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The Ontario Securities Commission

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

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

Contact Centre – Inquiries, Complaints:

Office of the Secretary:

Published under the authority of the Commission by:

Thomson Reuters
One Corporate Plaza
2075 Kennedy Road
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M1T 3V4

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

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

Fax: 416-593-2318



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Address

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

Customer Support

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Chapter 1

Notices

1.1 Notices

1.1.1 CSA Notice and Request for Comment – Proposed Amendments to National Instrument 45-106 Prospectus Exemptions to introduce the Listed Issuer Financing Exemption



CSA NOTICE AND REQUEST FOR COMMENT

PROPOSED AMENDMENTS TO NATIONAL INSTRUMENT 45-106 *PROSPECTUS EXEMPTIONS* TO INTRODUCE THE LISTED ISSUER FINANCING EXEMPTION

July 28, 2021

Introduction

The Canadian Securities Administrators (the **CSA** or **we**) are publishing for a 90 day comment period proposed amendments to National Instrument 45-106 *Prospectus Exemptions* (**NI 45-106**) to introduce a new prospectus exemption available to reporting issuers that are listed on a Canadian stock exchange (the **Listed Issuer Financing Exemption**). We are also publishing consequential amendments to National Instrument 13-101 *System for Electronic Document Analysis and Retrieval* (**NI 13-101**) and National Instrument 45-102 *Resale of Securities* (**NI 45-102** and, collectively with the proposed amendments to NI 45-106 and NI 13-101, the **Proposed Amendments**).

We are also publishing for comment proposed changes to Companion Policy 45-106CP (**45-106CP**).

If adopted, the Proposed Amendments would create a new capital raising method for reporting issuers listed on a Canadian stock exchange.

The text of the Proposed Amendments is contained in Annexes A through E of this notice and will also be available on websites of CSA jurisdictions, including:

www.lautorite.qc.ca
www.albertasecurities.com
www.bcsc.bc.ca
nssc.novascotia.ca
www.fcnb.ca
www.osc.ca
www.fcaa.gov.sk.ca
mbsecurities.ca

Substance and Purpose

We are proposing the Listed Issuer Financing Exemption to provide a more efficient method of capital raising for reporting issuers that have securities listed on a Canadian stock exchange and that have filed all timely and periodic disclosure documents required under Canadian securities legislation.

The proposed exemption relies on the issuer's continuous disclosure record, as supplemented with a short offering document, and would allow these issuers to distribute freely tradeable listed equity securities to the public. Issuers would generally be limited to raising the greater of \$5,000,000 or 10% of the issuer's market capitalization to a maximum total dollar amount of \$10,000,000. In order to use the exemption, the issuer must have been a reporting issuer for at least 12 months.

The offering document would be a "core document" under Canadian securities legislation, forming part of the issuer's continuous disclosure record for purposes of secondary market civil liability. In the event of a misrepresentation in the offering document or in the issuer's continuous disclosure record for a prescribed period, purchasers under the Listed Issuer Financing Exemption

would have the same rights of action under secondary market civil liability as purchasers on the secondary market. In addition, purchasers under the exemption would have a contractual right of rescission against the issuer for a period of 180 days following the distribution in the event of a misrepresentation. The offering document would not be reviewed by CSA staff before use.

Background

One of the fundamental pillars of securities legislation is that an issuer distributing a security must file and obtain a receipt for a prospectus. The prospectus must contain full, true and plain disclosure of all material facts relating to the securities being offered. Investors who purchase securities under a prospectus are provided certain statutory rights.

The short form prospectus regime was designed to facilitate efficient capital raising for reporting issuers while providing investors with all the protections of a prospectus, including statutory rights of withdrawal, rescission and damages.

The CSA has heard from many stakeholders that the time and cost to prepare a short form prospectus may be an impediment to capital raising, particularly for smaller issuers.

In CSA Consultation Paper 51-404 *Considerations for Reducing Regulatory Burden for Non-Investment Fund Reporting Issuers*, staff noted we were considering whether conditions were right to revisit the merits of an alternative prospectus offering model for reporting issuers. In the comment period, we heard support from several commenters for this project, as well as some support for alternative prospectus concepts previously proposed, but not implemented, such as the Integrated Disclosure System (IDS)¹ and Continuous Market Access (CMA)².

As a result of the responses to CSA Consultation Paper 51-404, in early 2018³ the CSA undertook a research project on potential alternative offering models. That project included research of alternative regimes in foreign jurisdictions, targeted consultations with market participants, a general survey of issuers listed on Canadian exchanges, a targeted survey of costs associated with short form prospectus offerings, and analysis of data on all prospectus and private placement offerings conducted in 2017 by issuers listed on Canadian exchanges.

What we found from our market consultations and research of public offering regimes in Europe, Australia and the United States, is that our prospectus regime generally works well for larger offerings and that it strikes a good balance between issuer disclosure requirements and investor protection. However, we heard that for smaller offerings (that is, under \$10 million), the system can be onerous, the costs associated with preparing a prospectus can be prohibitive, and that dealers have limited interest in smaller offerings. Consequently, issuers are not as inclined to access public markets for smaller offerings.

The MiG Report data for 2020 illustrates that smaller issuers are much less likely to use prospectuses than larger issuers. In 2020, TSX Venture Exchange-listed reporting issuers raised \$1.9 billion by way of prospectus as compared to \$4.5 billion by way of private placement. In contrast, Toronto Stock Exchange-listed reporting issuers raised \$19.4 billion by way of prospectus as compared to only \$10 billion by way of private placement⁴. Data from FP Advisor also suggests that most short form prospectuses are filed to raise greater than \$10 million. In the five year period from 2016 to 2020, of the 657 short form prospectus offerings by issuers listed on a Canadian exchange, 44 prospectuses (7%) raised \$5 million or less, 95 prospectuses (14%) raised between \$5-\$10 million and 518 prospectuses (79%) raised greater than \$10 million through the sale of equity securities⁵.

During our consultations, we heard that the costs of completing a short form prospectus offering are a barrier for issuers who want to raise smaller amounts of capital. Issuers cited underwriter and legal costs as the most significant expenditures. Our costs survey also showed that the costs of a prospectus offering were disproportionate to the amounts raised.

To respond to this reality, we propose creating the Listed Issuer Financing Exemption, a prospectus exemption for small offerings that, although available to all issuers, would benefit smaller issuers more specifically. The Listed Issuer Financing Exemption recognizes the comprehensive continuous disclosure regime for reporting issuers, supported by certification requirements and secondary market liability, and the fact that any investor can acquire securities of a reporting issuer on the secondary market.

We think the Listed Issuer Financing Exemption would

- reduce the cost of accessing public markets;

¹ In 2000, the CSA published for comment a concept proposal called Integrated Disclosure System (IDS). Under the IDS, reporting issuers would have been required to provide investors with more comprehensive and timely continuous disclosure by using an abbreviated offering document integrating the reporting issuer's disclosure base.

² In 2002, the British Columbia Securities Commission published for comment a proposal on a system called Continuous Market Access (CMA). This regime was designed to replace the existing prospectus regime. CMA provided reporting issuers with access to markets by disclosing the offering in a press release. No offering document was required, but reporting issuers were subject to an enhanced continuous disclosure regime and the obligation to disclose all material information about the reporting issuer.

³ See CSA Staff Notice 51-353 *Update on CSA Consultation Paper 51-404 Considerations for Reducing Regulatory Burden for Non-Investment Fund Reporting Issuers*.

⁴ The MiG Report, Toronto Stock Exchange and TSX Venture Exchange, December 2020.

⁵ Based on FP Advisor, New Issues - Financial Post Data as of June 11, 2021 and OSC calculations. Data represents Canadian dollar-denominated short form prospectus offerings for equity securities completed between 2016 and 2020 (excluding offerings under the base shelf system).

- allow smaller issuers access to public markets and retail investors;
- provide retail investors with a greater choice of investments available in the primary public markets;
- result in better and more current disclosure in the market for those smaller issuers that previously only used the private placement system; and
- provide an incentive for all issuers raising smaller amounts of capital to do so by public offering instead of by private placement.

We have developed this proposal with our mission in mind: increasing market efficiency while ensuring investor protection.

Summary of the proposed Listed Issuer Financing Exemption

The Listed Issuer Financing Exemption is subject to the following key conditions:

	Condition	Rationale
Qualifications	<p>The issuer must have</p> <ul style="list-style-type: none"> • securities listed on a Canadian stock exchange • been a reporting issuer for 12 months in at least one jurisdiction in Canada • filed all timely and periodic disclosure documents as required under the continuous disclosure requirements in Canadian securities legislation • active business operations 	<ul style="list-style-type: none"> • Ensures oversight of pricing and discounts • Recognizes comprehensive continuous disclosure regime for reporting issuers • Limits use to issuers who have established a continuous disclosure record and are in compliance with their continuous disclosure filing requirements • Limits use of the exemption to only those issuers that have a business
Total dollar amount	<p>The total dollar amount that an issuer may raise using the exemption during any 12 month period may not exceed:</p> <ul style="list-style-type: none"> • the greater of \$5 million or 10% of the aggregate market value of the issuer's listed equity securities, to a maximum total dollar amount of \$10 million; or • 100% dilution 	<ul style="list-style-type: none"> • Connecting scaled limits on the total amount that can be raised to market capitalization restricts issuers from unduly diluting their shareholders • Addresses comments received that we need a two-tiered approach with significantly fewer requirements for smaller offerings • Limits the impact on the short form prospectus system as the majority of issuers using short form prospectuses raise more than \$10 million • The limitation on the amount raised will restrict an issuer from using the exemption for larger transactions that may involve a significant change in the issuer's business
Type of offering document	<p>The issuer must prepare and file a short offering document, proposed new Form 45-106F* <i>Listed Issuer Financing Document</i>, containing prescribed disclosure highlighting:</p> <ul style="list-style-type: none"> • any new developments in the issuer's business, • the issuer's financial condition, including confirmation that the issuer will have sufficient funds to last 12 months after the offering, • how proceeds from the current offering will be used, and • how proceeds from any other offering in the previous 12 months were actually used 	<ul style="list-style-type: none"> • Recognizes that investors may be more likely to read a brief document that contains the key information necessary for making an investment decision than a much longer prospectus • For venture issuers that do not currently use the short form prospectus system, results in better and more current disclosure to the market than if they used other prospectus exemptions
Liability	<ul style="list-style-type: none"> • The issuer must certify that the offering document, together with the continuous disclosure of the issuer for the past 12 	<ul style="list-style-type: none"> • Ensures the quality and reliability of the disclosure in the offering document and in the issuer's continuous disclosure

	Condition	Rationale
	<p>months, contains disclosure of all material facts about the issuer or the securities being distributed and does not contain a misrepresentation</p> <ul style="list-style-type: none"> The offering document would be prescribed as a “core document” in the issuer’s continuous disclosure record, subject to statutory secondary market civil liability in the event of a misrepresentation Purchasers under the exemption would have two options for recourse in the event of a misrepresentation: <ul style="list-style-type: none"> rights of action under secondary market civil liability a contractual right of rescission against the issuer 	<ul style="list-style-type: none"> Secondary market civil liability puts purchasers under the Listed Issuer Financing Exemption on the same footing as investors in the secondary market Having a contractual right of rescission against the issuer ensures the issuer is not unfairly enriched as a result of its misrepresentation Addresses the concern that applying primary liability would increase underwriter due diligence costs and result in a much longer offering document, defeating our intention to provide a more efficient means of capital raising for issuers having an up-to-date continuous disclosure record
Restriction on use of proceeds	<ul style="list-style-type: none"> Exemption not available if the issuer is planning to use the proceeds for a significant acquisition or restructuring transaction, such that the issuer would be required to provide additional financial statements under prospectus rules 	<ul style="list-style-type: none"> Restricts use of the exemption in situations where greater disclosure and scrutiny may be required
Type of securities	<ul style="list-style-type: none"> Securities must be listed equity securities or securities convertible into listed equity securities Subscription receipts may be issued if not used in connection with a significant acquisition, restructuring transaction or other type of transaction that would require security holder approval 	<ul style="list-style-type: none"> Exemption is meant to mirror investors’ ability to purchase securities on the secondary market without a hold period Exemption is limited to listed equity securities that are easier for investors to understand and that have the benefit of a market valuation
Resale restrictions	<ul style="list-style-type: none"> Securities would not be subject to a hold period 	<ul style="list-style-type: none"> No hold period necessary as the issuer is required to disclose all material facts at time of offering Addresses comments from stakeholders that the hold period continues to be a deterrent for private placement investment
Underwriter/ registrant involvement	<ul style="list-style-type: none"> While investment dealers and exempt market dealers may participate, there is no requirement for an underwriter to be involved No registration exemption 	<ul style="list-style-type: none"> Will reduce cost of offerings Market participants noted that issuers will likely use dealers for larger offerings and to reach new investors Dealers would have to satisfy their obligations, including suitability (KYC and KYP), to place clients in the offering
Report of exempt distribution	<ul style="list-style-type: none"> The issuer would be required to report use of the exemption by filing a Form 45-106F1 <i>Report of Exempt Distribution</i> The issuer would not be required to complete Schedule 1 – Confidential Purchaser Information. 	<ul style="list-style-type: none"> Report will allow us to obtain structured data on the offering including type and amount of securities issued and any dealer or finder involvement Purchaser information not necessary where there are no limits on the type of investor that may participate Not requiring purchaser information will reduce the administrative burden for the issuer

Consequential Amendments

National Instruments

We propose to make the following housekeeping amendments to the rights offering exemption in NI 45-106 to correct:

- subparagraphs 2.1(3)(b)(ii) and (iii), such that issuers must have filed all periodic and timely disclosure required by any order issued by, or undertaking made to, the regulator or securities regulatory authority; and
- the calculation of total funds available required in the use of available funds table in section 18 of Form 45-106F15 *Rights Offering Circular for Reporting Issuers*.

We propose to consequentially amend NI 45-102 to add the proposed Listed Issuer Financing Exemption to Appendix E Seasoning Period Trades, which would mean securities issued under the exemption would be subject to a seasoning period. Given one of the conditions to use of the proposed exemption is that the issuer must have been a reporting issuer for 12 months, this means that, for practical purposes, no hold period will apply to the securities.

We also propose to amend NI 13-101 to include the new form of offering document in the list of required filings.

Local Matters

Annex E is being published in Ontario.

Request for Comments

We welcome your comments on the Proposed Amendments and the changes to 45-106CP. In addition to any general comments you may have, we also invite comments on the following specific questions.

1. Under the Proposed Amendments, the total dollar amount that an issuer can raise using the Listed Issuer Financing Exemption would be subject to the following thresholds:
 - (a) the greater of 10% of an issuer's market capitalization and \$5,000,000
 - (b) the maximum total dollar limit of \$10,000,000
 - (c) a 100% dilution limit.

Are all of these thresholds appropriate, or should we consider other thresholds?

2. In order for the CSA to measure and monitor the use of the Listed Issuer Financing Exemption, we propose that issuers would be required to file a report of exempt distribution within 10 days of the distribution date, as with most capital raising prospectus exemptions. However, issuers would not be required to provide the detailed confidential purchaser information required in Schedule 1. We are not proposing to require the completion of the purchaser-specific disclosure required under Schedule 1 because there are no limitations on the types of investors who may purchase under the exemption and we do not expect to require this information.
 - (a) Are there other elements of the report of exempt distribution that we should consider relaxing for distributions under the exemption?
 - (b) Would the requirement to file the report of exempt distribution in connection with the use of the exemption be unduly onerous in these circumstances? If so, why?
 - (c) Should we consider an alternative means of reporting distributions under the exemption, such as including disclosure in an existing continuous disclosure document, such as Management's Discussion and Analysis or a specific form or report that is filed on SEDAR?
 - (d) If alternative reporting is provided, what information should issuers be required to disclose, in addition to the following:
 - the number and type of securities distributed,
 - the price at which securities are distributed,
 - the date of the distribution, and

- the details of any compensation paid by the issuer in connection with the distribution and the identity of the compensated party?
- (e) If alternative reporting is provided, how frequently should reporting be required?
3. For jurisdictions that already charge capital market participation fees, would the imposition of an additional filing fee for a report of exempt distribution under the Listed Issuer Financing Exemption discourage use of the exemption?
4. We propose that the securities eligible to be distributed under the Listed Issuer Financing Exemption would be limited to listed equity securities, units consisting of a listed equity security and a warrant exercisable into a listed equity security, or securities, such as subscription receipts, that are convertible into a unit consisting of a listed equity security and a warrant. These are securities that most investors would be familiar with and which are easier for an investor to understand. This list would allow for the Listed Issuer Financing Exemption to be used to distribute convertible debt. Are there reasons we should exclude convertible debt from the exemption?
5. We designed the Listed Issuer Financing Exemption contemplating that it would be used, from time to time, for discrete private placements, with a single closing date. Do you expect issuers would want to use the exemption to provide continuous, non-fixed price offerings as well? If so, what changes would be necessary to permit continuous distributions under the exemption? Do you see any concerns with permitting continuous distributions?
6. Over the last several years, the CSA has tried to address various capital raising challenges by introducing a number of streamlined prospectus exemptions targeted to reporting issuers with listed equity securities, including the existing security holder exemption and the investment dealer exemption. The use of these exemptions has been limited. We have heard from market participants that the existence of these rarely used prospectus exemptions may contribute to the complexity of the exempt market regime. If we adopt the proposed Listed Issuer Financing Exemption, should we consider repealing any of these other exemptions?
7. Investment dealers and exempt market dealers may participate in an offering under the proposed Listed Issuer Financing Exemption; however, there is no requirement for dealer or underwriter involvement. In addition, no exemption from the registration requirement is provided for acts related to distributions under the exemption, so any persons in the business of trading in securities will require registration or an available registration exemption for any activities undertaken in connection with distributions under the exemption.
- (a) If adopted, do you anticipate that issuers would involve a dealer in offerings under the exemption?
- (b) If not, how do you expect issuers will conduct their offerings, for example, via their own website?
8. We propose that distributions under the Listed Issuer Financing Exemption would be subject to secondary market liability and provide original purchasers with a contractual right of rescission against the issuer. We propose secondary market liability because the exemption is premised on the reporting issuer's continuous disclosure and limited to distributions of listed equity securities that are traded on the secondary market. Although the exemption provides for the distribution of freely tradeable securities to any class of purchaser, similar to a prospectus offering, the quantum of liability is more limited than it would be for a prospectus offering.
- (a) Does the proposed liability regime provide appropriate incentives for issuers to provide accurate and complete disclosure under the exemption and adequate investor protection or should we consider imposing prospectus level liability?
- (b) Some of the key objectives of the exemption include reducing the costs to an issuer of accessing the public markets and providing investors with a briefer document that they are more likely to read. Would imposing prospectus-level liability impact the objectives of the exemption?
- (c) Would the absence of statutory liability for dealers lead to lower standards of disclosure?
- (d) One of the conditions of the exemption is that the issuer must provide a contractual right of rescission in the agreement to purchase the security with the purchaser. Would a requirement for the issuer to enter into an agreement with purchasers be unduly burdensome?

Please submit your comments in writing on or before **October 26, 2021**.

Address your submission to all of the CSA as follows:

British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan

Notices

Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
Financial and Consumer Services Commission (New Brunswick)
Superintendent of Securities, Department of Justice and Public Safety, Prince Edward Island
Nova Scotia Securities Commission
Office of the Superintendent of Securities, Service NL
Northwest Territories Office of the Superintendent of Securities
Office of the Yukon Superintendent of Securities
Superintendent of Securities, Nunavut

Deliver your comments only to the addresses below. Your comments will be distributed to the other participating CSA.

Larissa Streu
Senior Legal Counsel, Corporate Finance
British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Fax: 604-899-6581
lstreu@bcsc.bc.ca

Me Philippe Lebel
Corporate Secretary and Executive Director, Legal Affairs
Autorité des marchés financiers
Place de la Cité, tour Cominar
2460, boulevard Laurier, bureau 400
Québec (Québec) G1V 5C1
Fax : 514-864-8381
consultation-en-cours@lautorite.qc.ca

We cannot keep submissions confidential because securities legislation in certain provinces requires publication of the written comments received during the comment period. All comments received will be posted on the websites of each of the Alberta Securities Commission at www.albertasecurities.com, the Autorité des marchés financiers at www.lautorite.qc.ca and the Ontario Securities Commission at www.osc.gov.on.ca. Therefore, you should not include personal information directly in comments to be published. It is important that you state on whose behalf you are making the submission.

Contents of Annexes

The following annexes form part of this CSA Notice:

Annex A:	Proposed amendments to National Instrument 45-106 <i>Prospectus Exemptions</i> , including new Form 45-106F* <i>Listed Issuer Financing Exemption Offering Document</i>
Annex B:	Proposed changes to Companion Policy 45-106CP
Annex C:	Proposed amendments to National Instrument 13-101 <i>System for Electronic Document Analysis and Retrieval (SEDAR)</i>
Annex D:	Proposed amendments to National Instrument 45-102 <i>Resale of Securities</i>
Annex E:	Local Matters – Ontario

Questions

Please refer your questions to any of the following:

<p>Larissa Streu Senior Legal Counsel, Corporate Finance British Columbia Securities Commission 604-899-6888 lstreu@bcsc.bc.ca</p>	<p>Leslie Rose Senior Legal Counsel, Corporate Finance British Columbia Securities Commission 604-899-6654 lrose@bcsc.bc.ca</p>
<p>David Surat Senior Legal Counsel, Corporate Finance Ontario Securities Commission 416-593-8052 dsurat@osc.gov.on.ca</p>	<p>Jessie Gill Senior Legal Counsel, Corporate Finance Ontario Securities Commission 416-593-8114 jessiegill@osc.gov.on.ca</p>
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<p>Heather Kuchuran Director, Corporate Finance Financial and Consumer Affairs Authority of Saskatchewan, Securities Division 306-787-1009 Heather.kuchuran@gov.sk.ca</p>	<p>Wayne Bridgeman Deputy Director, Corporate Finance The Manitoba Securities Commission, Securities Division 204-945-4905 wayne.bridgeman@gov.mb.ca</p>
<p>Abel Lazarus Director, Corporate Finance Nova Scotia Securities Commission 902-424-6859 abel.lazarus@novascotia.ca</p>	

ANNEX A

PROPOSED AMENDMENTS TO
NATIONAL INSTRUMENT 45-106 *PROSPECTUS EXEMPTIONS*

The text box in this Instrument located above section 5A.2 does not form part of this Instrument.

1. *National Instrument 45-106 Prospectus Exemptions is amended by this Instrument.*
2. *Section 1.1 is amended in subparagraph (o) of the definition of “accredited investor” by deleting “, in Québec,”.*
3. *Section 2.1 is amended in subparagraphs (3)(b)(ii) and (iii) by deleting “, in Québec,”.*
4. *The Instrument is amended by adding the following part after Part 5:*

PART 5A: LISTED ISSUER FINANCING EXEMPTION**Interpretation****5A.1** In this Part,

“**listed equity security**” means a security of a class of equity securities of an issuer listed for trading on an exchange recognized by a securities regulatory authority in a jurisdiction of Canada;

“**secondary market liability provisions**” means the provisions of securities legislation set out in Appendix D opposite the name of the local jurisdiction.

Listed issuer financing exemption

Refer to Appendix E of National Instrument 45-102 *Resale of Securities*. First trades are subject to a seasoning period on resale.

5A.2 (1) The prospectus requirement does not apply to a distribution by an issuer of a security of the issuer's own issue if all of the following apply:

- (a) the issuer is and has been a reporting issuer in at least one jurisdiction of Canada for the 12 months immediately before the date that the issuer files the news release referred to in paragraph (j);
- (b) the issuer has a class of securities listed for trading on an exchange recognized by a securities regulatory authority in a jurisdiction of Canada;
- (c) the issuer's operations have not ceased or its principal asset is not cash or cash equivalents, or its exchange listing;
- (d) the issuer has filed all periodic and timely disclosure documents that it is required to have filed by each of the following:
 - (i) applicable securities legislation;
 - (ii) an order issued by the regulator or securities regulatory authority;
 - (iii) an undertaking to the regulator or securities regulatory authority;
- (e) at the time of the distribution, the issuer does not plan to use the proceeds from the distribution towards
 - (i) an acquisition that is a significant acquisition under Part 8 of National Instrument 51-102 *Continuous Disclosure Obligations*;
 - (ii) a restructuring transaction as such term is defined in National Instrument 51-102 *Continuous Disclosure Obligations*;
 - (iii) any other transaction that requires approval of any security holder under the corporate law of the jurisdiction in which the issuer is incorporated or continued, any requirement of the exchange on which the issuer's listed equity securities are listed for trading, or the issuer's constating documents;

- (f) the total dollar amount of the distribution, combined with the dollar amount of all other distributions made by the issuer under this section during the 12 months immediately before the date of the issuance of the news release referred to in paragraph (j), will not exceed the greater of the following:
 - (i) \$5,000,000;
 - (ii) 10% of the aggregate market value of the issuer's listed securities, on the date the issuer issues the news release announcing the offering, to a maximum total dollar amount of \$10,000,000;
- (g) the distribution, combined with all other distributions made by the issuer under this section during the 12 months immediately before the date of the issuance of the news release referred to in paragraph (j), will not result in an increase of more than 100% of the number, or, in the case of debt, of the principal amount, of the issuer's issued and outstanding securities, as of the date that is 12 months before the date of the news release;
- (h) at the time of the distribution, the issuer reasonably expects that, on completion of the distribution, the issuer will have sufficient available funds to meet its business objectives and all liquidity requirements for a period of 12 months;
- (i) the securities being distributed are any of the following:
 - (i) a listed equity security;
 - (ii) a unit consisting of a listed equity security and a warrant;
 - (iii) a security convertible into a listed equity security or a unit consisting of a listed equity security and a warrant;
- (j) before soliciting an offer to purchase from a purchaser, the issuer
 - (i) issues and files a news release that
 - (A) announces the offering; and
 - (B) states that a purchaser can access the offering document for the distribution under the issuer's profile on SEDAR+ and on the issuer's website, if the issuer has a website;
 - (ii) files a completed Form 45-106F[x] *Listed Issuer Financing Document*;
 - (iii) if the issuer has a website, posts the completed Form 45-106F[x] *Listed Issuer Financing Document* to its website;
- (k) the completed Form 45-106F[x] *Listed Issuer Financing Document* referred to in paragraph (j) is filed before soliciting an offer to purchase and no later than 3 business days after the date of the form;
- (l) the completed Form 45-106F[x] *Listed Issuer Financing Document* referred to in paragraph (j), together with any document filed under securities legislation in a jurisdiction of Canada on or after the earlier of the date that is 12 months before the date of the document and the date that the issuer's most recent audited annual financial statements were filed, contains disclosure of all material facts about the issuer and the securities being distributed under this section and does not contain a misrepresentation;
- (m) in Québec, the completed Form 45-106F[x] *Listed Issuer Financing Document* is prepared in French or French and English;
- (n) the agreement to purchase the security contains the contractual right of rescission referred to in subsection (3);
- (o) the distribution ends no later than the 45th day after the issuer issues the news release referred to in paragraph (j).

(2) For the purposes of subparagraph (1)(f)(ii), the aggregate market value of an issuer's listed securities is calculated by multiplying the total number of listed securities outstanding, by the closing price of the listed securities on the exchange in Canada on which the class of listed securities is principally traded.

(3) For the purposes of paragraph (1)(n), the contractual right of rescission in the agreement to purchase the security must provide for all of the following:

- (a) that the purchaser may exercise the right if the Form 45-106F[x] *Listed Issuer Financing Document* filed under paragraph (1)(j) contains a misrepresentation;
- (b) that the purchaser may exercise the right without regard to whether the purchaser relied on the misrepresentation;
- (c) that the purchaser may exercise the right by delivering a notice to the issuer within a period that is no less than 180 days after the purchaser signs the agreement to purchase the security;
- (d) that the purchaser is entitled in connection with the rescission to a full refund of all consideration paid to the issuer on the acquisition of the security;
- (e) that the right is in addition to, and does not detract from, any other right the purchaser has under the law.

Material changes during distribution

5A.3 If an issuer issues a news release announcing its intention to make a distribution under section 5A.2, and a material change occurs in the affairs of the issuer before the completion of a distribution, the issuer must cease the distribution until the issuer

- (a) complies with National Instrument 51-102 *Continuous Disclosure Obligations* in connection with the material change,
- (b) files an amendment to the previously filed Form 45-106F[x] *Listed Issuer Financing Document*, and
- (c) issues and files a news release that states that an amendment to the Form 45-106F[x] *Listed Issuer Financing Document* addressing the material change has been filed.

Listed issuer financing exemption – civil liability for secondary market disclosure

5A.4(1) The secondary market liability provisions apply to the acquisition of an issuer's security pursuant to the exemption from the prospectus requirement set out in section 5A.2.

(2) A document that purports or appears to be completed in accordance with Form 45-106F[x] *Listed Issuer Financing Document* and is filed with respect to a distribution referred to in section 5A.2 is a "core document" pursuant to the secondary market liability provisions.

(3) For greater certainty, in British Columbia,

- (a) purchases of securities under a distribution referred to in section 5A.2 are a prescribed class of acquisitions under paragraph 140.2(b) of the *Securities Act* (British Columbia); and
- (b) documents that purport or appear to be completed in accordance with 45-106F[x] *Listed Issuer Financing Document*, and are filed with respect to a distribution referred to in section 5A.2 are a prescribed class of documents for the purpose of the definition of "core document" under section 140.1 of the *Securities Act* (British Columbia)..

5. Subsection 2.42 is amended in paragraphs (2)(a) and (b) by deleting “, in Québec,”’

6. Subsection 6.1(1) is amended by:

- (a) **replacing “.” with “;” in paragraph (j), and**
- (b) **adding the following paragraph:**
 - (k) section 5A.2 [*Listed issuer financing exemption*]..

7. Section 6.3 is amended by adding the following subsection:

(3) Despite subsection (1), an issuer is not required to complete Schedule 1 of Form 45-106F1 in connection with a distribution made under section 5A.2 [*Listed issuer financing exemption*]..

8. **Form 45-106F1 Report of Exempt Distribution is amended in Schedule 1, under the heading “INSTRUCTIONS FOR SCHEDULE 1”, by adding the following instruction as the last paragraph:**

“Reports filed under paragraph 6.1(1)(k) [*Listed issuer financing exemption*] – For reports filed under paragraph 6.1(1)(k) [*Listed issuer financing exemption*] of NI 45-106, the issuer is not required to complete Schedule 1.”.

9. **Form 45-106F15 Rights Offering Circular for Reporting Issuers is amended in section 18 by replacing the table with the following:**

		Assuming minimum offering or stand-by commitment only	Assuming 15% of offering	Assuming 50% of offering	Assuming 75% of offering	Assuming 100% of offering
A	Amount to be raised by this offering	\$	\$	\$	\$	\$
B	Selling commissions and fees	\$	\$	\$	\$	\$
C	Estimated offering costs (e.g., legal, accounting, audit)	\$	\$	\$	\$	\$
D	Available funds: $D = A - (B+C)$	\$	\$	\$	\$	\$
E	Working capital as at most recent month end (deficiency)	\$	\$	\$	\$	\$
F	Additional sources of funding	\$	\$	\$	\$	\$
G	Total: $G = D+E+F$	\$	\$	\$	\$	\$

10. **The following form is added after Form 45-106F[x]:**

Form 45-106F[x]

Listed Issuer Financing Document

INSTRUCTIONS

1. Overview of the offering document

This Form 45-106F[x] *Listed Issuer Financing Document* is the form of offering document you must use for a distribution under subsection 5A.2(1) of National Instrument 45-106 *Prospectus Exemptions*. In this form it is referred to as the “offering document”.

In this form, the issuer is sometimes also referred to as “you”.

The objective of the offering document is to provide information about the offering.

Prepare the offering document using a question-and-answer format.

2. Incorporating information by reference

You must not incorporate information into the offering document by reference.

3. Plain language

Use plain, easy to understand language in preparing the offering document. Avoid technical terms but if they are necessary, explain them in a clear and concise manner.

4. Format

Except as otherwise stated, use the questions presented in this form as headings in the offering document. To make the document easier to understand, present information in tables.

5. Date of information

Unless this form indicates otherwise, present the information in this form as of the date of the offering document.

6. Forward-looking information

If you disclose forward-looking information in the offering document, you must comply with Part 4A.3 of National Instrument 51-102 *Continuous Disclosure Obligations*.

PART 1 SUMMARY OF OFFERING

1. Basic disclosure about the distribution

State the following with the bracketed information completed:

“Offering Document under the Listed Issuer Financing Exemption [Date]
[Name of Issuer]”

2. Details of the offering

State the following in bold:

“What are we offering?”

Provide the following details about the offering:

- (a) the type and number of securities you are offering, and a description of all significant attributes of the securities,
- (b) the offering price,
- (c) the minimum and maximum amount of securities that you may offer,
- (d) whether the offering may close in one or more closings and the date by which the offering is expected to close (if known),
- (e) the exchange(s) and quotation system(s), if any, on which the securities are listed, traded or quoted, and
- (f) the closing price of your securities on the most recent trading day before the date of the offering document.

3. Required statement

State in bold, at the bottom of the cover page, the information referred to in paragraphs (a) and (b), with the bracketed information completed:

- (a) Representations:

“No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this document. Any representation to the contrary is an offence.

[Name of issuer] is conducting a listed issuer financing under section 5A.2 of National Instrument 45-106 Prospectus Exemptions. In connection with this offering, we represent the following is true:

- **We have active operations and our principal asset is not cash or cash equivalents or our exchange listing.**
- **We have filed all periodic and timely disclosure documents that we are required to have filed.**

- The total dollar amount of this offering, in combination with the dollar amount of all other offerings made under the listed issuer financing exemption in the 12 months immediately before the date of this offering document, will not exceed [Insert either “\$5,000,000” or the amount that is equal to 10% of your market capitalization, to a maximum total dollar amount of \$10,000,000].
- We will not close this offering unless we reasonably believe we have raised sufficient funds to meet our business objectives and all liquidity requirements for a period of 12 months.
- We will not allocate proceeds from this offering to an acquisition that is a “significant acquisition” or “restructuring transaction” under securities law or to any other transaction that requires security holder approval”.

(b) Certification:

“This offering document, together with any document filed under Canadian securities legislation on or after [insert the date which is the earlier of the date that is 12 months before the date of this offering document and the date that the issuer’s most recent audited annual financial statements were filed], contains disclosure of all material facts about the issuer and the securities being distributed and does not contain a misrepresentation.”

PART 2 SUMMARY DESCRIPTION OF BUSINESS

4. Summary description of business

State the following in bold:

“What is our business?”

Provide a brief summary of the business you carry on or intend to carry on.

5. Recent developments

State the following in bold:

“Recent developments”

Provide a brief summary of key recent developments involving or affecting the issuer.

6. Material facts

If there is a material fact about the issuer or the securities being distributed that has not been disclosed elsewhere in this offering document or in any other document filed since the date that is the earlier of the date that is 12 months before the date of this offering document and the date that the issuer’s most recent audited annual financial statements were filed, disclose that material fact.

7. Business objectives and milestones

State the following in bold:

“What are the business objectives that we expect to accomplish using the available funds?”

State the business objectives that you expect to accomplish using the available funds disclosed under item 8. Describe each significant event that must occur for the business objectives described to be accomplished and state the specific time period in which each event is expected to occur and the cost related to each event.

PART 3 USE OF AVAILABLE FUNDS

8. Available funds

State the following in bold:

“What will our available funds be upon the closing of the offering?”

Using the following table, disclose the available funds after the offering. If you plan to combine additional sources of funding with the offering proceeds to achieve your principal purpose for raising capital, provide details about each additional source of funding.

If there has been a significant decline in working capital since the most recently audited annual financial statements, explain those changes.

		Assuming minimum offering only	Assuming 100% of offering
A	Amount to be raised by this offering	\$	\$
B	Selling commissions and fees	\$	\$
C	Estimated offering costs (e.g., legal, accounting, audit)	\$	\$
D	Net proceeds of offering: $D = A - (B+C)$	\$	\$
E	Working capital as at most recent month end (deficiency)	\$	\$
F	Additional sources of funding	\$	\$
G	Total available funds: $G = D+E+F$	\$	\$

9. Use of available funds

State the following in bold:

“How will we use the available funds?”

Using the following table, provide a detailed breakdown of how you will use the available funds. Describe in reasonable detail each of the principal purposes, with approximate amounts.

Description of intended use of available funds listed in order of priority	Assuming minimum offering only	Assuming 100% of offering
	\$	\$
	\$	\$
Total: Equal to G in the available funds in item 8	\$	\$

Instructions:

1. *If you will use more than 10% of available funds to reduce or retire indebtedness and the indebtedness was incurred within the two preceding years, describe the principal purposes for which the indebtedness was used. If the creditor is an insider, associate or affiliate of the issuer, identify the creditor and the nature of the relationship to the issuer and disclose the outstanding amount owed.*
2. *If you will use more than 10% of available funds to acquire assets, describe the assets. If known, disclose the particulars of the purchase price being paid for or being allocated to the assets or categories of assets, including intangible assets. If the vendor of the asset is an insider, associate or affiliate of the issuer, identify the vendor and nature of the relationship to the issuer, and disclose the method used to determine the purchase price.*
3. *If any of the available funds will be paid to an insider, associate or affiliate of the issuer, disclose in a note to the table the name of the insider, associate or affiliate, the relationship to the issuer, and the amount to be paid.*
4. *If you will use more than 10% of available funds for research and development of products or services,*
 - a. *describe the timing and stage of research and development that management anticipates will be reached using the funds,*
 - b. *describe the major components of the proposed programs you will use the available funds for, including an estimate of anticipated costs,*

- c. *state if you are conducting your own research and development, are subcontracting out the research and development or are using a combination of those methods, and*
 - d. *describe the additional steps required to reach commercial production and an estimate of costs and timing.*
5. *If your most recently filed audited annual financial statements or interim financial report included a going concern note, disclose that fact and explain how this offering is anticipated to address any uncertainties that affect the decision on whether a going concern note is included in your next annual financial statements.*

10. Use of funds from previous financings

State the following in bold:

“How have we used the other funds we have raised in the past 12 months?”

Provide a comparison, in tabular form, of disclosure you previously made about how you were going to use available funds or proceeds from any financing in the past 12 months, an explanation of the variances, and the impact of the variances, if any, on your ability to achieve your business objectives and milestones.

PART 4 FEES AND COMMISSIONS

11. Involvement of dealers or finders and their fees

State the following in bold:

“Who are the dealers or finders that we have engaged in connection with this offering, if any, and what are their fees?”

If any dealer, finder or other person has or will receive any compensation (e.g., commission, corporate finance fee or finder’s fee) in connection with the offering, provide the following information to the extent applicable:

- a) the name of the dealer, finder, or other person;
- b) a description of each type of compensation and the estimated amount to be paid for each type;
- c) if a commission is being paid, the percentage that the commission will represent of the gross proceeds of the offering (assuming both the minimum and maximum offering);
- d) details of any broker’s warrants or agent’s option (including number of securities under option, exercise price and expiry date);
- e) if any portion of the compensation will be paid in securities, details of the securities (including number, type and, if options or warrants, the exercise price and expiry date).

12. Dealer conflicts

If you have engaged a dealer in connection with the offering, state the following in bold:

“Does [identify dealer(s)] have a conflict of interest?”

If disclosure is required under National Instrument 33-105 *Underwriting Conflicts*, include that disclosure.

PART 5 PURCHASERS’ RIGHTS

13. Purchasers’ Rights

State the following:

“If you purchase the securities distributed under this offering document from the issuer, you will have certain rights, some of which are described below. For advice about your rights, you should consult a lawyer.

If there is a misrepresentation in this offering document and you purchased securities from us under the listed issuer financing exemption, you have a contractual right to rescind your agreement to buy these securities.

The contractual right to rescind the agreement to buy the securities is available to you whether or not you relied on the misrepresentation.

If you intend to rely on the contractual right of rescission, you must exercise that right within strict time limitations. You must notify us of your intention to exercise your right to rescind the agreement within [state the period that is 180 days or greater, as set out in the purchase agreement] after you signed the agreement to purchase the securities.

In addition to this contractual right, you also have secondary market civil liability rights set out in securities legislation in Canada if there is a misrepresentation in this offering document or in any document filed by the issuer on or after [state the date that is the earlier of the date that is 12 months prior to the date of this offering document and the date that the issuer's most recent audited annual financial statements were filed.]”

PART 6 ADDITIONAL INFORMATION

14. Additional information

State the following in bold:

“Where can you find more information about us?”

Provide the SEDAR+ website address and state that a security holder can access the issuer's continuous disclosure from that site. If applicable, provide the issuer's website address..

11. This instrument comes into force on *.

ANNEX B

PROPOSED CHANGES TO
COMPANION POLICY 45-106CP PROSPECTUS EXEMPTIONS

1. ***Companion Policy 45-106CP Prospectus Exemptions is changed by this Document.***
2. ***Part 3 Capital Raising Exemptions is changed by adding the following section:***

3.12 Listed issuer financing exemption

(1) Issuer eligibility

The listed issuer financing exemption in section 5A.2 of NI 45-106 provides an exemption from the prospectus requirement for reporting issuers that have securities listed on an exchange recognized by a securities regulatory authority in a jurisdiction of Canada. The exemption is intended to allow an issuer to raise limited amounts of capital from any person based on the issuer's continuous disclosure filings. For this reason, the issuer must have been a reporting issuer in at least one jurisdiction of Canada for at least 12 months preceding the offering. In addition, the issuer must have filed all periodic and timely disclosure documents it is required to have filed.

In addition to the listing requirement, under paragraph 5A.2(1)(c), the exemption cannot be used by an issuer whose operations have ceased or whose principal asset is cash, cash equivalents or its exchange listing. Further, under paragraph 5A.2(1)(e), the exemption is not available to an issuer that intends to use the proceeds from the offering to complete a significant acquisition, a restructuring transaction or any other transaction that requires security holder approval. The purpose of these requirements is to ensure that an issuer using the exemption has an operating business that is already described in the issuer's current disclosure. If an issuer is intending to raise capital to finance a significant acquisition or a restructuring transaction by distributing securities to retail investors, we would expect the issuer to use the prospectus regime in order to ensure potential purchasers have full, true and plain disclosure about the intended use of proceeds.

(2) Listed equity securities

Under the listed issuer financing exemption, the issuer is restricted to offering listed equity securities, securities convertible into listed equity securities, such as warrants, or securities convertible into units comprised of listed equity securities and warrants, such as special warrants or subscription receipts. However, a distribution of subscription receipts that are convertible only upon the issuer completing a significant acquisition, a restructuring transaction or any other transaction that requires security holder approval under corporate law, exchange requirements or the issuer's constating documents, would not be permitted under paragraph 5A.2(1)(e).

(3) Sufficient available funds and minimum offering amount

There is no requirement to have a minimum offering amount under the listed issuer financing exemption. However, if, following completion of the offering, the issuer will not have sufficient available funds to meet the issuer's business objectives and all liquidity requirements for a period of 12 months, the issuer must set a minimum offering amount such that, following completion of the distribution, the issuer will have sufficient available funds to meet its business objectives and all liquidity requirements for a period of 12 months.

(4) Filing of Form 45-106F[x] *Listed Issuer Financing Document*

Before soliciting purchasers under the listed issuer financing exemption, the issuer must file both the news release announcing the distribution and the completed Form 45-106F[x] *Listed Issuer Financing Document* (Form 45-106F[x]). The issuer must file these documents with the regulator or securities regulatory authority in each jurisdiction where the offering is being conducted, even if the issuer is not a reporting issuer in that jurisdiction.

(5) Material facts and material changes

The issuer must ensure that the information provided to the purchaser in the completed Form 45-106F[x] and certain of the issuer's continuous disclosure discloses all material facts about the issuer and the securities being offered and does not contain a misrepresentation. The continuous disclosure that is subject to this requirement is any document filed by the issuer under Canadian securities legislation on or after the date which is the earlier of (i) the date that is 12 months prior to the date of the issuer's completed Form 45-106F[x], and (ii) the date that the issuer's most recent audited annual financial statements were filed.

Under securities legislation, a "material fact" in respect of a security issued or proposed to be issued is generally defined as a fact that would reasonably be expected to have a significant effect on the market price or value of the security.

Issuers should refer to section 4.3 of National Policy 51-201 *Disclosure Standards* for examples of the type of events or information that may be material.

Section 5A.3 of NI 45-106 requires that, in the event that a material change occurs in the business of the issuer after filing the news release announcing the offering and before completion of the distribution, the issuer must cease the distribution until, amongst other things, it has amended the Form 45-106F[x] and issued a news release stating that the Form 45-106F[x] has been amended. The issuer is also required to comply with its obligations under Part 7 of NI 51-102. Material change is defined in Canadian securities legislation.

(6) Liability for misrepresentation

If a completed Form 45-106F[x] contains a misrepresentation, purchasers of securities distributed under the listed issuer financing exemption have a contractual right of rescission against the issuer. We remind issuers that they are required to certify on the first page of Form 45-106F[x] that it, together with any document filed by the issuer under Canadian securities legislation on or after the date which is the earlier of the date that is 12 months before the date of the completed Form 45-106F[x] and the date that the issuer's most recent audited annual financial statements were filed, contains disclosure of all material facts about the issuer and the securities being offered and does not contain a misrepresentation. If any of the issuer's disclosure filed during this period contains a misrepresentation, then the certification is also a misrepresentation, providing purchasers under the listed issuer financing exemption a contractual right to rescind their agreement to purchase the securities.

The issuer would also be liable under secondary market liability provisions in Canadian securities legislation, both to any purchasers on the secondary market as well as to purchasers under the listed issuer financing exemption.

(7) Materials to be filed after distribution

Within 10 days of distributing securities under the listed issuer financing exemption, the issuer must file a report of exempt distribution in Form 45-106F1 *Report of Exempt Distribution* in every jurisdiction in which a distribution has been made. See section 5.1 of this Companion Policy for more information about filing a report of exempt distribution.

Subsection 6.3(3) of NI 45-106 provides an exemption from the requirement to complete Schedule 1 [*Confidential purchaser information*] of Form 45-106F1 for distributions made under the listed issuer financing exemption.

(8) Backdoor underwriting

Securities distributed under the listed issuer financing exemption are not subject to resale restrictions under National Instrument 45-102 *Resale of Securities*. An issuer can use the exemption to distribute securities to anyone; the exemption is not limited to a particular class of investor.

In securities legislation, the definition of distribution includes any transaction or series of transactions involving a purchase and sale or a repurchase and resale in the course of or incidental to a distribution. In Québec, the definition of distribution is broad enough to include these transactions.

In cases where the exemption is used to distribute securities to one purchaser or to a small group of related purchasers and those purchasers immediately resell the securities in the secondary market, it may appear that the purchasers did not have a *bona fide* intention to invest in the issuer. The distribution under the exemption and the subsequent resale may be considered in substance a single distribution. In order to comply with securities legislation, the subsequent purchasers should have the benefit of the issuer's completed Form 45-106F[x] and the rights provided under the exemption.

In addition, purchasers that purchase with an intention to immediately resell the securities in the secondary market should consider the definition of underwriter in securities legislation and whether they are required to be registered. Section 1.7 of this Companion Policy provides guidance on the expectations on underwriters when purchasing securities under prospectus exemptions with a view to immediately resell (or distribute) those securities.

(9) Registration business trigger for trading and advising

The listed issuer financing exemption does not require the purchaser to have purchased the securities through a dealer. The exemption is an exemption from the prospectus requirement only; it does not provide an exemption from the dealer registration requirement.

An issuer conducting its own offering using the exemption should consider whether it, or any selling agents the issuer uses, may be required to be registered. See section 1.6 of this Companion Policy. Companion Policy 31-103CP gives guidance to issuers on how to apply the registration business trigger.

(10) Use of registered dealer in an offering under the listed issuer financing exemption

An issuer may engage a registered investment dealer or exempt market dealer to assist in the issuer's offering under the listed issuer financing exemption.

Exempt market dealers are permitted to facilitate distributions under the exemption because it is a prospectus-exempt distribution. However, once the distribution is complete, an exempt market dealer cannot facilitate resale of the securities because this activity is trading in listed securities contrary to subparagraph 7.1(2)(d)(ii) of NI 31-103.

(11) Role of registrant in an offering under the listed issuer financing exemption

A registrant involved in a distribution of securities under the exemption must comply with its registrant obligations, including know-your-client, know-your-product and suitability. We expect all registrants to be aware of other CSA guidance on registrant obligations with respect to know-your-client, know-your-product and suitability, and identify and respond to conflicts of interest.

3.13 Preparing the Form 45-106F[x]

Numbering system and general guidance

The numbering of this section corresponds to the numbering of Parts and Items in Form 45-106F[x].

Instructions, Item 1 Overview of the offering document

When preparing Form 45-106F[x], issuers should keep in mind that it is meant to be a concise, easy to understand disclosure document. Generally, we do not expect it to be longer than about 5 pages.

Part 1, Item 2 Details of the offering

Item 2 of Part 1 of Form 45-106F[x] requires details about the offering, including the date by which the offering is expected to close (if known). We remind issuers that under paragraph 5A.2(1)(o) of NI 45-106, the final closing of the offering must occur no later than the day that is 45 days after the date the issuer issues and files the news release announcing the offering.

Part 1, Item 3 Required statement, paragraph (a) Representations

Item 3 of Part 1 of Form 45-106F[x] requires the issuer to state certain representations. The issuer and its management must ensure that the representations in paragraph (a) are true and will continue to be true until the closing of the offering as they are conditions to using the exemption.

Part 1, Item 3 Required statement, paragraph (b) Certification

Item 3 of Part 1 of Form 45-106F[x] requires the issuer to certify that the Form, together with the issuer's continuous disclosure filings made on or after the date which is the earlier of the date that is 12 months prior to the date of the Form 45-106F[x] and the date that the issuer's most recent audited annual financial statements were filed, contains disclosure of all material facts about the issuer and securities being distributed and does not contain a misrepresentation.

We remind issuers that purchasers under the listed issuer financing exemption have contractual rights of rescission in the event of a misrepresentation in the issuer's Form 45-106F[x] or in the issuer's continuous disclosure filed in the specified period.

In addition, we remind issuers and their executives that they are liable under secondary market liability provisions for the disclosure in the Form 45-106F[x], both to purchasers under the exemption and to purchasers in the secondary market.

Part 2, Item 6 Material facts

Item 6 of Part 2 of Form 45-106F[x] requires disclosure of any material fact about the issuer or the securities being distributed that has not already been disclosed in the Form 45-106F[x] or in any other document filed by the issuer during the specified period. See subsection 3.12(5) for guidance on material facts.

If a person or company beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any of the issuer's voting securities, that information may be a material fact under securities legislation. If the issuer has not disclosed information about the person or company during the 12 months immediately before the date of the Form 45-106F[x], the issuer should consider including disclosure of the following for any such person or company:

- (a) the person or company's name,
- (b) the number or amount of securities beneficially owned, controlled or directed by the person or company, and
- (c) the number or amount of securities of the issuer of any class to be beneficially owned, controlled or directed by the person or company after the distribution, and the percentage that number or amount represents of the total securities of the issuer that are outstanding.

Part 3, Item 8 Available funds

Item 8 of Part 3 of Form 45-106F[x] requires the issuer to provide an explanation if there has been a significant decline in working capital since the issuer's most recently audited annual financial statements. Working capital is the issuer's current assets (as of the most recent month end) less the issuer's current liabilities (as of the most recent month end).

We would consider a significant decline to include a change in the working capital that results in material uncertainty regarding the issuer's going concern assumption, or a change in the working capital balance from positive to deficiency.

Item 8 of Part 3 of Form 45-106F[x] requires the issuer to complete a table disclosing the amount and source of the funds available to the issuer after completion of the offering. It is a condition of the listed issuer financing exemption that an issuer cannot close the offering using the exemption unless, on completion of the offering, the issuer reasonably expects it will have sufficient available funds to meet its business objectives and all liquidity requirements for a period of 12 months. This means that the total dollar amount the issuer discloses in row G under the column "*Assuming minimum offering only*", or under the column "*Assuming 100% of offering*" in the table, if the minimum offering is the entire offering, must be sufficient to meet the issuer's business objectives (as disclosed in item 7 of Part 2 of Form 45-106F[x]) and all liquidity requirements for a period of 12 months.

Part 3, Item 9 Use of available funds

Item 9 of Part 3 of Form 45-106F[x] requires the issuer to disclose how it will use the available funds identified in item 8. Under the terms of the listed issuer financing exemption, the issuer cannot allocate proceeds from the distribution towards an acquisition that is a significant acquisition under Part 8 of NI 51-102, a restructuring transaction as such term is defined in NI 51-102, or any other transaction that requires approval of any security holder under corporate law, any exchange requirement or the issuer's constating documents.

Part 5, Item 13 Purchasers' rights

Item 13 of Part 5 of Form 45-106F[x] requires the issuer to provide mandated disclosure about purchasers' rights under the listed issuer financing exemption. See subsection 3.12(6) for a description of these contractual rights and rights under secondary market liability in Canadian securities legislation..

3. These changes become effective on *.

ANNEX C

PROPOSED AMENDMENTS TO
NATIONAL INSTRUMENT 13-101
SYSTEM FOR ELECTRONIC DOCUMENT ANALYSIS AND RETRIEVAL (SEDAR)

1. ***National Instrument 13-101 System for Electronic Document Analysis and Retrieval (SEDAR) is amended by this Instrument.***
2. ***Subsection II.E “Exempt Market Offerings and Disclosure” of Appendix A is amended by adding the following:***
 7. Offering document required to be filed or delivered by an issuer under section 5A.2 of National Instrument 45-106 *Prospectus Exemptions*.
3. This instrument comes into force on *.

ANNEX D

PROPOSED AMENDMENTS TO
NATIONAL INSTRUMENT 45-102 *RESALE OF SECURITIES*

1. ***National Instrument 45-102 Resale of Securities is amended by this Instrument.***
2. ***Appendix E is amended by adding, after “section 2.42 [Conversion, exchange or exercise – security of a reporting issuer] for a security being traded in the circumstances referred to in clause (b) of subsection 2.42 (1);” the following paragraph:***
 - section 5A.2 [*Listed Issuer Financing Exemption*]; .
3. This instrument comes into force on [*].

ANNEX E
LOCAL MATTERS
ONTARIO SECURITIES COMMISSION

1. Introduction

This Annex to the accompanying CSA Notice and Request for Comments (the **CSA Notice**) sets out matters required to be addressed by the *Securities Act* (Ontario) (the **Act**). The Ontario Securities Commission (the **Commission**) is publishing this Annex to supplement the CSA Notice.

The CSA are publishing for comment (i) proposed amendments to NI 45-106 to introduce a new prospectus exemption and (ii) consequential amendments and changes to existing rules and policies (collectively, the **CSA Proposed Amendments**).

Please refer to the main body of the CSA Notice.

2. Overview

In Ontario, a reporting issuer that wishes to raise capital through the issuance and sale of its securities has the option to do so by accessing the public or private markets. Generally, accessing the public market requires an issuer to prepare and file a prospectus that complies with the requirements of the form of prospectus being used. Issuers also have the option of accessing the private, or exempt, market by relying on any of the prospectus exemptions under Ontario securities laws. To rely on a prospectus exemption, the issuer must comply with the requirements of the exemption, such requirements may include the provision of risk acknowledgments by purchasers, an offering document including detailed disclosure about the issuer and ongoing financial disclosure.

If adopted, the CSA Proposed Amendments would create an additional, prospectus exempt, capital raising option for reporting issuers listed on a Canadian stock exchange. The CSA Proposed Amendments do not impose any direct costs. However, the differences between the disclosure and other requirements under the Listed Issuer Financing Exemption (the **Exemption**), and the comparable requirements under the short form prospectus regime and other available prospectus exemptions may result in indirect costs and benefits for issuers using the Exemption and other stakeholders.

We are of the view that the regulatory costs associated with the Exemption on issuers that choose to take advantage of the Exemption, on retail investors that wish to participate in an offering under the Exemption, and dealers that can facilitate an offering under the Exemption are outweighed by the benefits of the Exemption to these stakeholders.

3. Local Amendments

In connection with the CSA Proposed Amendments, the Commission is also publishing for comment proposed amendments to OSC Rule 11-501 *Electronic Delivery of Documents to the Ontario Securities Commission* (the **Local Amendment**).

4. Affected Stakeholders

The major stakeholders expected to be affected by the CSA Proposed Amendments include reporting issuers, investors, investment dealers and exempt market dealers.

a) *Reporting issuers*

If adopted, the Exemption would be available to all reporting issuers that:

- have a minimum 12-month continuous reporting history,
- are current in their filing obligations,
- have a class of securities listed on a stock exchange that is recognised in a Canadian jurisdiction, and
- have an active business.

This group of reporting issuers is substantially similar to those reporting issuers that are eligible to access the short form prospectus regime, except that:

- an annual information form and a notice of intention to be short form prospectus eligible would not be required to be eligible to use the Exemption, and
- short form prospectus eligible issuers that do not have at least a 12-month reporting history would not be eligible to use the Exemption.

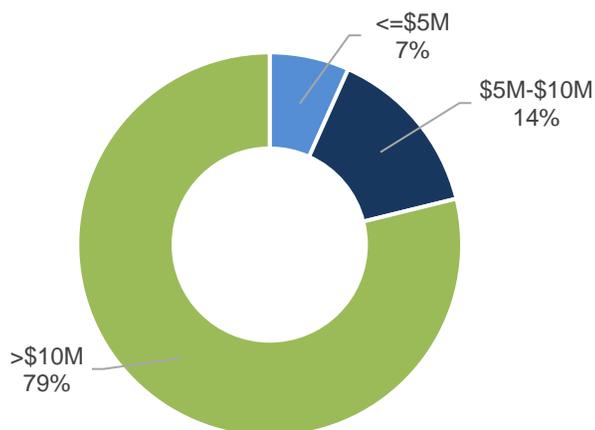
We analyzed prospectus offerings completed between 2016 and 2020 and found that on average there were approximately 116 reporting issuers a year that relied on short form prospectuses to raise equity capital in Canada (see Table 1).¹ Some of these issuers conducted multiple short form prospectus offerings during the year.

Table 1 – Annual Summary Statistics of Completed Short Form Prospectus Offerings²

2016 - 2020	Issuers	Short-Form Prospectus
Annual Average	116	131
Annual Min.	73	82
Annual Median	116	140
Annual Max.	148	166

We note that the offering limits proposed under the Exemption overlap with the maximum offering amounts sought by many reporting issuers under short form prospectus offerings. From 2016 to 2020, out of 657 completed Canadian dollar denominated short form prospectus offerings for equity securities, approximately 21% of the prospectuses raised no more than \$10 million, the maximum amount issuers can raise under the Exemption (see Table 2 below).³

Table 2 – Breakdown of Completed Short Form Prospectus Offerings by Size of Total Proceeds Raised (2016-2020)⁴



b) *Investors*

If adopted, purchases under the Exemption may be made by any investor without any limits on the investment amount. Accordingly, the CSA Proposed Amendments will largely affect retail investors who are currently unable to participate in the majority of exempt market offerings because they do not meet the eligibility criteria under existing exemptions. For example, the accredited investor (**AI**) exemption requires investors to satisfy minimum income or financial asset thresholds and the family, friends and business associates (**FFBA**) exemption requires that investors have a specified relationship with the issuer.

To the extent distributions under the Exemption would replace private placements made under prospectus exemptions, the Exemption would provide retail investors with access to investment opportunities that were historically unavailable to them. However, to the extent that distributions under the Exemption replace prospectus offerings, there will be no increase in retail investor accessibility.

¹ Based on FP Advisor, New Issues - Financial Post Data as of June 11, 2021 and OSC calculations. Data represents Canadian dollar-denominated short form prospectus offerings for equity securities (excluding offerings under the base shelf system) completed between 2016 and 2020.

² *Ibid.*

³ *Ibid.*

⁴ *Ibid.*

To the extent that distributions under the Exemption would replace private placements, there would be a positive impact on the level and quality of disclosure as the Exemption requires the filing of an offering document that would provide up to date disclosure of material facts relating to the securities offered. However, as compared to a prospectus, the Exemption has lower standards of statutory liability and less gatekeeper involvement which may result in reduced incentives for issuers to ensure that their disclosure obligations have been met. Accordingly, if prospectus distributions are replaced by distributions under the Exemption, there may be a reduction in the quality of the disclosure and there may be a higher likelihood of a misrepresentation. The potential reduction in the quality of disclosure may also affect the investors purchasing in the secondary market, since the disclosure will be filed publicly.

c) *Investment Dealers and Exempt Market Dealers*

The Exemption would allow for the distribution of securities to any class of purchaser without resale restrictions. Therefore, although such distributions would be conducted under a prospectus exemption, they would be effectively equivalent to a public offering.

Exempt market dealers (**EMDs**) are not permitted to participate in prospectus offerings under National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*, but would be able to participate in distributions under the Exemption. Accordingly, the Exemption may potentially increase market opportunities for EMDs.

To the extent that distributions under the Exemption compete with prospectus offerings, investment dealers may face increased competition from EMDs for secondary offerings by reporting issuers.

5. Qualitative and Quantitative Analysis of the Anticipated Costs and Benefits of the Proposed Amendments

As issuers are not required to use the Exemption, the CSA Proposed Amendments do not impose a direct regulatory cost to affected stakeholders. The Exemption provides an additional option for reporting issuers to raise capital and similarly a new investment opportunity for other affected stakeholders. Eligible issuers may choose to rely on the Exemption because they find it too expensive to raise funds under the short form prospectus regime or have previously relied on other prospectus exemptions and have exhausted their financing from family, close personal friends and close personal business associates or reached the 50-investor limit allowed under the private issuer prospectus exemption.

The differences between the disclosure and other requirements under the Exemption and the comparable requirements under the short form prospectus regime and other available prospectus exemptions may result in indirect costs and benefits for issuers using the proposed exemption and other stakeholders.

a) *Reporting Issuers: Costs and benefits in comparison to short form prospectus offerings*

As discussed above, up to 21% of the short form prospectus filings between 2016 and 2020 were for amounts that could be replaced by distributions under the Exemption. This is expected to result in overall cost savings for the issuer conducting the distribution.

Cost savings for issuers relying on the Exemption instead of using a short form prospectus are described below. The following table sets out the range of estimated offering expenses disclosed in short form prospectuses filed on SEDAR in 2020. We understand that a significant portion of these costs are related to due diligence and auditor fees.

Table 3 – Issuer’s Estimated Fees and Underwriter Commissions for Short Form Prospectuses in 2020⁵

	% of Total Proceeds	Estimated Offering Expenses*	% Underwriter Commission	Estimated Underwriter Commission (excl. overallotment)
Average	4%	\$261,166	7%	\$389,530
Maximum	7%	\$450,000	8%	\$640,000
Median	4%	\$250,000	7%	\$393,743
Minimum	2%	\$150,000	5%	\$165,000

Reduced costs of preparing required documents

The Exemption requires issuers to supplement their continuous disclosure with a short offering document to disclose any new developments in the issuer’s business, the expected use of proceeds from the offering and any material facts not already disclosed

⁵ Source: OSC analysis of completed Short Form Offering Prospectuses in 2020 filed on SEDAR. *Includes underwriter corporate finance fees but excludes underwriter commissions.

in the issuers' filings over the last year (or since its most recently filed annual audited financial statements if those were filed more than 12 months prior to the distribution). Preparing this offering document will involve consideration of all material facts related to the issuer and its securities and will involve disclosure that is comparable to that required under a prospectus.

However, we expect that the costs of preparing an offering document under the Exemption will be lower than preparing a short form prospectus for the following reasons:

- in addition to requiring disclosure of all material facts, the short form prospectus form prescribes disclosure that is more specific and extensive than required under the Exemption,
- the preparation and filing of personal information forms and expert consents are not required under the Exemption,
- the requirement for a venture issuer to have filed an annual information form to access the short form prospectus regime does not apply to the Exemption.

Reduced costs of advisors and experts

The Exemption does not require the same level of gatekeeper involvement as a prospectus offering, which is expected to lower costs for the issuer. Unlike a short form prospectus offering, the Exemption does not require existing continuous disclosure filings to be incorporated by reference into the offering document. Accordingly, there is no requirement for the issuer to engage its auditors to review its current interim financial statements or the offering document or to provide comfort letters or consents. We understand these costs make up a significant portion of the estimated costs described in Table 3 above.

We also note that the use of the Exemption is not a trigger for a technical report under National Instrument 43-101 *Standards of Disclosure for Mineral Projects* and that dealers or underwriters involved in an offering under the Exemption are not required to certify the disclosure, which is expected to reduce due diligence costs.

Lack of delivery obligations

There is no requirement to deliver the offering document required under the Exemption, unlike a prospectus, which is expected to reduce costs associated with physical or electronic delivery and printing.

Reduced filing costs

There are no filing fees associated with the offering document under the Exemption, which will reduce costs as compared to a prospectus offering. These costs savings will be offset by the costs of filing reports of exempt distributions required under the Exemption. The administrative burden of filing these reports may be significant because:

- reports are required to be filed within 10 days of a distribution, while the period of distribution under the Exemption may extend for up to 45 days with multiple closings,
- reporting is triggered by the location of the purchaser, so different reports may be required at different times in various Canadian jurisdictions,
- each jurisdiction has different filing fees that are calculated on a different basis, some of which have minimum or fixed filing fees, and
- reports are currently filed through three different filing systems.

However, we expect that the filing fees for reports of exempt distribution (generally, \$500 in Ontario per report of exempt distribution) will be less than the filing fees associated with a prospectus (\$3,800 in Ontario).

Reduced time to market

Market conditions can change rapidly, and we understand that, in addition to the financial cost of preparing a short form prospectus, there is also an opportunity cost. The time between deciding to raise funds via prospectus and receiving a final receipt for that prospectus can be lengthy depending on the issuer's readiness to access the markets and the nature of regulatory review. The Exemption is largely premised on a reporting issuer having an up-to-date disclosure record to be supplemented with a brief offering document that is not subject to regulatory review; therefore, the length of time between deciding to raise funds and actually conducting an offering under the Exemption could be significantly reduced as compared to a short form prospectus offering.

Potentially reduced dealer or underwriter commissions

As highlighted in Table 3, we understand that the largest costs associated with smaller short form prospectus offerings is the agent's or underwriter's commission. For offerings within the limits of the Exemption (i.e., less than \$10 million), the commissions

are generally higher, and we understand that it is difficult to find investment dealers who are willing to act on such transactions. The potential for issuers to involve EMDs in these distributions may provide opportunities to negotiate lower commissions.

b) Reporting Issuers: Costs and benefits in comparison to other prospectus exempt offerings

The primary benefits to reporting issuers of using the Exemption as opposed to other commonly used prospectus exemptions, such as the AI or FFBA exemptions, is the ability to offer securities to any purchaser without resale restrictions. These benefits may be somewhat offset due to the higher disclosure standards under the Exemption.

Ability to offer securities to any purchaser

We expect that the Exemption will primarily be used as an alternative to the AI and FFBA prospectus exemptions. Issuers will benefit from reduced administrative burden in comparison to the AI and FFBA prospectus exemptions because, under the Exemption, there will be no requirement to:

- verify an investor's status as an AI or the investor's relationship with the issuer or its principals, or
- deliver a risk acknowledgement form to investors.

Ability to issue freely tradeable securities

The lack of resale restrictions under the Exemption may allow issuers to negotiate a lower discount for offerings under the Exemption than would be available under the AI or other prospectus exemptions due to the increased liquidity. However, there are many potential reasons that offerings may be conducted at a discount to the prevailing market prices of an issuer's securities.

The fact that securities are freely tradeable may also lead to an increase in short-term market volatility due to an increase in short-term investor participation in offerings.

Increased costs related to additional disclosure⁶

The AI and FFBA prospectus exemptions do not require disclosure to be provided to investors; if disclosure is voluntarily provided, there are no specific disclosure requirements other than to provide notice of the applicable statutory rights of action. As the Exemption does include a disclosure requirement, we expect that the Exemption would only be used by issuers where the advantages discussed above outweigh the costs of the additional disclosure.

c) Investors

There will be no direct costs to investors because of the CSA Proposed Amendments. However, the introduction of the Exemption may have both positive and negative effects on the disclosure provided to investors in a specific offering and to the market generally as well as corresponding impacts on investor protection and the efficient operation of the Ontario capital markets.

Impact on disclosure to investors compared to a prospectus offering

As discussed above, the aggregate disclosure that an issuer would be required to provide under the Exemption, in combination with its continuous disclosure obligations, is comparable to a short form prospectus. However, as compared to a prospectus, the Exemption has lower standards of statutory liability and less gatekeeper involvement which may result in reduced incentives for issuers to ensure that their disclosure obligations have been met. Accordingly, while the amount of disclosure under the Exemption may be comparable to that required under a prospectus, the quality of the disclosure may be reduced and there may be a higher likelihood of a misrepresentation. The potential reduction in the quality of disclosure may also affect the investors purchasing in the secondary market, since the disclosure will be filed publicly.

The possible negative effects on disclosure are offset by the following:

- The Exemption permits issuers to raise relatively small amounts of capital; generally, the lesser of 10% of the issuer's market capitalization and \$10 million. The limits on capital raising are consistent with the intent of the proposed exemption which is to provide issuers with an alternative avenue to raise funds to continue their normal course of business. Since larger transformative transactions cannot be financed under the Exemption, investors should be primarily relying on information in the issuer's continuous disclosure record. Accordingly, we expect that the supplemental disclosure provided in the offering document required under the Exemption will be short and more in the nature of an update, rather than an extensive document containing large amounts of material disclosure.

⁶ The disclosure requirements under the offering memorandum (OM) prospectus exemption under section 2.9 of NI 45-106 and the rights offering prospectus exemption are comparable to those under the proposed exemption. However, the OM exemption is not generally used by reporting issuers. Given the annual limits of the Exemption it is unlikely that it would be an effective alternative to a rights offering.

- An offering document prepared under the Exemption would be a “core document” and thus subject to statutory liability for secondary market disclosure which should provide incentives for the issuer to exercise diligence in their disclosure.
- Investors who purchase securities under the Exemption would have a contractual right of rescission against the issuer which provides investors with the right to have their full investment returned in the event of a misrepresentation in the disclosure required under the Exemption.

Impact on disclosure to investors compared to purchases in the secondary market

An issuer’s continuous disclosure record is considered sufficient to support informed trading of listed securities on a Canadian stock exchange. The Exemption is primarily limited to offering securities of the same class that trade on a recognised exchange in Canada. The disclosure available to purchasers under the Exemption is more comprehensive than the disclosure available to investors trading in the secondary market. This is because the Exemption includes supplementary disclosure requirements which are intended to address that fact that investors are purchasing from the issuer of the securities, rather than a third party with no informational advantage regarding the securities. The additional disclosure provided pursuant to the Exemption would be filed publicly and should therefore also benefit other investors and stakeholders interested in the issuer’s securities.

Impact on disclosure to investors compared to a prospectus exempt offering

As discussed above, the disclosure requirements of the Exemption are higher than the requirements of other commonly used prospectus exemptions. Accordingly, to the extent that the Exemption is used as a substitute for other prospectus exemptions, there will be an overall improvement in disclosure for purchasers under the Exemption and the market generally.

It is not possible to predict the overall impact of the introduction of the Exemption on disclosure or investor protection. However, given the small number of short form prospectus offerings for financings in the range permitted under the Exemption, we expect that the potentially reduced quality of disclosure compared to prospectus offerings will be offset by the more extensive and timely disclosure provided by issuers under the Exemption as compared with other exempt market offerings or as made available pursuant to the issuer’s continuous disclosure obligations.

Potential impact on market trading

As noted above, the fact that securities distributed under the Exemption would be freely tradeable may lead to an increase in short-term market volatility due to an increase in short-term investor participation in offerings. To address this concern, the CSA Proposed Amendments include companion policy guidance noting that purchasers who purchase securities under the Exemption with an intention to immediately resell the securities in the secondary market should consider whether (i) the transactions would be considered a single distribution, (ii) the person reselling the securities would fall under the definition of underwriter in securities legislation and (iii) the reseller is required to be registered.

d) *Conclusion*

As set out above, although there will be costs associated with an issuer relying on the Exemption:

- an issuer is not required to rely on the Exemption,
- the costs of using the Exemption may be less than the costs of existing alternative capital raising methods, and
- the costs, to an Issuer, of using the Exemption are outweighed by the benefits associated with the Exemption.

Due to the broader accessibility to retail investors, retail investors may be able to access investments in reporting issuers that were previously unavailable to them. The risks to retail investors that participate in an offering under the Exemption are mitigated by the offering limits, the disclosure in the offering document and the secondary market and contractual liability provisions.

6. Alternatives Considered

The CSA considered maintaining the status quo.

We think that it is important to propose changes rather than maintain the status quo. Importantly, we received stakeholder feedback that the time and cost to prepare a short form prospectus may be an impediment to capital raising, particularly for smaller issuers, and that a reporting issuer’s continuous disclosure record should be leveraged to support more cost-effective capital raising. We are of the view that the CSA Proposed Amendments respond to the stakeholder feedback and would increase market efficiency while ensuring investor protection.

7. Comments

In addition to your comments on all aspects of the CSA Proposed Amendments and the Local Amendment, the Commission seeks specific feedback on the following:

The Capital Markets Modernization Taskforce Final Report dated January 2021 (the **Taskforce Report**) included a recommendation to introduce a prospectus exemption similar to what is being proposed by the CSA Proposed Amendments. The Taskforce Report suggested that issuers who adopt semi-annual reporting should not be permitted to use the prospectus exemption recommended in the Taskforce Report.

If the CSA were to adopt a semi-annual reporting regime should we consider excluding issuers who report semi-annually from using the Exemption? We note that on May 20, 2021, the CSA published a Notice and Request for Comment seeking feedback on a proposed framework for semi-annual reporting for venture issuers on a voluntary basis.⁷

8. Rule-making Authority

The following provisions of the Act provide the Commission with the authority to adopt the CSA Proposed Amendments and the Local Amendment:

- Paragraph 20 of subsection 143(1) of the Act authorizes the Commission to make rules that prescribe exemptions from the prospectus requirement in the Act;
- Paragraph 49 of subsection 143(1) of the Act authorizes the Commission to make rules to permit or require methods of filing or delivery of documents to or by issuers; and
- Paragraph 55.1 of subsection 143(1) of the Act authorizes the Commission to prescribe documents for the purposes of the definition of “core document” in subsection 138.1(1) of the Act.

9. Reliance on Unpublished Studies

The Commission is not relying on any unpublished study, report or other written material in proposing the CSA Proposed Amendments and the Local Amendment.

⁷ CSA Notice and Request for Comment Proposed Amendments to National Instrument 51-102 *Continuous Disclosure Obligations* and Other Amendments and Changes Relating to Annual and Interim Filings of Non-Investment Fund Reporting Issuers – and – Seeking Feedback on a Proposed Framework for Semi-Annual Reporting – Venture Issuers on a Voluntary Basis.

**PROPOSED AMENDMENTS TO
ONTARIO SECURITIES COMMISSION RULE 11-501
ELECTRONIC DELIVERY OF DOCUMENTS TO THE ONTARIO SECURITIES COMMISSION**

1. *Ontario Securities Commission Rule 11-501 Electronic Delivery of Documents to the Ontario Securities Commission is amended by this Instrument.*
2. *Appendix A is amended by inserting the following rows to the table immediately following the row "45-106 s.4.1(4)":*

45-106F[x]	Form 45-106F[x] <i>Listed Issuer Financing Document</i>
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3. This instrument comes into force on *.

1.3 Notices of Hearing with Related Statements of Allegations

1.3.1 Jiubin Feng and CIM International Group Inc. – ss.127, 127.1

FILE NO.: 2021-27

IN THE MATTER OF
JIUBIN FENG AND
CIM INTERNATIONAL GROUP INC.

NOTICE OF HEARING
Sections 127 and 127.1 of the *Securities Act*, RSO 1990, c S.5

PROCEEDING TYPE: Enforcement Proceeding

HEARING DATE AND TIME: August 11, 2021 at 10:00 a.m.

LOCATION: By Teleconference

PURPOSE

The purpose of this proceeding is to consider whether it is in the public interest for the Commission to make the order requested in the Statement of Allegations filed by Staff of the Commission on July 19, 2021.

The hearing set for the date and time indicated above is the first attendance in this proceeding, as described in subsection 5(1) of the Commission's *Practice Guideline*.

REPRESENTATION

Any party to the proceeding may be represented by a representative at the hearing.

FAILURE TO ATTEND

IF A PARTY DOES NOT ATTEND, THE HEARING MAY PROCEED IN THE PARTY'S ABSENCE AND THE PARTY WILL NOT BE ENTITLED TO ANY FURTHER NOTICE IN THE PROCEEDING.

FRENCH HEARING

This Notice of Hearing is also available in French on request of a party. Participation may be in either French or English. Participants must notify the Secretary's Office in writing as soon as possible if the participant is requesting a proceeding be conducted wholly or partly in French.

AVIS EN FRANÇAIS

L'avis d'audience est disponible en français sur demande d'une partie, 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 dès que possible si le participant demande qu'une instance soit tenue entièrement ou partiellement en français.

Dated at Toronto this 21st day of July, 2021.

"Robert Blair"
for Grace Knakowski
Secretary to the Commission

For more information

Please visit www.osc.ca or contact the Registrar at registrar@osc.gov.on.ca.

**IN THE MATTER OF
JIUBIN FENG AND
CIM INTERNATIONAL GROUP INC.**

STATEMENT OF ALLEGATIONS
(Section 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c S.5)

A. Overview

1. Issuers and individuals who flagrantly disregard representations made to investors about the use of their funds violate investors' trust and expose investors to risks not contemplated by them. This proceeding involves a reporting issuer and its directing mind who raised capital from investors and then fraudulently disregarded the representations made to investors about how their funds would be used. When an investment is solicited from the public for a specific purpose, investors' funds must be used for that purpose.
2. Between December 2017 and November 2018 (the **Material Time**), CIM International Group Inc. (**CIM**) and its directing mind, Jiubin aka "Jerry" Feng (**Feng**), defrauded 36 investors (the **Investors**) from Ontario, Hong Kong and the United Kingdom by using their funds for purposes other than what the Investors were told. During the Material Time, CIM raised \$10 million (the **Proceeds**) from the Investors through a private placement of three-year debentures (the **Offering**). Feng, who was a real estate developer, and CIM told the Investors that CIM would loan the Proceeds (the **Proceeds Loan**) to Bayview Creek (CIM) LP (**Bayview Creek LP**), part of a real estate project controlled by Feng, to finance the development of townhouses at 10747 Bayview Avenue in Richmond Hill, Ontario (the **Bayview Creek Project**).
3. CIM did make the Proceeds Loan to Bayview Creek LP. However, without the Investors' knowledge or approval, Feng diverted at least \$3.39 million of the Proceeds to other real estate projects controlled by him (each a **Feng Project**) or back to CIM. These diverted funds were principally used to service debts of other Feng Projects or were used by CIM to pay its operating expenses and/or to make investments in or loans to other Feng Projects.
4. Other than in one instance, CIM has not repaid or is unlikely to repay the Investors the principal of their investments. CIM's securities have been subject to a cease trade order (**CTO**) since June 22, 2020.

B. Facts

5. Staff of the Enforcement Branch (**Enforcement Staff**) of the Ontario Securities Commission (the **Commission**) make the following allegations of fact:
6. Feng, his family, and his business associates (the **Feng Group**) took control of CIM by obtaining approximately 86% of CIM's shares through a reverse take-over (**RTO**) in April 2016. During the Material Time, Feng was an indirect shareholder in CIM, served as Chairman of its Board of Directors and as its CEO and was also the president of CIM for a brief period.
7. CIM's only significant business activity since the RTO has been making investments in or loans to Feng Projects. At all relevant times, Feng controlled all aspects of CIM's investing and lending activities with respect to the Feng Projects.
8. Throughout 2017, Feng and CIM contemplated raising money from the public through a private placement to provide funds to Feng Projects. The Feng Projects were all indebted through mortgages, private debts or a combination of the two and regularly needed cash to meet their obligations.

Feng and CIM Solicit Investments and Tell Investors Their Funds are for the Bayview Creek Project

9. Feng and CIM began soliciting investments in December 2017. CIM issued a press release on December 6, 2017 announcing that it would seek to raise funds through a placement of secured debentures that would bear interest at a rate of 13.5% per year. CIM announced it would use the proceeds to make an interest-bearing loan to Bayview Creek LP and that the interest from Bayview Creek LP would "provide additional interest coverage" that would be available to CIM to repay potential investors.
10. Feng and other CIM representatives met with prospective investors commencing in December 2017. Many prospective investors were provided with CIM marketing materials that touted CIM's trustworthiness and integrity. Feng and CIM represented in meetings and/or in the marketing materials that the Investors' funds would be used to finance the Bayview Creek Project. The marketing materials described the Bayview Creek Project as involving the construction of 226 townhouses in two phases with on-site infrastructure work and construction on phase one to begin in the fall of 2018.
11. CIM's board of directors, including Feng, approved the Offering on January 2, 2018 and February 1, 2018. Between February and August 2018, CIM raised the Proceeds in tranches. All of the Investors executed subscription agreements with CIM which stated that the Proceeds would be loaned by CIM to Bayview Creek LP "to finance the Bayview Creek [Project] located at 10747 Bayview Avenue, Richmond Hill, Ontario".

CIM Loans the Proceeds of the Offering to Bayview Creek LP

12. CIM made the Proceeds Loan to Bayview Creek LP in tranches between February 7, 2018 and August 8, 2018. Bayview Creek LP issued debenture certificates signed by Feng to CIM to reflect the Proceeds Loan.
13. The Proceeds Loan bore interest at a rate of 20% per year payable semi-annually. Bayview Creek LP did in fact pay such interest to CIM through the first half of 2019.

Feng and CIM Divert the Proceeds to CIM and to Other Feng Projects

14. Despite the representations made by Feng and CIM to the Investors about the use of the Proceeds, Bayview Creek LP did not use all of the Proceeds to finance the Bayview Creek Project. In fact, at least \$3.39 million of the Investors' funds were (i) loaned back to CIM by Bayview Creek LP to cover CIM's operating expenses or for CIM to invest in or loan to other Feng Projects, or (ii) were transferred directly by Bayview Creek LP to other Feng Projects.
15. Feng was aware of and directed the diversion and misuse of the Proceeds. Feng was the directing mind of CIM at all relevant times, as noted above. Feng was also the directing mind of Bayview Creek LP and the Bayview Creek Project. Feng beneficially owned 52% of the Bayview Creek Project through his interest in Bayview Creek LP, owned 100% of the general partner of Bayview Creek LP, and had signing authority over Bayview Creek LP's bank account.
16. The other Feng Projects that received the Investors' funds from Bayview Creek LP and/or CIM included a real estate project on a 1,126-acre site near the town of Port McNicoll (the **Port McNicoll Project**), a real estate project at 3000-3020 Kennedy Road in Toronto (the **Valleyview Project**), a real estate project at 6910 and 6950 Highway 7, Markham (the **Hwy 7 Project**), and the Victoria Harbour Golf and Country Club (**VHGCC**) in Victoria Harbour. Feng was the sole owner of the general partner of the Bayview Creek Project, the Port McNicoll Project and the Valleyview Project, respectively. In addition, since March 23, 2017, Feng has been a director and president of CIM International Development Inc. (the **Project Manager**), which was the management company for each Feng Project. Feng became the sole owner of the Project Manager on or around May 31, 2018.
17. These Feng Projects used the Investors' funds to repay principal and interest on their outstanding debts.
18. Feng and CIM's conduct as described above constitutes fraud.

CIM and Bayview Creek LP Offset their Indebtedness

19. The Investors are unlikely to be paid their principal and interest owing on their investments as a result of simultaneous borrowing between CIM and Bayview Creek LP and the offsetting of these debts by Feng.
20. CIM began borrowing funds from Bayview Creek LP shortly after the RTO occurred. CIM continued to borrow funds from Bayview Creek LP in 2017 and 2018, even while CIM undertook the Offering and made the Proceeds Loan to Bayview Creek LP.
21. By June 30, 2019, CIM's debt to Bayview Creek LP was nearly as large as Bayview Creek LP's debt to CIM, and Feng caused CIM and Bayview Creek LP to offset their indebtedness to each other.
22. This offset of debts correspondingly reduced Bayview Creek LP's interest obligations to CIM. Without the interest payments from Bayview Creek LP on the Proceeds Loan, CIM was unable to pay interest to the Investors and it has defaulted on interest payments owing to the Investors since December 16, 2019.
23. CIM reported current assets of \$5,184 and revenue of \$115,461 on its audited financial statements for the year ended December 31, 2019, the last period for which audited financial statements were filed.

C. Breaches of Ontario Securities Law and Conduct Contrary to the Public Interest

24. Enforcement Staff allege the following breaches of Ontario securities law and conduct contrary to the public interest:
 25. By telling the Investors that their funds would be used to finance the Bayview Creek Project, and then using at least \$3.39 million of the Proceeds to pay CIM's operating expenses or finance other Feng Projects, Feng and CIM exposed the Investors to risks that were not disclosed to them, put the Investors' pecuniary interests at risk and, in most cases, caused actual losses to the Investors.
 26. In doing so, Feng and CIM engaged or participated in an act, practice or course of conduct relating to securities that they knew or reasonably ought to have known perpetrated a fraud on any person or company, contrary to subsection 126.1(1)(b) of the *Securities Act*, RSO 1990, c S.5 (the **Act**).
 27. Feng authorized, permitted or acquiesced in the contravention of subsection 126.1(1)(b) of the Act by CIM described above and is deemed to have failed to comply with Ontario securities law pursuant to section 129.2 of the Act.

28. In addition to constituting a breach of subsection 126.1(1)(b) of the Act, Feng and CIM's conduct described above violates the fundamental purposes and principles of the Act as set out in sections 1.1 and 2.1 of the Act and is conduct contrary to the public interest. Specifically, it was contrary to the public interest for Feng and CIM to communicate to the Investors that their funds would be used to finance the Bayview Creek Project, and then to divert at least \$3.39 million of their funds to CIM and other Feng Projects as such conduct exposed the Investors to fraudulent practices.

D. Order Sought

29. Enforcement Staff request that the Commission make the following orders:

- a) that Feng and CIM cease trading in any securities or derivatives permanently or for such period as is specified by the Commission under paragraph (2) of subsection 127(1) of the Act;
- b) that trading in any securities or derivatives of CIM cease permanently or for such period as specified by the Commission under paragraph (2) of subsection 127(1) of the Act;
- c) that the Respondents be prohibited from acquiring any securities permanently or for the period specified by the Commission under paragraph (2.1) of subsection 127(1) of the Act;
- d) that any exemption contained in Ontario securities law do not apply to the Respondents permanently or for such period as is specified by the Commission under paragraph (3) of subsection 127(1) of the Act;
- e) that the Respondents be reprimanded under paragraph (6) of subsection 127(1) of the Act;
- f) that Feng resign any position he may hold as director or officer of any issuer under paragraph (7) of subsection 127(1) of the Act;
- g) that Feng be prohibited from acting as a director or officer of any issuer permanently, or for such period as is specified by the Commission under paragraph (8) of subsection 127(1) of the Act;
- h) that Feng resign any position he may hold as a director or officer of any registrant under paragraph (8.1) of subsection 127(1) of the Act;
- i) that Feng be prohibited from acting as a director or officer of any registrant permanently or for such period as is specified by the Commission under paragraph (8.2) of subsection 127(1) of the Act;
- j) that the Respondents be prohibited from becoming or acting as a registrant or promoter permanently or for such period as is specified by the Commission under paragraph (8.5) of subsection 127(1) of the Act;
- k) that each of Feng and CIM pay an administrative penalty of not more than \$1 million for each failure to comply with Ontario securities law under paragraph (9) of subsection 127(1) of the Act;
- l) that the Respondents disgorge to the Commission any amounts obtained as a result of non-compliance with Ontario securities law, under paragraph (10) of subsection 127(1) of the Act;
- m) that the Respondents pay costs of the Commission investigation and hearing, under section 127.1 of the Act; and
- n) such other order as the Commission may consider appropriate in the public interest.

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

Dated this 19th day of July, 2021

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

Adam Gotfried
Senior Litigation Counsel
agotfried@osc.gov.on.ca
Tel: 416.263.7680
Staff of the Enforcement Branch

1.4 Notices from the Office of the Secretary

1.4.1 Jiubin Feng and CIM International Group Inc.

**FOR IMMEDIATE RELEASE
July 21, 2021**

**JIUBIN FENG AND
CIM INTERNATIONAL GROUP INC.,
File No. 2021-27**

TORONTO – The Office of the Secretary issued a Notice of Hearing on July 21, 2021 setting the matter down to be heard on August 11, 2021 at 10:00 a.m. or as soon thereafter as the hearing can be held in the above named matter.

A copy of the Notice of Hearing dated July 21, 2021 and Statement of Allegations dated July 19, 2021 are available at www.osc.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For Media Inquiries:

media_inquiries@osc.gov.on.ca

For General Inquiries:

1-877-785-1555 (Toll Free)
inquiries@osc.gov.on.ca

1.4.2 Aurelio Marrone

**FOR IMMEDIATE RELEASE
July 23, 2021**

**AURELIO MARRONE,
File No. 2020-16**

TORONTO – Take notice that additional merits hearing dates in the above named matter are scheduled to be heard on October 28 and 29, 2021 at 10:00 a.m. on each day.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For Media Inquiries:

media_inquiries@osc.gov.on.ca

For General Inquiries:

1-877-785-1555 (Toll Free)
inquiries@osc.gov.on.ca

1.4.3 Daniel Sheehan

**FOR IMMEDIATE RELEASE
July 23, 2021**

**DANIEL SHEEHAN,
No. 2020-38**

TORONTO – The Commission issued an Order in the above named matter.

A copy of the Order dated July 23, 2021 is available at www.osc.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For Media Inquiries:

media_inquiries@osc.gov.on.ca

For General Inquiries:

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inquiries@osc.gov.on.ca

1.4.4 First Global Data Ltd. et al.

**FOR IMMEDIATE RELEASE
July 26, 2021**

**FIRST GLOBAL DATA LTD.,
GLOBAL BIOENERGY RESOURCES INC.,
NAYEEM ALLI,
MAURICE AZIZ,
HARISH BAJAJ, AND
ANDRE ITWARU,
File No. 2019-22**

TORONTO – Take notice that the oral closing submissions in the merits hearing in the above named matter scheduled to be heard on August 13 and 16, 2021 will not proceed as scheduled.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For Media Inquiries:

media_inquiries@osc.gov.on.ca

For General Inquiries:

1-877-785-1555 (Toll Free)
inquiries@osc.gov.on.ca

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 CIBC Asset Management Inc. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted to open-ended mutual funds for extensions of lapse date of their Prospectus Documents – Filer is holding a unitholder meeting for approval of a fixed administration fee and will incorporate this new fee in the renewal Prospectus Documents – Extensions of the lapse date will not affect the currency or accuracy of the information contained in the Prospectus Documents – Relief granted under subsection 62(5) of the Securities Act to permit the extension of 31 days.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 62(5).

July 22, 2021

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
CIBC ASSET MANAGEMENT INC.
(the Filer)

AND

IN THE MATTER OF
RENAISSANCE INVESTMENTS FAMILY OF FUNDS,
AXIOM PORTFOLIOS AND
RENAISSANCE PRIVATE POOLS AS SET OUT IN ANNEX A
(collectively, the Funds and individually, a Fund)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Funds for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) that the time limits for the renewal of the simplified prospectus, annual information form and fund facts documents of the Funds (the **Prospectus Documents**) be extended to those time limits that would apply as if the lapse date was August 27, 2021 (the **Exemption Sought**).

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

- (a) the Ontario Securities Commission is the principal regulator for this application; and
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 - *Passport System* (**MI 11-102**) is intended to be relied upon in British-Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New-Brunswick,

Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon, Northwest Territories and Nunavut (together with Ontario, the **Jurisdictions**).

Interpretation

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

Representations

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

The Filer

1. The Filer is a corporation incorporated under the laws of Canada and has its head office in Toronto, Ontario.
2. The Filer acts as the investment fund manager of the Funds and is registered as an investment fund manager in each of the provinces of Quebec, Ontario and Newfoundland and Labrador.
3. Neither the Filer nor the Funds are in default of securities legislation in any of the Jurisdictions.

The Funds

4. The Funds are open-ended mutual funds established as trusts under the laws of Ontario.
5. Securities of the Funds are currently qualified for distribution in each of the Jurisdictions under the current Prospectus Documents of the Funds dated July 27, 2020, as amended on August 6, 2020, November 5, 2020, and May 27, 2021.
6. The Funds are reporting issuers under the laws of each jurisdiction of Canada.
7. The lapse date for the current Prospectus Documents is July 27, 2021 (the **Current Lapse Date**). Accordingly, pursuant to section 62(1) of the *Securities Act* (Ontario) (R.S.O. 1990, c. S.5), the distribution of securities of the Funds would have to cease on the Current Lapse Date unless : i) a pro forma simplified prospectus is filed at least 30 days prior to the Current Lapse Date (i.e. by June 27, 2021); ii) a final simplified prospectus is filed no later than 10 days after the Current Lapse Date (i.e. August 6, 2021); and iii) a receipt for the final simplified prospectus is obtained within 20 days after the Current Lapse Date (i.e. by August 16, 2021).

The Fixed Administration Fee Proposal

8. The Filer is proposing to introduce a fixed administration fee for each class of the Funds (other than class O and Class OH, as applicable), replacing the current variable operating expenses being charged to the Funds (the **Fixed Administration Fee Proposal**).
9. Amendments dated May 27, 2021 to the simplified prospectus, annual information form and fund facts of the Funds have been filed on SEDAR, disclosing the Fixed Administration Fee Proposal.
10. Special meetings of unitholders of certain classes (the **Voting Classes**) of each Fund will be held on or about July 30, 2021 to consider the Fixed Administration Fee Proposal (a **Special Meeting** or collectively, the **Special Meetings**) with unitholders of the Voting Classes voting together as a Fund. If quorum for a Special Meeting is not present, then the Special Meeting will be adjourned and such adjourned Special Meeting will be held on August 3, 2021.
11. The introduction of the fixed administration fee, if approved, shall be effective on or about September 1, 2021. If the Fixed Administration Fee Proposal for a particular Fund does not receive the necessary unitholder approval, the Fund will continue to bear its own operating expenses.

Reasons for Exemption Sought

12. The Filer wishes to extend the lapse date of the current Prospectus Documents to provide it with sufficient time to adequately reflect the applicable fees that will be charged to each Fund based on the voting results of the Special Meetings and undertake the necessary internal and auditors review.
13. Given the Current Lapse Date, an extension of the Current Lapse Date to August 27, 2021 is minimal and is not disadvantageous to the Funds' investors.
14. Because the Filer does not know whether it will obtain unitholder approval for all of the Funds at the Special Meetings, it has filed a proforma Prospectus Documents on July 8, 2021, which reflects the Fixed Administration Fee Proposal and

Decisions, Orders and Rulings

the proposed fixed administration fee in respect of all the Funds, and proposes that, after the Special Meetings (or any adjourned Special Meeting), it will file the final Prospectus Documents.

15. Since the date of the current Prospectus Documents, no undisclosed material change has occurred in respect of the Funds. Accordingly, the current Prospectus Documents continue to provide up-to-date information regarding the Funds.
16. Given the disclosure obligations of the Funds, should a material change in the affairs of the Funds occur, the current Prospectus Documents will be amended as required under applicable legislation.
17. New investors in the Funds will receive delivery of the most recently filed fund facts documents of the applicable Funds and the current Prospectus Documents of the Funds will remain available to investors upon request.
18. The Filer submits the Exemption Sought will not affect the accuracy of the information contained in the current Prospectus Documents of the Funds, and therefore will not be prejudicial to the public interest.

Decision

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

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

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

Application File #: 2021/0395

Annex A

The Funds

Renaissance Investments family of funds

Renaissance Canadian All-Cap Equity Fund
Renaissance Canadian Balanced Fund
Renaissance Canadian Bond Fund
Renaissance Canadian Core Value Fund
Renaissance Canadian Dividend Fund
Renaissance Canadian Growth Fund
Renaissance Canadian Monthly Income Fund
Renaissance Canadian Small Cap Fund
Renaissance Canadian T-Bill Fund
Renaissance China Plus Fund
Renaissance Corporate Bond Fund
Renaissance Diversified Income Fund
Renaissance Emerging Markets Fund
Renaissance Flexible Yield Fund
Renaissance Floating Rate Income Fund
Renaissance Global Bond Fund
Renaissance Global Focus Currency Neutral Fund
Renaissance Global Focus Fund
Renaissance Global Growth Currency Neutral Fund
Renaissance Global Growth Fund
Renaissance Global Health Care Fund
Renaissance Global Infrastructure Currency Neutral Fund
Renaissance Global Infrastructure Fund
Renaissance Global Markets Fund
Renaissance Global Real Estate Currency Neutral Fund
Renaissance Global Real Estate Fund
Renaissance Global Science and Technology Fund
Renaissance Global Small-Cap Fund
Renaissance Global Value Fund
Renaissance High Yield Bond Fund
Renaissance International Dividend Fund
Renaissance International Equity Currency Neutral Fund
Renaissance International Equity Fund
Renaissance High Income Fund
Renaissance Money Market Fund
Renaissance Optimal Conservative Income Portfolio
Renaissance Optimal Global Equity Currency Neutral Portfolio
Renaissance Optimal Global Equity Portfolio
Renaissance Optimal Growth & Income Portfolio
Renaissance Optimal Income Portfolio
Renaissance Optimal Inflation Opportunities Portfolio
Renaissance Real Return Bond Fund
Renaissance Short Term Income Fund
Renaissance U.S. Dollar Corporate Bond Fund
Renaissance U.S. Dollar Diversified Income Fund
Renaissance U.S. Equity Fund
Renaissance U.S. Equity Growth Currency Neutral Fund
Renaissance U.S. Equity Growth Fund
Renaissance U.S. Equity Income Fund
Renaissance U.S. Equity Value Fund
Renaissance U.S. Money Market Fund

Axiom Portfolios

Axiom All Equity Portfolio
Axiom Balanced Growth Portfolio
Axiom Balanced Income Portfolio

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Axiom Canadian Growth Portfolio
Axiom Diversified Monthly Income Portfolio
Axiom Foreign Growth Portfolio
Axiom Global Growth Portfolio
Axiom Long-Term Growth Portfolio

Renaissance Private Pools

Renaissance Canadian Equity Private Pool
Renaissance Canadian Fixed Income Private Pool
Renaissance U.S. Equity Private Pool
Renaissance U.S. Equity Currency Neutral Private Pool
Renaissance International Equity Private Pool
Renaissance Emerging Markets Equity Private Pool
Renaissance Global Bond Private Pool
Renaissance Ultra Short-Term Income Private Pool
Renaissance Equity Income Private Pool
Renaissance Multi-Sector Fixed Income Private Pool
Renaissance Multi-Asset Global Balanced Income Private Pool
Renaissance Multi-Asset Global Balanced Private Pool
Renaissance Global Equity Private Pool
Renaissance Real Assets Private Pool

2.1.2 Execution Access, LLC – s. 15.1 of NI 21-101, s. 12.1 of NI 23-101, s. 10 of NI 23-103

Headnote

Application for relief under s. 15.1 of National Instrument 21-101 Marketplace Operation, s. 12.1 of National Instrument 23-101 Trading Rules, and s. 10 of National Instrument 23-103 Electronic Trading and Direct Access to Marketplaces – relief from the application of all provisions of the Marketplace Rules that apply to a person or company carrying on business as an alternative trading system in the Jurisdictions – relief granted subject to terms and conditions.

July 22, 2021

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO, QUEBEC AND NOVA SCOTIA
(the Jurisdictions)

AND

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

AND

IN THE MATTER OF
EXECUTION ACCESS, LLC

DECISION

(Section 15.1 of NI 21-101 and section 12.1 of NI 23-101 and section 10 of NI 23-103)

WHEREAS the securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Makers**) has received an application (the **Application**) from Execution Access, LLC (**Execution Access**) requesting an order under Section 15.1 of National Instrument 21-101 – *Marketplace Operation* (**NI 21-101**), Section 12.1 of National Instrument 23-101 – *Trading Rules* (**NI 23-101**) and Section 10 of NI 23-103 – *Electronic Trading and Direct Access to Marketplaces* (**NI 23-103**) (together, the **Marketplace Rules**) exempting Execution Access from the application of all provisions of the Marketplace Rules that apply to a person or company carrying on business as an alternative trading system (**ATS**) in the Jurisdictions (the **Requested Relief**);

AND WHEREAS under National Policy 11-203 (for a coordinated review application):

- a) the Ontario Securities Commission is the principal regulator for this Application; and
- b) the decision is the decision of the principal regulator and evidences the decision of each other of the Decision Makers.

AND WHEREAS Execution Access has represented to the Decision Makers that:

1. Execution Access is a corporation existing under the laws of Delaware in the United States (**US**) with its head office located at 1177 Avenue of the Americas, New York, NY 10036.
2. Execution Access was an indirect wholly-owned subsidiary of Nasdaq Inc. (**Nasdaq**) up to the closing (the **Closing**) of the Sale Agreement (as defined below). Nasdaq operates a global network of electronic marketplaces which offer institutional, wholesale and retail market subscribers (**Subscribers**) access to trading in government bonds, mortgage securities, municipal bonds, credit and derivatives across a range of platforms.
3. Prior to the Closing, Execution Access facilitated trading in on-the-run US treasuries (**Treasuries**) through its Nasdaq Fixed Income (**NFI**) business (the **Platform**) and continues to do so for Canadian Subscribers.
4. Since 2013, Execution Access has, indirectly, provided certain Canadian entities operating in Ontario with access to the Platform. Such Canadian entities are able to trade all Treasuries which are available on the Platform.
5. The Ontario Securities Commission (the **OSC**) allowed Execution Access to continue to operate the Platform in Canada as a facility authorized under the exchange recognition order granted to Nasdaq CXC Limited (**Nasdaq Canada**).
6. In addition to the supplemental client agreements, an intercompany agreement was entered into between Nasdaq Canada and Execution Access in respect of the routing arrangement. Orders transmitted by a client located in Canada for Treasuries are routed to and executed by the Platform in accordance with the terms of the intercompany agreement.

7. On February 2, 2021, Nasdaq entered into a Purchase and Sale Agreement (the **Sale Agreement**) with Tradeweb Markets LLC (**Tradeweb**). Pursuant to the Agreement, Tradeweb agreed to purchase the NFI business, including the outstanding shares of Execution Access. The transaction closed on June 25, 2021. Until the Requested Relief is granted pursuant to this Order, Nasdaq Canada will play the role of “client-facing entity” for the NFI business and the intercompany agreement with Execution Access will be kept in place.
8. Since the Closing, NFI is called “Dealerweb Fixed Income”. Except as set out in the Application, Tradeweb expects to operate the NFI business and the Platform in the same manner as described in this Order.
9. The existing and prospective clients in the Jurisdictions (the **Canadian Subscribers**) are comprised only of institutional investors that qualify as permitted clients as that term is defined in Section 1.1 of National Instrument 31-103 - *Registration Requirements, Exemptions and Ongoing Registrant Obligations (NI 31-103)*.
10. Execution Access will confirm that each existing and prospective Canadian Subscriber participating on the Platform is an institutional investor that qualifies as a permitted client as such term is defined in section 1.1 of NI 31-103, by obtaining a representation from the Canadian Subscriber for access to the Platform in their onboarding documentation. The onboarding documentation will specify that this representation is deemed to be repeated by the Canadian Subscriber each and every time it enters an order for a trade on the Platform.
11. Execution Access proposes to rely on the “international dealer exemption” under section 8.18 of NI 31-103 in the Jurisdictions for any trading in securities with permitted clients located in the Jurisdictions. Execution Access is not registered in any capacity under the securities legislation of the Jurisdictions.
12. Execution Access is regulated and operating in the US as an ATS registered with the US Securities Exchange Commission (**SEC**) (SEC#: 8-68021) as a broker-dealer pursuant to Rule 301(b) of the *Regulation ATS under 1934 Securities Exchange Act* and is a member of the Financial Industry Regulatory Authority (**FINRA**) (CRD#: 148423), the US equivalent of the Investment Industry Regulatory Organization of Canada (**IIROC**). As such, Execution Access is subject to a comprehensive regulatory regime in the US and will remain subject to the same regulatory regime after the Closing.
13. Execution Access is not in default of securities legislation in any jurisdiction.
14. Execution Access does not have any offices or maintain other physical installations in the Jurisdictions or any other Canadian province or territory.
15. Execution Access provides institutional investors in the Jurisdictions with direct, electronic access to trading in Treasuries, and is therefore considered to be an ATS in the Jurisdictions, as defined in applicable securities legislation.
16. As an ATS, Execution Access is prohibited from carrying on business in the Jurisdictions unless it complies with, or is exempted from, the Marketplace Rules.
17. In order to obtain direct access to the Platform, a Canadian Subscriber must agree to abide by the Execution Access terms and conditions contained in Execution Access’s Subscriber Agreement.
18. Execution Access will also require Canadian Subscribers to sign a Subscriber Agreement agreeing to the terms and conditions of the use of the Platform, including clear and transparent access criteria and requirements for all market subscribers on the Platform to maintain the integrity of the Platform. Execution Access applies these criteria to all Subscribers in an impartial manner.
19. In addition to complying with the Subscriber Agreement and all applicable laws pertaining to the use of the Platform, prospective clients must also satisfy Execution Access’s credit, know-your customer and anti-money laundering verifications, suitability analyses and other account supervision procedures prior to being granted access to the Platform and on an ongoing basis in accordance with securities laws applicable in the Jurisdictions and Execution Access requirements.
20. Execution Access will only permit trading in Treasuries that are permitted to be traded in the US under applicable securities laws and regulations.
21. All trades on the Platform are for securities which are Trade Reporting and Compliance Engine (**TRACE**) eligible. Execution Access displays orders of Treasuries and provides accurate and timely information regarding orders. Additionally, Execution Access automatically reports all transactions to TRACE in a timely manner (within fifteen (15) minutes) via FIX or at month end as required under FINRA Rule 6723, and would report transactions of Canadian Subscribers in the same manner as it reports US-based Subscriber trades. Trade information is consistent with FINRA TRACE reporting standards. Execution Access’s reporting does not absolve any Subscriber of their own regulatory reporting requirements. Execution Access is a FINRA TRACE reporting firm and as such, these transactions are reported

to TRACE on an anonymized basis, identifying only that it was a "customer" that traded with Execution Access. Execution Access's market participant identifier is "NFIT" and, after the closing of the Sale Agreement, Execution Access's market participant identifier is expected to be updated.

AND WHEREAS the Decision Makers will monitor developments in international and domestic capital markets and Execution Access's activities on an ongoing basis to determine whether it is appropriate for the Decision Makers to continue to grant the Requested Relief and, if so, whether it is appropriate for the Requested Relief to continue to be granted subject to the terms and conditions set out in Schedule A to this Order;

AND WHEREAS Execution Access has acknowledged to the Decision Makers that the scope of the Requested Relief and the terms and conditions imposed by the Decision Makers set out in Schedule A to this Order may change as a result of its monitoring of developments in international and domestic capital markets or Execution Access's activities, or as a result of any changes to the laws in the Jurisdictions affecting trading in securities;

AND WHEREAS based on the Application, together with the representations made by, and acknowledgements of Execution Access to the Decision Makers, the Decision Makers have determined that the granting of the Requested Relief would not be prejudicial to the public interest;

IT IS HEREBY ORDERED by the Decision Makers that, pursuant to Section 15.1 of NI 21-101, section 12.1 of NI 23-101 and section 10 of NI 23-103, Execution Access is exempt from the requirement to comply with the Marketplace Rules;

PROVIDED THAT Execution Access complies with the terms and conditions attached hereto as Schedule A.

"Tracey Stern"
Manager, Market Regulation
Ontario Securities Commission

SCHEDULE A
TERMS AND CONDITIONS

Regulation and Oversight

1. Execution Access will continue to be subject to the regulatory oversight of its home regulator;
2. Execution Access will either be registered in an appropriate category or rely on an exemption from registration under Canadian securities laws;
3. Execution Access will promptly notify the Decision Makers if its status in its home jurisdiction has been revoked, suspended, or amended, or the basis on which its status has significantly changed;

Access

4. Execution Access will not provide direct access to a Canadian Subscriber unless the Canadian Subscriber is a permitted client as that term is defined in National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations*;
5. Execution Access will require Canadian Subscribers to provide prompt notification to Execution Access if they no longer qualify as permitted clients;
6. Execution Access must make available to Canadian Subscribers appropriate training for each person who has access to trade on the Platform;

Trading by Canadian Subscribers

7. Execution Access will permit Canadian Subscribers to only trade Treasuries as described in this Order;
8. Trading on the Platform by Canadian Subscribers must be cleared and settled through a direct clearing member of Fixed Income Clearing Corporation (**FICC**), a clearing agency that is regulated by the clearing agency's applicable regulator or on Fedwire, the Federal Reserve Bank securities settlement network, through such clearing member of FICC, clearing agency or recognized "Depository Institution" such as BNY Mellon.
9. Execution Access will permit Canadian Subscribers to only trade those securities which are permitted to be traded in the United States under applicable securities laws and regulations;
10. Execution Access will automatically report all transactions of Canadian Subscribers to TRACE in a timely manner (within fifteen (15) minutes via FIX). This trade information is consistent with FINRA TRACE reporting standards;

Reporting

11. Execution Access will promptly notify staff of the Decision Makers of any of the following:
 - a. within 60 days of implementation, any material change to its business or operations or the information provided in its application for exemptive relief, including, but not limited to:
 - i. changes to its regulatory oversight;
 - ii. the access model, including eligibility criteria, for Canadian Subscribers;
 - iii. systems and technology; and
 - iv. its clearing and settlement arrangements;
 - b. any material change in its regulations or the laws, rules, and regulations in the home jurisdiction relevant to the products traded;
 - c. any known investigations of, or regulatory action against, Execution Access by its home regulator or any other regulatory authority to which it is subject;
 - d. any matter known to Execution Access that may affect its financial or operational viability, including, but not limited to, any significant system failure or interruption; and
 - e. any default, insolvency, or bankruptcy of any Subscriber known to Execution Access or its representatives that may have a material, adverse impact upon the ATS or any Canadian Subscriber;

12. Execution Access will maintain the following updated information and submit such information in a manner and form acceptable to staff of the Decision Makers on a bi-annual basis (within 30 days of the end of each six-month period), and at any time promptly upon the request of staff of the Decision Makers:
- a. a current list of all Canadian Subscribers, organized on a per province basis, specifically identifying for each Canadian Subscriber the basis upon which it represented to Execution Access that it could be provided with direct access;
 - b. a list of all Canadian applicants for status as a Canadian Subscriber on a per province basis who were denied such status or access or who had such status or access revoked during the period;
 - c. for those Canadian applicants for status as Canadian Subscribers who had their access to such status denied, an explanation as to why their access was denied;
 - d. for those Canadian Subscribers who had their status revoked, an explanation as to why their status was revoked;
 - e. for each product:
 - f. the total trading volume and value originating from Canadian Subscribers, presented on a per province basis, and
 - g. the proportion of worldwide trading volume and value on the Platform conducted by Canadian Subscribers, presented in the aggregate for such Canadian Subscribers on a per province basis; and
 - h. a list of any system outages that occurred for any system impacting Canadian Subscribers' trading activity on the Platform which were reported to the home regulator;

Disclosure

13. Execution Access will provide to its Canadian Subscribers disclosure that states that:
- a. rights and remedies against it may only be governed by the laws of the home jurisdiction, rather than the laws of Canada, and may be required to be pursued in the home jurisdiction rather than in Canada;
 - b. the rules applicable to trading on Execution Access may be governed by the laws of the home jurisdiction, rather than the laws of Canada; and
 - c. Execution Access is regulated by the regulator in the home jurisdiction, rather than the Decision Makers;

Submission to Jurisdiction and Appointment of Agent for Service

14. With respect to a proceeding brought by the Decision Makers arising out of, related to, concerning, or in any other manner connected with the Decision Makers' regulation and oversight of the activities of Execution Access in Canada, Execution Access will submit to the non-exclusive jurisdiction of (i) the courts and administrative tribunals of Canada, and (ii) an administrative proceeding in Canada;
15. Execution Access will submit to the Decision Makers a valid and binding appointment of an agent for service in Canada upon which the Decision Makers may serve a notice, pleading, subpoena, summons, or other process in any action, investigation, or administrative, criminal, quasi-criminal, penal, or other proceeding arising out of or relating to or concerning the Decision Maker's regulation and oversight of Execution Access's activities in Canada;

Information Sharing

16. Execution Access must, and must cause its affiliated entities, if any, to promptly provide to the Decision Makers, on request, any and all data, information, and analyses in the custody or control of Execution Access or any of its affiliated entities, without limitations, redactions, restrictions or conditions, including, without limiting the generality of the foregoing:
- a. data, information, and analyses relating to all of its or their businesses; and
 - b. data, information, and analyses of third parties in its or their custody or control; and
17. Execution Access must share information and otherwise cooperate with other recognized or exempt exchanges, recognized self-regulatory organizations, recognized or exempt clearing agencies, investor protection funds, and other appropriate regulatory bodies.

2.1.3 Clear Street LLC

Headnote

U.S. registered broker-dealer exempted from the dealer registration requirement in subsection 25(1) of the Act to permit its provision of certain prime brokerage services (which do not include the execution of trades) – Exemption limited to trades in “Canadian securities” (which the decision defines as a security that is not a “foreign security” as that term is defined in subsection 8.18(1) of NI 31-103) for certain (institutional) permitted clients – Exemption is subject to a 5-year sunset clause.

Applicable Legislative Provisions

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 1(1), 19, 19(1), 19(2), 25(1), 74(1).

Instruments Cited

Multilateral Instrument 11-102 Passport System, ss. 4.4(c), 4.7, 4.7(1).

National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 1.1, 8.5, 8.18, 8.18(1), 8.18(2), 8.21, Form 31-103F1 Calculation of Excess Working Capital.

National Instrument 81-102 Investment Funds, Part 6.

Ontario Securities Commission Rule 13-502 Fees.

July 26, 2021

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
CLEAR STREET LLC
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer (the **Application**) for a decision under the securities legislation of the Jurisdiction (the **Legislation**) exempting the Filer from the dealer registration requirement in respect of Prime Services (as defined below) relating to Canadian securities (as defined below) that are provided in Canada to Institutional Permitted Clients (as defined below) (the **Exemption Sought**).

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

- (a) the Ontario Securities Commission (**OSC**) is the principal regulator for this Application, and
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia and Quebec (the **Passport Jurisdictions** and, together with the Jurisdiction, the **Jurisdictions**).

Interpretation

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

For the purposes of this decision, the following terms have the following meanings:

“**Canadian security**” means a security that is not a foreign security;

“**foreign security**” has the meaning ascribed to that term in subsection 8.18(1) of NI 31-103;

“**Institutional Permitted Client**” means a “permitted client” as defined in section 1.1 of NI 31-103, except for: (a) an individual, (b) a person or company acting on behalf of a managed account of an individual, (c) a person or company referred to in paragraph (p) of that definition unless that person or company qualifies as an Institutional Permitted Client under another paragraph of that definition, or (d) a person or company referred to in paragraph (q) of that definition unless that person or company has net assets of at least \$100 million as shown on its most recently prepared financial statements or qualifies as an Institutional Permitted Client under another paragraph of that definition.

“**OSA**” means the *Securities Act* (Ontario).

“**Prime Services**” means any of the following: (a) settlement, clearing and custody of trades, client cash and securities positions; (b) financing of long inventory; (c) lending and delivering securities on behalf of a client pursuant to a margin agreement to facilitate client short sales; (d) securities borrowing and/or lending pursuant to a securities lending agreement; (e) asset servicing, and (f) reporting of positions, margin and other balances and activity. For greater clarity, Prime Services do not include execution of trades in securities.

Representations

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

1. The Filer is a limited liability company formed under the laws of the State of Delaware. The head office of the Filer is in New York, New York, United States of America (**U.S.**). The Filer is a wholly owned subsidiary of Clear Street Holdings, LLC.
2. The Filer is registered as a broker-dealer with the SEC and is a member of the Financial Industry Regulatory Authority (**FINRA**). This registration and membership permits the Filer to provide Prime Services in the U.S. The Filer is also registered with the U.S. Commodity Futures Trading Commission (**CFTC**) and is a member of the National Futures Association (**NFA**).
3. The Filer is a member of the New York Stock Exchange, the NASDAQ Stock Market and certain other securities exchanges in the U.S.
4. The Filer provides a wide variety of products and services to a large and diversified group of clients and customers, including corporations, governments, financial institutions and individuals. Its businesses include securities lending and distribution, sales, trading and financing activities in equity securities and related products, and fixed income securities and related products.
5. The Filer relies on section 8.18 [*International dealer*] of NI 31-103 to provide trade execution services in respect of foreign securities with Canadian resident “permitted clients” as that term is defined in section 1.1 of NI 31-103.
6. The Prime Services provided by the Filer consist of any the following: (a) custody of client cash and securities positions, (b) financing of client long inventory, (c) securities financing consisting of delivering securities on behalf of a client pursuant to a margin agreement or securities lending agreement to facilitate client short sales, (d) asset servicing, and (e) reporting of positions, margin and other balances and activity. For greater clarity, Prime Services do not include execution of trades in securities.
7. The Filer wishes to provide Prime Services in the Jurisdictions to Institutional Permitted Clients (the **Prime Services Clients**) in respect of Canadian securities in addition to foreign securities.
8. In the case of a Prime Services Client that is an investment fund subject to Part 6 of National Instrument 81-102 *Investment Funds* (**NI 81-102**), the custodianship requirements in Part 6 of NI 81-102 would only permit the Filer to provide the Prime Services to the investment fund as a sub-custodian of the investment fund in respect of portfolio assets held outside Canada, and the Filer would provide Prime Services to an investment fund in compliance with the securities laws applicable to the investment fund, including Part 6 of NI 81-102 and the custody requirements set out in NI 31-103.
9. Prime Services Clients seek Prime Services from the Filer in order to separate the execution of a trade from the clearing, settlement, custody and financing of the trade. This allows the Prime Services Client to use many executing brokers, without maintaining an active, ongoing custody account with each executing broker. It also allows the Prime Services Client to consolidate settlement, clearing, custody and financing of securities in an account with the Filer.

10. The Filer's Prime Services Clients directly select their executing brokers. The Filer does not require its Prime Services Clients to use specific executing brokers through which Prime Services Clients must execute trades. Prime Services Clients send trade orders to the executing broker who carries out the trade. The executing broker will be an appropriately registered dealer or a person or company relying on an exemption from the dealer registration requirement that permits such executing broker to execute the trade for Prime Services Clients.
11. The Filer provides the Prime Services after the execution of the trade, but any commitment to provide financing or to lend or borrow securities in relation to a trade may be made prior to the execution of the trade. The executing broker will communicate the trade details to a Prime Services Client and the Filer or the Filer's clearing agent, as applicable. A Prime Services Client will also communicate the trade details to the Filer. For trades executed on a Canadian marketplace, the Filer will typically need to clear and settle the trades through a participant of the Canadian depository, clearing and settlement hub, CDS Clearing and Depository Services Inc.
12. The Filer exchanges money or securities and holds the money or securities in an account for each Prime Services Client. If the Filer is clearing and settling the trade through a clearing agent, the Filer's clearing agent exchanges money or securities and holds the money or securities in an omnibus account for the Filer, who in turn maintains a record of the position held for the Prime Services Client on its books and records.
13. On or following settlement, the Filer provides the other Prime Services as set out in paragraph 6.
14. The Filer enters into written agreements with each of its Prime Services Clients for the provision of Prime Services.
15. The Filer is relying on the "international dealer exemption" under section 8.18 [*International dealer*] of NI 31-103 in the Jurisdictions to provide Prime Services in respect of foreign securities.
16. The Filer is not registered under NI 31-103, is in the business of trading, and, in the absence of the Exemption Sought, cannot provide the full range of Prime Services in the Jurisdictions in respect of Canadian securities without registration, except as permitted under section 8.5 [*Trades through or to a registered dealer*], under the exemptions found in paragraphs (a), (b) and (f) of subsection 8.18(2) [*International dealer*], or under section 8.21 [*Specified debt*] of NI 31-103.
17. The Filer is subject to regulatory capital requirements under the 1934 Act, specifically SEC Rule 15c3-1 *Net Capital Requirements for Brokers or Dealers (SEC Rule 15c3-1)* and SEC Rule 17a-5 *Reports to be Made by Certain Brokers and Dealers (SEC Rule 17a-5)*.
18. SEC Rule 15c3-1 requires that the Filer account for any guarantee of debt of a third party in calculating its excess net capital when a loss is probable and the amount can be reasonably estimated. Accordingly, the Filer will, in the event that it provides a guarantee of any debt of a third party, take a deduction from net capital when both of the preceding conditions exist. The Filer does not currently guarantee the debt of any third party.
19. SEC Rule 15c3-1 is designed to provide protections that are substantially similar to the protections provided by the capital formula requirements and specifically risk-adjusted capital to which dealer members of the Investment Industry Regulatory Organization of Canada (**IIROC**) are subject. The Filer is in compliance with SEC Rule 15c3-1 and is in compliance in all material respects with SEC Rule 17a-5. If the Filer's net capital declines below the minimum amount required, the Filer is required to notify the SEC and FINRA pursuant to SEC Rule 17a-11 *Notification Provisions for Brokers and Dealers (SEC Rule 17a-11)*. The SEC and FINRA have the responsibility to provide oversight over the Filer's compliance with SEC Rule 15c3-1 and SEC Rule 17a-5.
20. The Filer is required to prepare and file a financial report, which includes Form X-17a-5 (the **FOCUS Report**) which is the financial and operational report containing a net capital calculation, and a compliance report annually with the SEC and FINRA pursuant to SEC Rule 17a-5(d). The FOCUS Report provides a more comprehensive description of the business activities of the Filer, and more accurately reflects those activities including client lending activity, than would be provided by Form 31-103F1 *Calculation of Excess Working Capital (Form 31-103F1)* under NI 31-103. The net capital requirements computed using methods prescribed by SEC Rule 15c3-1 are based on all assets and liabilities on the books and records of a broker-dealer whereas Form 31-103F1 is a calculation of excess working capital, which is a computation based primarily on the current assets and current liabilities on the books and records of the dealer. The Filer is up-to-date in its submissions of annual reports under SEC Rule 17a-5(d), including the FOCUS Report.
21. The Filer is subject to regulations of the Board of Governors of the U.S.A. Federal Reserve Board (**FRB**), the SEC, and FINRA regarding the lending of money, extension of credit and provision of margin to clients (the **U.S. Margin Regulations**) that provide protections that are substantially similar to the protections provided by the requirements regarding the lending of money, extension of credit and provision of margin to clients to which dealer members of IIROC are subject. In particular, the Filer is subject to the margin requirements imposed by the FRB, including Regulation T, and under applicable SEC rules and under FINRA Rule 4210. The Filer is in compliance in all material respects with applicable U.S. Margin Regulations.

22. The Filer holds customer assets in accordance with Rule 15c3-3 of the 1934 Act (**SEC Rule 15c3-3**). SEC Rule 15c3-3 requires the Filer to segregate and keep segregated all “fully-paid securities” and “excess margin securities” (as such terms are defined in SEC Rule 15c3-3) of its customers from its proprietary assets. In addition to the segregation of customers' securities, SEC Rule 15c3-3 requires the Filer to deposit an amount of cash or qualified government securities determined in accordance with a reserve formula set forth in SEC Rule 15c3-3 in an account entitled “Special Reserve Account for the Exclusive Benefit of Customers” of the Filer at separate banks and/or custodians. The combination of segregated securities and cash reserve are designed to ensure that the Filer has sufficient assets to cover all net equity claims of its customers and provide protections that are substantially similar to the protections provided by the requirements to which dealer members of IIROC are subject. If the Filer fails to make an appropriate deposit, the Filer is required to notify the SEC and FINRA pursuant to SEC Rule 15c3-3(i). The Filer is in material compliance with the possession and control requirements of SEC Rule 15c3-3.
23. The Filer is a member of the Securities Investors Protection Corporation (**SIPC**) and, subject to the eligibility criteria of SIPC, Prime Services Clients' assets held by the Filer are insured by SIPC against loss due to insolvency.
24. The Filer is in compliance in all material respects with U.S. securities laws. The Filer is not in default of securities legislation in any jurisdiction in Canada.
25. The Filer submits that the Exemption Sought would not be prejudicial to the public interest because:
 - (a) the Filer is regulated as a broker-dealer under the securities legislation of the U.S., and is subject to the requirements listed in the above paragraphs 17 to 23;
 - (b) the availability of and access to Prime Services in respect of Canadian securities is important to Canadian institutional investors who are active participants in the international marketplace;
 - (c) the Filer will provide Prime Services in the Jurisdictions in respect of Canadian securities only to Institutional Permitted Clients;
 - (d) the OSC has entered into a memorandum of understanding with the SEC regarding mutual assistance in the supervision and oversight of regulated entities that operate on a cross-border basis in the U.S. and Canada; and
 - (e) the OSC has entered into a memorandum of understanding with FINRA to provide a formal basis for the exchange of regulatory information and investigative assistance.
26. The Filer is a “market participant” as that term is defined in the OSA. As a market participant, among other requirements, the Filer is required to comply with the record keeping and provision of information provisions under section 19 of the OSA, which include the requirement to keep such books, records and other documents as are necessary for the proper recording of its business transactions and financial affairs and transactions it executes on behalf of others and to deliver such records to the OSC if required.
27. If in the future the Filer wishes to offer Prime Services in Alberta, the Filer will not rely on subsection 4.7(1) of MI 11-102 to passport this decision into in Alberta.

Decision

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

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted so long as the Filer:

- (a) has its head office or principal place of business in the U.S.;
- (b) is registered as a broker-dealer under the securities legislation of the U.S., which permits the Filer to provide the Prime Services in the U.S.;
- (c) is a member of FINRA;
- (d) is a member of SIPC;
- (e) is subject to requirements over regulatory capital, lending of money, extension of credit, provision of margin, financial reporting to the SEC and FINRA, and segregation and custody of assets which provide protections that are substantially similar to the protections provided by the rules to which dealer members of IIROC are subject;

- (f) limits its provision of Prime Services in the Jurisdictions in respect of Canadian securities to Institutional Permitted Clients;
- (g) does not execute trades in Canadian securities with or for Prime Services Clients, except as permitted under applicable Canadian securities laws;
- (h) does not require its Prime Services Clients to use specific executing brokers through which Prime Services Clients must execute trades;
- (i) notifies the OSC of any regulatory action initiated after the date of this decision in respect of the Filer, or any predecessors or specified affiliates of the Filer, by completing and filing with the OSC Appendix "A" hereto within ten days of the commencement of any such action; provided that the Filer may also satisfy this condition by filing with the OSC within ten days of the date of this decision a notice making reference to and incorporating by reference the disclosure made by the Filer pursuant to U.S. federal securities laws that is identified in the FINRA BrokerCheck system, and any updates to such disclosure that may be made from time to time, and by providing notification, in a manner reasonably acceptable to the Director, of any filing of a Form BD "Regulatory Action Disclosure Reporting Page";
- (j) submits the financial report and compliance report as described in SEC Rule 17a-5(d) to the OSC on an annual basis, at the same time such reports are filed with the SEC and FINRA;
- (k) submits audited financial statements to the OSC on an annual basis, within 90 days of the Filer's financial year end;
- (l) submits to the OSC immediately a copy of any notice it files under SEC Rule 17a-11 or under SEC Rule 15c3-3(i) with the SEC and FINRA;
- (m) complies with the filing and fee payment requirements that would be applicable to the Filer if it were a registrant firm under OSC Rule 13-502 *Fees*;
- (n) files in an electronic and searchable format with the OSC such reports as to any or all of its trading activities in Canada as the OSC may, upon notice, require from time to time; and
- (o) pays the increased compliance and case assessment costs of the principal regulator due to the Filer's location outside Ontario, including, as required, the reasonable cost of hiring a third party to perform a compliance review on behalf of the principal regulator.

This decision shall expire five years after the date hereof.

This decision may be amended by the OSC from time to time upon prior written notice to the Filer.

"Lawrence Haber"
Commissioner
Ontario Securities Commission

"Craig Hayman"
Commissioner
Ontario Securities Commission

APPENDIX "A"¹

NOTICE OF REGULATORY ACTION

Has the firm, or any predecessors or specified affiliates of the firm entered into a settlement agreement with any financial services regulator, securities or derivatives exchange, SRO or similar agreement with any financial services regulator, securities or derivatives exchange, SRO or similar organization?

Yes _____ No _____

If yes, provide the following information for each settlement agreement:

Name of entity:
Regulator/organization:
Date of settlement (yyyy/mm/dd):
Details of settlement:
Jurisdiction:

Has any financial services regulator, securities or derivatives exchange, SRO or similar organization:

	Yes	No
Determined that the firm, or any predecessors or specified affiliates of the firm violated any securities regulations or any rules of a securities or derivatives exchange, SRO or similar organization?		
Determined that the firm, or any predecessors or specified affiliates of the firm made a false statement or omission?		
Issued a warning or requested an undertaking by the firm, or any predecessors or specified affiliates of the firm?		
Suspended or terminated any registration, licensing or membership of the firm, or any predecessors or specified affiliates of the firm?		
Imposed terms or conditions on any registration or membership of the firm, or predecessors or specified affiliates of the firm?		
Conducted a proceeding or investigation involving the firm, or any predecessors or specified affiliates of the firm?		
Issued an order (other than an exemption order) or a sanction to the firm, or any predecessors or specified affiliates of the firm for securities or derivatives-related activity (e.g. cease trade order)?		

If yes, provide the following information for each action:

Name of entity:
Type of action:
Regulator/organization:
Date of investigation commenced (yyyy/mm/dd)
Reason for action:
Jurisdiction:

¹ Terms defined for the purposes of Form 33-109F6 *Firm Registration* to National Instrument 33-109 *Registration Information Requirements* have the same meaning if used in this Appendix except that any reference to "firm" means the person or company relying on relief from the requirement to register as an adviser or dealer under the *Commodity Futures Act* (Ontario).

Decisions, Orders and Rulings

Is the firm aware of any ongoing investigation of which the firm or any of its specified affiliate is the subject?

Yes _____ No _____

If yes, provide the following information for each investigation:

Name of entity
Reason or purpose of investigation
Regulator/organization
Date of investigation commenced (yyyy/mm/dd)
Jurisdiction

Name of firm:
Name of firm's authorized signing officer or partner:
Title of firm's authorized signing officer or partner:
Signature
Date (yyyy/mm/dd):

Witness

The witness must be a lawyer, notary public or commissioner of oaths.

Name of witness
Title of witness
Signature
Date (yyyy/mm/dd)

This form is to be submitted through the Ontario Securities Commission's Electronic Filing Portal:
<https://www.osc.gov.on.ca/filings>

2.2 Orders

2.2.1 Yellow Pages Digital & Media Solutions Limited

Headnote

Policy Statement 11-206 respecting Process for Cease to be a Reporting Issuer Applications – The issuer ceases to be a reporting issuer under securities legislation.

Applicable Legislative Provisions

Securities Act, CQLR, c. V-1.1, s. 69.

[TRANSLATION]

DECISION N° 2021-IC-0022

File N°: 31792

July 19, 2021

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

AND

IN THE MATTER OF
THE PROCESS FOR CEASE TO BE
A REPORTING ISSUER APPLICATIONS

AND

IN THE MATTER OF
YELLOW PAGES DIGITAL & MEDIA SOLUTIONS
LIMITED
(the Filer)

ORDER

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application from the Filer for an order under the securities legislation of the Jurisdictions (the **Legislation**) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the **Order Sought**).

Under the Process for Cease to be a Reporting Issuer Applications (for a dual application):

- (a) The Autorité des marchés financiers is the principal regulator for this application,
- (b) The Filer has provided notice that subsection 4C.5(1) of *Regulation 11-102 respecting Passport System (Regulation 11-102)* is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Newfoundland and Labrador, Prince Edward Island, New Brunswick, Nova Scotia, Yukon, Northwest Territories and Nunavut;

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

Interpretation

Terms defined in *Regulation 14-101 respecting Definitions*, in *Regulation 11-102* and, in *Regulation 14-501Q respecting Definitions* have the same meaning if used in this order, unless otherwise defined.

Representations

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

1. The Filer is not an OTC reporting issuer under *Regulation 51-105 respecting Issuers Quoted in the U.S. Over-the-Counter Markets*;
2. The outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;
3. No securities of the Filer, including debt securities, are traded in Canada or another country on a marketplace as defined in *Regulation 21-101 respecting Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;
4. The Filer is applying for an order that the Filer has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer; and
5. The Filer is not in default of securities legislation in any jurisdiction.

Order

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

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

"Marie-Claude Brunet-Ladrie"
Director, Continuous Disclosure

OSC File #: 2021-0370

2.2.2. San Gold Corporation (now known as 5813906 Manitoba Ltd.) – s. 144(1)

Headnote

Section 144(1) – Application to vary a cease trade order – cease trade order varied to permit beneficial shareholders, who are not insiders or control persons, to sell securities outside of Canada, subject to conditions.

Statutes Cited

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

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

AND

**IN THE MATTER OF
SAN GOLD CORPORATION
(now known as 5813906 Manitoba Ltd.)
(the “Issuer”)**

**ORDER
(Section 144(1) of the Act)**

WHEREAS the securities of the Issuer are subject to a temporary cease trade order issued by the Director on October 7, 2015, under paragraph 2 of subsection 127(1) and subsection 127(5) of the Act, as extended by a further cease trade order issued by the Director on October 19, 2015 pursuant to subsection 127(1) of the Act directing that trading in the securities of the Issuer, whether direct or indirect, cease until further order by the Director (the “**Cease Trade Order**”);

AND WHEREAS a cease trade order with respect to the Issuer’s securities was also issued by the British Columbia Securities Commission on October 1, 2015, and the Manitoba Securities Commission on September 9, 2012.

AND WHEREAS the Issuer’s securities are not listed on and do not trade on any exchange in Canada;

AND WHEREAS a shareholder of the Issuer has made an application to the Commission pursuant to section 144(1) of the Act to vary the Cease Trade Order;

AND UPON the Director being satisfied that:

- a) the terms and conditions to the Cease Trade Order put Ontario resident shareholders of the Issuer at a disadvantage to certain shareholders who are free to trade their shares over a foreign market; and
- b) it is not prejudicial to the public interest to vary the Cease Trade Order under section 144(1) of the Act;

IT IS ORDERED that, pursuant to section 144(1) of the Act, the Cease Trade Order be varied by including the following section:

Despite this order, a beneficial shareholder of San Gold Corporation (now known as 5813906 Manitoba Ltd.) who is not, and was not as at October 7, 2015, an insider or control person of San Gold Corporation (now known as 5813906 Manitoba Ltd.), may sell securities of San Gold Corporation (now known as 5813906 Manitoba Ltd.) acquired before October 7, 2015, if:

- 1. the sale is made through a market outside of Canada; and
- 2. the sale is made through an investment dealer registered in Ontario.

DATED this 6th day of July, 2021

“Jo-Anne Matear”
Manager, Corporate Finance Branch
Ontario Securities Commission

2.2.3 Daniel Sheehan

File No. 2020-38

**IN THE MATTER OF
DANIEL SHEEHAN**

Wendy Berman, Vice-Chair and Chair of the Panel

July 23, 2021

ORDER

WHEREAS on July 23, 2021, the Ontario Securities Commission held a hearing by teleconference to consider a request by the parties to adjourn the hearing on the merits, scheduled to begin on August 25, 2021;

ON HEARING the submissions of the representatives for Staff of the Commission and for Daniel Sheehan;

IT IS ORDERED THAT:

1. the hearing dates of August 25, 26 and 27, 2021 are vacated; and
2. the hearing on the merits shall take place by videoconference and commence on October 6, 2021 at 10:00 a.m. and continue on October 7 and 8, 2021 at 10:00 a.m. on each day, or on such other dates and times as may be agreed to by the parties and set by the Office of the Secretary.

“Wendy Berman”

2.2.4 Metamaterial Inc.

Headnote

Application for an order that the issuer is not a reporting issuer under applicable securities laws – requested relief granted.

Applicable Legislative Provisions

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

July 23, 2021

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

AND

**IN THE MATTER OF
THE PROCESS FOR CEASE TO BE
A REPORTING ISSUER APPLICATIONS**

AND

**IN THE MATTER OF
METAMATERIAL INC.
(the “Filer”)**

ORDER

Background

The principal regulator in the Jurisdiction has received an application from the Filer for an order under the securities legislation of the Jurisdiction of the principal regulator (the “**Legislation**”) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the “**Order Sought**”).

Under the Process for Cease to be a Reporting Issuer Applications:

- (a) the Ontario Securities Commission is the principal regulator for this application; and
- (b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System* (“**MI 11-102**”) is intended to be relied upon in Alberta, British Columbia, and Quebec.

Interpretation

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

Representations

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

1. the Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the US. Over-the-Counter Markets*;
2. the outstanding securities of the Filer including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;
3. no securities of the Filer, including debt, securities are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;
4. the Filer is applying for an order that the Filer has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer; and
5. the Filer is not in default of securities legislation in any jurisdiction.

Order

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

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

“Winnie Sanjoto”
Manager, Corporate Finance
Ontario Securities Commission

OSC File#: 2021/0386

2.2.5 Gold X Mining Corp.

Headnote

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – Application for an order that the issuer is not a reporting issuer under applicable securities laws – issuer has outstanding warrants exercisable into securities of acquirer and another reporting issuer – warrant holders no longer require public disclosure in respect of the issuer – relief granted.

Applicable Legislative Provisions

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

July 23, 2021

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

AND

**IN THE MATTER OF
THE PROCESS FOR CEASE TO BE
A REPORTING ISSUER APPLICATIONS**

AND

**IN THE MATTER OF
GOLD X MINING CORP.
(the Filer)**

ORDER

Background

The principal regulator in the Jurisdiction has received an application from the Filer for an order under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the **Order Sought**).

Under the Process for Cease to be a Reporting Issuer Applications (for a passport application):

- (a) the Ontario Securities Commission is the principal regulator for this application, and
- (b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System (MI 11-102)* is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador.

Interpretation

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

Representations

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

1. The Filer was amalgamated and currently exists under the laws of the Province of British Columbia. The Filer is a reporting issuer or the equivalent in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador.
2. The head office of the Filer is located at 401 Bay Street, Suite 2400, PO Box 15, Toronto, Ontario M5H 2Y4 and the registered address of the Filer is located at 1166 Alberni Street, Suite 1604, Vancouver, British Columbia V6E 3Z3.
3. Gran Colombia Gold Corp. (the **Purchaser**) was amalgamated and exists under the laws of the Province of British Columbia. The common shares of the Purchaser (the **Purchaser Shares**) are listed on the Toronto Stock Exchange (the **TSX**) under the symbol "GCM". The Purchaser is a reporting issuer or the equivalent in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador.
4. At 12:01 a.m. (Pacific Time) on June 4, 2021 (the **Effective Time**), the Purchaser completed the acquisition of all of the issued and outstanding common shares (the **Filer Shares**) of the Filer not already owned by the Purchaser by way of a statutory plan of arrangement (the **Arrangement**) under the *Business Corporations Act* (British Columbia) pursuant to an arrangement agreement between the Filer and the Purchaser dated March 14, 2021.
5. Immediately prior to the Effective Time, the Filer had the following securities issued and outstanding: (i) 62,424,202 Filer Shares; (ii) 14,020,215 share purchase warrants (the **Filer Warrants**), each exercisable to purchase one Filer Share; and (iii) 133,750 stock options (the **Filer Options**), each exercisable to purchase one Filer Share. The Filer Shares were listed on the TSX Venture Exchange (the **TSXV**) under the symbol "GLDX". No other securities of the Filer were listed on any exchange.
6. The Arrangement was approved by 99.7% of the votes cast by shareholders of the Filer (excluding the votes of certain shareholders of the Filer in accordance with Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*) at the shareholder meeting held on May 27, 2021 (the **Meeting**).
7. The Filer distributed the meeting materials (the **Meeting Materials**) in respect of the Meeting (which included, among other things, the notice of meeting and the management information circular)

on April 27, 2021 to the holders of the Filer Shares in accordance with the interim order of the Supreme Court of British Columbia dated April 22, 2021 (the **Interim Order**). The Filer did not distribute the Meeting Materials to holders of Filer Warrants or Filer Options as such holders did not have the right to receive the Meeting Materials pursuant to the Interim Order or the governing documents in respect of the Filer Warrants and the Filer Options.

8. The Supreme Court of British Columbia granted the final order approving the Arrangement on June 1, 2021.
9. Pursuant to the Arrangement:
 - (a) the Purchaser acquired all of the outstanding Filer Shares not already held by the Purchaser, each holder of Filer Shares (other than the Purchaser) became entitled to receive 0.6948 of a Purchaser Share for each Filer Share so held (the **Exchange Ratio**) immediately prior to the Effective Time and the Filer became a wholly-owned subsidiary of the Purchaser;
 - (b) all Filer Warrants outstanding immediately prior to the Effective Time remained outstanding immediately following the Effective Time and any unexercised Filer Warrants entitle the holders thereof to receive, upon exercise and for the same aggregate consideration, Purchaser Shares in accordance with the Exchange Ratio, on and subject to the terms and conditions of such Filer Warrants; and
 - (c) all Filer Options not exercised prior to the Effective Time were terminated at the Effective Time without payment of any consideration to the holders of such terminated Filer Options.
10. In connection with the Arrangement, the Filer Shares were delisted from the TSXV as of the close of business on June 7, 2021.
11. The Filer issued a news release on March 15, 2021 announcing the Arrangement and issued a news release on June 4, 2021 announcing the completion of the Arrangement.
12. To the best of the Filer's knowledge and based on its diligent enquiry to determine the number and jurisdiction of the beneficial holders of the Filer Warrants, including a review of the registers of holders of the Filer Warrants maintained by the Filer, as of the date hereof, there are a maximum of 164 beneficial holders of Filer Warrants, 44 of which are resident in Ontario, 68 of which are resident in British Columbia, 5 of which are resident in Alberta, 1 of which is resident in Manitoba, 11 of which are resident in Québec, 22 of which are

- resident in the United States of America and 13 of which are resident in other foreign jurisdictions.
13. The only outstanding securities of the Filer held by persons other than the Purchaser are the Filer Warrants. No Filer Shares or other securities of the Filer are issuable upon exercise of any Filer Warrants.
 14. The Filer is not required to remain a reporting issuer in any jurisdiction under any contractual arrangement between the Filer and the holders of the Filer Warrants and holders of the Filer Warrants will not be prejudiced by the Order Sought.
 15. The Filer cannot rely on the exemption available in Section 13.3 of National Instrument 51-102 *Continuous Disclosure Obligations (NI 51-102)* for issuers of exchangeable securities because the Filer Warrants are not “designated exchangeable securities” as defined in NI 51-102. The Filer Warrants do not provide their holders with voting rights in respect of the Purchaser.
 16. The Filer cannot apply to cease to be a reporting issuer pursuant to the simplified procedure under section 19 of National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications* as the Filer Warrants are not beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide.
 17. The Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*.
 18. No securities of the Filer, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported.
 19. The Filer is not a reporting issuer in any jurisdiction of Canada other than the jurisdictions identified in this order. The Filer is applying for an order that it has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer.
 20. The Filer and the Purchaser are not in default of any of their obligations under securities legislation in any jurisdiction.
 21. The Filer has no intention to seek public financing by way of an offering of securities and has no intention of issuing any securities other than the issuance of securities to the Purchaser or its affiliates.
 22. Upon the granting of the Order Sought, the Filer will not be a reporting issuer or the equivalent in any jurisdiction of Canada.

Order

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

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

“Cathy Singer”
Commissioner
Ontario Securities Commission

“Frances Kordyback”
Commissioner
Ontario Securities Commission

OSC File #: 2021/0351

2.2.6 Poynt Corporation – s. 144(1)

Headnote

Section 144(1) – Application to vary a cease trade order – cease trade order varied to permit beneficial shareholders, who are not insiders or control persons, to sell securities outside of Canada, subject to conditions.

Statutes Cited

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

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

AND

**IN THE MATTER OF
POYNT CORPORATION (the “Issuer”)**

**ORDER
(Section 144(1) of the Act)**

WHEREAS the securities of the Issuer are subject to a temporary cease trade order issued by the Director on June 12, 2013, under paragraph 2 of subsection 127(1) and subsection 127(5) of the Act, as extended by a further cease trade order issued by the Director on June 24, 2013 pursuant to subsection 127(1) of the Act directing that trading in the securities of the Issuer, whether direct or indirect, cease until further order by the Director (the “**Cease Trade Order**”);

AND WHEREAS a cease trade order with respect to the Issuer’s securities was also issued by the British Columbia Securities Commission on June 10, 2013, the Alberta Securities Commission on June 6, 2013 and the Manitoba Securities Commission on August 13, 2013.

AND WHEREAS the Issuer’s securities are not listed on and do not trade on any exchange in Canada;

AND WHEREAS a shareholder of the Issuer has made an application to the Commission pursuant to section 144(1) of the Act to vary the Cease Trade Order;

AND UPON the Director being satisfied that:

- a) the terms and conditions to the Cease Trade Order put Ontario resident shareholders of the Issuer at a disadvantage to certain shareholders who are free to trade their shares over a foreign market; and
- b) it is not prejudicial to the public interest to vary the Cease Trade Order under section 144(1) of the Act;

IT IS ORDERED that, pursuant to section 144(1) of the Act, the Cease Trade Order be varied by including the following section:

Despite this order, a beneficial shareholder of Poynt Corporation who is not, and was not as at June 12, 2013, an insider or control person of Poynt Corporation, may sell securities of Poynt Corporation acquired before June 12, 2013, if:

1. the sale is made through a market outside of Canada; and
2. the sale is made through an investment dealer registered in Ontario.

DATED this 26th day of July, 2021

“Winnie Sanjoto”
Manager, Corporate Finance Branch
Ontario Securities Commission

Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke
THERE IS NOTHING TO REPORT THIS WEEK.				

Failure to File Cease Trade Orders

Company Name	Date of Order	Date of Revocation
CBD Global Sciences Inc.	July 23, 2021	
Perisson Petroleum Corporation	July 22, 2021	

4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order	Date of Lapse
Sproutly Canada, Inc.	June 30, 2021	July 21, 2021

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
Performance Sports Group Ltd.	19 October 2016	31 October 2016	31 October 2016		

Company Name	Date of Order	Date of Lapse
Agrios Global Holdings Ltd.	September 17, 2020	
Red White & Bloom Brands Inc.	May 4, 2021	
Reservoir Capital Corp.	May 5, 2021	
Rapid Dose Therapeutics Corp.	June 29, 2021	
Sproutly Canada, Inc.	June 30, 2021	July 21, 2021

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Chapter 7

Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as in Thomson Reuters Canada's internet service SecuritiesSource (see www.westlawnextcanada.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 11

IPOs, New Issues and Secondary Financings

INVESTMENT FUNDS

Issuer Name:

Mackenzie Balanced Allocation ETF
Mackenzie Canadian Aggregate Bond Index ETF
Mackenzie Canadian All Corporate Bond Index ETF
Mackenzie Canadian Equity Index ETF
Mackenzie Canadian Large Cap Equity Index ETF
Mackenzie Canadian Short Term Fixed Income ETF
Mackenzie Canadian Short-Term Bond Index ETF
Mackenzie China A-Shares CSI 300 Index ETF
Mackenzie Conservative Allocation ETF
Mackenzie Core Plus Canadian Fixed Income ETF
Mackenzie Core Plus Global Fixed Income ETF
Mackenzie Developed ex-North America Aggregate Bond Index ETF (CAD-Hedged)
Mackenzie Developed Markets Real Estate Index ETF
Mackenzie Emerging Markets Bond Index ETF (CAD-Hedged)
Mackenzie Emerging Markets Equity Index ETF
Mackenzie Emerging Markets Local Currency Bond Index ETF
Mackenzie Floating Rate Income ETF
Mackenzie Global Fixed Income Allocation ETF
Mackenzie Global High Yield Fixed Income ETF
Mackenzie Global Infrastructure Index ETF
Mackenzie Global Leadership Impact ETF
Mackenzie Global Sustainable Bond ETF
Mackenzie Global Sustainable Dividend Index ETF
Mackenzie Growth Allocation ETF
Mackenzie International Equity Index ETF
Mackenzie International Equity Index ETF (CAD-Hedged)
Mackenzie Ivy Global Equity ETF
Mackenzie Maximum Diversification All World Developed ex North America Index ETF
Mackenzie Maximum Diversification All World Developed Index ETF
Mackenzie Maximum Diversification Canada Index ETF
Mackenzie Maximum Diversification Developed Europe Index ETF
Mackenzie Maximum Diversification Emerging Markets Index ETF
Mackenzie Maximum Diversification US Index ETF
Mackenzie Portfolio Completion ETF
Mackenzie U.S. Aggregate Bond Index ETF (CAD-Hedged)
Mackenzie Unconstrained Bond ETF
Mackenzie US High Yield Bond Index ETF (CAD-Hedged)
Mackenzie US Investment Grade Corporate Bond Index ETF (CAD-Hedged)
Mackenzie US Large Cap Equity Index ETF
Mackenzie US Large Cap Equity Index ETF (CAD-Hedged)
Mackenzie US TIPS Index ETF (CAD-Hedged)
Principal Regulator – Ontario

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3230419

Type and Date:

Combined Preliminary and Pro Forma Long Form Prospectus dated Jul 21, 2021
NP 11-202 Final Receipt dated Jul 23, 2021

Issuer Name:

Vanguard Global Credit Bond Fund
Vanguard Global Equity Fund
Principal Regulator – Ontario

Type and Date:

Combined Preliminary and Pro Forma Simplified Prospectus dated Jul 19, 2021

NP 11-202 Preliminary Receipt dated Jul 20, 2021

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3250938

Issuer Name:

Next Edge Strategic Metals and Opportunities Fund
Principal Regulator – Ontario

Type and Date:

Preliminary Simplified Prospectus dated Jul 16, 2021

NP 11-202 Final Receipt dated Jul 21, 2021

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3240718

Issuer Name:

Next Edge Biotech and Life Sciences Opportunities Fund
Principal Regulator - Ontario

Type and Date:

Amended and Restated to Final Simplified Prospectus dated July 16, 2021

NP 11-202 Final Receipt dated Jul 21, 2021

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3123279

Issuer Name:

Income Financial Trust
Principal Regulator - Ontario

Type and Date:

Final Shelf Prospectus (NI 44-102) dated July 23, 2021

NP 11-202 Receipt dated July 26, 2021

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3241234

Issuer Name:

The Children's Educational Foundation of Canada
Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated July 19, 2021

NP 11-202 Receipt dated July 20, 2021

Offering Price and Description:

Group Option Plan

Price Per Security or Minimum Subscription: The greater of \$9.40 per month and one Unit

Self-Initiated Option Plan

Price Per Security or Minimum Subscription: \$300 within 12 months of the date of enrolment

Achievers Plan

Minimum Subscription: \$465 in total contributions

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3247414

NON-INVESTMENT FUNDS

Issuer Name:

Brookfield Asset Management Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Shelf Prospectus dated July 22, 2021
NP 11-202 Preliminary Receipt dated July 22, 2021

Offering Price and Description:

US\$1,000,000,000.00
Class A Exchangeable Limited Voting Shares of Brookfield Asset Management Reinsurance Partners Ltd.
Class A Limited Voting Shares of Brookfield Asset Management Inc. (issuable or deliverable upon exchange, redemption or acquisition of Class A Exchangeable Limited Voting Shares)

Underwriter(s) or Distributor(s):

-

Promoter(s):

BROOKFIELD ASSET MANAGEMENT INC.
Project #3252094

Issuer Name:

Brookfield Asset Management Reinsurance Partners Ltd.
Principal Regulator - Ontario

Type and Date:

Preliminary Shelf Prospectus dated July 22, 2021
NP 11-202 Preliminary Receipt dated July 22, 2021

Offering Price and Description:

US\$1,000,000,000.00
Class A Exchangeable Limited Voting Shares of Brookfield Asset Management Reinsurance Partners Ltd.
Class A Limited Voting Shares of Brookfield Asset Management Inc. (issuable or deliverable upon exchange, redemption or acquisition of Class A Exchangeable Limited Voting Shares)

Underwriter(s) or Distributor(s):

-

Promoter(s):

BROOKFIELD ASSET MANAGEMENT INC.
Project #3252097

Issuer Name:

Canadian Natural Resources Limited
Principal Regulator - Alberta

Type and Date:

Preliminary Shelf Prospectus dated July 23, 2021
NP 11-202 Preliminary Receipt dated July 23, 2021

Offering Price and Description:

\$3,000,000,000.00
Medium Term Notes (unsecured)
Underwriter(s) or Distributor(s):
ATB CAPITAL MARKETS INC.
BMO NESBITT BURNS INC.
CIBC WORLD MARKETS INC.
DESJARDINS SECURITIES INC.
MERRILL LYNCH CANADA INC.
MIZUHO SECURITIES CANADA INC.
MUFG SECURITIES (CANADA), LTD.
NATIONAL BANK FINANCIAL INC.
RBC DOMINION SECURITIES INC.
SCOTIA CAPITAL INC.
SMBC NIKKO SECURITIES CANADA, LTD.
TD SECURITIES INC.

Promoter(s):

-

Project #3252503

Issuer Name:

Canadian Net Real Estate Investment Trust
Principal Regulator - Quebec

Type and Date:

Preliminary Short Form Prospectus dated July 21, 2021
NP 11-202 Preliminary Receipt dated July 21, 2021

Offering Price and Description:

\$17,507,500.00
Price: \$7.45 per Offered Unit
Underwriter(s) or Distributor(s):
CANACCORD GENUITY CORP.
PARADIGM CAPITAL INC.
CIBC WORLD MARKETS INC.
IA PRIVATE WEALTH INC.
LAURENTIAN BANK SECURITIES INC.
DESJARDINS SECURITIES INC.
ECHELON WEALTH PARTNERS INC.

Promoter(s):

-

Project #3250366

Issuer Name:

Caprock Mining Corp. (formerly Blingold Corp.)

Type and Date:

Preliminary Long Form Prospectus dated July 19, 2021
(Preliminary) Received on July 20, 2021

Offering Price and Description:

This Prospectus is not an offering prospectus.

Underwriter(s) or Distributor(s):

-

Promoter(s):

Daniel Cohen

Project #3251117

Issuer Name:

Endeavour Mining plc

Principal Regulator - British Columbia

Type and Date:

Preliminary Shelf Prospectus dated July 20, 2021
NP 11-202 Preliminary Receipt dated July 21, 2021

Offering Price and Description:

US\$2,000,000,000.00

Endeavour Shares

Debt Securities

Warrants

Subscription Receipts

Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3251363

Issuer Name:

GreenPower Motor Company Inc.

Principal Regulator - British Columbia

Type and Date:

Preliminary Shelf Prospectus dated July 22, 2021
NP 11-202 Preliminary Receipt dated July 23, 2021

Offering Price and Description:

US\$200,000,000.00

Common Shares

Preferred Shares

Warrants

Subscription Receipts

Units

Debt Securities

Share Purchase Contracts

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3252204

Issuer Name:

Magna Gold Corp.

Principal Regulator - Ontario

Type and Date:

Amendment dated July 20, 2021 to Preliminary Shelf
Prospectus dated April 21, 2021

NP 11-202 Preliminary Receipt dated July 20, 2021

Offering Price and Description:

\$100,000,000.00

Common Shares

Warrants

Subscription Receipts

Units

Convertible Securities

Debt Securities

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3207515

Issuer Name:

Medexus Pharmaceuticals Inc. (formerly Pediapharm Inc.)

Principal Regulator - Ontario

Type and Date:

Preliminary Shelf Prospectus dated July 20, 2021
NP 11-202 Preliminary Receipt dated July 21, 2021

Offering Price and Description:

\$100,000,000.00

Common Shares

Preferred Shares

Subscription Receipts

Warrants

Debt Securities

Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3251519

Issuer Name:

Monarch West Ventures Inc.

Principal Regulator - British Columbia

Type and Date:

Preliminary CPC Prospectus dated July 20, 2021
NP 11-202 Preliminary Receipt dated July 21, 2021

Offering Price and Description:

Minimum Offering: \$1,500,000.00 or 15,000,000 Common
Shares

Maximum Offering: \$2,000,000.00 or 20,000,000 Common
Shares

Price: \$0.10 per Common Share

Underwriter(s) or Distributor(s):

Canaccord Genuity Corp.

Promoter(s):

Mark Orsmond

Project #3251723

Issuer Name:

New Found Gold Corp.
Principal Regulator - British Columbia

Type and Date:

Preliminary Shelf Prospectus dated July 21, 2021
NP 11-202 Preliminary Receipt dated July 21, 2021

Offering Price and Description:

Up to \$100,000,000.00

Common Shares
Warrants
Subscription Receipts
Units
Debt Securities
Share Purchase Contracts

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3251745

Issuer Name:

New Leaf Ventures Inc.
Principal Regulator - British Columbia

Type and Date:

Amendment dated July 21, 2021 to Preliminary Shelf
Prospectus dated June 29, 2021
NP 11-202 Preliminary Receipt dated July 21, 2021

Offering Price and Description:

\$50,000,000.00

Common Shares
Debt Securities
Subscription Receipts
Warrants
Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3245405

Issuer Name:

Newmont Corporation (formerly, Newmont Goldcorp
Corporation)
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus - MJDS (NI 71-101) dated July 22,
2021
NP 11-202 Preliminary Receipt dated July 23, 2021

Offering Price and Description:

DEBT SECURITIES
DEPOSITARY SHARES
COMMON STOCK
PREFERRED STOCK
WARRANTS
UNITS

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3252236

Issuer Name:

Optimi Health Corp.
Principal Regulator - British Columbia

Type and Date:

Preliminary Shelf Prospectus dated July 20, 2021
NP 11-202 Preliminary Receipt dated July 20, 2021

Offering Price and Description:

\$100,000,000.00

COMMON SHARES
WARRANTS
SUBSCRIPTION RECEIPTS
UNITS

Underwriter(s) or Distributor(s):

-

Promoter(s):

Mike Stier
Project #3251394

Issuer Name:

Osisko Green Acquisition Limited
Principal Regulator - Ontario

Type and Date:

Amendment dated July 19, 2021 to Preliminary Long Form
Prospectus dated July 13, 2021
NP 11-202 Preliminary Receipt dated July 20, 2021

Offering Price and Description:

\$250,000,000.00

25,000,000 CLASS A RESTRICTED VOTING UNITS
Price: \$10.00 per Class A Restricted Voting Unit

Underwriter(s) or Distributor(s):

EIGHT CAPITAL
BMO NESBITT BURNS INC.
CANACCORD GENUITY CORP.
NATIONAL BANK FINANCIAL INC.
RBC DOMINION SECURITIES INC.

Promoter(s):

Osisko Green Sponsor Corp.
Project #3249294

Issuer Name:

Revitalist Lifestyle and Wellness Ltd.
Principal Regulator - British Columbia

Type and Date:

Preliminary Long Form Prospectus dated July 19, 2021
NP 11-202 Preliminary Receipt dated July 20, 2021

Offering Price and Description:

11,189,774 Common Shares Issuable Upon Exercise Of
11,189,774 Special Warrants

Underwriter(s) or Distributor(s):

-

Promoter(s):

Kathryn Walker
Dr. William Walker
Project #3235865

Issuer Name:

Rio2 Limited
Principal Regulator - British Columbia

Type and Date:

Preliminary Short Form Prospectus dated July 20, 2021
NP 11-202 Preliminary Receipt dated July 20, 2021

Offering Price and Description:

\$25,000,000.00
* Common Shares

Price: \$* per Common Share

Underwriter(s) or Distributor(s):

SCOTIA CAPITAL INC.
CIBC WORLD MARKETS INC.
RAYMOND JAMES LTD.
CANTOR FITZGERALD CANADA CORPORATION
SPROTT CAPITAL PARTNERS LP
CORMARK SECURITIES INC.

Promoter(s):

-

Project #3251342

Issuer Name:

Rio2 Limited
Principal Regulator - British Columbia

Type and Date:

Amendment dated July 21, 2021 to Preliminary Short Form
Prospectus dated July 20, 2021
NP 11-202 Preliminary Receipt dated July 22, 2021

Offering Price and Description:

\$25,025,000.00
38,500,000 Common Shares
Price: \$0.65 per Common Share

Underwriter(s) or Distributor(s):

SCOTIA CAPITAL INC.
CIBC WORLD MARKETS INC.
RAYMOND JAMES LTD.
CANTOR FITZGERALD CANADA CORPORATION
SPROTT CAPITAL PARTNERS LP
CORMARK SECURITIES INC.

Promoter(s):

-

Project #3251342

Issuer Name:

Tidewater Renewables Ltd.
Principal Regulator - Alberta

Type and Date:

Preliminary Long Form Prospectus dated July 21, 2021
NP 11-202 Preliminary Receipt dated July 21, 2021

Offering Price and Description:

\$*
* Common Shares

Price: \$* per Offered Share

Underwriter(s) or Distributor(s):

CIBC WORLD MARKETS INC.
NATIONAL BANK FINANCIAL INC.
ATB CAPITAL MARKETS INC.
RBC DOMINION SECURITIES INC.
ACUMEN CAPITAL FINANCE PARTNERS LIMITED
CANACCORD GENUITY CORP.
SCOTIA CAPITAL INC.
STIFEL NICOLAUS CANADA INC.
TUDOR, PICKERING, HOLT & CO. SECURITIES –
CANADA, ULC
ECHELON WEALTH PARTNERS INC.
IA PRIVATE WEALTH INC.
INFOR FINANCIAL INC.
PARADIGM CAPITAL INC.

Promoter(s):

TIDEWATER MIDSTREAM AND INFRASTRUCTURE LTD.

Project #3251738

Issuer Name:

Tidewater Renewables Ltd.
Principal Regulator - Alberta

Type and Date:

Amendment dated July 26, 2021 to Preliminary Long Form
Prospectus dated July 21, 2021
NP 11-202 Preliminary Receipt dated July 26, 2021

Offering Price and Description:

\$125,000,000.00
* Common Shares
Price: \$* per Offered Share

Underwriter(s) or Distributor(s):

CIBC WORLD MARKETS INC.
NATIONAL BANK FINANCIAL INC.
ATB CAPITAL MARKETS INC.
RBC DOMINION SECURITIES INC.
ACUMEN CAPITAL FINANCE PARTNERS LIMITED
CANACCORD GENUITY CORP.
SCOTIA CAPITAL INC.
STIFEL NICOLAUS CANADA INC.
TUDOR, PICKERING, HOLT & CO. SECURITIES –
CANADA, ULC
ECHELON WEALTH PARTNERS INC.
IA PRIVATE WEALTH INC.
INFOR FINANCIAL INC.
PARADIGM CAPITAL INC.

Promoter(s):

TIDEWATER MIDSTREAM AND INFRASTRUCTURE LTD.

Project #3251738

Issuer Name:

Zacapa Resources Ltd.
Principal Regulator - British Columbia

Type and Date:

Preliminary Long Form Prospectus dated July 22, 2021
NP 11-202 Preliminary Receipt dated July 23, 2021

Offering Price and Description:

1,350,000 Common Shares on Deemed Exercise of
1,350,000 Outstanding Subscription Receipts

Underwriter(s) or Distributor(s):

-

Promoter(s):

Ian Slater

Project #3252229

Issuer Name:

Brookfield Infrastructure Partners L.P.
Principal Regulator - Ontario

Type and Date:

Final Shelf Prospectus dated July 23, 2021
NP 11-202 Receipt dated July 26, 2021

Offering Price and Description:

US\$4,000,000,000.00
Limited Partnership Units
Class A Preferred Limited Partnership Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3247711

Issuer Name:

DGL INVESTMENTS NO.1 INC.
Principal Regulator - British Columbia

Type and Date:

Final CPC Prospectus dated July 21, 2021
NP 11-202 Receipt dated July 23, 2021

Offering Price and Description:

\$250,000.00
2,500,000 COMMON SHARES
PRICE: \$0.10 per Common Share

Underwriter(s) or Distributor(s):

HAYWOOD SECURITIES INC.

Promoter(s):

Gurpreet S. Sangha

Project #3233249

Issuer Name:

ESSA Pharma Inc.
Principal Regulator - British Columbia

Type and Date:

Final Shelf Prospectus dated July 23, 2021
NP 11-202 Receipt dated July 26, 2021

Offering Price and Description:

US\$300,000,000.00

Common Shares
Preferred Shares
Debt Securities
Subscription Receipts
Warrants
Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3240127

Issuer Name:

Exchange Income Corporation
Principal Regulator - Manitoba

Type and Date:

Final Short Form Prospectus dated July 23, 2021
NP 11-202 Receipt dated July 23, 2021

Offering Price and Description:

\$125,000,000.00
7 YEAR 5.25% CONVERTIBLE UNSECURED
SUBORDINATED DEBENTURES
Per Debenture \$1,000.00

Underwriter(s) or Distributor(s):

NATIONAL BANK FINANCIAL INC.
CIBC WORLD MARKETS INC.
RAYMOND JAMES LTD.
RBC DOMINION SECURITIES INC.
SCOTIA CAPITAL INC.
TD SECURITIES INC.
BMO NESBITT BURNS INC.
CANACCORD GENUITY CORP.
CORMARK SECURITIES INC.
LAURENTIAN BANK SECURITIES INC.
WELLINGTONALTUS PRIVATE WEALTH INC.
ATB CAPITAL MARKETS INC.
IA PRIVATE WEALTH INC.

Promoter(s):

-

Project #3249017

Issuer Name:

Greenbrook TMS Inc.
Principal Regulator - Ontario

Type and Date:

Final Shelf Prospectus dated July 22, 2021
NP 11-202 Receipt dated July 23, 2021

Offering Price and Description:

Common Shares
Preferred Shares
Warrants
Subscription Receipts
Units
US\$150,000,000.00

Underwriter(s) or Distributor(s):

GREYBROOK HEALTH INC.

Promoter(s):

-

Project #3249337

Issuer Name:

Income Financial Trust
Principal Regulator - Ontario

Type and Date:

Final Shelf Prospectus dated July 23, 2021
NP 11-202 Receipt dated July 26, 2021

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3241234

Issuer Name:

Zoglo's Incredible Food Corp. (formerly, 1258481 B.C. Ltd.)
Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated July 20, 2021
NP 11-202 Receipt dated July 21, 2021

Offering Price and Description:

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities.

Underwriter(s) or Distributor(s):

-

Promoter(s):

Hari Varshney
Henry Ender

Project #3201827

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Voluntary Surrender	Fadine Securities Inc.	Exempt Market Dealer	July 21, 2021
Consent to Suspension (Pending Surrender)	Continuum Private Wealth Partners Inc.	Investment Fund Manager and Portfolio Manager	July 21, 2021

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Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.1 SROs

13.1.1 Investment Industry Regulatory Organization of Canada (IIROC) – Amendments to Swap Counterparty Margin Requirements – Notice of Commission Approval

NOTICE OF COMMISSION APPROVAL

AMENDMENTS TO SWAP COUNTERPARTY MARGIN REQUIREMENTS

INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA (IIROC)

The Ontario Securities Commission has approved [proposed amendments](#) to Dealer Member Rule subsections 100.2(j) and 100.2(k) and IIROC Rule section 5442 that would allow Dealer Members one business day grace period to collect additional collateral to cover any market value deficiency on swap transactions with Acceptable Counterparties and Regulated Entities (Amendments).

The main purpose of the Amendments is to address undue burden on Dealer Member capital by making IIROC Rules pertaining to margin grace period allowances more consistent and aligning with industry practice.

The Amendments were published for public comment on July 16, 2020 for a 30-day period. No comment letters were received. IIROC has made one non-material change by adding back the sentence regarding the counterparty to the interest rate swap / total performance swap agreement being considered the Dealer Member's customer. This revision is shown blacklined in Attachment B of IIROC's Notice of Approval / Implementation that can be found at www.osc.ca.

The Amendments to Dealer Member Rules subsections 100.2(j) and 100.2(k) will be effective on September 1, 2021 and IIROC Rule section 5442 will come into effect on December 31, 2021.

In addition, the Alberta Securities Commission; the Autorité des marchés financiers; the British Columbia Securities Commission; the Financial and Consumer Affairs Authority of Saskatchewan; the Financial and Consumer Services Commission of New Brunswick; the Manitoba Securities Commission; the Northwest Territories Office of the Superintendent of Securities; the Nova Scotia Securities Commission; the Nunavut Securities Office; the Office of the Superintendent of Securities, Service Newfoundland and Labrador; the Office of the Yukon Superintendent of Securities; and the Prince Edward Island Office of the Superintendent of Securities have approved or not objected to the Amendments.

13.2 Marketplaces

13.2.1 Execution Access, LLC – Application for Exemptive Relief – Notice of Commission Order

EXECUTION ACCESS, LLC (EXECUTION ACCESS)

APPLICATION FOR EXEMPTIVE RELIEF

NOTICE OF COMMISSION ORDER

On July 22, 2021, the Commission issued an order under s. 15.1 of National Instrument 21-101 *Marketplace Operation* (**NI 21-101**), s. 12.1 of National Instrument 23-101 *Trading Rules* (**NI 23-101**), and s. 10 of National Instrument 23-103 *Electronic Trading and Direct Access to Marketplaces* (**NI 23-103**) and, together with NI 21-101 and NI 23-101, the **Marketplace Rules**) exempting Execution Access from the application of all provisions of the Marketplace Rules in Ontario, Quebec and Nova Scotia subject to terms and conditions as set out in the order (the **Order**).

The Order is consistent with CSA Staff Notice 21-328 *Regulatory Approach to Foreign Marketplaces Trading Fixed Income Securities* (**CSA SN 21-328**)¹ that outlines an exemption approach that is based on a substituted compliance model of ATS oversight.

The Order was issued following the change in ownership of Execution Access. Because there was no change to Execution Access's operations, the application for the Order was not published for comment.

A copy of the Order is published in Chapter 2 of this Bulletin.

¹ Published on March 5, 2020 and available at https://www.osc.gov.on.ca/en/SecuritiesLaw_csa_20200305_21-328_foreign-marketplaces-trading-fixed-income-securities.htm.

13.2.2 NEO Exchange Inc. – Proposed Public Interest Rule Amendment to the Trading Policies – Request for Comments

NEO EXCHANGE INC.

PROPOSED PUBLIC INTEREST RULE AMENDMENT TO THE TRADING POLICIES

REQUEST FOR COMMENTS

Introduction

Neo Exchange Inc. (“**NEO Exchange**” or the “**Exchange**”) is publishing a proposed public interest rule amendment to the NEO Exchange Trading Policies in accordance with Schedule 4 to its recognition order, as amended. The public interest rule amendment was filed with the Ontario Securities Commission (“**OSC**”) and is being published for comment. A description of the public interest rule amendment is set out below and the text of the public interest rule amendment is set out in Appendix A. Subject to any changes resulting from comments received, the public interest rule amendments will be effective upon publication of the notice of approval on the OSC’s website.

Description of the Public Interest Rule Amendment

Addition of Minimum Price Improvement (“MPI”) Orders in NEO-D

A MPI Order is an order which price is automatically adjusted to be pegged one tick increment more aggressive than the protected National Best Bid and Offer (“NBBO”), or half a tick increment if the NBBO spread is one tick. Offsets on MPI orders are not permitted. A MPI order is tradeable upon entry with other resting orders, but will not trade during crossed or locked markets.

Addition of an Odd Lot Facility in NEO-D

An odd lot order (or the odd lot portion of a mixed lot order) will be auto-executed at the protected NBBO by a Designated Market Maker or Odd Lot Trader. Odd lot orders are only accepted between 9.30 a.m. and 4:00 p.m. An odd lot order with a limit price worse than the protected NBBO will be cancelled back to the originator. An odd lot order in a security that does not have a Designated Market Maker or Odd Lot Trader assigned will be cancelled back to the originator.

After our receipt of OSC approval, and in conjunction with the production date, the proposed functionalities will be added to the Trading Functionality Guide and published on our website.

Expected Date of Implementation of the Public Interest Rule Amendments

NEO Exchange seeks to implement the public interest rule in Q4 2021.

Rationale for the Public Interest Rule Amendments and Supporting Analysis

The proposed changes to introduce MPI and an Odd Lot Facility in NEO-D are being implemented to enhance our dark offering and provide more opportunities for price improvement for clients. These features are not novel concepts and are currently available on other marketplaces as noted below.

Expected Impact on Market Structure, Members, Investors, Issuers and Capital Markets

The changes will not have any impact on market structure as the features are not novel concepts and are currently available on other marketplaces. Members and Investors will have an enhanced experience in NEO-D through price improvement and automated odd lot execution.

Impact on Exchange’s Compliance with Ontario Securities Law and on Requirements for Fair Access and Maintenance of Fair and Orderly Markets

The Amendments will not impact the Exchange’s compliance with Ontario securities law and in particular the requirements for fair access and maintenance of fair and orderly markets. The proposed functionalities are common features for equity marketplaces in Canada, and other Canadian marketplaces already offer MPI and an Odd Lot Facility in their dark book. The functionalities will be available for all marketplace participants of NEO-D.

Impact on the Systems of Members or Service Vendors

The changes will have no impact on the systems of members or service vendors. Only those that want to use the new MPI order type will have to make changes. Since MPI is a standard order type already available on other marketplaces the change would be trivial for willing adopters from a system perspective. Implementation of an Odd Lot Facility has no system impact on members or vendors.

Alternatives Considered

No alternatives were considered.

New Feature or Rule

MPI orders and auto-executions of odd-lots at the protected NBBO is already supported by most marketplaces including TSX, NASDAQ Canada and CSE.

Comments

Comments should be provided, in writing, no later than **August 30, 2021** to:

Joacim Wiklander
Chief Operating Officer
Neo Exchange Inc.
65 Queen Street West
Suite 1900
Toronto, ON, M5H 2M5
joacim@neostockexchange.com

with a copy to:

Market Regulation Branch
Ontario Securities Commission
20 Queen Street West
22nd Floor
Toronto, ON M5H 3S8
marketregulation@osc.gov.on.ca

Please note that, unless confidentiality is requested, all comments will be publicly available.

APPENDIX A

TEXT OF THE TRADING POLICIES AMENDMENTS

	Trading Policies Section Reference	Amendment
1.	<p>Part I. Definitions and Interpretations 1.01</p> <p>“Mixed Lot Orders”</p> <p>“Odd Lot Facility”</p> <p>“Odd Lot Orders”</p>	<p>Delete “has the meaning set out in Section 6.02” and replace with “means a Limit Order or Market order containing at least one Board Lot and one Odd Lot.”</p> <p>Delete “of NEO-L”.</p> <p>Delete “has the meaning set out in Section 6.02” and replace with “means A Limit Order or Market Order containing less than one Board Lot.”</p>
2.	<p>Part VII. Trading in NEO-D Section 7.02 Additional Orders and Modifiers Available in NEO-D</p>	<p>Introduce definitions of “Minimum Price Improvement Order”, “Mixed Lot” and “Odd Lot” as follows:</p> <p>“Minimum Price Improvement Order” A pegged order with a price offset of which is automatically adjusted by the Exchange Systems to one tick increment more aggressive than the NBBO, or one-half of a tick increment if the NBBO spread is only one tick increment.</p> <p>‘Mixed Lot’ A Limit Order or Market Order containing at least one Board Lot and an Odd Lot.</p> <p>‘Odd Lot’ A Limit Order or Market Order containing less than one Board Lot.”</p>

Trading Policies Section Reference	Amendment
<p><i>Section 7.07 Odd Lot Facility</i></p>	<p>Introduce the Odd Lot Facility as follows:</p> <ul style="list-style-type: none"> “(1) Odd Lot Orders (and the Odd Lot Order portion of a Mixed Lot Order) will be eligible for entry and auto-execution in the OLF during the Odd Lot Session (2) Odd Lot Orders (and the Odd Lot Order portion of a Mixed Lot Order) may be entered for trading during the during the Odd Lot Session of NEO-D (3) Odd Lot Orders (and the Odd Lot portion of Mixed Lot Orders) for securities that do not have a Designated Market Maker or Odd Lot Trader and security types for which there is no OLF will be rejected. The Exchange will publish by Notice to Members the securities and/or security types for which there is no OLF. (4) Incoming Odd Lot Market Orders: <ul style="list-style-type: none"> (a) will be auto-executed by the Designated Market Maker or Odd Lot Trader at the time of order entry, at the NBBO. (5) Incoming Odd Lot Limit Orders: <ul style="list-style-type: none"> (a) with a limit price equal to or better than the NBBO will be auto-executed by the Designated Market Maker or Odd Lot Trader at the time of order entry, at the NBBO, and (b) all other Odd Lot Limit Orders will be cancelled back to the originator. (6) Incoming Mixed Lot Orders, <ul style="list-style-type: none"> (a) the Board Lot portion will trade in accordance with 7.04, and (b) the Odd Lot Order portion will trade in accordance with 7.07(4) and 7.07(5).”
<p><i>7.08 Unfair Trading in Odd Lots</i></p>	<p>Introduce the treatment of unfair trading in Odd Lots as follows:</p> <ul style="list-style-type: none"> “(1) See section 6.18”

13.2.3 NEO Exchange Inc. – Imbalance Only Order for Closing Call – Notice of Withdrawal

NEO EXCHANGE INC.

IMBALANCE ONLY ORDER FOR CLOSING CALL

NOTICE OF WITHDRAWAL

In accordance with the *Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 and the Exhibits Thereto* (the “**Protocol**”) in Schedule 4 of the Ontario Securities Commission recognition order recognizing each of Aequitas Innovations Inc. and Neo Exchange Inc. (“**NEO**”) as an exchange, NEO is withdrawing the published but never implemented imbalance only order for closing call feature as described in the NEO Exchange Trading Policies. To the extent NEO decides to pursue the feature again, it will be published for comment in accordance with the requirements of the Protocol.

13.2.4 NEO Exchange Inc. – Notice of Housekeeping Rule Amendments to the Trading Policies

NEO EXCHANGE INC.

NOTICE OF HOUSEKEEPING RULE AMENDMENTS TO THE TRADING POLICIES

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*, the Neo Exchange Inc. has adopted housekeeping rule changes (the “**Housekeeping Rule Amendments**”). The Ontario Securities Commission has not disagreed with the housekeeping categorization. The Housekeeping Rule Amendments comprise the following changes:

Housekeeping Rule Amendments and Rationale for Classification

The proposed Housekeeping Rule Amendments are administrative changes to remove references to the withdrawn imbalance only order for closing call feature from the Trading Policies, and are consistent with changes as described in subsection 6.1(5) of Companion Policy 21-101CP to NI 21-101.

Trading Polices Section	Amendment	Rationale
<p>Part VI. Trading in NEO-L <i>Subsection 6.02(2) Order Modifiers - Functional Attributes</i></p> <p>“Imbalance Only (IO)”</p> <p><i>Paragraph 6.11 Closing Call (Closing Call Eligible Securities only) (2)(d)</i></p> <p><i>Subsection 6.11(4)</i></p>	<p>Delete references to “or Closing Call”</p> <p>Delete reference to “; and</p> <p>(d) Lastly, IO orders trade with:</p> <p>(i) offsetting orders entered by the same Member, then against offsetting NEO Trader™ orders by the same Member according to time priority, then all other offsetting orders by the same Member, according to the time priority of the offsetting order, provided that neither order is an anonymous or jitney order; then</p> <p>(ii) offsetting NEO Trader™ orders, according to time priority; then</p> <p>all other offsetting orders according to time priority.”</p> <p>And replace with “.”.</p> <p>Delete reference to “IO”.</p>	<p>To correspond with the removal of the Imbalance Only Orders for the Closing Call, references in the Trading Policies are deleted.</p>

The Trading Policies can be viewed at:

<https://www.neo.inc/en/exchange/resources>

The Housekeeping Rule Amendments are effective as of the date hereof.

13.2.5 NEO Exchange Inc. – Public Interest Rule Amendments to the Listing Manual – Notice of Approval

NEO EXCHANGE INC.

PUBLIC INTEREST RULE AMENDMENTS TO THE LISTING MANUAL

NOTICE OF APPROVAL

In accordance with the *Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 and the Exhibits Thereto*, Neo Exchange Inc. ("**NEO Exchange**") has adopted and the Ontario Securities Commission has approved Public Interest Rule Amendments to the NEO Exchange Listing Manual.

On May 27, 2021, NEO Exchange published for comment the Public Interest Rule Amendments relating to repealing subsections 2.05 (1) and 2.06 (1) of the Listing Manual, which sets out the Minimum Distribution requirements for Structured Products and Debt-Based Structured Products. For additional detail, please refer to the Notice of the Amendments and Request for Comments published on May 27, 2021. No comments were received.

The Amendments are effective as of the date hereto.

In addition, NEO Exchange has adopted certain housekeeping rule amendments to the Listing Manual and Listing Forms. For details of the housekeeping changes please see the Notice of Housekeeping Changes.

A copy of the Listing Manual and Listing Forms can be found on the NEO Exchange website.

13.2.6 NEO Exchange Inc. – Notice of Housekeeping Rule Amendments to the Listing Manual and Listing Forms

NEO EXCHANGE INC.

NOTICE OF HOUSEKEEPING RULE AMENDEMENTS TO THE LISTING MANUAL AND LISTING FORMS

In accordance with the *Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 and the Exhibits Thereto*, the Neo Exchange Inc. has adopted housekeeping rule changes (the “**Housekeeping Rule Amendments**”). The Ontario Securities Commission has not disagreed with the housekeeping categorization. The Housekeeping Rule Amendments comprise the following changes:

Housekeeping Rule Amendments and Rationale for Classification

The proposed Housekeeping Rule Amendments are and, for the most part, address minor formatting, spelling, typographical and numbering errors as described in subsection 6.1(5) of Companion Policy 21-101CP to NI 21-101.

	Listing Manual Section or Form Reference	Amendment	Rationale
1.	<i>Part I. Definitions, Interpretation and General Discretion</i> 1.01	Delete the definition of “Qualified Analyst” Replace “Exchange” with “exchange”	Prior modification to the investor relations requirement removed the definition from usage in the Listing Manual. To correct typographical error.
2.	<i>Part VII. Corporate Finance and Capital Structure Changes</i> Subsection 7.05(1) Paragraph 7.05(1)(i) Paragraph 7.05(1)(ii) Commentary to subsection 7.05 Paragraph 7.15(4)(b)	Replace “a private placement or public offering” with “an issuance” Delete “of the private placement” Replace “placed or offered” with “issued” and “placement or offering” with “issuance” Replace “Maximum Discount to Market Price shall not apply to the exercise price of a convertible, exercisable or exchangeable security.” With “The exercise price of a convertible, exercisable or exchangeable security must not be lower than closing market price on the day preceding the date on which the Listed Issuer issues a press release announcing a transaction or Files a Form 9A – Price Reservation.” Insert “if applicable” at the beginning of the sentence, and delete “certified”	To improve readability. To improve readability. To improve readability. To improve readability and clarify the intent of the commentary that convertible, exercisable or exchangeable securities may not be issued at a discount. To clarify that the Exchange may be satisfied of shareholder approval in alternative forms. For example, by written resolution.
3.	<i>Part X. Corporate Governance and Security Holder Approval</i> Subsection 10.13(3) Paragraph 10.16(30)(b)	Replace reference to 10.14(2) with 10.13(2) Replace “Depository” with “Depository”	To correct typographical error. To correct typographical error.

	Listing Manual Section or Form Reference	Amendment	Rationale
4.	Form 9A – Price Reservation	<p>Minor formatting changes</p> <p>Delete “FORM” from name “Form 9A – Price Reservation Form”</p> <p>Delete section B - Related Person involvement</p>	<p>To remove redundancy.</p> <p>Related Person involvement is often not known at the time of price reservation and will be submitted with Form 9 – Notice of Private Placement.</p>
5.	Form 1 – Listing Application	<p>Minor typographical, editorial and formatting changes</p> <p>Minor instruction clarifications</p> <p>Delete “If the Listed Issuer wants to participate in the Exchange’s Issuer Performance Program it will complete the applicable form and pay the appropriate amounts when due. The Listed Issuer will also update the submitted information on an annual basis if it would like to continue its participation in the Issuer Performance Program for the following year.”</p> <p>Remove “A Listed Issuer will register to use the NEO Exchange Listings Data Room (“Data Room”) and agrees to provide information in accordance with the Data Room instructions; the Listed Issuer will use the Data Room to File all forms required to be submitted to the Exchange unless otherwise indicated.”</p> <p>Delete the “Facsimile” field from Applicant Information section</p> <p>Add “Company Investor Relations Contact Name, Email, and Telephone Number” field</p> <p>Add “Legal Entity Identifier” field to Applicant Information section</p> <p>Delete section 3 of “For Exchange-Traded Product Listings” from Appendix A to the Listing Application</p>	<p>To clarify requirements, improve usability, and ensure consistency with the Listing Manual.</p> <p>The Issuer Performance Program is no longer available.</p> <p>Document submissions are made through various channels. This requirement is removed to avoid confusion.</p> <p>No longer required by the Exchange.</p> <p>To ensure consistency with Exchange documentation requirements.</p> <p>To ensure consistency with Exchange documentation requirements.</p> <p>To remove redundancy.</p>

The Listing Manual and Listing Forms can be viewed at:

<https://www.neo.inc/en/exchange/resources>

The Housekeeping Rule Amendments are effective as of the date hereof.

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Chapter 25

Other Information

25.1 Consents

25.1.1 ClearStream Energy Services Inc. – s. 4(b) of Ont. Reg. 289/00 under the OBCA

Headnote

Consent given to an offering corporation under the Business Corporations Act (Ontario) to continue under Business Corporations Act (Alberta).

Statutes Cited

Business Corporations Act, R.S.O. 1990, c. B.16, as am., s. 181.
Securities Act, R.S.O. 1990, c. S.5, as am.

Regulations Cited

Regulation made under the Business Corporations Act, Ont. Reg. 289/00, as am., s. 4(b).

**IN THE MATTER OF
R.R.O. 1990, REGULATION 289/00, AS AMENDED
(the REGULATION)**

**MADE UNDER THE BUSINESS CORPORATIONS ACT (ONTARIO),
R.S.O. 1990 c. B.16, AS AMENDED
(the OBCA)**

AND

**IN THE MATTER OF
CLEARSTREAM ENERGY SERVICES INC.**

**CONSENT
(Subsection 4(b) of the Regulation)**

UPON the application (the **Application**) of ClearStream Energy Services Inc. (the **Applicant**) to the Ontario Securities Commission (the **Commission**) requesting the Commission's consent to continue into another jurisdiction pursuant to section 181 of the OBCA (the **Continuance**);

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

AND UPON the Applicant having represented to the Commission that:

1. The Applicant is an offering corporation under the OBCA.
2. The Applicant's common shares are listed and posted for trading on the Toronto Stock Exchange (the **Exchange**) under the symbol "CSM". As at June 18, 2021, the Applicant had 109,992,668 common shares issued and outstanding.
3. The Applicant intends to apply to the Director under the OBCA pursuant to section 181 of the OBCA (the **Application for Continuance**) for authorization to continue as a corporation under the *Business Corporations Act* (Alberta), RSA 2000, c B-9 (the **ABCA**).
4. The principal reason for the Continuance is that the Applicant's business operations and head office, along with its principal regulator, are situated in Alberta. Accordingly, the Applicant considers it to be in its best interests to continue under the ABCA.
5. The material rights, duties and obligations of a corporation governed by the ABCA are substantially similar to those of a corporation governed by the OBCA.

Other Information

6. The Applicant is a reporting issuer within the meaning of the *Securities Act* (Ontario), RSO 1990, c S.5, as amended (the **Act**) and the securities legislation in all of the other provinces and territories of Canada (collectively, the **Legislation**). The Applicant intends to remain a reporting issuer in each of the jurisdictions in which it is currently a reporting issuer following the Continuance.
7. The Applicant is not in default of any of the provisions of the OBCA, the Act or the Legislation, including any of the regulations or rules made thereunder.
8. The Applicant is not a party to any proceeding or any pending proceeding under the OBCA, the Act or the Legislation.
9. The Applicant is not in default of any rules, regulations or policies of the Exchange.
10. The Applicant's principal regulator is the Alberta Securities Commission. Following the Continuance, the head office of the Applicant will remain located in Calgary, Alberta and the Alberta Securities Commission will continue to be the Applicant's principal regulator.
11. The Applicant's management information circular dated May 6, 2021 for its annual general and special meeting of shareholders, held on June 18, 2021 (the **Shareholders' Meeting**) described the proposed Continuance, disclosed the reasons for, and the implications of, the proposed Continuance. It also disclosed full particulars of the dissent rights of the Applicant's shareholders under section 185 of the OBCA.
12. The Applicant's shareholders approved the Continuance at the Shareholders' Meeting by a special resolution approved by 99.96% of the votes cast. No shareholder exercised dissent rights pursuant to section 185 of the OBCA.
13. Subsection 4(b) of the Regulation requires the Application for Continuance to be accompanied by a consent from the Commission.

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

THE COMMISSION CONSENTS to the Continuance of the Applicant under the ABCA.

DATED at Toronto, Ontario this 23rd day of July 2021.

"Cathy Singer"
Commissioner
Ontario Securities Commission

"Frances Kordyback"
Commissioner
Ontario Securities Commission

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