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

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Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Notice of Ministerial Approval of Amendments to NI 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations and Related Instruments

NOTICE OF MINISTERIAL APPROVAL OF AMENDMENTS TO NATIONAL INSTRUMENT 31-103 REGISTRATION REQUIREMENTS, EXEMPTIONS AND ONGOING REGISTRANT OBLIGATIONS AND RELATED INSTRUMENTS

On December 18, 2014, the Minister of Finance approved amendments (the Amendments) made by the Ontario Securities Commission (OSC or Commission) to:

- National Instrument (NI) 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* and related forms
- NI 33-109 *Registration Information* and related forms
- NI 52-107 *Acceptable Accounting Principles and Auditing Standards*
- OSC Rule 33-506 (*Commodity Futures Act*) *Registration Information* and related forms
- OSC Rule 35-502 *Non-Resident Advisers*
- NI 23-102 *Use of Client Brokerage Commissions*
- NI 24-101 *Institutional Trade Matching and Settlement*
- NI 81-107 *Independent Review Committee for Investment Funds*
- OSC Rule 91-501 *Strip Bonds*
- OSC Rule 91-502 *Trades in Recognized Options*

The Amendments were made by the Commission on September 23, 2014. The Amendments were published in the Supplement to the October 16, 2014 OSC Bulletin and are published in Chapter 5 of this Bulletin. The Amendments came into force on January 11, 2015 (or, will come into force six months later in the case of the amendments adding new restrictions on trading activities by exempt market dealers).

On September 23, 2014, the Commission also adopted related amendments to:

- Companion Policy 31-103CP *Registration Requirements, Exemptions and Ongoing Registrant Obligations*
- Companion Policy 33-109CP *Registration Information*
- Companion Policy 45-501CP *Ontario Prospectus and Registration Exemptions*
- Companion Policy 52-107CP *Acceptable Accounting Principles and Auditing Standards*
- Companion Policy 33-506CP (*Commodity Futures Act*) *Registration Information*

These amendments also became effective on January 11, 2015 (or, will become effective six months later in the case of the amendments related to the new restrictions on trading activities by exempt market dealers). These amendments were also published in the Supplement to the October 16, 2014 OSC Bulletin and are published in Chapter 5 of this Bulletin.

1.1.2 Notice of Correction – Gold-Quest International and Sandra Gale

NOTICE OF CORRECTION

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

AND

**IN THE MATTER OF
GOLD-QUEST INTERNATIONAL and SANDRA GALE**

(2014), 37 O.S.C.B. 8594. In the published Oral Reasons and Decision in this matter, Appendix A: Agreed Statement of Facts, was inadvertently omitted. The Oral Reasons and Decision have been amended to include this Appendix A.”

1.2 Notices of Hearings

1.2.1 Heritage Education Funds Inc. – 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
HERITAGE EDUCATION FUNDS INC.**

**NOTICE OF HEARING
(Sections 127 and 127.1)**

TAKE NOTICE THAT the Ontario Securities Commission (the “Commission”) will hold a hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”) at the offices of the Commission at 20 Queen Street West, 17th Floor Hearing Room on Monday, January 12, 2015 at 10:00 a.m., or as soon thereafter as the hearing can be held;

AND TAKE NOTICE that the purpose of the hearing is to consider whether it is in the public interest for the Commission to: (a) approve the Settlement Agreement between Staff of the Commission and Heritage Education Funds Inc. (“HEFI”); and (b) make such other order as the Commission may consider appropriate;

BY REASON OF the allegations set out in the Statement of Allegations dated January 6, 2015 and such additional allegations as counsel may advise and the Commission may permit;

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

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

DATED at Toronto this 8th day of January, 2015.

“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
HERITAGE EDUCATION FUNDS INC.**

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

STAFF OF THE ONTARIO SECURITIES COMMISSION MAKE THE FOLLOWING ALLEGATIONS:

1. Heritage Education Funds Inc. ("HEFI") distributes units of two types of registered education savings plans under the Act which Plans are registered under the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.), as amended.
2. HEFI is registered with the Commission as both an investment fund manager and as a dealer in the category of scholarship plan dealer.
3. HEFI has been the subject of three compliance field review reports since 2003 by Staff of the Compliance and Registrant Regulation Branch ("CRR Staff"). HEFI also had terms and conditions previously imposed on its registration by CRR Staff, namely, from April 16, 2003 to October 28, 2003 and from July 9, 2004 to March 28, 2005. The last compliance field review report on HEFI dated June 14, 2012 (the "2012 Compliance Report") had a review period of November 1, 2010 to October 31, 2011. In some cases, CRR Staff found HEFI to be deficient in similar areas to those previously identified as containing deficiencies.
4. As set out in the 2012 Compliance Report, on or between November 1, 2010 and October 31, 2011, HEFI did not meet reasonable compliance practices by failing to adequately meet its compliance obligations in certain of its sales supervision and compliance activities and thereby engaged in conduct contrary to the public interest.

Dated at Toronto this 6th day of January, 2015.

1.2.2 Christopher Reaney – s. 8(4)

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

AND

**IN THE MATTER OF
CHRISTOPHER REANEY**

**NOTICE OF HEARING
(Subsection 8(4))**

TAKE NOTICE THAT the Ontario Securities Commission (the “Commission”) will hold a hearing at the offices of the Commission at 20 Queen Street West, 17th Floor, Hearing Room B” on January 14, 2015 at 2:30 p.m., or as soon thereafter as the hearing can be held;

AND TAKE FURTHER NOTICE that the purpose of the hearing is to consider a request made by Christopher Reaney (“Reaney”) to stay a decision of a Director dated January 5, 2015 pending the disposition of Reaney’s hearing and review of that decision.

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

AND TAKE FURTHER NOTICE that upon failure of any party to attend at the time and place aforesaid, the Hearing may proceed in the absence of that party and such party is not entitled to 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 plus 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 13th day of January, 2015.

“Josée Turcotte”
Secretary to the Commission

1.4 Notices from the Office of the Secretary

1.4.1 Heritage Education Funds Inc.

**FOR IMMEDIATE RELEASE
January 8, 2015**

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

AND

**IN THE MATTER OF
HERITAGE EDUCATION FUNDS INC.**

TORONTO – The Office of the Secretary issued a Notice of Hearing for a hearing to consider whether it is in the public interest to approve a settlement agreement entered into by Staff of the Commission and Heritage Education Funds Inc. in the above named matter.

The hearing will be held on January 12, 2015 at 10:00 a.m. or as soon thereafter as the hearing can be held in the above named matter. The hearing will be held at the offices of the Commission at 20 Queen Street West, 17th Floor, Toronto

A copy of the Notice of Hearing dated January 8, 2015 and Statement of Allegations of Staff of the Ontario Securities Commission dated January 6, 2015 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
ACTING SECRETARY

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1.4.2 Ground Wealth Inc. et al.

**FOR IMMEDIATE RELEASE
January 9, 2015**

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

AND

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

AND

**IN THE MATTER OF
A SETTLEMENT AGREEMENT BETWEEN
STAFF OF THE ONTARIO SECURITIES COMMISSION
and GROUND WEALTH INC., MICHELLE DUNK,
DOUGLAS DEBOER and JOEL WEBSTER**

TORONTO – The Commission issued an Order in the above named matter approving the Settlement Agreement reached between Staff of the Commission and Ground Wealth Inc., Michelle Dunk, Douglas DeBoer and Joel Webster.

A copy of the Order dated January 6, 2015 and Settlement Agreement dated January 5, 2015 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
ACTING SECRETARY

For media inquiries:

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

1.4.3 Ground Wealth Inc. et al.

FOR IMMEDIATE RELEASE
January 12, 2015

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

AND

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

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

1. The oral hearing dates scheduled to commence on January 26, 2015, are hereby vacated and the hearing in writing shall continue on the following schedule:
 - a. The Non-Settling Respondents and Staff shall file any further or supplementary evidence briefs by January 26, 2015, at 4:00 pm;
 - b. Staff shall serve and file its written submissions by February 20, 2015, at 4:00 p.m.;
 - c. the Non-Settling Respondents shall serve and file their written submissions by March 20, 2015, at 4:00 p.m.; and
 - d. Staff shall serve and file any written submissions in reply by April 3, 2015, at 4:00 p.m.

A copy of the Order dated January 7, 2015 is available at www.osc.gov.on.ca.

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1.4.4 Heritage Education Funds Inc.

**FOR IMMEDIATE RELEASE
January 12, 2015**

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

AND

**IN THE MATTER OF
HERITAGE EDUCATION FUNDS INC.**

TORONTO – Following a hearing held today, the Commission issued an Order in the above named matter approving the Settlement Agreement reached between Staff of the Commission and Heritage Education Funds Inc.

A copy of the Order dated January 12, 2015 and Settlement Agreement dated January 6, 2015 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
ACTING SECRETARY

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1.4.5 A25 Gold Producers Corp. et al.

**FOR IMMEDIATE RELEASE
January 12, 2015**

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

AND

**IN THE MATTER OF
A25 GOLD PRODUCERS CORP., DAVID AMAR,
JAMES STUART ADAMS and AVI AMAR**

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

- (a) the hearing dates of February 25 and 26, 2015 are vacated; and
- (b) the hearing on the merits in this matter shall commence at 9:30 a.m. on February 27, 2015.

A copy of the Order dated January 12, 2015 is available at www.osc.gov.on.ca.

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JOSÉE TURCOTTE
ACTING SECRETARY

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1.4.6 Christopher Reaney

FOR IMMEDIATE RELEASE
January 13, 2015

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

AND

**IN THE MATTER OF
CHRISTOPHER REANEY**

TORONTO – The Commission issued a Notice of Hearing to consider a request made by Christopher Reaney to stay a decision of a Director dated January 5, 2015 pending the disposition of the hearing and review of that decision.

The hearing will be held on January 14, 2015 at 2:30 p.m. on the 17th floor of the Commission's offices located at 20 Queen Street West, Toronto.

A copy of the Notice of Hearing dated January 13, 2015 and Application for a Hearing and Review are available at www.osc.gov.on.ca.

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JOSÉE TURCOTTE
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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Marret Asset Management Inc. and Marret Multi-Strategy Income Fund

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Approval granted under paragraph 5.5(1)(d) of NI 81-102 to suspend redemptions to allow for the orderly wind-up and termination of a non-redeemable investment fund – approval expires on December 31, 2016 – manager to comply with notice requirements in NI 81-102 regarding fund’s termination – approval based on specific representations and subject to conditions.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 5.5(1)(d), 19.1.

December 29, 2014

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

AND

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

AND

IN THE MATTER OF
MARRET ASSET MANAGEMENT INC.
(the Filer)

AND

MARRET MULTI-STRATEGY INCOME FUND
(the Fund)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for approval under paragraph 5.5(1)(d) of National Instrument 81-102 *Investment Funds (NI 81-102)* to permit the Fund to suspend the right of its unitholders to request that the Fund redeem their units (the **Suspension**

of Redemptions) prior to the termination of the Fund (the **Requested Approval**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions:

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

Interpretation

Terms defined in MI 11-102, National Instrument 14-101 *Definitions* and NI 81-102 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 laws of the Province of Ontario with its head office located in Toronto, Ontario. The Filer is registered under the securities legislation of all the provinces of Canada as an investment fund manager and portfolio manager.
2. The Filer is not in default of securities legislation in any Applicable Jurisdiction.
3. The Filer is the manager of the Fund.

The Fund

4. The Fund is a trust formed under the laws of the Province of Ontario and governed by a declaration of trust dated as of February 25, 2011 (as amended from time to time, the **Declaration of Trust**).
5. The Fund is a “non-redeemable investment fund” (as such term is defined under the *Securities Act* (Ontario)). The Fund completed an initial public offering of Class A units and Class F units (collectively, **units**) in the Applicable Jurisdictions

pursuant to a prospectus dated February 25, 2011 and therefore is a reporting issuer in each Applicable Jurisdiction and an investment fund to which NI 81-102 applies.

6. The Class A units of the Fund currently are listed for trading on the Toronto Stock Exchange (the **TSX**). The Class F units of the Fund are not so listed, but are convertible into Class A units at the option of the holder.

7. The Fund's investment objectives are to:

- (a) generate equity-like returns with substantially less volatility than the S&P/TSX Composite Index; and
- (b) provide unitholders of the Fund with attractive, risk adjusted, quarterly, tax advantaged cash distributions, initially targeted to be 5% per annum on the original issue price of \$12,00 per unit,

by obtaining exposure to between four and five separate, actively managed, portfolios (collectively, the **Portfolio**) that invest primarily in investment and non-investment grade corporate debt and U.S. and Canadian yield producing equities.

8. To pursue its investment objectives, the Fund is a party to a forward agreement dated March 18, 2011 (the **Forward Agreement**) which provides the Fund with exposure to the returns of the Portfolio held by Marret MSIF Trust (the **Reference Trust**).

9. The Fund is not in default of securities legislation in any Applicable Jurisdiction.

10. According to the Declaration of Trust, the regularly scheduled termination date of the Fund is December 31, 2016.

Termination of the Fund

11. Pursuant to the Declaration of Trust, unitholders of the Fund are entitled to request that the Fund redeem their units at their net asset value on the last business day of each year (each an **Annual Redemption Date**). An Annual Redemption Date will occur on December 31, 2014.

12. The Fund has received requests to redeem approximately 44% of its outstanding units. As of December 15, 2014, the net asset value of the Fund was approximately \$32,905,000. If all redemption requests are processed on December 31, 2014, the net asset value of the Fund is expect to diminish to approximately \$17,938,000.

13. The Portfolio currently includes two investments (the **Illiquid Positions**) that constitute illiquid

assets with an aggregate value of approximately \$3,005,000, equivalent to approximately 9.13% of the net asset value of the Fund as at December 15, 2014. If all redemption requests are processed on December 31, 2014, it is expected that assets in the Portfolio other than the Illiquid Positions will be liquidated, with the result that the Illiquid Positions will become equivalent to approximately 16.75% of the net asset value of the Fund.

14. Pursuant to the Declaration of Trust, the Filer is of the opinion that it would be in the best interests of unitholders to terminate the Fund due to:

- (a) the diminished size of the Fund and related loss of economies of scale that would result if all redemption requests are processed;
- (b) the risk of reduced diversification resulting from investing a smaller amount of assets across a smaller portfolio of high yield securities;
- (c) the increased proportion of the Fund's investment exposure that would be represented by the Illiquid Positions if all redemption requests are processed; and
- (d) the disproportionate amount of risk that would be borne by unitholders of the Fund who did not submit requests to redeem their units due to the increased concentration of Illiquid Positions in the Portfolio.

15. Accordingly, the Filer proposes to:

- (a) suspend the right of unitholders to redeem their units on December 31, 2014;
- (b) settle the Forward Agreement and thereafter become a unitholder of the Reference Trust;
- (c) redeem units of the Reference Trust equal to approximately the net asset value of the Trust, less the value of the Illiquid Positions, and distribute the proceeds therefrom to the unitholders of the Fund, which distribution will represent approximately 90% of the current net asset value per unit of the Fund; and
- (d) in due course, redeem its remaining units of the Reference Trust once the Reference Trust has liquidated the Illiquid Positions and distribute the proceeds therefrom to the unitholders of the Fund, (collectively, the **Termination Steps**).

The Filer expects to complete the steps described in paragraphs (a) through (c) above by January 31, 2015. The Filer will seek to complete the actions described in paragraph (d) above by December 31, 2016, at which time the Fund will terminate. The Filer has issued a press release and filed a material change report in accordance with subsection 75(2) of the *Securities Act* (Ontario) announcing the Suspension of Redemptions and subsequent wind-up and termination of the Fund.

16. The Filer will seek to maintain the listing of its Class A units on the TSX until the date the Fund terminates.

17. The Filer believes that the Termination Steps will be in the best interests of unitholders of the Fund because:

- (a) the Termination Steps will enable the Fund to distribute the maximum amount of assets *pro rata* to all its unitholders as quickly as possible in an orderly manner; and
- (b) the Termination Steps will ensure that all existing unitholders are treated in a similar manner in connection with the termination of the Fund, rather than providing unitholders who have requested a redemption of their units greater liquidity at the expense of unitholders who have not submitted such a request.

18. As a result of the amendments to NI 81-102, which came into effect on September 22, 2014, the Fund may only suspend redemptions of its securities in the limited circumstances described in section 10.6 of NI 81-102, neither of which apply in the present case.

19. As a result, pursuant to paragraph 5.5(1)(d) of NI 81-102, the Fund requires the approval of the regulator before it can implement the Suspension of Redemptions.

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 Approval is granted provided that:

- (a) the Suspension of Redemptions may continue until, but not beyond, December 31, 2016;
- (b) the proceeds of the sale of all positions in the Portfolio, other than the Illiquid Posi-

tions, will be distributed to unitholders of the Fund by January 31, 2015;

- (c) during the Suspension of Redemptions, the Fund will continue to meet its continuous disclosure obligations under National Instrument 81-106 Investment Fund Continuous Disclosure;
- (d) the Manager will stop earning and collecting management fees from the Fund while the Suspension of Redemptions remains in effect;
- (e) the Fund will not distribute any further securities prior to its termination; and
- (f) the Filer will comply with section 5.8.1 of NI 81-102 with respect to providing notice to unitholders of the Fund regarding the termination of the Fund.

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

2.1.2 Next Edge Capital Corporation et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – approval of merger of two investment funds into a mutual fund – approval required because merger does not meet the criteria for pre-approved reorganizations and transfers in National Instrument 81-102 – the continuing fund does not have substantially similar fundamental investment objectives as the terminating funds – the merger will not be a “qualifying exchange” or tax-deferred transaction under the Income Tax Act (Canada) – the materials mailed to securityholders of the terminating funds did not contain the continuing funds’ fund facts document – securityholders of the terminating fund not permitted to redeem their securities prior to the date of the merger – securityholders of terminating funds provided with timely and adequate disclosure regarding the merger and prospectus-level disclosure regarding the continuing fund.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, s. 5.5(1)(b).

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
NEXT EDGE CAPITAL CORPORATION
(the Filer)

AND

IN THE MATTER OF
NEXT EDGE GLG EMERGING MARKETS INCOME
FUND and NEXT EDGE GLG EM INCOME FUND
(collectively, the Terminating Funds)

AND

IN THE MATTER OF
NEXT EDGE THETA YIELD FUND
(the Continuing Fund and, together with the
Terminating Funds, the Funds)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer, the investment fund manager of each of the Funds, for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for approval of the merger (the **Merger Approval**) pursuant to paragraph 5.5(1)(b) of National Instrument 81-102 – *Investment Funds (NI 81-102)*.

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

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

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.

The following terms shall have the following meanings:

“**Circular**” means the notice of the meeting, management information circular and form of proxy of the Terminating Funds dated November 12, 2014.

“**EM Income Fund**” means Next Edge GLG EM Income Fund.

“**GLG Emerging Markets Income Fund**” means Next Edge GLG Emerging Markets Income Fund.

“**IRC**” means the independent review committee of the Terminating Funds.

“**Meeting**” means the adjourned meeting of the unitholders of the Terminating Funds scheduled to be held on or about December 17, 2014.

“**Merger**” means the proposed merger of the Terminating Funds into the Continuing Fund to be effective on the Merger Effective Date subject to the receipt of applicable unitholder and regulatory approvals.

“**Merger Effective Date**” means the date for effecting the Merger, which is expected to be the business day immediately following the date on which the required approvals are obtained for the Merger.

“**Tax Act**” means the *Income Tax Act* (Canada).

Representations

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

The Filer

1. The Filer is a privately-owned corporation existing under the *Business Corporations Act* (Ontario) and its head office is located at 1 Toronto Street, Suite 200, Toronto, Ontario.
2. The Filer is the investment fund manager of each of the Funds and is registered as investment fund manager in the Provinces of Newfoundland and Labrador, Ontario and Quebec.

GLG Emerging Markets Income Fund

3. GLG Emerging Markets Income Fund is a closed-end investment fund established under the laws of the Province of Ontario on October 24, 2011 and its head office is located at 1 Toronto Street, Suite 200, Toronto, Ontario.
4. The beneficial interest in the net assets of GLG Emerging Markets Income Fund is divided into trust units of two classes, Class A Units and Class F Units. Since its initial public offering, which was completed in November 2011, GLG Emerging Markets Income Fund has not issued any additional securities.
5. As at December 8, 2014, the net asset value (**NAV**) of the Class A Units of GLG Emerging Markets Income Fund was \$11,663,674.61 and the NAV per Class A Unit was \$7.01 and the NAV of the Class F Units of GLG Emerging Markets Income Fund was \$1,495,247.98 and the NAV per Class F Unit was \$7.69.
6. GLG Emerging Markets Income Fund was created to provide exposure to an actively managed, liquid and diversified portfolio of securities and other instruments across various asset classes primarily within global emerging markets (the **Portfolio**).
7. GLG Emerging Markets Income Fund obtained economic exposure to the Portfolio through a forward agreement, as the Portfolio was held by GLG Emerging Markets Income Portfolio Ltd. (**GLG Ltd.**), an exempted company with limited liability incorporated in the Cayman Islands.
8. The Portfolio was actively managed by GLG Partners LP, a limited partnership registered under the Limited Partnership Act, 1907 of England and Wales. GLG Partners (Cayman) Limited acted as the manager of GLG Ltd.
9. Prior to June 2014, the manager of GLG Emerging Markets Income Fund as well as the manager and the portfolio manager of GLG Ltd.

were indirectly wholly-owned subsidiaries of Man Group plc. (**Man**).

10. On October 28, 2014, the Manager announced that GLG Ltd. will be liquidated and, as a result, the forward agreement entered into by GLG Emerging Markets Income Fund was settled on November 18, 2014. GLG Emerging Markets Income Fund is currently invested in cash.

EM Income Fund

11. EM Income Fund is a commodity pool structured as an open-end investment trust established under the laws of the Province of Ontario on May 18, 2012 and its head office is located at 1 Toronto Street, Suite 200, Toronto, Ontario.
12. The beneficial interest in the net assets of EM Income Fund is divided into trust units of 11 classes of which only Class L Units, Class M Units, Class N Units and Class O Units are issued and outstanding.
13. As at December 8, 2014, the NAV of the Class L Units of EM Income Fund was \$3,899,603 and the NAV per Class L Unit was \$6.97, the NAV of the Class M Units of EM Income Fund was \$1,308,632 and the NAV per Class M Unit was \$7.26, the NAV of the Class N Units of EM Income Fund was \$2,232,986 and the NAV per Class N Unit was \$8.10 and the NAV of the Class O Unit of EM Income Fund was \$155,914 and the NAV per Class O Unit was \$8.42.
14. EM Income Fund was created to provide exposure to an actively managed, liquid and diversified portfolio of securities and other instruments across various asset classes primarily within global emerging markets (the **EM Portfolio**).
15. EM Income Fund obtained economic exposure to the EM Portfolio through a forward agreement, as the EM Portfolio was held by GLG Emerging Markets Income Portfolio II Ltd. (**GLG II Ltd.**), an exempted company with limited liability in the Cayman Islands.
16. The EM Portfolio was actively managed by GLG Partners LP. GLG Partners (Cayman) Limited acted as the manager of GLG II Ltd.
17. Prior to June 2014, the manager of EM Income Fund as well as the manager and the portfolio manager of GLG II Ltd. were indirectly wholly-owned subsidiaries of Man.
18. On October 28, 2014, the Manager announced that GLG II Ltd. will be liquidated and, as a result, the forward agreement entered into by EM Income Fund was settled on November 3, 2014. EM Income Fund is currently invested in cash.

The Continuing Fund

19. The Continuing Fund is an open-ended mutual fund established under the laws of the Province of Ontario on December 1, 2014 and its head office is located at 1 Toronto Street, Suite 200, Toronto, Ontario.
20. The beneficial interest in the net assets of the Continuing Fund is divided into Class A Units, Class A1 Units, Class F Units and Class F1 Units.
21. The Continuing Fund seeks to achieve uncorrelated returns to the market for its investors over the long term by simultaneously writing and buying options on the same underlying interests (such as options on indices and exchange-traded funds) with the expectation of earning a positive return from changes in the values of the options as they approach expiration.
22. Securities of the Continuing Fund are currently qualified for sale by a simplified prospectus, an annual information form and fund facts documents dated December 1, 2014.

The Funds

23. Each of the Funds is a reporting issuer in each province and territory of Canada.
24. Neither the Filer nor any of the Funds is in default under the securities legislation in any province or territory of Canada.

The Merger

25. The Filer proposes to effect the Merger on or about the Merger Effective Date subject to the required unitholder approvals.
26. On December 3, 2014, the quorum requirements for the special meeting of unitholders of each Terminating Fund, at which unitholders were to consider the Merger, were not met and, as a result, the meetings were adjourned to December 17, 2014. At the adjourned Meeting, the unitholders then present in person or represented by proxy shall constitute quorum.
27. Unitholders of the Terminating Funds will be asked to approve the Merger at the Meeting.
28. Pursuant to National Instrument 81-107 – *Independent Review Committee for Investment Funds*, the IRC reviewed the Merger, and advised the Filer that, in the IRC's opinion, having reviewed the Merger as a potential conflict of interest, following the process proposed, the Merger, if approved by unitholders, would achieve a fair and reasonable result for the unitholders of the relevant Fund.

29. No sales charges will be payable by unitholders of the Terminating Funds in connection with the Merger and no redemption fee will be payable with respect to the Class A1 Units and Class F1 Units received by unitholders of the Terminating Funds as a result of the Merger.
30. If an affirmative vote of unitholders of the Terminating Funds and regulatory approval is received, the Terminating Funds will merge into the Continuing Fund on or about the close of business on the Merger Effective Date. If unitholder or regulatory approval for the Merger is not received, the Terminating Funds will be terminated.
31. The management fees of each applicable class of the Continuing Fund will be lower than the management and administrative fees of the corresponding class of the Terminating Funds.
32. The Merger will not constitute a material change for the Continuing Fund.

Merger Steps

33. Pursuant to the Merger:
 - a. holders of Class A Units of GLG Emerging Markets Income Fund will receive Class A1 Units of the Continuing Fund;
 - b. holders of Class F Units of GLG Emerging Markets Income Fund will receive Class F1 Units of the Continuing Fund;
 - c. holders of Class L Units and Class N Units of the EM Income Fund will receive Class A1 Units of the Continuing Fund; and
 - d. holders of Class M Units and Class O Units of the EM Income Fund will receive Class F1 Units of the Continuing Fund.
34. The Terminating Funds are currently holding cash and will continue to hold cash until the Merger Effective Date. Accordingly, the Continuing Fund will acquire cash on the Merger.
35. Following the Merger, the Continuing Fund will continue as a publicly offered open-end mutual fund and the Terminating Funds will be wound up as soon as reasonably practicable.
36. The Filer will be responsible for all costs associated with the Merger.

Unitholder Disclosure

37. The Circular was mailed to unitholders of the Terminating Funds on November 12, 2014 and filed on SEDAR in accordance with applicable securities legislation.
38. The Circular includes a summary of the IRC approval, information about the differences in the investment objectives of the Continuing Fund and each of the Terminating Funds, including that the investment objective of the Continuing Fund is not substantially similar to the investment objectives of the Terminating Funds, and the fact that the Merger will be effected on a taxable basis. Accordingly, unitholders will have an opportunity to consider this information prior to voting on the Merger at the Meeting.
39. The material sent to securityholders of the Terminating Funds did not include a fund facts document of the Continuing Fund, since the Continuing Fund had not filed a fund facts document at the time the Circular was mailed. However, the Circular contained prospectus level disclosure about the Continuing Fund.
- b. unitholders of the Terminating Funds will be subject to lower management fees as the management fees on the Class A1 Units and Class F1 Units of the Continuing Fund are lower than the management fees currently charged by the Terminating Funds on corresponding classes of units;
- c. the units of the Continuing Fund are redeemable daily at a price based on the net asset value per unit; and
- d. the Continuing Fund, as a result of its greater size, may benefit from its larger profile in the marketplace.
42. The Filer also believes that unitholders will benefit from the investment objective of the Continuing Fund, which is to seek to achieve uncorrelated returns to the market for its investors over the long term by simultaneously writing and buying options on the same underlying interests (such as options on indices and exchange traded funds) with the expectation of earning a positive return from changes in the values of the options as they approach expiration.

Reasons for Merger Approval

40. The Filer requires Merger Approval and cannot rely on subsection 5.6(1) of NI 81-102 for the following reasons:
- a. a reasonable person would not consider the Continuing Fund to have substantially similar investment objectives, valuation procedures and fee structure as the Terminating Funds;
- b. the Merger will not be a “qualifying exchange” or a tax deferred transaction within the meaning of the Tax Act;
- c. the fund facts document of the Continuing Fund was not sent to unitholders of the Terminating Funds; and
- d. unitholders of GLG Emerging Markets Income Fund will not have the right to redeem their units at a price equal to their net asset value per security prior to the Merger Effective Date.
41. The Filer believes that the Merger will be beneficial to unitholders of the Funds for the following reasons:
- a. unitholders of the Terminating Funds and the Continuing Fund will enjoy increased economies of scale and lower fund operating expenses (which are borne
43. The Merger will not be effected on a tax-deferred “rollover” basis to unitholders of the Terminating Funds. However, the Filer expects that unitholders of the Terminating Funds who have held units from inception would not have benefited from a tax-deferred rollover as they generally would realize a loss rather than a gain on a taxable disposition of their units on a redemption in exchange for units of the Continuing Fund.
44. The unitholders of GLG Emerging Markets Income Fund will not have the right to redeem their units at a price equal to their net asset value per security prior to the Merger Effective Date. However, the Filer believes that an additional redemption right is not necessary, since the Continuing Fund is redeemable daily at a price based on the net asset value per unit and no redemption fee will be payable with respect to the Class A1 Units and Class F1 Units received by unitholders of GLG Emerging Markets Income Fund as a result of the Merger.

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 Merger Approval is granted, provided that the Filer obtains the prior approval of the unitholders of the

Terminating Funds for the Merger at the Meeting, or any adjournments thereof.

“Darren McKall”
Manager, Investment Funds and Structured Products
Ontario Securities Commission

2.1.3 American Hotel Income Properties REIT LP

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 51-102 Continuous Disclosure Obligations, s. 13.1 – business acquisition report – the applicant requires relief from the requirement to file a business acquisition report – the acquisition is insignificant applying the asset and investment tests but applying the profit or loss test produces an anomalous results because the significance of the acquisition under this test is disproportionate to its significance on an objective basis in comparison to the results of the other significance tests and all other business, commercial, financial and practical factors – the applicant has provided additional measures that demonstrate the insignificance of the property to the applicant and that are generally consistent with the results when applying the asset and investment tests.

Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations, s. 13.1.

December 30, 2014

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

AND

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

AND

**IN THE MATTER OF
AMERICAN HOTEL INCOME PROPERTIES REIT LP
(the Filer)**

DECISION

Background

1 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) granting relief from the requirement in Part 8 of National Instrument 51-102 *Continuous Disclosure Obligations* (NI 51-102) to file a business acquisition report (BAR) in connection with the Filer's acquisition of a portfolio of three hotel properties in Amarillo, Texas (the Texas Portfolio), which was completed on October 27, 2014 (the Exemption Sought).

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

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

Interpretation

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

Representations

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

The Filer

1. the Filer is an Ontario limited partnership established under the laws of the Province of Ontario pursuant to a declaration of limited partnership and its head office is located in Vancouver, British Columbia;
2. the Filer is a reporting issuer under the securities legislation of each of the provinces and territories of Canada;
3. the limited partnership units of the Filer are listed and posted for trading on the Toronto Stock Exchange under the trading symbol "HOT.UN";
4. the Filer is not in default of securities legislation in any jurisdiction;
5. the Filer completed its initial public offering (the IPO) on February 20, 2013, pursuant to a final long form prospectus dated February 12, 2013 (the IPO Prospectus), of 9,570,000 Units (as defined in the IPO Prospectus), inclusive of 870,000 Units issued pursuant to a partial exercise of the over-allotment option, for total gross proceeds of Cdn\$95,700,000;
6. on March 1, 2013, the remaining balance of the over-allotment option associated with the IPO was exercised, resulting in the issuance of an additional 435,000 Units, for additional gross proceeds of Cdn\$4,350,000;
7. the net proceeds of the IPO were used by the Filer to, among other things, acquire a portfolio of 32 hotel properties located in 19 U.S. states;
8. the Filer closed a public offering (the October 2013 Offering) on October 31, 2013, pursuant to a short form prospectus dated October 24, 2013 (the October 2013 Prospectus) of 3,967,500 Subscription Receipts (as defined in the October 2013 Prospectus), inclusive of 517,500 Subscription Receipts issued pursuant to a partial exercise of the over-allotment option, for total gross proceeds of Cdn\$40,300,000;
9. the net proceeds of the October 2013 Offering were used by the Filer to, among other things, acquire: (i) a portfolio of four hotel properties located in metropolitan Pittsburgh, Pennsylvania; and (ii) a portfolio of four hotel properties located in Virginia;
10. the Filer closed a public offering (the June 2014 Offering) on June 4, 2014, pursuant to a short form prospectus dated May 29, 2014 (the May 2014 Prospectus), of 4,900,000 Offered Units (as defined in the May 2014 Prospectus), inclusive of 552,000 Offered Units issued pursuant to a partial exercise of the over-allotment option, for total gross proceeds of Cdn\$50,715,000;
11. the net proceeds of the June 2014 Offering were used by the Filer to, among other things, acquire: (i) a portfolio of four hotel properties located in North Carolina and Georgia; and (ii) the Texas Portfolio;

The Acquisition

12. on October 27, 2014 the Filer acquired the Texas Portfolio for a total gross purchase price of approximately USD\$31.4 million pursuant to a purchase and sale agreement entered into by a direct subsidiary of the Filer;
13. the acquisition of the Texas Portfolio constitutes a "significant acquisition" of the Filer for purposes of Part 8 of NI 51-102, requiring the Filer to file a BAR within 75 days of the acquisition pursuant to section 8.2(1) of NI 51-102;

Significance Tests for the BAR

14. under Part 8 of NI 51-102, the Filer is required to file a BAR for any completed acquisition that is determined to be significant based on the acquisition satisfying any of the three significance tests set out in section 8.3(2) of NI 51-102;
15. the acquisition of the Texas Portfolio is not a significant acquisition under the asset test in section 8.3(2) of NI 51-102 as the value of the Texas Portfolio represented only approximately 13.3% of the consolidated assets of the Filer as of December 31, 2013;

Decisions, Orders and Rulings

16. the acquisition of the Texas Portfolio is not a significant acquisition under the investment test in section 8.3(2) of NI 51-102 as the Filer's acquisition costs represented only approximately 13.3% of the consolidated assets of the Filer as of December 31, 2013;
17. the acquisition of the Texas Portfolio would, however, be a significant acquisition under the profit or loss test in section 8.3(2) of NI 51-102; in particular, the Filer's proportionate share of the consolidated specified profit or loss of the Texas Portfolio exceeds 20% of the consolidated specified profit or loss of the Filer calculated using the audited annual financial statements of the Filer and unaudited annual financial information for the Texas Portfolio, in each case, for the year ended December 31, 2013;
18. the application of the profit or loss test produces an anomalous result for the Filer because it exaggerates the significance of the Acquisition out of proportion to its significance on an objective basis in comparison to the results of the asset test and investment test;

De Minimis Acquisition

19. the Filer does not believe (nor did it at the time that it made the acquisition) that the acquisition of the Texas Portfolio is significant to it from a commercial, business, practical or financial perspective; and
20. the Filer has provided the principal regulator with additional measures that demonstrate the non-significance of the acquisition of the Texas Portfolio to the Filer, and the additional measures are generally consistent with the results of the asset test and the investment test.

Decision

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

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

"Peter J. Brady"
Director, Corporate Finance
British Columbia Securities Commission

2.2 Orders

2.2.1 Ground Wealth Inc. et al.

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

AND

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

AND

**IN THE MATTER OF
A SETTLEMENT AGREEMENT BETWEEN
STAFF OF THE ONTARIO SECURITIES COMMISSION
and GROUND WEALTH INC., MICHELLE DUNK,
DOUGLAS DEBOER and JOEL WEBSTER**

ORDER

WHEREAS on February 1, 2013, the Commission issued a Notice of Hearing pursuant to section 127 of the *Securities Act* (the "Act") in respect of Ground Wealth Inc. ("GWI"), Michelle Dunk ("Dunk"), Adrion Smith ("Smith"), Joel Webster ("Webster"), Douglas DeBoer ("DeBoer"), Armadillo Energy Inc. ("Armadillo Texas"), Armadillo Energy, Inc. ("Armadillo Nevada") and Armadillo Energy, LLC ("Armadillo Oklahoma") (collectively, the "Respondents");

AND WHEREAS on October 31, 2013, Staff of the Commission filed an Amended Statement of Allegations;

AND WHEREAS on October 31, 2013, Staff of the Commission filed an Amended Notice of Hearing;

AND WHEREAS the GWI, Dunk and DeBoer (collectively, the "Settling Respondents") entered into a Settlement Agreement dated January 5, 2015 (the "Settlement Agreement"), in relation to the matters set out in the Amended Statement of Allegations;

AND WHEREAS the Commission issued a Notice of Hearing dated January 5, 2015, setting out that it proposed to consider the Settlement Agreement;

UPON reviewing the Settlement Agreement, the Notice of Hearing and the Amended Statement of Allegations, and upon considering submissions from the Respondents through their counsel and from Staff of 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:

1. that the Settlement Agreement is hereby approved;
2. that, pursuant to s. 127(1)2 and s. 127(1)2.1 of the Act, trading and acquisition of any securities by GWI shall cease permanently;
3. that, pursuant to s. 127(1)2 and s. 127(1)2.1 of the Act, trading and acquisition of any securities by Dunk shall cease for a period of 8 years from the date of the approval of the Settlement Agreement, except that, following full payment of the administrative penalty and costs orders made against her as a result of this Settlement Agreement, Dunk shall be permitted to trade and acquire securities through a registrant for personal purposes in her own account, provided that she is not engaging in or holding herself out as engaging in the business of trading in securities, and provided Dunk first notifies the registrant of these conditions by delivering to the registrant a copy of this order;
4. that, pursuant to s. 127(1)2 and s. 127(1)2.1 of the Act, trading and acquisition of any securities by DeBoer shall cease for a period of 5 years from the date of the approval of the Settlement Agreement, except that, following full payment of the administrative penalty and costs orders made against him as a result of this Settlement Agreement, DeBoer shall be permitted to trade and acquire securities through a registrant for personal purposes in his own account, provided that he is not engaging in or holding himself out as engaging in the business of trading in securities, and provided DeBoer first notifies the registrant of these conditions by delivering to the registrant a copy of this order;
5. that, pursuant to s. 127(1)2 and s. 127(1)2.1 of the Act, trading and acquisition of any securities by Webster shall cease for a period of 2.5 years from the date of the approval of the Settlement Agreement, except that, following full payment of the administrative penalty and costs orders made against him as a result of this Settlement Agreement, Webster shall be permitted to trade and acquire securities through a registrant for personal purposes in his own account, provided that he is not engaging in or holding himself out as engaging in the business of trading in securities, and provided Webster first notifies the registrant of these conditions by delivering to the registrant a copy of this order;
6. that, pursuant to s. 127(1)3 of the Act, any exemptions contained in Ontario securities law do not apply to GWI permanently;
7. that, pursuant to s. 127(1)6 of the Act, the GWI, Dunk, DeBoer and Webster are reprimanded;

8. that, pursuant to s. 127(1)8.5 of the Act, GWI is prohibited permanently from becoming or acting as a registrant, an investment fund manager or a promoter;
9. that, pursuant to s. 127(1)8.5 of the Act, Dunk is prohibited for a period of 8 years from becoming or acting as a registrant, an investment fund manager or a promoter;
10. that, pursuant to s. 127(1)8.5 of the Act, DeBoer is prohibited for a period of 5 years from becoming or acting as a registrant, an investment fund manager or a promoter;
11. that, pursuant to s. 127(1)8.5 of the Act, Webster is prohibited for a period of 2.5 years from becoming or acting as a registrant, an investment fund manager or a promoter;
12. that, pursuant to s. 127(1)8 Dunk is prohibited for a period of 8 years from becoming or acting as a director or officer of any issuer;
13. that, pursuant to s. 127(1)8 DeBoer is prohibited for a period of 5 years from becoming or acting as a director or officer of any issuer;
14. that, pursuant to s. 127(1)8.2, 127(1)8.3 and 127(1)8.4 of the Act, Dunk is prohibited for a period of 8 years from becoming or acting as an officer or director of a registrant or investment fund manager;
15. that, pursuant to s. 127(1)8.2, 127(1)8.3 and 127(1)8.4 of the Act, DeBoer is prohibited for a period of 5 years from becoming or acting as an officer or director of a registrant or investment fund manager;
16. that, pursuant to s. 127(1)8.2, 127(1)8.3 and 127(1)8.4 of the Act, Webster is prohibited for a period of 2.5 years from becoming or acting as an officer or director of a registrant or investment fund manager;
17. that, pursuant to s. 127(1)9 of the Act, Dunk shall pay an administrative penalty of \$50,000 for her breaches of Ontario securities law in this matter, to be allocated under section 3.4(2)(b) to or for the benefit of third parties, or for use by the Commission for the purpose of educating investors or promoting or otherwise enhancing knowledge and information of persons regarding the operation of the securities and financial markets;
18. that, pursuant to s. 127(1)9 of the Act, DeBoer shall pay an administrative penalty of \$50,000 for his breaches of Ontario securities law in this matter, to be allocated under section 3.4(2)(b) to or for the benefit of third parties, or for use by the Commission for the purpose of educating investors or promoting or otherwise enhancing knowledge and information of persons regarding the operation of the securities and financial markets;
19. that, pursuant to s. 127(1)9 of the Act, Webster shall pay an administrative penalty of \$3,500 for his breaches of Ontario securities law in this matter, to be allocated under section 3.4(2)(b) to or for the benefit of third parties, or for use by the Commission for the purpose of educating investors or promoting or otherwise enhancing knowledge and information of persons regarding the operation of the securities and financial markets;
20. that, pursuant to s. 127(1)10 of the Act, GWI shall disgorge to the Commission the amount of \$1,300,000, obtained as a result of its breaches of Ontario securities law in this matter;
21. that, pursuant to s. 127.1(1) of the Act, Dunk shall pay \$7,500 as investigation costs in this matter; and,
22. that, pursuant to s. 127.1(1) of the Act, DeBoer shall pay \$7,500 as investigation costs in this matter.

DATED at Toronto this 6th day of January, 2015.

“Mary G. Condon”

2.2.2 Ground Wealth Inc. et al.

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

AND

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

ORDER

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1. the Merits Hearing shall proceed on the following schedule (the "April 30 Schedule"):

Staff shall serve and file evidence briefs by May 16, 2014 at 4:00 p.m.;

 - a. counsel to GWI, Dunk, DeBoer and Webster shall advise Staff by June 6, 2014 if he intends to examine any of his former clients in this matter;
 - b. the Respondents shall serve and file evidence briefs by June 27, 2014 at 4:00 p.m.;
 - c. Staff shall serve and file any evidence brief in reply by July 9, 2014 at 4:00 p.m.;

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

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

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

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

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

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

AND WHEREAS on July 8, 2014, the Commission ordered that the parties shall appear for a status update hearing on July 16, 2014 at 2:00 p.m., and that the April 30 Schedule is suspended pending the status update on July 16, 2014;

AND WHEREAS on July 16, 2014, after hearing the submissions of Staff and counsel for Dunk, DeBoer, GWI and Webster, the Commission deferred scheduling *viva voce* evidence until such time as the Panel was available and advised the parties that it would provide dates in the near future;

AND WHEREAS the Office of the Secretary corresponded with Staff and counsel for Dunk, DeBoer, GWI and Webster about the dates that the Panel was available to hear *viva voce* evidence;

AND WHEREAS Armadillo Texas, Armadillo Nevada and Smith were provided with an opportunity to object to the proposed dates of the Panel in January and February, 2015 for *viva voce* evidence, and did not do so;

AND WHEREAS on August 8, 2014, the Commission ordered that *viva voce* evidence shall take place over 10 days commencing on January 26, 2015 and continuing on January 28 to 30, February 2 to 6 and February 9, 2015;

AND WHEREAS on January 5, 2015, the Commission issued a Notice of Hearing indicating that a hearing would be held to consider whether it was in the public interest to approve a Settlement Agreement between Staff and GWI, Dunk, DeBoer and Webster (the "Settling Respondents" and the "January 2015 Settlement Agreement", respectively);

AND WHEREAS on January 6, 2015, a hearing was held and the January 2015 Settlement Agreement was approved;

AND WHEREAS Staff wrote to the Commission on January 6, 2015, advising that in light of the January 2015 Settlement, the issues raised by the materials filed by the Settling Respondents were no longer relevant and the oral hearing dates were no longer required;

AND WHEREAS the Commission noted that Smith, Armadillo Texas, Armadillo Nevada and Armadillo Oklahoma (the "Non-Settling Respondents") filed no evidence in accordance with the April 30 Schedule and have not participated in the written hearing in any manner;

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

IT IS HEREBY ORDERED THAT:

1. The oral hearing dates scheduled to commence on January 26, 2015, are hereby vacated and the hearing in writing shall continue on the following schedule:
 - a. The Non-Settling Respondents and Staff shall file any further or supplementary evidence briefs by January 26, 2015, at 4:00 pm;

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- b. Staff shall serve and file its written submissions by February 20, 2015, at 4:00 p.m.;
- c. the Non-Settling Respondents shall serve and file their written submissions by March 20, 2015, at 4:00 p.m.; and
- d. Staff shall serve and file any written submissions in reply by April 3, 2015, at 4:00 p.m.

DATED at Toronto this 7th day of January, 2015.

“Christopher Portner”

2.2.3 Heritage Education Funds Inc.

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

AND

IN THE MATTER OF
HERITAGE EDUCATION FUNDS INC.

ORDER

WHEREAS on January 8, 2015, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") in relation to the Statement of Allegations filed by Staff of the Commission ("Staff") on January 6, 2015 with respect to Heritage Education Funds Inc. ("HEFI");

AND WHEREAS HEFI entered into a Settlement Agreement with Staff dated January 6, 2015 (the "Settlement Agreement") in relation to the matters set out in the Statement of Allegations;

AND WHEREAS the Settlement Agreement sets out that on August 13, 2012, the Commission issued a temporary section 127 order with HEFI's consent, which imposed terms and conditions ("Terms and Conditions") on HEFI's registration;

AND WHEREAS the Settlement Agreement acknowledges HEFI's co-operation with Staff and sets out the costs incurred by HEFI in retaining an independent consultant (the "Consultant") to prepare and assist HEFI in implementing a plan to strengthen HEFI's "compliance system" within the meaning of section 11.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*;

AND WHEREAS the Settlement Agreement sets out that a manager in the Compliance and Registrant Regulation Branch of the Commission (the "OSC Manager") approved the Consultant's plan dated October 12, 2012 (the "Consultant's Plan") and the addendums to the Consultant's plan dated December 17, 2012, January 22, 2013, and October 1, 2013 (the "Addendums") and that the OSC Manager reviewed the progress reports detailing HEFI's progress with respect to the implementation of the Consultant's Plan and the Addendums as revised by various progress reports;

AND WHEREAS the Settlement Agreement sets out that the Consultant confirmed by letter dated April 21, 2014 that HEFI has implemented the procedures and controls recommended by the Consultant to address each of the deficiencies identified in the compliance review report dated June 14, 2012 and to strengthen HEFI's compliance system and that the Consultant has tested the implementation of the recommendations in the Amended Consultant's Plan and it is working effectively;

AND WHEREAS the Commission issued a Notice of Hearing dated January 8, 2015, setting out that it proposed to consider the Settlement Agreement;

AND UPON reviewing the Settlement Agreement, the Notice of Hearing, the Statement of Allegations and upon considering submissions from HEFI's counsel and from Staff of 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) this Settlement Agreement is approved;
- (b) pursuant to clause 4 of subsection 127(1) of the Act, no later than March 12, 2016, HEFI will provide the OSC Manager as defined in the Terms and Conditions with a report by the Consultant, based on a work plan to be agreed upon jointly by HEFI, the Consultant and the OSC Manager by no later than February 23, 2015, which reports on whether the revised policies and procedures and internal controls set out in the Consultant's Plan and the Addendums as well as any subsequent revisions thereto are:
 - (i) being followed by HEFI;
 - (ii) working appropriately; and
 - (iii) being adequately administered and enforced by HEFI, such report to include a description of the Consultant's testing to support its conclusions for the 12 month period ending January 12, 2016; and
- (c) pursuant to clause 6 of subsection 127(1) of the Act, HEFI is reprimanded by the Commission.

DATED at Toronto, Ontario this 12th day of January, 2015

"Christopher Portner"

2.2.4 A25 Gold Producers Corp. et al.

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

AND

IN THE MATTER OF
A25 GOLD PRODUCERS CORP., DAVID AMAR,
JAMES STUART ADAMS and AVI AMAR

ORDER

WHEREAS on December 19, 2013, the Ontario Securities Commission (“the Commission”) issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”) in connection with a Statement of Allegations filed by Staff of the Commission (“Staff”) on December 18, 2013 with respect to A25 Gold Producers Corp., David Amar, James Stuart Adams, and Avi Amar (collectively, the “Respondents”);

AND WHEREAS the Notice of Hearing set a hearing in this matter for January 16, 2014;

AND WHEREAS on January 16, 2014, Staff and counsel for the Respondents appeared before the Commission;

AND WHEREAS on January 16, 2014, the Commission ordered that a pre-hearing conference take place on February 28, 2014 at 9:00 a.m.;

AND WHEREAS on February 28, 2014, Staff and counsel to the Respondents appeared and made submissions before the Commission;

AND WHEREAS on February 28, 2014, the Commission ordered:

- (a) a pre-hearing conference shall take place on April 1, 2014 at 9:00 a.m.; and
- (b) the hearing on the merits in this matter shall commence on October 20, 2014 at 10:00 a.m. and shall continue on October 22, 23, and 24, 2014.

AND WHEREAS on April 1, 2014, Staff and counsel to the Respondents appeared and made submissions before the Commission;

AND WHEREAS on April 1, 2014, the Commission ordered:

- (a) the hearing dates of October 20, 22, 23, and 24, 2014 be vacated;
- (b) Staff shall provide Staff’s hearing brief, will-say statements and witness list to the Respondents by July 11, 2014;

(c) The Respondents shall provide their hearing briefs, will-say statements and witness lists to Staff by September 11, 2014

(d) a pre-hearing conference shall take place on October 20, 2014 at 10:00 a.m.; and

(e) the hearing on the merits in this matter shall commence on November 17, 2014 at 10:00 a.m. and shall continue on November 19, 20, 21, 24, 25, 26, 27, and 28, 2014.

AND WHEREAS on September 24, 2014, Staff and the agent for counsel to the Respondents appeared for a pre-hearing conference before the Commission and the agent for counsel to the Respondents brought a motion to adjourn the hearing;

AND WHEREAS on September 24, 2014, the Commission ordered:

- (a) the pre-hearing conference date of October 20, 2014 be vacated;
- (b) the hearing dates of November 17, 19, 20, 21, 24, 25, 26, 27, and 28, 2014 be vacated;
- (c) The Respondents shall provide their hearing briefs, will-say statements and witness lists to Staff by November 14, 2014; and
- (d) the hearing on the merits in this matter shall commence on January 19, 2015 at 10:00 a.m. and shall continue on January 20, 21, 22, 23, 26, 28, 29 and 30, 2015.

AND WHEREAS on November 27, 2014, Staff and the agent for counsel to the Respondents appeared for a pre-hearing conference before the Commission and the agent for counsel to the Respondents brought a motion to adjourn the hearing;

AND WHEREAS on November 27, 2014, the Commission ordered:

- (a) the hearing dates of January 19, 20, 21, 22, 23, 26, 28, 29 and 30, 2015 be vacated;
- (b) The Respondents shall provide their hearing briefs, will-say statements and witness lists to Staff by January 15, 2015; and
- (c) the hearing on the merits in this matter shall commence on February 25, 2015 at 10:00 a.m., on a peremptory basis with respect to the Respondents, and shall

continue on February 26, 27, March 5, 6, 9, 10, 11, 12, and 13, 2015.

AND WHEREAS on January 12, 2015, Staff and Respondents' counsel appeared for a pre-hearing conference via teleconference before the Commission;

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

IT IS ORDERED that:

- (a) the hearing dates of February 25 and 26, 2015 are vacated; and
- (b) the hearing on the merits in this matter shall commence at 9:30 a.m. on February 27, 2015.

DATED at Toronto this 12th day of January, 2015.

"Alan Lenczner"

2.2.5 Hollinger Inc. et al.

Note: This order was inadvertently not published in the Bulletin at the time of issuance by the Commission in March 2006 and has been published at a later date to correct this oversight.

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

AND

**IN THE MATTER OF
HOLLINGER INC., CONRAD M. BLACK, F. DAVID RADLER,
JOHN A. BOULTBEE, AND PETER Y. ATKINSON**

ORDER

WHEREAS on March 18, 2005, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") accompanied by a Statement of Allegations issued by Staff of the Commission ("Staff") with respect to Hollinger Inc. ("Hollinger"), Conrad M. Black ("Black"), F. David Radler ("Radler"), John A. Boulton ("Boulton") and Peter Y. Atkinson ("Atkinson") (collectively, the "Respondents");

AND WHEREAS the matter was set down for a hearing to commence on Wednesday, May 18, 2005;

AND WHEREAS the Commission granted a request for adjournment of this proceeding on consent of Staff and counsel for the Respondents from Wednesday, May 18, 2005 to Monday, June 27, 2005 in its Order dated May 10, 2005;

AND WHEREAS on June 27, 2005, the Commission granted a further request for adjournment of this proceeding on consent of Staff and counsel for the Respondents from Monday, June 27, 2005 to Tuesday, October 11, 2005 in its Order dated June 27, 2005;

AND WHEREAS the Commission held a contested hearing on October 11 and November 16, 2005, to determine the appropriate date for a hearing on the merits of the above matter;

AND WHEREAS on January 24, 2006, the Commission issued its Reasons and Order setting down the matter for a hearing on the merits commencing June 2007, subject to each of the individual respondents agreeing to execute an Undertaking to the Commission to abide by interim terms of a protective nature within 30 days of that Decision;

AND WHEREAS since the Reasons and Order dated January 24, 2006, all the individual respondents have provided Undertakings in a form satisfactory to the Commission which are attached to this Order;

IT IS ORDERED THAT:

1. This matter is set down peremptorily for a hearing on the merits commencing on Friday, June 1, 2007 at 9:30 a.m., or as soon thereafter as may be fixed by the Secretary to the Commission and agreed to by the parties, for as many consecutive days as possible thereafter to conclude the hearing, including final arguments; and
2. A pre-hearing conference shall take place no later than September 1, 2006, or as soon thereafter on a date fixed by the Secretary to the Commission and agreed to by the parties, to set down a schedule for the hearing on the merits.

DATED at Toronto this 30th day of March, 2006.

"Susan Wolburgh Jenah"
Susan Wolburgh Jenah

"M. Theresa McLeod"
M. Theresa McLeod

"Robert W. Davis"
Robert W. Davis

**IN THE MATTER OF
HOLLINGER INC., CONRAD M. BLACK,
R. DAVID RADLER, JOHN A. BOULTBEE,
AND PETER Y. ATKINSON**

**UNDERTAKING TO THE
ONTARIO SECURITIES COMMISSION**

I, Conrad M. Black, am a Respondent to a Notice of Hearing dated March 18, 2005 (the "Notice of Hearing") issued by the Ontario Securities Commission. I undertake to the Ontario Securities Commission (the "Commission"), that pending the Commission's final decision on liability and sanctions in the proceeding commenced by the Notice of Hearing against me, or an Order of the Commission releasing me from this undertaking or aspects of the undertaking following an application made by me, I agree to refrain from:

- A. (i) acting or becoming an officer or director of a "reporting issuer" or "affiliated company" of a reporting issuer, as these terms are defined in the *Securities Act* (Ontario) (the "Act"), and in particular, subsections 1(1) and 1(1.1) of the Act, respectively, with the exception that I am permitted to act as an officer or director of Conrad Black Capital Corporation during the time in which The Ravelston Corporation Limited, Ravelston Management Inc., Argus Corporation Limited, 509643 N.B. Inc., 509644 N.B. Inc., 509645 N.B. Inc., 509646 N.B. Inc. and 509647 N.B. Inc. (the "Companies") are subject to receivership pursuant to the Receivership Orders made by the Honourable Mr. Justice Farley dated April 20, 2005 and May 18, 2005;
- (ii) applying to become a "registrant" or from being an employee, director or officer of a registrant or an affiliated company of a registrant, as that term is defined in the Act; and

(iii) engaging directly or indirectly in the solicitation of investment funds from the general public; and

B. I will notify forthwith, in writing, the Secretary's Office, OSC counsel and counsel for the Respondents in the event that there is any change in Mr. Greenspan's schedule in relation to the trials referred to in Mr. White's affidavit sworn October 28, 2005.

Dennis Buccajow

Witness

Date: *24/2/06*

Conrad M. Black

Conrad M. Black

Date: *24/02/06*

Acknowledged as Received by,

John Stevenson for

John Stevenson, Secretary to the
Ontario Securities Commission



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

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TDX 78
CDS-OSC

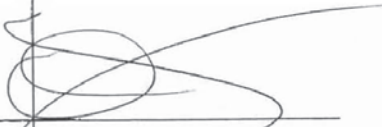
**IN THE MATTER OF HOLLINGER INC.,
CONRAD M. BLACK, R. DAVID RADLER,
JOHN A. BOULTBEE, AND PETER Y. ATKINSON**

**UNDERTAKING TO THE
ONTARIO SECURITIES COMMISSION**


I, R. David Radler, am a Respondent to a Notice of Hearing dated March 18, 2005 (the "Notice of Hearing") issued by the Ontario Securities Commission. I undertake to the Ontario Securities Commission (the "Commission"), that pending the Commission's final decision on liability and sanctions in the proceeding commenced by the Notice of Hearing against me, or an Order of the Commission releasing me from this undertaking or aspects of the undertaking, I agree to refrain from:

- (i) acting or becoming an officer or director of a "reporting issuer" or "affiliated company" of a reporting issuer, as these terms are defined in the *Securities Act* (Ontario) (the "Act"), and in particular, subsections 1(1) and 1(1.1) of the Act, respectively;
- (ii) applying to become a "registrant" or from being an employee, director or officer of a registrant or an affiliated company of a registrant, as that term is defined in the Act; and

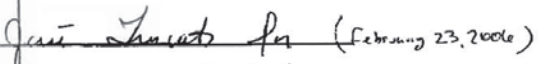
(iii) engaging directly or indirectly in the solicitation of investment funds from the general public.



Witness
Date: Feb 2/06



R. David Radler
Date:

Acknowledged as Received by,


John Stevenson, Secretary to the
Ontario Securities Commission

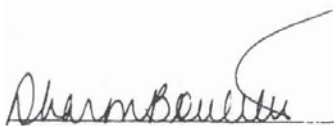
IN THE MATTER OF
HOLLINGER INC., CONRAD M. BLACK,
R. DAVID RADLER, JOHN A. BOULTBEE,
AND PETER Y. ATKINSON

UNDERTAKING TO THE
ONTARIO SECURITIES COMMISSION

I, John A. Boultee, am a Respondent to a Notice of Hearing dated March 18, 2005 (the "Notice of Hearing") issued by the Ontario Securities Commission. I undertake to the Ontario Securities Commission (the "Commission"), that pending the Commission's final decision on liability and sanctions in this proceeding commenced by the Notice of Hearing against me, or an Order of the Commission releasing me from this undertaking or aspects of the undertaking, I agree to refrain from:

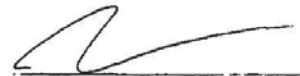
- (i) acting or becoming an officer or director of a "reporting issuer" or "affiliated company" of a reporting issuer, as these terms are defined in the *Securities Act* (Ontario) (the "Act"), and in particular, subsections 1(1) and 1(1.1) of the Act, respectively;
- (ii) applying to become a "registrant" or from being a director or officer of a registrant or an affiliated company of a registrant, as that term is defined in the Act;
- (iii) becoming an employee of a registrant or an affiliated company of a registrant, as this term is defined in the Act, without first notifying OSC Staff and seeking Commission approval of same; and

(iv) engaging directly or indirectly in the solicitation of investment funds from the general public.



Witness

Date: *March 15, 2006*



John A. Boulton

Date: March 7, 2006

Acknowledged as Received by,

John Stevenson, Secretary to the
Ontario Securities Commission



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

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**IN THE MATTER OF
HOLLINGER INC., CONRAD M. BLACK,
R. DAVID RADLER, JOHN A. BOULTBEE,
AND PETER Y. ATKINSON**

**UNDERTAKING TO THE
ONTARIO SECURITIES COMMISSION**

I, Peter Y. Atkinson, am a Respondent to a Notice of Hearing dated March 18, 2005 (the "Notice of Hearing") issued by the Ontario Securities Commission. I undertake to the Ontario Securities Commission (the "Commission"), that pending the Commission's final decision on liability and sanctions in the proceeding commenced by the Notice of Hearing against me, or an Order of the Commission releasing me from this undertaking or aspects of the undertaking, I agree to refrain from:

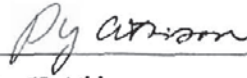
- (i) acting or becoming an officer or director of a "reporting issuer" or "affiliated company" of a reporting issuer, as these terms are defined in the *Securities Act* (Ontario) (the "Act"), and in particular, subsections 1(1) and 1(1.1) of the Act, respectively;
- (ii) applying to become a "registrant" or from being an employee, director or officer of a registrant or an affiliated company of a registrant, as that term is defined in the Act; and

(iii) engaging directly or indirectly in the solicitation of investment funds from the general public.



Witness

Date: Feb 14, 2006.



Peter Y. Atkinson

Date: Feb 14, 2006

Acknowledged as Received by,

 (February 23, 2006)

John Stevenson, Secretary to the
Ontario Securities Commission

2.2.6 EmberClear Corp. – s. 144

Headnote

Application by an issuer for a revocation of a cease trade order issued by the Commission – cease trade order issued because the issuer had failed to file certain continuous disclosure materials required by Ontario securities law – default subsequently remedied by bringing continuous disclosure filings up-to-date – cease trade order revoked.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 127, 144.

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

AND

**IN THE MATTER OF
EMBERCLEAR CORP.**

**ORDER
(Section 144)**

WHEREAS the securities of EmberClear Corp. (the **Applicant**) are subject to a temporary cease trade order made by the Director dated November 5, 2014 under paragraph 2 of subsection 127(1) and subsection 127(5) of the Ontario *Securities Act* (the **Act**) and a further cease trade order made by the Director on November 17, 2014 under paragraph 2 of subsection 127(1) of the Act (collectively, the **Ontario Cease Trade Order**), ordering that all trading in the securities of the Applicant cease until the Ontario Cease Trade Order is revoked by the Director;

AND WHEREAS the Ontario Cease Trade Order was made on the basis that the Applicant was in default of certain filing requirements under Ontario securities law as described in the Ontario Cease Trade Order;

AND WHEREAS the Applicant has applied to the Ontario Securities Commission (the **Commission**) under section 144 of the Act for a revocation of the Cease Trade Order.

Representations

This order is based on the following facts represented by the Applicant:

1. The Applicant is a reporting issuer in the provinces of British Columbia, Alberta and Ontario.
2. The Applicant is not in default of any requirements under Ontario securities law.

3. The Applicant has filed all outstanding continuous disclosure documents that are required to be filed under Ontario securities law.
4. The Applicant has paid all outstanding activity, participation and late filing fees that are required to be paid.
5. The Applicant's SEDAR profile and SEDI issuer profile supplement are current and accurate.
6. The Applicant was also subject to a similar cease trade order issued by the Alberta Securities Commission dated October 30, 2014 as a result of the failure to make the filings described in the cease trade order, which order was revoked on January 9, 2015.
7. The Applicant was also subject to a similar cease trade order issued by the British Columbia Securities Commission dated November 5, 2014 as a result of the failure to make the filings described in the cease trade order, which order was revoked on January 12, 2015.
8. Upon the issuance of this revocation order, the Applicant will issue a news release announcing the revocation of the Cease Trade Order. The Applicant will concurrently file the news release and a material change report regarding the revocation of the Cease Trade Order on SEDAR.

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

AND UPON the Director being satisfied that it would not be prejudicial to the public interest to revoke the Ontario Cease Trade Order.

IT IS ORDERED pursuant to section 144 of the Act that the Ontario Cease Trade Order is hereby revoked.

DATED at Toronto this 13th of January, 2015

"Shannon O'Hearn"
Manager, Corporate Finance

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions, Orders and Rulings

3.1.1 Gold-Quest International and Sandra Gale

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

AND

IN THE MATTER OF
GOLD-QUEST INTERNATIONAL and SANDRA GALE

ORAL REASONS AND DECISION

Hearing: September 10, 2014

Decision: September 11, 2014

Panel: Alan J. Lenczner – Commissioner and Chair of the Panel

Appearances: Christie Johnson – For Staff of the Commission

Derek Ricci – For Sandra Gale

No one appeared for the Respondent, Gold-Quest International

ORAL REASONS AND DECISION

The following text has been prepared for the purposes of publication in the Ontario Securities Commission Bulletin and is based on excerpts from the transcript of the hearing. The excerpts have been edited and the text has been approved by the Panel for the purpose of providing a public record of the decision.

[1] This was a hearing before the Ontario Securities Commission (the “**Commission**”) on September 10, 2014 (the “**Sanctions Hearing**”) to consider whether it is in the public interest to make an order in respect of sanctions against Gold-Quest International (“**Gold-Quest**”) and Sandra Gale (“**Gale**”).

[2] This matter comes before the Commission on an Agreed Statement of Facts (“**Agreed Statement of Fact**”) which has been executed by the Director of Enforcement and Gale on June 27, 2014. The Agreed Statement of Fact will be an Appendix to these reasons.

[3] In the Agreed Statement of Fact, Gale acknowledges that she breached section 25 and section 53 of the Act, and in addition acted contrary to the public interest. The matter before me today is the appropriate level of sanctions that should be imposed upon Gale.

[4] The object of the Act is two-fold. First, it is to protect investors from harm, and to deter other participants in the capital markets from acting contrary to the Act or to the public interest. It is also an object of the act to maintain the integrity of the capital markets. Gale, through her counsel, acknowledges that there should be a series of non-monetary sanctions so as to remove her from the capital markets. Those non-monetary sanctions will, prospectively, prohibit Gale for 15 years from trading in securities with a sole exemption that she can trade her RRSP with a number of conditions attached, which will be laid out in the order. She is also prohibited from becoming or acting as an officer or director of any registrant, investment fund manager or issuer. She must also resign any position that she has in any of those types of entities.

[5] Gale, through her counsel, takes no issue with any of these non-monetary sanctions. The issue that remains between Staff and Gale is whether a disgorgement order in the amount of \$207,641.00 should be imposed, and as well, an administrative penalty of \$50,000.

[6] I note that the \$207,641.00 is the amount of commission that Gale received from Gold-Quest resulting from her improper conduct and breaches of the Act. I also note that the amount of \$50,000 as an administrative penalty represents approximately 1-2% of the US \$4.3 million dollars that was raised from Ontario investors in what other panels, dealing with the same matter, called a Ponzi scheme, and I agree with that characterization.

[7] I want to make it crystal clear that in ordinary circumstances, disgorgement should be ordered in order to remove from a respondent that has been found to have breached the Act or acted contrary to the public interest, any gain resulting from those breaches. I also think that in vast majority of situations, an administrative penalty of this magnitude is appropriate. General deterrence is one of the goals of the Act and that general deterrence can only be accomplished by these types of monetary penalties.

[8] At the same time, I am mindful that courts including the Supreme Court of Canada in *Committee for Equal Treatment of Asbestos Minority Shareholders v Ontario (Securities Commission)*, [2001] 2 SCR 132 indicated that:

“... 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 OSC 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 ...” (para 43).

I think that the non-monetary penalties requested by Staff in this case achieve those goals.

[9] The Supreme Court of Canada further said that “the sanctions under the section are preventive in nature and prospective in orientation” (para 45). That court and other courts have indicated that punishment of an individual is not one of the objects of the Act and one of the roles that the Commission should fulfill.

[10] My observations to this point indicate that general deterrence does include monetary sanctions of the type, and in the amount, that Staff is seeking, and that I would normally impose. However, in this particular case, I look at a number of mitigating factors and remind myself that the penalty or the sanctions to be imposed must be proportionate to other cases.

[11] The mitigating factors that motivate me in this case are that Gale was not the initiator of the investment products or the designer of those products. She did not know that this was a Ponzi scheme and that it was fraudulent. Gale had a genuine belief in the investments that not only she made, but that she encouraged others to make.

[12] As distinct from the *Re Gold-Quest International et al.* (2010), 33 OSCB 11179, involving Donald and Lisa Buchanan, Gale has been remorseful. She has also not blamed anyone for her predicament, and has accepted responsibility for her misconduct. Gale has cooperated in avoiding the need for a full hearing on the merits. More particularly, Gale is now 71 years of age, she does not intend, and could not in any event, engage in the capital markets. She has no assets to her name and no realistic likelihood of gaining meaningful employment. Further, Gale lives on government pensions of about \$1500 dollars a month. In my view, asking her to disgorge \$207,641.00 and pay \$50,000 administrative penalty would be, for her, punitive.

[13] There is no likelihood that Gale will ever have the ability to pay these amounts. She owes \$223,008.52 to the Canada Revenue Agency, four chartered banks, and other credit agencies. She is not likely to get credit from anyone again. I believe that having an order for payment over her head will only complicate her life, and will not achieve any meaningful deterrence for others. General deterrence has already been spoken to, and anyone that is not similarly situated to Gale would not get the benefit of the exercise of the Commission’s discretion, as I am now doing.

[14] In conclusion, I have a draft order from Staff which I am going to approve with the exception of the paragraphs relating to monetary penalties.

[15] In respect of Gold-Quest, I note that the Alberta Securities Commission has issued orders against Gold-Quest including a permanent ban on the trading of its securities. By virtue of clause 4 in s.127(10), I am satisfied that it would be in the public interest to reciprocate that order in Ontario. I order that all trading in the shares of Gold-Quest cease permanently.

[16] I want to thank counsel for their excellent submissions. I particularly want to thank Mr. Ricci for attending as LAP counsel. It is always helpful to the Commission to have that kind of assistance.

[17] I am also going to reprimand Ms. Gale for her conduct. I hope she has learned a lesson and that her conduct will always be within the boundaries of the law going forward.

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

“Alan Lenczner”

APPENDIX A

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

AND

SANDRA GALE

AGREED STATEMENT OF FACTS

Staff of the Ontario Securities Commission (“Staff”) and Sandra Gale, also known as Sandi Gale, (“Gale” or the “Respondent”) agrees to the following facts regarding violations of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”) and conduct contrary to the public interest:

A. THE RESPONDENT AND RELATED PARTIES

1. Gale was a director of both 1725587 Ontario Inc., carrying on business as Health and HarMONEY (“Health and HarMONEY”) and the Harmony Club Inc. (the “Harmony Club”). Gale was also one of the partners of Health and HarMONEY when it operated as a general partnership. Gale resides in Oshawa, Ontario.
2. Health and HarMONEY was an Ontario corporation that was incorporated on September 20, 2007. Prior to being incorporated, Health and HarMONEY operated as a general partnership whose business name was registered on November 14, 2006 with the Province of Ontario. Health and HarMONEY carried out its business from an office located in Oshawa, Ontario.
3. The Harmony Club was a Canadian corporation that was incorporated on December 21, 2007. The Harmony Club also carried out its business from an office located in Oshawa, Ontario.
4. Pursuant to an order of the Ontario Superior Court of Justice dated August 5, 2010, upon application by Staff, a receiver was appointed over all of the property, assets, and undertakings of Health and HarMONEY and the Harmony Club.
5. On December 17, 2011, Harmony Club was dissolved by reason of non-compliance with section 212 of the *Canadian Business Corporations Act*, R.S.C. 1985, c. C-44.
6. On January 18, 2013, Health and HarMONEY was cancelled by the companies branch pursuant to section 241 of the *Ontario Business Corporations Act*, R.S.O. 1990, c. B.16.

B. TRADING IN SECURITIES OF GOLD-QUEST

(i) The Gold-Quest Pyramid Scheme

7. Gold-Quest International (“Gold-Quest”) was a Panamanian corporation that was controlled by a number of individuals resident in the United States, unrelated to Gale.
8. From June 2006 to May 2008, Gold-Quest accepted approximately \$29-million (U.S.) from investors, including investors in Ontario, through direct solicitations, an Internet website maintained by Gold-Quest and by referrals from existing investors. Gale was one such investor, having invested \$5,000 in Gold-Quest.
9. Investors such as Gale entered into one-year investment contracts with Gold-Quest. Gold-Quest stated that investor funds would be invested in the foreign exchange or “forex” market. Gold-Quest informed investors, including Gale, that they would receive an annual return on investment of 87.5%. However, in order to receive this 87.5% annual return, investors were required to leave their funds with Gold-Quest for a year.
10. Individuals who introduced an investor to Gold-Quest would receive the title “Administrative Manager” for the new investor. Administrative Managers would receive from Gold-Quest a total commission of 58% of the principal invested. The individual who had introduced the Administrative Manager to Gold-Quest would receive the title “Managing Director” for the new investor and would receive a commission of 1.5% per month for a year (for a total of 18% of the principal invested). Lastly, the individual who introduced the Managing Director to Gold-Quest would receive the title “Supervisory Managing Director” for the new investor and would receive a commission of 1% per month for a year (for a total of 12% of the principal invested). In sum, when a new investor sent funds to Gold-Quest, 88% of the investor’s

funds were earmarked for commissions to be paid to the investor's Administrative Manager, Managing Director and Supervisory Managing Director over the course of a year (the "Gold-Quest Commission Structure").

11. From June 2006 to May 2008, Gold-Quest disbursed approximately \$20.3 million (U.S.) through distributions to investors and payments of commissions, despite receiving no income from its investments or business operations.
12. On May 6, 2008, the Securities and Exchange Commission of the United States (the "SEC") filed a complaint in the United States District Court, District of Nevada, alleging that Gold-Quest was operating a pyramid or "Ponzi" scheme. Gold-Quest has never been registered in any capacity with the SEC. The SEC further alleged that Gold-Quest used very little of the money that it raised for legitimate investments, but rather that the vast majority of new investor funds were used by Gold-Quest to make payments to current investors and commissions to participants in the Ponzi scheme. The SEC Complaint and the related allegations advanced by the SEC were not in place at the time Gale dealt with Gold-Quest.
13. On January 14, 2010, the Alberta Securities Commission (the "ASC") released its decision in the matter of Gold-Quest International Corp. et al. following a hearing on the merits. The ASC found that Gold-Quest illegally traded in and distributed its securities in Alberta and that Gold-Quest was "a sham investment scheme, a classic Ponzi scheme and a classic pyramid scheme."
14. Gold-Quest has ceased to operate and has been put into receivership by order of the United States District Court. As of December 12, 2008, the receiver appointed by the United States District Court had only recovered \$273,475.85 (U.S.).

(ii) Trading in Gold-Quest Securities in Ontario

15. Gold-Quest has never been registered in any capacity with the Commission. No preliminary prospectus or prospectus has ever been filed with the Commission to attempt to qualify the trading of Gold-Quest securities.
16. From November 2006 until February 2008 (the "Material Time"), Health and HarMONEY, Gale, and other employees, representatives and agents of Health and HarMONEY promoted the trading of securities in Gold-Quest to Ontario residents (the "Gold-Quest Investors").
17. Throughout the Material Time, Health and HarMONEY and Gale were not registered in any capacity with the Commission.
18. During the Material Time, the Gold-Quest Investors invested over \$1.8 million (U.S.) with Gold-Quest as a result of promotional activities conducted by Health and HarMONEY, Gale and other employees, representatives and agents of Health and HarMONEY. These activities included recommending investment in Gold-Quest, providing specific information regarding the nature of the investment with Gold-Quest and facilitating the process of investing in Gold-Quest.
19. Gale received payments from Gold-Quest for referring the Gold Quest Investors pursuant to the Gold-Quest Commission Structure.
20. As a result of her role related to the trading of Gold-Quest securities, Gale realized \$207,641.07 (U.S.) in compensation from Gold-Quest.
21. Gale was aware of the nature of the investment contract entered into by the investors she referred to Gold-Quest, as well as the terms of the Gold-Quest Commission Structure. However, to the extent that any of the Gold-Quest Investors inquired about the Gold-Quest Commission Structure, Gale referred the Gold-Quest Investors to Donald Iain Buchanan, a director and the directing mind of Health and HarMONEY.
22. There were no exemptions under the Act which allowed the Respondent to trade Gold-Quest securities in Ontario.

C. TEMPORARY CEASE TRADE ORDERS IN ONTARIO

23. On April 1, 2008, the Commission issued a temporary order under subsections 127(1) and 127(5) of the Act (the "Temporary Order"). Pursuant to the Temporary Order Health and HarMONEY was prohibited from trading in any securities and that any exemptions contained in Ontario securities law did not apply to Health and HarMONEY.
24. The Temporary Order also prohibited any further trading in securities of Gold-Quest.
25. Gale was not a party to the Temporary Order.

D. TRADING IN SECURITIES OF THE HARMONEY CLUB

26. The Harmony Club was created by Gale, Donald Iain Buchanan, and Lisa Buchanan (the “Buchanans”), who then offered securities in this corporation to approximately 138 Ontario investors (the “Harmony Club Investors”) from October 2007 to July 2008.
27. Through the activities of the Respondent and the Buchanans, the Harmony Club received almost \$2.5-million (U.S.) from the Harmony Club Investors. These funds were then apparently used by the Harmony Club for investments in the United States.
28. Gale did not receive any financial compensation from or through the Harmony Club.
29. No preliminary prospectus or prospectus has ever been filed with the Commission to attempt to qualify the trading of Harmony Club securities.
30. There were no exemptions under the Act available to the Respondent allowing her to trade Harmony Club securities.

E. RESPONDENT'S POSITION

31. Gale requests that the Panel consider the following mitigating circumstances:
- (a) Prior to her conduct, as set out above, Gale had very limited experience in the securities industry and her highest level of formal education is grade 12;
 - (b) Gale was not the architect of the investment products referred to above or the schemes that accompanied them;
 - (c) Gale did not know that her actions were in breach of the Act;
 - (d) Gale acknowledges that she failed to exercise appropriate due diligence about the propriety of participating in the sale of the investment products referred to above;
 - (e) Gale is genuinely remorseful for her failure to comply with securities laws;
 - (f) Gale states that she has never been the subject of any prior securities-related disciplinary proceeding.

F. VIOLATIONS OF THE SECURITIES ACT AND CONDUCT CONTRARY TO THE PUBLIC INTEREST

32. The conduct of Gale was contrary to the public interest and constituted the following breaches of the Act:
- (a) trading without registration contrary to section 25 of the Act; and
 - (b) an illegal distribution of securities contrary to section 53 of the Act.

DATED at Toronto this _____ day of May, 2014

Tom Atkinson
Director of Enforcement

Sandra Gale

Witness

3.1.2 Ground Wealth Inc. et al.

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

AND

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

AND

IN THE MATTER OF A
SETTLEMENT AGREEMENT BETWEEN
STAFF OF THE ONTARIO SECURITIES COMMISSION
and GROUND WEALTH INC., MICHELLE DUNK, DOUGLAS DEBOER and JOEL WEBSTER

PART I – INTRODUCTION

1. By Amended Notice of Hearing dated October 31, 2013, the Ontario Securities Commission (the “Commission”) announced that it proposed to hold a hearing, pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”), to consider whether it is in the public interest to make orders, as specified therein, against Ground Wealth Inc. (“GWI”), Michelle Dunk (“Dunk”), Adrion Smith (“Smith”), Joel Webster (“Webster”), Douglas DeBoer (“DeBoer”), Armadillo Energy Inc. (“Armadillo Texas”), Armadillo Energy, Inc. (“Armadillo Nevada”) and Armadillo Energy, LLC (“Armadillo Oklahoma”) (collectively, the “Respondents”; GWI, Dunk, DeBoer and Webster, collectively referred to as the “Settling Respondents”). The Amended Notice of Hearing was issued in connection with the allegations set out in the Amended Statement of Allegations of Staff of the Commission (“Staff”) dated October 31, 2013.

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

PART II – JOINT SETTLEMENT RECOMMENDATION

3. Staff agree to recommend settlement of the proceeding initiated by the Amended Notice of Hearing, dated October 31, 2013, against the Settling Respondents (the “Proceeding”) in accordance with the terms and conditions set out below. The Settling Respondents consent to the making of an order in the form attached as Schedule “A,” based on the facts set out below.

PART III – AGREED FACTS

4. To the extent the Settling Respondents do not have direct personal knowledge of certain facts as described below, the Settling Respondents believe the facts to be true and accurate.

5. Unless specifically stated to the contrary, the facts set out in this Settlement Agreement concern events taking place from October 2010 through April 2011 (the “Material Time”).

OVERVIEW

6. During the Material Time, without registration and without a prospectus, GWI traded and distributed partnership agreements that constituted securities to residents of Ontario and elsewhere in Canada (the “Partnership Agreements”).

7. The Partnership Agreements were issued in the name of Armadillo Energy Inc. The Partnership Agreements entitled investors to the proceeds of the extraction and sale of oil from oil leases located in the State of Oklahoma, USA, and were securities as defined in the Act. The proceeds were to be paid monthly and were referred to as “Production Payments.”

8. GWI sold approximately CDN \$5.3 million in Partnership Agreements to more than 130 members of the public in Canada (the “Purchasers”; the “Purchaser Funds”).

9. Approximately CDN \$2.8 million of the Purchaser Funds were paid by 68 of the Purchasers who were Ontario residents.

10. GWI retained approximately 24% of the Purchaser Funds as a fee for the marketing and administration of the Partnership Agreements (the "GWI Marketing Fee").

11. No prospectus or preliminary prospectus was ever filed with the Commission in respect of the Partnership Agreements, nor was a prospectus receipt ever issued by the Director to qualify the sale of the Partnership Agreements. None of the Settling Respondents has ever been registered with the Commission in any capacity.

12. The Partnership Agreements were not previously issued.

THE SETTLING RESPONDENTS

Ground Wealth Inc.

13. GWI is a company incorporated under the laws of Ontario with its office in Cambridge, Ontario.

14. Dunk and Smith incorporated GWI, and during the Material Time were the only officers and directors of the company.

15. GWI has never been registered with the Commission in any capacity.

16. GWI's sole business during the Material Time was marketing the Partnership Agreements.

Michelle Dunk

17. Dunk was a resident of Ontario during the Material Time.

18. During the Material Time, Dunk was registered as a Director, the Vice-President, and the Secretary of GWI.

19. Dunk signed off on the majority of the completed Partnership Agreements as President and Chief Executive Officer of GWI.

20. Throughout the Material Time, Dunk was a co-signing authority with Smith on GWI's bank accounts in Ontario and exercised control over GWI's finances.

21. During the Material Time, Dunk was a beneficial owner of GWI.

22. Dunk has never been registered with the Commission in any capacity.

Douglas DeBoer

23. DeBoer was a resident of Ontario during the Material Time.

24. Some of the documents GWI and Armadillo provided to potential Purchasers for marketing purposes identified DeBoer as Armadillo Texas' Chief Financial Officer ("CFO") and Financial Director or Finance Director.

25. Although DeBoer was not formally registered as a director or officer of Armadillo during the Material Time, he acknowledges that he assisted in facilitating the business relationship between Armadillo (as defined below in paragraph 35) and GWI and that he acted in furtherance of the trades in the Partnership Agreements described herein.

26. DeBoer has never been registered with the Commission in any capacity.

Joel Webster

27. At GWI, Webster held the titles of Sales Manager and Inside Sales Representative.

28. During part of the Material Time, Webster had signing authority for GWI's bank accounts in Ontario.

29. Webster has never been registered with the Commission in any capacity.

NON-SETTLING RESPONDENTS

Adrion Smith

30. Smith was the other beneficial owner of GWI during the Material Time. Smith was registered as a Director and the President of GWI during the Material Time and held and exercised co-signing authority with Dunk on bank accounts held by GWI in Ontario.

31. At different times between June 2008 and April 2010 Smith was registered with the Commission in the categories of Mutual Fund Dealer, Limited Market Dealer and Exempt Market Dealer.

The Armadillo Companies

32. Armadillo Texas is a company incorporated under the laws of the State of Texas.

33. Armadillo Nevada is a company incorporated under the laws of the State of Nevada.

34. Armadillo Oklahoma is a company incorporated under the laws of the State of Oklahoma.

35. The three Armadillo companies ("Armadillo") are engaged in the oil exploration and extraction business in Oklahoma and operated as a single enterprise during the Material Time.

36. Neither Armadillo Texas, Armadillo Nevada nor Armadillo Oklahoma has ever been registered with the Commission in any capacity.

The Partnership Agreements

37. GWI sold the Partnership Agreements in durations of seven, ten and fifteen years. There were also versions of the 10 and 15 years plans that included "reinvestment options." The terms of the Partnership Agreements were described in the Partnership Agreement itself, and in other documents, including materials entitled "Prospectus", "Corporate Review," and "Due Diligence Report," as well as a GWI corporate brochure (collectively, "the GWI Marketing Materials").

Acts in Furtherance of the Trading and Distribution of the Partnership Agreements

38. DeBoer introduced Dunk to the idea for the Partnership Agreements and put her in touch with Armadillo.

39. During the Material Time, DeBoer provided information from time to time on behalf of Armadillo, to GWI and Dunk on the structure of the Partnership Agreements.

40. DeBoer reviewed drafts of the documents provided to Purchasers for the purpose of confirming that the numbers and structure of the Partnership Agreements conformed to the model he had conceived.

41. DeBoer reviewed and approved the text of the Stadia Due Diligence Report that was circulated to potential Purchasers by GWI and Armadillo.

42. GWI marketed the Partnership Agreements through a group of contracted sales representatives (the "Sales Representatives").

43. The Sales Representatives were not registered with the Commission to trade in securities during the Material Time.

44. The Sales Representatives were managed and trained by Dunk, Webster and others.

45. As part of the training of the Sales Representatives, during the Material Time, GWI held a retreat for the Sales Representatives at which presentations were made on sales training and motivational topics (the "GWI Retreat").

46. DeBoer attended the GWI Retreat and took questions from the Sales Representatives on Armadillo's Partnership Agreements.

47. The Sales Representatives contacted friends, acquaintances and referrals for the purpose of selling the Partnership Agreements. They made presentations to prospective Purchasers in which they made use of the GWI Marketing Materials.

48. GWI hosted dinners at restaurants in the Guelph and Kitchener-Waterloo areas at which persons associated with GWI made marketing presentations to potential Purchasers (the "GWI Marketing Dinners").

Reasons: Decisions, Orders and Rulings

49. At different times, Dunk, Webster and Smith attended the GWI Marketing Dinners.
50. Dunk and Webster made presentations to potential Purchasers about the Partnership Agreements at the GWI Marketing Dinners.
51. GWI flew prospective and existing Purchasers, including Ontario residents, together with Sales Representatives to the State of Oklahoma, where they received a tour of oil drilling operations. Dunk, Webster and Smith attended on such trips.
52. Dunk met with some of the prospective Purchasers who were being invited by the Sales Representatives to purchase Partnership Agreements. Some sales of Partnership Agreements were completed with the assistance of Dunk or Webster.
53. Webster supervised the completion of the Partnership Agreements with the Purchasers and also sold the Partnership Agreements himself.
54. Dunk and Webster both signed the completed Partnership Agreements on behalf of GWI.
55. After they had finalized their purchase of a Partnership Agreement, Purchasers were provided with a "Certificate of Ownership" (the "Armadillo Certificate").
56. Purchasers received their Armadillo Certificate from Armadillo together with a copy of their Partnership Agreement under cover of a letter welcoming them to Armadillo as "our partner" and signed by Paul Schuett ("Schuett"), who is named as the President of Armadillo Energy Inc. ("Armadillo Welcome Letter").
57. GWI, Dunk and DeBoer engaged in the above acts in furtherance of trading for a business purpose, as defined in Ontario securities law.

Purchaser Funds

58. Upon purchasing a Partnership Agreement, Purchasers paid their funds directly to GWI.
59. GWI deposited the Purchaser Funds into its own accounts. After deducting the 24% GWI Marketing Fee, GWI remitted the remainder of the Purchaser Funds to Armadillo. In this way, GWI obtained approximately \$1.3 million from the sale and distribution of the Partnership Agreements.
60. At different points during the Material Time, the cheques for the Production Payments were drawn on accounts in the names of Armadillo Texas, Armadillo Nevada and Armadillo Oklahoma.
61. Production Payment cheques were delivered to Purchasers by GWI on behalf of Armadillo together with a statement of the status of their holdings in the Partnership Agreements ("Armadillo Statement"). The Armadillo Statement was on GWI letterhead, but signed by Schuett.
62. Sales Representatives and GWI management who successfully sold Partnership Agreements to Purchasers were compensated by GWI in the amount of 5-12% of the value of each sale.
63. GWI's Marketing Materials did not disclose to Purchasers that commissions were paid on the sale of the Partnership Agreements.

Status of the Investment

64. During the Material Time Armadillo made Production Payments to the Purchasers totaling approximately CDN \$1M.
65. In December 2012, Armadillo and GWI delivered a letter to Purchasers advising that the oil extraction rate had declined more quickly than predicted. The same letter advised Purchasers that the company would have to be "restructured" and that future Production Payments would "initially be at a reduced rate."
66. In December 2013, a UK company called Fortis Admin Ltd. ("Fortis") sent correspondence to purchasers advising that it had "acquired the oil field interests of Armadillo and was holding them in trust for those who had invested in Armadillo." Fortis advised investors that it had already received funds from the company contracted to extract and sell the oil owned by the Purchasers, and was holding the funds in trust pending determination of the exact amounts owing to the individual Purchasers.
67. Staff is not able to determine when or if further Production Payments may be forthcoming on the Partnership Agreements.

68. As of December 10, 2014, some Purchasers had not received payments since September 2012.

PART IV – CONDUCT CONTRARY TO THE ACT AND CONTRARY TO THE PUBLIC INTEREST

69. By virtue of the securities-related conduct described above, GWI admits that:

- (a) During the Material Time, GWI engaged in or held itself 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 s. 25(1) of the Act; and,
- (b) During the Material Time, GWI distributed securities without a preliminary prospectus or a prospectus having been filed and receipts having been issued for them by the Director and without an exemption from the prospectus requirement, contrary to s. 53(1) of the Act.

70. GWI admits and acknowledges that it acted contrary to the public interest by contravening Ontario securities law as set out in paragraph 69 above.

71. By virtue of the securities-related conduct described above, Dunk admits that:

- (a) During the Material Time, Dunk engaged in or held herself 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 s. 25(1) of the Act;
- (b) During the Material Time, Dunk distributed securities without a preliminary prospectus or a prospectus having been filed and receipts having been issued for them by the Director and without an exemption from the prospectus requirement, contrary to s. 53(1) of the Act;
- (c) During the Material Time, Dunk, being a director and officer of GWI, did authorize, permit or acquiesce in the commission of the violations of sections 25 and 53 of the Act, as set out above, by GWI, contrary to section 129.2 of the Act.

72. Dunk admits and acknowledges that she acted contrary to the public interest by contravening Ontario securities law as set out in paragraph 71 above.

73. By virtue of the securities-related conduct described above, DeBoer admits that:

- (a) During the Material Time, DeBoer acted in furtherance of trades in the Partnership Agreements, which constitutes trading under Ontario securities law, without being registered to do so, in circumstances in which no exemption was available, contrary to s. 25(1) of the Act; and,
- (b) During the Material Time, DeBoer acted in furtherance of trades in previously unissued securities, namely the Partnership Agreements, and therefore engaged in a distribution of securities without a preliminary prospectus or a prospectus having been filed and receipts having been issued for them by the Director and without an exemption from the prospectus requirement, contrary to s. 53(1) of the Act.

74. DeBoer admits and acknowledges that he acted contrary to the public interest by contravening Ontario securities law as set out in paragraph 73 above.

75. By virtue of the securities-related conduct described above, Webster admits that:

- (d) During the Material Time, Webster engaged in or held himself 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 s. 25(1) of the Act;
- (e) During the Material Time, Webster distributed securities without a preliminary prospectus or a prospectus having been filed and receipts having been issued for them by the Director and without an exemption from the prospectus requirement, contrary to s. 53(1) of the Act;

76. Webster admits and acknowledges that he acted contrary to the public interest by contravening Ontario securities law as set out in paragraph 75 above.

PART V – RESPONDENTS' POSITION

77. The Settling Respondents wish to advise the panel that during the Material Time they understood that the structure of the Partnership Agreements was not considered a security in Oklahoma and assumed the same to be the case in Ontario. Notwithstanding, the Respondents acknowledge that they did not make sufficient inquiries into whether their investment model complied with Ontario securities law and were not duly diligent.

78. Dunk requests that the settlement hearing panel consider the following mitigating circumstances:

- (a) Dunk has advised Staff that she is presently without the means to satisfy the financial terms arising from this Settlement Agreement and has provided Staff with evidence in support of her financial position.
- (b) When this matter was brought to Dunk's attention by Staff in April 2011, she voluntarily directed GWI to stop selling the Partnership Agreements.
- (c) Dunk cooperated with Staff's investigation by providing documents, including the GWI Marketing Materials, lists of Purchasers and other items.
- (d) Prior to this matter, Dunk had no previous record of securities regulatory proceedings against her.

79. DeBoer requests that the settlement hearing panel consider the following mitigating circumstances:

- (a) Prior to the settlement hearing in this matter, DeBoer will provide Staff with certified funds in the amount of \$10,000 as a first payment against the administrative penalty order flowing from this Settlement Agreement.

80. Webster requests that the settlement hearing panel consider the following mitigating circumstances:

- (a) Upon becoming aware of the July 27, 2011, temporary cease trade order, to which he was not a respondent, Webster voluntarily ceased trading in the Partnership Agreements.
- (b) Webster has left the province of Ontario and is now a resident of Saskatchewan.

PART VI – TERMS OF SETTLEMENT

81. The Settling Respondents agree to the terms of settlement listed below.

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

- (a) the Settlement Agreement is approved;
- (b) trading and acquisition of any securities by GWI shall cease permanently;
- (c) trading and acquisition of any securities by Dunk shall cease for a period of 8 years from the date of the approval of the Settlement Agreement, except that following full payment of the administrative penalty and costs orders made against her as a result of this Settlement Agreement, Dunk shall be permitted to trade and acquire securities through a registrant for personal purposes in her own account, provided that she is not engaging in or holding herself out as engaging in the business of trading in securities, and provided Dunk first notifies the registrant of these conditions by delivering to the registrant a copy of this order;
- (d) trading and acquisition of any securities by DeBoer shall cease for a period of 5 years from the date of the approval of the Settlement Agreement, except that following full payment of the administrative penalty and costs orders made against him as a result of this Settlement Agreement, DeBoer shall be permitted to trade and acquire securities through a registrant for personal purposes in his own account, provided that he is not engaging in or holding himself out as engaging in the business of trading in securities, and provided DeBoer first notifies the registrant of these conditions by delivering to the registrant a copy of this order;
- (e) trading and acquisition of any securities by Webster shall cease for a period of 2.5 years from the date of the approval of the Settlement Agreement, except that following full payment of the administrative penalty and costs orders made against him as a result of this Settlement Agreement, Webster shall be permitted to trade and acquire securities through a registrant for personal purposes in his own account, provided that he is not engaging in or holding himself out as engaging in the business of trading in securities, and provided Webster first notifies the registrant of these conditions by delivering to the registrant a copy of this order;

- (f) any exemptions contained in Ontario securities law do not apply to GWI permanently;
- (g) the Settling Respondents are reprimanded;
- (h) GWI is prohibited permanently from becoming or acting as a registrant, an investment fund manager or a promoter;
- (i) Dunk is prohibited for a period of 8 years from becoming or acting as a registrant, an investment fund manager or a promoter;
- (j) DeBoer is prohibited for a period of 5 years from becoming or acting as a registrant, an investment fund manager or a promoter;
- (k) Webster is prohibited for a period of 2.5 years from becoming or acting as a registrant, an investment fund manager or a promoter;
- (l) Dunk is prohibited for a period of 8 years from becoming or acting as a director or officer of any issuer, registrant or investment fund manager;
- (m) DeBoer is prohibited for a period of 5 years from becoming or acting as an officer or director of any issuer, registrant or investment fund manager;
- (n) Webster is prohibited for a period of 2.5 years from becoming or acting as an officer or director of a registrant or investment fund manager;
- (o) Dunk shall pay an administrative penalty of \$50,000 for her breaches of Ontario securities law in this matter;
- (p) DeBoer shall pay an administrative penalty of \$50,000 for his breaches of Ontario securities law in this matter;
- (q) Webster shall pay an administrative penalty of \$3,500 for his breaches of Ontario securities law in this matter;
- (r) Dunk shall pay \$7,500 as investigation costs in this matter;
- (s) DeBoer shall pay \$7,500 as investigation costs in this matter; and,
- (t) GWI shall disgorge to the Commission the amount of \$1,300,000, obtained as a result of its breaches of Ontario securities law in this matter.

83. Any amounts paid to the Commission under the administrative penalty or disgorgement order in this matter shall be allocated to or for the benefit of third parties, or for use by the Commission for the purpose of educating investors or promoting or otherwise enhancing knowledge and information of persons regarding the operation of the securities and financial markets, in accordance with subsection 3.4(2)(b) of the Act.

PART VII – STAFF COMMITMENT

84. If this Settlement Agreement is approved by the Commission, Staff will not initiate any other proceeding under the Act against any of the Settling Respondents in relation to the facts set out in Part III herein, subject to the provisions of paragraph 85, below.

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

86. The Commission remains entitled to bring any proceedings necessary to recover any amounts the Settling Respondents are ordered to pay as a result of any order imposed pursuant to this agreement.

PART VIII – PROCEDURE FOR APPROVAL OF SETTLEMENT

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

88. Staff and the Settling Respondents agree that this Settlement Agreement will constitute the entirety of the agreed facts to be submitted at the settlement hearing regarding the Settling Respondents' conduct in this matter, unless the parties agree that further facts should be submitted at the settlement hearing.

89. If this Settlement Agreement is approved by the Commission, the Settling Respondents agree to waive all rights to a full hearing, judicial review or appeal of this matter under the Act.

90. If this Settlement Agreement is approved by the Commission, neither Staff nor any of the Settling Respondents will make any public statement that is inconsistent with this Settlement Agreement or inconsistent with any additional agreed facts submitted at the settlement hearing.

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

92. Pursuant to the provisions of section 144 of the Act, the settling Respondents may apply for an order revoking or varying the order arising from this Settlement Agreement if the Commission should find that it is not prejudicial to the public interest to do so, and on such terms and conditions as the Commission may impose.

PART IX – DISCLOSURE OF SETTLEMENT AGREEMENT

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

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

94. The terms of this Settlement Agreement will be treated as confidential by all parties hereto, but such obligations of confidentiality shall terminate upon commencement of the public hearing. The terms of the Settlement Agreement will be treated as confidential forever if the Settlement Agreement is not approved for any reason whatsoever by the Commission, except with the written consent of the Settling Respondents and Staff or as may be required by law.

PART X – EXECUTION OF SETTLEMENT AGREEMENT

- (a) This Settlement Agreement may be signed in one or more counterparts, which together will constitute a binding agreement.
- (b) A facsimile copy of any signature will be as effective as an original signature.

Dated this 5th day of January, 2015.

STAFF OF THE ONTARIO SECURITIES COMMISSION

"Tom Atkinson"

Director, Enforcement Branch
Ontario Securities Commission

Signed in the presence of:

"Donnamarie Gray"

Witness:

"Michelle Dunk"

**Michelle Dunk, Director,
Vice President, Secretary:
Ground Wealth Inc.**

Dated this 24th day of December, 2014

Reasons: Decisions, Orders and Rulings

Signed in the presence of:

"Donnamarie Gray"
Witness:

"Michelle Dunk"
Michelle Dunk

Dated this 24th day of December, 2014

Signed in the presence of:

"Donnamarie Gray"
Witness:

"Doug DeBoer"
Douglas DeBoer

Dated this "24th" day of December, 2014

Signed in the presence of:

"Alesha Webster"
Witness:

"Joel Webster"
Joel Webster

Dated this "24th" day of December, 2014

Schedule "A"

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

AND

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

AND

**IN THE MATTER OF
A SETTLEMENT AGREEMENT BETWEEN
STAFF OF THE ONTARIO SECURITIES COMMISSION
and GROUND WEALTH INC., MICHELLE DUNK, DOUGLAS DEBOER and JOEL WEBSTER**

ORDER

WHEREAS on February 1, 2013, the Commission issued a Notice of Hearing pursuant to section 127 of the *Securities Act* (the "Act") in respect of Ground Wealth Inc. ("GWI"), Michelle Dunk ("Dunk"), Adrion Smith ("Smith"), Joel Webster ("Webster"), Douglas DeBoer ("DeBoer"), Armadillo Energy Inc. ("Armadillo Texas"), Armadillo Energy, Inc. ("Armadillo Nevada") and Armadillo Energy, LLC ("Armadillo Oklahoma") (collectively, the "Respondents");

AND WHEREAS on October 31, 2013, Staff of the Commission filed an Amended Statement of Allegations;

AND WHEREAS on October 31, 2013, Staff of the Commission filed an Amended Notice of Hearing;

AND WHEREAS the GWI, Dunk and DeBoer (collectively, the "Settling Respondents") entered into a Settlement Agreement dated January 5, 2015 (the "Settlement Agreement"), in relation to the matters set out in the Amended Statement of Allegations;

AND WHEREAS the Commission issued a Notice of Hearing dated January 5, 2015, setting out that it proposed to consider the Settlement Agreement;

UPON reviewing the Settlement Agreement, the Notice of Hearing and the Amended Statement of Allegations, and upon considering submissions from the Respondents through their counsel and from Staff of 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:

1. that the Settlement Agreement is hereby approved;
2. that, pursuant to s. 127(1)2 and s. 127(1)2.1 of the Act, trading and acquisition of any securities by GWI shall cease permanently;
3. that, pursuant to s. 127(1)2 and s. 127(1)2.1 of the Act, trading and acquisition of any securities by Dunk shall cease for a period of 8 years from the date of the approval of the Settlement Agreement, except that, following full payment of the administrative penalty and costs orders made against her as a result of this Settlement Agreement, Dunk shall be permitted to trade and acquire securities through a registrant for personal purposes in her own account, provided that she is not engaging in or holding herself out as engaging in the business of trading in securities, and provided Dunk first notifies the registrant of these conditions by delivering to the registrant a copy of this order;
4. that, pursuant to s. 127(1)2 and s. 127(1)2.1 of the Act, trading and acquisition of any securities by DeBoer shall cease for a period of 5 years from the date of the approval of the Settlement Agreement, except that, following full payment of the administrative penalty and costs orders made against him as a result of this Settlement Agreement, DeBoer shall be permitted to trade and acquire securities through a registrant for personal purposes in his own account, provided that he is not engaging in or holding himself out as engaging in the business of trading in securities, and provided DeBoer first notifies the registrant of these conditions by delivering to the registrant a copy of this order;
5. that, pursuant to s. 127(1)2 and s. 127(1)2.1 of the Act, trading and acquisition of any securities by Webster shall cease for a period of 2.5 years from the date of the approval of the Settlement Agreement, except that, following full payment

of the administrative penalty and costs orders made against him as a result of this Settlement Agreement, Webster shall be permitted to trade and acquire securities through a registrant for personal purposes in his own account, provided that he is not engaging in or holding himself out as engaging in the business of trading in securities, and provided Webster first notifies the registrant of these conditions by delivering to the registrant a copy of this order;

6. that, pursuant to s. 127(1)3 of the Act, any exemptions contained in Ontario securities law do not apply to GWI permanently;
7. that, pursuant to s. 127(1)6 of the Act, the GWI, Dunk, DeBoer and Webster are reprimanded;
8. that, pursuant to s. 127(1)8.5 of the Act, GWI is prohibited permanently from becoming or acting as a registrant, an investment fund manager or a promoter;
9. that, pursuant to s. 127(1)8.5 of the Act, Dunk is prohibited for a period of 8 years from becoming or acting as a registrant, an investment fund manager or a promoter;
10. that, pursuant to s. 127(1)8.5 of the Act, DeBoer is prohibited for a period of 5 years from becoming or acting as a registrant, an investment fund manager or a promoter;
11. that, pursuant to s. 127(1)8.5 of the Act, Webster is prohibited for a period of 2.5 years from becoming or acting as a registrant, an investment fund manager or a promoter;
12. that, pursuant to s. 127(1)8 Dunk is prohibited for a period of 8 years from becoming or acting as a director or officer of any issuer;
13. that, pursuant to s. 127(1)8 DeBoer is prohibited for a period of 5 years from becoming or acting as a director or officer of any issuer;
14. that, pursuant to s. 127(1)8.2, 127(1)8.3 and 127(1)8.4 of the Act, Dunk is prohibited for a period of 8 years from becoming or acting as an officer or director of a registrant or investment fund manager;
15. that, pursuant to s. 127(1)8.2, 127(1)8.3 and 127(1)8.4 of the Act, DeBoer is prohibited for a period of 5 years from becoming or acting as an officer or director of a registrant or investment fund manager;
16. that, pursuant to s. 127(1)8.2, 127(1)8.3 and 127(1)8.4 of the Act, Webster is prohibited for a period of 2.5 years from becoming or acting as an officer or director of a registrant or investment fund manager;
17. that, pursuant to s. 127(1)9 of the Act, Dunk shall pay an administrative penalty of \$50,000 for her breaches of Ontario securities law in this matter, to be allocated under section 3.4(2)(b) to or for the benefit of third parties, or for use by the Commission for the purpose of educating investors or promoting or otherwise enhancing knowledge and information of persons regarding the operation of the securities and financial markets;
18. that, pursuant to s. 127(1)9 of the Act, DeBoer shall pay an administrative penalty of \$50,000 for his breaches of Ontario securities law in this matter, to be allocated under section 3.4(2)(b) to or for the benefit of third parties, or for use by the Commission for the purpose of educating investors or promoting or otherwise enhancing knowledge and information of persons regarding the operation of the securities and financial markets;
19. that, pursuant to s. 127(1)9 of the Act, Webster shall pay an administrative penalty of \$3,500 for his breaches of Ontario securities law in this matter, to be allocated under section 3.4(2)(b) to or for the benefit of third parties, or for use by the Commission for the purpose of educating investors or promoting or otherwise enhancing knowledge and information of persons regarding the operation of the securities and financial markets;
20. that, pursuant to s. 127(1)10 of the Act, GWI shall disgorge to the Commission the amount of \$1,300,000, obtained as a result of its breaches of Ontario securities law in this matter;
21. that, pursuant to s. 127.1(1) of the Act, Dunk shall pay \$7,500 as investigation costs in this matter; and,
22. that, pursuant to s. 127.1(1) of the Act, DeBoer shall pay \$7,500 as investigation costs in this matter.

DATED at Toronto this 6th day of January, 2015.

Mary Condon

3.1.3 Heritage Education Funds Inc.

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

AND

IN THE MATTER OF
HERITAGE EDUCATION FUNDS INC.

SETTLEMENT AGREEMENT

PART I – INTRODUCTION

1. The Ontario Securities Commission (the “Commission”) will issue a Notice of Hearing to announce that it will hold a hearing to consider whether, pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”), it is in the public interest for the Commission to make certain orders in respect of Heritage Education Funds Inc. (“HEFI”).

PART II – JOINT SETTLEMENT RECOMMENDATION

2. Staff of the Commission (“Staff”) agrees to recommend settlement of the proceeding commenced by Notice of Hearing dated January 6, 2015 (the “Proceeding”) against HEFI according to the terms and conditions set out below in this agreement (the “Settlement Agreement”). HEFI agrees to the making of an order in the form attached as Schedule “A”, based on the facts set out below.

PART III – AGREED FACTS

3. For the Proceeding, and any other regulatory proceeding commenced by a securities regulatory authority, HEFI agrees with the facts as set out in Part III of this Settlement Agreement.

Overview

4. HEFI has been the subject of three compliance field review reports since 2000 by Staff of the Compliance and Registrant Regulation Branch (“CRR Staff”). HEFI also had previous terms and conditions imposed on its registration by CRR Staff from April 16, 2003 to October 28, 2003 and from July 9, 2004 to March 28, 2005. The last compliance field review report dated June 14, 2012 (the “2012 Compliance Report”) identified numerous compliance deficiencies. In some cases, CRR Staff found HEFI to be deficient in similar areas to those previously identified as containing deficiencies.
5. On August 13, 2012, the Commission issued a temporary section 127 order (the “Temporary Order”) with HEFI’s consent, which imposed terms and conditions (“Terms and Conditions”) on HEFI’s registration. The Terms and Conditions required HEFI to: (a) retain an independent consultant (the “Consultant”) to prepare and assist HEFI to implement a plan to strengthen its compliance system; (b) retain an independent monitor (the “Monitor”) to use best efforts to review new client applications for the purpose of ensuring adequate know your client (“KYC”) information in order to determine suitability of the investment and to use best efforts to contact certain new clients to confirm: (i) the accuracy of the client’s KYC information; (ii) the investment is suitable for the client; and (iii) the client understands the fee structure of the investment.
6. From time to time, the Temporary Order was extended and amended with HEFI’s consent.
7. On October 12, 2012, the Consultant delivered a Consultant’s plan (the “Consultant’s Plan”) which set out a plan to revise HEFI’s compliance policies and procedures including amending HEFI’s application form and KYC processes and to require additional organizational and policy improvements as summarized below in paragraphs 26 and 28.
8. On December 17, 2012, January 22, 2013, and October 1, 2013, the Consultant delivered addendums to the Consultant’s Plan (the “Addendums”).
9. The Consultant has confirmed in its attestation letter dated April 21, 2014 that HEFI has implemented the procedures and controls recommended by the Consultant that address each of the deficiencies identified in the 2012 Compliance Report and that strengthen the compliance system. The Consultant specifically attests that HEFI has implemented an

adequate compliance and supervisory structure tailored to its business, and that HEFI is complying with the new procedures and controls, which appear to be working effectively and are being enforced.

10. HEFI has agreed to adhere to the revised internal controls, supervision and policies and procedures developed during the implementation of the Consultant's Plan and the Addendums.
11. Given HEFI's implementation of the Consultant's Plan and the Addendums, HEFI's co-operation to date and HEFI's agreement to adhere to the revised internal controls, supervision and policies and procedures set out in the Consultant's Plan and the Addendums, the parties agree to settle the Proceeding on the basis that: (a) HEFI will provide the OSC Manager as defined in the Terms and Conditions with a report by the Consultant by no later than March 12, 2016. The report by the Consultant will be based on a work plan to be agreed upon jointly by HEFI, the Consultant and the OSC Manager by no later than February 23, 2015 and will report on whether the revised policies and procedures and internal controls set out in the Consultant's Plan and the Addendums, as well as any subsequent revisions thereto are: (i) being followed by HEFI; (ii) working appropriately; and (iii) being adequately administered and enforced by HEFI, such report to include a description of the Consultant's testing to support its conclusions for the 12 month period ending January 12, 2016; and (b) HEFI will receive a reprimand from the Commission.

Heritage Education Funds Inc. ("HEFI")

12. HEFI offers two types of education savings plans (the "Plans"). The Plans are administered by the Heritage Educational Foundation (the "Foundation").
13. HEFI distributes the Plans which are registered as registered education savings plans under the *Income Tax Act*, R.S.C. 1985, c.1 (5th Supp.), as amended.
14. HEFI, formerly known as Canadian American Financial Corporation (Canada) Limited and Allianz Education Funds Inc., was incorporated in or about 1965.
15. HEFI became registered with the Commission as a dealer in the category of scholarship plan dealer ("SPD") in or about 1988. HEFI became registered as an investment fund manager on or about February 15, 2011.

Previous Compliance Reviews and Previous Terms and Conditions

16. HEFI has been the subject of three previous compliance reviews conducted by CRR Staff.
17. On April 16, 2003, terms and conditions were imposed on HEFI's registration which included filing year-to-date unaudited financial statements and monthly reports calculating excess working capital.
18. A compliance field review report by CRR Staff dated August 26, 2003 identified a number of compliance deficiencies including: (i) inadequate supervision of sales representatives; (ii) inadequate collection and documentation of KYC information; (iii) inadequate training and testing of dealing representatives ("DRs"); (iv) branch managers ("BMs") not involved in reviewing suitability; (v) inadequate systems to monitor leveraging; (vi) inadequate review of branch trading reports; (vii) use of misleading marketing materials and business cards; and (viii) improper third party business arrangements.
19. A compliance field review report by CRR Staff dated June 23, 2004 identified a number of compliance deficiencies, including some of the same deficiencies identified in the compliance field review report dated August 26, 2003.
20. On July 9, 2004, terms and conditions were imposed on HEFI's registration which included filing monthly progress reports with the OSC Manager, detailing the actions taken to resolve the identified deficiencies.

2012 Compliance Report

21. From approximately November 30, 2011 to January 13, 2012, CRR Staff conducted a compliance review at HEFI's head office in Toronto, Ontario and at various branch locations in the Greater Toronto Area. On June 14, 2012, CRR Staff issued the 2012 Compliance Report which identified the following deficiencies: (i) HEFI lacked an adequate system of compliance controls and supervision; (ii) HEFI's head office did not adequately discharge its obligations as a registered firm to supervise DRs; (iii) ineffective branch audits; (iv) failure to respond to control weakness over non-financial changes in respect to KYC information; (v) failure to adequately monitor the restricted terms and conditions imposed on certain DRs; (vi) commissions paid to non-registered companies; (vii) failure to monitor terms and conditions on DRs; (viii) inadequate collection and documentation of KYC information for each of HEFI's clients for the purpose of assessing suitability; (ix) inadequate suitability assessment, including concerns over the affordability guidelines used to assess trade suitability; (x) ineffective trade review process; (xi) unsuitable investments; (xii) high

pressure sales tactics; (xiii) insufficient or inadequate knowledge by certain DRs of HEFI's Plans; and (xiv) misleading, inaccurate or unsubstantiated claims in marketing materials.

Temporary Order dated August 13, 2012

22. On August 13, 2012, the Commission issued the Temporary Order with HEFI's consent which imposed Terms and Conditions on HEFI's registration. The Terms and Conditions required HEFI to retain the Consultant to: (a) prepare, and assist HEFI to implement, a plan to strengthen its compliance system within the meaning of section 11.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("NI 31-103"); and (b) make recommendations to rectify all identified compliance deficiencies raised in the 2012 Compliance Report. The Terms and Conditions also required HEFI to retain the Monitor to use best efforts to review new client applications for the purpose of ensuring adequate KYC information in order to determine suitability of the investment and to use best efforts to contact certain new clients to confirm: (i) the accuracy of the client's KYC information; (ii) the investment is suitable for the client; and (iii) the client understands the fee structure of the investment.
23. The OSC Manager, as referred to in the Terms and Conditions, approved Deloitte and Touche ("Deloitte") as the Consultant and Monitor. On June 12, 2013, the OSC Manager approved Compliance Support Services Inc. to replace Deloitte as the Consultant, to continue and complete implementation of the Consultant's Plan.

Consultant's Plan dated October 12, 2012, as Amended December 17, 2012, January 22, 2013 and October 1, 2013

24. On October 12, 2012, the Consultant provided Staff with the Consultant's Plan to strengthen HEFI's compliance systems.
25. The Consultant's Plan listed specific recommendations to address the deficiencies set out in the 2012 Compliance Report.
26. After a request from Staff for the Consultant's Plan to include more details about the roles and responsibilities of the head office compliance staff in enhancing the compliance structure, including but not limited to trade reviews, review and approval of marketing materials, and monitoring terms and conditions on dealing representatives, the Consultant delivered a 44 page amended Consultant's Plan on January 22, 2013. The Consultant's Plan and the Addendums set out recommendations, action items, responsible persons and targeted completion dates for reviews of and/or improvements to:
 - (a) compliance policies and systems;
 - (b) the suitability assessment process including the collection of further KYC and suitability information;
 - (c) training for HEFI's DRs;
 - (d) the enhancement of compliance human resources;
 - (e) client statements;
 - (f) website and marketing material;
 - (g) insurance requirements; and
 - (h) registration processes.

Implementation of the Consultant's Plan and Addendums

27. The Terms and Conditions required the Consultant to provide monthly progress reports detailing HEFI's progress with respect to the implementation of the Consultant's Plan for each recommendation. The Consultant delivered progress reports to Staff on February 27, March 27, April 26, May 27, July 22, September 3, October 3, November 4, December 9, 2013, February 3, and March 31, 2014 which reported on the implementation of the Consultant's Plan and Addendums.
28. The Consultant's Plan and the Addendums together with the subsequent progress reports noted in paragraph 27 required the following action steps to improve the collection of KYC and suitability information:
 - (a) develop new affordability guidelines focusing on cash flow and the debt/contractual investment servicing ratio;

- (b) develop new supplemental KYC information form capturing information needed for affordability guidelines, including net worth inclusive of liquid assets, fixed assets, total liabilities, and net disposable income in specified circumstances;
 - (c) enhance the suitability assessment process to include the amendments recommended in the draft RESP Dealers Association of Canada Guideline on KYC and Suitability (September 14, 2012), along with certain additional items of mandatory information;
 - (d) conduct KYC form and plan disclosure training for DRs, BMs, head office staff, Provincial Compliance Officers ("PCOs"), and other staff;
 - (e) review training material and replace any high pressure sales tactics with material focusing on know your product ("KYP") information outlining risks and benefits of each plan type;
 - (f) develop new trade review assessment and approval processes including those for BMs, Provincial Trading Officers ("PTOs") and head office staff;
 - (g) develop new KYC update and enrolment application review and approval processes;
 - (h) redesign enrolment application and KYC form in order to have all KYC information on the KYC form; and
 - (i) conduct training for revised forms, new trade review procedures, new KYC update procedures and new enrolment application review procedures for DRs, BMs, PCOs, head office staff, and other staff.
29. By progress report dated March 31, 2014, the Consultant confirmed that HEFI's compliance systems have been fully remediated and every deficiency raised in the 2012 Compliance Report has been addressed and corrected.

30. In the Consultant's attestation letter dated April 21, 2014, the Consultant stated that: (i) to the best of its knowledge and belief, HEFI has implemented the procedures and controls recommended by the Consultant to address each of the deficiencies identified in the 2012 Compliance Report and that strengthen HEFI's compliance system, including that the firm has implemented an adequate compliance and supervisory structure tailored to its business; (ii) to the best of its knowledge and belief and based on the Consultant's design and review of the system and structures and its verification of the system and structures, HEFI is complying with the new procedures and controls; and (iii) the Consultant reviewed and verified the procedures and they appear to be working effectively and appear to be being enforced.

Role of Monitor

31. From September 11, 2012 to September 13, 2013, the Monitor reviewed 8,472 New Client applications, called 3,594 New Clients and HEFI unwound 172 new client applications based on the KYC information gathered by HEFI. In the 172 cases, the Monitor determined based on the new client's KYC Information and HEFI suitability policies, that the 172 investments were not suitable.
32. On September 6, 2013, the Commission ordered the role of the Monitor suspended effective September 16, 2013 after reviewing a letter from the Consultant dated September 3, 2013 stating that the monitoring of HEFI's new client applications was no longer necessary.

HEFI'S POSITION

33. HEFI acknowledges that changes were required to strengthen its compliance system so as to better serve the public interest.
34. Upon receipt of the 2012 Compliance Report, HEFI immediately set out to address the compliance deficiencies highlighted in the report, particularly the KYC and suitability deficiencies. Initial changes were implemented prior to the Consultant being retained or their plan being reviewed or approved by Staff.
35. HEFI has worked with the Consultant and the Monitor to ensure that the Terms and Conditions imposed by the Commission on August 13, 2012 were fully implemented.
36. As at November 20, 2014, HEFI had incurred \$4,910,143.79 inclusive of HST in Consultant and Monitor costs as a result of the implementation of the Terms and Conditions.
37. HEFI has co-operated with Staff and consented to the Temporary Order which imposed the Terms and Conditions and consented to other Commission orders which extended the Temporary Order and varied the Terms and Conditions.

38. HEFI has agreed to adhere to the revised internal controls, supervision and policies and procedures in all provincial and territorial jurisdictions in Canada in which HEFI is registered and as referenced in the Consultant's Plan and the progress reports.

PART IV – CONDUCT TO BETTER SERVE THE PUBLIC INTEREST

39. By engaging in the conduct described above, HEFI admits and acknowledges that its compliance system did not meet reasonable compliance practices and that changes were required to strengthen its compliance system so as to better serve the public interest.

PART V – TERMS OF SETTLEMENT

40. HEFI agrees to the terms of settlement listed below.
41. The Commission will make an order pursuant to subsection 127(1) of the Act that:
- (a) this Settlement Agreement is approved;
 - (b) pursuant to clause 4 of subsection 127(1) of the Act, no later than March 12, 2016, HEFI will provide the OSC Manager as defined in the Terms and Conditions with a report by the Consultant, based on a work plan to be agreed upon jointly by HEFI, the Consultant and the OSC Manager, which reports on whether the revised policies and procedures and internal controls set out in the Consultant's Plan and the Addendums as well as any subsequent revisions thereto are: (i) being followed by HEFI; (ii) working appropriately; and (iii) being adequately administered and enforced by HEFI, such report to include a description of the Consultant's testing to support its conclusions for the 12 month period ending January 12, 2016; and
 - (c) pursuant to clause 6 of subsection 127(1) of the Act, HEFI is reprimanded.

PART VI – STAFF COMMITMENT

42. If the Commission approves this Settlement Agreement, Staff will not commence any proceeding under Ontario securities law against HEFI in relation to the facts set out in Part III of this Settlement Agreement, subject to the provisions of paragraph 43 below.
43. If the Commission approves this Settlement Agreement and, at any subsequent time, HEFI fails to comply with any of the terms of the Settlement Agreement, Staff may bring proceedings under Ontario securities law against HEFI. These proceedings may be based on, but not limited to, the facts set out in Part III of this Settlement Agreement as well as the breach of the Settlement Agreement.

PART VII – PROCEDURE FOR APPROVAL OF SETTLEMENT

44. The parties will seek approval of this Settlement Agreement at a public hearing before the Commission scheduled for January 12, 2015, or on another date agreed to by Staff and HEFI, according to the procedures set out in this Settlement Agreement and the Commission's Rules of Procedure.
45. Staff and HEFI agree that this Settlement Agreement will form all of the agreed facts that will be submitted at the settlement hearing on HEFI's conduct, unless the parties agree that additional facts should be submitted at the settlement hearing.
46. If the Commission approves this Settlement Agreement, HEFI agrees to waive all rights to a full hearing, judicial review or appeal of this matter under the Act.
47. If the Commission approves this Settlement Agreement, neither party will make any public statement that is inconsistent with this Settlement Agreement or with any additional agreed facts submitted at the settlement hearing.
48. Whether or not the Commission approves this Settlement Agreement, HEFI will not use, in any proceeding, this Settlement Agreement or the negotiation or process of approval of this Settlement Agreement as the basis for any attack on the Commission's jurisdiction, alleged bias, alleged unfairness, or any other remedies or challenges that may otherwise be available.

PART VIII – DISCLOSURE OF SETTLEMENT AGREEMENT

49. If the Commission does not approve this Settlement Agreement or does not make the order attached as Schedule “A” to this Settlement Agreement:
- (a) this Settlement Agreement and all discussions and negotiations between Staff and HEFI before the settlement hearing takes place will be without prejudice to Staff and HEFI; and
 - (b) Staff and HEFI will each be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing of the allegations contained in the Statement of Allegations. Any proceedings, remedies and challenges will not be affected by this Settlement Agreement, or by any discussions or negotiations relating to this Settlement Agreement.
50. Both parties shall keep the terms of this Settlement Agreement confidential until the Commission approves this Settlement Agreement. At that time, the parties will no longer have to maintain confidentiality. If the Commission does not approve this Settlement Agreement, both parties shall continue to keep the terms of this Settlement Agreement confidential, unless they agree in writing not to do so or unless otherwise required by law.

PART IX – EXECUTION OF SETTLEMENT AGREEMENT

51. Both parties may sign separate copies of this agreement. Together, these signed copies will form a binding agreement.
52. A fax copy of any signature will be treated as an original signature.

Dated this 6th day of January, 2015

Heritage Education Funds Inc.

Per: “Onofrio Loduca”
ONOFRIO LODUCA, CHIEF EXECUTIVE OFFICER

Per: “Joe Ladeira”
JOE LADEIRA, CHIEF COMPLIANCE OFFICER

“Tom Atkinson”
Tom Atkinson
Director, Enforcement Branch

Schedule "A"

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

AND

**IN THE MATTER OF
HERITAGE EDUCATION FUNDS INC.**

ORDER

WHEREAS on January , 2015, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") in relation to the Statement of Allegations filed by Staff of the Commission ("Staff") on January , 2015 with respect to Heritage Education Funds Inc. ("HEFI");

AND WHEREAS HEFI entered into a Settlement Agreement dated January , 2015 (the "Settlement Agreement") in relation to the matters set out in the Statement of Allegations;

AND WHEREAS the Settlement Agreement acknowledges HEFI's co-operation with Staff and sets out the costs incurred by HEFI in retaining an independent consultant (the "Consultant") to prepare and assist HEFI in implementing a plan to strengthen HEFI's "compliance system" within the meaning of section 11.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*;

AND WHEREAS the Settlement Agreement sets out that a manager in the Compliance and Registrant Regulation Branch of the Commission (the "OSC Manager") approved the Consultant's plan dated October 12, 2012 (the "Consultant's Plan") and the addendums to the Consultant's plan dated December 17, 2012, January 22, 2013, and October 1, 2013 (the "Addendums") and that the OSC Manager reviewed the progress reports detailing HEFI's progress with respect to the implementation of the Consultant's Plan and the Addendums as revised by various progress reports;

AND WHEREAS the Settlement Agreement sets out that the Consultant confirmed by letter dated April 21, 2014 that HEFI has implemented the procedures and controls recommended by the Consultant to address each of the deficiencies identified in the compliance review report dated June 14, 2012 and to strengthen HEFI's compliance system and that the Consultant has tested the implementation of the recommendations in the Amended Consultant's Plan and it is working effectively;

AND WHEREAS the Commission issued a Notice of Hearing dated January ____, 2015, setting out that it proposed to consider the Settlement Agreement;

AND UPON reviewing the Settlement Agreement, the Notice of Hearing, the Statement of Allegations and upon considering submissions from HEFI's counsel and from Staff of 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) this Settlement Agreement is approved;
- (b) pursuant to clause 4 of subsection 127(1) of the Act, no later than March 12, 2016, HEFI will provide the OSC Manager as defined in the Terms and Conditions with a report by the Consultant, based on a work plan to be agreed upon jointly by HEFI, the Consultant and the OSC Manager, which reports on whether the revised policies and procedures and internal controls set out in the Consultant's Plan and the Addendums as well as any subsequent revisions thereto are: (i) being followed by HEFI; (ii) working appropriately; and (iii) being adequately administered and enforced by HEFI, such report to include a description of the Consultant's testing to support its conclusions for the 12 month period ending January 12, 2016; and
- (c) pursuant to clause 6 of subsection 127(1) of the Act, HEFI is reprimanded.

DATED at Toronto, Ontario this _____ day of January, 2015

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
BlackIce Enterprise Risk Management Inc.	09 January 2015	21 January 2015		
EmberClear Corp.	05 November 2014	17 November 2014	17 November 2014	17 January 2015
Magnum Energy Inc.	09 January 2015	21 January 2015		
Petaquilla Minerals Ltd.	09 January 2015	21 January 2015		

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
Mahdia Gold Corp.	13 January 2015	26 January 2015			

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
Mahdia Gold Corp.	13 January 2015	26 January 2015			

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Chapter 5

Rules and Policies

5.1.1 Amendments to NI 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations

AMENDMENTS TO NATIONAL INSTRUMENT 31-103 REGISTRATION REQUIREMENTS, EXEMPTIONS AND ONGOING REGISTRANT OBLIGATIONS

1. **National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations is amended by this Instrument.**
2. **Section 1.1 is amended by**
 - (a) **adding the following definitions:**

“designated rating” has the same meaning as in National Instrument 81-102 *Investment Funds*;

“designated rating organization” has the same meaning as in National Instrument 81-102 *Investment Funds*;

“DRO affiliate” means an affiliate of a designated rating organization that issues credit ratings in a foreign jurisdiction and that has been designated as such under the terms of the designated rating organization’s designation;

“principal regulator” has the same meaning as in section 4A.1 of Multilateral Instrument 11-102 *Passport System*;

“sub-adviser” means an adviser to

 - (a) a registered adviser, or
 - (b) a registered dealer acting as a portfolio manager as permitted by section 8.24 [*IROC members with discretionary authority*];
 - (b) **replacing “IROC Provision” with “IROC provision”, “IROC Provisions” with “IROC provisions”, “MFDA Provision” with “MFDA provision” and “MFDA Provisions” with “MFDA provisions” wherever these terms occur in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, and**
 - (c) **amending the definition of “sponsoring firm” by replacing “the registered firm” with “the firm registered in a jurisdiction of Canada”.**
3. **Section 1.3 is amended by**
 - (a) **repealing subsection (1),**
 - (b) **replacing subsection (2) with the following:**
 - (2) For the purpose of a requirement in this Instrument to notify or to deliver or submit a document to the regulator or the securities regulatory authority, the person or company may notify or deliver or submit the document to the person or company’s principal regulator.,
 - (c) **repealing subsection (3), and**
 - (d) **adding the following subsections:**
 - (4) Despite subsection (2), for the purpose of the notice and delivery requirements in section 11.9 [*registrant acquiring a registered firm’s securities or assets*], if the principal regulator of the registrant and the principal regulator of the firm identified in paragraph 11.9(1)(a) or 11.9(1)(b), if registered in any jurisdiction of Canada, are not the same, the registrant must deliver the written notice to the following:
 - (a) the registrant’s principal regulator; and

- (b) the principal regulator of the firm identified in paragraph 11.9(1)(a) or 11.9(1)(b) as applicable, if registered in any jurisdiction of Canada identified in paragraph 11.9(1)(a) or 11.9(1)(b).
- (5) Subsection (2) does not apply to
 - (a) section 8.18 [*international dealer*], and
 - (b) section 8.26 [*international adviser*].
- 4. **Paragraph 2.2(1)(e) is amended by replacing “[dealing with clients – individuals and firms]” with “Dealing with clients – individuals and firms”.**
- 5. **Section 3.3 is amended by adding the following subsection:**
 - (4) Subsection (1) does not apply to the examination requirements in
 - (a) section 3.7 [*scholarship plan dealer – dealing representative*] if the individual was registered in a jurisdiction of Canada as a dealing representative of a scholarship plan dealer on and since September 28, 2009, and
 - (b) section 3.9 [*exempt market dealer – dealing representative*] if the individual was registered as a dealing representative of an exempt market dealer in Ontario or Newfoundland and Labrador on and since September 28, 2009..
- 6. **Section 3.5 is amended by replacing “section 7.1(2)(b)” with “paragraph 7.1(2)(b)”.**
- 7. **Section 3.6 is amended by replacing paragraph (a) with the following:**
 - (a) the individual has
 - (i) passed the Canadian Investment Funds Course Exam, the Canadian Securities Course Exam or the Investment Funds in Canada Course Exam,
 - (ii) passed the PDO Exam, the Mutual Fund Dealers Compliance Exam or the Chief Compliance Officers Qualifying Exam, and
 - (iii) gained 12 months of relevant securities industry experience in the 36-month period before applying for registration;.
- 8. **Section 3.7 is amended by replacing “section” with “paragraph”.**
- 9. **Section 3.8 is replaced with the following:**

3.8 Scholarship plan dealer – chief compliance officer

A scholarship plan dealer must not designate an individual as its chief compliance officer under subsection 11.3(1) [*designating a chief compliance officer*] unless the individual has

 - (a) passed the Sales Representative Proficiency Exam,
 - (b) passed the Branch Manager Proficiency Exam,
 - (c) passed the PDO Exam or the Chief Compliance Officers Qualifying Exam, and
 - (d) gained 12 months of relevant securities industry experience in the 36-month period before applying for registration..
- 10. **Section 3.9 is amended by replacing “section 7.1(2)(d)” with “paragraph 7.1(2)(d)”.**

11. **Section 3.10 is amended by replacing paragraph (a) with the following:**

- (a) the individual has
 - (i) passed the Exempt Market Products Exam or the Canadian Securities Course Exam,
 - (ii) passed the PDO Exam or the Chief Compliance Officers Qualifying Exam, and
 - (iii) gained 12 months of relevant securities industry experience in the 36-month period before applying for registration;.

12. **Subsection 3.16(2.1) is amended by replacing “paragraphs” with “paragraph”.**

13. **Section 4.1 is amended by replacing subsection (1) with the following:**

- (1) A firm registered in any jurisdiction of Canada must not permit an individual to act as a dealing, advising or associate advising representative of the registered firm if either of the following apply:
 - (a) the individual acts as an officer, partner or director of another firm registered in any jurisdiction of Canada that is not an affiliate of the first-mentioned registered firm;
 - (b) the individual is registered as a dealing, advising or associate advising representative of another firm registered in any jurisdiction of Canada..

14. **Subsection 4.2(3) is amended by replacing “No later than the 7th day” with “No later than 7 days”.**

15. **Section 6.7 is replaced with the following:**

6.7 Exception for individuals involved in a hearing or proceeding

Despite section 6.6, if a hearing or proceeding concerning a suspended individual is commenced under securities legislation or under the rules of an SRO, the individual's registration remains suspended..

16. **Section 7.1 is amended by**

(a) replacing subparagraph (2)(d)(ii) with the following:

- (ii) subject to subsection (5), act as a dealer by trading a security that, if the trade were a distribution, would be exempt from the prospectus requirement, or,

(b) repealing subparagraph (2)(d)(iii), and

(c) adding the following subsection:

- (5) An exempt market dealer must not trade a security if
 - (a) the security is listed, quoted or traded on a marketplace, and
 - (b) the trade in the security does not require reliance on a further exemption from the prospectus requirement..

17. **Part 8 is amended by adding the following section after the title of Division 1:**

8.0.1 General condition to dealer registration requirement exemptions

The exemptions in this Division are not available to a person or company if the person or company is registered in the local jurisdiction and if their category of registration permits the person or company to act as a dealer or trade in a security for which the exemption is provided..

18. **Section 8.5 is amended by**

- (a) **replacing** “by the person or company if one of the following applies” **with** “in a security if either of the following applies”, **and**

(b) replacing paragraph (a) with the following:

- (a) the trade is made through a registered dealer, if the dealer is registered in a category that permits the trade unless, in furtherance of the trade, the person or company seeking the exemption solicits or contacts directly any purchaser or prospective purchaser in relation to the trade.

19. Division 1 of Part 8 is amended by adding the following section:

8.5.1 Trades through a registered dealer by registered adviser

The dealer registration requirement does not apply to a registered adviser, or an advising representative or associate advising representative acting on behalf of the registered adviser, in respect of trading activities that are incidental to its providing advice to a client, if the trade is made through a dealer registered in a category that permits the trade or a dealer operating under an exemption from the dealer registration requirement.

20. Paragraph (a) of section 8.9 is amended by

- (a) **replacing, in subparagraph (i), “sections 86(e)” with “section 86(e)” and adding “paragraph” before “131(1)(d)”**,
- (b) **replacing, in subparagraph (iii), “sections 19(3)” with “section 19(3)” and adding “paragraph” before “58(1)(a)”**,
- (c) **replacing, in subparagraph (v), “sections 36(1)(e)” with “paragraphs 36(1)(e)”**,
- (d) **replacing, in subparagraph (vi), “sections 41(1)(e)” with “paragraphs 41(1)(e)”**,
- (e) **replacing, in subparagraphs (vii) and (viii), “section” with “sections”**,
- (f) **replacing, in subparagraph (ix), “sections 35(1)5 and 72(1)(d) of the Securities Act (Ontario)” with “section 35(1)5 and paragraph 72(1)(d) of the Securities Act (Ontario) as they existed prior to their repeal by sections 5 and 11 of the Securities Act (Ontario) S.O. 2009, c. 18, Sch. 26”**,
- (g) **replacing, in subparagraph (x), “section 2(3)(d)” with “paragraph 2(3)(d)”**,
- (h) **replacing, in subparagraph (xi), “sections 51 and 155.1(2)” with “section 51 and subsection 155.1(2)”, and**
- (i) **replacing, in subparagraph (xii), “sections” with “paragraphs”**.

21. Subsection 8.15(2) is amended by adding “or Alberta” after “Ontario”.

22. Subsection 8.17(2) is amended by replacing “subsection” with “paragraph”.

23. Section 8.18 is amended by

- (a) **deleting, in subsection (1), the definition of “Canadian permitted client”**,
- (b) **deleting, in subsection (2), “Canadian” before “permitted client” wherever it occurs**,
- (c) **replacing, in paragraph (2)(f), “acting” with “purchasing”**,
- (d) **replacing, in paragraph (3)(d), “acting as principal or as agent” with “trading as principal or agent”**,
- (e) **deleting, in subsection (4), “Canadian” before “permitted client” wherever it occurs, and**
- (f) **replacing, in subsection (5), “12 month period” with “12-month period”**.

24. Subparagraph 8.19(2)(a)(i) is amended by replacing “section” with “paragraph”.

25. Section 8.20 is amended by

- (a) **replacing subsection (1) with the following:**

(1) In Alberta, British Columbia, New Brunswick and Saskatchewan, the dealer registration requirement does not apply to a person or company in respect of a trade in an exchange contract by the person or company if one of the following applies:

- (a) the trade is made through a registered dealer, if the dealer is registered in a category that permits the trade unless, in furtherance of the trade, the person or company seeking the exemption solicits or contacts directly any purchaser or prospective purchaser in relation to the trade;
- (b) the trade is made to a registered dealer who is purchasing as principal, if the dealer is registered in a category that permits the trade., **and**

(b) **repealing subsections (2) and (3).**

26. **Part 8 is amended by adding the following section:**

8.20.1 Exchange contract trades through or to a registered dealer - Alberta, British Columbia, New Brunswick and Saskatchewan

The dealer registration requirement does not apply to a registered adviser, or an advising representative or associate advising representative acting on behalf of the registered adviser, in respect of trading activities related to exchange contracts that are incidental to its providing advice to a client, if the trade is made through a dealer registered in a category that permits the trade or a dealer operating under an exemption from the dealer registration requirement..

27. **Subsection 8.21(1) is amended by deleting the definitions of “designated rating”, “designated rating organization” and “DRO affiliate”.**

28. **Subsection 8.22(3) is amended by replacing “subsection” with “paragraph”.**

29. **Part 8 is amended by adding the following section:**

8.22.1 Short-term debt

(1) In this section, “short-term debt instrument” means a negotiable promissory note or commercial paper maturing not more than one year from the date of issue.

(2) Except in Ontario, the dealer registration requirement does not apply to any of the following in respect of a trade in a short-term debt instrument with a permitted client:

- (a) a bank listed in Schedule I, II or III to the *Bank Act* (Canada);
- (b) an association to which the *Cooperative Credit Associations Act* (Canada) applies or a central cooperative credit society for which an order has been made under subsection 473 (1) of that Act;
- (c) a loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative or credit union league or federation that is authorized by a statute of Canada or of a jurisdiction in Canada to carry on business in Canada or in any jurisdiction in Canada, as the case may be;
- (d) the Business Development Bank of Canada;

(3) The exemption under subsection (2) is not available to a person or company if the short-term debt instrument is convertible or exchangeable into, or accompanied by a right to purchase, another security other than another short-term debt instrument..

30. **Part 8 is amended by adding the following section after the title of Division 2:**

8.22.2 General condition to adviser registration requirement exemptions

The exemptions in this Division are not available to a person or company if the person or company is registered in the local jurisdiction in a category of registration that permits the person or company to act as an adviser in respect of the activities for which the exemption is provided..

31. **Section 8.26 is amended by**

- (a) **deleting, in subsection (2), the definition of “Canadian permitted client”,**
- (b) **replacing subsection (3) with the following:**
 - (3) The adviser registration requirement does not apply to a person or company in respect of its acting as an adviser to a permitted client, other than a permitted client that is a person or company registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer, if the adviser does not advise that client on securities of Canadian issuers, unless providing that advice is incidental to its providing advice on a foreign security.,
- (c) **replacing paragraph (4)(b) with the following:**
 - (b) the adviser is registered in a category of registration, or operates under an exemption from registration, under the securities legislation of the foreign jurisdiction in which its head office or principal place of business is located, that permits it to carry on the activities in that jurisdiction that registration as an adviser would permit it to carry on in the local jurisdiction; , **and**
- (d) **replacing, in paragraph (4)(f), “Submission to Jurisdiction and Appointment of Agent for Service” with “Submission to jurisdiction and appointment of agent for service”.**

32. **Part 8 is amended by adding the following section:**

8.26.1 International sub-adviser

- (1) The adviser registration requirement does not apply to a sub-adviser if all of the following apply:
 - (a) the obligations and duties of the sub-adviser are set out in a written agreement with the registered adviser or registered dealer;
 - (b) the registered adviser or registered dealer has entered into a written agreement with its clients on whose behalf investment advice is or portfolio management services are to be provided, agreeing to be responsible for any loss that arises out of the failure of the sub-adviser
 - (i) to exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the registrant and each client of the registrant for whose benefit the advice is or portfolio management services are to be provided, or
 - (ii) to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances.
- (2) The exemption under subsection (1) is not available unless all of the following apply:
 - (a) the sub-adviser’s head office or principal place of business is in a foreign jurisdiction;
 - (b) the sub-adviser is registered in a category of registration, or operates under an exemption from registration, under the securities legislation of the foreign jurisdiction in which its head office or principal place of business is located, that permits it to carry on the activities in that jurisdiction that registration as an adviser would permit it to carry on in the local jurisdiction;
 - (c) the sub-adviser engages in the business of an adviser in the foreign jurisdiction in which its head office or principal place of business is located..

33. **Part 8 is amended by adding the following section after the title of Division 3:**

8.26.2 General condition to investment fund manager registration requirement exemptions

The exemptions in this Division are not available to a person or company if the person or company is registered in the local jurisdiction as an investment fund manager..

34. **Section 8.28 is replaced with the following:**

8.28 Capital accumulation plan

(1) In this section

“capital accumulation plan” means a tax assisted investment or savings plan, including a defined contribution registered pension plan, a group registered retirement savings plan, a group registered education savings plan, or a deferred profit-sharing plan, that permits a plan member to make investment decisions among two or more investment options offered within the plan, and in Québec and Manitoba, includes a simplified pension plan;

“plan member” means a person that has assets in a capital accumulation plan;

“plan sponsor” means an employer, trustee, trade union or association or a combination of them that establishes a capital accumulation plan, and includes a plan service provider to the extent that the plan sponsor has delegated its responsibilities to the plan service provider; and

“plan service provider” means a person that provides services to a plan sponsor to design, establish, or operate a capital accumulation plan.

(2) The investment fund manager registration requirement does not apply to a plan sponsor or their plan service provider in respect of activities related to a capital accumulation plan..

35. **Paragraph 8.30(d) is amended by replacing** “Parts 13 [*dealing with clients – individuals and firms*] and 14 [*handling client accounts – firms*]” **with** “Parts 13 *Dealing with clients – individuals and firms* and 14 *Handling client accounts – firms*”.

36. **Section 9.1 is amended by replacing** “Dealer Member” **with** “dealer member”.

37. **Paragraphs 9.3(1)(b) and 9.4(1)(b) are amended by deleting** “notifying the regulator of a”.

38. **Paragraph 10.1(1)(k) is amended by deleting** “to be paid by a registrant”.

39. **Subsection 11.3(2) is amended by replacing** “[*registration requirements – individuals*]” **with** “*Registration requirements – individuals*”.

40. **Section 11.9 is amended by**

(a) **replacing subsection (1) with the following:**

(1) A registrant must give the regulator or, in Québec, the securities regulatory authority written notice in accordance with subsection (2) if it proposes to acquire any of the following:

- (a) for the first time, direct or indirect ownership, beneficial or otherwise, of 10% or more of the voting securities or other securities convertible into voting securities of
 - (i) a firm registered in any jurisdiction of Canada or any foreign jurisdiction, or
 - (ii) a person or company of which a firm registered in any jurisdiction of Canada or any foreign jurisdiction is a subsidiary;
- (b) all or a substantial part of the assets of a firm registered in any jurisdiction of Canada or any foreign jurisdiction.,

(b) **repealing subsection (3), and**

(c) **replacing subsections (4), (5) and (6) with the following:**

(4) Except in Ontario and British Columbia, if, within 30 days of the receipt of a notice under subsection (1), the regulator or, in Québec, the securities regulatory authority notifies the registrant making the acquisition that the regulator or, in Québec, the securities regulatory authority objects to the acquisition, the acquisition must not occur until the regulator or the securities regulatory authority approves it.

(5) In Ontario, if, within 30 days of the receipt of a notice under subparagraph (1)(a)(i) or paragraph (1)(b), the regulator notifies the registrant making the acquisition that the regulator objects to the acquisition, the acquisition must not occur until the regulator approves it.

(6) Following receipt of a notice of objection under subsection (4) or (5), the person or company who submitted the notice under subsection (1) may request an opportunity to be heard on the matter by the regulator or, in Québec, the securities regulatory authority objecting to the acquisition..

41. Section 11.10 is amended by

(a) replacing subsection (1) with the following:

(1) A registered firm must give the regulator or, in Québec, the securities regulatory authority written notice in accordance with subsection (2) if it knows or has reason to believe that any person or company, alone or in combination with any other person or company, is about to acquire, or has acquired, for the first time, direct or indirect ownership, beneficial or otherwise, of 10% or more of the voting securities or other securities convertible into voting securities of any of the following:

- (a) the registered firm;
- (b) a person or company of which the registered firm is a subsidiary.,

(b) replacing paragraph (2)(c) with the following:

(c) include all facts that to the best of the registered firm's knowledge after reasonable inquiry regarding the acquisition are sufficient to enable the regulator or the securities regulatory authority to determine if the acquisition is

- (i) likely to give rise to a conflict of interest,
- (ii) likely to hinder the registered firm in complying with securities legislation,
- (iii) inconsistent with an adequate level of investor protection, or
- (iv) otherwise prejudicial to the public interest.,

(c) repealing subsection (3), and

(d) replacing subsections (5), (6) and (7) with the following:

(5) Except in British Columbia and Ontario, if, within 30 days of the receipt of a notice under subsection (1), the regulator or the securities regulatory authority notifies the person or company making the acquisition that the regulator or, in Québec, the securities regulatory authority objects to the acquisition, the acquisition must not occur until the regulator or the securities regulatory authority approves it.

(6) In Ontario, if, within 30 days of the receipt of a notice under paragraph (1)(a), the regulator notifies the person or company making the acquisition that the regulator objects to the acquisition, the acquisition must not occur until the regulator approves it.

(7) Following receipt of a notice of objection under subsection (5) or (6), the person or company proposing to make the acquisition may request an opportunity to be heard on the matter by the regulator or, in Québec, the securities regulatory authority objecting to the acquisition..

42. Section 12.2 is replaced with the following:

12.2 Subordination agreement

(1) If a registered firm has entered into a subordination agreement in the form set out in Appendix B, it may exclude the amount of non-current related party debt subordinated under that agreement from the calculation of its excess working capital on Form 31-103F1 *Calculation of Excess Working Capital*.

(2) The registered firm must deliver an executed copy of the subordination agreement referred to subsection (1) to the regulator or, in Québec, the securities regulatory authority on the earliest of the following dates:

- (a) 10 days after the date on which the subordination agreement is executed;
 - (b) the date on which the amount of the subordinated debt is excluded from the registered firm's non-current related party debt as calculated on Form 31-103F1 *Calculation of Excess Working Capital*.
- (3) The registered firm must notify the regulator or, in Québec, the securities regulatory authority 10 days before it
- (a) repays the loan or any part of the loan, or
 - (b) terminates the agreement..

43. **Section 12.6 is amended by replacing “may” with “must” wherever it occurs.**

44. **Subsection 12.12(3) is replaced with the following:**

- (3) Subsection (2) does not apply to an exempt market dealer unless it is also registered in another category, other than the portfolio manager or restricted portfolio manager category..

45. **Section 12.14 is amended by**

(a) **replacing paragraph (1)(c) with the following:**

- (c) a completed Form 31-103F4 *Net Asset Value Adjustments* if any net asset value adjustment has been made in respect of an investment fund managed by the investment fund manager during the financial year.,

(b) **replacing paragraph (2)(c) with the following:**

- (c) a completed Form 31-103F4 *Net Asset Value Adjustments* if any net asset value adjustment has been made in respect of an investment fund managed by the investment fund manager during the interim period., **and**

(c) **repealing subsection (3).**

46. **Paragraph 13.2(2)(c) is amended by adding “[suitability]” after “section 13.3”.**

47. **Subsection 13.10(1) is amended by replacing “subsection 13.8(c)” with “paragraph 13.8(c)”.**

48. **Subsection 13.16(1) is amended by adding “a” before “trading” in paragraph (a) of the definition of “complaint”.**

49. **Part 13 is amended by adding the following division:**

Division 6 *Registered sub-advisers*

13.17 Exemption from certain requirements for registered sub-advisers

- (1) A registered sub-adviser is exempt from the following requirements in respect of its activities as a sub-adviser:
- (a) section 13.4 [*identifying and responding to conflicts of interest*];
 - (b) division 3 [*referral arrangements*] of Part 13;
 - (c) division 5 [*complaints*] of Part 13;
 - (d) section 14.3 [*disclosure to clients about the fair allocation of investment opportunities*];
 - (e) section 14.5 [*notice to clients by non-resident registrants*];
 - (f) section 14.14 [*account statements*].

- (2) The exemption under subsection (1) is not available unless all of the following apply:
- (a) the obligations and duties of the registered sub-adviser are set out in a written agreement with the sub-adviser's registered adviser or registered dealer;
 - (b) the registered adviser or registered dealer has entered into a written agreement with its clients on whose behalf investment advice is or portfolio management services are to be provided agreeing to be responsible for any loss that arises out of the failure of the registered sub-adviser
 - (i) to exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the registrant and each client of the registrant for whose benefit the advice is or portfolio management services are to be provided, or
 - (ii) to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances..

50. Part 14 is amended by

- (a) **amending section 14.1.1, as that section is scheduled to come into force on July 15, 2016, by replacing "An investment fund manager" with "A registered investment fund manager",**
- (b) **amending paragraph 14.7(1)(c) by adding "the" before "Canadian Investor Protection Fund",**
- (c) **amending subparagraph 14.11.1(1)(b)(iii), as that subparagraph is scheduled to come into force on July 15, 2015, by replacing "subparagraphs" with "subparagraph",**
- (d) **amending subsection 14.12(6) by replacing "Section 14.12(5)" with "Subsection 14.12(5)" and by adding "[investment fund trades by adviser to managed account]" after "section 8.6",**
- (e) **amending subsection 14.14 (2.1) by replacing "section" with "paragraph",**
- (f) **amending subsections 14.14(4) and 14.14(5), as these subsections are scheduled to come into force on July 15, 2015, by replacing "subsections" with "subsection",**
- (g) **amending subsection 14.14.2(3), as that subsection is scheduled to come into force on July 15, 2015, by adding "[definitions of terms used throughout this Instrument]" after "definition of "book cost" in section 1.1",**
- (h) **amending subsection 14.18(4), as that subsection is scheduled to come into force on July 15, 2016, by replacing "subsections 14.14(5)" with "subsection 14.14(5)",**
- (i) **amending subsection 14.19(1), as that subsection is scheduled to come into force on July 15, 2016, by replacing "subsections" with "subsection", and**
- (j) **amending subsection 14.19(3), as that subsection is scheduled to come into force on July 15, 2016, by replacing "paragraphs" with "paragraph".**

51. Subsection 15.1(1) is amended by deleting " , in Québec, ".

52. Section 16.10 is replaced with the following:

16.10 Proficiency for dealing and advising representatives

If an individual is registered in a jurisdiction of Canada as a dealing or advising representative in a category referred to in a section of Division 2 [education and experience requirements] of Part 3 on the day this Instrument comes into force, that section does not apply to the individual so long as the individual remains registered in the category..

53. **Form 31-103F1 Calculation of Excess Working Capital is amended by**

- (a) **replacing Line 5 of the table with the following:**

Add 100% of non-current related party debt unless the firm and the lender have executed a subordination agreement in the form set out in Appendix B of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* and the firm has delivered a copy of the agreement to the regulator or, in Québec, the securities regulatory authority. See section 12.2 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*.

- (b) **replacing in Line 10 of the table** “National Instrument 31-103, *Registration Requirements, Exemptions and Ongoing Registrant Obligations*” **with** “National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*”,

- (c) **replacing the introduction to the notes, below the table, with the following:**

Notes:

Form 31-103F1 *Calculation of Excess Working Capital* must be prepared using the accounting principles that you use to prepare your financial statements in accordance with National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*. Section 12.1 of Companion Policy 31-103CP *Registration Requirements, Exemptions and Ongoing Registrant Obligations* provides further guidance in respect of these accounting principles.

- (d) **replacing the notes to Lines 5, 8 and 9 with the following:**

Line 5. Related-party debt – Refer to the CICA Handbook for the definition of “related party” for publicly accountable enterprises. The firm is required to deliver a copy of the executed subordination agreement to the regulator or, in Québec, the securities regulatory authority on the earlier of a) 10 days after the date the agreement is executed or b) the date an amount subordinated by the agreement is excluded from its calculation of excess working capital on Form 31-103F1 *Calculation of Excess Working Capital*. **The firm must notify the regulator or, in Québec, the securities regulatory authority, 10 days before it repays the loan (in whole or in part), or terminates the subordination agreement.** See section 12.2 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*.

Line 8. Minimum Capital – The amount on this line must be not less than (a) \$25,000 for an adviser and (b) \$50,000 for a dealer. For an investment fund manager, the amount must be not less than \$100,000 unless subsection 12.1(4) of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* applies.

Line 9. Market Risk – The amount on this line must be calculated according to the instructions set out in Schedule 1 to Form 31-103F1 *Calculation of Excess Working Capital*. A schedule supporting the calculation of any amounts included in Line 9 as market risk should be provided to the regulator or, in Québec, the securities regulatory authority in conjunction with the submission of Form 31-103F1 *Calculation of Excess Working Capital*.

- (e) **in the last line of the notes to Line 12, replacing “this form” with “Form 31-103 Calculation of Excess Working Capital”;**

- (f) **adding, immediately before paragraph (e) of Schedule 1 of Form 31-103 Calculation of Excess Working Capital, the following:**

Securities of mutual funds qualified by prospectus for sale in the United States of America: 5% of the net asset value per security if the fund is registered as an investment company under the *Investment Companies Act of 1940*, as amended from time to time, and complies with Rule 2a-7 thereof.

- (g) **by replacing paragraph (l) of clause (ii) of paragraph (e) of Schedule 1 of Form 31-103 Calculation of Excess Working Capital with the following:**

- (l) SIX Swiss Exchange,

- (h) **by deleting, in paragraph (b) of clause (i) of paragraph (f) of Schedule 1 of Form 31-103 Calculation of Excess Working Capital**, “of the loan or the rates set by Canadian financial institutions or Schedule III banks, whichever is greater”, **and**
- (i) **by deleting, in paragraph (b) of clause (ii) of paragraph (f) of Schedule 1 of Form 31-103 Calculation of Excess Working Capital**, “of the loan or the rates set by Canadian financial institutions or Schedule III banks, whichever is greater”.

54. **Form 31-103F2 Submission to Jurisdiction and Appointment of Agent for Service is amended by replacing in Line 6.** “National Instrument 31-103, *Registration Requirements, Exemptions and Ongoing Registrant Obligations*” **with** “National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*”.

55. **The following form is added:**

FORM 31-103F4 NET ASSET VALUE ADJUSTMENTS

(Section 12.14 [delivering financial information – investment fund manager])

This is to notify the regulator or, in Québec, the securities regulatory authority, of a net asset value (NAV) adjustment made in respect of an investment fund managed by the investment fund manager in accordance with paragraph 12.14(1)(c) or paragraph 12.14(2)(c). All of the information requested should be provided on a fund by fund basis. Please attach a schedule if necessary.

1. Name of the investment fund manager:
2. Name of each of the investment funds for which a NAV adjustment occurred:
3. Date(s) the NAV error occurred:
4. Date the NAV error was discovered:
5. Date of the NAV adjustment:
6. Original total NAV on the date the NAV error first occurred:
7. Original NAV per unit on each date(s) the NAV error occurred:
8. Revised NAV per unit on each date(s) the NAV error occurred:
9. NAV error as percentage (%) of the original NAV on each date(s) the NAV error occurred:
10. Total dollar amount of the NAV adjustment:
11. Effect (if any) of the NAV adjustment per unit or share:
12. Total amount reimbursed to security holders, or any corrections made to purchase and redemption transactions affecting the security holders of each investment fund affected, if any:
13. Date of the NAV reimbursement or correction to security holder transactions, if any:
14. Total amount reimbursed to investment fund, if any:
15. Date of the reimbursement to investment fund, if any:
16. Description of the cause of the NAV error:
17. Was the NAV error discovered by the investment fund manager?
Yes No
18. If No, who discovered the NAV error?

19. Was the NAV adjustment a result of a material error under the investment fund manager's policies and procedures?
Yes No
20. Have the investment fund manager's policies and procedures been changed following the NAV adjustment?
Yes No
21. If Yes, describe the changes:
22. If No, explain why not:
23. Has the NAV adjustment been communicated to security holders of each of the investment funds affected?
Yes No
24. If Yes, describe the communications:

Notes:

Line 2. NAV adjustment – Refers to the correction made to make the investment fund's NAV accurate.

Line 3. NAV error – Refers to the error discovered on the Original NAV. Please refer to Section 12.14 of *Companion Policy 31-103CP Registration Requirements, Exemptions and Ongoing Registrant Obligations* for guidance on NAV error and causes of NAV errors.

Line 3. Date(s) the NAV error occurred – Means the date of the NAV error first occurred and the subsequent dates of the NAV error.

Line 8. Revised NAV per unit – Refers to the NAV per unit calculated after taking into account the NAV error.

Line 9. NAV error as a percentage (%) of the original NAV – Refers to the following calculation:

$$(\text{Revised NAV} / \text{Original NAV}) - 1 \times 100$$

56. **APPENDIX B is amended, in paragraph (b) of section 2, by adding “,” after “in respect to the Loan”.**
57. **APPENDIX G is amended by**
- (a) **deleting, under the caption “NI 31-103 Provision” with regard to “section 12.2”, “notifying the regulator of a”,**
- (b) **deleting, under the caption “IIROC Provision” with regard to “subsection 14.2(2) [relationship disclosure information], the following:**
- IIROC has not yet assigned a number to the relationship disclosure dealer member rule in its Client Relationship Model proposal. We will refer to the dealer member rule number when IIROC has assigned one.
- , and**
- (c) **adding “9. Dealer Member Rule 3500 [Relationship Disclosure]” at the end of the list of IIROC Provisions.**
58. **APPENDIX H is amended by deleting, under the caption “NI 31-103 Provision” with regard to “section 12.2”, “notifying the regulator of a”.**

Coming into force

59. (1) Subject to subsection (2), this Instrument comes into force on January 11, 2015.
- (2) Paragraph 16(c) and section 29 of this Instrument come into force on July 11, 2015.

5.1.2 Amendments to NI 33-109 Registration Information

AMENDMENTS TO NATIONAL INSTRUMENT 33-109 REGISTRATION INFORMATION

1. **National Instrument 33-109 Registration Information is amended by this Instrument.**
2. **Section 1.1 is amended by**
 - (a) **adding the following definition:**

“business location” means a location where the firm carries out an activity that requires registration, and includes a residence if regular and ongoing activity that requires registration is carried out from the residence or if records relating to an activity that requires registration are kept at the residence;.
 - (b) **replacing the definition of “cessation date” with the following:**

“cessation date” means the last day on which an individual had authority to act as a registered individual on behalf of their sponsoring firm or was a permitted individual of their sponsoring firm, because of the end of, or a change in, the individual’s employment, partnership, or agency relationship with the firm;., **and**
 - (c) **replacing the definition of “permitted individual” with the following:**

“permitted individual” means

 - (a) a director, chief executive officer, chief financial officer, or chief operating officer of a firm, or a functional equivalent of any of those positions,
 - (b) an individual who has beneficial ownership of, or direct or indirect control or direction over, 10 percent or more of the voting securities of a firm, or
 - (c) a trustee, executor, administrator, or other personal or legal representative, that has direct or indirect control or direction over 10 percent or more of the voting securities of a firm;.
3. **Subsection 2.3(2) is amended by**
 - (a) **adding “(other than Item 13.3(c))”, after “[Regulatory disclosure]” in subparagraph (c)(i), and**
 - (b) **replacing paragraph (d) with the following:**
 - (d) the individual is seeking reinstatement with a sponsoring firm in one or more of the same categories of registration in which the individual was registered on the cessation date;.
4. **Subsection 2.6(1) is amended by replacing “subsection” with “paragraph”.**
5. **Section 3.1 is amended by**
 - (a) **replacing, in subsection (1), “subsections” with “subsection”, and**
 - (b) **replacing, in subsection (4), “Submission to Jurisdiction and Appointment of Agent for Service” with “Submission to jurisdiction and appointment of agent for service”.**
6. **Subsection 4.1(4) is amended by**
 - (a) **deleting “.” after “if the change relates to”,**
 - (b) **replacing “;” with “,” at the end of paragraphs (a) and (b),**
 - (c) **replacing “.” with “, or” at the end of paragraph (c), and**
 - (d) **adding the following paragraph:**
 - (d) any information on Schedule C of Form 33-109F4..

7. **Section 4.2 is amended by**
- (a) **in paragraphs (2)(a) and (2)(b), replacing “subsection” with “paragraph”, and**
 - (b) **in paragraph (4)(b), replacing “subsection” with “paragraph”.**
8. **The title of all schedules to forms of National Instrument 33-109 Registration Information is amended by replacing “SCHEDULE”, wherever this word appears, with “Schedule”.**

9. **Form 33-109F1 is amended by**

- (a) **replacing the paragraph after the heading “Terms” with the following:**

In this form, “cessation date” (or “effective date of termination”) means the last day on which an individual had authority to act as a registered individual on behalf of their sponsoring firm or the last day on which an individual was a permitted individual of their sponsoring firm, because of the end of, or a change in, the individual’s employment, partnership, or agency relationship with the firm.,

- (b) **replacing “[National Registration Database]” with “National Registration Database” in the second paragraph after the heading “How to submit the form”,**

- (c) **replacing “termination date” with “cessation date” in the second paragraph after the heading “When to submit the form”,**

- (d) **in Item 3, replacing “Address” with “Business location address”,**

- (e) **in section 1 of Item 4 under “Cessation date / Effective date of termination”, replacing the sentence with the following:**

This is the last day that the individual had authority to act in a registerable capacity on behalf of the firm, or the last day that the individual was a permitted individual.,

- (f) **adding, at the end of section 2 of Item 4, the following:**

If “Other”, explain: _____,

- (g) **adding, in section 8 of Item 5, “or materially” after “Did the individual repeatedly”, and**

- (h) **replacing Item 7 with the following:**

Item 7 Warning

It is an offence under securities legislation and derivatives legislation, including commodity futures legislation, to give false or misleading information on this form..

10. **Form 33-109F2 is amended by**

- (a) **adding “or provide notice of other changes to the information on Schedule C of Form 33-109F4” at the end of the sentence after the heading “GENERAL INSTRUCTIONS”,**

- (b) **adding “National Registration Database” after “National Instrument 31-102” in the second paragraph after the heading “How to submit this form”,**

- (c) **replacing section 1 of Item 2 with the following:**

1. Are you filing this form under the passport system / interface for registration?

Choose “No” if you are registered in

- (a) only one jurisdiction of Canada
- (b) more than one jurisdiction of Canada and you are requesting a surrender in a non-principal jurisdiction or jurisdictions, but not in your principal jurisdiction, or

(c) more than one jurisdiction of Canada and you are requesting a change only in your principal jurisdiction.

Yes No

- (d) **deleting** “of individual categories of registration” **in section 2 of Item 2,**
- (e) **replacing** “36 month period” **with** “36-month period” **in section 3 of Item 4,**
- (f) **replacing** “Not Applicable” above” **with** “N/A” “ **in section 3 of Item 4,**
- (g) **replacing** “yes” **with** “Yes” **in section 3 of Item 4,**
- (h) **adding, in Item 5,** “registration” **before** “category”,
- (i) **amending Item 6 by replacing** “Schedule A” **with** “Schedule B” **wherever this expression appears, and replacing, in the second paragraph,** “SROs” **with** “SRO” **and** “enforce their respective by-laws” **with** “enforce its by-laws”,
- (j) **replacing Item 7 with the following:**
- Item 7 Warning**
- It is an offence under securities legislation and derivatives legislation, including commodity futures legislation, to give false or misleading information on this form.,**
- (k) **in Schedule A, replacing the third paragraph with the following:**
- Indicate the continuing education activities in which you have participated during the last 36 months and that are relevant to the category of registration you are applying for:, and
- (l) **replacing Schedule B with the following:**

Schedule B

**Contact information for
Notice of collection and use of personal information**

Alberta

Alberta Securities Commission
Suite 600, 250–5th St. SW
Calgary, AB T2P 0R4
Attention: Information Officer
Telephone: (403) 297-6454

Nunavut

Government of Nunavut
Department of Justice
P.O. Box 1000 Station 570
Iqaluit, NU X0A 0H0
Attention: Deputy Registrar of Securities
Telephone: (867) 975-6590

British Columbia

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, BC V7Y 1L2
Attention: Freedom of Information Officer
Telephone: (604) 899-6500 or (800) 373-6393 (in Canada)

Ontario

Ontario Securities Commission
22nd Floor
20 Queen Street West
Toronto, ON M5H 3S8
Attention: Compliance and Registrant Regulation
Telephone: (416) 593-8314
e-mail: registration@osc.gov.on.ca

Manitoba

The Manitoba Securities Commission
500 - 400 St. Mary Avenue
Winnipeg, MB R3C 4K5
Attention: Director of Registrations
Telephone: (204) 945-2548
Fax (204) 945-0330

New Brunswick

Financial and Consumer Services Commission of
New Brunswick / Commission des services financiers
et des services aux consommateurs du Nouveau-
Brunswick
Suite 300, 85 Charlotte Street
Saint John, NB E2L 2J2
Attention: Director of Securities
Telephone: (506) 658-3060

Newfoundland and Labrador

Superintendent of Securities, Service NL
Government of Newfoundland and Labrador
P.O. Box 8700
2nd Floor, West Block
Confederation Building
St. John's, NL A1B 4J6
Attention: Manager of Registrations
Telephone: (709) 729-5661

Nova Scotia

Nova Scotia Securities Commission
Suite 400, 5251 Duke Street
Halifax, NS B3J 1P3
Attention: Deputy Director, Capital Markets
Telephone: (902) 424-7768

Northwest Territories

Government of the Northwest Territories
Department of Justice
1st Floor Stuart M. Hodgson Building
5009 – 49th Street
Yellowknife, NWT X1A 2L9
Attention: Deputy Superintendent of Securities
Telephone: (867) 920-8984

Prince Edward Island

Securities Office
Department of Community Affairs and Attorney
General
P.O. Box 2000
Charlottetown, PE C1A 7N8
Attention: Deputy Registrar of Securities
Telephone: (902) 368-6288

Québec

Autorité des marchés financiers
800, square Victoria, 22e étage
C.P. 246, tour de la Bourse
Montréal (Québec) H4Z 1G3
Attention: Responsable de l'accès à
l'information
Telephone: (514) 395-0337 or (877) 525-0337

Saskatchewan

Financial and Consumer Affairs Authority of
Saskatchewan
Suite 601, 1919 Saskatchewan Drive
Regina, SK S4P 4H2
Attention: Deputy Director, Capital Markets
Telephone: (306) 787-5871

Yukon

Government of Yukon
Superintendent of Securities
Department of Community Services
P.O. Box 2703 C-6
Whitehorse, YT Y1A 2C6
Attention: Superintendent of Securities
Telephone: (867) 667-5314

Self-regulatory organization

Investment Industry Regulatory Organization of
Canada
121 King Street West, Suite 2000
Toronto, Ontario M5H 3T9
Attention: Privacy Officer
Telephone: (416) 364-6133
E-mail: PrivacyOfficer@iirc.ca.

11. **Form 33-109F3 is amended by**

(a) **adding** “National Registration Database” after “National Instrument 31-102” **in the second paragraph after the heading “How to submit this form”**,

(b) **replacing Item 1 with the following:**

Item 1 Type of business location

Branch or business location

Sub-branch (Mutual Fund Dealers Association of Canada members only)

- (c) **replacing Item 3 with the following:**

Item 3 Business location information

Business location address _____
(a post office box is not a valid business location address)

Mailing address (if different from business location address) _____

Telephone number (____) _____

Fax number (____) _____

E-mail address _____,

- (d) **replacing, in the second paragraph of Item 4, “SROs” with “SRO”, and “enforce their respective by-laws” with “enforce its by-laws”,**

- (e) **replacing Item 5 with the following:**

Item 5 Warning

It is an offence under securities legislation and derivatives legislation, including commodity futures legislation, to give false or misleading information on this form.,

- (f) **adding the following at the end of the portion of the Form with the heading “Certification - NRD format” in Item 6:**

- If the business location is a residence, the individual conducting business from that business location has completed a Form 33-109F4 *Registration of Individuals and Review of Permitted Individuals* certifying that they give their consent for the regulator or, in Québec, the securities regulatory authority to enter the residence for the administration of securities legislation and derivatives legislation, including commodity futures legislation.,

- (g) **replacing the first paragraph under the heading “Certification - Format other than NRD format” in Item 6 with the following:**

By signing below, I certify to the securities regulator or, in Québec, the securities regulatory authority, in each jurisdiction where I am submitting this form for the firm, either directly or through the principal regulator, that:

- I have read this form and understand the questions,
- all of the information provided on this form is true, and complete, and
- if the business location specified in this form is a residence, the individual conducting business from that business location has completed a Form 33-109F4 *Registration of Individuals and Review of Permitted Individuals* certifying that they give their consent for the regulator or, in Québec, the securities regulatory authority to enter the residence for the administration of securities legislation and derivatives legislation, including commodity futures legislation., **and**

(h) replacing Schedule A with the following:

Schedule A

**Contact information for
Notice of collection and use of personal information**

Alberta

Alberta Securities Commission
Suite 600, 250–5th St. SW
Calgary, AB T2P 0R4
Attention: Information Officer
Telephone: (403) 297-6454

British Columbia

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, BC V7Y 1L2
Attention: Freedom of Information Officer
Telephone: (604) 899-6500 or (800) 373-6393 (in
Canada)

Manitoba

The Manitoba Securities Commission
500 - 400 St. Mary Avenue
Winnipeg, MB R3C 4K5
Attention: Director of Registrations
Telephone: (204) 945-2548
Fax (204) 945-0330

New Brunswick

Financial and Consumer Services Commission of
New Brunswick / Commission des services financiers
et des services aux consommateurs du Nouveau-
Brunswick
Suite 300, 85 Charlotte Street
Saint John, NB E2L 2J2
Attention: Director of Securities
Telephone: (506) 658-3060

Newfoundland and Labrador

Superintendent of Securities, Service NL
Government of Newfoundland and Labrador
P.O. Box 8700
2nd Floor, West Block
Confederation Building
St. John's, NL A1B 4J6
Attention: Manager of Registrations
Telephone: (709) 729-5661

Nova Scotia

Nova Scotia Securities Commission
Suite 400, 5251 Duke Street
Halifax, NS B3J 1P3
Attention: Deputy Director, Capital Markets
Telephone: (902) 424-7768

Nunavut

Government of Nunavut
Department of Justice
P.O. Box 1000 Station 570
Iqaluit, NU X0A 0H0
Attention: Deputy Registrar of Securities
Telephone: (867) 975-6590

Ontario

Ontario Securities Commission
22nd Floor
20 Queen Street West
Toronto, ON M5H 3S8
Attention: Compliance and Registrant
Regulation
Telephone: (416) 593-8314
e-mail: registration@osc.gov.on.ca

Prince Edward Island

Securities Office
Department of Community Affairs and Attorney
General
P.O. Box 2000
Charlottetown, PE C1A 7N8
Attention: Deputy Registrar of Securities
Telephone: (902) 368-6288

Québec

Autorité des marchés financiers
800, square Victoria, 22e étage
C.P. 246, tour de la Bourse
Montréal (Québec) H4Z 1G3
Attention: Responsable de l'accès à
l'information
Telephone: (514) 395-0337 or (877) 525-0337

Saskatchewan

Financial and Consumer Affairs Authority of
Saskatchewan
Suite 601, 1919 Saskatchewan Drive
Regina, SK S4P 4H2
Attention: Deputy Director, Capital Markets
Telephone: (306) 787-5871

Yukon

Government of Yukon
Superintendent of Securities
Department of Community Services
P.O. Box 2703 C-6
Whitehorse, YT Y1A 2C6
Attention: Superintendent of Securities
Telephone: (867) 667-5314

Northwest Territories

Government of the Northwest Territories
Department of Justice
1st Floor Stuart M. Hodgson Building
5009 – 49th Street
Yellowknife, NWT X1A 2L9
Attention: Deputy Superintendent of Securities
Telephone: (867) 920-8984

Self-regulatory organization

Investment Industry Regulatory Organization of
Canada
121 King Street West, Suite 2000
Toronto, Ontario M5H 3T9
Attention: Privacy Officer
Telephone: (416) 364-6133
E-mail: PrivacyOfficer@iiroc.ca.

12. Form 33-109F4 is amended by

(a) replacing the paragraph under the heading “GENERAL INSTRUCTIONS”, with the following:

Complete and submit this form to the relevant regulator(s) or in Québec, the securities regulatory authority, or self-regulatory organization (SRO) if an individual is seeking

- registration in individual categories,
- to be reviewed as a permitted individual.

You are only required to submit one form even if you are applying to be registered in several categories. This form is also used if you are seeking to be reviewed as a permitted individual. A post office box is not acceptable as a valid business location address.,

(b) replacing the portion of the Form after the heading “Terms” and before the heading “How to submit this form” with the following:

In this form:

“Approved person” means, in respect of a member (Member) of the Investment Industry Regulatory Organization of Canada (IIROC), an individual who is a partner, director, officer, employee or agent of a Member who is approved by IIROC or another Canadian SRO to perform any function required under any IIROC or other Canadian SRO by-law, rule, or policy;

“Canadian Investment Manager designation” means the designation earned through the Canadian investment manager program prepared and administered by CSI Global Education Inc. and so named on the day this Instrument comes into force, and every program that preceded that program, or succeeded that program, that does not have a significantly reduced scope and content when compared to the scope and content of the first-mentioned program;

“CFA Charter” means the charter earned through the Chartered Financial Analyst program prepared and administered by the CFA Institute and so named on the day this Instrument comes into force, and every program that preceded that program, or succeeded that program, that does not have a significantly reduced scope and content when compared to the scope and content of the first-mentioned program;

“Derivatives” means financial instruments, such as futures contracts (including exchange traded contracts), futures options and swaps whose market price, value or payment obligations are derived from, or based on, one or more underlying interests. Derivatives can be in the form of instruments, agreements or securities;

“Major shareholder” and “shareholder” mean a shareholder who, in total, directly or indirectly owns voting securities carrying 10 per cent or more of the votes carried by all outstanding voting securities;

“Sponsoring firm” means the registered firm where you will carry out your duties as a registered or permitted individual; and

“You”, “your” and “individual” mean the individual who is seeking registration or the individual who is filing this form as a permitted individual under securities legislation or derivatives legislation or both.,

(c) under the heading “NRD format”, deleting “You are only required to submit one form regardless of the number of registration categories you are seeking.”, and replacing “securities regulation experience” with “securities law experience”,

- (d) **replacing, in the second paragraph under the heading “Format, other than NRD format”, “Item” with “item”,**
- (e) **replacing, in the third paragraph under the heading “Format, other than NRD format”, “securities regulation experience” with “securities law experience”, and “National Registration Database”, with “NRD”,**
- (f) **replacing, in sections 2 and 3 of Item 1, “yes” with “Yes”,**
- (g) **adding the following at the end of Item 2:**

3. Business e-mail address

- (h) **amending section 1 of Item 5 by**
 - (i) **replacing “no” with “No”,**
 - (ii) **deleting “only in your principal jurisdiction” in paragraph (b), and**
 - (iii) **replacing “,” with “.” after “in any jurisdiction of Canada”,**
- (i) **amending Item 7 by**
 - (i) **in the first paragraph of section 1, replacing “A post office box is not acceptable” with “A post office box is not an acceptable address for service”, and**
 - (ii) **replacing “E-mail address, if available”, at the end of section 1, with “Business e-mail address”,**
- (j) **replacing section 2 of Item 8 with the following:**

2. Student numbers

If you have a student number for a course that you successfully completed with one of the following organizations, provide it below:

CSI Global Education: _____

IFSE Institute: _____

Institute of Canadian Bankers (ICB): _____

CFA Institute: _____

Advocis: _____

RESP Dealers Association of Canada: _____

Other: _____

- (k) **amending section 4 of Item 8 by**
 - (i) **replacing “Not Applicable below” with “N/A”,**
 - (ii) **replacing “36 month period” with “36-month period”, and**
 - (iii) **replacing “yes” with “Yes”,**

(l) **replacing Item 9 with the following:**

Item 9 Location of employment

1. Provide the following information for your new sponsoring firm. If you will be working out of more than one business location, provide the following information for the business location out of which you will be doing most of your business. If you are only filing this form because you are a permitted individual and you are not employed by, or acting as agent for, the sponsoring firm, select "N/A".

NRD location number: _____

Unique Identification Number (optional): _____

Business location address: _____
(number, street, city, province, territory or state, country, postal code)

Telephone number: (____) _____

Fax number: (____) _____

N/A

2. If the firm has a foreign head office, and/or you are not a resident of Canada, provide the address for the business location in which you will be conducting most of your business. If you are only filing this form because you are a permitted individual and you are not employed by, or acting as agent for, the sponsoring firm, select "N/A".

Business location address: _____
(number, street, city, province, territory or state, country, postal code)

Telephone number: (____) _____

Fax number: (____) _____

N/A

[The following under #3 "Type of business location", #4 and #5 is for a Format other than NRD format only]

3. Type of business location:

- Head office
- Branch or business location
- Sub-branch (members of the Mutual Fund Dealers Association of Canada only)

4. Name of supervisor or branch manager: _____

5. Check here if the mailing address of the business location is the same as the business location address provided above. Otherwise, complete the following:

Mailing address: _____
(number, street, city, province, territory or state, country, postal code),

(m) **replacing Item 10 with the following:**

Item 10 Current employment, other business activities, officer positions held and directorships

Complete a separate Schedule G for each of your current business and employment activities, including employment and business activities with your sponsoring firm and any employment and business activities outside your sponsoring firm. Also include all officer or director positions and any other equivalent positions held, as well as positions of influence. The information must be provided

- whether or not you receive compensation for such services, and

- whether or not any such position is business related.,

(n) replacing Item 11 with the following:

Item 11 Previous employment and other activities

On Schedule H, complete your history of employment and other activities for the past 10 years.,

(o) amending Item 12 by adding a “,” after “Schedule I”, wherever it appears,

(p) amending Item 13 as follows:

(i) adding “The questions below relate to any jurisdiction of Canada and any foreign jurisdiction.” **after the heading “Item 13 Regulatory disclosure”,**

(ii) deleting “In any province, territory, state or country” **wherever these words appear, and**

(iii) replacing, in paragraph (c) of section 1, “8(3)” with “8.3”,

(q) replacing Item 14 with the following:

Item 14 Criminal disclosure

The questions below apply to offences committed in any jurisdiction of Canada and any foreign jurisdiction. You must disclose all offences, including:

- a criminal offence under federal statutes such as the *Criminal Code* (Canada), *Income Tax Act* (Canada), *the Competition Act* (Canada), *Immigration and Refugee Protection Act* (Canada) and the *Controlled Drugs and Substances Act* (Canada), even if
 - a record suspension has been ordered under the *Criminal Records Act* (Canada)
 - you have been granted an absolute or conditional discharge under the *Criminal Code* (Canada), and
- a criminal offence, with respect to questions 14.2 and 14.4, of which you or your firm has been found guilty or for which you or your firm have participated in the alternative measures program within the previous three years, even if a record suspension has been ordered under the *Criminal Records Act* (Canada)

You are not required to disclose:

- charges for summary conviction offences that have been stayed for six months or more,
- charges for indictable offences that have been stayed for a year or more,
- offences under the *Youth Criminal Justice Act* (Canada), and
- speeding or parking violations.

Subject to the exceptions above:

1. Are there any outstanding or stayed charges against you alleging a criminal offence that was committed?

Yes No

If “Yes”, complete Schedule K, Item 14.1.

2. Have you ever been found guilty, pleaded no contest to, or been granted an absolute or conditional discharge from any criminal offence that was committed?

Yes No

If "Yes", complete Schedule K, Item 14.2.

3. To the best of your knowledge, are there any outstanding or stayed charges against any firm of which you were, at the time the criminal offence was alleged to have taken place, a partner, director, officer or major shareholder?

Yes No

If "Yes", complete Schedule K, Item 14.3.

4. To the best of your knowledge, has any firm, when you were a partner, officer, director or major shareholder, ever been found guilty, pleaded no contest to or been granted an absolute or conditional discharge from a criminal offence that was committed?

Yes No

If "Yes", complete Schedule K, Item 14.4.,

(r) **amending Item 15 as follows:**

(i) **adding** "The questions below relate to any jurisdiction of Canada and any foreign jurisdiction." **after the heading "Item 15 Civil disclosure", and**

(ii) **deleting** "in any province, territory, state or country" **wherever these words appear,**

(s) **replacing, in section 2 of Item 16, "\$5,000" wherever it appears, with "\$10,000",**

(t) **amending Item 20 as follows:**

(i) **in the second sentence of the second paragraph under the heading "SROs", replacing "protected by law such as, police" with "protected by law such as police", and**

(ii) **replacing the first sentence of the last paragraph of Item 20 with the following:**

You certify that you have discussed the questions in this form, together with this Agreement, with an Officer, Supervisor or Branch Manager of your sponsoring member firm and, to your knowledge and belief, the authorized Officer, Supervisor or Branch Manager was satisfied that you fully understood the questions and the terms of this Agreement.,

(u) **replacing Item 21 with the following:**

Item 21 Warning

It is an offence under securities legislation and derivatives legislation, including commodity futures legislation, to give false or misleading information on this form.,

(v) **amending Item 22 as follows:**

(i) **adding the following after the last sentence of the first paragraph of section 1:**

If the business location specified in this form is a residence, I hereby give my consent for the regulator or, in Québec, the securities regulatory authority to enter that residence for the administration of securities legislation and derivatives legislation, including commodity futures legislation.,

(ii) **adding** "and the certification above" **after** "provided me with all of the information on this form" **in the last paragraph of section 1, and**

(iii) **replacing, in the "Individual" section of "Certification - Format other than NRD format", the first paragraph with the following:**

By signing below, I certify to the regulator, or in Québec the securities regulatory authority, in each jurisdiction where I am filing or submitting this form, either directly or through the principal regulator, that:

- I have read this form and understand the questions,
- all of the information provided on this form is true, and complete, and
- if the business location specified in this form is a residence, I hereby give my consent for the regulator or, in Québec, the securities regulatory authority to enter that residence for the administration of securities legislation and derivatives legislation, including commodity futures legislation.

Signature of individual _____ Date _____ ,

(w) amending Schedule A by

- (i) replacing “?” with “:” after “(for example, marriage, divorce, court order, commonly used name or nickname)” in Item 1.2 wherever it occurs,**
- (ii) deleting “?” after “(for example, trade name or team name)” in Item 1.3 under the heading “Name 1:”,**
- (iii) replacing “N/A” with “N/A” in Item 1.3 under the heading “Name 1:”, and**
- (iv) adding “N/A ” in Item 1.3 under the headings “Name 2:” and “Name 3:”,**

(x) amending Schedule C by

- (i) adding “[] permitted individual” between “[] Chief Compliance Officer” and “[] Officer – Specify title:” in “Categories common to all jurisdictions under securities legislation – Individual categories and permitted activities”,**
- (ii) replacing “[] Floor Trader” with “[] Floor Broker” in “Manitoba - Individual categories and permitted activities”, and**
- (iii) replacing the section for “Québec” with the following:**

Quebec

Firm categories

[] Derivatives Dealer

[] Derivatives Portfolio Manager

Individual categories and permitted activities

[] Derivatives Dealing Representative

[] Derivatives Advising Representative

[] Derivatives Associate Advising Representative,

(y) amending Schedule D by replacing “E-mail address” in Item 7.1 with “Business e-mail address”,

(z) amending Schedule E by replacing the text after the table with the following:

If you have listed the CFA Charter in Item 8.1, please indicate by checking “Yes” below if you are a current member of the CFA Institute permitted to use this charter.

Yes No

If "No", please explain why you no longer hold this designation:

If you have listed the Canadian Investment Manager Designation in Item 8.1, please indicate by checking "Yes" below if you are currently permitted to use this designation.

Yes No

If "No", please explain why you no longer hold this designation:

(aa) amending Item 8.4 of Schedule F by replacing the last paragraph with the following:

Indicate the continuing education activities in which you have participated during the last 36 months and that are relevant to the category of registration you are applying for.:

(ab) amending Schedule G as follows:

(i) replacing the first paragraph with the following:

Complete a separate Schedule G for each of your current business and employment activities, including employment and business activities with your sponsoring firm and any employment and business activities outside your sponsoring firm. Also include all officer or director positions and any other equivalent positions held, as well as positions of influence. The information must be provided

- whether or not you receive compensation for such services, and
- whether or not any such position is business related.,

(ii) deleting "with this firm" after "include details" in the paragraph under the heading "3. Description of duties", and

(iii) adding "." at the end of the sentence in paragraph D. under the heading "5. Conflicts of interest",

(ac) amending Schedule J by replacing, in paragraph (c) of Item 13.1, "8(3)" with "8.3",

(ad) amending Item 14.2 and Item 14.4 of Schedule K by adding "," after "discharge from a criminal offence",

(ae) amending Schedule M (ii) by adding "the" after "including why" in Item 16.2,

(af) amending Schedule N as follows:

(i) replacing, in the first paragraph, "Firm name:" with the following:

Name of firm (whose business is trading in or advising on securities or derivatives, or both):

_____, and

(ii) replacing, in paragraph (g), "if applicable" with "N/A" " wherever it appears, and

(ag) replacing Schedule O with the following:

Schedule O

**Contact information for
Notice of collection and use of personal information**

Alberta

Alberta Securities Commission
Suite 600, 250–5th St. SW
Calgary, AB T2P 0R4
Attention: Information Officer
Telephone: (403) 297-6454

British Columbia

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, BC V7Y 1L2
Attention: Freedom of Information Officer
Telephone: (604) 899-6500 or (800) 373-6393 (in
Canada)

Manitoba

The Manitoba Securities Commission
500 - 400 St. Mary Avenue
Winnipeg, MB R3C 4K5
Attention: Director of Registrations
Telephone: (204) 945-2548
Fax (204) 945-0330

New Brunswick

Financial and Consumer Services Commission of
New Brunswick / Commission des services financiers
et des services aux consommateurs du Nouveau-
Brunswick
Suite 300, 85 Charlotte Street
Saint John, NB E2L 2J2
Attention: Director of Securities
Telephone: (506) 658-3060

Newfoundland and Labrador

Superintendent of Securities, Service NL
Government of Newfoundland and Labrador
P.O. Box 8700
2nd Floor, West Block
Confederation Building
St. John's, NL A1B 4J6
Attention: Manager of Registrations
Telephone: (709) 729-5661

Nova Scotia

Nova Scotia Securities Commission
Suite 400, 5251 Duke Street
Halifax, NS B3J 1P3
Attention: Deputy Director, Capital Markets
Telephone: (902) 424-7768

Nunavut

Government of Nunavut
Department of Justice
P.O. Box 1000 Station 570
Iqaluit, NU X0A 0H0
Attention: Deputy Registrar of Securities
Telephone: (867) 975-6590

Ontario

Ontario Securities Commission
22nd Floor
20 Queen Street West
Toronto, ON M5H 3S8
Attention: Compliance and Registrant
Regulation
Telephone: (416) 593-8314
e-mail: registration@osc.gov.on.ca

Prince Edward Island

Securities Office
Department of Community Affairs and Attorney
General
P.O. Box 2000
Charlottetown, PE C1A 7N8
Attention: Deputy Registrar of Securities
Telephone: (902) 368-6288

Québec

Autorité des marchés financiers
800, square Victoria, 22^e étage
C.P. 246, tour de la Bourse
Montréal (Québec) H4Z 1G3
Attention: Responsable de l'accès à
l'information
Telephone: (514) 395-0337 or (877) 525-0337

Saskatchewan

Financial and Consumer Affairs Authority of
Saskatchewan
Suite 601, 1919 Saskatchewan Drive
Regina, SK S4P 4H2
Attention: Deputy Director, Capital Markets
Telephone: (306) 787-5871

Yukon

Government of Yukon
Superintendent of Securities
Department of Community Services
P.O. Box 2703 C-6
Whitehorse, YT Y1A 2C6
Attention: Superintendent of Securities
Telephone: (867) 667-5314

Northwest Territories

Government of the Northwest Territories
Department of Justice
1st Floor Stuart M. Hodgson Building
5009 – 49th Street
Yellowknife, NWT X1A 2L9
Attention: Deputy Superintendent of Securities
Telephone: (867) 920-8984

Self-regulatory organization

Investment Industry Regulatory Organization of
Canada
121 King Street West, Suite 2000
Toronto, Ontario M5H 3T9
Attention: Privacy Officer
Telephone: (416) 364-6133
E-mail: PrivacyOfficer@iirc.ca.

13. Form 33-109F5 is amended by

- (a) **replacing the numbers with bullet points in the first paragraph after the heading “GENERAL INSTRUCTIONS”,**
- (b) **replacing “[National Registration Database]” with “National Registration Database” in paragraph (b) after the heading “How to submit this form”,**
- (c) **replacing, in the second paragraph of Item 3, “SROs” with “SRO”, and “enforce their respective by-laws” with “enforce its by-laws”,**
- (d) **replacing Item 4 with the following:**

Item 4 Warning

It is an offence under securities legislation and derivatives legislation, including commodity futures legislation, to give false or misleading information on this form.,
- (e) **adding in paragraph 3. of Item 5 “National Registration Database” after “NI 31-102”, and**
- (f) **replacing Schedule A with the following:**

Schedule A

**Contact information for
Notice of collection and use of personal information**

Alberta

Alberta Securities Commission
Suite 600, 250–5th St. SW
Calgary, AB T2P 0R4
Attention: Information Officer
Telephone: (403) 297-6454

Nunavut

Government of Nunavut
Department of Justice
P.O. Box 1000 Station 570
Iqaluit, NU X0A 0H0
Attention: Deputy Registrar of Securities
Telephone: (867) 975-6590

British Columbia

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, BC V7Y 1L2
Attention: Freedom of Information Officer
Telephone: (604) 899-6500 or (800) 373-6393 (in
Canada)

Ontario

Ontario Securities Commission
22nd Floor
20 Queen Street West
Toronto, ON M5H 3S8
Attention: Compliance and Registrant
Regulation
Telephone: (416) 593-8314
e-mail: registration@osc.gov.on.ca

Manitoba

The Manitoba Securities Commission
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Winnipeg, MB R3C 4K5
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Fax (204) 945-0330

Prince Edward Island

Securities Office
Department of Community Affairs and Attorney
General
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Charlottetown, PE C1A 7N8
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New Brunswick

Financial and Consumer Services Commission of
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et des services aux consommateurs du Nouveau-
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Suite 300, 85 Charlotte Street
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Government of Newfoundland and Labrador
P.O. Box 8700
2nd Floor, West Block
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St. John's, NL A1B 4J6
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Saskatchewan

Financial and Consumer Affairs Authority of
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Suite 601, 1919 Saskatchewan Drive
Regina, SK S4P 4H2
Attention: Deputy Director, Capital Markets
Telephone: (306) 787-5871

Yukon

Government of Yukon
Superintendent of Securities
Department of Community Services
P.O. Box 2703 C-6
Whitehorse, YT Y1A 2C6
Attention: Superintendent of Securities
Telephone: (867) 667-5314

Self-regulatory organization

Investment Industry Regulatory Organization of
Canada
121 King Street West, Suite 2000
Toronto, Ontario M5H 3T9
Attention: Privacy Officer
Telephone: (416) 364-6133
E-mail: PrivacyOfficer@iirc.ca.

14. Form 33-109F6 is amended by

- (a) **replacing “Firm registration” with “Firm Registration” in the title of Form 33-109F6,**
- (b) **adding “In this form:” immediately after the heading “Definitions”,**
- (c) **replacing “Principal Regulator” with “Principal regulator” in the list under the heading “Definitions”,**
- (d) **replacing “Submission to Jurisdiction and Appointment of Agent for Service” with “Submission to jurisdiction and appointment of agent for service” in section 1 of the portion of the Form after the heading “Contents of the form”,**
- (e) **replacing section 2 of the portion of the Form after the heading “Contents of the form” with the following:**
 - 2. Business plan, policies and procedures manual, and client agreements (except in Ontario) (question 3.3),
- (f) **replacing, in the penultimate paragraph of the portion of the Form after the heading “How to complete and submit the form”, “which” with “that”,**
- (g) **replacing the last paragraph of the portion of the Form after the heading “How to complete and submit the form” with the following:**

It is an offence under securities legislation and derivatives legislation, including commodity futures legislation, to give false or misleading information on this form.,

- (h) **deleting the “” after question “5.5” in the third paragraph of section 1.3,**
- (i) **amending section 2.2 as follows:**
 - (i) **adding “location” after “business” in paragraph (a) wherever it appears, and**
 - (ii) **replacing paragraph (b) with the following:**
 - (b) If a firm is not registered in a jurisdiction of Canada, indicate the jurisdiction of Canada in which the firm expects to conduct most of its activities that require registration as at the end of its current financial year or conducted most of its activities that require registration as at the end of its most recently completed financial year.,
- (j) **replacing “Submission to Jurisdiction and Appointment of Agent for Service” with “Submission to jurisdiction and appointment of agent for service” in section 2.4,**
- (k) **replacing sections 2.5 and 2.6 with the following:**

2.5 Ultimate designated person

A registered firm must have an individual registered in the category of ultimate designated person.

Legal name	
Officer title	
Telephone number	
E-mail address	
NRD number, if available	
Address <input type="checkbox"/> Same as firm head office address	
Address line 1	
Address line 2	
City	Province/territory/state
Country	Postal/zip code

2.6 Chief compliance officer

Same as ultimate designated person

A registered firm must have an individual registered in the category of chief compliance officer.

Legal name
Officer title
Telephone number
E-mail address
NRD number, if available
Address <input type="checkbox"/> Same as firm head office address

Address line 1	
Address line 2	
City	Province/territory/state
Country	Postal/zip code

(l) replacing the third paragraph of section 3.3 with the following:

Attach the firm's business plan, policies and procedures manual and client agreements, including any investment policy statements and investment management agreements, except if the regulator in Ontario is the principal regulator of the firm seeking registration, unless the regulator in Ontario has requested they be provided.,

(m) adding "." at the end of the second bullet in section 5.1,

(n) replacing "all jurisdiction" with "all jurisdictions" in the second paragraph of Item 5.4,

(o) adding the following guidance for section 5.6:

This information is required only if the firm is applying for registration in Québec as a mutual fund dealer or as a scholarship plan dealer.,

(p) replacing the first paragraph of Part 9 with the following:

It is an offence under securities legislation and derivatives legislation, including commodity futures legislation, to give false or misleading information on this form.,

(q) replacing Schedule A with the following:

Schedule A

**Contact information for
Notice of collection and use of personal information**

Alberta

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Calgary, AB T2P 0R4
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Department of Justice
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New Brunswick

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Commission of New Brunswick / Commission
des services financiers et des services aux
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Prince Edward Island

Securities Office
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P.O. Box 2000
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Telephone: (514) 395-0337 or (877) 525-
0337

Saskatchewan

Financial and Consumer Affairs Authority of
Saskatchewan
Suite 601, 1919 Saskatchewan Drive
Regina, SK S4P 4H2
Attention: Deputy Director, Capital Markets
Telephone: (306) 787-5871

Yukon

Government of Yukon
Superintendent of Securities
Department of Community Services
P.O. Box 2703 C-6
Whitehorse, YT Y1A 2C6
Attention: Superintendent of Securities
Telephone: (867) 667-5314

Self-regulatory organization

Investment Industry Regulatory
Organization of Canada
121 King Street West, Suite 2000
Toronto, Ontario M5H 3T9
Attention: Privacy Officer
Telephone: (416) 364-6133
E-mail: PrivacyOfficer@iiroc.ca.

- (r) **amending Schedule B by replacing** "Submission to Jurisdiction and Appointment of Agent for Service" **with** "Submission to jurisdiction and appointment of agent for service" **in sections 7 and 8, and under the heading "Acceptance", wherever these terms appear, and**

(s) replacing Schedule C with the following:

Schedule C

FORM 31-103F1 CALCULATION OF EXCESS WORKING CAPITAL

Firm Name

Capital Calculation
(as at _____ with comparative figures as at _____)

	Component	Current period	Prior period
1.	Current assets		
2.	Less current assets not readily convertible into cash (e.g., prepaid expenses)		
3.	Adjusted current assets Line 1 minus line 2 =		
4.	Current liabilities		
5.	Add 100% of non-current related party debt unless the firm and the lender have executed a subordination agreement in the form set out in Appendix B of National Instrument 31-103 <i>Registration Requirements, Exemptions and Ongoing Registrant Obligations</i> and the firm has delivered a copy of the agreement to the regulator or, in Québec, the securities regulatory authority. See section 12.2 of National Instrument 31-103 <i>Registration Requirements, Exemptions and Ongoing Registrant Obligations</i> .		
6.	Adjusted current liabilities Line 4 plus line 5 =		
7.	Adjusted working capital Line 3 minus line 6 =		
8.	Less minimum capital		
9.	Less market risk		

10.	Less any deductible under the bonding or insurance policy required under Part 12 of National Instrument 31-103 <i>Registration Requirements, Exemptions and Ongoing Registrant Obligations</i>		
11.	Less Guarantees		
12.	Less unresolved differences		
13.	Excess working capital		

Notes:

Form 31-103F1 *Calculation of Excess Working Capital* must be prepared using the accounting principles that you use to prepare your financial statements in accordance with National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*. Section 12.1 of Companion Policy 31-103CP *Registration Requirements, Exemptions and Ongoing Registrant Obligations* provides further guidance in respect of these accounting principles.

Line 5. Related-party debt – Refer to the CICA Handbook for the definition of “related party” for publicly accountable enterprises. The firm is required to deliver a copy of the executed subordination agreement to the regulator or, in Québec, the securities regulatory authority on the earlier of a) 10 days after the date the agreement is executed or b) the date an amount subordinated by the agreement is excluded from its calculation of excess working capital on Form 31-103F1 *Calculation of Excess Working Capital*. **The firm must notify the regulator or, in Québec, the securities regulatory authority, 10 days before it repays the loan (in whole or in part), or terminates the subordination agreement.** See section 12.2 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*.

Line 8. Minimum Capital – The amount on this line must be not less than (a) \$25,000 for an adviser and (b) \$50,000 for a dealer. For an investment fund manager, the amount must be not less than \$100,000 unless subsection 12.1(4) of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* applies.

Line 9. Market Risk – The amount on this line must be calculated according to the instructions set out in Schedule 1 to Form 31-103F1 *Calculation of Excess Working Capital*. A schedule supporting the calculation of any amounts included in Line 9 as market risk should be provided to the regulator or, in Québec, the securities regulatory authority in conjunction with the submission of Form 31-103F1 *Calculation of Excess Working Capital*.

Line 11. Guarantees – If the registered firm is guaranteeing the liability of another party, the total amount of the guarantee must be included in the capital calculation. If the amount of a guarantee is included in the firm’s statement of financial position as a current liability and is reflected in line 4, do not include the amount of the guarantee on line 11.

Line 12. Unresolved differences – Any unresolved differences that could result in a loss from either firm or client assets must be included in the capital calculation. The examples below provide guidance as to how to calculate unresolved differences:

- (i) If there is an unresolved difference relating to client securities, the amount to be reported on Line 12 will be equal to the fair value of the client securities that are short, plus the applicable margin rate for those securities.
- (ii) If there is an unresolved difference relating to the registrant’s investments, the amount to be reported on Line 12 will be equal to the fair value of the investments (securities) that are short.
- (iii) If there is an unresolved difference relating to cash, the amount to be reported on Line 12 will be equal to the amount of the shortfall in cash.

Please refer to section 12.1 of Companion Policy 31-103CP *Registration Requirements, Exemptions and Ongoing Registrant Obligations* for further guidance on how to prepare and file Form 31-103F1 *Calculation of Excess Working Capital*.

Management Certification

Registered Firm Name: _____

We have examined the attached capital calculation and certify that the firm is in compliance with the capital requirements as at _____.

Name and Title	Signature	Date
1. _____ _____	_____	_____
2. _____ _____	_____	_____

**Schedule 1 of Form 31-103F1 Calculation of Excess Working Capital
(calculating line 9 [market risk])**

For purposes of completing this form:

- (1) "Fair value" means the value of a security determined in accordance with Canadian GAAP applicable to publicly accountable enterprises.
- (2) For each security whose value is included in line 1, Current Assets, multiply the fair value of the security by the margin rate for that security set out below. Add up the resulting amounts for all of the securities you hold. The total is the "market risk" to be entered on line 9.

(a) Bonds, Debentures, Treasury Bills and Notes

- (i) Bonds, debentures, treasury bills and other securities of or guaranteed by the Government of Canada, of the United Kingdom, of the United States of America and of any other national foreign government (provided such foreign government securities are currently rated Aaa or AAA by Moody's Canada Inc. or its DRO affiliate, or Standard & Poor's Rating Services (Canada) or its DRO affiliate, respectively), maturing (or called for redemption):

within 1 year:	1% of fair value multiplied by the fraction determined by dividing the number of days to maturity by 365
over 1 year to 3 years:	1 % of fair value
over 3 years to 7 years:	2% of fair value
over 7 years to 11 years:	4% of fair value
over 11 years:	4% of fair value

- (ii) Bonds, debentures, treasury bills and other securities of or guaranteed by any jurisdiction of Canada and obligations of the International Bank for Reconstruction and Development, maturing (or called for redemption):

within 1 year:	2% of fair value multiplied by the fraction determined by dividing the number of days to maturity by 365
over 1 year to 3 years:	3 % of fair value
over 3 years to 7 years:	4% of fair value
over 7 years to 11 years:	5% of fair value
over 11 years:	5% of fair value

- (iii) Bonds, debentures or notes (not in default) of or guaranteed by any municipal corporation in Canada or the United Kingdom maturing:

within 1 year:	3% of fair value multiplied by the fraction determined by dividing the number of days to maturity by 365
over 1 year to 3 years:	5 % of fair value
over 3 years to 7 years:	5% of fair value
over 7 years to 11 years:	5% of fair value
over 11 years:	5% of fair value

(iv) Other non-commercial bonds and debentures (not in default): 10% of fair value

(v) Commercial and corporate bonds, debentures and notes (not in default) and non-negotiable and non-transferable trust company and mortgage loan company obligations registered in the registered firm's name maturing:

within 1 year:	3% of fair value
over 1 year to 3 years:	6 % of fair value
over 3 years to 7 years:	7% of fair value
over 7 years to 11 years:	10% of fair value
over 11 years:	10% of fair value

(b) Bank Paper

Deposit certificates, promissory notes or debentures issued by a Canadian chartered bank (and of Canadian chartered bank acceptances) maturing:

within 1 year:	2% of fair value multiplied by the fraction determined by dividing the number of days to maturity by 365
over 1 year:	apply rates for commercial and corporate bonds, debentures and notes

(c) Acceptable foreign bank paper

Deposit certificates, promissory notes or debentures issued by a foreign bank, readily negotiable and transferable and maturing:

within 1 year:	2% of fair value multiplied by the fraction determined by dividing the number of days to maturity by 365
over 1 year:	apply rates for commercial and corporate bonds, debentures and notes

"Acceptable Foreign Bank Paper" consists of deposit certificates or promissory notes issued by a bank other than a Canadian chartered bank with a net worth (i.e., capital plus reserves) of not less than \$200,000,000.

(d) Mutual Funds

Securities of mutual funds qualified by prospectus for sale in any jurisdiction of Canada:

- (i) 5% of the net asset value per security as determined in accordance with National Instrument 81-106 *Investment Fund Continuous Disclosure*, where the fund is a money market mutual fund as defined in National Instrument 81-102 *Investment Funds*; or
- (ii) the margin rate determined on the same basis as for listed stocks multiplied by the net asset value per security of the fund as determined in accordance with National Instrument 81-106 *Investment Fund Continuous Disclosure*.

Securities of mutual funds qualified by prospectus for sale in the United States of America: 5% of the net asset value per security if the fund is registered as an investment company under the *Investment Companies Act of 1940*, as amended from time to time, and complies with Rule 2a-7 thereof.

(e) Stocks

In this paragraph, "securities" includes rights and warrants and does not include bonds and debentures.

- (i) On securities including investment fund securities, rights and warrants, listed on any exchange in Canada or the United States of America:

Long Positions – Margin Required

Securities selling at \$2.00 or more – 50% of fair value

Securities selling at \$1.75 to \$1.99 – 60% of fair value

Securities selling at \$1.50 to \$1.74 – 80% of fair value

Securities selling under \$1.50 – 100% of fair value

Short Positions – Credit Required

Securities selling at \$2.00 or more – 150% of fair value

Securities selling at \$1.50 to \$1.99 – \$3.00 per share

Securities selling at \$0.25 to \$1.49 – 200% of fair value

Securities selling at less than \$0.25 – fair value plus \$0.25 per share

- (ii) For positions in securities that are constituent securities on a major broadly-based index of one of the following exchanges, 50% of the fair value:

- (a) Australian Stock Exchange Limited
- (b) Bolsa de Madrid
- (c) Borsa Italiana
- (d) Copenhagen Stock Exchange
- (e) Euronext Amsterdam
- (f) Euronext Brussels
- (g) Euronext Paris S.A.
- (h) Frankfurt Stock Exchange
- (i) London Stock Exchange
- (j) New Zealand Exchange Limited
- (k) Stockholm Stock Exchange
- (l) SIX Swiss Exchange
- (m) The Stock Exchange of Hong Kong Limited
- (n) Tokyo Stock Exchange

(f) Mortgages

- (i) For a firm registered in any jurisdiction of Canada except Ontario:

- (a) Insured mortgages (not in default): 6% of fair value

- (b) Mortgages which are not insured (not in default): 12% of fair value.
- (ii) For a firm registered in Ontario:
 - (a) Mortgages insured under the *National Housing Act* (Canada) (not in default): 6% of fair value
 - (b) Conventional first mortgages (not in default): 12% of fair value.

If you are registered in Ontario regardless of whether you are also registered in another jurisdiction of Canada, you will need to apply the margin rates set forth in (ii) above.

- (g) **For all other securities** – 100% of fair value..

15. Form 33-109F7 is amended by

- (a) **replacing the first sentence after the heading “GENERAL INSTRUCTIONS” with the following:**

Complete and submit this form to the relevant regulator(s) or in Québec, the securities regulatory authority, or self-regulatory organization (SRO) if an individual has left a sponsoring firm and is seeking to reinstate their registration in one or more of the same categories or reinstate their same status of permitted individual as before with a sponsoring firm.,

- (b) **replacing “end of three months” with “90th day” in section 1 after the heading “GENERAL INSTRUCTIONS”,**
- (c) **adding “other than changes to Item 13.3(c)” after “Items 13 (Regulatory Disclosure)” in section 2 after the heading “GENERAL INSTRUCTIONS”,**
- (d) **in the last paragraph after the heading “Terms”, replacing “[Registration of Individuals and Review of Permitted Individuals]” with “Registration of Individuals and Review of Permitted Individuals” and deleting “or elsewhere in the securities legislation of your province or territory. Please refer to those definitions”,**
- (e) **adding “with securities law experience” after “legal adviser” in the paragraph after the heading “NRD format” and in the third paragraph after the heading “Format, other than NRD format”,**
- (f) **replacing “If “yes”” with “If “Yes”” in the last sentence of section 4 of Item 1,**
- (g) **replacing “E-mail address, if available” in section 1 of Item 4 with “Business e-mail address”,**
- (h) **replacing Item 5 with the following:**

Item 5 Location of employment

- 1. Provide the following information for your new sponsoring firm. If you will be working out of more than one business location, provide the following information for the business location out of which you will be doing most of your business. If you are only filing this form because you are a permitted individual and are not employed by, or acting as agent for, the sponsoring firm, select “N/A”.

Unique Identification Number (optional): _____

NRD location number: _____

Business location address: _____
(number, street, city, province, territory or state, country, postal code)

Telephone number: (____) _____ Fax number: (____) _____

N/A

- 2. If the new sponsoring firm has a foreign head office, and/or you are not a resident of Canada, provide the address for the business location in which you will be conducting most of your business. If you

are only filing this form because you are a permitted individual and are not employed by, or acting as agent for, the sponsoring firm, select "N/A".

Business location address: _____
(number, street, city, province, territory or state, country, postal code)

Telephone number: (____) _____ Fax number: (____) _____

N/A

[The following under #3 "Type of business location", #4 and #5 is for a Format other than NRD format only]

3. Type of business location:

- Head office
- Branch or business location
- Sub-branch (Mutual Fund Dealers Association of Canada members only)

4. Name of supervisor or branch manager: _____

5. **Check here if the mailing address of the business location is the same as the business location address provided above. Otherwise, complete the following:**

Mailing address: _____
(number, street, city, province, territory or state, country, postal code),

(i) **replacing Item 7 with the following:**

Item 7 Current employment, other business activities, officer positions held and directorships

Name of your new sponsoring firm: _____

Complete a separate Schedule D for each of your current business and employment activities, including employment and business activities with your new sponsoring firm and any employment and business activities outside your new sponsoring firm. Also include all officer or director positions and any other equivalent positions held, as well as positions of influence. The information must be provided

- whether or not you receive compensation for such services, and
- whether or not any such position is business related.,

(j) **adding " , other than changes to Item 13.3(c)" after "Regulatory disclosure (Item 13" in section 1 of Item 9,**

(k) **replacing " 'Reactivation of Registration' " with " "Reactivation of Registration" " in the second paragraph of section 2 of Item 9,**

(l) **replacing Item 11 with the following:**

Item 11 Warning

It is an offence under securities legislation and derivatives legislation, including commodity futures legislation, to give false or misleading information on this form.,

(m) **replacing section 1 of Item 12 with the following:**

1. **Certification - NRD format:**

I confirm I have discussed the questions in this form with an officer, branch manager or supervisor of my sponsoring firm. To the best of my knowledge, the officer, branch manager or supervisor was satisfied that I fully understood the questions. I will limit my activities to those permitted by my category of registration. If the business location specified in this form is a residence, I hereby give my consent for the regulator or, in Québec, the securities regulatory authority to enter that residence for

the administration of securities legislation and derivatives legislation, including commodity futures legislation.

- I am making this submission as agent for the individual. By checking this box, I certify that the individual provided me with all of the information on this form and the certification above.,

(n) ***in section 2 of Item 12, replacing the portion of the Form after the heading “Individual” and before the heading “Authorized partner or officer of the new sponsoring firm” with the following:***

By signing below, I certify to the regulator, or in Québec the securities regulatory authority, in each jurisdiction where I am submitting this form, either directly or through the principal regulator that:

- I have read the form and understand the questions,
- all of the information provided on this form is true, and complete, and
- if the business location specified in this form is a residence, I hereby give my consent for the regulator or, in Québec, the securities regulatory authority to enter that residence for the administration of securities legislation and derivatives legislation, including commodity futures legislation.

Signature of individual _____ Date signed _____
(YYYY/MM/DD),

(o) ***amending Schedule B as follows:***

- (i) ***adding “[] Permitted Individual” between “[] Chief Compliance Officer” and “[] Officer – Specify title:” in “Categories common to all jurisdictions under securities legislation – Individual categories and permitted activities”,***
- (ii) ***replacing “[] Floor Trader” with “[] Floor Broker” in “Manitoba - Individual categories and permitted activities”, and***
- (iii) ***replacing the section for “Québec” with the following:***

Québec

Firm categories

[] Derivatives Dealers

[] Derivatives Portfolio Manager

Individual categories and permitted activities

[] Derivatives Dealing Representative

[] Derivatives Advising Representative

[] Derivatives Associate Advising Representative,

(p) ***amending Schedule C by replacing “E-mail address” in Item 4.1 with “Business e-mail address”,***

(q) ***amending Schedule D as follows:***

- (i) ***replacing the first paragraph with the following:***

Complete a separate Schedule D for each of your current business and employment activities, including employment and business activities with your new sponsoring firm and any employment and business activities outside your new sponsoring firm. Also include all officer or director positions and any other equivalent positions held, as well as positions of influence. The information must be provided

- whether or not you receive compensation for such services, and
 - whether or not any such position is business related., **and**
- (ii) **deleting** “with this firm” **after** “include details” **in the paragraph under the heading “3. Description of duties”,**
- (iii) **renumbering paragraph D in section 5 as paragraph E, and**
- (iv) **adding the following paragraph in section 5:**

D. State the name of the person at your sponsoring firm who has reviewed and approved your multiple employment or business related activities or proposed business related activities.

- (r) **amending Schedule E by**
- (i) **replacing the title of the Schedule “Ownership of securities and derivatives firms (Item 8)” with “Ownership of securities in new sponsoring firm (Item 8)”**,
- (ii) **adding, after “Firm name” in the first paragraph, “(whose business is trading in or advising on securities or derivatives, or both)”, and**
- (iii) **replacing, in paragraph (g), “if applicable” with “N/A “ wherever it appears, and**
- (s) **replacing Schedule F with the following:**

Schedule F

**Contact information for
Notice of collection and use of personal information**

Alberta

Alberta Securities Commission
Suite 600, 250–5th St. SW
Calgary, AB T2P 0R4
Attention: Information Officer
Telephone: (403) 297-6454

Nunavut

Government of Nunavut
Department of Justice
P.O. Box 1000 Station 570
Iqaluit, NU X0A 0H0
Attention: Deputy Registrar of Securities
Telephone: (867) 975-6590

British Columbia

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, BC V7Y 1L2
Attention: Freedom of Information Officer
Telephone: (604) 899-6500 or (800) 373-6393
(in Canada)

Ontario

Ontario Securities Commission
22nd Floor
20 Queen Street West
Toronto, ON M5H 3S8
Attention: Compliance and Registrant
Regulation
Telephone: (416) 593-8314
e-mail: registration@osc.gov.on.ca

Manitoba

The Manitoba Securities Commission
500 - 400 St. Mary Avenue
Winnipeg, MB R3C 4K5
Attention: Director of Registrations
Telephone: (204) 945-2548
Fax (204) 945-0330

New Brunswick

Financial and Consumer Services
Commission of New Brunswick / Commission
des services financiers et des services aux
consommateurs du Nouveau-Brunswick
Suite 300, 85 Charlotte Street
Saint John, NB E2L 2J2
Attention: Director of Securities
Telephone: (506) 658-3060

Newfoundland and Labrador

Superintendent of Securities, Service NL
Government of Newfoundland and Labrador
P.O. Box 8700
2nd Floor, West Block
Confederation Building
St. John's, NL A1B 4J6
Attention: Manager of Registrations
Telephone: (709) 729-5661

Nova Scotia

Nova Scotia Securities Commission
Suite 400, 5251 Duke Street
Halifax, NS B3J 1P3
Attention: Deputy Director, Capital Markets
Telephone: (902) 424-7768

Northwest Territories

Government of the Northwest Territories
Department of Justice
1st Floor Stuart M. Hodgson Building
5009 – 49th Street
Yellowknife, NWT X1A 2L9
Attention: Deputy Superintendent of Securities
Telephone: (867) 920-8984

Prince Edward Island

Securities Office
Department of Community Affairs and
Attorney General
P.O. Box 2000
Charlottetown, PE C1A 7N8
Attention: Deputy Registrar of Securities
Telephone: (902) 368-6288

Québec

Autorité des marchés financiers
800, square Victoria, 22e étage
C.P. 246, tour de la Bourse
Montréal (Québec) H4Z 1G3
Attention: Responsable de l'accès à
l'information
Telephone: (514) 395-0337 or (877) 525-
0337

Saskatchewan

Financial and Consumer Affairs Authority of
Saskatchewan
Suite 601, 1919 Saskatchewan Drive
Regina, SK S4P 4H2
Attention: Deputy Director, Capital Markets
Telephone: (306) 787-5871

Yukon

Government of Yukon
Superintendent of Securities
Department of Community Services
P.O. Box 2703 C-6
Whitehorse, YT Y1A 2C6
Attention: Superintendent of Securities
Telephone: (867) 667-5314

Self-regulatory organization

Investment Industry Regulatory
Organization of Canada
121 King Street West, Suite 2000
Toronto, Ontario M5H 3T9
Attention: Privacy Officer
Telephone: (416) 364-6133
E-mail: PrivacyOfficer@iicroc.ca.

Coming into force

16. This Instrument comes into force on January 11, 2015.

5.1.3 Amendments to NI 52-107 Acceptable Accounting Principles and Auditing Standards

**AMENDMENTS TO NATIONAL INSTRUMENT 52-107
ACCEPTABLE ACCOUNTING PRINCIPLES AND AUDITING STANDARDS**

1. **National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards is amended by this Instrument.**
2. **Section 2.1 is amended by**
 - (a) **adding, at the end of subsection (1),** “that are subject to National Instrument 81-106 *Investment Fund Continuous Disclosure* in respect of their reporting requirements as investment funds”, **and**
 - (b) **replacing, in paragraph (2)(a),** “National Instrument 31-103 *Registration Requirements and Exemptions*” **with** “National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*”.

Coming into force

3. This Instrument comes into force on January 11, 2015.

5.1.4 Amendments to NI 23-102 Use of Client Brokerage Commissions, NI 24-101 Institutional Trade Matching and Settlement, NI 81-107 Independent Review Committee for Investment Funds, and MI 11-102 Passport System

AMENDMENTS TO SPECIFIED INSTRUMENTS

1. **National Instrument 23-102 *Use of Client Brokerage Commissions*, National Instrument 24-101 *Institutional Trade Matching and Settlement*, National Instrument 81-107 *Independent Review Committee for Investment Funds*, Multilateral Instrument 11-102 *Passport System*, and are amended by this Instrument.**
2. **The Instruments named in section 1 are amended by replacing “National Instrument 31-103 *Registration Requirements*” with “National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*” wherever it occurs.**
3. **This Instrument comes into force on January 11, 2015.**

5.1.5 Amendments to Companion Policy 45-501CP Ontario Prospectus and Registration Exemptions, OSC Rule 91-501 Strip Bonds, OSC Rule 91-502 Trades in Recognized Options

AMENDMENTS TO SECURITIES LEGISLATION IN ONTARIO

In Ontario, effective January 11, 2015, we will make the following consequential amendments:

- Companion Policy 45-501CP *Ontario Prospectus and Registration Exemptions*:
Section 2.1 is amended by replacing “National Instrument 31-103 *Registration Requirements and Exemptions* (NI 31-103) (upon NI 31-103 coming into force)” **with** “National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (NI 31-103)”.
- OSC Rule 91-501 *Strip Bonds*:
Subsection 2.1(1) is amended by replacing “National Instrument 31-103 *Registration Requirements and Exemptions*” **with** “National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*”.
- OSC Rule 91-502 *Trades in Recognized Options*:
Subsection 2.2(1) is amended by replacing “National Instrument 31-101 *Registration Requirements and Exemptions*” **with** “National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*”.

5.1.6 Amendments to OSC Rule 33-506 (Commodity Futures Act) Registration Information

**AMENDMENTS TO
ONTARIO SECURITIES COMMISSION RULE 33-506
(COMMODITY FUTURES ACT) REGISTRATION INFORMATION**

1. ***Ontario Securities Commission Rule 33-506 (Commodity Futures Act) Registration Information is amended by this Instrument.***
2. ***Section 1.1 is amended by***
 - (a) ***adding the following definition:***

“business location” means a location where the firm carries out an activity that requires registration, and includes a residence if regular and ongoing activity that requires registration is carried out from the residence or if records relating to an activity that requires registration are kept at the residence;.
 - (b) ***replacing the definition of “cessation date” with the following:***

“cessation date” means the last day on which an individual had authority to act as a registered individual on behalf of their sponsoring firm or was a permitted individual of their sponsoring firm, because of the end of, or a change in, the individual’s employment, partnership, or agency relationship with the firm;., **and**
 - (c) ***replacing the definition of “permitted individual” with the following:***

“permitted individual” means

 - (a) a director, chief executive officer, chief financial officer, or chief operating officer of a firm, or a functional equivalent of any of those positions,
 - (b) an individual who has beneficial ownership of, or direct or indirect control or direction over, 10 percent or more of the voting securities of a firm, or
 - (c) a trustee, executor, administrator, or other personal or legal representative, that has direct or indirect control or direction over 10 percent or more of the voting securities of a firm;.
3. ***Subsection 2.3(2) is amended by***
 - (a) ***adding “(other than Item 13.3(c))” after “[Regulatory disclosure]” in subparagraph (c)(i), and***
 - (b) ***replacing paragraph (d) with the following:***
 - (d) the individual is seeking reinstatement with a sponsoring firm in one or more of the same categories of registration in which the individual was registered on the cessation date;.
4. ***Section 3.1 is amended by replacing, in subsection (1), “subsections” with “subsection”.***
5. ***Section 3.1 is amended by replacing “for” with “approving” in subparagraph (3)(d)(iii).***
6. ***Subsection 4.1(5) is amended by***
 - (a) ***replacing “,” with “,” at the end of paragraphs (a) and (b),***
 - (b) ***replacing “.” with “, or” at the end of paragraph (c), and***
 - (c) ***adding the following paragraph:***
 - (d) any information on Schedule C of Form 33-506F4..

7. **Section 4.3 is amended by**

- (a) **in paragraphs (2)(a) and (2)(b), replacing “subsection” with “paragraph”, and**
- (b) **in paragraph (4)(b), replacing “subsection” with “paragraph”.**

8. **Part 8 is amended by replacing the title with “Effective date”.**

9. **The title of all schedules to forms of Ontario Securities Commission Rule 33-506 (Commodity Futures Act) Registration Information is amended by replacing “SCHEDULE”, wherever this word appears, with “Schedule”.**

10. **Form 33-506F1 is amended by**

- (a) **replacing the paragraph after the heading “Terms” with the following:**

In this form, “cessation date” (or “effective date of termination”) means the last day on which an individual had authority to act as a registered individual on behalf of their sponsoring firm or the last day on which an individual was a permitted individual of their sponsoring firm, because of the end of, or a change in, the individual’s employment, partnership, or agency relationship with the firm.,

- (b) **replacing “termination date” with “cessation date” in the second paragraph after the heading “When to submit the form”,**
- (c) **in Item 3, replacing “Address” with “Business location address”,**
- (d) **in section 1 of Item 4 under “Cessation date / Effective date of termination”, replacing the sentence with the following:**

This is the last day that the individual had authority to act in a registerable capacity on behalf of the firm, or the last day that the individual was a permitted individual.,

- (e) **adding, at the end of section 2 of Item 4, the following:**

If “Other”, explain: _____,

- (f) **adding, in section 8 of Item 5, “or materially” after “Did the individual repeatedly”, and**
- (g) **replacing Item 7 with the following:**

Item 7 Warning

It is an offence under securities legislation and derivatives legislation, including commodity futures legislation, to give false or misleading information on this form..

11. **Form 33-506F2 is amended by**

- (a) **adding “or provide notice of other changes to the information on Schedule C of Form 33-506F4” at the end of the sentence after the heading “GENERAL INSTRUCTIONS”,**
- (b) **replacing section 1 of Item 2 with the following:**

1. Are you filing this form under the passport system / interface for registration?

Choose “No” if you are registered in

- (a) only one jurisdiction of Canada
- (b) more than one jurisdiction of Canada and you are requesting a surrender in a non-principal jurisdiction or jurisdictions, but not in your principal jurisdiction, or
- (c) more than one jurisdiction of Canada and you are requesting a change only in your principal jurisdiction.

Yes No ,

- (c) **deleting** “of individual categories of registration” *in section 2 of Item 2,*
- (d) **replacing** “36 month period” *with* “36-month period” *in section 3 of Item 4,*
- (e) **replacing** “ “Not Applicable” above” *with* “ “N/A” “ *in section 3 of Item 4,*
- (f) **replacing** “yes” *with* “Yes” *in section 3 of Item 4,*
- (g) **adding, in Item 5,** “registration” *before* “category”,
- (h) **amending Item 6 by replacing** “Schedule A” *with* “Schedule B” *wherever this expression appears, and replacing, in the second paragraph,* “SROs” *with* “SRO” *and* “enforce their respective by-laws” *with* “enforce its by-laws”,
- (i) **replacing Item 7 with the following:**

Item 7 Warning

It is an offence under securities legislation and derivatives legislation, including commodity futures legislation, to give false or misleading information on this form.,
- (j) **in Schedule A, replacing the third paragraph with the following:**

Indicate the continuing education activities in which you have participated during the last 36 months and that are relevant to the category of registration you are applying for:, **and**
- (k) **replacing Schedule B with the following:**

Schedule B
Contact information for
Notice of collection and use of personal information

Alberta

Alberta Securities Commission
Suite 600, 250–5th St. SW
Calgary, AB T2P 0R4
Attention: Information Officer
Telephone: (403) 297-6454

Nunavut

Government of Nunavut
Department of Justice
P.O. Box 1000 Station 570
Iqaluit, NU X0A 0H0
Attention: Deputy Registrar of Securities
Telephone: (867) 975-6590

British Columbia

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, BC V7Y 1L2
Attention: Freedom of Information Officer
Telephone: (604) 899-6500 or (800) 373-6393 (in
Canada)

Ontario

Ontario Securities Commission
22nd Floor
20 Queen Street West
Toronto, ON M5H 3S8
Attention: Compliance and Registrant Regulation
Telephone: (416) 593-8314
e-mail: registration@osc.gov.on.ca

Manitoba

The Manitoba Securities Commission
500 - 400 St. Mary Avenue
Winnipeg, MB R3C 4K5
Attention: Director of Registrations
Telephone: (204) 945-2548
Fax (204) 945-0330

Prince Edward Island

Securities Office
Department of Community Affairs and Attorney
General
P.O. Box 2000
Charlottetown, PE C1A 7N8
Attention: Deputy Registrar of Securities
Telephone: (902) 368-6288

New Brunswick

Financial and Consumer Services Commission of
New Brunswick / Commission des services financiers
et des services aux consommateurs du Nouveau-
Brunswick
Suite 300, 85 Charlotte Street
Saint John, NB E2L 2J2
Attention: Director of Securities
Telephone: (506) 658-3060

Newfoundland and Labrador

Superintendent of Securities, Service NL
Government of Newfoundland and Labrador
P.O. Box 8700
2nd Floor, West Block
Confederation Building
St. John's, NL A1B 4J6
Attention: Manager of Registrations
Telephone: (709) 729-5661

Nova Scotia

Nova Scotia Securities Commission
Suite 400, 5251 Duke Street
Halifax, NS B3J 1P3
Attention: Deputy Director, Capital Markets
Telephone: (902) 424-7768

Northwest Territories

Government of the Northwest Territories
Department of Justice
1st Floor Stuart M. Hodgson Building
5009 – 49th Street
Yellowknife, NWT X1A 2L9
Attention: Deputy Superintendent of Securities
Telephone: (867) 920-8984

Québec

Autorité des marchés financiers
800, square Victoria, 22e étage
C.P. 246, tour de la Bourse
Montréal (Québec) H4Z 1G3
Attention: Responsable de l'accès à l'information
Telephone: (514) 395-0337 or (877) 525-0337

Saskatchewan

Financial and Consumer Affairs Authority of
Saskatchewan
Suite 601, 1919 Saskatchewan Drive
Regina, SK S4P 4H2
Attention: Deputy Director, Capital Markets
Telephone: (306) 787-5871

Yukon

Government of Yukon
Superintendent of Securities
Department of Community Services
P.O. Box 2703 C-6
Whitehorse, YT Y1A 2C6
Attention: Superintendent of Securities
Telephone: (867) 667-5314

Self-regulatory organization

Investment Industry Regulatory Organization of
Canada
121 King Street West, Suite 2000
Toronto, Ontario M5H 3T9
Attention: Privacy Officer
Telephone: (416) 364-6133
E-mail: PrivacyOfficer@iirc.ca.

12. Form 33-506F3 is amended by

(a) replacing Item 1 with the following:

Item 1 Type of business location

Branch or business location

Sub-branch (Mutual Fund Dealers Association of Canada members only)

(b) replacing Item 3 with the following:

Item 3 Business location information

Business location address _____
(a post office box is not a valid business location address)

Mailing address (if different from business location address) _____

Telephone number (____) _____

Fax number (____) _____

E-mail address _____

(c) **replacing, in the second paragraph of Item 4, “SROs” with “SRO”, and “enforce their respective by-laws” with “enforce its by-laws”,**

(d) **replacing Item 5 with the following:**

Item 5 Warning

It is an offence under securities legislation and derivatives legislation, including commodity futures legislation, to give false or misleading information on this form.,

(e) **adding the following at the end of the portion of the Form with the heading “Certification - NRD format” in Item 6:**

- If the business location is a residence, the individual conducting business from that business location has completed a Form 33-506F4 *Registration of Individuals and Review of Permitted Individuals* certifying that they give their consent for the regulator or, in Québec, the securities regulatory authority to enter the residence for the administration of securities legislation and derivatives legislation, including commodity futures legislation.,

(f) **replacing the first paragraph under the heading “Certification - Format other than NRD format” in Item 6 with the following:**

By signing below, I certify to the securities regulator or, in Québec, the securities regulatory authority, in each jurisdiction where I am submitting this form for the firm, either directly or through the principal regulator, that:

- I have read this form and understand the questions,
- all of the information provided on this form is true, and complete, and
- if the business location specified in this form is a residence, the individual conducting business from that business location has completed a Form 33-506F4 *Registration of Individuals and Review of Permitted Individuals* certifying that they give their consent for the regulator or, in Québec, the securities regulatory authority to enter the residence for the administration of securities legislation and derivatives legislation, including commodity futures legislation., **and**

(g) **replacing Schedule A with the following:**

**Schedule A
Contact information for
Notice of collection and use of personal information**

Alberta

Alberta Securities Commission
Suite 600, 250–5th St. SW
Calgary, AB T2P 0R4
Attention: Information Officer
Telephone: (403) 297-6454

Nunavut

Government of Nunavut
Department of Justice
P.O. Box 1000 Station 570
Iqaluit, NU X0A 0H0
Attention: Deputy Registrar of Securities
Telephone: (867) 975-6590

British Columbia

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, BC V7Y 1L2
Attention: Freedom of Information Officer
Telephone: (604) 899-6500 or (800) 373-6393 (in
Canada)

Ontario

Ontario Securities Commission
22nd Floor
20 Queen Street West
Toronto, ON M5H 3S8
Attention: Compliance and Registrant Regulation
Telephone: (416) 593-8314
e-mail: registration@osc.gov.on.ca

Manitoba

The Manitoba Securities Commission
500 - 400 St. Mary Avenue
Winnipeg, MB R3C 4K5
Attention: Director of Registrations
Telephone: (204) 945-2548
Fax (204) 945-0330

New Brunswick

Financial and Consumer Services Commission of
New Brunswick / Commission des services financiers
et des services aux consommateurs du Nouveau-
Brunswick
Suite 300, 85 Charlotte Street
Saint John, NB E2L 2J2
Attention: Director of Securities
Telephone: (506) 658-3060

Newfoundland and Labrador

Superintendent of Securities, Service NL
Government of Newfoundland and Labrador
P.O. Box 8700
2nd Floor, West Block
Confederation Building
St. John's, NL A1B 4J6
Attention: Manager of Registrations
Telephone: (709) 729-5661

Nova Scotia

Nova Scotia Securities Commission
Suite 400, 5251 Duke Street
Halifax, NS B3J 1P3
Attention: Deputy Director, Capital Markets
Telephone: (902) 424-7768

Northwest Territories

Government of the Northwest Territories
Department of Justice
1st Floor Stuart M. Hodgson Building
5009 – 49th Street
Yellowknife, NWT X1A 2L9
Attention: Deputy Superintendent of Securities
Telephone: (867) 920-8984

Prince Edward Island

Securities Office
Department of Community Affairs and Attorney
General
P.O. Box 2000
Charlottetown, PE C1A 7N8
Attention: Deputy Registrar of Securities
Telephone: (902) 368-6288

Québec

Autorité des marchés financiers
800, square Victoria, 22e étage
C.P. 246, tour de la Bourse
Montréal (Québec) H4Z 1G3
Attention: Responsable de l'accès à l'information
Telephone: (514) 395-0337 or (877) 525-0337

Saskatchewan

Financial and Consumer Affairs Authority of
Saskatchewan
Suite 601, 1919 Saskatchewan Drive
Regina, SK S4P 4H2
Attention: Deputy Director, Capital Markets
Telephone: (306) 787-5871

Yukon

Government of Yukon
Superintendent of Securities
Department of Community Services
P.O. Box 2703 C-6
Whitehorse, YT Y1A 2C6
Attention: Superintendent of Securities
Telephone: (867) 667-5314

Self-regulatory organization

Investment Industry Regulatory Organization of
Canada
121 King Street West, Suite 2000
Toronto, Ontario M5H 3T9
Attention: Privacy Officer
Telephone: (416) 364-6133
E-mail: PrivacyOfficer@iirc.ca.

13. Form 33-506F4 is amended by

(a) replacing the paragraph under the heading "GENERAL INSTRUCTIONS" with the following:

Complete and submit this form to the relevant regulator(s) or in Québec, the securities regulatory authority, or self-regulatory organization (SRO) if an individual is seeking

- registration in individual categories,
- to be reviewed as a permitted individual.

You are only required to submit one form even if you are applying to be registered in several categories. This form is also used if you are seeking to be reviewed as a permitted individual. A post office box is not acceptable as a valid business location address.,

- (b) **replacing the portion of the Form after the heading “Terms” and before the heading “How to submit this form” with the following:**

In this form:

“Approved person” means, in respect of a member (Member) of the Investment Industry Regulatory Organization of Canada (IIROC), an individual who is a partner, director, officer, employee or agent of a Member who is approved by IIROC or another Canadian SRO to perform any function required under any IIROC or other Canadian SRO by-law, rule, or policy;

“Canadian Investment Manager designation” means the designation earned through the Canadian investment manager program prepared and administered by CSI Global Education Inc. and so named on the day this Instrument comes into force, and every program that preceded that program, or succeeded that program, that does not have a significantly reduced scope and content when compared to the scope and content of the first-mentioned program;

“CFA Charter” means the charter earned through the Chartered Financial Analyst program prepared and administered by the CFA Institute and so named on the day this Instrument comes into force, and every program that preceded that program, or succeeded that program, that does not have a significantly reduced scope and content when compared to the scope and content of the first-mentioned program;

“Derivatives” means financial instruments, such as futures contracts (including exchange traded contracts), futures options and swaps whose market price, value or payment obligations are derived from, or based on, one or more underlying interests. Derivatives can be in the form of instruments, agreements or securities;

“Major shareholder” and “shareholder” mean a shareholder who, in total, directly or indirectly owns voting securities carrying 10 per cent or more of the votes carried by all outstanding voting securities;

“Sponsoring firm” means the registered firm where you will carry out your duties as a registered or permitted individual; and

“You”, “your” and “individual” mean the individual who is seeking registration or the individual who is filing this form as a permitted individual under securities legislation or derivatives legislation or both.,

- (c) **under the heading “NRD format”, deleting “You are only required to submit one form regardless of the number of registration categories you are seeking.”, and replacing “securities regulation experience” with “securities law experience”,**
- (d) **replacing, in the second paragraph under the heading “Format, other than NRD format”, “Item” with “item”,**
- (e) **replacing, in the third paragraph under the heading “Format, other than NRD format”, “securities regulation experience” with “securities law experience”, and “National Registration Database”, with “NRD”,**
- (f) **replacing, in sections 2 and 3 of Item 1, “yes” with “Yes”,**
- (g) **adding the following at the end of Item 2:**

3. Business e-mail address

- (h) **amending section 1 of Item 5 by**
- (i) **replacing “no” with “No”,**
- (ii) **deleting “only in your principal jurisdiction” in paragraph (b), and**
- (iii) **replacing “,” with “.” after “in any jurisdiction of Canada”,**

(j) **amending Item 7 by**

- (i) **in the first paragraph of section 1, replacing** “A post office box is not acceptable” **with** “A post office box is not an acceptable address for service”, **and**
- (ii) **replacing** “E-mail address, if available”, **at the end of section 1, with** “Business e-mail address”,

(j) **replacing section 2 of Item 8 with the following:**

2. Student numbers

If you have a student number for a course that you successfully completed with one of the following organizations, provide it below:

CSI Global Education: _____

IFSE Institute: _____

Institute of Canadian Bankers (ICB): _____

CFA Institute: _____

Advocis: _____

RESP Dealers Association of Canada: _____

Other: _____,

(k) **amending section 4 of Item 8 by**

- (i) **replacing** “Not Applicable below” **with** “N/A”,
- (ii) **replacing** “36 month period” **with** “36-month period”, **and**
- (iii) **replacing** “yes” **with** “Yes”,

(l) **replacing Item 9 with the following:**

Item 9 Location of employment

1. Provide the following information for your new sponsoring firm. If you will be working out of more than one business location, provide the following information for the business location out of which you will be doing most of your business. If you are only filing this form because you are a permitted individual and you are not employed by, or acting as agent for, the sponsoring firm, select “N/A”.

NRD location number: _____

Unique Identification Number (optional): _____

Business location address: _____
(number, street, city, province, territory or state, country, postal code)

Telephone number: (____) _____

Fax number: (____) _____

N/A

2. If the firm has a foreign head office, and/or you are not a resident of Canada, provide the address for the business location in which you will be conducting most of your business. If you are only filing this form because you are a permitted individual and you are not employed by, or acting as agent for, the sponsoring firm, select “N/A”.

Business location address: _____
(number, street, city, province, territory or state, country, postal code)

Telephone number: (____) _____

Fax number: (____) _____

N/A

[The following under #3 "Type of business location", #4 and #5 is for a Format other than NRD format only]

3. Type of business location:

- Head office
- Branch or business location
- Sub-branch (members of the Mutual Fund Dealers Association of Canada only)

4. Name of supervisor or branch manager: _____

5. Check here if the mailing address of the business location is the same as the business location address provided above. Otherwise, complete the following:

Mailing address: _____
(number, street, city, province, territory or state, country, postal code),

(m) replacing Item 10 with the following:

Item 10 Current employment, other business activities, officer positions held and directorships

Complete a separate Schedule G for each of your current business and employment activities, including employment and business activities with your sponsoring firm and any employment and business activities outside your sponsoring firm. Also include all officer or director positions and any other equivalent positions held, as well as positions of influence. The information must be provided

- whether or not you receive compensation for such services, and
- whether or not any such position is business related.,

(n) replacing Item 11 with the following:

Item 11 Previous employment and other activities

On Schedule H, complete your history of employment and other activities for the past 10 years.,

(o) amending Item 12 by adding a “,” after “Schedule I”, wherever it appears,

(p) amending Item 13 as follows:

- (i) adding “The questions below relate to any jurisdiction of Canada and any foreign jurisdiction.” after the heading “Item 13 Regulatory disclosure”,**
- (ii) deleting “in any province, territory, state or country” wherever these words appear, and**
- (iii) replacing, in paragraph (c) of section 1, “8(3)” with “8.3”,**

(q) **replacing Item 14 with the following:**

Item 14 Criminal disclosure

The questions below apply to offences committed in any jurisdiction of Canada and any foreign jurisdiction.

You must disclose all offences, including:

- a criminal offence under federal statutes such as the *Criminal Code* (Canada), *Income Tax Act* (Canada), *the Competition Act* (Canada), *Immigration and Refugee Protection Act* (Canada) and the *Controlled Drugs and Substances Act* (Canada), even if
 - a record suspension has been ordered under the *Criminal Records Act* (Canada)
 - you have been granted an absolute or conditional discharge under the *Criminal Code* (Canada), and
- a criminal offence, with respect to questions 14.2 and 14.4, of which you or your firm has been found guilty or for which you or your firm have participated in the alternative measures program within the previous three years, even if a record suspension has been ordered under the *Criminal Records Act* (Canada)

You are not required to disclose:

- charges for summary conviction offences that have been stayed for six months or more,
- charges for indictable offences that have been stayed for a year or more,
- offences under the *Youth Criminal Justice Act* (Canada), and
- speeding or parking violations.

Subject to the exceptions above:

1. Are there any outstanding or stayed charges against you alleging a criminal offence that was committed?

Yes No

If "Yes", complete Schedule K, Item 14.1.

2. Have you ever been found guilty, pleaded no contest to, or been granted an absolute or conditional discharge from any criminal offence that was committed?

Yes No

If "Yes", complete Schedule K, Item 14.2.

3. To the best of your knowledge, are there any outstanding or stayed charges against any firm of which you were, at the time the criminal offence was alleged to have taken place, a partner, director, officer or major shareholder?

Yes No

If "Yes", complete Schedule K, Item 14.3.

4. To the best of your knowledge, has any firm, when you were a partner, officer, director or major shareholder, ever been found guilty, pleaded no contest to or been granted an absolute or conditional discharge from a criminal offence that was committed?

Yes No

If "Yes", complete Schedule K, Item 14.4.,

(r) **amending Item 15 as follows:**

(i) **adding** "The questions below relate to any jurisdiction of Canada and any foreign jurisdiction." **after the heading "Item 15 Civil disclosure", and**

(ii) **deleting** "in any province, territory, state or country" **wherever these words appear,**

(s) **replacing, in section 2 of Item 16, "\$5,000" wherever it appears, with "\$10,000",**

(t) **amending Item 20 as follows:**

(ii) **in the second sentence of the second paragraph under the heading "SROs", replacing "protected by law such as, police" with "protected by law such as police", and**

(ii) **replacing the first sentence of the last paragraph of Item 20 with the following:**

You certify that you have discussed the questions in this form, together with this Agreement, with an Officer, Supervisor or Branch Manager of your sponsoring member firm and, to your knowledge and belief, the authorized Officer, Supervisor or Branch Manager was satisfied that you fully understood the questions and the terms of this Agreement.,

(u) **replacing Item 21 with the following:**

Item 21 Warning

It is an offence under securities legislation and derivatives legislation, including commodity futures legislation, to give false or misleading information on this form.,

(v) **amending Item 22 as follows:**

(i) **adding the following after the last sentence of the first paragraph of section 1:**

If the business location specified in this form is a residence, I hereby give my consent for the regulator or, in Québec, the securities regulatory authority to enter that residence for the administration of securities legislation and derivatives legislation, including commodity futures legislation.,

(ii) **adding** "and the certification above" **after** "provided me with all of the information on this form" **in the last paragraph of section 1, and**

(iii) **replacing, in the "Individual" section of "Certification - Format other than NRD format", the first paragraph with the following:**

By signing below, I certify to the regulator, or in Québec the securities regulatory authority, in each jurisdiction where I am filing or submitting this form, either directly or through the principal regulator, that:

- I have read this form and understand the questions,
- all of the information provided on this form is true, and complete, and
- if the business location specified in this form is a residence, I hereby give my consent for the regulator or, in Québec, the securities regulatory authority to enter that residence for the administration of securities legislation and derivatives legislation, including commodity futures legislation.

Signature of individual _____ Date _____ ,

(w) **amending Schedule A by**

(i) **replacing "?" with "." after** "(for example, marriage, divorce, court order, commonly used name or nickname)" **in Item 1.2 wherever it occurs,**

- (ii) **deleting “?” after “(for example, trade name or team name)” in Item 1.3 under the heading “Name 1:”,**
 - (iii) **replacing “N/A” with “N/A” in Item 1.3 under the heading “Name 1:”, and**
 - (iv) **adding “N/A ” after “No ” in Item 1.3 under the headings “Name 2:” and “Name 3:”,**
- (x) **amending Schedule C by**
- (i) **adding “[] permitted individual” between “[] Chief Compliance Officer” and “[] Officer – Specify title:” in “Categories common to all jurisdictions under securities legislation – Individual categories and permitted activities”,**
 - (ii) **replacing “[] Floor Trader” with “[] Floor Broker” in “Manitoba - Individual categories and permitted activities”, and**
 - (iii) **replacing the section for “Québec” with the following:**

Québec

Firm categories

[] Derivatives Dealer
[] Derivatives Portfolio Manager

Individual categories and permitted activities

[] Derivatives Dealing Representative
[] Derivatives Advising Representative
[] Derivatives Associate Advising Representative,
- (y) **amending Schedule D by replacing “E-mail address” in Item 7.1 with “Business e-mail address”,**
- (z) **amending Schedule E by replacing the text after the table with the following:**

If you have listed the CFA Charter in Item 8.1, please indicate by checking “Yes” below if you are a current member of the CFA Institute permitted to use this charter.

Yes No

If “No”, please explain why you no longer hold this designation:

If you have listed the Canadian Investment Manager Designation in Item 8.1, please indicate by checking “Yes” below if you are currently permitted to use this designation.

Yes No

If “No”, please explain why you no longer hold this designation:

(aa) amending Item 8.4 of Schedule F by replacing the last paragraph with the following:

Indicate the continuing education activities in which you have participated during the last 36 months and that are relevant to the category of registration you are applying for.;

(ab) amending Schedule G as follows:

(i) replacing the first paragraph with the following:

Complete a separate Schedule G for each of your current business and employment activities, including employment and business activities with your sponsoring firm and any employment and business activities outside your sponsoring firm. Also include all officer or director positions and any other equivalent positions held, as well as positions of influence. The information must be provided

- whether or not you receive compensation for such services, and
- whether or not any such position is business related.;

(ii) deleting “with this firm” after “include details” in the paragraph under the heading “3. Description of duties”, and

(iii) adding “.” at the end of the sentence in paragraph D. under the heading “5. Conflicts of interest”,

(ac) amending Schedule J by replacing, in paragraph (c) of Item 13.1, “8(3)” with “8.3”,

(ad) amending Item 14.2 and Item 14.4 of Schedule K by adding “,” after “discharge from a criminal offence”,

(ae) amending Schedule M by adding “the” after “including why” in Item 16.2,

(af) amending Schedule N as follows:

(i) replacing, in the first paragraph, “Firm name:” with the following:

Name of firm (whose business is trading in or advising on securities or derivatives, or both):

_____, and

(ii) replacing, in paragraph (g), “if applicable” with “N/A ” wherever it appears, and

(ag) replacing Schedule O with the following:

**Schedule O
Contact information for
Notice of collection and use of personal information**

Alberta
Alberta Securities Commission
Suite 600, 250–5th St. SW
Calgary, AB T2P 0R4
Attention: Information Officer
Telephone: (403) 297-6454

Nunavut
Government of Nunavut
Department of Justice
P.O. Box 1000 Station 570
Iqaluit, NU X0A 0H0
Attention: Deputy Registrar of Securities
Telephone: (867) 975-6590

British Columbia

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, BC V7Y 1L2
Attention: Freedom of Information Officer
Telephone: (604) 899-6500 or (800) 373-6393 (in Canada)

Manitoba

The Manitoba Securities Commission
500 - 400 St. Mary Avenue
Winnipeg, MB R3C 4K5
Attention: Director of Registrations
Telephone: (204) 945-2548
Fax (204) 945-0330

New Brunswick

Financial and Consumer Services Commission of
New Brunswick / Commission des services financiers
et des services aux consommateurs du Nouveau-
Brunswick
Suite 300, 85 Charlotte Street
Saint John, NB E2L 2J2
Attention: Director of Securities
Telephone: (506) 658-3060

Newfoundland and Labrador

Superintendent of Securities, Service NL
Government of Newfoundland and Labrador
P.O. Box 8700
2nd Floor, West Block
Confederation Building
St. John's, NL A1B 4J6
Attention: Manager of Registrations
Telephone: (709) 729-5661

Nova Scotia

Nova Scotia Securities Commission
Suite 400, 5251 Duke Street
Halifax, NS B3J 1P3
Attention: Deputy Director, Capital Markets
Telephone: (902) 424-7768

Northwest Territories

Government of the Northwest Territories
Department of Justice
1st Floor Stuart M. Hodgson Building
5009 – 49th Street
Yellowknife, NWT X1A 2L9
Attention: Deputy Superintendent of Securities
Telephone: (867) 920-8984

Ontario

Ontario Securities Commission
22nd Floor
20 Queen Street West
Toronto, ON M5H 3S8
Attention: Compliance and Registrant Regulation
Telephone: (416) 593-8314
e-mail: registration@osc.gov.on.ca

Prince Edward Island

Securities Office
Department of Community Affairs and Attorney
General
P.O. Box 2000
Charlottetown, PE C1A 7N8
Attention: Deputy Registrar of Securities
Telephone: (902) 368-6288

Québec

Autorité des marchés financiers
800, square Victoria, 22e étage
C.P. 246, tour de la Bourse
Montréal (Québec) H4Z 1G3
Attention: Responsable de l'accès à l'information
Telephone: (514) 395-0337 or (877) 525-0337

Saskatchewan

Financial and Consumer Affairs Authority of
Saskatchewan
Suite 601, 1919 Saskatchewan Drive
Regina, SK S4P 4H2
Attention: Deputy Director, Capital Markets
Telephone: (306) 787-5871

Yukon

Government of Yukon
Superintendent of Securities
Department of Community Services
P.O. Box 2703 C-6
Whitehorse, YT Y1A 2C6
Attention: Superintendent of Securities
Telephone: (867) 667-5314

Self-regulatory organization

Investment Industry Regulatory Organization of
Canada
121 King Street West, Suite 2000
Toronto, Ontario M5H 3T9
Attention: Privacy Officer
Telephone: (416) 364-6133
E-mail: PrivacyOfficer@iirc.ca.

14. *Form 33-506F5 is amended by*

- (a) *replacing the numbers “1.” and “2.” with bullet points in the first paragraph after the heading “GENERAL INSTRUCTIONS”,*
- (b) *replacing, in the second paragraph of Item 3, “SROs” with “SRO”, and “enforce their respective by-laws” with “enforce its by-laws”,*
- (c) *replacing Item 4 with the following:*

Item 4 Warning

It is an offence under securities legislation and derivatives legislation, including commodity futures legislation, to give false or misleading information on this form.,

- (d) *replacing Schedule A with the following:*

**Schedule A
Contact information for
Notice of collection and use of personal information**

Alberta

Alberta Securities Commission
Suite 600, 250–5th St. SW
Calgary, AB T2P 0R4
Attention: Information Officer
Telephone: (403) 297-6454

Nunavut

Government of Nunavut
Department of Justice
P.O. Box 1000 Station 570
Iqaluit, NU X0A 0H0
Attention: Deputy Registrar of Securities
Telephone: (867) 975-6590

British Columbia

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, BC V7Y 1L2
Attention: Freedom of Information Officer
Telephone: (604) 899-6500 or (800) 373-6393 (in
Canada)

Ontario

Ontario Securities Commission
22nd Floor
20 Queen Street West
Toronto, ON M5H 3S8
Attention: Compliance and Registrant Regulation
Telephone: (416) 593-8314
e-mail: registration@osc.gov.on.ca

Manitoba

The Manitoba Securities Commission
500 - 400 St. Mary Avenue
Winnipeg, MB R3C 4K5
Attention: Director of Registrations
Telephone: (204) 945-2548
Fax (204) 945-0330

Prince Edward Island

Securities Office
Department of Community Affairs and Attorney
General
P.O. Box 2000
Charlottetown, PE C1A 7N8
Attention: Deputy Registrar of Securities
Telephone: (902) 368-6288

New Brunswick

Financial and Consumer Services Commission of
New Brunswick / Commission des services financiers
et des services aux consommateurs du Nouveau-
Brunswick
Suite 300, 85 Charlotte Street
Saint John, NB E2L 2J2
Attention: Director of Securities
Telephone: (506) 658-3060

Québec

Autorité des marchés financiers
800, square Victoria, 22e étage
C.P. 246, tour de la Bourse
Montréal (Québec) H4Z 1G3
Attention: Responsable de l'accès à l'information
Telephone: (514) 395-0337 or (877) 525-0337

Newfoundland and Labrador

Superintendent of Securities, Service NL
Government of Newfoundland and Labrador
P.O. Box 8700
2nd Floor, West Block
Confederation Building
St. John's, NL A1B 4J6
Attention: Manager of Registrations
Telephone: (709) 729-5661

Nova Scotia

Nova Scotia Securities Commission
Suite 400, 5251 Duke Street
Halifax, NS B3J 1P3
Attention: Deputy Director, Capital Markets
Telephone: (902) 424-7768

Northwest Territories

Government of the Northwest Territories
Department of Justice
1st Floor Stuart M. Hodgson Building
5009 – 49th Street
Yellowknife, NWT X1A 2L9
Attention: Deputy Superintendent of Securities
Telephone: (867) 920-8984

Saskatchewan

Financial and Consumer Affairs Authority of
Saskatchewan
Suite 601, 1919 Saskatchewan Drive
Regina, SK S4P 4H2
Attention: Deputy Director, Capital Markets
Telephone: (306) 787-5871

Yukon

Government of Yukon
Superintendent of Securities
Department of Community Services
P.O. Box 2703 C-6
Whitehorse, YT Y1A 2C6
Attention: Superintendent of Securities
Telephone: (867) 667-5314

Self-regulatory organization

Investment Industry Regulatory Organization of
Canada
121 King Street West, Suite 2000
Toronto, Ontario M5H 3T9
Attention: Privacy Officer
Telephone: (416) 364-6133
E-mail: PrivacyOfficer@iirc.ca.

15. **Form 33-506F6 is amended by**

- (a) **replacing “Firm registration” with “Firm Registration” in the title of Form 33-506F6,**
- (b) **adding “In this form:” immediately after the heading “Definitions”,**
- (c) **replacing “Principal Regulator” with “Principal regulator” in the list under the heading “Definitions”,**
- (d) **replacing, “Supervisory procedured person(s)” with “Supervisory procedure person(s)” in the list under the heading “Definitions”,**
- (e) **replacing “Submission to Jurisdiction and Appointment of Agent for Service” with “Submission to jurisdiction and appointment of agent for service” in section 1 of the portion of the Form after the heading “Contents of the form”,**
- (f) **replacing section 2 of the portion of the Form after the heading “Contents of the form” with the following:**
 - 2. Business plan, policies and procedures manual, and client agreements (except in Ontario) (question 3.3),
- (g) **replacing, in the fifth paragraph in the portion of the Form after the heading “How to complete and submit the form”, “Appendix A of Companion Policy 33-109CP Registration Information” with “Appendix B of Companion Policy 33-506CP (Commodity Futures Act) Registration Information”,**
- (h) **replacing, in the eighth paragraph of the portion of the Form after the heading “How to complete and submit the form”, “which” with “that”,**
- (i) **adding after the eighth paragraph of the portion of the Form under the heading “How to complete and submit the form” the following:**

It is an offence under securities legislation and derivatives legislation, including commodity futures legislation, to give false or misleading information on this form.,

- (j) replacing, in the margin note opposite the first paragraph in the portion of the Form after the heading “Updating the information on the form”, “NI 33-506” with “OSC Rule 33-506”,
- (k) deleting the “*” after question “5.5” in the third paragraph of section 1.3,
- (l) amending section 2.2 as follows:
 - (i) adding “location” after “business” in paragraph (a) wherever it appears, and
 - (ii) replacing paragraph (b) with the following:
 - (b) If a firm is not registered in a jurisdiction of Canada, indicate the jurisdiction of Canada in which the firm expects to conduct most of its activities that require registration as at the end of its current financial year or conducted most of its activities that require registration as at the end of its most recently completed financial year.,
- (m) replacing “Submission to Jurisdiction and Appointment of Agent for Service” with “Submission to jurisdiction and appointment of agent for service” in section 2.4,
- (n) replacing section 2.5 and 2.6 with the following:

2.5 Ultimate designated person

A registered firm must have an individual registered in the category of ultimate designated person unless the firm is only registered under the *Commodity Futures Act* (Ontario).

Legal name	
Officer title	
Telephone number	
E-mail address	
NRD number, if available	
Address	
<input type="checkbox"/> Same as firm head office address	
Address line 1	
Address line 2	
City	Province/territory/state
Country	Postal/zip code

2.6 Chief compliance officer and/or supervisory procedure person

Same as ultimate designated person

A registered firm must have an individual registered in the category of chief compliance officer and/or an individual responsible for its supervisory procedures.

Legal name	
Officer title	
Telephone number	
E-mail address	
NRD number, if available	
Address	
<input type="checkbox"/> Same as firm head office address	

Address line 1	
Address line 2	
City	Province/territory/state
Country	Postal/zip code

- (o) **replacing the third paragraph of section 3.3 with the following:**

Attach the firm's business plan, policies and procedures manual and client agreements, including any investment policy statements and investment management agreements, except if the regulator in Ontario is the principal regulator of the firm seeking registration, unless the regulator in Ontario has requested they be provided.,

- (p) **adding “. ” at the end of the second bullet in section 5.1,**

- (q) **replacing section 5.1 with the following:**

5.1 Calculation of excess working capital

Attach the firm's calculation of excess working capital.

- Investment dealers must use the capital calculation form required by the Investment Industry Regulatory Organization of Canada (IIROC).
- Mutual fund dealers must use the capital calculation form required by the Mutual Fund Dealers Association of Canada (MFDA), except for mutual fund dealers registered in Québec only.
- If the firm is only applying for registration as an adviser under the Commodity Futures Act (Ontario), attach the firm's calculation of minimum free capital in accordance with section 14 of Regulation 90 under that Act.
- Other firms that are not members of either IIROC or the MFDA must use Form 31-103F1 *Calculation of Excess Working Capital*. See Schedule C.

- (r) **replacing “all jurisdiction” with “all jurisdictions” in the second paragraph of Item 5.4,**

- (s) **adding the following margin note for section 5.6:**

This information is required only if the firm is applying for registration in Québec as a mutual fund dealer or as a scholarship plan dealer.,

- (t) **replacing “for” with “approving” in the title of section 5.7,**

- (u) **replacing the first paragraph of Part 9 with the following:**

It is an offence under securities legislation and derivatives legislation, including commodity futures legislation, to give false or misleading information on this form.,

(v) replacing Schedule A with the following:

Schedule A
Contact information for
Notice of collection and use of personal information

Alberta

Alberta Securities Commission
Suite 600, 250–5th St. SW
Calgary, AB T2P 0R4
Attention: Information Officer
Telephone: (403) 297-6454

Nunavut

Government of Nunavut
Department of Justice
P.O. Box 1000 Station 570
Iqaluit, NU X0A 0H0
Attention: Deputy Registrar of Securities
Telephone: (867) 975-6590

British Columbia

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, BC V7Y 1L2
Attention: Freedom of Information Officer
Telephone: (604) 899-6500 or (800) 373-6393 (in
Canada)

Ontario

Ontario Securities Commission
22nd Floor
20 Queen Street West
Toronto, ON M5H 3S8
Attention: Compliance and Registrant Regulation
Telephone: (416) 593-8314
e-mail: registration@osc.gov.on.ca

Manitoba

The Manitoba Securities Commission
500 - 400 St. Mary Avenue
Winnipeg, MB R3C 4K5
Attention: Director of Registrations
Telephone: (204) 945-2548
Fax (204) 945-0330

Prince Edward Island

Securities Office
Department of Community Affairs and Attorney
General
P.O. Box 2000
Charlottetown, PE C1A 7N8
Attention: Deputy Registrar of Securities
Telephone: (902) 368-6288

New Brunswick

Financial and Consumer Services Commission of
New Brunswick / Commission des services financiers
et des services aux consommateurs du Nouveau-
Brunswick
Suite 300, 85 Charlotte Street
Saint John, NB E2L 2J2
Attention: Director of Securities
Telephone: (506) 658-3060

Québec

Autorité des marchés financiers
800, square Victoria, 22e étage
C.P. 246, tour de la Bourse
Montréal (Québec) H4Z 1G3
Attention: Responsable de l'accès à l'information
Telephone: (514) 395-0337 or (877) 525-0337

Newfoundland and Labrador

Superintendent of Securities, Service NL
Government of Newfoundland and Labrador
P.O. Box 8700
2nd Floor, West Block
Confederation Building
St. John's, NL A1B 4J6
Attention: Manager of Registrations
Telephone: (709) 729-5661

Saskatchewan

Financial and Consumer Affairs Authority of
Saskatchewan
Suite 601, 1919 Saskatchewan Drive
Regina, SK S4P 4H2
Attention: Deputy Director, Capital Markets
Telephone: (306) 787-5871

Nova Scotia

Nova Scotia Securities Commission
Suite 400, 5251 Duke Street
Halifax, NS B3J 1P3
Attention: Deputy Director, Capital Markets
Telephone: (902) 424-7768

Yukon

Government of Yukon
Superintendent of Securities
Department of Community Services
P.O. Box 2703 C-6
Whitehorse, YT Y1A 2C6
Attention: Superintendent of Securities
Telephone: (867) 667-5314

Northwest Territories

Government of the Northwest Territories
 Department of Justice
 1st Floor Stuart M. Hodgson Building
 5009 – 49th Street
 Yellowknife, NWT X1A 2L9
 Attention: Deputy Superintendent of Securities
 Telephone: (867) 920-8984

Self-regulatory organization

Investment Industry Regulatory Organization of
 Canada
 121 King Street West, Suite 2000
 Toronto, Ontario M5H 3T9
 Attention: Privacy Officer
 Telephone: (416) 364-6133
 E-mail: PrivacyOfficer@iirc.ca,

- (w) **amending Schedule B by replacing** “Submission to Jurisdiction and Appointment of Agent for Service” **with** “Submission to jurisdiction and appointment of agent for service” **in sections 7 and 8, and under the heading “Acceptance”, wherever these terms appear, and**
- (x) **replacing Schedule C with the following:**

Schedule C
FORM 31-103F1 CALCULATION OF EXCESS WORKING CAPITAL

_____ Firm Name

Capital Calculation
 (as at _____ with comparative figures as at _____)

	Component	Current period	Prior period
1.	Current assets		
2.	Less current assets not readily convertible into cash (e.g., prepaid expenses)		
3.	Adjusted current assets Line 1 minus line 2 =		
4.	Current liabilities		
5.	Add 100% of non-current related party debt unless the firm and the lender have executed a subordination agreement in the form set out in Appendix B of National Instrument 31-103 <i>Registration Requirements, Exemptions and Ongoing Registrant Obligations</i> and the firm has delivered a copy of the agreement to the regulator or, in Québec, the securities regulatory authority. See section 12.2 of National Instrument 31-103 <i>Registration Requirements, Exemptions and Ongoing Registrant Obligations</i> .		
6.	Adjusted current liabilities Line 4 plus line 5 =		
7.	Adjusted working capital		

	Line 3 minus line 6 =		
8.	Less minimum capital		
9.	Less market risk		
10.	Less any deductible under the bonding or insurance policy required under Part 12 of National Instrument 31-103 <i>Registration Requirements, Exemptions and Ongoing Registrant Obligations</i>		
11.	Less Guarantees		
12.	Less unresolved differences		
13.	Excess working capital		

Notes:

Form 31-103F1 *Calculation of Excess Working Capital* must be prepared using the accounting principles that you use to prepare your financial statements in accordance with National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*. Section 12.1 of Companion Policy 31-103CP *Registration Requirements, Exemptions and Ongoing Registrant Obligations* provides further guidance in respect of these accounting principles.

Line 5. Related-party debt – Refer to the CICA Handbook for the definition of “related party” for publicly accountable enterprises. The firm is required to deliver a copy of the executed subordination agreement to the regulator or, in Québec, the securities regulatory authority on the earlier of a) 10 days after the date the agreement is executed or b) the date an amount subordinated by the agreement is excluded from its calculation of excess working capital on Form 31-103F1 *Calculation of Excess Working Capital*. **The firm must notify the regulator or, in Québec, the securities regulatory authority, 10 days before it repays the loan (in whole or in part), or terminates the subordination agreement.** See section 12.2 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*.

Line 8. Minimum Capital – The amount on this line must be not less than (a) \$25,000 for an adviser and (b) \$50,000 for a dealer. For an investment fund manager, the amount must be not less than \$100,000 unless subsection 12.1(4) of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* applies.

Line 9. Market Risk – The amount on this line must be calculated according to the instructions set out in Schedule 1 to Form 31-103F1 *Calculation of Excess Working Capital*. A schedule supporting the calculation of any amounts included in Line 9 as market risk should be provided to the regulator or, in Québec, the securities regulatory authority in conjunction with the submission of Form 31-103F1 *Calculation of Excess Working Capital*.

Line 11. Guarantees – If the registered firm is guaranteeing the liability of another party, the total amount of the guarantee must be included in the capital calculation. If the amount of a guarantee is included in the firm’s statement of financial position as a current liability and is reflected in line 4, do not include the amount of the guarantee on line 11.

Line 12. Unresolved differences – Any unresolved differences that could result in a loss from either firm or client assets must be included in the capital calculation. The examples below provide guidance as to how to calculate unresolved differences:

- (i) If there is an unresolved difference relating to client securities, the amount to be reported on Line 12 will be equal to the fair value of the client securities that are short, plus the applicable margin rate for those securities.
- (ii) If there is an unresolved difference relating to the registrant's investments, the amount to be reported on Line 12 will be equal to the fair value of the investments (securities) that are short.
- (iii) If there is an unresolved difference relating to cash, the amount to be reported on Line 12 will be equal to the amount of the shortfall in cash.

Please refer to section 12.1 of Companion Policy 31-103CP *Registration Requirements, Exemptions and Ongoing Registrant Obligations* for further guidance on how to prepare and file Form 31-103F1 *Calculation of Excess Working Capital*.

Management Certification		
Registered Firm Name: _____		
We have examined the attached capital calculation and certify that the firm is in compliance with the capital requirements as at _____.		
Name and Title	Signature	Date
1. _____ _____	_____	_____
2. _____ _____	_____	_____

**Schedule 1 of Form 31-103F1 Calculation of Excess Working Capital
(calculating line 9 [market risk])**

For purposes of completing this form:

- (1) "Fair value" means the value of a security determined in accordance with Canadian GAAP applicable to publicly accountable enterprises.
- (2) For each security whose value is included in line 1, Current Assets, multiply the fair value of the security by the margin rate for that security set out below. Add up the resulting amounts for all of the securities you hold. The total is the "market risk" to be entered on line 9.

(a) Bonds, Debentures, Treasury Bills and Notes

- (i) Bonds, debentures, treasury bills and other securities of or guaranteed by the Government of Canada, of the United Kingdom, of the United States of America and of any other national foreign government (provided such foreign government securities are currently rated Aaa or AAA by Moody's Canada Inc. or its DRO affiliate, or Standard & Poor's Rating Services (Canada) or its DRO affiliate, respectively), maturing (or called for redemption):

within 1 year:	1% of fair value multiplied by the fraction determined by dividing the number of days to maturity by 365
over 1 year to 3 years:	1 % of fair value
over 3 years to 7 years:	2% of fair value
over 7 years to 11 years:	4% of fair value
over 11 years:	4% of fair value

- (ii) Bonds, debentures, treasury bills and other securities of or guaranteed by any jurisdiction of Canada and obligations of the International Bank for Reconstruction and Development, maturing (or called for redemption):

within 1 year:	2% of fair value multiplied by the fraction determined by dividing the number of days to maturity by 365
over 1 year to 3 years:	3 % of fair value
over 3 years to 7 years:	4% of fair value
over 7 years to 11 years:	5% of fair value
over 11 years:	5% of fair value

- (iii) Bonds, debentures or notes (not in default) of or guaranteed by any municipal corporation in Canada or the United Kingdom maturing:

within 1 year:	3% of fair value multiplied by the fraction determined by dividing the number of days to maturity by 365
over 1 year to 3 years:	5 % of fair value
over 3 years to 7 years:	5% of fair value
over 7 years to 11 years:	5% of fair value
over 11 years:	5% of fair value

- (iv) Other non-commercial bonds and debentures (not in default): 10% of fair value

- (v) Commercial and corporate bonds, debentures and notes (not in default) and non-negotiable and non-transferable trust company and mortgage loan company obligations registered in the registered firm's name maturing:

within 1 year:	3% of fair value
over 1 year to 3 years:	6 % of fair value
over 3 years to 7 years:	7% of fair value
over 7 years to 11 years:	10% of fair value
over 11 years:	10% of fair value

(b) Bank Paper

Deposit certificates, promissory notes or debentures issued by a Canadian chartered bank (and of Canadian chartered bank acceptances) maturing:

within 1 year:	2% of fair value multiplied by the fraction determined by dividing the number of days to maturity by 365
over 1 year:	apply rates for commercial and corporate bonds, debentures and notes

(c) Acceptable foreign bank paper

Deposit certificates, promissory notes or debentures issued by a foreign bank, readily negotiable and transferable and maturing:

within 1 year:	2% of fair value multiplied by the fraction determined by dividing the number of days to maturity by 365
over 1 year:	apply rates for commercial and corporate bonds, debentures and notes

"Acceptable Foreign Bank Paper" consists of deposit certificates or promissory notes issued by a bank other than a Canadian chartered bank with a net worth (i.e., capital plus reserves) of not less than \$200,000,000.

(d) Mutual Funds

Securities of mutual funds qualified by prospectus for sale in any jurisdiction of Canada:

- (i) 5% of the net asset value per security as determined in accordance with National Instrument 81-106 *Investment Fund Continuous Disclosure*, where the fund is a money market mutual fund as defined in National Instrument 81-102 *Investment Funds*; or

- (ii) the margin rate determined on the same basis as for listed stocks multiplied by the net asset value per security of the fund as determined in accordance with National Instrument 81-106 *Investment Fund Continuous Disclosure*.

Securities of mutual funds qualified by prospectus for sale in the United States of America: 5% of the net asset value per security if the fund is registered as an investment company under the *Investment Companies Act of 1940*, as amended from time to time, and complies with Rule 2a-7 thereof.

(e) Stocks

In this paragraph, “securities” includes rights and warrants and does not include bonds and debentures.

- (i) On securities including investment fund securities, rights and warrants, listed on any exchange in Canada or the United States of America:

Long Positions – Margin Required

Securities selling at \$2.00 or more – 50% of fair value

Securities selling at \$1.75 to \$1.99 – 60% of fair value

Securities selling at \$1.50 to \$1.74 – 80% of fair value

Securities selling under \$1.50 – 100% of fair value

Short Positions – Credit Required

Securities selling at \$2.00 or more – 150% of fair value

Securities selling at \$1.50 to \$1.99 – \$3.00 per share

Securities selling at \$0.25 to \$1.49 – 200% of fair value

Securities selling at less than \$0.25 – fair value plus \$0.25 per share

- (ii) For positions in securities that are constituent securities on a major broadly-based index of one of the following exchanges, 50% of the fair value:

- (a) Australian Stock Exchange Limited

- (b) Bolsa de Madrid

- (c) Borsa Italiana

- (d) Copenhagen Stock Exchange

- (e) Euronext Amsterdam

- (f) Euronext Brussels

- (g) Euronext Paris S.A.

- (h) Frankfurt Stock Exchange

- (i) London Stock Exchange

- (j) New Zealand Exchange Limited

- (k) Stockholm Stock Exchange

- (l) SIX Swiss Exchange

- (m) The Stock Exchange of Hong Kong Limited

(n) Tokyo Stock Exchange

(f) Mortgages

(i) For a firm registered in any jurisdiction of Canada except Ontario:

(a) Insured mortgages (not in default): 6% of fair value

(b) Mortgages which are not insured (not in default): 12% of fair value.

(ii) For a firm registered in Ontario:

(a) Mortgages insured under the *National Housing Act* (Canada) (not in default): 6% of fair value

(b) Conventional first mortgages (not in default): 12% of fair value.

If you are registered in Ontario regardless of whether you are also registered in another jurisdiction of Canada, you will need to apply the margin rates set forth in (ii) above.

(g) For all other securities – 100% of fair value..

16. Form 33-506F7 is amended by

(a) replacing the first sentence after the heading “GENERAL INSTRUCTIONS” with the following:

Complete and submit this form to the relevant regulator(s) or in Québec, the securities regulatory authority, or self-regulatory organization (SRO) if an individual has left a sponsoring firm and is seeking to reinstate their registration in one or more of the same categories or reinstate their same status of permitted individual as before with a sponsoring firm.,

(b) replacing “end of three months” with “90th day” in section 1 after the heading “GENERAL INSTRUCTIONS”,

(c) adding “other than changes to Item 13.3(c)” after “Items 13 (Regulatory Disclosure)” in section 2 after the heading “GENERAL INSTRUCTIONS”,

(d) in the last paragraph after the heading “Terms”, replacing “[Registration of Individuals and Review of Permitted Individuals]” with “Registration of Individuals and Review of Permitted Individuals” and deleting “or elsewhere in the securities legislation of your province or territory. Please refer to those definitions”,

(e) adding “with securities law experience” after “legal adviser” in the paragraph after the heading “NRD format” and in the third paragraph after the heading “Format, other than NRD format”,

(f) replacing “If “yes”” with “If “Yes”” in the last sentence of section 4 of Item 1,

(g) replacing “E-mail address, if available” in section 1 of Item 4 with “Business e-mail address”,

(h) replacing Item 5 with the following:

Item 5 Location of employment

1. Provide the following information for your new sponsoring firm. If you will be working out of more than one business location, provide the following information for the business location out of which you will be doing most of your business. If you are only filing this form because you are a permitted individual and are not employed by, or acting as agent for, the sponsoring firm, select “N/A”.

Unique Identification Number (optional): _____

NRD location number: _____

Business location address: _____

(number, street, city, province, territory or state, country, postal code)

Telephone number: (____)_____ Fax number: (____)_____

N/A

2. If the new sponsoring firm has a foreign head office, and/or you are not a resident of Canada, provide the address for the business location in which you will be conducting most of your business. If you are only filing this form because you are a permitted individual and are not employed by, or acting as agent for, the sponsoring firm, select "N/A".

Business location address: _____
(number, street, city, province, territory or state, country, postal code)

Telephone number: (____)_____ Fax number: (____)_____

N/A

[The following under #3 "Type of business location", #4 and #5 is for a Format other than NRD format only]

3. Type of business location:

- Head office
- Branch or business location
- Sub-branch (Mutual Fund Dealers Association of Canada members only)

4. Name of supervisor or branch manager: _____

5. Check here if the mailing address of the business location is the same as the business location address provided above. Otherwise, complete the following:

Mailing address: _____
(number, street, city, province, territory or state, country, postal code),

(i) **replacing Item 7 with the following:**

Item 7 Current employment, other business activities, officer positions held and directorships

Name of your new sponsoring firm: _____

Complete a separate Schedule D for each of your current business and employment activities, including employment and business activities with your new sponsoring firm and any employment and business activities outside your new sponsoring firm. Also include all officer or director positions and any other equivalent positions held, as well as positions of influence. The information must be provided

- whether or not you receive compensation for such services, and
- whether or not any such position is business related.,

(j) **adding** “, other than changes to Item 13.3(c)” **after** “Regulatory disclosure (Item 13” **in section 1 of Item 9,**

(k) **replacing** “ ‘*Reactivation of Registration*’ “ **with** “ ‘*Reactivation of Registration*’ “ **in the second paragraph of section 2 of Item 9,**

(l) **replacing Item 11 with the following:**

Item 11 Warning

It is an offence under securities legislation and derivatives legislation, including commodity futures legislation, to give false or misleading information on this form.,

(m) **replacing section 1 of Item 12 with the following:**

1. **Certification - NRD format:**

I confirm I have discussed the questions in this form with an officer, branch manager or supervisor of my sponsoring firm. To the best of my knowledge, the officer, branch manager or supervisor was satisfied that I fully understood the questions. I will limit my activities to those permitted by my category of registration. If the business location specified in this form is a residence, I hereby give my consent for the regulator or, in Québec, the securities regulatory authority to enter that residence for the administration of securities legislation and derivatives legislation, including commodity futures legislation.

I am making this submission as agent for the individual. By checking this box, I certify that the individual provided me with all of the information on this form and the certification above.

(n) **in section 2 of Item 12, replacing the portion of the Form after the heading "Individual" and before the heading "Authorized partner or officer of the new sponsoring firm" with the following:**

By signing below, I certify to the regulator, or in Québec the securities regulatory authority, in each jurisdiction where I am submitting this form, either directly or through the principal regulator that:

- I have read the form and understand the questions,
- all of the information provided on this form is true, and complete, and
- if the business location specified in this form is a residence, I hereby give my consent for the regulator or, in Québec, the securities regulatory authority to enter that residence for the administration of securities legislation and derivatives legislation, including commodity futures legislation.

Signature of individual _____ Date signed _____
(YYYY/MM/DD),

(o) **amending Schedule B as follows:**

(i) **adding "[] Permitted Individual" between "[] Chief Compliance Officer" and "[] Officer – Specify title:" in "Categories common to all jurisdictions under securities legislation – Individual categories and permitted activities",**

(ii) **replacing "[] Floor Trader" with "[] Floor Broker" in "Manitoba - Individual categories and permitted activities", and**

(iii) **replacing the section for "Québec" with the following:**

Québec

Firm categories

[] Derivatives Dealers

[] Derivatives Portfolio Manager

Individual categories and permitted activities

[] Derivatives Dealing Representative

[] Derivatives Advising Representative

[] Derivatives Associate Advising Representative,

(p) **amending Schedule C by replacing "E-mail address" in Item 4.1 with "Business e-mail address",**

(q) amending Schedule D as follows:

(i) replacing the first paragraph with the following:

Complete a separate Schedule D for each of your current business and employment activities, including employment and business activities with your new sponsoring firm and any employment and business activities outside your new sponsoring firm. Also include all officer or director positions and any other equivalent positions held, as well as positions of influence. The information must be provided

- whether or not you receive compensation for such services, and
- whether or not any such position is business related., **and**

(ii) deleting “with this firm” after “include details” in the paragraph under the heading “3. Description of duties”,

(iii) renumbering paragraph D in section 5 as paragraph E, and

(iv) adding the following paragraph before paragraph E in section 5:

D. State the name of the person at your sponsoring firm who has reviewed and approved your multiple employment or business related activities or proposed business related activities.

(r) amending Schedule E by

(i) replacing the title of the Schedule “Ownership of securities and derivatives firms (Item 8)” with “Ownership of securities in new sponsoring firm (Item 8)”,

(ii) adding, after “Firm name” in the first paragraph, “(whose business is trading in or advising on securities or derivatives, or both)”, and

(iii) replacing, in paragraph (g), “if applicable” with “N/A ” wherever it appears, and

(s) replacing Schedule F with the following:

**Schedule F
Contact information for
Notice of collection and use of personal information**

Alberta
Alberta Securities Commission
Suite 600, 250–5th St. SW
Calgary, AB T2P 0R4
Attention: Information Officer
Telephone: (403) 297-6454

Nunavut
Government of Nunavut
Department of Justice
P.O. Box 1000 Station 570
Iqaluit, NU X0A 0H0
Attention: Deputy Registrar of Securities
Telephone: (867) 975-6590

British Columbia

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, BC V7Y 1L2
Attention: Freedom of Information Officer
Telephone: (604) 899-6500 or (800) 373-6393 (in Canada)

Manitoba

The Manitoba Securities Commission
500 - 400 St. Mary Avenue
Winnipeg, MB R3C 4K5
Attention: Director of Registrations
Telephone: (204) 945-2548
Fax (204) 945-0330

New Brunswick

Financial and Consumer Services Commission of
New Brunswick / Commission des services financiers
et des services aux consommateurs du Nouveau-
Brunswick
Suite 300, 85 Charlotte Street
Saint John, NB E2L 2J2
Attention: Director of Securities
Telephone: (506) 658-3060

Newfoundland and Labrador

Superintendent of Securities, Service NL
Government of Newfoundland and Labrador
P.O. Box 8700
2nd Floor, West Block
Confederation Building
St. John's, NL A1B 4J6
Attention: Manager of Registrations
Telephone: (709) 729-5661

Nova Scotia

Nova Scotia Securities Commission
Suite 400, 5251 Duke Street
Halifax, NS B3J 1P3
Attention: Deputy Director, Capital Markets
Telephone: (902) 424-7768

Northwest Territories

Government of the Northwest Territories
Department of Justice
1st Floor Stuart M. Hodgson Building
5009 – 49th Street
Yellowknife, NWT X1A 2L9
Attention: Deputy Superintendent of Securities
Telephone: (867) 920-8984

Ontario

Ontario Securities Commission
22nd Floor
20 Queen Street West
Toronto, ON M5H 3S8
Attention: Compliance and Registrant Regulation
Telephone: (416) 593-8314
e-mail: registration@osc.gov.on.ca

Prince Edward Island

Securities Office
Department of Community Affairs and Attorney
General
P.O. Box 2000
Charlottetown, PE C1A 7N8
Attention: Deputy Registrar of Securities
Telephone: (902) 368-6288

Québec

Autorité des marchés financiers
800, square Victoria, 22e étage
C.P. 246, tour de la Bourse
Montréal (Québec) H4Z 1G3
Attention: Responsable de l'accès à l'information
Telephone: (514) 395-0337 or (877) 525-0337

Saskatchewan

Financial and Consumer Affairs Authority of
Saskatchewan
Suite 601, 1919 Saskatchewan Drive
Regina, SK S4P 4H2
Attention: Deputy Director, Capital Markets
Telephone: (306) 787-5871

Yukon

Government of Yukon
Superintendent of Securities
Department of Community Services
P.O. Box 2703 C-6
Whitehorse, YT Y1A 2C6
Attention: Superintendent of Securities
Telephone: (867) 667-5314

Self-regulatory organization

Investment Industry Regulatory Organization of
Canada
121 King Street West, Suite 2000
Toronto, Ontario M5H 3T9
Attention: Privacy Officer
Telephone: (416) 364-6133
E-mail: PrivacyOfficer@iirc.ca.

Coming into force

17. This Instrument comes into force on January 11, 2015.

5.1.7 Amendments to OSC Rule 35-502 Non-Resident Advisers

**AMENDMENTS TO
ONTARIO SECURITIES COMMISSION RULE 35-502 NON-RESIDENT ADVISERS**

1. ***Ontario Securities Commission Rule 35-502 Non-Resident Advisers is amended by this Instrument.***
2. ***Section 1.1 is amended by inserting the following after the definition of “manager”:***

NI 31-103 means National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*;
3. ***Section 7.3 is repealed.***
4. ***Section 7.11 is amended by***
 - a. ***replacing “this Part” with “this Part or by section 8.26.1 of NI 31-103”, and***
 - b. ***replacing “section 7.3”, in paragraph (a), with “section 8.26.1 of NI 31-103”.***
5. ***This Instrument comes into force on the day section 8.26.1 of NI 31-103 comes into force.***

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Chapter 7

Insider Reporting

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

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

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

Chapter 8

Notice of Exempt Financings

REPORT OF TRADES ON FORM 45-106F1 AND 45-501F1

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

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

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

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:

ARC Resources Ltd.
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated January 9, 2015
NP 11-202 Receipt dated January 9, 2015

Offering Price and Description:

\$350,201,500.00 - 15,530,000 Common Shares
Price: \$22.55 per Common Share

Underwriter(s) or Distributor(s):

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

Promoter(s):

-

Project #2298694

Issuer Name:

Brompton Oil Split Corp.
Principal Regulator - Ontario

Type and Date:

Amended and Restated Preliminary Long Form Prospectus
dated January 5, 2015

NP 11-202 Receipt dated January 7, 2015

Offering Price and Description:

Maximum Offering: \$ * - Up to * Preferred Shares and *
Class A Shares
Minimum Offering: \$14,000,000 - 1,400,000 Preferred
Shares
Minimum Offering: \$21,000,000 - 1,400,000 Class A
Shares
Price: \$10.00 per Preferred Share and \$15.00 per Class A
Share

Underwriter(s) or Distributor(s):

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

Promoter(s):

-

Project #2297621

Issuer Name:

Fairfax India Holdings Corporation
Principal Regulator - Ontario

Type and Date:

Amended and Restated Preliminary Long Form Prospectus
dated December 31, 2014

NP 11-202 Receipt dated January 6, 2015

Offering Price and Description:

US\$ * - * Subordinate Voting Shares

Price: US\$10.00 per Subordinate Voting Share

Minimum Purchase: 100 Subordinate Voting Shares

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.

BMO Nesbitt Burns Inc.

CIBC World Markets Inc.

Scotia Capital Inc.

National Bank Financial Inc.

TD Securities Inc.

Canaccord Genuity Corp.

Desjardins Securities Inc.

Raymond James Ltd.

Cormark Securities Inc.

Dundee Securities Ltd.

GMP Securities L.P.

Manulife Securities Incorporated

Promoter(s):

Fairfax Financial Holdings Limited

Project #2284695

Issuer Name:

Manulife Strategic Investment Grade Global Bond Fund

Manulife U.S. Balanced Value Private Trust

Manulife U.S. Dollar Strategic Income Fund

Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectuses dated January 6, 2015

NP 11-202 Receipt dated January 7, 2015

Offering Price and Description:

Advisor Series, Series C, Series CT6, Series F, Series FT6,
Series I, Series L, Series LT6 and Series T6 Securities

Underwriter(s) or Distributor(s):

MANULIFE ASSET MANAGEMENT INVESTMENTS INC.

Manulife Asset Management Investments Inc.

Promoter(s):

Manulife Asset Management Limited

Project #2298504

Issuer Name:

AGF European Equity Fund

Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus dated January 7, 2015

NP 11-202 Receipt dated January 12, 2015

Offering Price and Description:

Series S units

Underwriter(s) or Distributor(s):

-

Promoter(s):

AGF Investments Inc.

Project #2288905

Issuer Name:

RBC Balanced Fund (Series A, Advisor Series, Series T5,
Series T8, Series D and Series F
units)

RBC Global Balanced Fund (Series A, Advisor Series,
Series T5, Series T8, Series D and Series
F units)

RBC Jantzi Balanced Fund (Series A, Advisor Series,
Series D, Series F and Series I units)

RBC Target 2015 Education Fund (Series A units)

RBC Target 2020 Education Fund (Series A units)

RBC Target 2025 Education Fund (Series A units)

Principal Regulator - Ontario

Type and Date:

Amendment #1 dated December 16, 2014 to the Simplified
Prospectuses and Annual Information Form dated June 27,
2014

NP 11-202 Receipt dated January 9, 2015

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

RBC Global Asset Management Inc.

Royal Mutual Funds Inc.

RBC Global Asset Management Inc.

Royal Mutual Funds Inc./RBC Direct Investing Inc.

Royal Mutual Funds Inc.

RBC Dominion Securities Inc.

Royal Mutual Funds Inc./RBC Direct Investing Inc.

The Royal Trust Company

Promoter(s):

RBC Global Asset Management Inc.

Project #2211387

Issuer Name:

Dominion General Investment Corporation
Principal Regulator - Ontario

Type and Date:

Final CPC Prospectus dated January 7, 2015
NP 11-202 Receipt dated January 12, 2015

Offering Price and Description:

Minimum Offering: \$500,000 or 500,000 Common Shares
Maximum Offering: \$4,750,000 or 4,750,000 Common Shares

Price: \$1.00 per Common Share

Underwriter(s) or Distributor(s):

Hapmton Securities Limited

Promoter(s):

Anton Konovalov

Project #2290640

Issuer Name:

Front Street MLP and Infrastructure Income Class
(Series A, Series B, Series F, Series I, Series X, Series UB,
Series UF and Series UI shares)

Principal Regulator - Ontario

Type and Date:

Amendment #1 dated December 29, 2014 to the Annual
Information Form dated November 3, 2014
NP 11-202 Receipt dated January 7, 2015

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

Front Street Capital 2004

Project #2221624; 2246352

Issuer Name:

Horizons Canadian Midstream Oil & Gas Index ETF
Principal Regulator - Ontario

Type and Date:

Amended and Restated Long Form
Prospectus dated January 5, 2015 (the amended
prospectus) amending and restating the Long Form
Prospectus dated July 4, 2014
NP 11-202 Receipt dated January 8, 2015

Offering Price and Description:

Exchange traded fund securities at net asset value

Underwriter(s) or Distributor(s):

-

Promoter(s):

HORIZONS ETFs MANAGEMENT (CANADA) INC.

Project #2213397;2280222;2174474

Issuer Name:

Horizons S&P/TSX Composite Shareholder Yield Index
ETF

Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated January 5, 2015
NP 11-202 Receipt dated January 8, 2015

Offering Price and Description:

ETF securities at net asset value

Underwriter(s) or Distributor(s):

-

Promoter(s):

HORIZONS ETFs MANAGEMENT (CANADA) INC.

Project #2280222;2174474;2213397

Issuer Name:

Horizons US Dollar Currency ETF
Principal Regulator - Ontario

Type and Date:

Amended and Restated Long Form Prospectus dated
January 5, 2015 (the amended prospectus) amending and
restating the Amended and Restated Long Form
Prospectus dated July 4, 2014 which amended and
restated the Long Form Prospectus dated April 16, 2014.
NP 11-202 Receipt dated January 8, 2015

Offering Price and Description:

Exchange traded fund securities at net asset value

Underwriter(s) or Distributor(s):

-

Promoter(s):

HORIZONS ETFS MANAGEMENT (CANADA) INC.

Project #2174474; 2213397; 2280222

Issuer Name:

North American Palladium Ltd.
Principal Regulator - Ontario

Type and Date:

Final Base Shelf Prospectus dated January 12, 2015
NP 11-202 Receipt dated January 12, 2015

Offering Price and Description:

US\$150,000,000.00

Common Shares

Debt Securities

Warrants

Subscription Receipts

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2290832

Issuer Name:

Theralase Technologies Inc.
Principal Regulator - Ontario

Type and Date:

Final Base Shelf Prospectus dated January 9, 2015
NP 11-202 Receipt dated January 12, 2015

Offering Price and Description:

\$50,000,000.00

Common Shares

Warrants

Units

Subscription Receipts

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2293204

Issuer Name:

Toro Oil & Gas Ltd.
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated January 6, 2015
NP 11-202 Receipt dated January 7, 2015

Offering Price and Description:

\$15,000,000

15,000,000 Common Shares

Price: \$1.00 per Common Share

Underwriter(s) or Distributor(s):

MACQUARIE CAPITALMARKETS CANADA LTD.

DUNDEE SECURITIES LTD.

GMP SECURITIES L.P.

NATIONAL BANK FINANCIAL INC.

Promoter(s):

-

Project #2293378

Issuer Name:

Toronto Hydro Corporation
Principal Regulator - Ontario

Type and Date:

Final Base Shelf Prospectus dated January 9, 2015
NP 11-202 Receipt dated January 9, 2015

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

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Firm	Taho Capital Management, Inc.	Exempt Market Dealer, Portfolio Manager & Investment Fund Manager	January 7, 2015
Change in Registration Category	Value Partners Investments Inc.	From: Investment Fund Manager To: Investment Fund Manager and Portfolio Manager	December 18, 2014
Change in Registration Category	Sigma Analysis and Management Ltd.	From: Portfolio Manager, Commodity Trading Counsel and Commodity Trading Manager To: Investment Fund Manager, Portfolio Manager, Commodity Trading Counsel and Commodity Trading Manager	January 12, 2015

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Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.2 Marketplaces

13.2.1 TSX – Request for Comments – Amendments to Toronto Stock Exchange Company Manual

TORONTO STOCK EXCHANGE

REQUEST FOR COMMENTS

AMENDMENTS TO TORONTO STOCK EXCHANGE COMPANY MANUAL

Toronto Stock Exchange (“TSX” or the “Exchange”) is publishing proposed public interest amendments (the “Amendments”) to the TSX Company Manual (the “Manual”). The Amendments will introduce listing requirements for non-corporate entities, such as exchange traded and closed-end funds, by introducing a new Part XI to the Manual and amending Part I of the Manual. The public interest changes will be published for public comment for a 60-day period.

The Amendments will be effective upon approval by the Ontario Securities Commission (the “OSC”) following public notice and comment. Comments should be in writing and delivered by **March 16, 2015** to:

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

A copy should also be provided to:

Susan Greenglass
Director
Market Regulation
Ontario Securities Commission
20 Queen Street West
Toronto, Ontario M5H 3S8
Fax: (416) 595-8940
Email: marketregulation@osc.gov.on.ca

Comments will be publicly available unless confidentiality is requested.

Overview

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

Text of the Amendments

The Amendments to the Manual are set out at **Appendix A**. The Amendments relate to the listing of Exchange Traded Products, Closed-end Funds and Structured Products, which are proposed to be added to the Manual and defined as follows:

“Closed-end Fund” means an investment fund, mutual fund, split share corporation, capital trust or other similarly formed entity that is managed in accordance with specific investment goals and strategies. TSX, in its discretion, shall determine if an issuer will be considered a Closed-end Fund.

“Exchange Traded Product” or “ETP” means redeemable equity securities (an “Exchange Traded Fund” or “ETF”) or debt securities (an “Exchange Traded Note” or “ETN”) offered on a continuous basis under a prospectus which gives an investor exposure to the performance of specific indices, sectors, managed portfolios or commodities through a single security. TSX, in its discretion, shall determine if the securities will be considered an ETP.

“Structured Product” means securities generally issued by a Financial Institution (or similar entity) under a base shelf prospectus and pricing supplement where an investor’s return is contingent on, or highly sensitive to, changes in the value of underlying assets, indices, interest rates or cash flows. Structured Products include securities such as non-convertible notes, principal or capital protected notes, index or equity linked notes, tracker certificates and barrier certificates. TSX, in its discretion, shall determine if the securities will be considered a Structured Product.

Background to the Amendments

The Manual is intended to provide a detailed and well-indexed compendium of the requirements applicable to all applicants for listing and all listed issuers to ensure a transparent, fair and orderly market for listed securities. The rules are intended to accommodate issuers that are diverse in size and activity. The rules and requirements currently set out in the Manual are principally designed for corporate entities. Over the years, the structure and nature of listed issuers has evolved from the more traditional corporate issuers to include issuers such as ETPs, Closed-end Funds and Structured Products.

Over the past decade, ETFs and Closed-end Funds have become more prevalent in Canada. At the end of 2008, there were three ETF providers in Canada, with 84 products listed on TSX. As of October 31, 2014, there were nine ETF providers in Canada with 335 ETFs listed on TSX, including 56 new ETFs listed in 2014. Over the last five years, TSX has averaged 35 new Closed-end Fund listings per year. Additionally, the quoted market value for all Closed-end Funds has increased from \$19B at the end of 2008 to \$26B as of October 31, 2014. It is expected that more ETF providers will enter the Canadian market over the coming years.

The Structured Product market in Canada is dominated by the six major Canadian banks, none of which currently list such products. There are currently only three providers of listed Structured Products in Canada, with six products listed on TSX or on other Canadian exchanges. TSX believes there may be benefits to public listings for such products. TSX is therefore proposing to introduce rules specifically tailored to listing ETPs, Closed-end Funds and Structured Products.

Over the last few months, TSX has consulted with ETP providers and Closed-end Fund managers, as well as lawyers, retail brokers and investment bankers active in this sector in formulating the proposed Amendments.

Comparison to Other Exchanges

TSX conducted a review of the listing requirements for ETPs, Closed-end Funds and Structured Products of New York Stock Exchange (“NYSE”), NASDAQ, BATS, London Stock Exchange, Australian Securities Exchange, Canadian Securities Exchange and Aequitas Neo Exchange (“Aequitas”). Each marketplace is unique in terms of how ETPs, Closed-end Funds and Structured Products are regulated by the local securities regulators. These differences in regulation are reflected in each exchange’s listing requirements and many requirements of other exchanges do not apply to these products in Canada. We believe that the products listed on NASDAQ and NYSE are the most comparable to those listed on TSX. Comparable requirements are discussed below under the separate subsections for each of the product types.

Minimum Listing Requirements

There are fundamental differences in the trading, liquidity and ability to raise additional funds among the three different product categories and accordingly we are proposing different standards for each of the categories. For example:

- We are proposing a low minimum IPO raise or market capitalization requirement for ETPs as they are able to continuously offer additional securities from treasury and grow assets under management and their market capitalization once listed. We are proposing to set the minimum IPO raise or market capitalization requirement for Closed-end Funds higher and include specific distribution requirements to ensure that there is sufficient liquidity and trading in the secondary market.
- For Structured Products, we are proposing a lower minimum IPO raise or market capitalization requirement because these products have short or medium term expiry dates and trading liquidity may be supported by the issuer, acting as market maker.

ETPs

For ETPs, designated brokers subscribe to the initial securities listed on TSX for subsequent distribution to retail investors. Currently, there is no published minimum market capitalization requirement for ETPs, but the general practice has been to allow

ETPs to list with a minimum of \$2 million in market capitalization, with certain limited exceptions. Designated brokers prefer to minimize the initial capital to seed an ETP and have consistently requested that TSX lower the minimum market capitalization TSX has required for listing. In setting the minimum market capitalization threshold TSX considered that it may not necessarily correlate to liquidity, as an ETP can create new ETP securities at any time to increase the market capitalization, and the liquidity of an ETP is mainly derived from the underlying basket of securities. TSX also considered that retail investors may, however, consider the market capitalization to be a better indicator of liquidity.

The issue of designated brokers wanting to limit the amount of seed capital is not an issue unique to Canada. In the U.S., NYSE, NASDAQ, and BATS require that ETPs have a minimum of 100,000 securities. Therefore, an issuer could list with seed capital of \$1 million if the initial ETP securities were priced at \$10. Aequitas requires ETPs to have a minimum seed capital between \$1 and \$2 million, depending on the total market value of all ETPs managed by the same provider. Based on discussions with market makers in Canada and the requirements of other exchanges, TSX is proposing a \$1 million minimum market capitalization as an appropriate requirement for listing ETPs on TSX primarily because ETPs are in continuous distribution and redemption.

Closed-End Funds

For commercial reasons, we understand that Closed-end Fund issuers will not typically list a fund if they are unable to raise at least \$20 million, as it would be unprofitable for them to manage a publicly-listed fund with an asset base of less than \$20 million. For many years, TSX has required a minimum raise of \$20 million for Closed-end Funds and the proposed Amendments reflect this practice. In comparing the TSX requirement to the exchanges in the U.S., NYSE requires Closed-end Funds to have a minimum market value of \$60 million at the time of original listing and NASDAQ requires a minimum market value of \$75 million. Aequitas has set the minimum listing requirement for Closed-end Funds at \$20 million. We are therefore proposing \$20 million as an appropriate minimum, which is also consistent with existing TSX practice.

Structured Products

Only a handful of Structured Products are currently listed on Canadian exchanges. The majority of Structured Products are unlisted.

Structured Products are typically launched after a very short marketing period and raise a few million dollars per product. Financial institutions tend to be serial issuers of these products and will market multiple products at a time. These products typically have maturity dates between two to five years, and most investors tend to sell them close to the maturity date. Therefore, there is very little trading volume for most of the products' lives, and a larger public float would not necessarily increase trading liquidity. If a certain product or structure becomes popular among investors, financial institutions will typically create a new series of that product instead of re-opening a previously issued Structured Product.

These products typically have a market capitalization ranging from approximately \$1 to \$15 million. Aequitas has set the minimum market capitalization requirement at \$4 million to list Structured Products. In the past, TSX has allowed Structured Products to list with a minimum of \$2 million of market capitalization based on the requirements for the supplemental listing of debt for corporate issuers. Based on the limited need for liquidity and short product life, TSX is proposing \$1 million of market capitalization as an appropriate minimum.

Rationale for the Amendments

TSX is proposing the Amendments for transparency and to facilitate the implementation and enforcement of rules in the Manual for ETPs, Closed-end Funds and Structured Products.

Recent CSA Initiatives

On June 19, 2014, the Canadian Securities Administrators (the "CSA") announced the adoption of amendments to NI 81-102 – *Mutual Funds* that are specifically targeted at improving regulation of Closed-end Funds. One of these amendments restricts Closed-end Funds from distributing rights or warrants to current security holders. The CSA are of the view that these distributions are potentially harmful to Closed-end Funds' security holders because security holders may be coerced into exercising the rights or warrants or forced to suffer dilution. As a result, TSX has not provided for any rules regarding warrant and rights offerings for Closed-end Funds in the proposed Amendments. Additionally, the CSA have amended the requirements for Closed-end Funds that propose to merge with another Closed-end Fund or convert into an open-ended mutual fund and, as a result, TSX rules on this matter are redundant and no longer required in the Manual and will be removed concurrent with the implementation of the Amendments.

Summary of the Amendments

The following is a summary of the proposed Amendments. The Amendments that relate to matters other than original listing requirements generally codify TSX's existing practice. Non-Corporate Issuers generally have very little transactional activity after initial listing.

Please refer to **Appendix A** for the full text of the Amendments.

Requirement	ETPs	Closed-end Funds	Structured Products
Minimum IPO Raise or Market Capitalisation	\$1 million	\$20 million	\$1 million
Distribution	-	1,000,000 freely tradeable securities 300 public board lot holders	-
Principal listing documents	Prospectus (continuous offering)	Prospectus	Base shelf prospectus + Pricing supplement
Board & Management	ETPs other than those issued by Financial Institutions – Issuer or its Manager: CEO, CFO, Secretary and Independent Review Committee (“IRC”). Management responsible for day-to-day operations of the ETP will be reviewed to ensure they meet the requirements of Section 325 of the Manual.	Issuer or its Manager: CEO, CFO + Secretary and IRC. Management responsible for day-to-day operations of the Closed-end Fund will be reviewed to ensure they meet the requirements of Section 325 of the Manual.	Structured Products other than those issued by Financial Institutions – Issuer or its Manager: CEO, CFO, Secretary and two independent directors. Management responsible for day-to-day operations of the Structured Product will be reviewed to ensure they meet the requirements of Section 325 of the Manual. Non-Financial Institutions proposing to list Structured Products are encouraged to have preliminary discussions with TSX in advance of filing a listing application.
Net Asset Value (NAV)	ETPs, Closed-end Funds and Structured Products must have and maintain a publicly accessible website. Issuers must provide TSX with a representation that the NAV will be calculated daily for ETPs and weekly for Closed-end Funds and Structured Products and will be made available to the public on such website.		

Requirements applicable to transactions

Requirement	ETPs	Closed-end Funds	Structured Products
Issuance of Securities (General)	Immediate notification to TSX of any transaction involving the issuance or potential issuance of any new class of securities that is convertible into a listed class of securities.	Immediate notification to and pre-approval by TSX of any transaction involving the issuance or potential issuance of any securities other than unlisted, non-voting, non-participating securities.	
Additional Listing	Any creation of securities to be effected in accordance with constating documents and National Instrument 81-102 – <i>Mutual Funds</i> if applicable.	The issuance of additional securities should be at a price that yields net proceeds per security of no less than 100% of the most recently calculated NAV per security calculated immediately prior to the pricing of such issuance other than by way of distributions to all security holders on a pro rata basis.	

Requirement	ETPs	Closed-end Funds	Structured Products
	<p>No prior approval required from TSX for issuance or potential issuance of securities of a class already listed on TSX.</p> <p>Issuers will provide TSX with a legal opinion on a quarterly basis for all new security issuances during the previous quarter.</p>		
Supplemental Listings	<p>The minimum distribution requirement is the prescribed number of units if the new class of securities is convertible into a currently listed class of securities.</p> <p>If the new class of securities is not convertible into an already listed class of securities then the minimum requirements for an original listing apply.</p>	<p>The minimum market value is \$2M for the new class of securities provided that such securities are convertible into a currently listed class. There must also be at least 100,000 publicly held securities by at least 100 public board lot holders at the time of listing.</p> <p>If the new class of securities is not convertible into an already listed class of securities, then the minimum requirements for an original listing apply.</p>	N/A*
Dividends & Other Distributions	<p>In accordance with Sections 428 – 435 of the Manual.</p> <p>Due Bill trading will not apply to special distributions to be paid in securities where the securities to be distributed are immediately consolidated after the distribution, resulting in no change to the number of securities held by security holders.</p> <p>For distributions that are payable in securities, and where those securities will be re-invested and the resulting securities immediately consolidated so that the number of securities held by each investor will not change, TSX will require issuers to press release the estimated distribution amount four days prior to the declared record date. Upon determination of the exact amount of any estimated distribution, the issuer must disseminate the final details by news release.</p>		
Management Fees	<p>Any management fees payable with securities issued from treasury will be subject to Section 613 of the Manual – <i>Security Based Compensation Arrangements</i>.</p>		
Security holder Approval	<p>In addition to the matters requiring security holder approval under Section 5.1 of NI 81-102 – <i>Mutual Funds</i>, security holder approval will be required for the following items:</p> <ul style="list-style-type: none"> (i) Any amendments, not covered by the general amendment provisions, to the articles of incorporation or Declaration of Trust (or equivalent documents); and, (ii) Extension beyond the originally contemplated termination date, unless security holders are given an opportunity to redeem securities at NAV on the originally contemplated terminate date. 		
Termination/ Voluntary Delisting	<p>Unless they have a fixed termination date, TSX will require that all Closed-end Funds, ETPs and Structured Product issuers provide 30 days' notice to security holders.</p> <p>Voluntary delistings in accordance with Section 720 of the Manual.</p>		
Notification to TSX	<p>Non-Corporate Issuers must pre-clear materials sent to security holders, other than continuous disclosure documents.</p>		

Requirement	ETPs	Closed-end Funds	Structured Products
Continued Listing Requirements	N/A	\$3M per Closed-end Fund 150 public board lot holders	N/A
Personal Information Forms (PIFs)	Directors and officers of the issuer, the manager or management responsible for day-to-day operations will be required to submit a PIF. Clearance valid for one year. PIF valid for three years.		

* A supplemental listing by issuers of Structured Products will be reviewed as an Original Listing.

Questions

1. Are the proposed original listing requirements for ETPs, Closed-end Funds and Structured Products appropriate? In particular, are the proposed minimum initial public offering conditions appropriate?
2. For Closed-end Funds that do not calculate NAV on a daily basis, what is a reasonable time period within which they should be required to price an offering of additional listed securities?
3. For Closed-end Funds, is it appropriate to require new funds to publish a daily NAV on their website? Should exemptions be made for certain fixed-income funds or alternative asset funds?
4. Does Independent Review Committee approval for fund mergers provide any value to the TSX? Is there any other way to provide comfort to TSX, when security holder approval is not sought, that the merger of two funds is fair and reasonable for current security holders of both funds?
5. Should TSX require security holder approval for any other matters for ETPs, Closed-end Funds and Structured Products?
6. Are the proposed continued listing requirements appropriate?
7. Are there any other rules or requirements contained in the Manual that should be adapted to better suit ETPs, Closed-end Funds and Structured Products?

Public Interest

TSX is publishing the Amendments for a 60-day comment period, which expires **March 16, 2015**. The Amendments will only become effective following public notice and the approval of the OSC.

APPENDIX A

TEXT OF PROPOSED AMENDMENTS TO THE TSX COMPANY MANUAL

Part I – Interpretation

Part I will be amended by adding each of the following definitions:

“**Closed-end Fund**” means an investment fund, mutual fund, split share corporation, capital trust or other similarly formed entity that is managed in accordance with specific investment goals and strategies. TSX, in its discretion, shall determine if an issuer will be considered a Closed-end Fund;

“**Exchange Traded Product**” or “**ETP**” means redeemable equity securities (an “**Exchange Traded Fund**” or “**ETF**”) or debt securities (an “**Exchange Traded Note**” or “**ETN**”) offered on a continuous basis under a prospectus which gives an investor exposure to the performance of specific indices, sectors, managed portfolios or commodities through a single security. TSX, in its discretion, shall determine if the securities will be considered an ETP;

“**Financial Institution**” means a financial institution regulated by the Office of the Superintendent of Financial Institution (“**OSFI**”) or, if a foreign financial institution, regulated by a regulatory body equivalent to OSFI with not less than \$150 million market capitalization;

“**Manager**” means a person or company who is a registered investment fund manager;

“**Non-Corporate Issuer**” means an ETP, Closed-end Fund and / or Structured Product; and

“**Structured Product**” means securities generally issued by a Financial Institution under a base shelf prospectus and pricing supplement where an investor’s return is contingent on, or highly sensitive to, changes in the value of underlying assets, indices, interest rates or cash flows. Structured Products include securities such as non-convertible notes, principal or capital protected notes, index or equity linked notes, tracker certificates and barrier certificates. TSX, in its discretion, shall determine if the securities will be considered a Structured Product.

A new section, Part XI, will be added to the Manual, as follows:

PART XI – REQUIREMENTS APPLICABLE TO NON-CORPORATE ISSUERS

This section sets out the requirements that are specifically applicable to Non-Corporate Issuers.

In addition to the specific requirements outlined in this Part XI, Non-Corporate Issuers must also comply with the following sections of the Manual:

Part IV – MAINTAINING A LISTING

All Sections, other than Shareholders' Meeting and Proxy Solicitation (Sections 455-465)

Part VI – CHANGES IN CAPITAL STRUCTURE

- (A) Discretion (Section 603), Security Holder Approval (Section 604), Changes in Issued Securities (Section 605)
- (C) Security Based Compensation Arrangements (Section 613)
- (F) Substitutional Listings (Sections 618 - 622)
- (I) Redemption of Listed Securities (Section 625)
- (L) Normal Course Issuer Bids (Sections 628 - 629)

Part VII – HALTING, SUSPENSION AND DELISTING

All Sections, other than Market Value and Public Distribution (Section 712)

Part IX – DEALING WITH THE NEWS MEDIA

All Sections

A. Original Listing Requirements

1101. Introduction

This section outlines the minimum listing requirements for each of ETPs (Section 1102), Closed-end Funds (Section 1103) and Structured Products (Section 1104), as defined under Part I of the Manual.

The Exchange generally expects that an original listing application of a Non-Corporate Issuer will be accompanied by a prospectus which will be concurrently or has been recently filed with the OSC. The Exchange recommends that prospective applicants without a prospectus obtain a preliminary opinion from TSX as to their eligibility for listing.

These minimum listing requirements should be read in conjunction with the Section 325, which sets out the Exchange's requirements regarding the quality of management.

These minimum listing criteria have been designed as guidelines and the Exchange reserves the right to exercise its discretion in applying them. This discretion may well take into consideration facts or situations unique to a particular applicant, resulting in the granting or denial of a listing application notwithstanding the published criteria.

The Exchange will also take into consideration an applicant's status regarding compliance with the requirements of other regulatory agencies. In addition, the Exchange must be satisfied that an applicant is in compliance with Exchange policies applicable to listed issuers, including policies described in Part III.

Please refer to Sections 338 to 360 for the Listing Application Procedure.

1102. Requirements for ETPs

- (a) **Minimum market capitalization.** Initial public offering or market value of freely tradeable securities to be listed of at least \$1,000,000;

(b) **NAV.** NAV must be calculated on each trading day and be made available on a publicly accessible website; and

(c) **Management.** If the ETP is not issued by a Financial Institution, the ETP or its Manager must have a CEO, CFO (who is not also the CEO), Secretary and an IRC. The ETP or its Manager must have adequate and appropriate experience in the asset management industry, as determined by the Exchange. For ETPs issued by Financial Institutions, individuals responsible for day-to-day management and operations of the ETP must be identified. TSX must be satisfied that management of the ETP, the Manager or the individuals designated by the Financial Institution will fulfill the requirements of Section 325 of the Manual.

1103. Requirements for Closed-end Funds

(a) **Minimum market capitalization.** Initial public offering or market value of freely tradeable securities to be listed of at least \$20,000,000;

(b) **NAV.** NAV must be calculated at least on a weekly basis and be made available on a publicly accessible website;

(c) **Public distribution.** At least 1,000,000 freely tradable securities must be held by at least 300 public holders, each holding one board lot or more; and

(d) **Management.** The Closed-end Fund or its Manager must have a CEO, CFO (who is not also the CEO), a Secretary and an IRC. The Manager must have adequate and appropriate experience in the asset management industry, as determined by the Exchange. TSX must be satisfied that management of the Manager will fulfill the requirements of Section 325 of the Manual.

1104. Requirements for Structured Products

(a) **Minimum market capitalization.** Initial public offering or market value of freely tradeable securities to be listed of at least \$1,000,000;

(b) **NAV.** NAV must be calculated at least on a weekly basis and be made available on a publicly accessible website; and

(c) **Management.** If the Structured Product is not issued by a Financial Institution, the issuer or its Manager must have at least two independent directors, a CEO, CFO (who is not the CEO), and a Secretary. The Manager must have adequate and appropriate experience in the asset management industry, as determined by the Exchange. For Structured Products issued by Financial Institutions, individuals responsible for the management and day-to-day operations of the Structured Product must be identified. TSX must be satisfied that management of the Manager or the individuals designated by the Financial Institution will fulfill the requirements of Section 325 of the Manual.

Prior to filing a listing application, the Exchange recommends that issuers other than Financial Institutions proposing to list Structured Products obtain a preliminary opinion as to the eligibility for listing.

1105. Listing Related Procedures

Please refer to Sections 338 to 360.

B. Changes in Capital Structure

1106. General

(a) ETPs

Every listed ETP shall immediately notify the Exchange in writing of any transaction involving the issuance or potential issuance of any new class of securities that is convertible into a listed class of securities. ETPs are not required to provide prior notification to the Exchange of the issuance or potential issuance of listed securities offered on a continuous basis.

(b) Closed-end Funds and Structured Products

Every listed Closed-end Fund and Structured Product shall immediately notify the Exchange in writing of any transaction involving the issuance or potential issuance of any securities other than unlisted, non-voting, non-participating securities.

1107. Additional Listings

(a) ETPs

- (i) The creation of any securities of an ETP must be effected in accordance with its constating documents and National Instrument 81-102 – *Mutual Funds*, if applicable; and
- (ii) ETPs must provide the Exchange on a quarterly basis with a Form 1 – Change in Outstanding and Reserved Securities and an opinion of counsel that all securities issued during the previous quarter have been validly issued as fully paid and non-assessable securities of the ETP.

(b) Closed-end Funds and Structured Products

- (i) A Closed-end Fund or Structured Product may not proceed with a Subsection 1106(b) transaction unless accepted by TSX. Failure to comply with this provision may result in the suspension and delisting of the listed issuer's listed securities (see Part VII of this Manual).
- (ii) TSX will advise the Closed-end Fund or Structured Product in writing generally within seven (7) business days of receipt by TSX of the notification required under Subsection 1106(b), of its decision to accept or not to accept the notice, indicating any conditions of acceptance or its reasons for non-acceptance. Further information or documentation may be requested before TSX decides to accept or not accept notice of a transaction. In reviewing the transaction described in the notice, TSX will consider the applicable provisions of this Manual.
- (iii) Where a Closed-end Fund or Structured Product proposes to enter into transaction which requires notification under Subsection 1106(b), any public announcement of the transaction must disclose that the transaction is subject to TSX acceptance or approval.
- (iv) The issuance of additional listed securities must yield net proceeds per security to the issuer of no less than 100% of the most recently calculated NAV per security, calculated immediately prior to the pricing of such issuance, other than distributions to all security holders on a pro rata basis. All transactions must close within 30 days of the most recently calculated NAV.
- (v) Closed-end Funds and Structured Products must notify the Exchange whether an "if, as, and when issued" market may be requested.

1108. Supplemental Listings

An ETP or Closed-end Fund proposing to list securities of a class that is not already listed should apply for the listing by letter addressed to TSX. The letter must be accompanied by one copy of the preliminary prospectus describing the provisions of the securities. The Exchange recommends that ETPs and Closed-end Funds without a preliminary prospectus contact the Exchange to obtain a preliminary opinion as to the eligibility to list the supplemental securities.

Structured Product issuers proposing to list securities of a class that is not already listed will be considered under original listing requirements set out in Section 1104, other than the Management requirements in Subsection 1104(c).

If TSX conditionally approves the listing of the securities:

- (i) This fact may be disclosed in the final prospectus or in other documents, in accordance with Section 346, and TSX will so advise the securities regulatory authorities.
- (ii) The following documents must be filed with TSX within ninety (90) days of its conditional acceptance of the supplemental listing (or within such later time as TSX may stipulate):
 - (1) a notarial or certified copy of the resolution of the board of directors (or equivalent body) of the ETP, Closed-end Fund or the Manager (as the case may be) authorizing the application to list the securities;
 - (2) a notarial or certified copy of the amended declaration of trust or equivalent document, giving effect to the creation of the securities;
 - (3) one commercial copy of the final prospectus, or other offering document, if applicable;

- (4) an opinion of counsel that the securities to be listed have been validly created in accordance with applicable law and that the securities are validly issued as fully paid and non-assessable;
- (5) a definitive specimen of the generic or customized security certificate, if any, in accordance with the requirements set out in Appendix D;
- (6) a copy of the unqualified letter of confirmation from CDS disclosing the CUSIP number assigned to the securities (see Section 350); and
- (7) for Closed-end Funds, evidence of satisfactory distribution of the securities to be listed, which evidence may take the form of a letter from the underwriters/agents setting out the anticipated distribution of the securities based on the subscriptions received as of the date of the letter and that, at the time of listing, the distribution requirements set out in Section 1108(b)(i) or (ii) will be met.

(a) ETPs

(i) If the new class of securities to be listed is convertible into a currently listed class of securities, the number of securities of the new class must be not less than the minimum prescribed number of units as set out in the constating documents.

(ii) If the new class of securities to be listed is not convertible into a currently listed class of securities, the minimum original listing requirements for ETPs found in Subsections 1102 (a) and (b) apply.

In the case of the listing of securities being offered to the public, the listing may take place prior to the closing of the offering, at the listed issuer's request. TSX staff will advise the listed issuer of the requirements in this regard. Any trading that takes place prior to closing will be on an "if, as and when issued" basis.

(b) Closed-end Funds

(i) If the new class of securities to be listed is convertible into a currently listed class of securities: (1) the market value of the securities of the new class listed must not be less than \$2,000,000; and (2) at least 100,000 freely tradeable securities must be held by at least 100 public holders, each holding one board lot or more.

(ii) If the new class of securities to be listed is not convertible into a currently listed class of securities, the minimum original listing requirements for Closed-end Funds in Subsections 1103 (a), (b) and (c) apply.

In the case of the listing of securities being offered to the public, the listing may take place prior to the closing of the offering, at the listed issuer's request. TSX staff will advise the listed issuer of the requirements in this regard. Any trading that takes place prior to closing will be on an "if, as and when issued" basis.

1109. Dividends and Other Distributions

Refer to Sections 428 to 435 of the Manual for the requirements applicable to dividends and other distributions.

Due Bill trading will not be implemented for special distributions of additional listed securities where such securities are immediately consolidated. Issuers must disseminate a news release with the estimated distribution amount at least four (4) trading days prior to the record date. Upon determination of the exact amount of any estimated distribution, the issuer must disseminate the final details by way of news release in accordance with the TSX timely disclosure policy.

1110. Management Fees

Any management fees payable in respect of a Non-Corporate Issuer providing for an issuance of securities from treasury will be subject to the requirements of Section 613 of the Manual.

1111. Security Holder Approval for Amendments to Constating Documents

For ETPs and Closed-end Funds, in addition to the matters requiring security holder approval pursuant to Section 5.1 of NI 81-102 – *Mutual Funds* and as otherwise required by the Manual, the Exchange requires security holder approval for:

- (i) any amendments to the articles of incorporation or declaration of trust that are not covered by the general amendment provisions thereof; and,

(ii) the extension of an ETP or Closed-end Fund beyond the originally contemplated termination date, unless security holders are provided the opportunity to redeem securities at NAV on or about the originally contemplated termination date.

1112. Termination / Voluntary Delisting

Unless a Non-Corporate Issuer has a fixed termination date, the Non-Corporate Issuer must provide security holders with at least 30 days' notice prior to termination.

A Non-Corporate Issuer wishing to have all or any class of its listed securities voluntarily delisted from TSX should refer to Section 720 of the Manual.

1113. Notification to the Exchange

Non-Corporate Issuers must pre-clear any materials sent to security holders, except for continuous disclosure documents such as financial statements or management report of fund performance.

1114. Continued Listing Requirements

Please refer to Part VII of the Manual. All of Part VII of the Manual applies to Non-Corporate Issuers, except for (D) – Delisting Criteria (Section 712).

The securities of Closed-end Fund may be suspended or delisted if:

- (i) the market value of its securities listed on TSX is less than \$3,000,000 over any period of 30 consecutive trading days;
- (ii) the number of freely-tradable, publicly held securities is less than 500,000; or
- (iii) the number of public security holders, each holding a board lot or more, is less than 150.

The securities of an ETP or Structured Product may be suspended or delisted if, in the opinion of the Exchange, the continued listing of such securities would not be consistent with preserving the overall quality of the market. In making its determination, the Exchange will consider factors, including the following and any other relevant considerations:

- (i) the level of trading liquidity of the listed securities;
- (ii) the market value of the listed securities;
- (iii) in the case of an ETP, the absence of a designated broker for the listed securities;
- (iv) in the case of a Structured Product, where the Financial Institution (or other similar institution) that has issued the Structured Product has ceased to act as a market maker for the Structured Product; and
- (v) the bid and ask spread of the listed securities.

No set of criteria can effectively anticipate the unique circumstances which may arise in any given situation. Accordingly, each situation is considered individually on the basis of relevant facts and circumstances. As such whether or not any of the delisting criteria has become applicable to a listed issuer or security, TSX may, at any time, suspend from trading and delist securities if, in the opinion of TSX, such action is consistent with the objective cited above or further dealings in the securities on TSX may be prejudicial to the public interest.

Section 716 to be amended as follows:

716. Management

TSX requires that each listed issuer must meet, on an ongoing basis, the management requirements relevant to its category of listing that are described in Section 311(for Industrial Issuers), Section 316 (for Mining Issuers), ~~and~~ Section 321 (for Oil & Gas Issuers), Section 1102 (ETPs), Section 1103 (Closed-end Funds) and Section 1104 (Structured Products). TSX may delist the securities of a listed issuer that has failed to meet such management requirements.

Upon receipt of a Form 3 (see Section 424) from a listed issuer, or upon notice of a new insider of a listed issuer, TSX will conduct a review of the new director, officer, trustee or insider with a view to determining the suitability of such individual or entity as an insider of the listed issuer. Upon the request of TSX, listed issuers will submit a Personal Information Form (Form 4—Appendix H) for any person so requested. TSX may delist the securities of a listed issuer in the event TSX determines that such individual or entity is not suitable as an insider of the listed issuer.

Once submitted, a Personal Information Form (Form 4 – Appendix H) is valid for a time period of three years, absent any material change in the information submitted. Once a Personal Information Form (Form 4 – Appendix H) has been cleared by the Exchange, such clearance is valid for a period of one calendar year for Non-Corporate Issuers. After one year, subject to there having been no material change in the information submitted to the Exchange in the original Personal Information Form (Form 4 – Appendix H), an insider of a Non-Corporate Issuers may submit a completed Declaration (Form 4B – Appendix H) in connection with a new listing application.

13.2.2 Canadian Securities Exchange – Housekeeping Amendments to Rules, Policies and Forms – Notice of Approval

**CANADIAN SECURITIES EXCHANGE
HOUSEKEEPING AMENDMENTS TO RULES, POLICIES AND FORMS
NOTICE OF APPROVAL**

January 15, 2015

Introduction

In accordance with the Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 and the Exhibits thereto (Exchange Protocol) for recognized exchanges, the Ontario Securities Commission (OSC) has approved amendments to the Rules of CNSX Markets Inc. (CNSX Rules) which are attached below.

As of January 6, 2014 CNSX Markets Inc. (the Exchange) operates as the Canadian Securities Exchange, or CSE.

The amendments are being treated as housekeeping amendments, required as a result of the change in operating name, and in the case of new Rule 2-117, as a result of amendments to the CNSX Recognition Order. The amendments were not published for comment.

Reasons for the Amendments

On December 2, 2013 CNSX Markets introduced technological changes that resulted in a single trading system, rather than two separate instances of the same system. As a result, all CNSX Listed Securities and Alternative Market Securities (trading on the “Pure Trading” platform) commenced trading in a single system. On January 6, 2014, CNSX Markets began operating under the name Canadian Securities Exchange or CSE, replacing Canadian National Stock Exchange or CNSX.

The trading rules, listing policies and forms (Rules, Policies and Forms) have been amended to reflect the change of name.

Description of the Change

In the Rules, Policies and Forms:

To reflect the change in the operating name of the Exchange, references to CNSX or CNSX Markets have generally been changed to “the Exchange”.

Definitions have been added or expanded to include “Canadian Securities Exchange” and “CSE” as meaning CNSX Markets Inc.

“CNSX Board”, “CNSX Dealer”, and “CNSX Issuer” have been amended to “Board”, “Dealer” and “Issuer” and “CNSX System” to “Trading System”.

In the Rules:

The definition of “Alternative Market” has been deleted, and the definition of “Alternative Market Security” has been changed to “Other Listed Security”

In Rule 2-104 Rights of Applicant, an incorrect reference to Rule 1-104 has been corrected to Rule 2-105.

Rule 4-102(3) includes an updated reference to National Instrument 45-102.

Rule 2-117 Disclosure of Exchange Ownership has been added to address the potential conflict of interest of a Dealer routing client orders to the Exchange when the Dealer that is also a significant shareholder of the Exchange

In the Policies:

Policy 6 – Section 5.3, reference updated to MI 45-105.

In the Forms:

Form 9 – Reference updated to NI 45-102

Form 13 – Reference updated to MI 61-101

Text of Rule 2-117:

Rule 2-117 Disclosure of Exchange Ownership

A Dealer that beneficially owns or controls, directly or indirectly, more than 5% of any class of voting shares of the Exchange must disclose that relationship with the Exchange to:

- (a) Clients whose orders might be, and clients whose orders have been, routed to the Exchange; and*
- (b) Entities for whom the Dealer is acting or proposing to act as an underwriter in connection with the issuance of securities to be listed on the Exchange.*

Expected Implementation Date: January 15, 2015.

Rules, Policies and Forms are all available on CSE website www.thecse.com or may be requested by email to listings@thecse.com.

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