is a partner, officer or director, unless the fact is disclosed to the client and the written consent of the client to the investment is obtained before the purchase (the "**Consent Requirement Relief**");

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

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

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

2. the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* ("**MI 11-102**") is intended to be relied upon (i) in respect of the Related Issuer Relief, in Alberta and (ii) in respect of the Consent Requirement Relief, in Alberta, British Columbia, Manitoba, Québec and Nova Scotia.

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:

The Filer

1. The Filer is a corporation incorporated under the *Business Corporations Act* (Ontario) on June 23, 2008 and has its head office in Toronto, Ontario.

2. The Filer is registered as an adviser in the category of portfolio manager and as an investment fund manager in Ontario.

3. The Filer is also registered as a dealer in the category of exempt market dealer under applicable securities legislation in the provinces of Alberta, British Columbia, Manitoba, Québec, Ontario and Nova Scotia.

4. The Filer is not a reporting issuer in any jurisdiction of Canada and is not in default of securities legislation of any jurisdiction of Canada.

5. The Filer is the investment fund manager and portfolio adviser of the Initial Underlying Fund and will be the investment fund manager and portfolio adviser of the Initial Top Fund. The Filer, or an affiliate of the Filer, will be the investment fund manager and portfolio adviser of the Future Top Funds and the Future Underlying Funds. Subject to obtaining any necessary regulatory approvals, the Filer will also act as trustee of any Top Fund and Future Underlying Fund structured as a trust.

6. The Filer may also act as distributor of securities of the Top Funds and Underlying Funds not otherwise sold through another registered dealer.

7. Mr. Michael Ruscetta, the founder and an officer and director of the Filer, is also a substantial securityholder of the Filer and has a significant interest in the Initial Underlying Fund by virtue of currently owning approximately a 20% interest in the Initial Underlying Fund. In the future, Mr. Ruscetta, and other officers and/or directors and/or substantial securityholders of the Filer and/or a Top Fund may also have a significant interest in an Underlying Fund.

Top Funds

8. Each of the Top Funds will be a mutual fund for the purposes of the Legislation.

9. The Initial Top Fund will be a mutual fund trust established under the laws of Ontario in or around the third calendar quarter of 2014 and will be governed by a declaration of trust.

10. Any Future Top Funds may be structured as limited partnerships, trusts or corporations under the laws of Ontario or another jurisdiction of Canada. The general partner of each Future Top Fund that is structured as a limited partnership will be an affiliate of the Filer.

11. Securities of each of the Top Funds will be sold to investors solely on a private placement basis pursuant to available prospectus exemptions in accordance with National Instrument 45-106 *Prospectus and Registration Exemptions* ("**NI 45-106**").

12. The investment objective of the Initial Top Fund will be to generate superior risk-adjusted returns while preserving capital by investing substantially all of its assets in securities of the Initial Underlying Fund.

13. The investment objective of each Future Top Fund will be to invest substantially all of its assets in securities of one or more Underlying Funds.

14. Securities of the Initial Top Fund are expected to be eligible for investments by tax-free savings accounts ("**TFSAs**") and trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, defined profit sharing plans and registered disability savings plans (collectively, "**Tax Deferred Plans**"), each as defined in the *Income Tax Act* (Canada).

15. None of the Top Funds will be a reporting issuer in any jurisdiction in Canada.

Underlying Funds

16. The Initial Underlying Fund is, and each of the Future Underlying Funds will be, a mutual fund for the purposes of the Legislation.

17. The Initial Underlying Fund is a limited partnership formed under the laws of Ontario by a declaration of limited partnership dated August 28, 2009.

18. Any Future Underlying Funds may be structured as limited partnerships, trusts or corporations under the laws of Ontario or another jurisdiction of Canada.

19. RCM General Partner Inc. (the "**General Partner**"), an affiliate of the Filer, acts as the general partner of the Initial Underlying Fund. The general partner of each Future Underlying Fund that is structured as a limited partnership will be an affiliate of the Filer.

20. The Initial Underlying Fund is not, and will not be, a reporting issuer in any jurisdiction in Canada. None of the Future Underlying Funds will be a reporting issuer in any jurisdiction in Canada. In Canada, securities of the Initial Underlying Fund are, and securities of the Future Underlying Funds will be, sold to investors solely on a private placement basis pursuant to available prospectus exemptions in accordance with NI 45-106.

21. The Initial Underlying Fund is not in default of securities legislation of any jurisdiction of Canada.

22. The Initial Underlying Fund has, and the Future Underlying Funds will have, separate investment objectives, strategies and/or restrictions.

23. The investment objective of the Initial Underlying Fund is to generate superior risk-adjusted returns while preserving capital by investing in, among other things, common equities, warrants, preferred shares, trust units, bank loans, debt securities, futures and other derivative instruments and other securities, including the selling short of such securities and the use of leverage against such long and short positions.

24. The Filer, or its affiliate, manages or will manage, the portfolios of each Underlying Fund to ensure there is sufficient liquidity to provide for redemptions of securities by securityholders of the Top Funds. The Initial Underlying Fund and its investments are, and the Future Underlying Funds and their investments will be, considered liquid. To the extent illiquid assets (as defined in National Instrument 81-102 *Investment Funds* (**NI 81-102**)) are held by a Top Fund or an

Underlying Fund, such illiquid assets will only comprise an immaterial portion of the applicable Top Fund or Underlying Fund.

25. The Filer acts as the investment fund manager and portfolio adviser of the Initial Underlying Fund pursuant to the terms of a management agreement.

Fund-on-Fund Structure

26. The custodian of the assets of each Top Fund and each Underlying Fund is, or will be, one or more financial institutions and/or their affiliates, or such third party or parties as may be appointed by the Filer or its affiliate. The custodian for each Top Fund and each Underlying Fund meets, or will meet, the qualifications for a custodian set out in section 6.2 of NI 81-102, other than that audited financial statements may not have been made public for the purpose of section 6.2 3(a) of NI 81-102.

27. The Initial Top Fund is being, and any Future Top Funds will be, created by the Filer to allow investors in the Top Funds to obtain exposure to the investment portfolios of the Underlying Funds and their investment strategies through direct investments by the Top Funds in securities of the Underlying Funds (the "**Fund-on-Fund Structure**").

28. Investing in the Underlying Funds will allow the Top Funds to achieve their investment objectives in a cost efficient manner and will not be detrimental to the interests of other securityholders of the Underlying Funds.

29. Unlike the Initial Underlying Fund, which is a limited partnership, the Initial Top Fund will be formed as a trust for the purpose of providing access to the Initial Underlying Fund to a broader base of investors, including investors who hold their investments in TFSAs and Tax Deferred Plans and other investors who may not or wish not to invest directly in a limited partnership. As unlisted limited partnership interests, the securities of the Initial Underlying Fund are not a qualified investment under the TFSAs and Tax Deferred Plans.

30. An investment by a Top Fund in an Underlying Fund can provide greater diversification for a Top Fund in particular asset classes on a basis that is not materially more expensive than investing directly in the securities held by the applicable Underlying Fund.

31. An investment by a Top Fund in an Underlying Fund will be compatible with the investment objectives of the Top Fund. Any investment made by a Top Fund in an Underlying Fund will comply, and be aligned, with the investment objectives, investment strategy, risk profile and other principal terms of the Top Fund.

32. The Filer, or its affiliate, will ensure that no management fees are payable by a Top Fund that, to a reasonable person, would duplicate a fee payable by an Underlying Fund for the same service. No performance fee or incentive allocation will be paid by Top Funds where a performance fee or incentive allocation is paid by corresponding Underlying Funds. The Filer and its affiliates will not charge any management fee or incentive fee to the Initial Top Fund.

33. No sales fees or redemption fees will be payable by a Top Fund in relation to its purchases, dispositions or redemptions of securities of an Underlying Fund.

34. No Top Fund will purchase or hold securities of an Underlying Fund unless, at the time of the purchase of securities of the Underlying Fund, the Underlying Fund holds no more than 10% of its net assets in securities of other investment funds unless the Underlying Fund (a) is a "clone fund" (as defined by NI 81-102); (b) purchases or holds securities of a "money market fund" (as defined by NI 81-102) or (c) purchases or holds securities that are "index participation units" (as defined by NI 81-102) issued by an investment fund.

35. Prior to the time of purchase of securities of a Top Fund, an investor will be provided with an offering memorandum or other similar disclosure document of the Top Fund that contains disclosure about the relationships and potential conflicts of interest between the Top Fund and the Underlying Funds, and that describes:

    (a) that the Top Fund may purchase securities of the Underlying Funds;

    (b) the fact that the Filer, or its affiliate, is the investment fund manager and portfolio manager of both the Top Funds and the Underlying Funds;

    (c) the approximate or maximum percentage of net assets of the Top Fund that the Top Fund intends to invest in securities of the Underlying Funds; and

    (d) the process or criteria used to select the Underlying Funds.

36. Each of the Top Funds and the Underlying Funds prepares, or will prepare, annual audited financial statements and interim unaudited financial statements in accordance with National Instrument 81-106 *Investment Fund Continuous Disclosure* ("**NI 81-106**") and otherwise complies, or will otherwise comply, with the requirements of NI 81-106, as applicable.

37. The securityholders of a Top Fund will receive, on request and free of charge, a copy of such Top Fund's annual audited and interim unaudited financial statements. The financial statements of each Top Fund will disclose its holdings of securities of the applicable Underlying Funds.

38. The securityholders of a Top Fund will receive, on request and free of charge, a copy of the offering memorandum or other similar disclosure document of any Underlying Fund in which the Top Fund invests, and a copy of the annual audited and interim unaudited financial statements of any Underlying Fund in which the Top Fund invests.

39. The Filer, or its affiliate, will not cause the securities of an Underlying Fund held by a Top Fund to be voted at any meeting of the securityholders of any Underlying Fund, except that the Filer, or its affiliate, may arrange for the securities of the Underlying Fund held by a Top Fund to be voted by the beneficial holders of securities of the Top Fund.

40. The Initial Top Fund and the Initial Underlying Fund will have matching valuation dates. The Initial Underlying Fund and its securities are, and the Initial Top Fund and its securities will be, valued monthly.

41. The securities of the Initial Top Fund and the Initial Underlying Fund will have matching redemption dates. Securities of the Initial Underlying Fund are, and securities of the Initial Top Fund will be, redeemable monthly.

42. An Underlying Fund and its securities will be valued no less frequently than a Top Fund and its securities.

43. Securities of an Underlying Fund will be redeemable no less frequently than securities of a Top Fund.

44. No Underlying Fund will be a Top Fund.

45. The Filer is entitled to receive monthly management fees, payable in arrears, with respect to certain classes of securities of the Initial Underlying Fund. The General Partner, an affiliate of the Filer, is also entitled to receive a performance fee in the form of an incentive allocation of realized and unrealized profits in respect of certain classes of securities of the Initial Underlying Fund. No performance fee or incentive allocation will be paid by Top Funds where a performance fee or incentive allocation is paid by corresponding Underlying Funds.

46. The amounts invested from time to time in an Underlying Fund by a Top Fund may exceed 20% of the outstanding voting securities of the Underlying Fund. As a result, each Top Fund could, either alone or together with other Top Funds, become a substantial securityholder of an Underlying Fund. The Top Funds will be related mutual funds by virtue of common management by the Filer or its affiliate.

47. Prior to the time of investment, securityholders of a Top Fund will be provided with disclosure with respect to each officer, director, and/or substantial securityholder of the Filer and/or the Top Fund that also has a significant interest in an Underlying Fund and the approximate amount of the significant interest they hold, on an aggregate basis, expressed as a percentage of net asset value (NAV) of the Underlying Fund. Securityholders in a Top Fund will also be advised of the potential conflicts of interest which may arise from such relationships. The foregoing disclosure will be contained in any offering memorandum prepared in connection with a distribution of securities of the Top Fund, or if no offering memorandum is prepared, in another document provided to investors of the Top Fund.

Generally

48. The Fund-on-Fund Structure may result in a Top Fund investing in an Underlying Fund in which an officer, director or substantial securityholder of the Filer or the Top Fund has a significant interest.

49. The Exemption Sought is required in part because the Top Funds will not offer their securities under a simplified prospectus. Consequently, they will not be subject to NI 81-102 and therefore the Top Funds will be unable to rely upon the exemption codified under section 2.5(7) of NI 81-102.

50. In the absence of the Exemption Sought, a Top Fund would be precluded from purchasing and holding securities of an Underlying Fund due to the investment restrictions contained in the Legislation.

51. In the absence of the Consent Requirement Relief, the Initial Top Fund would be precluded from investing in the Initial Underlying Fund, unless the consent of each investor in the Initial Top Fund is obtained, since Mr. Ruscetta will be an

officer and director of the Filer and also an officer and director of the General Partner. In the future, other officers and directors of the Filer may also be officers and directors of the General Partner and/or of Underlying Funds structured as a corporation.

52. A Top Fund's investments in the Underlying Funds will represent the business judgement of responsible persons uninfluenced by considerations other than the best interests of the Top Fund.

Decision

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

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

(a) securities of the Top Funds are distributed in Canada solely on a private placement basis pursuant to available prospectus exemptions in accordance with NI 45-106;

(b) the investment by a Top Fund in an Underlying Fund is compatible with the investment objectives of the Top Fund;

(c) no Top Fund will purchase or hold securities of an Underlying Fund unless, at the time of the purchase of securities of the Underlying Fund, the Underlying Fund holds no more than 10% of its net assets in securities of other investment funds unless the Underlying Fund:

(i) is a clone fund (as defined by NI 81-102),

(ii) purchases or holds securities of a "money market fund" (as defined by NI 81-102), or

(iii) purchases or holds securities that are "index participation units" (as defined by NI 81-102) issued by an investment fund;

(d) no management fees or incentive fees are payable by a Top Fund that, to a reasonable person, would duplicate a fee payable by an Underlying Fund for the same service;

(e) no sales fees or redemption fees are payable by a Top Fund in relation to its purchases or redemptions of securities of an Underlying Fund;

(f) the Filer, or its affiliate, does not cause the securities of an Underlying Fund held by a Top Fund to be voted at any meeting of holders of such securities, except that the Filer, or its affiliate, may arrange for the securities the Top Fund holds of the Underlying Fund to be voted by the beneficial holders of securities of the Top Fund;

(g) the offering memorandum or other similar disclosure document of a Top Fund, will be provided to investors in a Top Fund and will disclose:

(i) that the Top Fund may purchase securities of the Underlying Funds;

(ii) the fact that the Filer, or its affiliate, is the investment fund manager and portfolio adviser of both the Top Funds and the Underlying Funds;

(iii) the approximate or maximum percentage of net assets of the Top Fund that the Top Fund intends to invest in securities of the Underlying Funds; and

(iv) the process or criteria used to select the Underlying Funds;

(h) investors in each Top Fund will be informed that they are entitled to receive from the Filer, or its affiliate, on request and free of charge, a copy of the offering memorandum or other similar disclosure document and the annual or semi-annual financial statements relating to all Underlying Funds in which the Top Fund may invest its assets; and

(i) prior to the time of investment, securityholders of a Top Fund will be provided with disclosure with respect to each officer, director, and/or substantial securityholder of the Filer and/or the Top Fund that also has a significant interest in an Underlying Fund and the approximate amount of the significant interest they hold, on an aggregate basis, expressed as a percentage of the NAV of the Underlying Fund. Securityholders in a Top

Fund will also be advised of the potential conflicts of interest which may arise from such relationships. The foregoing disclosure will be contained in any offering memorandum prepared in connection with a distribution of securities of the Top Fund, or if no offering memorandum is prepared, in another document provided to investors of the Top Fund.

The Consent Requirement Relief

"Raymond Chan"
Manager, Investment Funds and Structured Products Branch
Ontario Securities Commission

The Related Issuer Relief

"Judith N. Robertson"
Commissioner
Ontario Securities Commission

"Mary G. Condon"
Commissioner
Ontario Securities Commission

2.1.5 Huntingdon Capital Corp. – s. 1(10)(a)(ii)

Headnote

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

Applicable Legislative Provisions

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

December 19, 2014

Huntingdon Capital Corp.
2000 – 5000 Miller Road
Richmond, BC
V7B 1K6

Dear Sirs/Mesdames:

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

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

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

The Applicant has represented to the Decision Makers that:

(a) the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;

(b) no securities of the Applicant, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;

(c) the Applicant is applying for a decision that it is not a reporting issuer in all of the jurisdictions of Canada in which it is currently a reporting issuer; and

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

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

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

2.1.6 American Consolidated Minerals Corp. – s. 1(10)(a)(ii)

Headnote

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

Applicable Legislative Provisions

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

December 19, 2014

Bosa Kosoric
McMillan LLP
Suite 1500
1055 West Georgia Street
Vancouver, British Columbia V6E 4N7

Dear Sirs/Mesdames:

Re: American Consolidated Minerals Corp. (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 not a reporting issuer.

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

2.1.7 Bell Aliant Inc. et al. – 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).

December 18, 2014

Bell Aliant Inc., Bell Aliant Preferred Equity Inc., Bell Aliant Regional Communications Inc. and Bell Aliant Regional Communications, Limited Partnership
c/o Goodmans LLP
Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, ON M5H 2S7

Attention: Shazia Banduk

Dear Sirs/Mesdames:

Re: Bell Aliant Inc. (the "Company"), Bell Aliant Preferred Equity Inc. ("Prefco"), Bell Aliant Regional Communications Inc. ("Bell Aliant GP") and Bell Aliant Regional Communications, Limited Partnership ("Bell Aliant LP", and collectively with the Company, Prefco and Bell Aliant GP, the "Applicants" and each an "Applicant")

Application for a decision under the securities legislation of Nova Scotia, Alberta, Ontario, Manitoba, New Brunswick, Newfoundland and Labrador, Prince Edward Island, Québec and Saskatchewan (the "Provinces") and, solely with respect to Prefco, Yukon, Northwest Territories and Nunavut (the "Territories") that the Applicants are not reporting issuers

The Applicants have applied to the local securities regulatory authority or regulator (the "Decision Maker") in each of (a) the Provinces, in the case of the Company, Bell Aliant GP and Bell Aliant LP and (b) the Provinces and Territories, in the case of Prefco, for a decision under the securities legislation (the "Legislation") of the applicable jurisdictions that the Applicants are not reporting issuers.

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

Each Applicant has represented to the Decision Makers that:

1. 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;

2. 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;

3. 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

4. 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 each Applicant is deemed to have ceased to be a reporting issuer and that each Applicant's status as a reporting issuer is revoked.

"Sarah Bradley"
Chair
Nova Scotia Securities Commission

"Paul Radford"
Vice-chair
Nova Scotia Securities Commission

2.1.8 Alignvest Capital Management Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief from the conflict of interest restrictions in the Securities Act (Ontario) and the self-dealing prohibitions in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations to permit fund-on-fund structures and in-specie transactions between pooled funds under common management subject to conditions.

Applicable Legislative Provisions

Securities Act (Ontario), R.S.O. 1990, c. S.5, as am., ss. 111(2)(b), 111(2)(c), 111(4), 113.
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 13.5(2)(a) and (b), 15.1.

December 19, 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
ALIGNVEST CAPITAL MANAGEMENT INC. (the Filer) and
THE INITIAL TOP FUNDS (as defined below)
and THE INITIAL UNDERLYING FUNDS (as defined below)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of each of the Filer, its affiliates, Alignvest Opportunities Fund Trust and Alignvest Income Fund Trust (together, the **Initial Top Trusts**), Alignvest Opportunities Fund LP and Alignvest Income Fund LP (together, the **Initial Top LPs** and, together with the Initial Top Trusts, the **Initial Top Funds**) and any other investment fund that is not a reporting issuer in any jurisdiction of Canada that may be established, advised or managed by the Filer, or its affiliates, in the future (the **Future Top Funds** and, together with the Initial Top Funds, the **Top Funds**) for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) as of the date of the Reorganization (described below) revoking and replacing the Previous Decision (defined below) with this Decision granting the following exemptions:

1. an exemption in respect of the Top Funds' investment in Alignvest Opportunities Master Fund LP and Alignvest Income Master Fund LP (together, the **Initial Underlying Funds**) or any other investment fund that is not a reporting issuer in any jurisdiction of Canada that may be established, advised or managed by the Filer, or its affiliates, in the future (the **Future Underlying Funds** and, together with the Initial Underlying Funds, the **Underlying Funds**; the Underlying Funds together with the Top Funds, collectively the **Funds**) from:

    (a) the restriction in securities legislation that prohibits an investment fund from knowingly making an investment in any person or company in which the investment fund, alone or together with one or more related investment funds, is a substantial security holder;

    (b) the restriction in securities legislation that prohibits an investment fund from knowingly making an investment in any issuer in which any of the following has a significant interest:

        (i) any officer or director of the investment fund, its management company or distribution company or an associate of any of them, or

(ii) any person or company who is a substantial security holder of the investment fund, its management company or its distribution company;

(c) the restriction in securities legislation that prohibits an investment fund, its management company or its distribution company, from knowingly holding an investment described in paragraph (a) or (b) above (the **Related Issuer Relief**);

(d) the restriction in section 13.5(2)(a) of National Instrument 31-103 *Registration Requirements* (**NI 31-103**) that prohibits a registered adviser from knowingly causing an investment portfolio managed by it, including an investment fund for which it acts as an adviser, to invest in the securities of any issuer in which a responsible person or an associate of a responsible person is a partner, officer or director, unless the fact is disclosed to the client and the written consent of the client to the investment is obtained before the purchase, to permit a Top Fund to invest in an Underlying Fund (the **Consent Relief**); and

2. an exemption from the restrictions in section 13.5(2)(b)(ii) and (iii) of NI 31-103 that prohibit a registered adviser from knowingly causing an investment portfolio managed by it, including an investment fund for which it acts as an adviser, to purchase or sell a security from or to the investment portfolio of:

(a) an investment fund for which a responsible person acts as an adviser, to permit (i) the purchase and sale of portfolio securities between an Initial Top LP and its corresponding Initial Underlying Fund and between an Initial Top Trust and its corresponding Initial Top LP in connection with effecting the Reorganization as further described below; and (ii) subsequent redemptions by a Top Fund of securities of an Underlying Fund to be paid with portfolio securities of the Underlying Fund; and

(b) an associate of a responsible person (as defined in NI 31-103) (**Associate**), to permit redemptions by such Associates of securities of a Top Fund to be paid with portfolio securities of the Top Fund as further described below (each an ***In specie* Transaction**, and the requested exemption, the ***In specie* Relief**; the *In specie* Relief, together with the Related Issuer Relief and the Consent Relief, the **Requested Relief**).

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

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

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

Interpretation

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

Representations

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

The Previous Decision and the Reorganization

1. The Filer obtained a previous decision dated May 9, 2014 granting the Filer, the Initial Top Trusts and similar future top investment funds relief similar to the Related Issuer Relief and the Consent Relief in respect of their investments in the Initial Top LPs (which under that decision are the initial underlying LPs) and similar future underlying investment funds (the **Previous Decision**).

2. The Filer is seeking the Requested Relief in connection with the reorganization of the fund-on-fund structure contemplated by the Previous Decision (the **Reorganization**). That fund-on-fund structure involved top funds organized under the laws of a Canadian jurisdiction investing in underlying funds organized under the laws of a Canadian jurisdiction. Pursuant to the proposed Reorganization, subject to obtaining any necessary investor approvals and the Requested Relief, the portfolio assets of each Initial Top LP will be transferred to its corresponding Initial Underlying Fund organized as a Cayman exempted limited partnership in exchange for units of the Initial Underlying Fund and the Initial Top Trusts will redeem their holdings of the Initial Top LPs in exchange for units of the Initial Underlying Funds. After the Reorganization, the two Initial Top Trusts and their corresponding two Initial Top LPs will each be invested in the corresponding Initial Underlying Fund. Although the Related Issuer Relief will apply only to Future Top Funds that are organized as investment funds in Ontario, it contemplates that certain Future Underlying Funds may also be organized outside of Canada. The Consent Relief contemplates that certain Future Top Funds and

Future Underlying Funds may also be organized outside of Canada. In this way, the fund-on-fund structures contemplated by the Requested Relief include foreign as well as domestic structures. In each case, the Future Top Funds and Future Underlying Funds will be organized substantially similarly to, and have management fees, performance fees and/or profit allocations which are substantially similar to, the Initial Top Funds and the Initial Underlying Funds.

3. The primary reason for the proposed Reorganization is to facilitate investments in the Underlying Funds by non-residents of Canada thereby increasing the size of the pool of assets under management, enabling the Filer to realize greater economies of scale in carrying out the investment strategies of the Underlying Fund and enhancing the ability of the Top Funds and the Underlying Funds to realize their investment objectives.

4. It is anticipated that the proposed Reorganization will be completed as soon as possible following receipt of all necessary investor approvals and granting of the Requested Relief.

The Filer

5. The Filer is a corporation existing under the laws of the Province of Ontario with its head office in Toronto, Ontario. The Related Issuer Relief is required in Ontario and Alberta. The Consent Relief and the *In specie* Relief are required in Ontario and Nova Scotia.

6. The Filer is registered as an investment fund manager in Ontario. The Filer is also registered as an adviser in the category of portfolio manager and as a dealer in the category of exempt market dealer in the Provinces of Ontario and Nova Scotia.

7. The Filer is not a reporting issuer in any jurisdiction in Canada and is not in default of securities legislation of any jurisdiction in Canada. The Filer is the investment fund manager of the Initial Top Funds and will be the investment fund manager of the Initial Underlying Funds. The investment fund manager of the Future Top Funds and Future Underlying Funds will be the Filer, an affiliate of the Filer, or in the case of a Future Top Fund or Future Underlying Fund structured as a corporation, the corporation (as directed by the board of directors of the corporation).

8. The Filer is, or will be, the portfolio adviser of the Funds and is, or will be, responsible for managing the assets of the Funds, has, or will have, complete discretion to invest and reinvest the Funds' assets, and is, or will be, responsible for executing all portfolio transactions. Furthermore, the Filer may assist in the marketing of the Funds and, subject to compliance with applicable securities laws, may act as a distributor of securities of the Funds not otherwise sold through another registered dealer.

The Top Funds

9. Each of the Top Funds is, or will be, an investment fund for the purposes of the Legislation.

10. The Initial Top Trusts are trusts established under the laws of the Province of Ontario. The Initial Top LPs are limited partnerships established under the laws of the Province of Ontario. The Future Top Funds will be structured as trusts, partnerships (such as limited partnerships) or corporations under the laws of Ontario, another jurisdiction of Canada or a foreign jurisdiction.

11. To the extent sold in Canada, securities of each of the Top Funds are, or will be, offered and issued pursuant to available prospectus exemptions in accordance with National Instrument 45-106 *Prospectus and Registration Exemptions* (**NI 45-106**).

12. The investment objective of each of the Initial Underlying Funds will be the same as the current investment objective of its corresponding Initial Top LP. Concurrent with the Reorganization, the investment objective of each of the Initial Top Trusts will be changed to be the same as that of its corresponding Initial Underlying Fund and the investment strategies of the Initial Top Funds will be changed to reflect that each Initial Top Fund will pursue its investment objective by gaining exposure to the returns of its corresponding Initial Underlying Fund. For example, the investment objective of Alignvest Opportunities Fund Master Limited Partnership will be the same as the current investment objective of Alignvest Opportunities Fund Limited Partnership and, concurrent with the Reorganization, the investment objective of Alignvest Opportunities Fund Trust will be changed to be the same as that of Alignvest Opportunities Fund Master Limited Partnership and the investment strategies of each of Alignvest Opportunities Fund Trust and Alignvest Opportunities Fund Limited Partnership will be changed to reflect that the Fund will pursue its investment objective by gaining exposure to the returns of Alignvest Opportunities Fund Master Limited Partnership.

13. The investment objectives of a Future Top Fund will be the same as the investment objectives of its corresponding Future Underlying Fund and each Future Top Fund will invest substantially all of its assets in its corresponding Future Underlying Fund.

14. The Initial Top Funds are not reporting issuers under the Legislation nor are they in default of securities legislation of any jurisdiction of Canada. No Future Top Fund will be a reporting issuer under the Legislation.

The Underlying Funds

15. Each of the Underlying Funds is, or will be, an investment fund for the purposes of the Legislation.

16. Each of the Initial Underlying Funds will be exempted limited partnerships formed and organized under the laws of the Cayman Islands. The Future Underlying Funds will be structured as trusts, partnerships (such as limited partnerships) or corporations under the laws of Ontario, another jurisdiction of Canada or a foreign jurisdiction.

17. To the extent sold in Canada, securities of the Underlying Funds are, or will be, offered and issued pursuant to available prospectus exemptions in accordance with NI 45-106.

18. Each of the Underlying Funds will have separate investment objectives, strategies and/or restrictions.

19. An investment in an Underlying Fund by a Top Fund will be effected at an objective price. The portfolio of each Underlying Fund will consist primarily of publicly traded securities. Each Underlying Fund will not hold more than 10% of its net asset value (**NAV**) in illiquid assets (as defined in National Instrument 81-102 *Investment Funds* (**NI 81-102**)).

20. The Initial Underlying Funds will not be reporting issuers under the Legislation nor are they in default of securities legislation of any jurisdiction of Canada. No Future Underlying Fund will be a reporting issuer under the Legislation.

Fund-on-Fund Structure

21. A Top Fund allows investors to obtain exposure to the investment portfolio of the Underlying Fund and its strategies through direct investment by the Top Fund in securities of the Underlying Fund (the fund-on-fund structure). The primary purpose of the fund-on-fund structure is to permit the Filer to manage a portfolio of assets in a single investment vehicle (commonly referred to as a master fund) on a more efficient basis while accepting investments from both Canadian investors and investors from several foreign jurisdictions, through one or more investment vehicles (commonly referred to as feeder funds) that are designed to address the specific tax, securities and other laws of each separate jurisdiction or type of investor.

22. Investing in the Underlying Funds will allow the Top Funds to achieve their investment objectives in a cost efficient manner and will not be detrimental to the interests of other security holders of the Underlying Funds.

23. Non-Canadian investors may invest directly or indirectly in an Initial Underlying Fund and Canadian investors may invest indirectly in the Initial Underlying Fund through the applicable Initial Top Fund.

24. Top Funds and their corresponding Underlying Funds have, or will have, matching valuation dates.

25. Securities of the Top Funds and their corresponding Underlying Funds have, or will have, co-ordinated redemption dates.

26. Each of the Top Funds and the Underlying Funds that is subject to National Instrument 81-106 *Investment Funds Continuous Disclosure* (**NI 81-106**), prepares, or will prepare, annual audited financial statements and interim unaudited financial statements in accordance with NI 81-106 and will otherwise comply with the requirements of NI 81-106, as applicable. The holdings of securities of an Underlying Fund are, or will be, disclosed in the financial statements of the Top Fund.

27. No Underlying Fund will be a Top Fund.

28. The assets of the Initial Top Trusts and the Initial Top LPs are currently held by TD Securities Inc. and Scotia Capital Inc.

29. The Filer is entitled to receive management fees with respect to certain classes of securities of the Initial Underlying Funds. Affiliates of the Filer (for example, the general partners of the Initial Top LPs) may also be entitled to receive profit allocations (that will be calculated based on increases in the NAV of the Initial Underlying Funds or of certain classes of securities of the Initial Underlying Funds) with respect to a class of securities of the Initial Underlying Fund

held by such affiliates of the Filer. The general partner of each Initial Top LP is entitled to receive a nominal allocation in respect of the respective Initial Top LP and the general partner of each Initial Underlying Fund is entitled to receive a nominal allocation in respect of the respective Initial Underlying Fund.

30. Persons or companies who are officers or directors of the Filer or substantial security holders of the Filer or the Top Funds may acquire and hold a significant interest in one or more Underlying Funds from time to time. The significant interest in the Underlying Funds may arise as a result of the direct or indirect investment in securities of the Underlying Fund by such persons or companies.

31. There will be no increase in the fees to which the Initial Top Funds are directly or indirectly subject as a result of the Reorganization.

32. The amounts invested from time to time in an Underlying Fund by a Top Fund may exceed 20% of the outstanding voting securities of the Underlying Fund. As a result, each Top Fund could, either alone or together with other Top Funds, become a substantial security holder of an Underlying Fund. The Top Funds are, or will be, related investment funds by virtue of the common management by the Filer or its affiliates.

33. In the absence of the Requested Relief, the Top Funds may be precluded from investing in their corresponding Underlying Funds since an officer and/or director of the Filer, who may be considered a "responsible person" (as defined by section 13.5 of NI 31-103) may also be an officer and/or director of the applicable Underlying Fund, including an officer and/or director of the general partner of an Underlying Fund where the Underlying Fund is a limited partnership.

34. Since the Top Funds and the Underlying Funds are not subject to NI 81-102, the Top Funds and the Underlying Funds are unable to rely upon the exception in subsection 2.5(7) of NI 81-102.

35. In the absence of the Related Issuer Relief and Consent Relief, a Top Fund would be precluded from purchasing and holding securities of an Underlying Fund due to the investment restrictions contained in securities legislation.

36. Each investment by a Top Fund in an Underlying Fund represents the business judgment of responsible persons uninfluenced by considerations other than the best interests of the Top Fund.

In specie Transactions

37. To effect the Reorganization, the Filer wishes to engage in *in specie* transactions pursuant to which: (i) the securities comprising the investment portfolio of each Initial Top LP will be exchanged for limited partnership units of its corresponding Initial Underlying Fund, and (ii) immediately following completion of the exchange described in (i), each Initial Top Trust will redeem the limited partnership units it holds in its corresponding Initial Top LP and receive limited partnership units of its corresponding Initial Underlying Fund as the redemption proceeds. Following completion of these steps, each of the Initial Top Funds will be a direct investor in its corresponding Initial Underlying Fund.

38. In such circumstances, instead of the Initial Top LP disposing of the portfolio securities and the Initial Underlying Fund purchasing the same portfolio securities and incurring unnecessary brokerage costs, the portfolio securities would, pursuant to each *In specie* Transaction, be acquired by the applicable Initial Underlying Fund.

39. As the Filer is a registered adviser which is, or will be, the portfolio manager of each Top Fund and Underlying Fund, absent the grant of the *In specie* Relief, the Filer would be precluded by the provisions of section 13.5(2)(b)(ii) and (iii) of NI 31-103 from effecting certain *In specie* transactions.

40. The Filer considers an investment by an Initial Top LP in securities of an Initial Underlying Fund by way of an *In specie* Transaction to be a more cost effective and efficient way for the Initial Underlying Funds to acquire the portfolio securities and for the Initial Top LPs to dispose of such portfolio securities. The Filer also considers the acquisition of limited partnership units of the Initial Underlying Fund by the applicable Initial Top Trust through an *In specie* Transaction to be the most efficient and cost effective way for the Initial Top Trusts to acquire their investment in the Initial Underlying Funds.

41. Similarly, following a redemption of securities of an Underlying Fund by a Top Fund, the Filer may wish to engage in *In specie* Transactions pursuant to which payment, in whole or in part, of the redemption proceeds will be satisfied by the Underlying Fund making good delivery of portfolio securities held in its investment portfolio to the Top Fund provided that those portfolio securities meet the investment criteria of the Top Fund. In addition, following a redemption of securities of a Top Fund, the Top Fund may wish to effect payment, in whole or in part, of the redemption proceeds to its security holders (who may include associates of responsible persons of the Filer) through the delivery of portfolio securities, including portfolio securities that were portfolio securities of the corresponding Underlying Fund received by

the Top Fund as redemption proceeds, when those portfolio securities meet the investment criteria of the security holders.

42. Effecting *In specie* Transactions of securities as described above will allow the Filer to manage each of the Funds more effectively and reduce transaction costs for the Funds. For example, *In specie* Transactions reduce market impact costs, which can be detrimental to the Funds. In addition, *In specie* Transactions allow the Filer to maintain within its control larger blocks of securities that would otherwise have to be broken up and then re-assembled. Finally, *In specie* Transactions are an effective way to deliver portfolio securities to security holders in circumstances where, in the judgement of the Filer, such transactions are in the best interests of security holders.

43. The portfolio securities to be acquired pursuant to each *In specie* Transaction will be consistent with the investment objective of the Top Fund or the Underlying Fund acquiring the portfolio securities, as applicable.

44. Each Underlying Fund will not hold more than 10% of its NAV in illiquid assets (as defined in NI 81-102). The valuation of any illiquid securities which would by the subject of an *In specie* Transaction will be carried out according to the Filer's policies and procedures for the fair valuation of portfolio securities, including illiquid securities (**FV Procedures**). The Filer's internal valuation team monitors and determines fair value according to applicable FV Procedures. The Filer's Chief Compliance Officer will review and approve the valuation of any illiquid securities. If any illiquid securities are the subject of an *In specie* Transaction, the illiquid securities will be transferred on a *pro rata* basis.

45. *In specie* Transactions will be subject to: (i) compliance with written policies and procedures of the Filer representing *In specie* Transactions that are consistent with applicable securities legislation and (ii) the oversight of the Filer's Compliance department to ensure that the transaction represents the business judgment of the Filer acting in its discretionary capacity with respect to the applicable Fund or Funds, uninfluenced by considerations other than the best interests of the applicable Fund or Funds.

46. The Filer will not receive any compensation in respect of any sale or redemption of units of a Fund and, in respect of any delivery of securities further to an *In specie* Transaction, the only charge paid by the Fund may be a commission charged by the dealer executing the trade and/or any administrative charges levied by a prime broker.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision. The decision of the principal regulator under the Legislation is that the Requested Relief is granted effective as of the date of the Reorganization, provided that:

1. the Previous Decision will no longer be relied on once this Decision is relied on;

2. in respect of the Related Issuer Relief and the Consent Relief:

   (a) to the extent sold in Canada, securities of the Top Funds are distributed solely pursuant to exemptions from the prospectus requirements in NI 45-106;

   (b) the investment by a Top Fund in an Underlying Fund is compatible with the investment objectives of the Top Fund;

   (c) at the time of the purchase of securities of an Underlying Fund, the Underlying Fund holds no more than 10% of its NAV in securities of other investment funds unless the Underlying Fund:

      (i) is a "clone fund" (as defined by NI 81-102),

      (ii) purchases or holds securities of a "money market fund" (as defined by NI 81-102), or

      (iii) purchases or holds securities that are "index participation units" (as defined by NI 81-102) issued by an investment fund;

   (d) no management fees or incentive fees are payable by a Top Fund that, to a reasonable person, would duplicate a fee payable by the Underlying Fund for the same service;

   (e) no sales fees or redemption fees are payable by a Top Fund in relation to its purchases or redemptions of securities of the Underlying Fund;

(f) the Filer, or its affiliate, does not cause the securities of the Underlying Fund held by a Top Fund to be voted at any meeting of holders of such securities, except that the Filer, or its affiliates, may arrange for the securities the Top Fund holds of the Underlying Fund to be voted by the beneficial holders of securities of the Top Fund;

(g) the offering memorandum or other similar disclosure document of a Top Fund will be provided to investors in a Top Fund prior to the time of investment and will disclose:

(i) that the Top Fund may purchase securities of an Underlying Fund;

(ii) that the Filer, or its affiliate, is the investment fund manager and/or portfolio adviser of both the Top Fund and the Underlying Fund;

(iii) that the Top Fund will invest substantially all of its assets in the Underlying Fund;

(iv) each officer, director or substantial security holder of the Filer, or its affiliate, or of a Top Fund that also has a significant interest in the Underlying Fund, the approximate amount of the significant interest they hold, on an aggregate basis, expressed as a percentage of the NAV of the Underlying Fund, and the potential conflicts of interest which may arise from such relationships;

(v) the fees and expenses payable by the Underlying Fund that the Top Fund invests in, including any incentive fees or profit allocations or other allocations;

(vi) that the investor may receive from the Filer or its affiliate, on request and free of charge, a copy of the offering memorandum or other similar disclosure document of the Underlying Fund; and

(vii) that the investor may receive from the Filer or its affiliate, on request and free of charge, the annual or semi-annual financial statements relating to the Underlying Fund in which the Top Fund invests.

3. in respect of the *In specie* Relief:

(a) where an Initial Top LP purchases securities of its corresponding Initial Underlying Fund and the Initial Underlying Fund receives portfolio securities from the Initial Top LP as payment:

(i) the Initial Underlying Fund would, at the time of payment, be permitted to purchase the portfolio securities;

(ii) the portfolio securities are acceptable to the Filer, as portfolio adviser to the Initial Underlying Fund, and are consistent with the investment objective of the Initial Underlying Fund;

(iii) the value of the portfolio securities is at least equal to the issue price of the securities of the Initial Underlying Fund for which they are payment, valued as if the securities were portfolio assets of the Initial Underlying Fund; and

(iv) each Initial Underlying Fund will keep written records of each *In specie* Transaction in a financial year of such Initial Underlying Fund, reflecting the details of portfolio securities delivered to such Fund and the value assigned to such portfolio securities, for a period of five years after the end of the fiscal year, the most recent two years in a reasonably accessible place;

(b) where a Top Fund redeems securities of an Underlying Fund and the Top Fund receives portfolio securities from the Underlying Fund as payment:

(i) the Top Fund would, at the time of payment, be permitted to purchase the portfolio securities;

(ii) the portfolio securities are acceptable to the Filer, as portfolio adviser to the Top Fund, and are consistent with the investment objective of the Top Fund;

(iii) the value of the portfolio securities is equal to the amount at which those portfolio securities were valued by the Underlying Fund in calculating the NAV per security of the Underlying Fund used to establish the redemption price of the securities of the Underlying Fund redeemed by the Top Fund; and

(iv) each Underlying Fund will keep written records of each *In specie* Transaction in a financial year of such Underlying Fund, reflecting the details of portfolio securities delivered by such Fund and the value assigned to such portfolio securities, for a period of five years after the end of the fiscal year, the most recent two years in a reasonably accessible place;

(c) where an Associate redeems securities of a Top Fund and receives portfolio securities of the Top Fund, including portfolio securities that were portfolio securities of the corresponding Underlying Fund received by the Top Fund as redemption proceeds:

(i) the value of the portfolio securities is equal to the amount at which those portfolio securities were valued by the Top Fund in calculating the NAV per security of the Top Fund used to establish the redemption price of the securities of the Top Fund redeemed by the Associate;

(ii) each Top Fund will keep written records of each *In specie* Transaction in a financial year of such Top Fund, reflecting the details of portfolio securities delivered by such Fund and the value assigned to such portfolio securities, for a period of five years after the end of the fiscal year, the most recent two years in a reasonably accessible place; and

(d) the Filer does not receive any compensation in respect of the *In specie* Transaction and, in respect of the delivery of securities under the *In specie* Transaction, the only charge paid by the Fund may be a commission charged by the dealer executing the trade and/or any administrative charges levied by a prime broker.

The Consent Relief and *In specie* Relief

"Raymond Chan"
Manager, Investment Funds
Ontario Securities Commission

The Related Issuer Relief

"AnneMarie Ryan"
Commissioner
Ontario Securities Commission

"Judith N. Robertson"
Commissioner
Ontario Securities Commission

2.1.9 Cayden Resources Inc. – s. 1(10)(a)(ii)

Headnote

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

Applicable Legislative Provisions

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

December 22, 2014

Cayden Resources Inc.
c/o Lawson Lundell LLP
Suite 1600 Cathedral Place
925 West Georgia Street
Vancouver, BC Y6C3L2
Attn: R. Gregory Laing, Vice President

and

Davies Ward Phillips & Vineberg LLP
155 Wellington Street West
Toronto, ON M5V 3J7
Attn: Ben Howard

Dear Sirs:

Re: Cayden Resources Inc. (the Applicant) – application for a Decision under the securities legislation of the Provinces of Ontario, Alberta, Saskatchewan, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia and Prince Edward Island (the Jurisdictions) that the Applicant is not a reporting issuer

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

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

The Applicant has represented to the Decision Makers that:

(a) the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;

(b) no securities of the Applicant, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;

(c) the Applicant is applying for a decision that it is not a reporting issuer in all of the jurisdictions of Canada in which it is currently a reporting issuer; and

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

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

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

2.2 Orders

2.2.1 Quadrexx Hedge Capital Management Ltd. et al. – Rules 1.7.4 and 11 of the OSC Rules of Procedure

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

AND

IN THE MATTER OF
QUADREXX HEDGE CAPITAL MANAGEMENT LTD.,
QUADREXX SECURED ASSETS INC.,
MIKLOS NAGY and TONY SANFELICE

ORDER
(Rules 1.7.4 and 11 of the Ontario Securities Commission Rules of Procedure (2014), 37 O.S.C.B. 4168)

WHEREAS on January 31, 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") accompanied by a Statement of Allegations dated January 30, 2014 with respect to Quadrexx Hedge Capital Management Ltd. ("QHCM"), Quadrexx Secured Assets Inc. ("QSA"), Miklos Nagy ("Nagy") and Tony Sanfelice ("Sanfelice") (collectively, the "Respondents");

AND WHEREAS on February 20, 2014, Staff of the Commission ("Staff") filed an affidavit of Sharon Nicolaides sworn February 19, 2014 setting out Staff's service of the Notice of Hearing dated January 31, 2014 and Staff's Statement of Allegations dated January 30, 2014 on counsel for the Respondents;

AND WHEREAS on February 20, 2014, Staff advised that Staff sent out the initial electronic disclosure of approximately 14,000 documents to counsel for the Respondents;

AND WHEREAS on February 20, 2014, the Commission ordered the hearing be adjourned to April 17, 2014 at 9:30 a.m. for the purpose of scheduling a date for a confidential pre-hearing conference as may be appropriate;

AND WHEREAS on April 17, 2014, Staff, counsel for QHCM, QSA and Nagy and counsel for Sanfelice attended before the Commission;

AND WHEREAS on April 17, 2014, Staff advised the Commission of a correction to be made regarding the initial electronic disclosure made on February 20, 2014, in that disclosure was made of approximately 14,000 pages of documents rather than of approximately 14,000 documents;

AND WHEREAS on April 17, 2014, Staff further advised the Commission that it had recently sent out electronic disclosure of a further 6,800 pages of documents and advised that disclosure by Staff is not yet complete;

AND WHEREAS on April 17, 2014, the Commission ordered that the hearing be adjourned to a confidential pre-hearing conference to be held on September 5, 2014 at 10:00 a.m;

AND WHEREAS on August 20, 2014, Nagy's counsel advised the Commission that Nagy was no longer available to attend the pre-hearing conference scheduled for September 5, 2014 as he would be out of the country until September 19, 2014 because of the ailing health of a family member living abroad and that Nagy's counsel was not available thereafter until the week of October 13, 2014;

AND WHEREAS on August 20, 2014, on the consent of the Respondents and Staff, the Commission ordered that the confidential pre-hearing conference scheduled for September 5, 2014 be adjourned to October 15, 2014 at 9:00 a.m;

AND WHEREAS on October 15, 2014, the parties attended a confidential pre-hearing conference in this matter;

AND WHEREAS on October 15, 2014, the Commission ordered this matter be adjourned to a further confidential pre-hearing conference to be held on February 26, 2015 at 10:00 a.m.;

AND WHEREAS on October 15, 2014, the Commission further ordered that the hearing on the merits in this matter shall commence on April 20, 2015 at 10:00 a.m. and shall continue on April 22, 23, 24, 27, 28, 29, 30 and May 1, 4, 6, 7, 8, 11, 12, 13, 14 and 15, 2015 commencing at 10:00 a.m. on each day;

AND WHEREAS on December 5, 2014, Sean Zaboroski, the representative for the respondents Quadrexx Hedge Capital Management Ltd., Quadrexx Secured Assets Inc. and Miklos Nagy, filed a notice of motion pursuant to Rule 1.7.4 of the Commission's *Rules of Procedure* (2014), 37 O.S.C.B. 4168 for leave to withdraw as representative for the Respondents and requesting that the motion be heard in writing (the "Withdrawal Motion");

AND WHEREAS the respondents Quadrexx Hedge Capital Management Ltd., Quadrexx Secured Assets Inc. and Miklos Nagy have consented to Sean Zaboroski withdrawing as their representative and state that they intend to represent themselves;

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

IT IS ORDERED that the Withdrawal Motion be heard in writing; and

IT IS FURTHER ORDERED THAT Sean Zaboroski is granted leave to withdraw as representative for the respondents Quadrexx Hedge Capital Management Ltd., Quadrexx Secured Assets Inc. and Miklos Nagy.

DATED at Toronto this 16th day of December, 2014.

"Christopher Portner"

2.2.2 Global Autotrading Inc. and Jimmy Talbot – s. 144(1)

Headnote

Application under section 144 of the Securities Act (Ontario) (Act) to further vary a temporary order exempting the Filer from the requirements of paragraph 25(3) of the Act subject to certain conditions, for investment advice provided to persons or entities who are resident in the United States with respect to securities of U.S. issuers.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25(3), 144.

December 16, 2014

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

AND

IN THE MATTER OF
GLOBAL AUTOTRADING INC. (the Filer)
AND JIMMY TALBOT

VARIATION ORDER
(Subsection 144(1) of the Act)

WHEREAS the Ontario Securities Commission (Commission) issued an order (Previous Relief) dated December 20, 2013 pursuant to section 74(1) of the Act for an exemption from the adviser registration requirement in section 25(3) of the Act;

AND WHEREAS the Commission has received an application from the Filer pursuant to section 144 of the Act requesting that the Commission vary the Previous Relief to extend the termination date of the Previous Relief from December 20, 2014 to December 31, 2015;

AND WHEREAS the Commission has been advised that the Filer continues to work with staff of the Commission to register the Filer under a category set out in National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrants* such that the Previous Relief would not be required;

AND WHEREAS the Commission has determined that it is not prejudicial to the public interest to issue this order that varies the Previous Relief in the manner contemplated above;

IT IS ORDERED pursuant to section 144 of the Act, that the Previous Relief, be varied by replacing "the Exemption Sought shall terminate on the date that is one year after the date of this decision" to "the Exemption Sought shall terminate on December 31, 2015".

"Sarah B. Kavanagh"
Commissioner
Ontario Securities Commission

"Catherine Bateman"
Commissioner
Ontario Securities Commission

2.2.3 Powerwater Systems, Inc. et al. – ss. 127(1), 127(10)

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

AND

**IN THE MATTER OF
POWERWATER SYSTEMS, INC.,
DUNCAN CLEWORTH and POWERWATER USA LTD.**

**ORDER
(Subsections 127(1) and 127(10) of the Securities Act)**

WHEREAS on May 14, 2014, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to subsections 127(1) and 127(10) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") in respect of Powerwater Systems, Inc., ("PSI"), Duncan Cleworth ("Cleworth") and Powerwater USA Ltd. ("PUL") (together, the "Respondents");

AND WHEREAS on May 14, 2014, Staff of the Commission ("Staff") filed a Statement of Allegations in respect of the same matter;

AND WHEREAS on June 26, 2014, the Commission heard an application by Staff to convert the matter to a written hearing (the "Application"), in accordance with Rule 11.5 of the Commission's *Rules of Procedure* (2014), 37 OSCB 4095, and subsection 5.1(2) of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22, as amended;

AND WHEREAS the Respondents consented to the Application as indicated by their written consent, filed;

AND WHEREAS Staff and the Respondents agreed upon a timetable for the submission of written hearing materials, subject to the Commission's approval;

AND WHEREAS on June 26, 2014, the Commission granted Staff's application to proceed by way of written hearing, pursuant to Rule 11 of the *Rules of Procedure* and set down a schedule for the submission of materials, without the necessity for an attendance of the Respondents;

AND WHEREAS Staff filed written submissions, a brief of authorities, a hearing brief, supplementary written submissions, a supplementary brief of authorities, and affidavits of service;

AND WHEREAS on August 29, 2014, the Respondents requested an extension of time to file their responding materials, and Staff consented to the Respondents' request;

AND WHEREAS on September 8, 2014, the Commission ordered that

(a) the Respondents' responding materials, if any, shall be served and filed no later than November 10, 2014; and

(b) Staff's reply materials, if any, shall be served and filed no later than November 17, 2014;

AND WHEREAS on November 7, 2014, following a request from the Respondents for a second extension of time to file their responding materials, and with Staff taking no position, the Commission ordered that

(a) the Respondents' responding materials, if any, shall be served and filed no later than November 28, 2014; and

(b) Staff's reply materials, if any, shall be served and filed no later than December 12, 2014;

AND WHEREAS the Respondents filed responding materials on November 28, 2014, and, among other matters, requested to continue this matter as an oral hearing and requested additional time to consider whether they wished to file additional affidavit evidence;

AND WHEREAS Staff consented to these requests;

AND WHEREAS on December 11, 2014, Staff and counsel to the Respondents appeared and made submissions before the Commission;

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

IT IS HEREBY ORDERED THAT:

(a) pursuant to Rule 11.5 of the Commission's Rules of Procedure, this matter shall continue as an oral hearing;

(b) any additional affidavit evidence from the Respondents shall be served and filed no later than January 23, 2015;

(c) any additional affidavit evidence from Staff shall be served and filed no later than February 4, 2015;

(d) an oral hearing in this matter shall be held on February 9, 2015;

(e) at the hearing, the Respondents and Staff shall have the right to cross-examine any affiant(s) and make oral submissions; and

(f) following the hearing, the Respondents and Staff shall have the right to serve and file written closing submissions.

DATED at Toronto this 11th day of December, 2014.

"James E. A. Turner"

2.2.4 SEMAFO Inc. and Orbis Gold Limited – s. 104(2)(c)

Headnote

Application under Section 104(2)(c) of the Securities Act (Ontario) – exemption from sections 93.1-99 of the Securities Act (Ontario) – take-over bid by offeror, a Canadian company, for an Australian target company that is publicly listed in Australia and that is not a reporting issuer in any Canadian jurisdiction – other than offeror, the Australian target company has two shareholders in Ontario, each a sophisticated shareholder, holding an aggregate of 18.72% of shares outstanding – offer to be subject to laws of Australia and the Australian Stock Exchange – security holders in Ontario to receive same information and participate on same terms – security holders in Ontario were informed of the offeror's application for relief – Commission granted relief – all shareholders treated equally.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am.

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

AND

IN THE MATTER OF
SEMAFO INC. AND ORBIS GOLD LIMITED

ORDER
(Section 104(2)(c))

UPON the application of SEMAFO Inc. (the "**Filer**") to the Ontario Securities Commission (the "**Commission**") for an order (the "**Order**") pursuant to Section 104(2)(c) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "**Act**") exempting the Filer from the requirements of Sections 93-99.1 of the Act (the "**Take Over Bid Requirements**") as they would otherwise apply to an intended cash offer (the "**Offer**") announced on October 15, 2014 (in Canada)/October 16, 2014 (in Australia) by the Filer by way of a press release to acquire all of the issued share capital of Orbis Gold Limited (the "**Target**") not already owned by the Filer;

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

AND UPON the Filer having represented to the Commission that:

1. The Filer is a corporation incorporated under the laws of the Province of Québec with its head office located in Montreal, Québec.

2. The Filer is a reporting issuer in the Provinces of British Columbia, Alberta, Ontario and Québec.

3. The common shares of the Filer are listed on the Toronto Stock Exchange in Canada and the NASDAQ OMX Stockholm exchange in Sweden, in each case under the symbol "SMF".

4. The Filer owns 5,000 ordinary shares in the capital of the Target.

5. The Filer is not in default of any requirement of securities legislation in the Provinces of British Columbia, Alberta, Ontario and Québec.

6. The information herein concerning the Target and the Subject Shareholders (as defined below) has been obtained from publicly available information and therefore the Filer is not in a position to make any representations regarding such information.

7. The Filer believes that the information herein concerning the Target and the Subject Shareholders is true.

8. The Target is an Australian incorporated company having its registered address in Brisbane, Australia. The Target is an Australian-based resource company focussed on the discovery and development of gold projects in the Birimian Gold Province of West Africa and elsewhere.

9. The ordinary shares of the Target (the "**Target Shares**") are listed on the official list of ASX Limited ("**ASX**") under the symbol "OBS". The only published market on which the Target Shares have traded during the 12 months immediately preceding the date hereof is the ASX. The Target Shares have not traded on a published market in Canada.

10. Based upon the Target's 2014 annual report, as at September 19, 2014, the Target had an outstanding share capital of 249,886,056 Target Shares.

11. The Target is not a reporting issuer in any Canadian province or territory.

12. On October 15, 2014 (in Canada)/October 16, 2014 (in Australia), the Filer announced the Offer by way of a press release disseminated through media sources in Australia and lodged with the ASX.

13. Under the terms of the Offer, shareholders of the Target will receive AUD$0.65 in cash for each Target Share that they tender to the Offer.

14. The Filer intends to publish and mail a Bidder's Statement (the "**Bidder's Statement**") to all holders of Target Shares as soon as practicable and, in any event is required to publish and mail a Bidder's Statement to all holders of Target Shares by no later than December 14, 2014 (in Canada)/December 15, 2014 (in Australia) (being

within two months of announcing the intention to make the Offer). The Bidder's Statement will be completed and mailed and the Offer will be made in compliance with the laws of Australia, including the rules and regulations of the Australian Securities and Investments Commission ("**ASIC**"), the Australian Corporations Act 2001 (Cth) and the Australian Corporations Regulations 2001 (Cth). The Bidder's Statement will include a full description of the Offer, including required information as to the (i) Filer, (ii) Target, (iii) background and reasons for the Offer, and (iv) terms and conditions of the Offer. The Bidder's Statement and other material relating to the Offer sent by or on behalf of the Filer to holders of Target Shares will be in English.

15. The Offer is subject to a number of conditions, including regulatory approvals and a minimum acceptance condition of 50.1% of the Target Shares, which condition may be waived at the Filer's sole discretion.

16. The Offer will be open for acceptance for a period of not less than one month following the mailing of the Bidder's Statement to shareholders of the Target, as is required by applicable Australian law.

17. The Offer will be governed by Australian law and will be subject to the jurisdiction of the Australian courts. The Offer will be subject to legal and regulatory requirements, including the rules and regulations of ASIC, the Australian Corporations Act 2001 (Cth) and the Australian Corporations Regulations 2001 (Cth).

18. The Offer constitutes a "take-over bid" under the definition of such term in Section 89(1) of the Act as certain holders of Target Shares are in Ontario. The Offer is therefore subject to the Take Over Bid Requirements unless otherwise exempted.

19. In response to a request made by the Filer on October 14, 2014, the Target provided a copy of the share register maintained by Link Market Services Limited, the transfer agent for the Target, to the Filer on October 21, 2014. Such share register indicates that there are no registered shareholders of the Target in Canada and, to the best of the knowledge of the Filer as of November 17, 2014, there are no shareholders of the Target whose last address shown on the books of the Target is in Canada.

20. Notwithstanding the share register, based upon the Target's 2014 Annual Report and publicly available substantial shareholder notices filed with the ASX, Goodman & Company, Investment Counsel Inc., a subsidiary of Dundee Corporation ("**Goodman**"), and 1832 Asset Management L.P., a wholly-owned affiliate of The Bank of Nova Scotia ("**1832AMLP**" and together with Goodman, the "**Subject Shareholders**"), are the beneficial owners of 20,400,000 Target Shares and 26,400,000 Target Shares, respectively, representing, in the aggregate, 18.7% of the issued and outstanding Target Shares as at September 19, 2014.

21. Goodman is an Ontario based corporation having its head office in Toronto, Ontario.

22. Goodman is registered with the Commission as an exempt market dealer, investment fund manager and portfolio manager.

23. The 20,400,000 Target Shares beneficially owned by Goodman represent 8.16% of the issued and outstanding Target Shares as at September 19, 2014.

24. 1832AMLP is a limited partnership formed under the laws of the Province of Ontario and its head office is located in Toronto, Ontario. Its general partner is wholly-owned by The Bank of Nova Scotia.

25. 1832AMLP is registered with the Commission as an exempt market dealer, investment fund manager, portfolio manager and commodity trading manager.

26. The 26,400,000 Target Shares beneficially owned by 1832AMLP represent 10.56% of the issued and outstanding Target Shares as at September 19, 2014.

27. Offers under an off-market take-over bid made in accordance with applicable Australian law are made to those holders of Target Shares shown on the register of shareholders as at the relevant "register date" set for the take-over bid. The Filer has complied with Australian law in requesting and obtaining a copy of the Target's share register showing all of the registered holders of Target Shares.

28. Information in relation to beneficial ownership of Target Shares is only made readily publicly available when a shareholder becomes a "substantial holder" under applicable Australian law (that is, the shareholder has voting power greater than 5% in the target company).

29. To the best of the Filer's knowledge as of November 17, 2014, the Filer reasonably believes that, other than Goodman and 1832AMLP, there are no other beneficial holders of Target Shares in Ontario or elsewhere in Canada.

30. To the best of the Filer's knowledge as of November 17, 2014, the Target has not conducted any prospectus exempt offerings in Canada.

31. The Filer has communicated with each of the Subject Shareholders in order to notify the Subject

Shareholders of the Filer's application for exemptive relief from the requirements in sections 93-99.1 of the *Securities Act* (Ontario) in connection with the Offer.

32. The Offer and any amendments to the Offer will be made in compliance with the laws of Australia, including the rules and regulations of ASIC, the Australian Corporations Act 2001 (Cth) and the Australian Corporations Regulations 2001 (Cth).

33. Canadian holders of Target Shares will be entitled to participate in the Offer on terms at least as favourable as the terms that apply to the general body of holders of Target Shares.

34. At the same time as the Bidder's Statement and other material relating to the bid is sent by or on behalf of the Filer to holders of Target Shares resident in Australia, the material will be filed and sent to holders of Target Shares whose last address as shown on the share register of the Target is in Canada.

AND UPON the Commission being satisfied that it would not be prejudicial to the public interest for the Commission to grant the Order;

IT IS ORDERED, pursuant to Section 104(2)(c) of the Act, that the Filer be exempt from the Take Over Bid Requirements in connection with the Offer provided that:

(i) the Offer and any amendments to the Offer are made in compliance with the laws of Australia, including the rules and regulations of ASIC, the Australian Corporations Act 2001 (Cth) and Australian Corporations Regulations 2001 (Cth);

(ii) the Bidder's Statement is published and mailed to holders of Target Shares no later than December 14, 2014 (in Canada)/December 15, 2014 (in Australia);

(iii) Canadian holders of Target Shares are entitled to participate in the Offer and any amendments to the Offer on terms at least as favourable as the terms that apply to the general body of holders of Target Shares; and

(iv) at the same time as the Bidder's Statement and other material relating to the Offer are sent by or on behalf of the Filer to holders of Target Shares resident in Australia, the material is filed with the Commission and sent to holders of Target Shares whose last address as shown on the share register of the Target is in Canada.

DATED this 18th day of November, 2014.

"Christopher Portner"
Commissioner
Ontario Securities Commission

"Judith Robertson"
Commissioner
Ontario Securities Commission

2.2.5 Magna International Inc. – 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 430,000 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.

Statutes Cited

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
MAGNA INTERNATIONAL INC.

ORDER
(Clause 104(2)(c))

UPON the application (the "**Application**") of Magna International Inc. (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 connection with the proposed purchases by the Issuer of up to 430,000 common shares of the Issuer (collectively, the "**Subject Shares**") in one or more tranches, from Bank of Montreal (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, 9, 11, 22 and 23 as they relate to the Selling Shareholder) having represented to the Commission that:

1. The Issuer is a corporation governed by the Business Corporations Act (Ontario).

2. The registered and head office of the Issuer is located at 337 Magna Drive, Aurora, Ontario, L4G 7K1.

3. The Issuer is a reporting issuer in each of the provinces of Canada and its common shares (the "**Common Shares**") are listed for trading on the TSX and the New York Stock Exchange ("**NYSE**") under the symbols "MG" and "MGA", respectively. 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 an unlimited number of Common Shares, of which 207,354,943 are issued and outstanding as of November 6, 2014, and 99,760,000 preference shares ("**Preference Shares**") issuable in series. As of November 6, 2014, no Preference Shares are issued or outstanding.

5. The corporate headquarters of the Selling Shareholder are located in the Province of Ontario. The trades contemplated by this application will be executed and settled in the Province of Ontario.

6. The Selling Shareholder 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 430,000 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. No Common Shares were purchased by, or on behalf of, the Selling Shareholder on or after October 11, 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.

9. 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*.

10. Pursuant to a Normal Course Issuer Bid (the "**Notice**") accepted by the TSX effective November 11, 2014, the Issuer was permitted to make a normal course issuer bid (the "**Normal Course Issuer Bid**") to purchase up to 20,000,000 Common Shares, representing approximately 9.7% of the Issuer's public float of Common Shares. The Notice specifies that purchases under the Normal Course Issuer Bid will be conducted through the facilities of the TSX and purchases may also be made on the NYSE or through other published markets or by such other means as may be permitted by the TSX and/or the NYSE, 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 by private agreements under issuer bid exemption orders issued by a securities regulatory authority (each, an "**Off-Exchange Block Purchase**").

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, subject to market conditions, agree to acquire some or all of the Subject Shares from the Selling Shareholder in one or more tranches, such tranches to occur not more than once per calendar week, each to occur prior to November 12, 2015 (each such purchase, a "**Proposed Purchase**") for a purchase price (each such price, a "Purchase Price" in respect of such Proposed Purchase) 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 and below the bid-ask price for the Common Shares on the TSX 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 any of the Subject Shares by the Issuer pursuant to an Agreement will constitute an "issuer bid" for the 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, none of the Proposed Purchases can 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 subsection 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 subsection 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. For each Proposed Purchase, the Issuer will be able to acquire the applicable Subject Shares from the Selling Shareholder without the Issuer being subject to the dealer registration requirements of the Act.

18. Management of the Issuer is of the view that: (a) the Issuer 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 in accordance with the TSX NCIB Rules and the exemption from the Issuer Bid Requirements available pursuant to subsection 101.2(1) of the Act; and (b) the Proposed Purchases are an appropriate use of the Issuer's funds.

19. 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 security holders 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 at minimal cost to the Issuer.

20. To the best of the Issuer's knowledge, as of November 6, 2014, the "public float" for the Issuer's Common Shares represented approximately 99.5% of all issued and outstanding Common Shares for purposes of the TSX NCIB Rules.

21. 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.

22. Other than the Purchase Price, no fee or other consideration will be paid by the Issuer in connection with the Proposed Purchases.

23. 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 any member of the trading products group of the Selling Shareholder, nor any personnel of, the Selling Shareholder that negotiated the Agreement or made, 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 "material fact" (each as defined in the Act) in respect of the Issuer that has not been generally disclosed.

24. The Issuer may amend its automatic share purchase plan (the "**Plan**") to permit the Issuer to make purchases under its Normal Course Issuer Bid at such times when the Issuer would not be permitted to trade in its Common Shares during internal blackout periods, including regularly scheduled quarterly blackout periods. The Issuer will instruct the broker under the Plan not to conduct a Block Purchase in accordance with the TSX NCIB Rules during the calendar week in which the Issuer completes a Proposed Purchase. No Subject Shares will be acquired under the Plan or otherwise during the Issuer's blackout periods.

25. The Issuer will not purchase, pursuant to Off-Exchange Block Purchases, in aggregate, more than one-third of the maximum number of Common Shares that the Issuer can purchase under the Normal Course Issuer Bid, such one-third being equal to 6,666,666 Common Shares as of the date of this Order.

26. 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 in which it completes a Proposed Purchase and will not make any further purchases under its Normal Course Issuer Bid for the remainder of the calendar day on which it completes a 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 Issuer's Normal Course Issuer Bid in accordance with the Notice and the TSX NCIB Rules, including by means of open market transactions and by other means as may be permitted by the TSX, subject to condition (i) below, by Off-Exchange Block Purchases;

(e) immediately following each Proposed Purchase of Subject Shares from the Selling Shareholder, the Issuer will report the purchase of 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 any member of the trading products group of the Selling Shareholder, nor any personnel of the Selling Shareholder that negotiated the Agreement or made, 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 "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 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 its Normal Course Issuer Bid, such one-third being equal to, as of the date of this Order, 6,666,666 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, 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 25th day of November, 2014.

"Edward P. Kerwin"
Commissioner
Ontario Securities Commission

"Christopher Portner"
Commissioner
Ontario Securities Commission

2.2.6 Crown Life Canada Ltd. – s. 74(1)

Headnote

Application for relief from the prospectus requirement in respect of a distribution by an issuer to shareholders of the issuer of shares of a wholly-owned subsidiary as an *in specie* dividend or distribution out of earnings, surplus, capital or other sources on a *pro rata* basis – relief granted provided that the first trade of any shares of the subsidiary acquired by a shareholder of the issuer in reliance on this order is a deemed distribution unless certain resale conditions are satisfied.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 53, 74(1).
National Instrument 45-102 Resale of Securities.
National Instrument 45-106 Prospectus and Registration Exemptions.

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

AND

IN THE MATTER OF
CROWN LIFE CANADA LTD
(the "Corporation")

ORDER
(Section 74(1))

WHEREAS the Corporation has applied to the Ontario Securities Commission (the "**Commission**") for an exemption from the prospectus requirement under section 53 of the *Securities Act* (Ontario) (the "**Act**") in respect of a distribution by the Corporation to shareholders of the Corporation of shares of Crown Amalco (as hereinafter defined) as an *in specie* dividend or distribution out of earnings, surplus, capital or other sources on a *pro rata* basis, being one common share of Crown Amalco for each common share of the Corporation held by a shareholder of the Corporation (the "**Requested Relief**");

AND UPON the Corporation having represented to the Commission as follows:

1. The Corporation exists under the laws of the Province of Ontario. The Corporation is not a reporting issuer in any jurisdiction in Canada. The business of the Corporation is to acquire and manage portfolios of life insurance policies. The Corporation is engaged in no other business. Other than cash, the only assets of the Corporation are common share of Crown Amalco (as defined below) and CCPI (as defined below).

2. Crown Alliance Capital Ltd. ("**Crown Alliance**") was a corporation incorporated under the laws of the State of Nevada. Crown Alliance was in the

business of acquiring life settlement policies and was engaged in no other business. Other than cash, the only assets of Crown Alliance at all material times were four life insurance policies that have an aggregate death benefit of US$4.5 million (the "**Crown Alliance Portfolio**").

3. The Corporation incorporated a wholly owned subsidiary under the laws of the State of Nevada, Crown Acquisition Corp. ("**Crown Sub**") for the purposes of acquiring Crown Alliance by way of a three-cornered amalgamation. Crown Sub did not engage in any active business.

4. Crown Canada Portfolio I Inc. ("**CCPI**") was incorporated by the Corporation on September 5, 2014 as a wholly owned subsidiary for the purposes of acquiring and holding a portfolio of life insurance policies having an aggregate death benefit of US$107 million (the "**CCPI Portfolio**"). CCPI is a special purpose vehicle that was created for the sole purpose of holding the CCPI Portfolio and does not and will not engage in any other business activities. As CCPI was created as a special purpose vehicle for the sole purposes of acquiring the CCPI Portfolio, it had no assets prior to the acquisition of the CCPI Portfolio.

5. The Corporation is desirous to acquire additional life settlement portfolios meeting its investment criteria through additional wholly owned subsidiaries of the Corporation which will be incorporated contemporaneously with future acquisitions.

6. Crown Sub amalgamated with Crown Alliance (the "**Amalgamation**"), effective June 6, 2014. The surviving entity following the Amalgamation is Crown Acquisition Corp. ("**Crown Amalco**"). As a result of the Amalgamation, the shareholders of Crown Alliance received common shares of the Corporation on a 1-for-1 basis. Crown Amalco become a wholly owned subsidiary of the Corporation.

7. Crown Amalco exists under the laws of the State of Nevada and is not a reporting issuer in any jurisdiction of Canada. Its registered address is at 50 West Liberty Street, Suite 880 Reno Nevada 89501.

8. A total of 222,773,848 million common shares of the Corporation were issued to the 64 registered shareholders of Crown Alliance in connection with the Amalgamation. The Corporation relied on Section 2.11 of National Instrument 45-106 *Prospectus and Registration Exemptions* for the issuance of the common shares of the Corporation to the registered shareholders of Crown Alliance in connection with the Amalgamation. A first trade of such common shares of the Corporation would be subject to Section 2.6 of National Instrument 45-102 *Resale of Securities* ("**NI 45-102**").

9. Of the 64 registered shareholders of the Corporation, 2 are resident in China, 3 are resident in the United States, 2 are resident in Italy and 57 are resident in the Province of Ontario.

10. Following the Amalgamation, the current registered shareholders of the Corporation are identical to the registered shareholders of Crown Alliance prior to the Amalgamation (other than the one share issued on incorporation) and that each registered shareholder of the Corporation currently holds the same number of common shares of the Corporation that each held in Crown Alliance prior to the Amalgamation. Other than one common share issued at the time of incorporation, the Corporation has issued no other common shares.

11. Other than cash, the only asset of Crown Amalco is the Crown Alliance Portfolio. Crown Amalco engages in no other business other than the maintenance and management of the Crown Alliance Portfolio. Once Crown Amalco realizes upon all of the death benefits from the insurance policies comprising the Crown Alliance Portfolio, Crown Amalco intends to cease to carry on business of any kind.

12. Crown Amalco carries on no active business other than servicing its investment assets and Crown Amalco will not carry on any active business in the future. Once the investments are monetized, all funds net of liabilities will be distributed to its shareholders and Crown Amalco will be dissolved.

13. As a result of the Amalgamation, the Corporation unknowingly and unintentionally became subject to both U.S. and Canada income tax. These tax consequences will have a material adverse financial impact on the Corporation and its shareholders.

14. Pursuant to the U.S. inversion rules (IRC Section 7874 and related regulations) where the former shareholders of a domestic corporation (Crown Alliance) receive 80% or more of the foreign acquiring corporation (the Corporation) by reason of their ownership of the domestic corporation (Crown Alliance), the foreign acquiring corporation (the Corporation) shall be treated as a domestic corporation (i.e. a U.S. corporation) for all purposes of the Internal Revenue Code. As such, the Corporation would be subject to U.S. and Canadian income tax.

15. The Corporation's tax advisors have advised that if the Corporation were to divest of Crown Amalco, the Corporation would no longer be subject to U.S. income tax.

16. To the extent Crown Amalco Shares are distributed as soon as practical, case law permits Crown Alliance to assert the creation of a foreign parent (the Corporation) should be ignored for U.S. income tax purposes and the Corporation should not be an inverted corporation and not be subject to U.S. income taxation as a domestic U.S. corporation.

17. There is no market for the Crown Amalco Shares and the Corporation would only be able to sell its shares of Crown Amalco to a third party for nominal consideration.

18. The registration requirement in Section 25 of the Act does not apply as no person has engaged or will engage or has held themselves out as engaging in the business of trading in securities in connection with the distribution of the Crown Amalco shares to the shareholders of the Corporation.

19. Prospectus level disclosure regarding Crown Amalco and the Crown Alliance Portfolio would not provide any material benefit to shareholders of the Corporation because (a) the shareholders already indirectly own Crown Amalco and the Crown Alliance Portfolio; (b) Crown Amalco does not engage (and will not engage) in any business except maintaining and managing the Crown Alliance Portfolio; (c) there are no employees of Crown Amalco and no officer or director receives (or will receive) compensation of any kind from Crown Amalco; (d) the distribution of the Crown Amalco shares does not require an investment decision on the part of the Corporation's shareholders; (e) there is no market for the securities of Crown Amalco; and (f) a first trade of Crown Amalco shares will be subject to the same conditions set out in Section 2.6 of NI 45-102.

20. The shares of Crown Alliance were registered under the United States Securities Exchange Act of 1934 (the "**1934 Act**") and traded through the facilities of the OTC BB. Pursuant to the voluntary filing of a Form 15, Crown Alliance's reporting obligations under the 1934 Act were suspended, effective March 31, 2014. Residents of Ontario would have acquired shares of Crown Alliance directly from Crown Alliance or through trades in the open market. One resident of Ontario was issued 27 million shares of Crown Alliance subsequent to March 31, 2014 as consideration for the commitment to provide a USD$8.5 million loan to the Corporation and such loan was provided to the Corporation in October of 2014.

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

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

IT IS ORDERED, pursuant to Section 74(1) of the Act, that the Requested Relief is granted, provided that: (a) at the time the Corporation delivers the share certificates of Crown Amalco to its shareholders it also provides every shareholder with a copy of this Order and a letter advising shareholders that there are resale restrictions attached to the Crown Amalco shares along with an explanation of the resale restrictions; and (b) the first trade of any common shares of Crown Amalco acquired by a shareholder of the Corporation in reliance on this Order is a deemed distribution unless the following conditions are satisfied:

(i) Crown Amalco has been a reporting issuer in a jurisdiction in Canada for the four months preceding the trade;

(ii) the trade is not a control distributions (as defined in NI 51-102);

(iii) no unusual effort is made to prepare the market or to create demand for Crown Amalco shares;

(iv) no extraordinary commission or consideration is paid to a person or company in respect of such first trade; and

(v) if the selling securityholder is an insider or officer of Crown Amalco, the selling securityholder has no reasonable grounds to believe that Crown Amalco is in default of Ontario securities legislation.

DATED on this day 18th of December 2014.

"James Turner"
Vice-chair
Ontario Securities Commission

"Monica Kowal"
Vice-chair
Ontario Securities Commission

2.2.7 Gildan Activewear Inc. – 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 1,525,000 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 a sale of common shares 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 between the date of the order and the date on which the proposed purchase is completed, the selling shareholder has not purchased, had purchased on its behalf, or otherwise accumulated, any common shares of the Issuer.

Applicable Legislative Provisions

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

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

AND

IN THE MATTER OF
GILDAN ACTIVEWEAR INC.

ORDER
(clause 104(2)(c))

UPON the application (the "**Application**") of Gildan Activewear Inc. (the "**Issuer**") to the Ontario Securities Commission (the "**Commission**") for an order pursuant to clause 104(2)(c) of the Act exempting the Issuer from the requirements of sections 94 to 94.8 and 97 to 98.7 of the Act (the "**Issuer Bid Requirements**") in respect of the proposed purchases by the Issuer of up to 1,525,000 of its common shares (collectively, the "**Subject Shares**") in one or more tranches from Canadian Imperial Bank of Commerce (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, 9, 10, 12, 23 and 24 as they relate to the Selling Shareholder) having represented to the Commission that:

1. The Issuer is a corporation governed by the *Canada Business Corporations Act*.

2. The head office and registered office of the Issuer is located at 600 de Maisonneuve Boulevard West, 33rd Floor, Montreal, Quebec, Canada H3A 3J2.

3. The Issuer is a reporting issuer in each of the provinces of Canada and the common shares of the Issuer (the "**Common Shares**") are listed for trading on the Toronto Stock Exchange (the "**TSX**") and the New York Stock Exchange (the "**NYSE**") under the symbol "GIL". 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 an unlimited number of Common Shares, First Preferred Shares and Second Preferred Shares. As of November 11, 2014, 122,477,073 Common Shares were issued and outstanding, and no First Preferred Shares or Second Preferred Shares were issued and outstanding.

5. The corporate headquarters of the Selling Shareholder are located in the Province of Ontario.

6. The Selling Shareholder 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 1,525,000 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. No Common Shares were purchased by, or on behalf of, the Selling Shareholder on or after October 18, 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.

9. The Subject Shares are held by the Selling Shareholder in connection with arrangements to hedge client transactions in respect of the Common Shares. The Selling Shareholder will not

purchase, have purchased on its behalf, or otherwise accumulate, any Common Shares to re-establish its holdings of Common Shares which will have been reduced as a result of the sale of the Subject Shares pursuant to the Proposed Purchases (as defined below) between the date of this Order and the date on which a Proposed Purchase is to be completed.

10. 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*.

11. On December 4, 2014, the Issuer announced that it is initiating a normal course issuer bid (the "**Normal Course Issuer Bid**") to purchase up to 6,100,000 Common Shares during the period from December 8, 2014 to December 7, 2015, representing approximately 4.98% of the issued and outstanding Common Shares as of the date specified in the Notice of Intention to Make a Normal Course Issuer Bid (the "**Notice**") submitted to and accepted by the TSX. The Notice specifies that purchases under the Normal Course Issuer Bid will be conducted through the facilities of the TSX and the NYSE or alternative trading systems, if eligible, or by 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 by private agreements under issuer bid exemption orders issued by securities regulatory authorities (each, an "**Off-Exchange Block Purchase**").

12. 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 before December 7, 2015 (each such purchase, a "**Proposed Purchase**") for a purchase price (each such price, a "**Purchase Price**" in respect of such Proposed Purchase) that will be negotiated at arm's length between the Issuer and the Selling Shareholder. The Purchase Price will, in each case, 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.

13. 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.

14. The purchase of any of the Subject Shares by the Issuer pursuant to an Agreement will constitute an "issuer bid" for the purposes of the Act, to which the applicable Issuer Bid Requirements would apply.

15. Because the Purchase Price will, in each case, 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, none of the Proposed Purchases can 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 subsection 101.2(1) of the Act.

16. 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(1)7 of the TSX NCIB Rules and the exemption from the Issuer Bid Requirements that is available pursuant to subsection 101.2(1) of the Act.

17. The sale of any of the Subject Shares to the Issuer will not be a "distribution" (as defined in the Act).

18. For each Proposed Purchase, the Issuer will be able to acquire the applicable Subject Shares from the Selling Shareholder without the Issuer being subject to the dealer registration requirements of the Act.

19. Management of the Issuer is of the view that: (a) the Issuer 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 in accordance with the TSX NCIB Rules and the exemption from the Issuer Bid Requirements available pursuant to subsection 101.2(1) of the Act; and (b) the Proposed Purchases are an appropriate use of the Issuer's funds.

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 security holders 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 at minimal cost to the Issuer.

21. To the best of the Issuer's knowledge, as of November 11, 2014, the "public float" for the Common Shares represented approximately 79% of all the 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 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 any member of the trading group of the Selling Shareholder, nor any personnel of the Selling Shareholder that negotiated the Agreement or made, 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 "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 the Normal Course Issuer Bid, such one-third being equal to 2,033,333 Common Shares as of the date of this Order.

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 in which it completes a Proposed Purchase and will not make any further purchases under the Normal Course Issuer Bid for the remainder of the calendar day on which it completes a 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(1)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 in accordance with the Notice and the TSX NCIB Rules, including by means of open market transactions and by other means as may be permitted by the TSX, including, subject to condition (i) below, by Off-Exchange Block Purchases;

(e) immediately following each Proposed Purchase of Subject Shares from the Selling Shareholder, the Issuer will report the purchase of 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 any member of the trading group of the Selling Shareholder, nor any personnel of the Selling Shareholder that negotiated the Agreement or made, 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 "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 Proposed Purchase;

(h) the Issuer will report information regarding each Proposed Purchase, including the number of Subject 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 its Normal Course Issuer Bid, such one-third being equal to, as of the date of this order, 2,033,333 Common Shares; and

(j) the Issuer will not make any Proposed Purchase unless it has first obtained confirmation in writing that the Selling Shareholder has not purchased, or has had purchased on its behalf, or otherwise accumulated, any Common Shares on the facilities of the TSX or any other published market between the date of this Order and the date on which such Proposed Purchase is to be completed.

DATED at Toronto, Ontario this 5th day of December, 2014.

"Edward P. Kerwin"
Commissioner
Ontario Securities Commission

"Mary Condon"
Commissioner
Ontario Securities Commission

2.2.8 Magna International Inc. – 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 450,000 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.

Statutes Cited

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
MAGNA INTERNATIONAL INC.**

**ORDER
(Clause 104(2)(c))**

UPON the application (the "**Application**") of Magna International Inc. (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 connection with the proposed purchases by the Issuer of up to 450,000 common shares of the Issuer (collectively,

the "**Subject Shares**") in one or more tranches, from The Bank of Nova Scotia (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, 9, 11, 22 and 23 as they relate to the Selling Shareholder) having represented to the Commission that:

1. The Issuer is a corporation governed by the *Business Corporations Act* (Ontario).

2. The registered and head office of the Issuer is located at 337 Magna Drive, Aurora, Ontario, L4G 7K1.

3. The Issuer is a reporting issuer in each of the provinces of Canada and its common shares (the "**Common Shares**") are listed for trading on the TSX and the New York Stock Exchange ("**NYSE**") under the symbols "MG" and "MGA", respectively. 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 an unlimited number of Common Shares, of which 207,354,943 are issued and outstanding as of November 6, 2014, and 99,760,000 preference shares ("**Preference Shares**") issuable in series. As of November 6, 2014, no Preference Shares are issued or outstanding.

5. The corporate headquarters of the Selling Shareholder are located in the Province of Ontario. The trades contemplated by this application will be executed and settled in the Province of Ontario.

6. The Selling Shareholder 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 450,000 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. No Common Shares were purchased by, or on behalf of, the Selling Shareholder on or after October 11, 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.

9. 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*.

10. Pursuant to a Notice of Intention to Make a Normal Course Issuer Bid (the "**Notice**") accepted by the TSX effective November 11, 2014, the Issuer is permitted to make a normal course issuer bid (the "**Normal Course Issuer Bid**") to purchase up to 20,000,000 Common Shares, representing approximately 9.7% of the Issuer's public float of Common Shares. The Notice specifies that purchases under the Normal Course Issuer Bid will be conducted through the facilities of the TSX and purchases may also be made on the NYSE or through other published markets or by such other means as may be permitted by the TSX and/or the NYSE, 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 by private agreements under issuer bid exemption orders issued by a securities regulatory authority (each, an "**Off-Exchange Block Purchase**").

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, subject to market conditions, agree to acquire some or all of the Subject Shares from the Selling Shareholder in one or more tranches, such tranches to occur not more than once per calendar week, each to occur prior to November 12, 2015 (each such purchase, a "**Proposed Purchase**") for a purchase price (each such price, a "**Purchase Price**" in respect of such Proposed Purchase) 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 and below the bid-ask price for the Common Shares on the TSX 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 any of the Subject Shares by the Issuer pursuant to an Agreement will constitute an "issuer bid" for the 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, none of the Proposed Purchases can 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 subsection 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 subsection 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. For each Proposed Purchase, the Issuer will be able to acquire the applicable Subject Shares from the Selling Shareholder without the Issuer being subject to the dealer registration requirements of the Act.

18. Management of the Issuer is of the view that: (a) the Issuer 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 in accordance with the TSX NCIB Rules and the exemption from the Issuer Bid Requirements available pursuant to subsection 101.2(1) of the Act; and (b) the Proposed Purchases are an appropriate use of the Issuer's funds.

19. 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 security holders 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 at minimal cost to the Issuer.

20. To the best of the Issuer's knowledge, as of November 6, 2014, the "public float" for the Issuer's Common Shares represented approximately 99.5% of all issued and outstanding Common Shares for purposes of the TSX NCIB Rules.

21. 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.

22. Other than the Purchase Price, no fee or other consideration will be paid by the Issuer in connection with the Proposed Purchases.

23. 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 any member of the trading products group of the Selling Shareholder, nor any personnel of, the Selling Shareholder that negotiated the Agreement or made, 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 "material fact" (each as defined in the Act) in respect of the Issuer that has not been generally disclosed.

24. The Issuer may amend its automatic share purchase plan (the "**Plan**") to permit the Issuer to make purchases under its Normal Course Issuer Bid at such times when the Issuer would not be permitted to trade in its Common Shares during internal blackout periods, including regularly scheduled quarterly blackout periods. The Issuer will instruct the broker under the Plan not to conduct a Block Purchase in accordance with the TSX NCIB Rules during the calendar week in which the Issuer completes a Proposed Purchase. No Subject Shares will be acquired under the Plan or otherwise during the Issuer's blackout periods.

25. The Issuer will not purchase, pursuant to Off-Exchange Block Purchases, in aggregate, more than one-third of the maximum number of Common Shares that the Issuer can purchase under the Normal Course Issuer Bid, such one-third being equal to 6,666,666 Common Shares as of the date of this Order.

26. 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

in which it completes a Proposed Purchase and will not make any further purchases under its Normal Course Issuer Bid for the remainder of the calendar day on which it completes a 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 Issuer's Normal Course Issuer Bid in accordance with the Notice and the TSX NCIB Rules, including by means of open market transactions and by other means as may be permitted by the TSX, subject to condition (i) below, by Off-Exchange Block Purchases;

(e) immediately following each Proposed Purchase of Subject Shares from the Selling Shareholder, the Issuer will report the purchase of 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 any member of the trading products group of the Selling Shareholder, nor any personnel of the Selling Shareholder that negotiated the Agreement or made, 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 "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 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 its Normal Course Issuer Bid, such one-third being equal to, as of the date of this Order, 6,666,666 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, 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 25th day of November, 2014.

"Edward P. Kerwin"
Commissioner
Ontario Securities Commission

"Christopher Portner"
Commissioner
Ontario Securities Commission

2.2.9 Magna International Inc. – 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 1,780,000 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 a sale of common shares 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 between the date of the order and the date on which the proposed purchase is completed, the selling shareholder has not purchased, had purchased on its behalf, or otherwise accumulated, any common shares of the Issuer to re-establish its holdings of common shares that will have been reduced as a result of the sale of the subject shares pursuant to the proposed purchases and that any common shares acquired by, or on behalf of, the selling shareholder during that time were acquired for purposes unrelated to the sale of the subject shares, and are not and will never be used by the selling shareholder to re-establish its holdings of common shares that were reduced as a result of the sale of the subject shares pursuant to the proposed purchases.

Statutes Cited

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
MAGNA INTERNATIONAL INC.

ORDER (Clause 104(2)(c))

UPON the application (the "**Application**") of Magna International Inc. (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 connection with the proposed purchases by the Issuer of up to 1,780,000 common shares of the Issuer (collectively, the "**Subject Shares**") in one or more tranches, from BMO Nesbitt Burns Inc. (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, 9, 10, 11, 13, 24 and 25 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* (Ontario).

2. The registered and head office of the Issuer is located at 337 Magna Drive, Aurora, Ontario, L4G 7K1.

3. The Issuer is a reporting issuer in each of the provinces of Canada and its common shares (the "**Common Shares**") are listed for trading on the TSX and the New York Stock Exchange ("**NYSE**") under the symbols "MG" and "MGA", respectively. 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 an unlimited number of Common Shares, of which 207,354,943 are issued and outstanding as of November 6, 2014, and 99,760,000 preference shares ("**Preference Shares**") issuable in series. As of November 6, 2014, no Preference Shares are issued or outstanding.

5. The Selling Shareholder is engaged in the business of trading in securities as principal or agent and is registered as a dealer under the Act in the categories of investment fund manager, investment fund dealer, futures commission merchant, and securities, options, managed accounts and futures contracts and futures contract options.

6. The corporate headquarters of the Selling Shareholder are located in the Province of Ontario. The trades contemplated by this application will be executed and settled in the Province of Ontario.

7. The Selling Shareholder does not, directly or indirectly, own more than 5% of the issued and outstanding Common Shares.

8. The Selling Shareholder is the beneficial owner of at least 1,780,000 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.

9. No Common Shares were purchased by, or on behalf of, the Selling Shareholder on or after October 12, 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.

10. The Subject Shares are held by the Selling Shareholder in connection with arrangements to hedge client transactions in respect of the Common Shares. The Selling Shareholder may purchase, have purchased on its behalf, or otherwise accumulate, Common Shares to re-establish its holdings of Common Shares which will have been reduced as a result of the sale of the Subject Shares pursuant to the Proposed Purchases (as defined below) (any Common Shares so purchased or accumulated, the "**Covering Shares**"). The Selling Shareholder will not purchase, have purchased on its behalf, or otherwise accumulate, any Covering Shares between the date of this Order and the date on which a Proposed Purchase is to be completed. Any Common Shares acquired by, or on behalf of, the Selling Shareholder from the date of this Order until such time as all of the Subject Shares have been acquired by the Issuer will: (a) be acquired in accordance with applicable securities laws (including this Order); (b) be acquired for purposes unrelated to the sale of the Subject Shares pursuant to the Proposed Purchases; and (c) not be and will never become Covering Shares.

11. 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*.

12. Pursuant to a Notice of Intention to Make a Normal Course Issuer Bid (the "**Notice**") accepted by the TSX effective November 11, 2014, the Issuer is permitted to make a normal course issuer bid (the "**Normal Course Issuer Bid**") to purchase up to 20,000,000 Common Shares, representing approximately 9.7% of the Issuer's public float of Common Shares. The Notice specifies that purchases under the Normal Course Issuer Bid will be conducted through the facilities of the TSX and purchases may also be made on the NYSE or through other published markets or by such other means as may be permitted by the TSX and/or the NYSE, 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 by private agreements under issuer bid exemption orders issued by a securities regulatory authority (each, an "**Off-Exchange Block Purchase**").

13. 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, subject to market conditions, agree to acquire some or all of the Subject Shares from the Selling Shareholder in one or more tranches, such tranches to occur not more than once per calendar week, each to occur prior to November 12, 2015 (each such purchase, a "**Proposed Purchase**") for a purchase price (each such price, a "**Purchase Price**" in respect of such Proposed Purchase) 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 and below the bid-ask price for the Common Shares on the TSX at the time of each Proposed Purchase.

14. 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.

15. The purchase of any of the Subject Shares by the Issuer pursuant to an Agreement will constitute an "issuer bid" for the purposes of the Act, to which the Issuer Bid Requirements would apply.

16. 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, none of the Proposed Purchases can 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 subsection 101.2(1) of the Act.

17. 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 subsection 101.2(1) of the Act.

18. The sale of any of the Subject Shares to the Issuer will not be a "distribution" (as defined in the Act).

19. For each Proposed Purchase, the Issuer will be able to acquire the applicable Subject Shares from the Selling Shareholder without the Issuer being subject to the dealer registration requirements of the Act.

20. Management of the Issuer is of the view that: (a) the Issuer 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 in accordance with the TSX NCIB Rules and the exemption from the Issuer Bid Requirements available pursuant to subsection 101.2(1) of the Act; and (b) the Proposed Purchases are an appropriate use of the Issuer's funds.

21. 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 security holders 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 at minimal cost to the Issuer.

22. To the best of the Issuer's knowledge, as of November 6, 2014, the "public float" for the Issuer's Common Shares represented approximately 99.5% of all issued and outstanding Common Shares for purposes of the TSX NCIB Rules.

23. 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.

24. Other than the Purchase Price, no fee or other consideration will be paid by the Issuer in connection with the Proposed Purchases.

25. 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 any member of the trading products group of the Selling Shareholder, nor any personnel of, the Selling Shareholder that negotiated the Agreement or made, 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 "material fact" (each as defined in the Act) in respect of the Issuer that has not been generally disclosed.

26. The Issuer may amend its automatic share purchase plan (the "**Plan**") to permit the Issuer to make purchases under its Normal Course Issuer Bid at such times when the Issuer would not be permitted to trade in its Common Shares during internal blackout periods, including regularly scheduled quarterly blackout periods. The Issuer will instruct the broker under the Plan not to conduct a Block Purchase in accordance with the TSX NCIB Rules during the calendar week in which the Issuer completes a Proposed Purchase. No Subject Shares will be acquired under the Plan or otherwise during the Issuer's blackout periods.

27. The Issuer will not purchase, pursuant to Off-Exchange Block Purchases, in aggregate, more than one-third of the maximum number of Common Shares that the Issuer can purchase under the Normal Course Issuer Bid, such one-third being equal to 6,666,666 Common Shares as of the date of this Order.

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 in which it completes a Proposed Purchase and will not make any further purchases under its Normal Course Issuer Bid for the remainder of the calendar day on which it completes a 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 Issuer's Normal Course Issuer Bid in

accordance with the Notice and the TSX NCIB Rules, including by means of open market transactions and by other means as may be permitted by the TSX, subject to condition (i) below, by Off-Exchange Block Purchases;

(e) immediately following each Proposed Purchase of Subject Shares from the Selling Shareholder, the Issuer will report the purchase of 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 any member of the trading products group of the Selling Shareholder, nor any personnel of the Selling Shareholder that negotiated the Agreement or made, 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 "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 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 its Normal Course Issuer Bid, such one-third being equal to, as of the date of this Order, 6,666,666 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, had purchased on its behalf, or otherwise accumulated, any Covering Shares and that any Common Shares acquired by, or on behalf of, the Selling Shareholder during such time: (i) were acquired for purposes unrelated to the sale of the Subject Shares pursuant to the Proposed Purchases; and (ii) are not and will never become Covering Shares.

DATED at Toronto this 25th day of November, 2014.

"Edward P. Kerwin"
Commissioner
Ontario Securities Commission

"Christopher Portner"
Commissioner
Ontario Securities Commission

2.2.10 Revocation of Strip Bond Information Statement

IN THE MATTER OF
OSC RULE 91-501 STRIP BONDS
(the "Strip Bond Rule")

AND

IN THE MATTER OF
THE INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA

AND

IN THE MATTER OF
A STRIP BOND INFORMATION STATEMENT

REVOCATION

WHEREAS section 4.3 of the Strip Bond Rule provides that the Director may revoke an acceptance of a strip bond information statement if the strip bond information statement does not comply with section 4.1 of the Strip Bond Rule;

AND WHEREAS on July 28, 2003, the Director accepted an information statement dated June 2003 (the **2003 Information Statement**) pursuant to section 4.2 of the Strip Bond Rule that was submitted by the Investment Dealers Association (**IDA**);

AND WHEREAS on June 4, 2014, the Director accepted a revised strip bond information statement (the **2014 Information Statement**) submitted by the successor to the IDA, the Investment Industry Regulatory Organization of Canada (**IIROC**), pursuant to section 4.2 of the Strip Bond Rule;

AND WHEREAS the 2014 Information Statement:

(a) removed the tax tables and formulas provided in the 2003 Information Statement describing the income tax treatment of strip bonds to avoid any inconsistencies with official tax guidance issued by the Canada Revenue Agency (the **CRA**); and

(b) modified the section in the 2003 Information Statement discussing the tax treatment of strip bond packages to reflect guidance received by IIROC indicating that the CRA may accept alternative tax reporting methods in cases where the strip bond package is issued at or near par and is kept intact;

AND WHEREAS IIROC has asked IIROC-regulated investment dealers to begin using the 2014 Information Statement no later than January 2, 2015 in IIROC Notice 14-0158 dated June 26, 2014, available on the IIROC website at www.iiroc.ca;

AND WHEREAS the 2003 Information Statement no longer complies with paragraph 4.1(f) of the Strip Bond Rule;

A**ND WHEREAS** IIROC has been given an opportunity to be heard pursuant to subsection 4.3(2) of the Strip Bond Rule and has informed staff of the Commission that it does not object to the Director revoking the acceptance of the 2003 Information Statement;

THE DIRECTOR HEREBY REVOKES the acceptance of the 2003 Information Statement effective January 2, 2015.

DATED at Toronto, Ontario this 22nd day of December, 2014.

"Jo-Anne Matear"
Manager, Corporate Finance

2.2.11 Canadian Pacific Railway Limited – 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 1,250,000 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 relief, purchased common shares of the Issuer in anticipation or contemplation of a sale of common shares 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 permitted 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 between the date of the order and the date on which the proposed purchase is completed, the selling shareholder has not purchased, had purchased on its behalf, or otherwise accumulated, any common shares of the Issuer.

Statutes Cited

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
CANADIAN PACIFIC RAILWAY LIMITED

ORDER
(Clause 104(2)(c))

UPON the application (the "**Application**") of Canadian Pacific Railway Limited (the "**Issuer**") to the Ontario Securities Commission (the "**Commission**") for an order under 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 97 to 98.7, inclusive, of the Act (the "**Issuer Bid Requirements**") in connection with the proposed purchases by the Issuer of up to 1,250,000 common shares in the capital of the Issuer (collectively, the "**Subject Shares**") in one or more trades from The Toronto-Dominion Bank (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, 9, 10, 16, 27 and 28 as they relate to the Selling Shareholder) having represented to the Commission that:

1. The Issuer is a corporation incorporated under the *Canada Business Corporations Act*.

2. The registered, executive and head office of the Issuer is located at 7550 Ogden Dale Road S.E., Calgary, Alberta, T2C 4X9.

3. The Issuer is a reporting issuer in each of the provinces and territories of Canada and the common shares of the Issuer (the "**Common Share**s") are listed for trading on the Toronto Stock Exchange (the "**TSX**") and the New York Stock Exchange (the "**NYSE**") under the symbol "CP". 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 Issuer's authorized share capital consists of an unlimited number of Common Shares, an unlimited number of First Preferred Shares and an unlimited number of Second Preferred Shares, of which 170,089,858 Common Shares and no First Preferred Shares or Second Preferred Shares were issued and outstanding as of October 31, 2014.

5. The Selling Shareholder has its corporate headquarters in Toronto, Ontario.

6. The Selling Shareholder does not, directly or indirectly, own more than 5% of the issued and outstanding Common Shares, is at arm's length to the Issuer and is not an "insider" of the Issuer, an "associate" of an "insider" of the Issuer, or an "associate" or "affiliate" of the Issuer, as such terms are defined in the Act.

7. The Selling Shareholder is an "accredited investor" within the meaning of National Instrument 45-106 *Prospectus and Registration Exemptions*.

8. The Selling Shareholder is the beneficial owner of at least 1,250,000 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.

9. No Common Shares were purchased by, or on behalf of, the Selling Shareholder on or after October 7, 2014, being the date that was 30 days prior to the date of the Application, in anticipation

or contemplation of a sale of Common Shares to the Issuer.

10. The Subject Shares are held by the Selling Shareholder in connection with arrangements to hedge client transactions in respect of the Common Shares. The Selling Shareholder will not purchase, have purchased on its behalf, or otherwise accumulate, any Common Shares to re-establish its holdings of Common Shares which will have been reduced as a result of the sale of the Subject Shares pursuant to the Proposed Purchases (as defined below) between the date of this Order and the date on which a Proposed Purchase is to be completed.

11. On March 11, 2014, the Issuer announced a normal course issuer bid (the "**Normal Course Issuer Bid**") to purchase up to 5,270,374 Common Shares during the period from March 17, 2014 to March 16, 2015 pursuant to the terms of a "Notice of Intention to Make a Normal Course Issuer Bid" (the "**Original Notice**") submitted to, and accepted by, the TSX.

12. On September 29, 2014, the Issuer announced that the TSX accepted an amendment to the Original Notice (the "**Amendment**" and together with the Original Notice, the "**Notice**") effective October 2, 2014 to increase the maximum number of Common Shares that may be purchased for cancellation under the Normal Course Issuer Bid from 5,270,374 Common Shares, being approximately 3.00% of the Common Shares issued and outstanding, to 12,650,862 Common Shares, representing approximately 8.00% of the Issuer's "public float", each as at March 4, 2014 (being the reference date specified in the Original Notice).

13. In accordance with the Notice, purchases under the Normal Course Issuer Bid may be conducted through the facilities of the TSX, the NYSE or alternative trading systems, if eligible, or by such other means as may be permitted by the TSX and/or the NYSE in accordance with sections 628 to 629.3 of Part VI of the TSX Company Manual (the "**TSX Rules**"), including private agreements under issuer bid exemption orders issued by securities regulatory authorities (each, an "**Off-Exchange Block Purchase**").

14. The Commission granted the Issuer three orders, one on March 28, 2014 (the "**March 2014 Order**"), one on June 10, 2014 (the "**June 2014 Order**"), and one on November 25, 2014 (the "**November 2014 Order**") pursuant to clause 104(2)(c) of the Act exempting the Issuer from the Issuer Bid Requirements in connection with Off-Exchange Block Purchases by the Issuer of up to 1,300,000 Common Shares, 456,791 Common Shares and 1,210,163 Common Shares, respectively, in one or more trades from arm's length selling shareholders. As at October 31, 2014, an aggregate of 6,390,374 Common Shares have been acquired by the Issuer pursuant to the Normal Course Issuer Bid, including 1,300,000 Common Shares under the March 2014 Order and 456,791 Common Shares under the June 2014 Order. As at December 1, 2014, 275,000 Common Shares have been acquired by the Issuer under the November 2014 Order.

15. The Issuer implemented an automatic repurchase plan (the "**ARP**") on October 1, 2014 to permit the Issuer to make purchases under its Normal Course Issuer Bid at such times when the Issuer would not be permitted to trade in its Common Shares during regularly scheduled quarterly blackout periods. The ARP was approved by the TSX, and complies with the TSX Rules, applicable securities laws and this Order, and contains provisions restricting the Issuer from conducting a Block Purchase (as defined below) in accordance with the TSX Rules during the calendar week in which the Issuer completes a Proposed Purchase. Under the terms of the ARP, at times when the Issuer is not subject to blackout restrictions, the Issuer may, but is not required to, instruct the designated broker to make purchases under the Normal Course Issuer Bid in accordance with the terms of the ARP. Such purchases under the ARP 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 the TSX Rules, applicable securities laws and the terms of the agreement between the designated broker and the Issuer. No Subject Shares will be acquired under the ARP or otherwise during any of the Issuer's blackout periods.

16. The Issuer intends to enter into one or more agreements of purchase and sale with the Selling Shareholder (each an "**Agreement**"), pursuant to which the Issuer will agree to purchase Subject Shares from the Selling Shareholder by way of one or more purchases, each occurring by March 16, 2015 (each such purchase, a "**Proposed Purchase**") for a purchase price that will be negotiated at arm's length between the Issuer and the Selling Shareholder (each such price, a "**Purchase Price**" in respect of such Proposed Purchase). The Purchase Price will, in each case, be at a discount to the prevailing market price and below the prevailing bid-ask price for the Common Shares on the TSX at the time of each Proposed Purchase.

17. The Subject Shares acquired under each Proposed Purchase will constitute a "block" as that term is defined in section 628 of the TSX Rules.

18. The purchase of any of the Subject Shares by the Issuer pursuant to an Agreement will constitute an "issuer bid" for the purposes of the Act, to which

the applicable Issuer Bid Requirements would apply.

19. Because the Purchase Price will, in each case, 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 the relevant Proposed Purchase, none of the Proposed Purchases can 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 Subject Shares from the Selling Shareholder in reliance upon the exemption from the Issuer Bid Requirements that is available pursuant to subsection 101.2(1) of the Act.

20. 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 such Proposed Purchase, the Issuer could otherwise acquire the applicable Subject Shares on the TSX as a "block purchase" (a "**Block Purchase**") in accordance with the block purchase exception in clause 629(l)7 of the TSX Rules and the exemption from the Issuer Bid Requirements that is available pursuant to subsection 101.2(1) of the Act.

21. The sale of any of the Subject Shares to the Issuer will not be a "distribution" (as defined in the Act).

22. For each Proposed Purchase, the Issuer will be able to acquire the applicable Subject Shares from the Selling Shareholder without the Issuer being subject to the dealer registration requirements of the Act.

23. Management of the Issuer is of the view that through the Proposed Purchase(s), the Issuer will be able to purchase the Subject Shares at a lower price than the price at which it would otherwise be able to purchase Common Shares under the Normal Course Issuer Bid through the facilities of the TSX and management of the Issuer is of the view that this is an appropriate use of the Issuer's funds.

24. 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 security holders 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 at minimal cost to the Issuer.

25. To the best of the Issuer's knowledge, as of October 31, 2014, the "public float" for the Common Shares represented approximately 92% of all issued and outstanding Common Shares for purposes of the TSX Rules.

26. 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.

27. Other than the Purchase Price, no fee or other consideration will be paid in connection with the Proposed Purchases.

28. 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 any member of the Equity Derivatives Group of the Selling Shareholder, nor any personnel of the Selling Shareholder that negotiated the Agreement or made, 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 "material fact" (each as defined in the Act) in respect of the Issuer that has not been generally disclosed.

29. The Issuer will not purchase, pursuant to Off-Exchange Block Purchases, in 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 4,216,954 Common Shares as of the date of this Order.

30. Assuming completion of the purchase of the maximum number of Subject Shares, being 1,250,000 Subject Shares, and the maximum number of Common Shares which are the subject of the November 2014 Order, being 1,210,163 Common Shares, the Issuer will have purchased under the Normal Course Issuer Bid an aggregate of 4,216,954 Common Shares pursuant to Off-Exchange Block Purchases, representing one-third of the maximum of 12,650,862 Common Shares authorized to be purchased under the Normal Course Issuer Bid.

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 Rules;

(b) the Issuer will refrain from conducting either a Block Purchase in accordance with the TSX Rules, or another Off-Exchange Block Purchase, during the calendar week in which it completes a Proposed Purchase and will not make any further purchases under its Normal Course Issuer Bid for the remainder of the calendar day on which it completes a 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 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 its Normal Course Issuer Bid in accordance with the Notice and the TSX Rules, including by means of open market transactions and by such other means as may be permitted by the TSX, including under automatic trading plans and, subject to condition (i) below, by Off-Exchange Block Purchases;

(e) immediately following each Proposed Purchase of Subject Shares from the Selling Shareholder, the Issuer will report the purchase of 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 any member of the Equity Derivatives Group of the Selling Shareholder, nor any personnel of the Selling Shareholder that negotiated the Agreement or made, 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 "material fact" (each as defined in the Act) in respect of the Issuer that has not been generally disclosed;

(g) in advance of the first Proposed Purchase, the Issuer will issue a press release disclosing (i) its intention to make the Proposed Purchases, 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 purchase;

(h) the Issuer will report information regarding each Proposed Purchase, including the number of Subject 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 its Normal Course Issuer Bid, such one-third being equal to, as of the date of this Order, 4,216,954 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, had purchased on its behalf, or otherwise accumulated, any Common Shares.

DATED at Toronto, Ontario this 5th day of December, 2014.

"Edward P. Kerwin"
Commissioner
Ontario Securities Commission

"Mary Condon"
Commissioner
Ontario Securities Commission

2.2.12 Ontario Teachers' Pension Plan Board and ISS A/S

Headnote

Subsection 74(1) – Application for exemption from prospectus requirement in connection with first trade of shares of issuer through exchange or market outside of Canada or to person or company outside of Canada – issuer not a reporting issuer in any jurisdiction in Canada – conditions of the exemption in section 2.14 of National Instrument 45-102 Resale of Securities not satisfied as residents of Canada own more than 10% of the total number of shares – relief granted subject to conditions.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am.

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

AND

IN THE MATTER OF
ONTARIO TEACHERS' PENSION PLAN BOARD AND ISS A/S

ORDER

Background

The Ontario Securities Commission has received an application from the Ontario Teachers' Pension Plan Board (the "**Applicant**") for an order pursuant to section 74(1) of the Act for an exemption from the prospectus requirement contained in section 53 of the Act in connection with the first trades of ordinary shares (the "**Shares**") of ISS A/S (the "**Company**") acquired by the Applicant as a result of the Offering and the Reorganization (as such terms are defined below) (the "**Requested Relief**").

Interpretation

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

Representations

This order is based on the following facts represented by the Applicant:

1. The Applicant is an independent corporation established on December 31, 1989 by the *Teachers' Pension Act* (Ontario) to administer and manage a pension plan established for the benefit of the Province of Ontario's primary and secondary school teachers and to pay members of the pension plan their respective benefits under the plan. The head office of the Applicant is located at 5650 Yonge Street, Toronto, Ontario, Canada.

2. The Company is a leading provider of facility services (such as cleaning, property, catering, support, security and other facility management services), with operations in approximately 70 countries worldwide. The Company's registered office is located at Buddingevej 197, DK-2860 Søborg, Denmark.

3. The Company is incorporated as a public limited liability company under the laws of Denmark, with its Shares listed on NASDAQ OMX Copenhagen. The Company has advised the Applicant that to the best of the Company's knowledge it is not in default of any requirements of the NASDAQ OMX Copenhagen, or the applicable securities laws of Denmark or any jurisdiction of Canada.

4. The Company completed its initial public offering of Shares on March 18, 2014 (the "**Offering**"). A total of 58,908,644 Shares were distributed in the Offering, of which 50,224,907 Shares were sold by the Company and 8,683,737 (inclusive of Shares sold under an over-allotment option) Shares were sold by shareholders of the Company.

5. Immediately prior to the Offering, the sole shareholder of the Company was FS Invest II S.à.r.l., which was in turn controlled by FS Invest S.à.r.l. FS Invest S.à.r.l. was owned by EQT Funds (40%), funds advised by affiliates of Goldman Sachs (33%), the Applicant (through 2337323 Ontario Limited) (18%) and KIRKBI Invest A/S (8%), with the remaining ownership interest held by or on behalf of current and former directors and officers of the Company.

6. The Applicant originally acquired its indirect interest in the Company in August 2012, in reliance on the "private issuer" and/or "accredited investor" prospectus exemptions contained in National Instrument 45-106.

7. A reorganization was undertaken immediately prior to the Offering, such that certain of the Company's indirect shareholders would hold a direct interest in Shares (the "**Reorganization**"). In connection with the Reorganization, the Applicant replaced 2337323 Ontario Limited as a direct shareholder of the Company.

8. As of March 31, 2014, after giving effect to the Reorganization and the Offering, the Company had 185,668,226 Shares issued and outstanding.

9. As of March 31, 2014 24,650,748 Shares (or 13.28%) were held by the Applicant. The Applicant represented less than 0.01% of the total number of owners, directly or indirectly, of the Shares.

10. To the best of the Applicant's knowledge, based on a certificate from the Company (the "ISS Certificate"), as of March 18, 2014, after giving effect to the Reorganization and the Offering, residents of Canada, other than the Applicant:

    (a) owned, directly or indirectly, 49,569 Shares, representing 0.03% of the outstanding Shares; and

    (b) represented one (1) holder of Shares, representing less than 0.01% of the total number of owners, directly or indirectly, of the Shares.

11. For greater certainty, as of March 18, 2014, after giving effect to the Reorganization and the Offering, Canadian residents other than the Applicant did not own, directly or indirectly, more than 10% of the outstanding Shares, and did not represent in number more than 10% of the total number of owners of the Shares, directly or indirectly.

12. As of August 20, 2014:

    (a) the Company had 185,668,226 Shares issued and outstanding;

    (b) the Applicant held 24,650,748 Shares, representing 13.28% of the total number of outstanding Shares, representing less than 0.01% of the total number of owners, directly or indirectly, of the Shares; and

    (c) apart from the Shares, the Company did not have any other securities, including debt securities, issued and outstanding.

13. The Applicant has not acquired any additional Shares since the Reorganization. The Applicant does not hold any derivatives in respect of the Shares.

14. The Applicant understands that the information in the ISS Certificate is based on (i) the Company's knowledge of its shareholder base prior to giving effect to the Offering, and (ii) inquiries made of the Company's underwriters who undertook the distribution of Shares in the Offering, including Canadian selling efforts on a private placement basis.

15. The Company is not a reporting issuer or its equivalent in the Province of Ontario or any other province or territory of Canada, nor are any of its securities listed or posted for trading on any exchange, or market, located in Canada.

16. The Company has advised the Applicant that it has no present intention of becoming listed in Canada or of becoming a reporting issuer under the Act or under any other Canadian securities laws, and no market for the Shares exists in Canada and none is expected to develop.

17. In the absence of the exemption requested hereby, the Applicant takes the view that the first trade of Shares held by the Applicant will be deemed to be a distribution and subject to section 53 of the Act.

18. The prospectus exemptions in sections 2.5 and 2.6 of National Instrument 45-102 will not be applicable in this situation because the Company is not a reporting issuer or its equivalent in the Province of Ontario or any other province or territory of Canada.

19. The prospectus exemption in section 2.14 of National Instrument 45-102 would be applicable in this situation, but will not be available to the Applicant (or any other holder of Shares in Canada) with respect to its first trade of Shares because residents of Canada, including the Applicant, owned more than 10% of the outstanding Shares at the date of the distribution of the Shares.

Order

The Commission is satisfied that this order meets the test set out in Section 74(1) of the Act.

The order of the Commission under Section 74(1) of the Act is that the Requested Relief is granted provided that:

(i) the Company:

(A) was not a reporting issuer in any jurisdiction of Canada at the distribution date; or

(B) is not a reporting issuer in any jurisdiction of Canada at the date of the trade;

(ii) the trade is executed through the facilities of NASDAQ OMX Copenhagen or through any other exchange or market outside Canada or to a person or company outside of Canada; and

(iii) at the distribution date of the Shares, after giving effect to the issue of the Shares and any other shares of the same class or series that were issued at the same time as or as part of the same distribution as the Shares, residents of Canada (excluding the Applicant):

(A) did not own directly or indirectly more than 10 percent of the outstanding Shares, and

(B) did not represent in number more than 10 percent of the total number of owners directly or indirectly of Shares.

DATED at Toronto on this 2nd day of December , 2014.

“James Turner”

“Judith Robertson”

2.2.13 Alexander Christ Doulis and Liberty Consulting Ltd. – 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
ALEXANDER CHRIST DOULIS
(aka ALEXANDER CHRISTOS DOULIS,
aka ALEXANDROS CHRISTODOULIDIS)
and LIBERTY CONSULTING LTD.**

**ORDER
(Sections 127 and 127.1 of the Securities Act)**

WHEREAS on January 14, 2011, the Ontario Securities Commission (the "**Commission**") issued a Notice of Hearing, returnable on March 10, 2011, in relation to a Statement of Allegations brought by Staff of the Commission ("**Staff**") with respect to Alexander Christ Doulis (also known as Alexander Christos Doulis, also known as Alexandros Christodoulidis) ("**Doulis**") and Liberty Consulting Ltd. ("**Liberty**") (together, the "**Respondents**");

AND WHEREAS the Merits Hearing took place on February 4, 7, 8, 11 and 13, 2013 and on April 3, 4 and 5, 2013, and closing submissions were scheduled to be heard on July 3, 2013;

AND WHEREAS at the hearing on July 3, 2013, it became clear that the matter is not ready to be heard;

AND WHEREAS the closing argument of Staff and the Respondents was heard on July 30, 2013, at 10:00 a.m.;

AND WHEREAS by decision and reasons dated September 18, 2014 (the "**Merits Decision**"), the Commission found that:

(a) between January 1, 2004 and September, 2010, Doulis and Liberty engaged in the business of advising with respect to investing in, buying or selling securities without being registered in accordance with Ontario securities law in any category of adviser, contrary to subsection 25(3) the Act, previously subsection 25(1)(c) of the Act;

(b) between July 2009 and September 2010, Doulis made statements to Staff that, in a material respect and at the time and in light of the circumstances under which they were made, were misleading or untrue or did not state facts that were required to be stated or that were necessary to make the statements not misleading, contrary to s. 122(1)(a) of the Act; and

(c) Doulis and Liberty acted contrary to the public interest;

AND WHEREAS on October 7, 2014, a hearing was held before the Commission, by way of an electronic hearing where the Panel participated via teleconference, to consider pursuant to sections 127 and 127.1 of the Act, whether it was in the public interest to make an order imposing sanctions on, and the payment of costs of the investigation and hearing by, the Respondents;

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

IT IS HEREBY ORDERED that:

(a) pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities by each of Liberty and Doulis shall cease for a period of 15 years;

(b) pursuant to paragraph 2.1 of subsection 127(1) of the Act, the acquisition of any securities by each of Liberty and Doulis shall be prohibited for a period of 15 years;

(c) pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law shall not apply to each of Liberty and Doulis for a period of 15 years;

(d) pursuant to paragraph 6 of subsection 127(1) of the Act, that Doulis be reprimanded;

(e) pursuant to paragraph 9 of subsection 127(1) of the Act, Liberty shall pay an administrative penalty of $100,000 for its non-compliance with Ontario securities law, to be designated for allocation or use by the Commission, pursuant to subsection 3.4(2)(b) of the Act;

(f) pursuant to paragraph 9 of subsection 127(1) of the Act, Doulis shall pay an administrative penalty of $200,000 for his non-compliance with Ontario securities law, to be designated for allocation or use by the Commission, pursuant to subsection 3.4(2)(b) of the Act;

(g) pursuant to paragraph 10 of subsection 127(1) of the Act, Liberty and Doulis shall jointly and severally disgorge to the Commission a total of CDN $37,317 and USD $8,454 that was obtained as a result of their non-compliance with Ontario securities law, to be designated

for allocation or use by the Commission, pursuant to subsection 3.4(2)(b) of the Act;

(h) pursuant to subsection 127.1 of the Act, Liberty and Doulis shall jointly and severally pay $198,619.78 for the costs incurred in this matter.

DATED at Toronto, this 22nd day of December, 2014.

"Vern Krishna"

2.2.14 Ontario Teachers' Pension Plan Board and Louis XIII Holdings Limited

Headnote

Subsection 74(1) – Application for exemption from prospectus requirement in connection with first trade of shares of issuer through exchange or market outside of Canada or to person or company outside of Canada – issuer not a reporting issuer in any jurisdiction in Canada – conditions of the exemption in section 2.14 of National Instrument 45-102 Resale of Securities not satisfied as residents of Canada own more than 10% of the total number of shares – relief granted subject to conditions.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am.

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

AND

IN THE MATTER OF
ONTARIO TEACHERS PENSION PLAN BOARD AND LOUIS XIII HOLDINGS LIMITED

ORDER

Background

The Ontario Securities Commission has received an application from the Ontario Teachers' Pension Plan Board (the "**Applicant**") for an order pursuant to section 74(1) of the Act for an exemption from the prospectus requirement contained in section 53 of the Act in connection with the first trades of convertible bonds (the "**Convertible Bonds**") of Louis XIII Holdings Limited ("**Louis XIII**") acquired by the Applicant pursuant to the First Securities Placement and the Second Securities Placement, as defined below, and ordinary shares (the "**Shares**") of Louis XIII that the Applicant would receive upon exchange of such Convertible Bonds (the "**Requested Relief**").

Interpretation

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

Representations

This order is based on the following facts represented by the Applicant:

1. The Applicant is an independent corporation established on December 31, 1989 by the Teachers' Pension Act (Ontario) to administer and manage a pension plan established for the benefit of the Province of Ontario's primary and secondary school teachers and to pay members of the pension plan their respective benefits under the plan. The head office of the Applicant is located at 5650 Yonge Street, Toronto, Ontario, Canada.

2. Louis XIII is a limited liability corporation incorporated under the laws of Bermuda, with shares listed on the Stock Exchange of Hong Kong (the "**SEHK**"). The core businesses of Louis XIII include management contracting, property development management and property investment, primarily serving clients based in Hong Kong, China and Macau. The principal place of business of Louis XIII is located at 2901 AIA Central, 1 Connaught Road Central, Hong Kong. Louis XIII has advised the Applicant that, to the best of Louis XIII's knowledge, it is not in default of any requirements of the SEHK or the applicable securities laws of China, Bermuda or any jurisdiction of Canada.

3. In a Louis XIII press release dated January 25, 2013, Louis XIII announced that it had successfully raised gross proceeds of HK$3,200 million from the placement of Shares and Convertible Bonds (collectively, the "**First Securities Placement**").

4. Pursuant to the First Securities Placement, OTPP subscribed for HK$1,007.50 million principal amount of Convertible Bonds convertible for 1,481,617,647 Shares at a conversion price of HK$0.68. The Convertible Bonds were sold to OTPP on a private placement basis in reliance on the "accredited investor" prospectus exemption contained in Section 2.3 of National Instrument 45-106 *Prospectus and Registration Exemptions* (**NI 45-106**). The Convertible Bonds may

be converted to Shares at the applicable prescribed price at any time commencing on the date of issue and up to seven days prior to their maturity date, subject to certain early redemption rights.

5. As disclosed in a Louis XIII press release dated April 24, 2013, effective April 3, 2013, the corporate name of Louis XIII was changed to "Louis XIII Holdings Limited" from "Paul Y. Engineering Group Limited".

6. As part of a special general meeting of Louis XIII held on May 24, 2013, the shareholders of Louis XIII approved a resolution of the board of directors of Louis XIII to consolidate the Shares (the "**Share Consolidation**"). Pursuant to the Share Consolidation, every ten (10) issued and unissued Shares of HK$0.20 each in the share capital of Louis XIII was consolidated into one (1) Share of HK$2.00 each. After giving effect to the Share Consolidation, OTPP held HK$1,007.50 million principal amount of Convertible Bonds convertible for 148,161,764.7 Shares at a new conversion price of HK$6.80 per Share.

7. In a Louis XIII press release dated December 16, 2013, Louis XIII announced that it had successfully raised gross proceeds of HK$441.27 million from the placement of Shares and Convertible Bonds (collectively, the "**Second Securities Placement**").

8. Pursuant to the Second Securities Placement, OTPP subscribed for HK$299.94 million principal amount of Convertible Bonds convertible for 36,445,000 Shares at a conversion price of HK$8.23 per Share. The Convertible Bonds were sold to OTPP on a private placement basis in reliance on the "accredited investor" prospectus exemption contained in Section 2.3 of National Instrument 45-106. The Convertible Bonds may be converted to Shares at the applicable prescribed price at any time commencing on the date of issue and up to seven days prior to their maturity date, subject to certain early redemption rights.

9. As of the effective date of the Second Securities Placement, the conversion price of the outstanding Convertible Bonds issued pursuant to the First Securities Placement was adjusted to $6.55 per Share. As a result, the HK$1007.50 principal amount of Convertible Bonds held by OTPP pursuant to the First Securities Placement were convertible for 153,816,793 Shares.

10. As disclosed in a securities disclosure filing dated December 16, 2013, as of the effective date of the Second Securities Placement, the share capital of Louis XIII consisted of 449,596,510 Shares. Upon full conversion of the Convertible Bonds, the issued share capital of Louis XIII would be 663,644,563 Shares.

11. As of the effective date of the Second Securities Placement, OTPP held approximately HK$1,307.44 million principal amount of Convertible Bonds convertible for (i) 153,816,793 Shares at a conversion price of HK$6.55; and (ii) 36,445,000 Shares at a conversion price of HK$8.23, which together would have represented approximately 28.7% of the Shares, calculated on a fully-diluted basis after giving effect to the Second Securities Placement.

12. To the best of OTPP's knowledge, based on a certificate from Louis XIII, as of August 12, 2014:

    (a) there were issued and outstanding 449,596,510 Shares and HK$1,463,242,350 principal amount of Convertible Bonds;

    (b) the number of beneficial holders of Shares was 581 and the number of beneficial holders of Convertible Bonds was 4;

    (c) OTPP held HK$1,307.44 principal amount of Convertible Bonds, representing approximately 89.35% of the total principal amount of outstanding Convertible Bonds;

    (d) the Convertible Bonds held by OTPP were convertible for 190,261,793 Shares, which, on an as-converted basis, would have represented approximately 42.32% of the total number of outstanding Shares;

    (e) OTPP represented 25% of the outstanding number of holders of Convertible Bonds;

    (f) OTPP, on an as-converted basis, represented approximately 0.17% of the outstanding number of holders of Shares;

    (g) residents of Canada, other than OTPP, did not own, directly or indirectly, any Convertible Bonds; and

    (h) residents of Canada, other than OTPP, did not own, directly or indirectly, any Shares.

13. Based on correspondence with Louis XIII, as of August 12, 2014, other than the Convertible Bonds and Shares, there were no other outstanding securities of Louis XIII other than certain exchange rights entitling holders thereof to

purchase Shares. At such time, residents of Canada, including OTPP, did not own, directly or indirectly, any such exchange rights.

14. Louis XIII is not a reporting issuer or its equivalent in the Province of Ontario or any other province or territory of Canada, nor are any of its securities listed or posted for trading on any exchange, or market, located in Canada.

15. Louis XIII has advised OTPP that it has no present intention of becoming listed in Canada or of becoming a reporting issuer under the Act or under any other Canadian securities laws, and no market for the Convertible Bonds or Shares exists in Canada and none is expected to develop.

16. In the absence of the exemption requested hereby, the Applicant takes the view that the first trade of Convertible Bonds or Shares held by the Applicant will be deemed to be a distribution and subject to section 53 of the Act.

17. The prospectus exemptions in sections 2.5 and 2.6 of National Instrument 45-102 *Resale of Securities* will not be applicable in this situation because Louis XIII is not a reporting issuer or its equivalent in the Province of Ontario or any other province or territory of Canada.

18. The prospectus exemption in section 2.14 of National Instrument 45-102 would be applicable in this situation, but will not be available to the Applicant (or any other holder of Convertible Bonds or Shares in Canada) with respect to its first trade of Convertible Bonds or Shares because residents of Canada, including the Applicant, owned more than 10% of the outstanding Convertible Bonds or Shares at the date of the distribution of the Convertible Bonds and Shares, respectively.

Order

The Commission is satisfied that this order meets the test set out in Section 74(1) of the Act.

The order of the Commission under Section 74(1) of the Act is that the Requested Relief is granted provided that:

i) Louis XIII:

(A) was not a reporting issuer in any jurisdiction of Canada at the distribution date; or

(B) is not a reporting issuer in any jurisdiction of Canada at the date of the trade;

ii) the trade is executed through the facilities of the SEHK or through any other exchange or market outside Canada or to a person or company outside of Canada; and

iii) at the distribution date of the Convertible Bonds, after giving effect to the issue of such Convertible Bonds, including Convertible Bonds of the same class or series that were issued at the same time or as part of the same distribution, and including the Shares that would be issued upon conversion of the Convertible Bonds, residents of Canada (excluding the Applicant):

(a) did not own, directly or indirectly, more than 10 percent of the outstanding Convertible Bonds and would not have owned, directly or indirectly, more than 10 percent of the outstanding Shares; and

(b) did not represent in number more than 10 percent of the total number of owners, directly or indirectly, of Convertible Bonds and would not have represented in number more than 10 percent of the total number of owners, directly or indirectly, of Shares.

DATED at Toronto on this 2nd day of December, 2014.

“James Turner”

“Judith Robertson”

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions, Orders and Rulings

3.1.1 Alexander Christ Doulis and Liberty Consulting Ltd. – ss. 127, 127.1

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

AND

ALEXANDER CHRIST DOULIS
(aka ALEXANDER CHRISTOS DOULIS, aka ALEXANDROS CHRISTODOULIDIS)
and LIBERTY CONSULTING LTD.

REASONS AND DECISION ON SANCTIONS AND COSTS
(Sections 127 and 127.1 of the Securities Act)

Hearing:	October 7, 2014		
Decision:	December 22, 2014		
Panel:	Vern Krishna, CM, QC, LSM	–	Commissioner and Chair of the Panel
Counsel:	Sean Horgan	–	For Staff of the Commission
Appearances:	Alexander Doulis	–	Self-represented
		–	No one appeared for Liberty Consulting Ltd.

TABLE OF CONTENTS

REASONS AND DECISION ON SANCTIONS AND COSTS

I. OVERVIEW

A. History of the Proceedings

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

[2] On March 10, 2011, a different panel of the Commission heard Staff's application for a temporary order (the "**Temporary Order Hearing**") that the Respondents cease trading in securities and acquiring any securities except for the benefit of Doulis personally or that of his spouse, and that any exemptions contained in Ontario securities law do not apply to the Respondents. The application was granted except that the request for a temporary order prohibiting acquisition of securities was declined in absence of submissions as to whether the Act gave the Commission authority to issue such order on a temporary basis (Merits Decision, *supra* at para. 5).

[3] The hearing on the merits in this matter took place on February 4, 7, 8, 11 and 13, April 3, 4 and 5, and July 3 and 30, 2013 (the "**Merits Hearing**"). Doulis appeared and participated in the Merits Hearing. Liberty, the other respondent, did not participate in the proceeding. The Reasons and Decision on the merits was issued on September 18, 2014 (*Re Alexander Christ Doulis and Liberty Consulting Ltd* (2014), 37 OSCB 8911 (the "**Merits Decision**")). The Commission issued a Notice of Hearing and an order, both dated September 18, 2014, that the hearing with respect to sanctions and costs be held on October 7, 2014 as an electronic hearing (the "**Sanctions and Costs Hearing**") where only the Panel would participate via teleconference.

[4] The Notice of Hearing dated September 18, 2014 included notice that "a party who objects to the hearing on sanctions and costs being conducted by way of an electronic hearing where only the Panel will participate via teleconference, shall file and serve a notice of objection setting out the reasons for the objection within 5 days after receiving this notice of electronic hearing". Neither party objected to the Sanctions and Costs Hearing being conducted as an electronic hearing.

B. The Sanctions and Costs Hearing

[5] Staff filed its written submissions dated September 24, 2014, a Brief of Authorities and a Bill of Costs, which includes an Affidavit of Laura Fisher sworn September 24, 2014 (the "**Fisher Affidavit**"). Staff filed the Affidavit of Tia Faerber sworn September 26, 2014 (the "**Faerber Affidavit**") evidencing service of Staff's written submissions, Brief of Authorities and Bill of Costs which includes the Fisher Affidavit, on the Respondents.

[6] Doulis provided written submissions filed and dated September 29, 2014, and provided a page concerning the profile on Linked In of a former investigator of the Commission, Mr. Larry Masci.

[7] On October 7, 2014, the Commission held the Sanctions and Costs Hearing. Staff and Doulis appeared and made submissions. Doulis appeared in person on his own behalf, and no one appeared for Liberty.

[8] At the Sanctions and Costs Hearing, Staff made submissions on its efforts to serve all the Respondents with its written submissions, Brief of Authorities and Bill of Costs. I was satisfied, based on Staff's submissions and the Faerber Affidavit, that Liberty and Doulis received notice of the Sanctions and Costs Hearing and that I could proceed in the absence of these respondents, in accordance with section 7 of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22, as amended, and Rule 7.1 of the Commission's *Rules of Procedure* (2014), 37 O.S.C.B. 4168 (the "***Rules of Procedure***").

II. THE MERITS DECISION

[9] From January 1, 2004 to September 2010 (the "**Material Time**"), the Respondents engaged in the business of advising with respect to investing in, buying or selling securities without being registered in accordance with Ontario securities law in any category of adviser. Between July 2009 and September 2010, Doulis made statements to Staff that in a material respect and at the time and in light of the circumstances under which they were made, were misleading or untrue or did not state facts that were required to be stated or that were necessary to make the statements not misleading.

[10] The evidence presented at the Merits Hearing demonstrated that, during the Material Time, the conduct of the Respondents had a significant and substantial connection to Ontario (Merits Decision, *supra* at para. 24). There was clear and convincing evidence that on a balance of probability, each of the Respondents acted as an advisor to Ontario investors without being registered. Each of the Respondents should have taken the necessary steps to ensure that the proper registrations were in place and that their activities were in compliance with Ontario securities law (Merits Decision, *supra* at para. 212).

[11] Doulis acted as a portfolio manager, which is a category of advisor for registration, for the purpose of managing the investment portfolios of clients through discretionary authority granted to him by each client through a Power of Attorney ("**POA**"). Doulis offered this advice in a manner that reflected a business purpose (Merits Decision, *supra* at para. 211).

[12] Doulis prepared and sent invoices to clients for the discretionary account management services he provided through Liberty and charged client for 'portfolio services' (Merits Decision, *supra* at para. 211). Doulis used Liberty as a vehicle to collect the fees that he charged for his advising of clients.

[13] As a former registrant, having previously passed the Chartered Financial Analyst exam, among other things, Doulis had a higher level of awareness of the requirements under Ontario securities law and knew or ought to have known the importance of those requirements to the capital markets in Ontario.

[14] Doulis held POAs over the accounts of 12 individuals and corporations at Desjardins Securities Inc. (Merits Decision, *supra* at para. 217). He did not discuss any purchase or sale of securities with any of the clients but relied on the discretionary authority that the POA form provided to him.

[15] Doulis established the business of Liberty which he used to promote securities and to buy and sell securities on behalf of clients. Liberty, by Doulis' own admission paid him a retainer to advise them on the state of Canadian capital markets (Merits Decision, *supra* at para. 224). Each of the investor witnesses called during the Merits Hearing (the "**Investor Witnesses**") testified that they paid a half of one percent of the value of their respective portfolios at the end of the year to Liberty (Merits Decision, *supra* at para. 233).

[16] Doulis made numerous false and misleading statements to Staff, and falsely minimized his role with Liberty. He said that he did not send, nor was he aware that anyone had sent, invoices to the clients. Doulis said that he did not know what remuneration Liberty received; and that he was not being paid directly or indirectly by any of the clients (Merits Decision, *supra* at para. 251).

[17] Doulis also misled Staff during a phone interview by stating that he provided no services to clients and that they do not pay him a dime (Merits Decision, *supra* at para. 253), and during compelled examination by minimizing his role at Liberty (Merits Decision, *supra* at para. 254).

[18] I found that Doulis was the directing mind of Liberty and remained the directing mind during the Material Time notwithstanding that he transferred his formal ownership of Liberty to the Paladin Trust (Merits Decision, *supra* at para. 259). Staff provided evidence consisting of a series of emails that showed Doulis directed funds of Liberty (Merits Decision, *supra* at para. 255), transferred funds from bank accounts to brokerage accounts belonging to Liberty, and that Doulis was at various times, the sole director and president of Liberty, including establishing the accounts belonging to Liberty (Merits Decision, *supra* at para. 257).

[19] Doulis made inconsistent statements with regards to providing investment advice. In particular, he testified in the Temporary Order Hearing that he had provided investment advice to two investors and they each paid Liberty. Then, in the Merits Hearing, Doulis explained that the investors were paying for Liberty's services and not for investment advice. Doulis also testified that investors were paying Liberty for services he performed for them (Merits Decision, *supra* at para. 266 citing Transcript of the Temporary Order Hearing and Transcript of the Merits Hearing). Doulis also made inconsistent statements about his relationship with Liberty, (Merits Decision, *supra* at paras. 267-269), and among others, about his relationship with Investor Witnesses (Merits Decision, *supra* at para. 270).

[20] In the Merits Decision, I concluded that:

(a) between January 1, 2004 and September, 2010, Doulis and Liberty engaged in the business of advising with respect to investing in, buying or selling securities without being registered in accordance with Ontario securities law in any category of adviser, contrary to subsection 25(3) the Act, previously subsection 25(1)(c) of the Act;

(b) between July 2009 and September 2010, Doulis made statements to Staff that, in a material respect and at the time and in light of the circumstances under which they were made, were misleading or untrue or did not state facts that were required to be stated or that were necessary to make the statements not misleading, contrary to s. 122(1)(a) of the Act; and

(c) Doulis and Liberty acted contrary to the public interest.

(Merits Decision, *supra* at para. 274)

[21] During the Merits Hearing, Doulis submitted that Staff's conduct violated his rights pursuant to subsections 11(b) and 11(c) of the *Canadian Charter of Rights and Freedoms, Part I of the Constitution Act, 1982, being Schedule B to the Canada Act 1982 (UK), 1982*, c 11 (the "**Charter**"). Doulis submitted that he was denied his right to be tried within a reasonable amount of time, and that Staff placed him in a position that he had to testify in the Merits Hearing contrary to Charter principles by virtue of not calling Mr. Larry Masci as a witness. Staff submitted that section 11 of the Charter is not applicable in the regulatory proceeding and that the activities of the Commission are not punitive (Merits Decision, *supra* paras. 156 and 158).

[22] Relying on *R v. Wigglesworth* (1987) 2 SCR 54 and *R v. Morin*, [1992] 1 SCR 771, I noted that the onus is on Doulis to prove that the regulatory offence is punitive in nature, and that prejudice has occurred. Having heard the submissions of Doulis and Staff, I found that administrative proceedings of this nature are not captured by section 11 of the Charter, and that the penalties sought by Staff are not penal in nature (Merits Decision, *supra* at para. 161). I noted in the Merits Decision at paragraphs 163-165, that this finding is consistent with other decisions of the Commission where the Commission held that a hearing under section 127 of the Act is fundamentally regulatory and it does not engage the Charter (*Re Rowan* (2010), 33 OSCB 1589 ("***Rowan***"); *Re Boock* (2010), 33 OSCB 1589; *Re Cornwall* (2008), 31 OSCB 4840). I addressed these Charter arguments in the Merits Decision, and there were no other Charter arguments raised in the Sanctions and Costs Hearing.

[23] I also reminded Doulis in the Sanctions and Costs Hearing that there is no property in a witness. The Commission and the courts have recognized the maxim that there are no property rights in a witness (See *Re Mega-C Power Corp.*, (2010) 33 OSCB 8290 at para 314; *Cairns v Mississauga (City)* [2006] OJ No 454 (Div Ct)). Doulis cannot tell Staff how to conduct its case, and who to call as a witness. Doulis was free to call any witnesses he chose to support his position in response to the allegations. It was open to Doulis to call Larry Masci as a witness, and he did not do so.

III. THE POSITION OF THE PARTIES

A. Staff's Submissions

[24] Staff requests the following sanctions against the Respondents and submits that these sanctions are appropriate and in the public interest:

(a) an order pursuant to clause 2 of subsection 127(1) of the Act that trading in any securities by Doulis and Liberty shall cease permanently;

(b) an order pursuant to clause 2.1 of subsection 127(1) of the Act that the acquisition of any securities by Doulis or Liberty is prohibited permanently;

(c) an order pursuant to clause 3 of subsection 127(1) of the Act that any exemptions in Ontario securities law do not apply to Doulis or Liberty permanently;

(d) an order pursuant to clause 6 of subsection 127(1) of the Act that Doulis be reprimanded;

(e) an order pursuant to clause 7 of subsection 127(1) of the Act that Doulis resign any position that he holds as a director or officer of an issuer;

(f) an order pursuant to clause 8 of subsection 127(1) of the Act that Doulis be prohibited permanently from becoming or acting as a director or officer of any issuer;

(g) an order pursuant to clause 8.5 of subsection 127(1) of the Act that Doulis be prohibited permanently from becoming or acting as a registrant, an investment fund manager or as a promoter;

(h) an order pursuant to clause 9 of subsection 127(1) of the Act that Doulis pay an administrative penalty of $200,000 to be designated for allocation to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the Act;

(i) an order pursuant to clause 9 of subsection 127(1) of the Act that Liberty pay an administrative penalty of $100,000 to be designated for allocation to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the Act;

(j) an order pursuant to clause 10 of subsection 127(1) of the Act that Doulis and Liberty jointly and severally disgorge to the Commission a total of CDN $37,696 and USD $8,454, to be designated for allocation to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the Act; and

(k) an order pursuant to subsections 127.1(1) and (2) of the Act that Doulis and Liberty jointly and severally pay investigation and hearing costs in the amount of $302,959.78.

B. Respondents' Submissions

[25] Doulis submits that no sanctions be ordered against him, and that the following sanctions be ordered against Staff:

(a) Punitive damages of $500,000 to be paid to Doulis for reputational damage and as punishment for the egregious behaviour of Staff;

(b) Costs in the amount of $32,216 to be paid to Doulis for legal fees and $48,000 for Doulis' time and efforts;

(c) Criminal action be brought by the Commission against Larry Masci for violations of sections 362 and 374 of the *Criminal Code* of Canada;

(d) Criminal action be brought by the Commission against Jonathon Feasby for violations of Sections 362, 374 and 423 of the *Criminal Code* of Canada; and

(e) An action by the Commission against Jonathon Feasby for violation of section 122(1)(a) of the Act.

[26] Doulis submits that the Panel did not find him guilty of advising. Doulis states that it was probable but not necessarily proven that he engaged in advising. Doulis submits that no proof exists that he provided investment advice.

[27] Doulis requests the sanctions and costs against Staff because he submits that he was victimized by the continual abuse of the *Criminal Code* of Canada by Staff and that the Commission was negligent, if not aware, of the criminal actions of its employees. Doulis submits that Staff was unaware, but should have been aware, that it is a criminal offence in the Turks & Caicos Islands to disclose either bank or corporate information of a domiciled company over which one is not a director. Doulis submits that Staff persisted in counseling criminal behavior and subsequently committed a criminal act to obtain what they wanted.

[28] Doulis denies the sanctions requested by Staff because he submits that it would cause serious harm to the investing public by removing a champion of theirs from the investing arena. Doulis submits that he has to be available to investors as an attorney for them to seek protection from unscrupulous individuals working in the investment industry, as neither the Commission nor IIROC seems willing to do so.

[29] Doulis submits that investors in Ontario have asked Doulis to continue being their attorney and that their investment objectives would best be served by an honest and independent individual to act on their behalf.

[30] Doulis submits that he believed he did not have to waste either his or the Commission's time answering questions about issues that had already been satisfied in his favour by the Chief Operating Officer at Desjardins Securities and IIROC. Doulis submits that both of these institutions were accepting of Doulis' role as an attorney through the use of Powers of Attorney and that no advising was being undertaken.

[31] Doulis submits that Staff did not provide evidence that Doulis and Liberty obtained a minimum of approximately CDN $37,696 and USD $8,454 from investors in fees for their illegal advising. Doulis submits that no bank records for either Doulis or Liberty have been entered as evidence. Doulis submits that Staff did not show that the invoices issued were in fact paid and to what extent the funds were received and who received them.

[32] Doulis submits that Staff prolonged the hearing by attempting to hide facts, being unfamiliar with foreign corporations, committing fraud, lying at the hearing and coercing witnesses.

[33] Doulis submits that there is no evidence that investors were being harmed and there was no interference with free and fair markets, and that no punishment of the Respondents is acceptable. Rather, he states that sanctions and penalties sought by Doulis should be imposed on Staff to deter further criminal activities.

IV. ANALYSIS

A. The Applicable Law on Sanctions

[34] The Commission's mandate, set out in section 1.1 of the Act, is to: (i) provide protection to investors from unfair, improper or fraudulent practices; and (ii) foster fair and efficient capital markets and confidence in capital markets.

[35] In making an order in the public interest under section 127 of the Act, the Commission's jurisdiction should be exercised in a protective and preventative manner. As expressed in the oft-cited decision of *Re Mithras Management Ltd.*:

> … the role of this Commission is to protect the public interest by removing from the capital markets – wholly or partially, permanently or temporarily, as the circumstances may warrant – those whose conduct in the past leads us to conclude that their conduct in the future may well be detrimental to the integrity of those capital markets. We are not here to punish past conduct; that is the role of the courts ... We are here to restrain, as best we can, future conduct that is likely to be prejudicial to the public interest in having capital markets that are both fair and efficient. In so doing we must, of necessity, look to past conduct as a guide to what we believe a person's future conduct might reasonably be expected to be; we are not prescient, after all.
>
> (*Re Mithras Management Ltd.* (1990), 13 OSCB 1600 at 1610-1611)

[36] This view was endorsed by the Supreme Court of Canada in the following terms:

> … the purpose of an order under s. 127 is to restrain future conduct that is likely to be prejudicial to the public interest in fair and efficient capital markets. The role of the [Commission] under s. 127 is to protect the public interest by removing from the capital markets those whose past conduct is so abusive as to warrant apprehension of future conduct detrimental to the integrity of the capital markets.
>
> (*Re Committee for the Equal Treatment of Asbestos Minority Shareholders v. Ontario (Securities Commission)*, 2001 SCC 37 ("***Asbestos***") at para. 43).

[37] The Supreme Court of Canada has also recognized that general deterrence is an important factor in imposing sanctions by stating that "… it is reasonable to view general deterrence as an appropriate, and perhaps necessary, consideration in making orders that are both protective and preventative" (*Re Cartaway Resources Corp.*, [2004] 1 SCR 672 at para. 60).

[38] In determining the nature and duration of sanctions, the Commission has considered the following factors:

(a) the seriousness of the allegations proved;

(b) the respondents' experience in the marketplace;

(c) the level of a respondent's activity in the marketplace;

(d) whether or not there has been a recognition of the seriousness of the improprieties;

(e) whether or not the sanctions imposed may serve to deter not only those involved in the case being considered, but any like-minded people from engaging in similar abuses of the capital markets;

(f) any mitigating factors;

(g) whether the violations are isolated or recurrent;

(h) the size of any profit (or loss) avoided from the illegal conduct;

(i) the size of any financial sanction or voluntary payment when considering other factors;

(j) the effect any sanction might have on the livelihood of the respondent;

(k) the restraint any sanction may have on the ability of a respondent to participate without check in the capital markets;

(l) the reputation and prestige of the respondent;

(m) the shame, or financial pain, that any sanction would reasonably cause to the respondent; and

(n) the remorse of the respondent.

(*Re Belteco Holdings Inc.* (1998), 21 OSCB 7743 at 7746-7747; *Erikson v. Ontario (Securities Commission)*, [2003] OJ No. 593 (Div Ct) ("***Erikson***"); *Re M.C.J.C. Holdings Inc.* (2002), 25 OSCB 1133 ("***M.C.J.C. Holdings***") at 1136).

[39] In determining the appropriate sanctions to be ordered, the Commission will also consider the specific circumstances in each case and ensure that the sanctions are proportionate to those circumstances (*M.C.J.C. Holdings*, *supra* at 1134).

[40] The Commission has held that the overall financial sanctions imposed on each respondent is a relevant consideration in imposing administrative penalties and disgorgement (*Re Sabourin* (2010), 33 OSCB 5299 ("***Sabourin***") at para. 59). Further, the Commission held in *Sabourin* that in imposing financial sanctions, overall financial sanctions imposed on each respondent is a relevant consideration (*Sabourin*, *supra* at para. 74).

B. Relevant Sanctioning Factors

[41] In considering the factors set out in paragraphs 36 to 39 above, I find the factors summarized in the following paragraphs to be relevant to the circumstances of the Respondents.

1. Seriousness of the Allegations Proved

[42] The seriousness of the allegations proved arises from Doulis' numerous attempts to mislead Staff in their investigation. The Respondents' breaches of the Act are both independently and collectively, serious breaches.

[43] The Commission has held that the act of misleading Staff is a particularly egregious violation of the public interest (*Re Moncasa Capital Corp.*, 2013 LNONOSC 1025 ("***Moncasa***") at para. 21 citing *Re Koonar* (2002), 25 OSCB 2691 at 2692). Doulis made numerous false and misleading statements to Staff including under oath, and in compelled examination (Merits Decision, *supra* at paras. 250, 251-262). Respondents' unregistered advising and Doulis' misleading statements caused harm to the reputation and integrity of the capital markets.

2. The Respondent's Experience in the Marketplace

[44] The Commission has held that a breach of Ontario securities law by a registrant is serious because the offender is aware of the importance of securities law for the capital markets (*Moncasa*, *supra* at para. 21; *Rowan*, *supra* at para. 145). The Commission has found that a person's higher level of awareness of securities law requirements and the importance of those requirements to the capital markets is an important consideration to take into account when imposing sanctions.

[45] Doulis was a registrant for 10 years and is a highly sophisticated and knowledgeable participant in the capital markets (Merits Decision, *supra* at paras. 9 and 87). Doulis had a higher awareness of the requirements under Ontario securities law and knew or ought to have known the importance of those requirements to the capital markets of Ontario (Merits Decision, *supra* at paras. 9 and 212). The fact that Doulis proceeded with his unregistered advising despite his higher awareness of the impact that his actions would have on the capital markets, is an important consideration when ordering sanctions.

[46] Despite his vast experience in the capital markets, Doulis did not determine his clients' individual investment objectives and risk tolerance, and stated that his clients' investment objectives are what he believes is best for them (Merits Decision, *supra* at para. 89). This is not the level of attention that would be expected of a registrant towards his or her client.

3. Mitigating Factors and Remorse

[47] Apart from the Respondents not having any prior history of misconduct with the Commission, there were no other mitigating factors put forward at the Sanctions and Costs Hearing.

[48] The actions of Doulis during the investigation and litigation phases provide no basis to conclude that he has recognized the seriousness of his improprieties or that he has any remorse for the consequences of his conduct. There was no evidence during the Sanctions and Costs Hearing suggesting that Doulis had any remorse. Rather, Doulis was contemptuous of Staff. Doulis made misleading statements to Staff at various stages, including when he was under oath (Merits Decision, *supra* at para. 250). Instead of recognizing the seriousness of his improprieties, Doulis misled Staff and did not take responsibility for his actions. Rather, Doulis blamed Staff for an "attitude … of vindictiveness" (Transcript of Sanctions and Costs Hearing, October 7, 2014, p. 25, lines 21-25).

[49] During the course of the Sanctions and Costs Hearing, Doulis challenged the findings of the Panel in the Merits Decision (Transcript of Sanctions and Costs Hearing, October 7, 2014, p. 22, lines 17-20; p. 23-24; and p. 26, lines 10-16) submitting, *inter alia*, that there is only "a likelihood that Doulis violated the Act". Doulis submitted that the Panel did not find Doulis guilty of advising, and that it was probable but not necessarily proven that Doulis violated the Act. In the Merits Decision, the Panel applied the standard of proof in Commission proceedings as being proof on a balance of probabilities, scrutinizing the evidence with care in deciding whether the alleged events are more likely than not to have occurred (Merits Decision, *supra* at paras. 14-16). The Panel was satisfied on that test that all of Staff's allegations were proven against the Respondents.

4. Violations were Isolated or Recurrent

[50] The Commission has considered a number of factors in assessing the scale of a respondent's misconduct including the number of investors affected, whether the misconduct was repeated, and the period of time in which it occurred.

[51] The Respondents engaged in unregistered advising from January 2004 to September 2010, nearly 7 years (Merits Decision, *supra* at para. 274). They bought and sold securities for 12 individuals and corporate clients and invoiced them for the management of the portfolio (Merits Decision, *supra* at para. 217). Doulis confirmed that at one point he was managing between $15 and $17 million in investor funds (Merits Decision, *supra* at para. 75). Doulis mislead Staff over a period of 14 months during Staff's investigation, and Doulis proactively sent the Commission misleading correspondence (Merits Decision, *supra* at para. 274). Accordingly, I find that the Respondents' violations were recurrent and it extended for a considerable amount of time.

5. Size of Any Profit or Loss Avoided from Illegal Conduct

[52] The invoices filed at the Merits Hearing allow a partial accounting of the funds obtained by the Respondents. The Respondents obtained a minimum of CDN $37,317 and USD $8,454, from the Investor Witnesses, in fees collected for unregistered advising.

[53] I have included a list of each invoice filed as evidence in the Merits Hearing:

Client	Date	Amount
Investor #2	January 21, 2005	USD $888
Investor #2	February 3, 2006	USD $2,112
Investor #2	January 2, 2007	USD $2,552
Investor #2	January 16, 2008	USD $2,902
Investor #2	February 18, 2009	CDN $2,313
Investor #4	January 20, 2010	CDN $26,913
Investor #2	January 19, 2010	CDN $3,217
Investor #3	February 16, 2011	CDN $1,193
Investor #1	November 14, 2011	CDN $3,681
TOTAL USD:		**$8,454**
TOTAL CDN:		**$37,317**

6. Reputation and Prestige

[54] Doulis referred to the reputation and prestige he enjoys as a former top ranked mining analyst and the author of several books (Merits Decision, *supra* at paras. 212 and 144). Indeed, he pointed to his reputation as an authority on financial matters as the major factor attracting clients to whom he provided unregistered advising (Merits Decision, *supra* at paras. 87, 68, 70 and 144). Accordingly, appropriate sanctions imposed on Doulis would send a message to future clients who may consider investing on the basis of his reputation.

7. Specific and General Deterrence

[55] The Respondents, and like-minded individuals, should understand that breaches of the Act similar to the ones involved in this case, including misleading Staff, will result in severe sanctions. I have reviewed the jurisprudence and there is a line of cases where the respondents were found to have engaged in unregistered advising, and fraud. In those cases, the Commission ordered permanent bans (*Re Bunting & Waddington Inc et al* (2014), 37 OSCB 3414; *Re New Hudson Television Corp. et al.* (2013), 36 OSCB 10455; *Re Shaun Gerard McErlean* (2012), 35 OSCB 9839; *Re Marion Gary Hibbert* (2012), 35 OSCB 9013; *Re Vincent Ciccone et al* (2012), 35 OSCB 8417). I note that in this case, there were no allegations, nor any finding, of fraud. I have also reviewed a line of cases where the respondent was found to have engaged in unregistered advising, in absence of fraud. Again, the Commission has ordered permanent bans (*Re HEIR Home Equity Investment Rewards Inc et al* (2013), 36 OSCB 3485; *Re Maple Leaf Investment Fund Corp.* (2012), 35 OSCB 2809; *Re White* (2010), 33 OSCB 8893). Having reviewed the jurisprudence, I find that orders removing the Respondents from buying, selling, or trading in securities for 15 years without exception, imposing significant administrative penalties, and requiring disgorgement of fees collected from unregistered advising

are proportionate to the Respondents' misconduct, and will send a message to like-minded individuals that involvement in this type of misconduct will result in severe sanctions. I arrived at a 15-year ban after taking into account that the Respondents have no prior history of misconduct with the Commission, that there was no allegation, nor any finding, of fraud, and that there was no evidence put forward of financial loss by investors. Nevertheless, the breaches of the Act are serious and justify sanctions based on the principles of specific and general deterrence.

C. Appropriate Sanctions in this Matter

1. Prohibitions on Participation in the Capital Markets

[56] The conduct of the Respondents caused harm to the integrity of the capital markets. Given the seriousness of the misconduct of the Respondents, sanctions in this case should send a strong message to both the Respondents and the public at large. As the Divisional Court has stated, "[p]articipation in the capital markets is a privilege, not a right" (*Erikson*, *supra* at para. 55).

[57] The registration regime attempts to ensure that those who engage in registerable conduct are not merely proficient, but of good character, satisfy appropriate ethical standards and comply with the Act. Doulis structured his affairs to deliberately circumvent securities legislation and the registration regime. I find that it is appropriate that the Respondents be subject to a 15-year trading, acquisition and exemption application bans, without exception.

[58] During the Sanctions and Costs Hearing, I noted that certain sanctions requested in Staff's written sanctions and costs submissions were not requested in the Notice of Hearing dated January 14, 2011, namely (i) that Doulis resign any position that he holds as a director or officer of an issuer; (ii) that Doulis be prohibited permanently from becoming or acting as a director or officer of any issuer; and (iii) that Doulis be prohibited permanently from becoming or acting as a registrant, an investment fund manager or as a promoter ("**Staff's New Sanctions Requests**").

[59] Staff submitted during the Sanctions and Costs Hearing that Doulis was provided notice upon receipt of the sanctions submissions of Staff, and that it is certainly not a prohibition to the Commission ordering those sanctions if the sanctions sought change throughout the hearing on the merits and into the sanctions hearing. Staff submits that the issue is appropriate notice and there is no requirement that notice be provided at the initiation of the proceedings.

[60] I do not agree with Staff's submissions on this issue. The Commission had held that it is not prepared to assume that Staff's New Sanctions Requests would not have affected the Respondents' approach to the Merits Hearing (*Re Factorcorp Inc.*, (2013) 36 OSCB 9582 ("***Factorcorp***") at para. 56). Rather, as the Commission held in *Re Rex Diamond Mining Corp.*, (2009) 32 OSCB 6467 ("***Rex Diamond***") and confirmed in *Factorcorp*, Staff should have amended the Notice of Hearing to include Staff's New Sanctions Requests prior to the Merits Hearing (*Rex Diamond*, *supra* at para. 24; *Factorcorp*, *supra* at para. 56). Had Staff requested in the Notice of Hearing, the resignation of any position as director or officer of an issuer, and director and officer bans, my findings in the Merits Decision would have justified the imposition of such sanctions on the Respondents. However, in light of Staff's failure to seek these sanctions in the Notice of Hearing, I find that it would be unfair to impose them on the Respondents.

[61] I also find it appropriate to reprimand Doulis, pursuant to paragraph 6 of subsection 127(1) of the Act, in order to reaffirm that the Commission will not tolerate conduct such as occurred in this case.

2. Administrative Penalties

[62] The Commission's public interest jurisdiction allows it to impose sanctions under section 127 of the Act. Under paragraph 9 of subsection 127(1) of the Act, I am entitled to impose an administrative penalty of not more than $1 million in connection with each failure of the Respondents to comply with Ontario securities law. In the Merits Decision, I found that the Respondents engaged in unregistered advising, that Doulis made misleading statements to Staff, and that the Respondents' conduct was contrary to the public interest.

[63] Staff seeks an administrative penalty in the amount of $200,000 against Doulis and an administrative penalty in the amount of $100,000 against Liberty. Doulis submits that he pay no administrative penalty.

[64] The goals of specific and general deterrence are most effectively met by administrative penalties that are proportional to each respondent's culpability in the matter, taking all circumstances into account, considering administrative penalties imposed in similar cases and have regard to any aggravating and mitigating factors (*Belteco*, *supra* at 7747; *M.C.J.C. Holdings Inc. supra* at 1134 and 1136; *Re Limelight Entertainment Inc.*, (2008) 31 OSCB 12030 ("***Limelight***") at para. 71; *Rowan*, *supra* at para. 106; *Sabourin*, *supra* at para. 75).

[65] I have considered the Commission's prior case law in determining administrative penalties that are proportionate to the circumstances in this matter. Staff relied on *Re Norshield Asset Management (Canada) Ltd.* (2010), 33 OSCB 7171

("***Norshield***") where the Respondents were also found to have made misleading statements to Staff. However, in that case, I note that the Respondents' conduct led to the loss of $159 million invested by close to 2,000 investors. In that case, the Commission ordered that the Respondents each pay an administrative penalty of $125,000 for making misleading statements to Staff, and maximum penalty was ordered against the Respondents for other breaches of the Act. The Commission also held that failing to inform Staff of an important component of the investment structure warrants a significant administrative penalty (*Norshield*, *supra* at paras. 106-107). In addition, the Commission has held that in imposing administrative penalties on respondents, the Commission considers it essential that market participants know that if they make misrepresentations to Staff of the Commission in their investigation … they do so at their own peril (*Limelight*, *supra* at para. 74).

[66] In *Moncasa*, the Commission found that the Respondents breached multiple sections of the Act, including misleading Staff, and ordered an administrative penalty of $400,000. In *Re Maple Leaf Investment Fund Corp.* (2012), 35 OSCB 3075 ("***Maple Leaf***"), the Commission found the Respondents breached two sections of the Act, including unregistered advising. In *Maple Leaf*, the Commission ordered an administrative penalty in the amount of $200,000 for one of the Respondents who played an integral role in the promotion of bonds and facilitated the raising of $2,800,000, including making reference to his 16-year career as an officer to enhance his credibility and reliability with investors (*Maple Leaf*, *supra* at para. 8).

[67] Liberty and Doulis' actions caused harm to the capital markets. Accordingly, I find that it is appropriate and proportionate to the circumstances of each respondent to make an order against Doulis to pay an administrative penalty of $200,000 and a separate order against Liberty to pay an administrative penalty of $100,000. I find the amounts proposed by Staff to be within the range of penalties ordered by the Commission against respondents involved in similar misconduct, and proportional to the circumstances and conduct of each Respondent. The amounts paid to the Commission in satisfaction of the administrative penalties are designated for allocation or use by the Commission pursuant to subsection 3.4(2)(b) of the Act.

3. Disgorgement

(a) The Law on Disgorgement

[68] Pursuant to paragraph 10 of subsection 127(1) of the Act, if a person or company has not complied with Ontario securities law, the Commission may order the person or company to disgorge to the Commission "any amounts obtained as a result of the non-compliance". The Commission has described the purpose of the disgorgement remedy as follows:

> [T]he objective of the disgorgement remedy is to deprive a wrongdoer of ill-gotten gains, reflecting the view that it would be inappropriate for those who contravene Ontario securities law to be able to retain any illegally obtained profits …
>
> …
>
> [T]he legal question is not whether a respondent "profited" from the illegal activity but whether the respondent "obtained amounts" as a result of that activity. In our view, this distinction is made in the Act to make clear that all money illegally obtained from investors can be ordered to be disgorged, not just the "profit" made as a result of the activity …
>
> (*Limelight*, *supra* at paras. 47 and 49).

[69] The disgorgement remedy is intended to ensure that respondents do not retain any financial benefit from their non-compliance with the Act, and to provide specific and general deterrence (*Sabourin*, *supra* at para. 65).

[70] In *Limelight*, the Commission held that it should consider the following non-exhaustive list of factors when contemplating a disgorgement order, in addition to the general factors for sanctioning:

> (a) whether an amount was obtained by a respondent as a result of non-compliance with the Act;
>
> (b) the seriousness of the misconduct and the breaches of the Act and whether investors were seriously harmed;
>
> (c) whether the amount that a respondent obtained as a result of non-compliance with the Act is reasonably ascertainable;
>
> (d) whether the individuals who suffered losses are likely to be able to obtain redress; and
>
> (e) the deterrent effect of a disgorgement order on the respondents and other market participants.
>
> (*Limelight*, *supra* at para. 52).

[71] Staff has the onus of proving, on a balance of probabilities, the amounts obtained by a respondent as a result of its non-compliance with the Act.

(b) Submissions on Disgorgement

[72] In its submissions, Staff took the position that the Respondents should be ordered to disgorge the full and undiscounted amounts of CDN $37,696 and USD $8,454 on a joint and several basis, and submitted that these amounts are clearly ascertainable from Liberty's invoices and represent at minimum the amounts obtained by the Respondents as a result of their non-compliance with Ontario securities law. I am also satisfied that these amounts which are ascertainable are far less than the actual funds obtained based on Doulis' own statements having managed between $15 million and $17 million in investor funds. The Investor Witnesses called in the Merits Hearing were not able to provide a complete set of Liberty's invoices.

[73] Doulis submits that an order for disgorgement should not be made because there were no bank records for either Doulis or Liberty entered as evidence. Doulis submits that Staff did not show that the invoices were in fact paid and to what extent the funds were received, and by whom.

[74] I agree with Staff's submission that any amounts ordered against Liberty and Doulis should be imposed on a joint and several basis. Doulis controlled Liberty and was its directing mind. I therefore find that it is appropriate that any disgorgement amounts to be ordered against the Respondents shall be made jointly and severally against Doulis and Liberty.

(c) Appropriate Disgorgement Orders

[75] Unregistered advising activity and misleading Staff has been recognized as serious misconduct (*Re Arbour Energy Inc.*, 2012 LNABASC 266 at para. 84). I find that it is appropriate to impose disgorgement orders against the Respondents for the amounts they obtained through their serious misconduct.

[76] I do not accept Doulis' submission that the Commission should not order disgorgement because there are no bank records to show that he received the amounts. Notwithstanding the absence of such bank records, there was other ample evidence that Doulis had signing authority and control over the two bank accounts, and that he directed Investor Witnesses to forward payment to Liberty (Merits Decision, *supra* at para. 261). Except for one payment, which has been excluded from the disgorgement order, there was no evidence of cancelled cheques. However, there was evidence from Investor Witnesses that they paid the invoices (Merits Decision, *supra* at paras. 107, 131, 140, 141, 223, 233 and 234). The payments were directed to Liberty, and Doulis controlled Liberty in an offshore jurisdiction. The only people who could produce bank records are Doulis and Liberty, and no such records were produced.

[77] Doulis was compensated through Liberty, as an adviser for the discretionary account management services he provided to each of the clients including the Investor Witnesses (Merits Decision, *supra* at para. 211). The Investor Witnesses testified that they paid Liberty for the services Doulis performed (Merits Decision, *supra* at paras. 107, 131, 140, 141, 223, 233 and 234). I also noted in the Merits Decision that I regarded the testimony of the Investor Witnesses as the most cogent and reliable evidence (Merits Decision, *supra* at para. 36).

[78] Staff also provided evidence in a series of emails that showed Doulis directed funds of Liberty to be deposited at Barclay's Bank, the transfer of CDN $24,000 from Liberty to Minotaur Capital, the transfer of USD $10,000 belonging to Liberty, the transfer of CDN $9,800 from the account of Liberty to the credit of A Christodoulidis (Merits Decision, *supra* at para. 255). Accordingly, I find on a balance of probabilities that the amounts obtained as a result of non-compliance with Ontario securities law are ascertainable, and were obtained by the Respondents.

[79] I find that it is appropriate to impose the following order against Doulis and Liberty to disgorge to the Commission CDN $37,317 and USD $8,454 on a joint and several basis. I have reduced the amount to be disgorged from Staff's submission of CDN $37,696 to CDN $37,317 because there was one invoice where the investor identified a cancelled cheque with respect to the payment made (Merits Decision, *supra* at para. 131). Accordingly, I have not included this amount in the calculation of the disgorgement order. Based on all of the evidence, I am satisfied on a balance of probabilities to impose such an order. The amounts paid to the Commission in satisfaction of the disgorgement orders are designated for allocation or use by the Commission pursuant to subsection 3.4(2)(b) of the Act.

4. Doulis' Requested Sanctions against Staff

[80] Doulis requests $500,000 in punitive damages for reputational harm and as punishment for egregious behavior of Staff. He also requests that criminal action be brought against Larry Masci and Jonathon Feasby. This is an administrative proceeding commenced pursuant to section 127 and section 127.1 of the Act, not an action for defamation. Doulis is within his legal rights to pursue any matters he sees fit in the courts. Actions for reputational damage and criminal action are not within the purview of this administrative proceeding, or within the authority of the Act. Accordingly, I see no basis in law to grant Doulis' request.

D. Costs

1. The Applicable Law

[81] Pursuant to section 127.1 of the Act, the Commission has authority to order a person or company to pay the costs of an investigation and hearing if the Commission is satisfied that the person or company has not complied with Ontario securities law or has acted contrary to the public interest. Factors to be considered by the Commission when awarding costs are set out in Rule 18.2 of the *Rules of Procedure*.

[82] Staff seeks to recover costs from the Respondents totaling $302,959.79, which consists of $297,132.50 in fees and $5,827.28 in disbursements. Staff requests that Liberty and Doulis be ordered to pay, on a joint and several basis, the full cost of the investigation and the Merits Hearing. Staff did not seek costs for time spent preparing for and attending the Sanctions and Costs Hearing, and the Temporary Order Hearing.

[83] In support of this request, Staff provided a Bill of Costs, which includes the Fisher Affidavit. The Fisher Affidavit appends detailed dockets of Staff, along with copies of receipts and invoices reflecting the costs of court reporters, process servers, witness fees and other expenses. The Bill of Costs employs the hourly rates approved by the Commission.

[84] Doulis requests that costs in the amount of $32,216 be paid to Doulis for legal fees and $48,000 for Doulis' time and efforts. In support of this request, Doulis submits that he was victimized by the continual abuse of the *Criminal Code* of Canada by Staff, and that the Commission was negligent.

2. Analysis

[85] The Commission has identified criteria that was considered in past decisions when awarding costs:

(a) failure by Staff to provide early notice of an intention to seek costs may result in a reduced costs award;

(b) the seriousness of the charges and the conduct of the parties;

(c) abuse of process by a respondent may be a factor in increasing the amount of costs;

(d) he greater investigative/hearing costs that the specific conduct of a respondent tends to require in the case; and

(e) the reasonableness of the costs requested by Staff.

(*Re Ochnik* (2006), 29 OSCB 5917 ("***Ochnik***") at para. 29).

[86] The purpose of sanction orders made under section 127 of the Act is to "restrain future conduct that is likely to be prejudicial to the public interest in fair and efficient capital markets" and to protect the public interest (*Asbestos*, *supra* at para. 43). On the other hand, the purpose of orders made under section 127.1 of the Act is to recover costs of a hearing or investigation from persons or companies who have breached Ontario securities law. It is recognized that a costs order will not necessarily recover the entirety of the costs incurred by the Commission in every case, but it is appropriate that a respondent contribute to the costs of a hearing where there has been a finding that the respondent has contravened securities law (*Re McErlean* (2012), 35 OSCB 9839 ("***McErlean***") at para. 24).

[87] In assessing the quantum of costs, the Commission is entitled to take into consideration whether the Respondents' conduct has contributed to the efficient hearing of the matter. However, requests for costs shall recognize the principle that something less than full indemnity is appropriate (*McErlean*, *supra* at para. 25).

[88] Applying the factors from *Ochnik* and the factors listed in Rule 18.2 of the *Rules of Procedure*, I find the following factors to be relevant in imposing a costs order against Liberty and Doulis:

(a) A Notice of Hearing was issued by the Commission on January 14, 2011 to notify the Respondents in this matter that Staff would be seeking investigation and hearing costs against them;

(b) The proceeding did not include any novel legal issues;

(c) Doulis repeatedly made allegations that Staff fabricated documents, lied, and committed criminal offences for which there was no evidence presented, nor were the claims substantiated;

(d) Doulis and Liberty made no factual or legal admissions;

(e) Doulis lengthened the hearing by giving inconsistent and conflicting evidence while under oath;

(f) Doulis filed different versions of his Charter argument with Staff and with the Commission causing an adjournment; and

(g) Doulis lengthened the hearing by accusing Staff of criminal conduct, all of which consumed hearing time and necessitated a response.

[89] The Commission recently held that an award of costs is a matter in Commission's discretion. While it is appropriate that respondents reimburse the Commission for costs incurred as a result of their misconduct, the Commission does not want to unduly penalize or discourage respondents through costs awards from bringing matters before the Commission that respondents wish to contest in good faith (*Re Crown Hill Capital Corp* (2014), 37 OSCB 7509 at para. 247).

[90] I have noted that Doulis' conduct unnecessarily lengthened the proceeding consuming 10 hearing days, for a matter that was not complex. Staff submitted at the Sanctions and Costs Hearing that the time and effort of Staff is a conservative estimation in terms of the full effort (Transcript of Sanctions and Costs Hearing, October 7, 2014, p. 20, lines 19-22). However, I do not accept this submission. Rather, Staff is seeking full costs for investigation and hearing costs involving all investigators and counsel on the matter from April 27, 2009 to June 23, 2014. I also note that Doulis and Staff agreed that the documents admitted at the Temporary Order Hearing could be entered as evidence at the Merits Hearing. Indeed, Staff introduced five volumes of hearing briefs of which four volumes consisted of the hearing transcript of the Temporary Order (Merits Decision, *supra* at para. 34). Staff during the Sanctions and Costs Hearing submitted that they are not seeking the costs of Staff counsel for preparation time and conduct in the Temporary Order Hearing (Transcript of Sanctions and Costs Hearing, October 7, 2014, p. 20, lines 3-8).

[91] Taking into account the nature of the proceeding, and the right for a respondent to defend against Staff's allegations, a cost recovery of fees and disbursements in the amount of $198,619.78 on a joint and several basis against Liberty and Doulis, is fair and reasonable, and in the public interest. This amount includes only the time spent by two Staff investigators, Tom Anderson and Joan Chambers, who were called in the Merits Hearing, as well as the time spent by Jon Feasby, the lead Staff counsel on this matter. I have not included in the costs order any time spent by Larry Masci involved in the investigation, or by any other investigators, or any other Staff counsel. I arrived at this cost determination having considered the factors above, as well as the principle that something less than full indemnity is appropriate.

[92] I noted in paragraph 79 that the Commission has authority to order a person or company to pay the costs of an investigation and hearing if the Commission is satisfied that the person or company has not complied with Ontario securities law or has acted contrary to the public interest. There were no findings made by the Panel in the Merits Decision that Staff breached Ontario securities law or acted contrary to the public interest. Accordingly, I see no basis to order any costs sought by the Respondent.

V. CONCLUSION

[93] For the reasons set out above, I conclude that it is in the public interest to make the orders set out below. In my view, the sanctions imposed will deter the Respondents and other like-minded individuals from engaging in similar misconduct in the capital markets in the future and the sanctions are proportionate to the circumstances and conduct of each Respondent.

[94] I will issue a separate order giving effect to my decision on sanctions and costs as follows:

(a) pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities by each of Liberty and Doulis shall cease for a period of 15 years;

(b) pursuant to paragraph 2.1 of subsection 127(1) of the Act, the acquisition of any securities by each of Liberty and Doulis shall be prohibited for a period of 15 years;

(c) pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law shall not apply to each of Liberty and Doulis for a period of 15 years;

(d) pursuant to paragraph 6 of subsection 127(1) of the Act, that Doulis be reprimanded;

(e) pursuant to paragraph 9 of subsection 127(1) of the Act, Liberty shall pay an administrative penalty of $100,000 for its non-compliance with Ontario securities law, to be designated for allocation or use by the Commission, pursuant to subsection 3.4(2)(b) of the Act;

(f) p ursuant to paragraph 9 of subsection 127(1) of the Act, Doulis shall pay an administrative penalty of $200,000 for his non-compliance with Ontario securities law, to be designated for allocation or use by the Commission, pursuant to subsection 3.4(2)(b) of the Act;

(g) pursuant to paragraph 10 of subsection 127(1) of the Act, Liberty and Doulis shall jointly and severally disgorge to the Commission a total of CDN $37,317 and USD $8,454 that was obtained as a result of their non-compliance with Ontario securities law, to be designated for allocation or use by the Commission, pursuant to subsection 3.4(2)(b) of the Act; and

(h) pursuant to subsection 127.1 of the Act, Liberty and Doulis shall jointly and severally pay $198,619.78 for the costs incurred in this matter.

DATED at Toronto, this 22nd day of December, 2014.

"Vern Krishna"

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
Besra Gold Inc.	17 December 2014	29 December 2014		
Geovic Mining Corp.	17 December 2014	29 December 2014		
Marauder Resources East Coast Inc.	10 December 2014	22 December 2014	22 December 2014	
Maudore Minerals Ltd.	05 December 2014	17 December 2014		19 December 2014
Seafield Resources Ltd.	19 December 2014	31 December 2014		
Solara Exploration Ltd.	22 December 2014	02 January 2015		
Triumph Ventures II Corporation	19 December 2014	31 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		17 December 2014

This page intentionally left blank

Chapter 5

Rules and Policies

5.1.1 Amendments to NI 21-101 Marketplace Operation and Companion Policy 21-101CP

AMENDMENTS TO NATIONAL INSTRUMENT 21-101 *MARKETPLACE OPERATION*

1. National Instrument 21-101 Marketplace Operation is amended by this Instrument.

2. Section 8.6 is amended by replacing "2015***" with "***2018***".***

3. This Instrument comes into force on December 31, 2014.

SCHEDULE

1. The changes to Companion Policy 21-101CP to National Instrument 21-101 Marketplace Operation are set out in this Schedule.

2. Subsection 10.1(1) is amended by replacing "2015***" with "***2018***".***

3. These changes become effective on December 31, 2014.

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.

This page intentionally left blank

Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Aptose Biosciences Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Base Shelf Prospectus dated December 16, 2014
NP 11-202 Receipt dated December 16, 2014
Offering Price and Description:
US$100,000,000.00
Common Shares
Warrants
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2293331

Issuer Name:
Canadian Imperial Bank of Commerce
Type and Date:
Preliminary Base Shelf Prospectus dated December 16, 2014
Receipted on December 16, 2014
Offering Price and Description:
US$10,000,000,000
Senior Debt Securities (unsubordinated indebtedness)
Subordinated Debt Securities (subordinated indebtedness)
Common Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2293333

Issuer Name:
Canoe 2015 Flow-Through LP - CDE Units
Principal Regulator - Alberta
Type and Date:
Preliminary Long Form Prospectus dated December 19, 2014
NP 11-202 Receipt dated
Offering Price and Description:
Maximum– $40,000,000
Minimum Offering - $5,000,000 (200,000 Units)
Subscription Price – $25.00 per CDE Unit
Minimum Subscription – $5,000 (200 Units)
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
TD Securities Inc.
Canaccord Genuity Corp.
Desjardins Securities Inc.
GMP Securities L.P.
Raymond James Ltd.
Promoter(s):
Canoe 2015 General Partner Corp.
Canoe Financial LP,
Project #2294713

Issuer Name:
Canoe 2015 Flow-Through LP - CEE Units
Principal Regulator - Alberta
Type and Date:
Preliminary Long Form Prospectus dated December 19, 2014
NP 11-202 Receipt dated
Offering Price and Description:
Maximum: $20,000,000
Minimum Offering - $5,000,000 (200,000 Units)
Subscription Price – $25.00 per CDE or CEE Unit
Minimum Subscription – $5,000 (200 Units)
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
TD Securities Inc.
Canaccord Genuity Corp.
Desjardins Securities Inc.
GMP Securities L.P.
Raymond James Ltd.
Promoter(s):
Canoe 2015 General Partner Corp.
Canoe Financial LP,
Project #2294714

Issuer Name:
CounterPath Corporation
Principal Regulator - British Columbia
Type and Date:
Preliminary Base Shelf Prospectus dated December 16, 2014
NP 11-202 Receipt dated December 17, 2014
Offering Price and Description:
US$50,000,000
Common Stock
Preferred Stock
Debt Securities
Warrants
Units

Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2293652

Issuer Name:
HANWEI ENERGY SERVICES CORP.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated December 19, 2014
NP 11-202 Receipt dated December 19, 2014
Offering Price and Description:
$ * - Offering of * Rights to Subscribe for up to* Common Shares
Price: $ * per Common Share
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2294820

Issuer Name:
LL CAPITAL CORP.
Principal Regulator - Ontario
Type and Date:
Preliminary CPC Prospectus dated December 19, 2014
NP 11-202 Receipt dated December 19, 2014
Offering Price and Description:
MINIMUM OFFERING: $200,000 - 2,000,000 Common Shares
MAXIMUM OFFERING: $300,000 - 3,000,000 Common Shares
PRICE: $0.10 per Common Share
Underwriter(s) or Distributor(s):
Richardson GMP Limited
Promoter(s):
Amar Bhalla
Project #2294700

Issuer Name:
NCE Diversified Flow-Through (15) Limited Partnership
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated December 18, 2014
NP 11-202 Receipt dated December 19, 2014
Offering Price and Description:
Maximum: $50,000,000 - 2,000,000 Limited Partnership Units
Minimum: $5,000,000 - 200,000 Limited Partnership Units
Subscription Price: $25.00 per Unit
Minimum Subscription: 200 Units
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
GMP Securities L.P.
Manulife Securities Incorporated
Canaccord Genuity Corp.
Desjardins Securities Inc.
Raymond James Ltd.
Burgeonvest Bick Securities Limited
Dundee Securities Ltd.
Laurentian Bank Securities Inc.
Mackie Research Capital Corporation
Promoter(s):
Petro Assets Inc.
Project #2294406

Issuer Name:
Summit Industrial Income REIT
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated December 18, 2014
NP 11-202 Receipt dated December 18, 2014
Offering Price and Description:
$30,010,500.00 - 5,130,000 Units
Price $5.85 per Unit
Underwriter(s) or Distributor(s):
BMO NESBITT BURNS INC.
CIBC WORLD MARKETS INC.
RBC DOMINION SECURITIES INC.
SCOTIA CAPITAL INC.
TD SECURITIES INC.
National Bank Financial Inc.
Canaccord Genuity Corp.
Dundee Securities Ltd.
Promoter(s):
-
Project #2293098

Issuer Name:
Theralase Technologies Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Base Shelf Prospectus dated December 15, 2014
NP 11-202 Receipt dated December 16, 2014
Offering Price and Description:
$50,000,000
Common Shares
Warrants
Units
Subscription Receipts
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2293204

Issuer Name:
Toronto Hydro Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Base Shelf Prospectus dated December 19, 2014
NP 11-202 Receipt dated December 19, 2014
Offering Price and Description:
$1,000,000,000.00 DEBENTURES - (unsecured)
Underwriter(s) or Distributor(s):
CIBC WORLD MARKETS INC.
TD SECURITIES INC.
BMO NESBITT BURNS INC.
RBC DOMINION SECURITIES INC.
NATIONAL BANK FINANCIAL INC.
Promoter(s):
-
Project #2294691

Issuer Name:
Adex Mining Inc.
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated December 15, 2014
NP 11-202 Receipt dated December 17, 2014
Offering Price and Description:
$5,000,000.00
Issue of Rights to Subscribe for up to 500,000,000 Common Shares at a price of $0.01 per Common Share
Underwriter(s) or Distributor(s):
-
Promoter(s):
Great Harvest Canadian Investment Company Limited
Project #2261269

Issuer Name:
AGF Global Convertible Bond Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated December 18, 2014
NP 11-202 Receipt dated December 19, 2014
Offering Price and Description:
Mutual Fund Series, Series F, Series O, Series Q, Series V and Series W units @ net asset
Underwriter(s) or Distributor(s):
-
Promoter(s):
AGF Investments Inc.
Project #2276226

Issuer Name:
Bank of Nova Scotia, The
Principal Regulator - Ontario
Type and Date:
Final Base Shelf Prospectus dated December 19, 2014
NP 11-202 Receipt dated December 19, 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:
Blackbird Energy Inc.
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated December 18, 2014
NP 11-202 Receipt dated December 18, 2014
Offering Price and Description:
$32,000,120.00
110,345,241 Common Shares Issuable on Exercise of 110,345,241 Outstandiing Special Warrants
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
Raymond James Ltd.
Haywood Securities Inc.
TD Securities Inc.
Cormark Securities Inc.
Jennings Capital Inc.
Promoter(s):
-
Project #2290863

Issuer Name:
BMO Money Market Fund (Series A, F, I, M, Advisor Series and Premium Series)
BMO Bond Fund (Series A, F, D, I, NBA, NBF, Advisor Series and Premium Series)
BMO Canadian Diversified Monthly Income Fund (Series T5, T8, F, I and Advisor Series)
BMO Emerging Markets Bond Fund (Series A, F, D, I, Advisor Series and Premium Series)
BMO Floating Rate Income Fund (Series A, F, D, I, Advisor Series and Premium Series)
BMO Global Strategic Bond Fund (Series A, F, D, I, Advisor Series and Premium Series)
BMO Monthly Dividend Fund Ltd. (Series F, Advisor Series, Classic Series and Premium Series)
BMO Monthly High Income Fund II (Series A, T5, T8, F, D, I, Advisor Series and Premium Series)
BMO Monthly Income Fund (Series A, T6, F, D, I and Premium Series)
BMO Preferred Share Fund (Series A, F, D, I, BMO Private Preferred Share Fund Series O, Advisor Series and Premium Series)
BMO Balanced Yield Plus ETF Portfolio (formerly, BMO Target Enhanced Yield ETF Portfolio) (Series A, T6, F, D, I, Advisor Series and Premium Series)
BMO Fixed Income Yield Plus ETF Portfolio (formerly, BMO Target Yield ETF Portfolio) (Series A, T6, F, D, I, Advisor Series and Premium Series)
BMO U.S. High Yield Bond Fund (Series A, F, D, I, BMO Private U.S. High Yield Bond Fund Series O, Advisor Series and Premium Series)
BMO Asian Growth and Income Fund (Series A, F, D, I, Advisor Series and Premium Series)
BMO Asset Allocation Fund (Series A, T5, F, D, I, NBA, NBF, Advisor Series and Premium Series)
BMO Canadian Equity Fund (Series A, F, D, I and Premium Series)
BMO Canadian Stock Selection Fund (Series A, F, D, I, NBA, NBF, Advisor Series and Premium Series)
BMO Dividend Fund (Series A, T5, F, D, I, Advisor Series and Premium Series)
BMO Enhanced Equity Income Fund (Series A, F, D, I, Advisor Series and Premium Series)
BMO European Fund (Series A, F, D, I, Advisor Series and Premium Series)
BMO Global Infrastructure Fund (Series A, F, D, I, Advisor Series and Premium Series)
BMO International Value Fund (Series A, F, D, I, NBA, NBF, Advisor Series and Premium Series)
BMO Tactical Dividend ETF Fund (Series A, F, D, I, Advisor Series and Premium Series)
BMO U.S. Equity Fund (Series A, F, D, I, NBA, NBF, Advisor Series and Premium Series)
BMO Canadian Small Cap Equity Fund (Series A, F, D, I, Advisor Series and Premium Series)
BMO Emerging Markets Fund (Series A, F, D, I, Advisor Series and Premium Series)
BMO Global Dividend Fund (Series A, F, D, I, Advisor Series and Premium Series)

BMO Fixed Income ETF Portfolio (Series A, T6, F, D, I, Advisor Series and Premium Series)
BMO Income ETF Portfolio (Series A, T6, F, D, I, Advisor Series and Premium Series)
BMO Conservative ETF Portfolio (Series A, T6, F, D, I, Advisor Series and Premium Series)
BMO Balanced ETF Portfolio (Series A, T6, F, D, I, Advisor Series and Premium Series)
BMO Growth ETF Portfolio (Series A, T6, F, D, I, Advisor Series and Premium Series)
BMO Equity Growth ETF Portfolio (Series A, T6, F, D, I, Advisor Series and Premium Series)
BMO Asian Growth and Income Class (Series H, F, Advisor Series and Premium Series)
BMO Canadian Equity Class (Series A, F, H, I, Advisor Series and Premium Series)
BMO Canadian Tactical ETF Class (Series A, T6, F, I and Advisor Series)
BMO Dividend Class (Series A, H, I, Advisor Series and Premium Series)
BMO Global Dividend Class (Series A, T5, F, H, I, Advisor Series and Premium Series)
BMO Global Energy Class (Series A, F, I, Advisor Series and Premium Series)
BMO Global Equity Class (Series A, F, I, Advisor Series and Premium Series)
BMO Global Tactical ETF Class (Series A, T6, F, I and Advisor Series)
BMO Greater China Class (Series A, F, I, Advisor Series and Premium Series)
BMO International Value Class (Series A, F, I, Advisor Series and Premium Series)
BMO Short-Term Income Class (Series A, H, I, Advisor Series and Premium Series)
BMO U.S. Equity Class (Series F, I, Advisor Series and Premium Series)
Principal Regulator - Ontario

Type and Date:
Amendment #3 dated December 10, 2014 to the Simplified Prospectuses and Annual Information Form dated April 3, 2014
NP 11-202 Receipt dated December 19, 2014

Offering Price and Description:
Series A, F, D, I, T5, T6, T8, NBA, NBF, BMO Private U.S. High Yield Bond Fund Series O, Advisor Series, Classic Series and Premium Series @ net asset value

Underwriter(s) or Distributor(s):
BMO Investments Inc.
Guardian Group of Funds Ltd.

Promoter(s):
BMO Investments Inc.

Project #2166827

Issuer Name:
B.E.S.T. Total Return Fund Inc.
Principal Regulator - Ontario

Type and Date:
Final Long Form Prospectus dated December 17, 2014
NP 11-202 Receipt dated December 18, 2014

Offering Price and Description:
Class A shares @ net asset value

Underwriter(s) or Distributor(s):
-

Promoter(s):
-

Project #2280231

Issuer Name:
Capital Power Corporation
Principal Regulator - Alberta

Type and Date:
Final Base Shelf Prospectus dated December 16, 2014
NP 11-202 Receipt dated December 16, 2014

Offering Price and Description:
$3,000,000,000
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:
Final Base Shelf Prospectus dated December 16, 2014
NP 11-202 Receipt dated December 16, 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:
CI G5|20 2040 Q1 Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated December 19, 2014
NP 11-202 Receipt dated December 19, 2014
Offering Price and Description:
Class A, F and O units
Underwriter(s) or Distributor(s):
-
Promoter(s):
CI Investments Inc.
Project #2282286

Issuer Name:
CI G5|20i 2035 Q1 Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated December 19, 2014
NP 11-202 Receipt dated December 19, 2014
Offering Price and Description:
Class A, F and O units
Underwriter(s) or Distributor(s):
-
Promoter(s):
CI Investments Inc.
Project #2282284

Issuer Name:
DH Corporation
Principal Regulator - Ontario
Type and Date:
Final Base Shelf Prospectus dated December 19, 2014
NP 11-202 Receipt dated December 19, 2014
Offering Price and Description:
$1,500,000,000
Common Shares
Preferred Shares
Debt Securities
Warrants
Subscription Receipts
Share Purchase Contracts
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2292429

Issuer Name:
Dynamic U.S. Value Balanced Fund
(Series A, E, F, FH, FI, H, I and O units)
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated December 11, 2014 to the Simplified Prospectus and Annual Information Form dated November 18, 2014
NP 11-202 Receipt dated December 19, 2014
Offering Price and Description:
Series A, E, F, FH, FI, H, I and O units @ net asset value
Underwriter(s) or Distributor(s):
1832 Asset Management L.P.
GCIC Ltd.
1832 Asset Management L.P.
Promoter(s):
1832 Asset Management L.P.
Project #2267257

Issuer Name:
Class A, C, I, and O units (unless otherwise noted) of
Frontiers Canadian Short Term Income Pool (offers only Class A units)
Frontiers Canadian Fixed Income Pool
Frontiers Equity Income Pool
Frontiers Canadian Equity Pool
Frontiers U.S. Equity Pool
Frontiers U.S. Equity Currency Neutral Pool (offers only Class O units)
Frontiers International Equity Pool
Frontiers Emerging Markets Equity Pool
Frontiers Global Bond Pool
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated December 15, 2014
NP 11-202 Receipt dated December 16, 2014
Offering Price and Description:
Class A, C, I, and O units @ Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
CIBC Asset Management Inc.
Project #2268216

Issuer Name:
GuestLogix Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated December 16, 2014
NP 11-202 Receipt dated December 17, 2014
Offering Price and Description:
19,000,000
20,000,000 Subscription Receipts, each representing the right to receive one Common Share
and
$20,000,000
7.00% Extendible Convertible Unsecured Subordinated Debentures
Underwriter(s) or Distributor(s):
NATIONAL BANK FINANCIAL INC.
CIBC WORLD MARKETS INC.
BEACON SECURITIES LIMITED
CANACCORD GENUITY CORP.
CORMARK SECURITIES INC.
GMP SECURITIES L.P.
MACKIE RESEARCH CAPITAL CORPORATION
Promoter(s):
-
Project #2289965

Issuer Name:
IBI Group Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated December 17, 2014
NP 11-202 Receipt dated December 18, 2014
Offering Price and Description:
Issue of $3,551,440 principal amount
7.0% Unsecured Subordinated Notes in Connection with the Amendment of Convertible Debentures
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2290164

Issuer Name:
Knight Therapeutics Inc.
Principal Regulator - Quebec
Type and Date:
Final Short Form Prospectus dated December 16, 2014
NP 11-202 Receipt dated December 16, 2014
Offering Price and Description:
$86,958,900
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:
NYX Gaming Group Limited
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated December 18, 2014
NP 11-202 Receipt dated December 19, 2014
Offering Price and Description:
Approximately $45,000,000
12,858,000 Shares
Price: $3.50 per Share
Underwriter(s) or Distributor(s):
CANACCORD GENUITY CORP.
CORMARK SECURITIES INC.
NATIONAL BANK FINANCIAL INC.
DUNDEE SECURITIES LTD.
GLOBAL MAXFIN CAPITAL INC.
MACKIE RESEARCH CAPITAL CORPORATION
Promoter(s):
-
Project #2282101

Issuer Name:
Astra Resources PLC
Type and Date:
Preliminary Long Form Non-Offering Prospectus dated June 19, 2014
Withdrawn on December 16, 2014
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
Astra Industries Pty Ltd.
Project #2225124

This page intentionally left blank

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Voluntary Surrender	Premis Capital Partners, Inc. (formerly Hansberger Global Investors, Inc.)	Portfolio Manager	December 17, 2014
Consent to Suspension (Pending Surrender)	KCS Fund Strategies Inc.	Investment Fund Manager, Portfolio Manager, and Exempt Market Dealer	December 18, 2014
Voluntary Surrender	Sky Investment Counsel Inc.	Investment Fund Manager, Portfolio Manager, and Exempt Market Dealer	December 18, 2014
Firm Name Change	Transamerica Securities Inc. To: WFG Securities Inc.	Mutual Fund Dealer and Scholarship Plan Dealer	December 12, 2014
Firm Name Change	MD Physician Services Inc. To: MD Financial Management Inc.	Investment Fund Manager, Exempt Market Dealer and Portfolio Manager	December 15, 2014
Change in Registration Category	Fiduciary Trust Company of Canada	From: Portfolio Manager To: Portfolio Manager and Commodity Trading Manager	December 19, 2014
Voluntary Surrender	DGM Holdings (Canada) Inc.	Exempt Market Dealer	December 18, 2014
Consent to Suspension (Pending Surrender)	Davis Distributors, LLC	Exempt Market Dealer	December 18, 2014
Consent to Suspension (Pending Surrender)	IS Capital Markets Inc.	Exempt Market Dealer	December 18, 2014
Consent to Suspension (Pending Surrender)	Liquidity Source Inc.	Exempt Market Dealer	December 19, 2014
Firm Name Change	Hesperian Capital Management Ltd. To: Norrep Capital Management Ltd.	Investment Fund Manager, Exempt Market Dealer and Portfolio Manager	December 1, 2014

This page intentionally left blank

Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.3 Clearing Agencies

13.3.1 Notice of Commission Approval – Material Amendments to CDS Procedures – Methodology Enhancement to TRAX Entitlements Tracking System and Fee Increase

CDS CLEARING AND DEPOSITORY SERVICES INC.

MATERIAL AMENDMENTS TO CDS PROCEDURES

METHODOLOGY ENHANCEMENT TO TRAX ENTITLEMENTS TRACKING SYSTEM AND FEE INCREASE

NOTICE OF COMMISSION APPROVAL

In accordance with the Rule Protocol between the Ontario Securities Commission (Commission) and CDS Clearing and Depository Services Inc. (CDS), the Commission approved on December 16, 2014, the daily subscription fee increase for the TRAX Entitlements Tracking System.

A copy of the CDS notice was published for comment on October 30, 2014 on the Commission's website at: http://www.osc.gov.on.ca. No comments were received.

13.3.2 Notice of Commission Approval – Material Amendments to CDS Procedures – Increase to the daily subscription fee for Entitlements Messaging – MT564 Service

CDS CLEARING AND DEPOSITORY SERVICES INC.

MATERIAL AMENDMENTS TO CDS PROCEDURES

INCREASE TO THE DAILY SUBSCRIPTION FEE FOR ENTITLEMENTS MESSAGING – MT564 SERVICE

NOTICE OF COMMISSION APPROVAL

In accordance with the Rule Protocol between the Ontario Securities Commission (Commission) and CDS Clearing and Depository Services Inc. (CDS), the Commission approved on December 16, 2014, the daily subscription fee increase for the Entitlements Messaging – MT564 Service.

A copy of the CDS notice was published for comment on October 30, 2014 on the Commission's website at: http://www.osc.gov.on.ca. No comments were received.

Chapter 25

Other Information

25.1 Approvals

25.1.1 RCM Partners Inc. – s. 213(3)(b) of the LTCA

Headnote

Clause 213(3)(b) of the Loan and Trust Corporations Act – application by manager for approval to act as trustee of pooled funds and future pooled funds to be established and managed by the applicant and offered pursuant to a prospectus exemption(s).

Statutes Cited

Loan and Trust Corporations Act, R.S.O. 1990, c. L.25, as am., s. 213(3)(b).

November 28, 2014

Stikeman Elliott LLP
5300 Commerce Court West
199 Bay Street
Toronto, ON M5L 1B9

Attention: Nick Badeen

Dear Sirs/Mesdames:

Re: RCM Partners Inc. (the "Applicant")

Application pursuant to Section 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario) for approval to act as trustee

Application No. 2014/0583

Further to your application dated July 16, 2014 (the "**Application**") filed on behalf of the Applicant, and based on the facts set out in the Application and the representation by the Applicant that the assets of RCM Value Opportunities Trust and any other future mutual fund trusts that the Applicant may establish and manage from time to time, the securities of which will be offered pursuant to prospectus exemptions, will be held in the custody of a trust company incorporated and licensed or registered under the laws of Canada or a jurisdiction, or a bank listed in Schedule I, II or III of the *Bank Act* (Canada), or a qualified affiliate of such bank or trust company, the Ontario Securities Commission (the "**Commission**") makes the following order:

Pursuant to the authority conferred on the Commission in paragraph 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario), the Commission approves the proposal that the Applicant act as trustee of RCM Value Opportunities Trust and any other future mutual fund trusts which may be established and managed by the Applicant from time to time, the securities of which will be offered pursuant to prospectus exemptions.

Yours truly,

"James E. A. Turner"
Vice-Chair,
Ontario Securities Commission

"Judith N. Robertson"
Commissioner,
Ontario Securities Commission

This page intentionally left blank

Index

This page intentionally left blank