

The Ontario Securities Commission

OSC Bulletin

November 18, 2021

Volume 44, Issue 46

(2021), 44 OSCB

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

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Published under the authority of the Commission by:

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2075 Kennedy Road
Toronto, Ontario
M1T 3V4

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

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Printed in the United States by Thomson Reuters.

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ISSN 0226-9325
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Chapter 1

Notices

1.1 Notices

1.1.1 OSC Notice 11-794 – Statement of Priorities – Request for Comments Regarding Statement of Priorities for Financial Year to End March 31, 2023

ONTARIO SECURITIES COMMISSION

OSC Notice 11-794 – Statement of Priorities

Request for Comments Regarding Statement of Priorities for Financial Year to End March 31, 2023

The *Securities Act* (Act) requires the Ontario Securities Commission (OSC or Commission) to deliver to the Minister of Finance and publish in its Bulletin each year a statement of the Chair setting out the proposed priorities of the Commission for its current fiscal year in connection with the administration of the Act, the regulations and rules, together with a summary of the reasons for the adoption of the priorities.

The 2022-2023 SoP reflects our new mandate to promote competition and foster capital formation. This mandate is integrated into all of our work and is reflected in our policymaking. The 2022-2023 SoP reflects the OSC's current views on the priority actions that the OSC will take in 2022-2023 to address each of the goals and its related priorities.

The 2022-2023 SoP has a 30-day comment period. The Commission will consider stakeholder comments and make any necessary revisions prior to finalizing and publishing its 2022-2023 Statement of Priorities.

Comments

Any comments should be made in writing by December 20, 2021 and sent to:

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[Editor's Note: The Statement of Priorities follows on separately numbered pages. Bulletin pagination resumes at the end of the Statement of Priorities.]

OSC

ONTARIO
SECURITIES
COMMISSION

2022-2023

OSC Statement of Priorities

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INTRODUCTION

OSC Statement of Priorities

We are pleased to present the Ontario Securities Commission (OSC) Chair's Statement of Priorities (SoP) for the OSC for the year commencing April 1, 2022. This SoP supports the OSC's commitment to be both effective and accountable in delivering its regulatory mandate which has been expanded to include fostering competitive markets and capital formation.

The OSC regulates the largest capital market in Canada and our actions have impacts for Ontario and the rest of Canada. The OSC is committed to promoting fair, efficient and competitive markets in Ontario and has identified a broad range of initiatives to improve the existing regulatory framework. We strive to anticipate problems in the market and act decisively to promote public confidence in our capital markets, protect investors, promote innovation, foster capital formation and support market integrity. We will continue to proactively identify emerging issues, trends, and risks in our capital markets. Confidence in fair, efficient and competitive markets is a prerequisite for economic growth. Investor protection is always a top priority for the OSC.

The OSC continues to move the regulatory agenda forward, improving the way we approach our work and engage with investors, industry participants and other regulators to understand the issues and their concerns. The OSC interacts extensively with stakeholders through various advisory committees, roundtables, and other means of consultation, to inform operational approaches and policy development. The OSC engages with investor advocacy groups and investors directly to gain insights to better understand investor needs and interests.

Our significant work in the international regulatory environment, taking into consideration the constraints imposed by the COVID-19 pandemic, will continue as another key means to gain insights into emerging issues and standards that can be integrated into our policy development and oversight activities. These actions are essential to reach solutions that balance the inclusion of innovation and competition in the marketplace with the maintenance of appropriate investor safeguards.

The OSC works as part of the Canadian Securities Administrators (CSA) to harmonize rules and their application across the country. The OSC is also a member of the Heads of Regulatory Agencies (HoA), an important federal-provincial forum for cooperation on financial sector issues. Chaired by the Bank of Canada, the HoA brings together the Department of Finance Canada, the Office of the Superintendent of Financial Institutions (OSFI), as well as the Autorité des marchés financiers, the British Columbia Securities Commission and the Alberta Securities Commission.

Key Priorities

Our 2022-2023 SoP sets out the four strategic goals on which the OSC intends to focus its resources and actions in 2022-2023. It also lays out the priority initiatives that the OSC will pursue in support of each of these strategic goals.

We continue to work to embed our new mandate to promote competition and foster capital formation into our work and reflect those objectives in our policymaking.

Reflecting the updated OSC Mandate, we have included a new Goal titled “Modernizing the Regulatory Environment” to capture priorities that continue to modernize regulatory oversight practices by continually focusing on service improvements and the potential for regulatory burden on market participants.

We have also removed Reducing Regulatory Burden as a specific Goal within the SoP. We are embedding a culture of burden reduction across the OSC, and many of our activities captured under this goal have become integrated into our core operational work and policymaking activities. The OSC continues to strive to streamline regulation without compromising investor protection.

The Goals included in the Statement of Priorities (SoP) and Business Plan for 2022 are:

GOAL 1 – Promote Confidence in Ontario’s Capital Markets

Promote confidence in Ontario’s capital markets among market participants and investors

- Sustain Strong Core Regulatory Operations
- Support Implementation of the Mutual Fund Embedded Commissions Rules Banning the use of Deferred Sales Charges (DSC Ban) and Trailing Commission where no Suitability Determination is Required (OEO Ban)
- Improve the Retail Investor Experience and Protection
- Expand Behavioural Insights and Policy Testing Capabilities
- Strengthen Dispute Resolution Services for Investors, such as the Ombudsman for Banking Services and Investments (OBSI), through Policy and Oversight Activities
- Continue Efforts to Implement a New Single Enhanced Self-Regulatory Organization (New SRO), and Consolidate the Current Two Investor Protection Funds Independent from the New SRO
- Strengthen Oversight of Crypto Asset Trading Platforms and other Dealers
- Develop a Rule Setting out Climate Change-Related Disclosures for Reporting Issuers*
- Continue Consideration of Diversity on Boards and in Executive Roles at Reporting Issuers*
- Monitor the Listing Function of Recognized Exchanges and Identify Areas for Improvement
- Develop Total Cost Reporting Disclosure for Investors

* For Corporate Finance / Business Issuers only

GOAL 2 – Modernizing the Regulatory Environment

Continue to evolve the regulatory environment in line with Ontario’s changing capital markets and investor needs.

- Implement an Enhanced Framework for Modernizing Regulation
- Continue Work on Streamlining Periodic Disclosure Requirements for Reporting Issuers
- Work to Modernize Delivery Options of Regulatory and Continuous Disclosure Filings for Issuers
- Strengthen the Framework and Capability to Identify, Assess and Respond to Emerging Regulatory Issues
- Continue to Enhance Systemic Risk Oversight

GOAL 3 – Facilitate Financial Innovation

Cultivate an environment that supports development of innovative financial business models that benefit investors and capital market participants.

- Engage and Support Novel and Innovative Businesses in our Capital Markets
- Support and Enable the Use of Technology and Open Data in our Capital Markets
- Expand OSC TestLab
- Foster New Methods of Engagement with the Innovation Community

GOAL 4 – Strengthen Our Organizational Foundation

People, Technology, and Information

- Redevelop CSA National Systems
- Continue Technology Modernization, Digital Transformation and Data and Analytics Enablement at the OSC
- Foster/Improve Inclusion, Equity and Diversity
- Implement Hybrid Work Pilot

THE ENVIRONMENT

Lasting Impact of COVID-19

The COVID-19 pandemic, and the associated responses by market participants and governments, will continue to impact capital markets in Ontario and across the world for the foreseeable future.

The recovery efforts have fuelled significant growth in many parts of the economy, but its pace remains uneven across sectors and dependent on the stability of virus containment measures. Governments continue to provide large-scale fiscal and monetary support for the economy and financial markets, with some programs – including wage subsidies to businesses – expected to wind down in the near term.

While levels of household savings have increased over the pandemic, mounting inflationary pressures may increase consumer expenses. At the same time, employment remains below pre-pandemic levels in some sectors with signs of labour shortages. Central banks around the world will be deciding over the coming months when to begin raising interest rates and tapering their monetary expansion, which may impact market liquidity, financial firm performance, product offerings as well as retail investor risk tolerance and behaviour. At present, a number of central banks are expected to start the process of gradually normalizing monetary policy during fiscal year 2023. The OSC will monitor these developments that may impact the fair and efficient functioning of capital markets in Ontario.

As the shift toward remote work in much of the financial sector matures to more permanent hybrid arrangements, the OSC will continue to assess how it interacts with its regulated population through improved digital channels and integrated virtual and on-site compliance reviews. Pandemic-related restrictions drove a move towards online sales channels across a variety of industries. Greater consumer comfort with these sales channels may further a shift towards online advisers and direct marketing of investment products. The OSC will continue to monitor how these developments support fair, efficient and competitive markets.

Enhanced Regulatory Environment

Implementation of certain recommendations of the Capital Markets Modernization Taskforce (Taskforce) related to OSC governance and structure, as outlined in the Spring 2021 Ontario Budget, will be supported through legislative amendments by the Ontario government. These actions will strengthen the OSC organizationally by further separating the Board from the Tribunal and by separating OSC Chair and CEO roles, and will provide scope to implement its new mandates. The OSC will also continue advancing a number of policy initiatives recommended by the Capital Markets Modernization Task Force and highlighted in the Spring 2021 Budget and in the 2021 Ontario Economic Outlook and Fiscal Review.

In October 2021, the Ontario government published a draft Capital Markets Act for stakeholder consultations. The Capital Markets Act would update and streamline the OSC's legislative framework and provide additional clarity for capital markets participants. The OSC will continue to support the government with the ongoing work

related to the CMA consultation. These efforts will assist in supporting legislative harmonization with other provinces and territories.

Ontario's capital markets are influenced by national and international developments, from macroeconomic factors to policy changes to financial innovation. The OSC actively engages with domestic and international counterparts to monitor developments and contribute to and shape policy discussions relevant to our regulatory remit.

Evolution of the Investing Landscape

The pace of technological evolution and innovation in financial markets creates challenges to develop and maintain a responsive and aligned regulatory framework. Market participants continue to expand product and service offerings. Fintech and other market innovation are key disruptive forces in the financial services industry. Fintech is leveraging technological innovation, digitalization, and distributed ledger technology to create new product offerings and platforms to trade them on, including blockchain-based crypto assets and crypto asset trading platforms. The OSC must understand the impacts of these disruptive forces and respond to them in a manner consistent with our overall mandate.

The speed at which crypto assets and the firms that trade them have advanced indicate how quickly capital markets are changing, but also affirms the need for balanced regulatory approaches. During 2021, the global crypto asset market increased from US\$1 trillion in capitalization in January to over US\$2.3 trillion in August. Growth in speculative interest from both retail and institutional investors have boosted prices, but has also signalled the desire of crypto asset owners to transact and lend such assets through decentralized finance (DeFi). The OSC will continue to focus on bringing crypto asset trading platforms into compliance and taking enforcement action where necessary.

To meet these challenges, we will need to:

- continue efforts to identify and monitor emerging regulatory issues
- balance our multiple mandates to foster innovation, facilitate investor choice, foster competition and capital formation and protect investors while maintaining fair and efficient markets and contributing to financial stability
- cultivate capabilities to have a deep understanding of new technologies to ensure that we can deliver on our multiple mandates
- in coordination with our regulatory colleagues, identify and manage potential regulatory gaps or regulatory arbitrage

Increased retail investor participation in capital markets has been driven by a recent period of increased household savings, strong equity market performance, and lower cost trading opportunities. For some, a desire for return has led to herding activity toward speculative investments, such as the meme stocks, while others are seeking alternative assets, such as crypto assets. This activity highlights the importance of our investor education efforts and identifying opportunities for the design of messages to evolve along with investors' sources of information. Regulators will need to remain vigilant about products promising higher returns and enable investors to have the necessary tools to make informed decisions.

Public market financing has accelerated in Ontario, with an unprecedented volume of prospectus filings. Notably, between January and June 2021, \$4.11 billion in proceeds were raised across 31 IPOs in Ontario; supported strongly through Private Equity-based offerings, as well as an increase in the number of Special Purpose Acquisition Companies (SPACs). The OSC continues to monitor and assess new forms of capital raising to ensure our regime facilitates new, cost-effective options for issuers, and supports investor confidence and their ability to make informed investment decisions.

Part of this growth has been through the maturation of purpose-driven investing, evidenced in the surge of investor interest in environmental, social and governance (ESG) finance and supporting BIPOC businesses and communities. The advent of climate finance and related issuer disclosures has prompted growth of financial instruments to fund low-carbon transitions. Specialized investment funds for BIPOC businesses increase their access to capital and growth. These developments underscore the importance of disclosure and monitoring conduct.

OUR GOALS

GOAL 1 – Promote Confidence in Ontario’s Capital Markets

The OSC shares the Ontario government’s commitment to making Ontario’s capital markets globally competitive and an attractive place in which to invest, grow businesses and create jobs. One of the ways we uphold that commitment is by promoting confidence in Ontario’s capital markets through a balanced policy framework, by engaging and educating investors, exercising effective compliance oversight, and pursuing timely and vigorous enforcement.

To achieve globally competitive, efficient and strong capital markets and a regulatory system that attracts investment from around the world, the OSC is required to effectively balance the need to streamline capital raising for businesses, while seeking to protect investors from financial systemic risk and misconduct.

Our Key Priorities

1.1 Sustain Strong Core Regulatory Operations

The OSC continues to adapt to the impacts of the COVID-19 pandemic, pursuing implementation of structural changes and policy items stemming from the Spring 2021 budget and deliver policy responsive to the changes in the marketplace. Throughout these environmental, structural, and regulatory changes, the OSC continues to be committed to its fundamental core regulatory operation work, to provide stability and continuity in the regulation of Ontario’s capital markets.

As a result, the OSC considers sustaining strong core regulatory operations an overarching priority that contributes to confidence in Ontario’s capital markets.

Our core regulatory operations encompass three main categories of activities:

- Authorizations (receipting, registration, and recognition)
- Compliance/Oversight/Supervision
- Enforcement

Examples of these activities are:

Authorizations

- Review of prospectuses in connection with reporting issuer public offerings and issuance of a prospectus receipt
- Registration of firms and individuals in the categories of dealers, portfolio managers, investment fund managers and commodity categories
- Exemptive relief applications by a range of market participants including issuers, investment funds, registrants, and market infrastructure entities

Compliance/Oversight/Supervision

- Compliance reviews of registrants, including initial registration examinations, topical sweeps and for cause reviews

- Ongoing compliance and oversight related to the implementation of the Client Focused Reforms
- Registrant conduct oversight including the imposition of terms and conditions and suspensions of registrations in appropriate cases
- Outreach to market participants
- Continuous disclosure review programs for both corporate issuers and investment funds
- Real time review programs to assess disclosures and compliance with applicable requirements for take over bids and related party transactions, as well as staff participation in contested merger and acquisition (M&A) hearings before the Commission when necessary
- Compliance oversight of derivatives dealers and trade repositories
- Compliance of issuer offering documents and registrants participating in the exempt market, including syndicated mortgages
- Designation and oversight of credit rating organizations
- Ongoing monitoring and compliance reviews of periodic filings with the OSC including insider reports on SEDI and reports of exempt distribution
- Activities to support systemic risk management and to contribute to financial stability
- Market infrastructure oversight, including recognition, designation, exemption and ongoing oversight of various entities including self-regulatory organizations, exchanges, alternative trading systems, clearing agencies and designated entities that comprise the market infrastructure ecosystem
- Oversight of the listed issuer function for OSC recognized exchanges
- Oversight of OBSI to assess whether it continues to meet the standards it is expected to on, among other things, governance and transparency obligations

Enforcement

- Assessment of matters that may constitute a breach of Ontario's securities law and referrals for possible investigation and/or disruption activities
- Investigation and prosecution of regulatory enforcement matters, including market abuse matters
- The quasi-criminal team will work in cooperation with policing partners and continue to focus on fraudulent behaviour and recidivism
- Administer the Whistleblower program and coordinate international cooperation efforts with other regulators, including developing international disruption methods

The OSC continues to streamline regulation with a focus on reducing regulatory burden without compromising investor protection. In undertaking our core regulatory operations, the objective of reducing regulatory burden remains essential, and integrated into all of our activities.

The OSC reports on its operational accomplishments in various ways:

- We publicly report on regulatory operations through our quarterly service standard reporting, which shows how we are tracking against our service commitment standards. If a target is not met, we provide an explanation
- The OSC also publishes the OSC Annual Report every year, including the Report Card on our Statement of Priorities, which highlights key accomplishments and statistics related to our core regulatory work
- Various branches within the OSC produce Summary, or Activity Reports, which are published on the OSC Website

1.2 Support Implementation of the Mutual Fund Embedded Commissions Rules Banning the use of Deferred Sales Charges (DSC Ban) and Trailing Commission Where No Suitability Determination is Required (OEO Ban)

The OSC will focus on addressing implementation issues relating to the DSC Ban and the OEO Ban prior to the two bans taking effect on June 1, 2022. The OSC will assess fund managers' compliance readiness with the bans and will monitor for compliance.

Actions will include:

- Provide appropriate accommodation allowing flexibility for investors to be switched to different fee options when implementing the bans
- Obtain mutual fund sales, new products, and new services data for trend analysis, and follow up if the trends raise any concerns
- Inquire into fund managers' implementation plans and readiness

Planned Outcomes:

- Harmful DSC sales practices are removed in Ontario
- Instead of embedded fees, investors are charged applicable direct fees for mutual fund trades on order execution only (OEO) platforms
- Improved transparency and experience for investors with their dealers and advisors when investing in mutual funds

1.3 Improve the Retail Investor Experience and Protection

The OSC will continue to improve the retail investor experience and expand investor protection through a range of initiatives.

Phenomena such as the emergence of meme stocks, the increased gamification of investing, and the proliferation of social media channels have highlighted the diversity of sources of information that drive investor decisions. The aging population has been a focus of the OSC for many years and this will continue. Younger investors also have unique issues in investing and potential investor vulnerability has no age boundaries. As a result, the OSC addresses these developments in its activities and intends to continue to be agile by meeting people where they are in order to better educate and protect them.

Actions will include:

- Expanded focus on investor education and financial literacy activities, including:
 - increased paid media
 - expanded use of investor social media channels
 - the redevelopment of the OSC's investor website, GetSmarterAboutMoney.ca
- Continued implementation of the OSC Seniors Strategy and ongoing stakeholder consultation on additional tools, resources and strategies to support older investors
- Broadened consideration of investor perspectives early in the policy-making process
- Timely and responsive investor research conducted and published

Planned Outcomes:

- Financial education resources and channels, such as GetSmarterAboutMoney.ca, continue to be used by more investors and the OSC is seen as a leader in Canada and internationally
- Enhanced protection of seniors and vulnerable investors
- Policy initiatives reflect thoughtful consideration of research findings and investor perspectives
- More informed investment decisions through continued investor education

1.4 Expand Behavioural Insights and Policy Testing Capabilities

Since 2017, the Investor Office has enhanced the OSC's capacity to apply behavioural insights to securities regulation. Through expanding the Investor Office Research and Behavioural Insights Team (IORBIT), the OSC will continue applying the methods and techniques of behavioural science to policy and operational activities. IORBIT uses surveys, testing and experimentation to support evidence-based decision making throughout the Commission.

There are numerous factors that influence the decisions that people make. Behavioural Insights (BI) is an approach to understanding human decision-making that draws on the behavioural sciences including psychology, economics, and several others. Since the Global Financial Crisis, regulators around the world have been using BI to address financial market issues and improve investor outcomes.

Actions will include:

- Continue to strengthen the OSC's capacity and resources to apply BI to securities regulation through its policy making and operational programs
- Utilize behavioural science research methods to test the effectiveness of policy interventions
- Conduct experiments to study how emerging trends in capital markets are affecting retail investor behaviour
- Enhance OSC staff understanding of behavioural science to aid in the identification of investor protection risks and the development of effective solutions

Planned Outcomes:

- Improved effectiveness of OSC policies and programs, through the application of behavioural insights

1.5 Strengthen Dispute Resolution Services for Investors, such as the Ombudsman for Banking Services and Investments (OBSI), through Policy and Oversight Activities

Investors can be at risk for potential losses in cases where registered firms or individuals have acted unfairly, made an error or given bad advice. The OSC strives to improve investor access to redress in these types of situations. Avenues to obtain investor redress, including an effective and fair dispute resolution system, are now regarded as an essential element of investor protection frameworks. To achieve better results for investors and strengthen investor redress, the OSC will continue its efforts to establish a binding authority framework for a dispute resolution service such as OBSI.

Actions will include:

- Provide analysis of a framework for binding decisions of a dispute resolution service, such as OBSI, in Ontario within increased claim limits
- Engage with our CSA partners on strengthening OBSI

Planned Outcomes:

- Better results for investors regarding redress and dispute resolution, which will also foster investor confidence

1.6 Move Forward to Establish a New Single Enhanced Self-Regulatory Organization (SRO), and Consolidate the Current Two Investor Protection Funds (IPF) Independent from the New SRO

Focus on implementing a new SRO framework consistent with CSA Position Paper 25-404.

Actions will include:

- Establish an integrated working committee to coordinate and engage with existing SRO and IPF staff, as well as other stakeholders
- Implement the integration of the existing SROs, and separately, the current two investor protection funds under the new framework
- Adopt and move forward to implement issue specific solutions detailed in the CSA Position Paper 25-404 that:
 - Enhance governance and accountability to all stakeholders
 - Promote the development, interpretation and application of consistent regulatory requirements
 - Include formal investor advocacy mechanisms to ensure that investor perspectives are factored into the development and implementation of regulatory policies

- Contain mechanisms to improve the robustness of enforcement and compliance processes
- Ensure regulatory alignment with the CSA through appropriate oversight mechanisms
- Increase regulatory efficiencies, accommodate innovation and deliver effective and efficient regulation
- Do not impose barriers to registrants providing access to advice and products for investors of different demographics, including less affluent or rural investors
- Recognize and incorporate regional considerations and interests from across Canada

Planned Outcomes:

- Establish a new SRO framework by executing an approved implementation strategy to integrate the existing SROs, and separately, consolidating the current two investor protection funds

1.7 Strengthen Oversight of Crypto Asset Trading Platforms and Other Dealers

With the CSA and Investment Industry Regulatory Organization of Canada (IIROC), continue efforts to bring crypto firms engaging in dealer or marketplace activities into compliance with securities laws, as set out in both Joint Canadian Securities Administrators/Investment Industry Regulatory Organization of Canada Staff Notice 21-329 *Guidance for Crypto Asset Trading Platforms: Compliance with Regulatory Requirements* published on March 29, 2021 and in Joint CSA/IIROC Staff Notice 21-330 *Guidance for Crypto-Trading Platforms: Requirements relating to Advertising, Marketing and Social Media Use* published on September 23, 2021.

Actions will include:

- Engage with crypto firms to complete the registration or approval process
- Identify and address non-compliance with securities laws
- Develop in-house capabilities in crypto asset trading platform oversight

Planned Outcomes:

- Crypto asset trading platforms operate with appropriate regulatory oversight
- Reduction of misleading information in crypto asset trading platform advertising, marketing and social media
- An appropriate balance is achieved in supporting novel businesses and fostering innovation and competitive capital markets while promoting investor protection

*1.8 Introduce Proposed Rule for Climate Change-Related Disclosures**

The 2021 Budget included a commitment for the government to publicly consult on environmental, social and governance (ESG) disclosures, and consider the recommendations of the Taskforce. The Taskforce recommended mandating disclosure

* For Corporate Finance / Business Issuers only

by public companies of material ESG information, specifically climate-related disclosure that is compliant with the Task Force on Climate-Related Financial Disclosure (TCFD) recommendations. The Taskforce's final report highlighted that, globally and in Ontario, there is increased investor interest in issuers reporting on ESG-related information and creating a uniform standard of disclosure to level the playing field for all issuers. The 2021 Budget stated that the OSC will begin policy work to inform further regulatory consultation on ESG disclosure later this year. In October 2021, the CSA published proposed National Instrument 51-107 *Disclosure of Climate-related Matters* for a 90-day comment period. The proposed instrument would require reporting issuers (other than investment funds) to disclose certain climate-related information in compliance with the TCFD recommendations (subject to certain modifications). The comment period will close in January 2022.

Actions will include:

- Consider comments received on the proposed National Instrument and finalize instrument

Planned outcomes:

- Investors have access to the climate-related information needed to inform their investment and voting decisions
- Public companies have clarity on their climate-related disclosure requirements

*1.9 Reconsider Diversity on Boards and in Executive Roles at Reporting Issuers**

The OSC, together with other participating CSA jurisdictions, adopted disclosure requirements in 2014 related to the representation of women on boards and in executive officer positions at TSX-listed companies. Since that time, there have been significant events in the U.S., Canada and around the world that have intensified the focus on racism, and that includes a heightened focus on the issue of racial diversity on boards and in executive roles. In May 2020, the CSA announced further research and consultations in consideration of broader diversity on boards and in executive roles. In October 2021, the OSC held a virtual roundtable to discuss broader diversity (beyond gender) on boards and in executive officer positions, with a specific focus on targets, term limits and diversity data. All of this work will help determine whether, and how, the disclosure needs of Canadian investors and corporate governance practices among public companies have evolved since 2014 and what changes are warranted to the securities regulatory regime.

Actions will include:

- Consider and publish the feedback from stakeholders regarding the current diversity regime under securities legislation
- Develop proposals for enhancing that regime, as appropriate

* For Corporate Finance / Business Issuers only

Planned outcomes:

- Transparency regarding stakeholder feedback from consultations and research conducted
- Proposals developed to address the information needs of investors, while taking into account the business needs of public companies (following completion of consultations, as appropriate)

1.10 Monitor the Listing Function of Recognized Exchanges

Exchanges provide companies with access to equity capital through the listing function. There are a variety of options to raise public capital through an exchange listing, including an initial public offering, a reverse takeover, various qualifying transactions, a special purpose acquisition corporation or a direct listing. The exchanges are responsible for the development of appropriate policies for listings and for regulating and enforcing issuer compliance and other market participant conduct consistent with the established requirements. Recognized exchanges are subject to the terms of a recognition order between the OSC and the exchange. The OSC will continue to assess whether the recognized exchanges are conducting the listing process in accordance with the terms of the exchanges' policies and in a manner consistent with the terms of their recognition order and securities law. Exchanges operating in Ontario that are exempt from recognition by the OSC are typically party to a similar recognition order and are subject to oversight by one or more provincial securities regulators consistent with the OSC's oversight of recognized exchanges.

Actions will include:

- Review and comment on proposals for new or amended policies relating to the exchanges listings business
- Perform on-site or other compliance reviews relating to the practices of the exchanges in carrying out their listing functions, as necessary and appropriate, and liaise with other provincial securities regulators conducting oversight of exchanges
- Monitor domestic and international developments relating to blind-pool vehicles, such as SPACs
- Oversee the implementation of new or pilot listing programs being offered by exchanges on a temporary or "sandbox" basis
- Continue to assess whether there are opportunities for regulatory arbitrage as a result of differing listing rules, with a particular focus on reverse takeover transactions
- Engage in dialogue with the recognised exchanges on listing issues relating to emerging industries and new public entrants that may raise public interest concerns

Planned Outcomes:

- Development of compliance recommendations relating to listing standards, including:
 - requiring amendment to, or adoption of, new exchange listing policies
 - preparation of reports evaluating the adequacy of listing standards and related oversight programs executed by the exchanges

- Responding to proposed new or amended listing standards on a timely basis, raising material issues consistent with the OSC’s oversight role and protocols
- Proactive identification and response to emerging listing issues and industries

1.11 Develop Total Cost Reporting Disclosure for Investors

In collaboration with the Self-Regulatory Organizations (SROs), the Canadian Council of Insurance Regulators (CCIR) and the regulatory bodies in the CCIR, develop total cost reporting disclosure for mutual fund investors and segregated fund holders to make them more aware of the ongoing costs of owning investments, such as the impact of management fees charged by mutual funds and segregated funds. OSC will focus on requirements for securities registrants (dealers and advisors) to provide periodic reporting to clients showing the total amount of such fees after the initial sale of the investment.

Actions include:

- Develop a form of total cost reporting disclosure for securities registrants that will build on existing disclosure documents rather than adding net new requirements.
- Recommend disclosure solutions that:
 - draw upon behavioural insights and the results of testing sample documents with investors
 - reflect an understanding of costs and practical considerations based on advance consultations with industry associations and back-office service providers
 - adopt an approach as consistent as possible under both securities and insurance regimes

Planned Outcomes:

- Investors will benefit from enhanced regular reporting on the ongoing costs of investments
- Address information asymmetry between dealers/advisers and their clients
- Increase investor confidence in the industry and lead to better investment outcomes

GOAL 2 – Modernizing the Regulatory Environment

The OSC seeks to adapt and evolve the regulatory framework to respond to the changing market environment and anticipate changing market conditions and investor needs. Modern, efficient and effective regulation enables firms and other market participants to comply with requirements in a way that reflects current business practices. Such efforts include modernizing regulatory oversight practices in a responsive and forward-looking manner and focusing on service improvements and the potential for undue regulatory burden on market participants.

Capital markets are always evolving and the OSC will strive to sustain a regulatory environment that continues to meet the evolving needs of Ontario businesses and investors. A modern regulatory environment adapts to changing technology and investor needs while also ensuring that investor protections keep pace with evolving potential harms that investors may face.

The OSC will continue to pursue a modernization agenda that promotes confidence in Ontario’s capital markets through effective investor protection, policies that foster fair, efficient and competitive capital markets, and the promotion of capital formation to help Ontario grow. To do this effectively, the OSC will continue to identify, understand, and adapt to emerging trends and novel business models, and will remove barriers to innovation and capital formation, while reducing regulatory burden.

We will ensure the integration, across all relevant activities, of the OSC’s expanded mandate on fostering capital formation and competitive markets that aims to provide greater access to capital markets in Ontario.

Our Key Priorities

2.1 Implement an Enhanced Framework for Modernizing Regulation

The OSC is focused on building a culture of continuous improvement that will modernize the OSC and the regulatory regime it oversees. The OSC will implement an enhanced organization-wide framework that will ensure a systematic and streamlined approach to projects aimed at modernizing our regulatory environment.

Actions will include:

- Implement the enhanced framework for modernizing our regulatory environment
- Coordinate policy projects within the new framework to ensure a streamlined process to achieve desired policy outcomes on high priority issues

Planned Outcomes:

- Enhanced, centralized, and streamlined process for all regulatory projects that reflect careful consideration of all aspects of our mandate
- Contribute to expedited rule and policy making, balancing the need to achieve harmonized outcomes that meet the needs of Ontario investors and market participants
- Strengthen regulatory processes by enhancing consideration of stakeholder views and impacts in:

- the implementation of the OSC's investor protection, capital formation and competition mandates
- the OSC's efforts to facilitate financial innovation

2.2 *Continue Work on Streamlining Periodic Disclosure Requirements for Reporting Issuers*

With our CSA colleagues, continue work on proposed changes to streamline and clarify annual and interim filings by reporting issuers published in May 2021, including proposals to:

- Streamline and clarify certain disclosure requirements in the management's discussion & analysis (MD&A) and the annual information form (AIF)
- Eliminate certain requirements that are redundant or no longer applicable
- Combine the financial statements, MD&A and, where applicable, the AIF into one reporting document called the annual disclosure statement for annual reporting purposes, and the interim disclosure statement for interim reporting purposes
- Introduce a small number of new requirements to address gaps in disclosure

Actions will include:

- Review of stakeholder feedback on the proposed changes and finalization of the continuous disclosure requirements
- Seek stakeholder feedback in reviewing non-IFRS content in Investment Fund issuers' financial statements

Planned outcomes:

- The modernized disclosure requirements will reduce regulatory burden, simplifying and streamlining reporting and increasing reporting efficiency for reporting issuers
- The quality and usability of the disclosures provided to investors will be increased

2.3 *Work to Modernize Delivery Options of Regulatory and Continuous Disclosure Filings for Issuers*

The OSC will develop a framework to introduce an access equals delivery model (AED model) in the Canadian market for various documents that issuers are required to deliver to investors.

Actions will include:

- Publish proposed amendments to implement an AED model for non-investment fund reporting issuers in connection with certain prospectuses, annual financial statements, interim financial reports and their related MD&A
- Review stakeholder feedback on the proposed amendments to implement an AED model for certain prospectuses and continuous disclosure documents
- Publish proposed amendments to remove certain delivery obligations for investment funds related to annual financial statements, interim financial reports, and annual and interim management reports of fund performance

- Publish a consultation paper seeking stakeholder feedback on modernizing and exploring alternative delivery requirements, including an AED model, for investment funds in connection with other disclosure documents such as Fund Facts, ETF Facts and long form prospectuses

Planned Outcomes:

- Develop an AED model that will modernize the way documents are made available to investors, reduce undue regulatory burden and related costs for issuers, and promote a more environmentally friendly manner of communicating information, with paper delivery remaining optional

2.4 Develop a Framework for Identifying and Monitoring Emerging Regulatory Issues

The OSC is responsible for the oversight and regulation of dynamic markets. As markets evolve, so must the regulatory environment. The OSC will develop a framework that will better enable the process of identifying developments that have the potential impact and influence future regulatory policy, operational activities or resources.

Actions will include:

- Develop and implement a framework for identifying and monitoring trends and emerging regulatory issues that may impact future OSC priorities

Planned Outcomes:

- Publish a horizon scan report that will support OSC priority setting

2.5 Continue to Expand Systemic Risk Oversight

The OSC works with many domestic and international regulators to monitor financial stability risks, improve market resilience, and reduce the potential risks arising from global systemic events. The OSC continues to enhance the domestic derivatives oversight framework and to operationalize the necessary compliance and oversight tools required to achieve a practical and effective OTC derivatives oversight regime.

The OSC will also continue to strengthen the regulatory framework to better assess liquidity risk and leverage associated with investment funds. To assess liquidity, leverage, and other risks in funds, the OSC continues to expand its data collection efforts, including an annual investment fund survey.

Actions will include:

- Subject to Ministerial approval, finalize amendments to the proposed Derivatives Dealer Business Conduct Rule being consulted on, limiting the scope of the rule and specifying which jurisdictions will be granted equivalency
- Finalize amendments to the Clearing Rule to further clarify which entities and products are subject to the rule
- Finalize amendments to the Derivatives Trade Reporting Rule to reflect changes to internationally adopted data standards for derivatives trade reporting

- Design a framework for collecting and analyzing data relating to OTC derivatives, the ultimate goal of which is a data warehouse that fully integrates data for all derivative products traded in Ontario
- Implement annual surveys, in a scalable manner, of private and public investment funds about their portfolio exposure to assess relevant systemic risks, with a focus on aggregated asset classes and leverage information

Planned Outcomes:

- Business Conduct Rule in place establishing fundamental obligations for OTC derivatives dealers and advisers
- Successful completion of Phase 1 of the Derivatives Data Warehouse Project, i.e., creation of a system that ingests and amalgamates credit derivatives data for each trade repository, so that the data can be easily used for analysis and to generate reports
- Publish summary statistics and research using data collected via the investment funds survey

GOAL 3 – Facilitate Financial Innovation

The OSC will continue its efforts to strengthen Ontario’s innovation ecosystem through flexible and proportional regulatory approaches and enhanced support for novel and innovative businesses looking to establish or expand in Ontario. Through the Innovation Office, the OSC seeks to foster new methods of engagement with the innovation community to tailor business support services to align with stakeholder priorities, support and enable the use of technology and open data, and expand OSC TestLab to foster capital formation to help support Ontario businesses and promote competition and consumer choice.

Our Key Priorities

3.1 *Engage with Novel Businesses and Support Innovation in our Capital Markets*

The Innovation Office continues to expand the OSC LaunchPad support program through deeper engagement with key stakeholders and an increased service offering focused on helping innovative businesses navigate regulatory requirements, granting conditional exemptive relief or time- or activity-limited approvals. The Innovation Office will build out its testing environment (OSC TestLab) to test innovative products, services and other solutions to test with capital market participants in Ontario.

Actions will include:

- Identify, understand, and facilitate emerging business models, services and products that benefit investors and our capital markets and help modernize regulation and foster innovation in Ontario’s capital markets
- Work with external stakeholders that support the innovation ecosystem, such as law firms, advisors, incubators and accelerators, venture capital and angel investors to improve educational resources and other supports provided to novel and innovative businesses
- Assess the effectiveness of the Innovation Office Directory in meeting the needs of eligible firms in the LaunchPad program and consider further enhancements to this resource
- Promote OSC TestLab, share insights gained from first testing cohort, conduct research, and consult stakeholders to determine additional testing themes
- Leverage research and increase engagement with stakeholders in the innovation ecosystem to help promote innovation and capital formation in our markets
- Work with the CSA Sandbox to issue timely approvals and/or exemptive relief for Ontario businesses offering novel products or services to operate in Canada as registered firms or marketplaces

Planned Outcomes:

- Reduce costs and “time to market” for innovative businesses and new businesses seeking to raise capital
- Increase awareness of OSC TestLab and announce future testing cohort(s)
- Positive feedback from stakeholders regarding guidance issued, surveys conducted, and support provided to innovative businesses
- Create new educational resources and enhance other supports provided to novel and innovative businesses

3.2 *Support and Enable the Use of Technology and Open Data in our Capital Markets*

The OSC will strive to influence and enable the use of novel technology in our capital markets. This includes being more responsive to stakeholder needs (e.g., considering data standards and data sharing rules) and further understand the benefits of open data to create efficiencies and as a basis for business and services to offer better technology to customers, while enhancing investor safeguards.

Actions will include:

- Consider how an open data framework could be applied to Ontario’s capital markets
- Identify opportunities and new ways to share data (e.g., through APIs or sharing of data sets)
- Develop OSC strategy to consider RegTech and SupTech solutions
- Support and influence open banking/open data initiatives that could facilitate innovation in Ontario’s capital markets

Planned Outcomes:

- Adoption of new technologies that support a better investor outcome and enhance investor protection
- Improved accessibility to data that can benefit research, policy making, and help market participants to reduce cost

3.3 *Expand OSC TestLab*

The Innovation Office developed a testing environment in Ontario to enable eligible firms to test novel products, services and solutions in our capital markets, subject to appropriate testing parameters.

OSC TestLab seeks to achieve the following objectives:

- Provide opportunities for collaborative testing with partners in a connected innovation ecosystem
- Engage with experts on regulatory challenges and barriers, collaborate on solutions and obtain guidance on regulatory requirements
- Allow the OSC to consider new solutions and remove barriers to innovation
- Drive the development of policy and modernize regulation

OSC TestLab is operated on a cohort basis offering testing during specific periods based around problem statements. Testing themes are identified and refined through research and stakeholder consultations, taking into account emerging trends and technologies, OSC priorities and the insights gained through our engagement with stakeholders and experience supporting innovative businesses through OSC LaunchPad. We are developing future test themes that will focus on enhancing capital formation, in line with our expanded mandate.

Actions will include:

- Conducting research to gather data, insights and other key information about the capital raising process in private markets and current funding landscape for start-ups and other small businesses
- Seeking stakeholder feedback from target audience groups to more deeply understand the nature of the financing challenges faced by businesses in Ontario's capital markets
- Designing and implementing a testing theme related to enhancing capital formation that is fully informed by the results of the research and stakeholder feedback received

Planned outcomes:

- Conduct research and obtain stakeholder feedback to inform future TestLab test themes
- Design and implement new tools to support emerging trends and benefit capital market participants

3.4 Foster New Methods of Engagement with the Innovation Community

The Innovation Office is focused on deepening engagement with the innovation community to build a stronger innovation ecosystem. The Office uses insights from its engagement with the innovation community to tailor programs and services to foster innovation and facilitate capital formation while furthering the OSC's efforts to modernize regulation. Through stronger engagement and collaboration, the Innovation Office aims to ensure that stakeholder input is considered in OSC policy making and operational programs and that business support services align with stakeholder priorities.

Actions will include:

- Experimenting with new methods for outreach and engagement including interactive communication to inform research and develop policies and practices that align with stakeholder priorities
- Implementing a systematic approach to research and data analysis to identify emerging trends and share insights with internal and external stakeholders to promote innovation, facilitate capital formation and modernize regulation
- More proactive outreach with stakeholders, including entities that can support Ontario's innovation ecosystem such as innovation hubs and accelerators, academic institutions, and other regulators

Planned Outcomes

- Clear and visible connections to innovation hubs, accelerators, academic institutions, and other regulators
- Implement interactive digital solution(s) to engage with a broader group of stakeholders
- TestLab testing themes and other business support services aligned with stakeholder priorities

- Publish research and thought leadership that contributes to financial innovation and modernizing regulation in Ontario's capital markets
- Increase the OSC's visibility as an innovative and agile regulator

GOAL 4 – Strengthen Our Organizational Foundation

The OSC regulates and supports an ever-changing and highly competitive financial sector. The COVID-19 pandemic, global discussion about systemic racism, ongoing review of our capital markets, and resulting stakeholder commentary about modernizing securities regulation have increased the need and urgency for the OSC to have a strong and adaptable organizational foundation, including people, policies, systems and data.

Our Key Priorities

4.1 Redevelopment of CSA National Systems

The OSC, along with the other CSA jurisdictions, will continue to work toward replacing the legacy CSA national systems with SEDAR+. Development of this new CSA system is an ongoing process. Once the system is launched, it will be the common platform for all filings, disclosure, payments, and information searching for the Canadian capital markets.

The Market Analysis Platform (MAP) is the newly launched CSA market activity analytics platform and one of the critical OSC enforcement tools. Initially focused on equity trades, MAP will continue to evolve to integrate additional data sets such as exchange-traded derivatives and more sophisticated analytics.

Actions will include:

- Continue to participate with the CSA to develop SEDAR+ and MAP systems that meet the needs of internal and external stakeholders
- Work with other CSA jurisdictions to complete a controlled transition to the new system for market participants and internal users
- Work with the CSA to complete development of CSA Systems Fee Rule in time for Phase 1 launch of SEDAR+

Planned Outcomes:

- SEDAR+ is launched as an online national system that is more responsive to current and future needs of market participants
- Regulatory processes are more efficient and service delivery to market participants is improved, reducing overall regulatory burden
- MAP supports increased ability to analyze complex market abuse cases, across markets and related parties and provides a platform for conducting research into Canadian markets

4.2 *Technology Modernization, Digital Transformation and Data and Analytics Enablement*

The OSC will continue to transform its operations for the digital age and improve efficiencies through modern tools, technologies, and processes. This will include building skill sets and facilitating the cultural changes required for the organization to adapt and transform for the digital age. The digital transformation program will also enable the OSC to fully transform into a data-driven regulator by provisioning tools, technologies, data and analytics capabilities and by nurturing and growing the data and analytics culture within the organization. All of this technological change and digital transformation work will be supported through a resilient and secure technology infrastructure, applications and platforms.

Actions will include:

- Continue implementing OSC's platforms strategy, including rollout of an Enterprise Resource Planning solution, optimization of regulatory operations through integrated processes and data flows, automation of manual tasks using robotic process automation technology and employee enablement through various modern tools and technologies
- Implement the Enterprise Data and Analytics Platform – a unified, scalable, secure, and governed platform that will offer enterprise data, analytics and reporting capabilities across the OSC
- Build skill sets and facilitate the cultural changes required for the organization to adapt and transformation for the digital age
- Continue to support legacy applications and implement any modifications and enhancements required on the OSC local systems and related processes, workflows, and policies to ensure they are aligned with Phase 1 of SEDAR+ when it is launched
- Continue to execute on the IT resiliency, IT lifecycle management platform currency and Information Security programs

Planned Outcomes:

- Increased efficiency of internal regulatory operations and corporate services supported by inter-operable modern platforms, tools, technologies and streamlined processes
- Accelerated transition from stand-alone, legacy systems to modern integrated enterprise platforms
- Improved insights, efficient information sharing and increased collaboration between branches and with industry stakeholders, enabling data driven policy development and decision making
- Digital-first culture leading to modern workplace and future proofing

4.3 Foster/Improve Inclusion, Equity and Diversity

The OSC is focused on building and sustaining diversity in our OSC community and ensuring that the employee experience is equitable and inclusive for everyone.

Actions will include:

- Continue to implement the OSC Inclusion and Diversity Strategy to remove barriers to inclusion at the OSC, and to achieve equitable opportunities and a consistent employee experience for all
- Provide and promote opportunities for learning and dialogue to develop a better understanding of bias, racism, and barriers to inclusion
- Take actions outlined in the BlackNorth Initiative (BNI) CEO pledge

Planned Outcomes:

- Updated and new policies and practices that are equitable and inclusive for all employees, including in the areas of recruitment, talent development, secondment, promotion, code of conduct, and respectful workplace
- Increased understanding leading to individual and organizational change in practices and behaviours to support equity and inclusion
- A workplace where employees experience inclusion and psychological safety
- Achieve the goals and targets set out in the BNI CEO pledge

4.4 Implement Hybrid Work Model

The OSC will continue to adapt work practices and the workplace to support effective and efficient delivery of regulation and business operations in a hybrid work model, where employees are working both on-site and remote.

Actions will include:

- Establish and adjust work policies and practices to support a hybrid workforce, contributing to collaboration and organizational culture in a hybrid workplace model
- Develop policies and practices that support flexibility in hours and place of work
- Implement physical space design features to ensure employee health and safety, and to support a hybrid workplace
- Implement a digital solution to support the return to office/ Hybrid workplace plan

Planned Outcomes:

- Updated and new policies and practices and tools that address employment practices in a hybrid workplace and flexible work arrangements
- Alignment of office space design with effective hybrid work practices



ONTARIO
SECURITIES
COMMISSION

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1.4 Notices from the Office of the Secretary

1.4.1 Sean Daley and Kevin Wilkerson

FOR IMMEDIATE RELEASE
November 10, 2021

**SEAN DALEY AND
KEVIN WILKERSON,
File No. 2019-39**

TORONTO – Take notice that an attendance in the above named matter is scheduled to be heard on November 23, 2021 at 10:00 a.m.

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media_inquiries@osc.gov.on.ca

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inquiries@osc.gov.on.ca

1.4.2 Trevor Rosborough et al.

FOR IMMEDIATE RELEASE
November 11, 2021

**TREVOR ROSBOROUGH,
TAYLOR CARR, AND
DMITRI GRAHAM,
File No. 2020-33**

TORONTO – Take notice that the hearing in the above named matter scheduled to be heard on November 12, 15, 17, 18, 19, 22, 25, and 26, 2021 will not proceed as scheduled.

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inquiries@osc.gov.on.ca

1.4.3 Bridging Finance Inc. et al.

**FOR IMMEDIATE RELEASE
November 12, 2021**

**BRIDGING FINANCE INC.,
DAVID SHARPE,
BRIDGING INCOME FUND LP,
BRIDGING MID-MARKET DEBT FUND LP,
BRIDGING INCOME RSP FUND,
BRIDGING MID-MARKET DEBT RSP FUND,
BRIDGING PRIVATE DEBT INSTITUTIONAL LP,
BRIDGING REAL ESTATE LENDING FUND LP,
BRIDGING SMA 1 LP,
BRIDGING INFRASTRUCTURE FUND LP, AND
BRIDGING INDIGENOUS IMPACT FUND,
File No. 2021-15**

TORONTO – Take notice that the hearing to consider the Motion brought by David Sharpe dated September 22, 2021 in the above named matter is scheduled to be heard on December 16, 2021 at 10:00 a.m.

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GRACE KNAKOWSKI
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inquiries@osc.gov.on.ca

1.4.4 David Sharpe

**FOR IMMEDIATE RELEASE
November 12, 2021**

**DAVID SHARPE,
File No. 2021-26**

TORONTO – Take notice that the hearing to consider the Application dated September 22, 2021 in the above named matter is scheduled to be heard on December 16, 2021 at 10:00 a.m.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
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inquiries@osc.gov.on.ca

1.4.5 Trevor Rosborough et al.

FOR IMMEDIATE RELEASE
September 13, 2021

**TREVOR ROSBOROUGH,
TAYLOR CARR, AND
DMITRI GRAHAM,
File No. 2020-33**

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

A copy of the Order dated September 13, 2021 is available at www.osc.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
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inquiries@osc.gov.on.ca

1.4.6 The Mutual Fund Dealers Association and Omar Enrique Rojas Diaz (also known as Omar Rojas)

FOR IMMEDIATE RELEASE
November 12, 2021

**THE MUTUAL FUND DEALERS ASSOCIATION AND
OMAR ENRIQUE ROJAS DIAZ
(ALSO KNOWN AS OMAR ROJAS),
File No. 2021-7**

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

A copy of the Order dated October 5, 2021 is available at www.osc.ca.

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inquiries@osc.gov.on.ca

1.4.7 Joseph Debus

FOR IMMEDIATE RELEASE
November 15, 2021

JOSEPH DEBUS,
File No. 2019-16

TORONTO – The Commission issued its Reasons and Decision on a Stay Motion and an Order in the above named matter.

A copy of the Reasons and Decision on a Stay Motion and the Order dated November 12, 2021 are available at www.osc.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
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inquiries@osc.gov.on.ca

1.4.8 Strike Holdings Inc. et al.

FOR IMMEDIATE RELEASE
November 15, 2021

**STRIKE HOLDINGS INC.,
KM STRIKE MANAGEMENT INC.,
MICHAEL AONSO AND
KEVIN CARMICHAEL,**
File No. 2021-13

TORONTO – Take notice that a motion hearing to consider the extension of a Temporary Order in the above named matter is scheduled to be heard on November 25, 2021 at 9:00 a.m.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

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media_inquiries@osc.gov.on.ca

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inquiries@osc.gov.on.ca

1.4.9 David Sharpe

**FOR IMMEDIATE RELEASE
November 15, 2021**

**DAVID SHARPE,
File No. 2021-26**

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

A copy of the Order dated November 15, 2021 is available at www.osc.ca.

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media_inquiries@osc.gov.on.ca

For General Inquiries:

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

1.4.10 Buffalo Grand Hotel Inc. et al.

**FOR IMMEDIATE RELEASE
November 16, 2021**

**BUFFALO GRAND HOTEL INC.,
STINSON HOSPITALITY MANAGEMENT INC.,
STINSON HOSPITALITY CORP.,
RESTORATION FUNDING CORPORATION, and
HARRY STINSON,
File No. 2020-11**

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

A copy of the Order dated November 16, 2021 is available at www.osc.ca.

OFFICE OF THE SECRETARY
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SECRETARY TO THE COMMISSION

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1.4.11 Michael Paul Kraft and Michael Brian Stein

FOR IMMEDIATE RELEASE
November 16, 2021

**MICHAEL PAUL KRAFT and
MICHAEL BRIAN STEIN,
File No. 2021-32**

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

A copy of the Order dated November 16, 2021 is available at www.osc.ca.

OFFICE OF THE SECRETARY
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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Desjardins Global Asset Management Inc. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief from conflict of interest/self-dealing provisions in section 13.5 of Regulation 31-103, section 4.1 of Regulation 81-102 to facilitate investment by investment funds subject to Regulation 81-102 into related limited partnership that is not a reporting issuer – Relief from subsections 111(2) and 117(1) of the Securities Act (Ontario) also required in Ontario. Relief subject to certain conditions.

Applicable Legislative Provisions

National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 13.5(2)(a) and 15.1.

National Instrument 81-102 Investment Funds, ss. 4.1(2) and 19.1.

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 111(2)(b) and (c), and 113 and 117.

November 2, 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
DESJARDINS GLOBAL ASSET MANAGEMENT INC.**

AND

**DESJARDINS INVESTMENTS INC.
(the Filers)**

AND

**DESJARDINS QUÉBEC BALANCED FUND
(the Fund)**

DECISION

Background

The principal regulator in the Jurisdiction has received an application (the **Application**) from the Filers on their own behalf and on behalf of the Fund, to apply for a decision under the securities legislation of the Jurisdiction (the **Legislation**), pursuant to :

1. section 113 of the *Securities Act* (Ontario) (the **OSA**) exempting the Fund from the restriction contained in section 111 of the OSA, and the corresponding sections in the securities legislation applicable in the Jurisdictions (as defined below), which prohibit:

a. an investment fund from knowingly making an investment in a person or company in which the investment fund, alone or together with one or more related investment funds, is a substantial security holder; and

b. an investment fund from knowingly making an investment in an issuer in which:

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

ii. any person or company who is a substantial security holder of the investment fund, its management company or its distribution company, has a significant interest; and

c. an investment fund, its management company or its distribution company from knowingly holding an investment described in paragraph (a) or (b) above (collectively, the **Local Restrictions**); and

2. section 117(2) of the OSA, exempting the Filers with respect to the Fund from the requirement contained in subsection 117(1) of the OSA, and the corresponding sections in the securities legislation applicable in the Other Jurisdictions, to prepare a report in accordance with the requirements of the Legislation of every transaction of purchase of securities from or sale of securities to any related person or company (the **Local Reporting Requirements**);

in order to allow the Fund to make the Proposed Investment (as defined below) (the **Exemptions Sought**).

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

- a) the Ontario Securities Commission (the **OSC**) is the principal regulator for the Application, and
- b) the Filers have 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, New Brunswick, Nova Scotia and Newfoundland and Labrador (collectively, the **Other Jurisdictions**).

Interpretation

Terms defined in the Legislation, MI 11-102 and *National Instrument 14-101 – Definitions*, have the same meaning if used in this decision, unless otherwise defined. Capitalized terms used in this decision have the following meanings:

ASPE means Accounting Standards for Private Enterprises;

Canadian GAAP means Canadian Generally Accepted Accounting Principle;

DCSME means Desjardins Capital SME L.P.;

IRC means an independent review committee appointed in a manner consistent with the requirements of National Instrument 81-107 – *Independent Review Committee for Investment Funds (NI 81-107)*;

LP Units means limited partnership units of DCSME;

Proposed Investment means all the investments made in accordance with the terms further detailed below by the Fund from time to time in LP Units;

Qualified Valuator means a person specializing in business valuation who has either of the following combined experience and training:

(1) he or she holds the professional title of CBV (*chartered business valuator*) or CFA (*chartered financial analyst*), is a member in good standing of his or her professional association and has a minimum of 5 years of relevant experience, including at least 3 years in business valuation; or

(2) he or she holds an accounting title as a CPA (*chartered professional accountant*) or has an M.Sc. or MBA in accounting or finance and is a member in good standing of his or her professional association, if applicable, and has a minimum of 10 years of relevant experience, including at least 5 years in business valuation.

Representations

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

The Fund

1. The Fund is an open-ended investment fund trust established under the laws of Québec in 1997.
2. Desjardins Investments Inc. (**DII**) acts as investment fund manager of the Fund.
3. Desjardins Global Asset Management Inc. (**DGAM**) acts as portfolio manager of the Fund.
4. The Fund is subject to National Instrument 81-102 – *Investment Funds (NI 81-102)*, National Instrument 81-106 – *Investment Fund Continuous Disclosure (NI 81-106)* and National Instrument 81-107.
5. The Fund is a reporting issuer in each jurisdiction of Canada and its units are qualified for distribution in accordance with applicable securities legislation under a simplified prospectus dated March 31, 2021, as amended.
6. The Fund is a “mutual fund”, as such term is defined under the Legislation.
7. The objective of the Fund is to provide unitholders with both a reasonable income return and long-term capital appreciation from a portfolio made up of Québec securities. Consequently, the Fund invests in various equity or debt securities issued by Québec companies, partnerships or cooperatives, in various debt securities issued or guaranteed by the Québec government or municipalities, or by other Québec public or parapublic organizations, and in term deposits in Québec financial institutions.
8. The investment objectives and strategies of the Fund permits the Fund to invest in DCSME.
9. The Fund has an IRC appointed in a manner consistent with the requirements of NI 81-107.
10. The Fund is not in default of securities legislation in any jurisdiction of Canada.

DCSME - General

11. DCSME is a development capital fund structured as a limited partnership under the laws of Québec and established pursuant to an amended and restated limited partnership agreement dated July 1, 2020 as amended from time to time.
12. DCSME is an evergreen fund; as such, it has a perpetual existence and allows for limited redemption and subscription facilities.
13. Desjardins Capital Management Inc. (**DCM**) acts as general partner and asset manager of DCSME.

14. DCSME currently has three limited partners, Capital Régional et Coopératif Desjardins (**CRCD**), DIM Private Completion Strategy Fund (the **DIM Private Fund**) and Desjardins Financial Holding Inc. (**DFH**):
- a. CRCD is an investment fund created pursuant to the *Act constituting Capital régional et coopératif Desjardins* and managed by DCM.
 - i. All of CRCD's investors are natural persons residing and paying taxes in Québec.
 - ii. CRCD is subject to NI 81-102, but only to section 2.6.1; sections 2.7 to 2.17; Part 6; Part 15 (except for paragraph 15.8(2)(b)); Part 19 and Part 20 of NI 81-102.
 - iii. CRCD's shares are distributed under a short form prospectus pursuant to National Instrument 44-101 – *Short Form Prospectus Distributions* in Québec only.
 - b. The DIM Private Fund is an investment fund constituted as a trust under Québec laws and managed by Desjardins Investment Management Inc. (**DIM**).
 - i. All of the DIM Private Fund's investors are managed accounts for which DIM acts as portfolio manager.
 - ii. The DIM Private Fund is not subject to NI 81-102.
 - iii. The DIM Private Fund's units are distributed pursuant to prospectus exemptions available under National Instrument 45-106 – *respecting Prospectus Exemptions (NI 45-106)*.
 - c. DFH is a corporation governed under the *Business Corporations Act (Québec)*.
 - i. DFH is a wholly-owned subsidiary of Fédération des caisses Desjardins du Québec (**FCDQ**).
 - ii. DFH directly holds 100% of the issued and outstanding shares of DIM.
15. DCSME is not a reporting issuer in any jurisdiction of Canada.
16. The LP Units of DCSME are sold solely to accredited investors pursuant to exemptions from the prospectus requirements in accordance with NI 45-106.
17. The LP Units of DCSME are not listed on any exchange.
18. The investment objective of DCSME is to invest in the growth and development of small and medium-sized businesses throughout Québec, generating income and capital appreciation over the long term.
19. The mission of DCSME is to support and value Québec entrepreneurship by promoting Québec ownership for present and future generations to increase the province's collective wealth.
20. The portfolio of DCSME, which consist of investments in private equity and private loans, is primarily illiquid.
21. DCSME is not considered to be an investment fund pursuant to applicable securities laws for the following reasons :
- a. With respect to equity investments, DCM is considered a venture capital management company (in accordance with the guidance in Companion Policy to 31-103CP *Registration Requirements, Exemptions and Ongoing Registrant Obligations (CP 31-103)*). Therefore, the investment portfolio (DCSME) should not be considered and investment fund, as per section 1.3 of CP 31-103.
 - b. With respect to investments by way of loans, DCM's operating business is to originate, service and manage loans (in accordance with the guidance in CSA Staff Notice 31-323 *Guidance Relating to the Registration Obligations of Mortgage Investment Entities* and OSC Staff Notice 81-722 *Mortgage Investment Entities and Investment Funds*).
- DCSME - Valuation*
22. The net asset value (**NAV**) of DCSME and the NAV per unit of DCSME is calculated by DCM on December 31 and on June 30 of each year (respectively, the **Annual NAV Calculation** and the **Semi-Annual NAV Calculation**) and at any other date that DCM determines in its discretion (the **Extraordinary NAV Calculation**) and, collectively the **NAV Calculations**), based on audited financial statements prepared according to ASPE.
23. The subscription and redemption price for DCSME's units is established on the date of each NAV Calculation, by dividing DCSME's NAV by the

- total number of issued and outstanding units on such date. Once determined, the same subscription and redemption price is used for all transactions until the following NAV is communicated to the limited partners of DCSME.
24. CRCD is an important limited partner of DCSME. CRCD is subject to the requirements of the *Regulation respecting Development Capital Investment Fund Continuous Disclosure* (the **Regulation**). The Regulation provides rules in order to determine the fair value of CRCD's development capital investments.
25. Pursuant to the Regulation, the fair value of CRCD's development capital investments must be established through a procedure that complies with the following requirements (the **Procedure**):
- a. valuations are prepared or reviewed by a Qualified Valuator who freely signs each of the valuations for which he or she is responsible;
 - b. the fair value of the development capital investments held directly by CRCD is established through the application of valuation principles based on guidelines generally used in the venture capital industry in Québec by professional business valuers holding the professional title of CBV, the whole in compliance with Canadian GAAP;
 - c. the valuation principles have received the prior approval of the board of directors of CRCD;
 - d. for development capital investments made in a specialized fund, the fair value is determined based on the most recent audited financial statements received from the investment fund, adjusted by the Qualified Valuator to reflect more recent financial information made available to the valuator; and
 - e. excluding publicly traded issuers, all relevant information regarding valuations is submitted to an independent portfolio valuation committee (the **Portfolio Valuation Committee**) composed of a majority of members who are Qualified Valuators that are independent of CRCD, which has reviewed the information to be reasonably assured of compliance by CRCD with the Procedure and has submitted a written report of its review to the audit and risk management committee and to the board of directors of CRCD.
26. The Portfolio Valuation Committee has the authority to hire valuation experts it deems necessary for the performance of its functions.
27. CRCD pays the reasonable fees of the experts hired by the Portfolio Valuation Committee.
28. The team that is responsible for assessing the fair value of CRCD's development capital investments at DCM is also responsible for the preparation of the valuation of DCSME's investments; they are Qualified Valuators and to the extent applicable, they apply the Procedure.
29. CRCD and DCSME may invest in the same investments, it is consequently important that the valuation methodology be applied consistently.
30. A professional accountant in independent practice, other than DCSME's independent auditor, will issue a Canadian Standard on Assurance Engagements 3530 report to the limited partners of DCSME following each NAV Calculation to provide a reasonable assurance that DCM is compliant with a provision of the DCSME Limited Partnership Agreement which provides that the investments that make up the majority of DCSME's net assets are valued in accordance with the fair valuation methodology adopted by DCM as amended from time to time and in compliance with the management's explicit written statement of DCM's compliance with specific requirements (the **Management Statement**) (a **3530 Report**).
31. The Management Statement will contain the following:
- The choice of valuation method complies with the methodologies approved and recommended and is based on criteria identified for each methodology. The choice is documented based on said criteria and any deviation from recommended methodology is documented.
 - The choice of valuation method is the same from year to year, unless facts and circumstances meet the criteria for a different methodology, in which case the change in methodology is documented.
 - The valuation assumptions used are documented and consider, when applicable: the market, the information available, the qualitative evolution and the historical results of the enterprise as of the date of the valuation. The valuation assumptions are determined objectively and with no bias.
32. The 3530 Report will be shared with the auditors of the Fund.

Decisions, Orders and Rulings

33. The Fund will not actively participate in the business or operations of DCSME.

34. DCSME is not in default of securities legislation in any jurisdiction of Canada.

DGAM

35. DGAM is a corporation incorporated under the *Business Corporation Act* (Québec) (**QBCA**).

36. DGAM's head office is located in Montréal, Québec.

37. DGAM currently acts as portfolio manager of the Fund.

38. DGAM is a member of a group of entities which fall under FCDQ's umbrella (the **Desjardins Group**), a financial services cooperative established under the *Act respecting financial services cooperatives* (Québec). DGAM's shares are owned by DFH., itself directly wholly-owned by FCDQ.

39. DGAM is not a reporting issuer in any jurisdiction of Canada.

40. DGAM is not in default of securities legislation in any jurisdiction of Canada.

DII

41. DII is a corporation incorporated under the QBCA.

42. DII's head office is located in Montréal, Québec.

43. DII currently acts as investment fund manager of the Fund.

44. DII is not in default of securities legislation in any jurisdiction of Canada.

45. DII is a member of the Desjardins Group and is a wholly-owned indirect subsidiary of FCDQ. As such, DII is an affiliate of DGAM.

DCM

46. DCM is a corporation incorporated under the QBCA.

47. DCM's head office is located in Montréal, Québec.

48. DCM currently acts as general partner and asset manager of DCSME.

49. DCM also acts as investment fund manager and portfolio/ asset manager of CRCD.

50. DCM is a member of the Desjardins Group and is a wholly-owned direct subsidiary of FCDQ. As such, DCM is an affiliate of DGAM.

51. DCM is not in default of securities legislation in any jurisdiction of Canada.

52. The DCM team responsible for assessing the fair value of investments for the preparation of the financial statements is hierarchically independent of the teams that make investment decisions.

The Proposed Investment

53. Investments by the Fund in DCSME would be effected at a price equal to DCSME's NAV per unit.

54. An investment by the Fund in DCSME will be compatible with the investment objective and strategies of the Fund.

55. The Proposed Investment will not contravene any investments restrictions contained in Part 2 of NI 81-102. The Filers will have implemented policies and procedures in order to ensure the Fund's compliance with Part 2 of NI 81-102.

56. The portfolio manager the Fund remains subject to suitability obligations when investing in DCSME.

57. Before proceeding with the investment in DCSME, the portfolio manager of the Fund will ensure on a best effort basis that there is no similar equivalent investment available to the Fund that could avoid the conflict of interest. The remuneration of the portfolio manager of the Fund will not benefit from an investment in DCSME.

58. The Fund will not invest in DCSME if, immediately after the purchase, the Fund would hold securities representing more than 10% of: (i) the votes attaching to the outstanding voting securities of DCSME; or (ii) the outstanding equity securities of DCSME.

59. The Fund will not make the Proposed Investment for the purpose of exercising control over, or management of, DCSME.

60. LP Units will likely be considered an "illiquid asset" within the meaning of NI 81-102. Consequently, the Fund will acquire LP Units of DCSME in compliance with section 2.4 of NI 81-102. As a result, the Fund will not be able to purchase LP Units if, immediately after purchase, more than 10% of the net asset value of the Fund would be made up of "illiquid assets".

61. The IRC of the Fund will review and provide its approval, including by way of standing instructions, prior to the purchase of LP Units of DCSME by the Fund in accordance with section 5.2(2) of NI 81-107.

62. The amount invested from time to time in DCSME by the Fund, may exceed 20% of the outstanding voting securities of DCSME. As a result, the Fund

could become a substantial security holder of DCSME.

63. The Proposed Investment may result in the Fund investing in an issuer in which an officer or director of a Filer or an affiliate of a Filer has a significant interest and/or in an issuer in which a person or company who is a substantial security holder of the Fund, a Filer or an affiliate of a Filer has a significant interest.
64. In the absence of the Exemption Sought, the Fund would be precluded from directly or indirectly purchasing and holding securities of DCSME due to the investment restrictions contained in the Local Restrictions.
65. According to the Legislation, every management company shall, in respect of each investment fund to which it provides services or advice, file a report of every transaction of purchase or sale of securities between the investment fund and any related person or company within 30 days after the end of the month in which it occurs.
66. In the absence of the Exemption Sought, a Filer of the Fund would be required to file a report of every purchase and sale of securities of DCSME by the Fund or every purchase or sale effected by the Fund through any related person or company with respect to which the related person or company received a fee either from the Fund or from the other party to the transaction or from both within 30 days after the end of the month in which such purchase or sale occurs.
67. It would be costly and time-consuming for the Fund to comply with the Reporting Requirements, the costs of which will ultimately be borne by the investors.
68. NI 81-106 requires the Fund to prepare and file annual and interim management reports of fund performance that include a discussion of transactions involving related parties to the Fund. Such disclosure is similar to that required under the Reporting Requirements and fulfils its objective to inform the general public about the transactions involving related parties to the Fund.

Other Considerations

69. The Fund's investment in DCSME will represent the business judgment of a responsible person uninfluenced by considerations other than the best interests of the Fund.
70. The Proposed Investment would comply with all the other conditions of section 2.5 of NI 81-102 : (i) no management fees or incentive fees would be payable by the Fund that, to a reasonable person, would duplicate a fee payable by DCSME for the same service; (ii) no sales fees or redemption fees

would be payable by the Fund in relation to its purchases or redemptions of the securities of DCSME; and (iii) the Fund would either not vote the securities of DCSME or would arrange for all of the securities it holds of DCSME to be voted by the beneficial holders of securities of the Fund.

71. If the IRC becomes aware of an instance where DII in its capacity as manager of the Fund, did not comply with the terms of this decision, or a condition imposed by securities legislation or the IRC in its approval, the IRC of the Fund will, as soon as practicable, notify in writing the principal regulator.
72. The Desjardins Group was designated by the Autorité des marchés Financiers (**AMF**) as a domestic systemically important financial institution in 2013, in order to ensure the stability of the financial system of the province of Quebec. Like the other Canadian financial institutions qualified as D-SIBs by the federal regulator, Desjardins Group must comply with the recommendations of the Financial Stability Board's Enhanced Disclosure Task Force published in their report on *Enhancing the Risk Disclosures of Banks*.

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 Exemptions Sought are granted provided that:

- a. the Proposed Investment will be compatible with the investment objective and strategy of the Fund and included as part of the calculation for the purposes of the illiquid asset restriction in section 2.4 of NI 81-102;
- b. in respect of a Proposed Investment, no sales or redemption fees will be paid as part of such Proposed Investment;
- c. in respect of a Proposed Investment, no management fees or incentive fees will be payable by the Fund that, to a reasonable person, would duplicate a fee payable by DCSME for the same service;
- d. in respect of a Proposed Investment, no incentive or additional remuneration will be provided to the portfolio manager of the Fund;
- e. the Funds would either not vote the securities of DCSME or would arrange for all of the securities it holds of DCSME to be voted by the beneficial holders of securities of the Fund;

- f. the Proposed Investment will be disclosed to investors in the Fund's quarterly portfolio holding reports, financial statements and/or fund facts documents;
 - g. prior to the Fund making a Proposed Investment, the prospectus of the Fund will disclose:
 - i. the fact that the Fund make such Proposed Investment;
 - ii. the relation between the different parties involved, including that DCM, an affiliate of DGAM and DII, is the general partner and asset manager of DCSME;
 - iii. the nature of the conflict of interest and how it is mitigated or avoided;
 - iv. the approximate or maximum percentage of the NAV of the Fund that it is intended be invested in DCSME; and
 - v. the fees and expenses payable;
 - h. the IRC of the Fund will review and provide its approval, including by way of standing instructions, prior to making a Proposed Investment, in accordance with section 5.2(2) of NI 81-107;
 - i. the manager of the Fund comply with Section 5.1 of NI 81-107 and the manager and the IRC of the Fund comply with Section 5.4 of NI 81-107 for any standing instructions the IRC provides in connection with the transactions;
 - j. where a Proposed Investment is made by the Fund, the annual and interim management reports of fund performance for the Fund disclose the name of the related person in which an investment is made, being DCSME;
 - k. DGAM will provide upon request to the Canadian securities regulatory authorities concerned the particulars of any investments made in reliance on the Exemptions Sought;
 - l. where a Proposed Investment is made by the Fund, the records of portfolio transactions maintained by the Fund include, separately for every portfolio transaction effected by the Fund through
- m. any affiliate of the Filer, the name of the related person in which an investment is made, being DCSME;
 - n. DCSME's investment policy will provide that DCSME shall not invest in a portfolio company if such portfolio company is (i) a "related issuer" of DCM or of one of its "affiliates" or (ii) an "associate" of DCM or of one of its "affiliates", as these expressions are defined in applicable securities laws;
 - o. the NAV Calculations will be based on audited financial statements prepared according to ASPE;
 - p. the determination of the fair value of DCSME's assets will be established in accordance with the requirements set out in the Regulation;
 - q. the final content of DCM's Management Statement is subject to the agreement of the principal regulator;
 - r. a professional accountant in independent practice, other than DCSME's independent auditor, will issue a 3530 Report to the limited partners of DCSME following each NAV Calculation; and
 - s. the filers will notify the OSC as soon as possible if the 3530 Report express a modified conclusion. The Filers will submit a copy of the 3530 Report and a detailed description of the issues raised.

"Lawrence P. Haber"
Commissioner

"Craig Hayman"
Commissioner

Application File #: 2021/0103

2.1.2 Franklin Templeton Investments Corp. and Franklin Innovation Active ETF

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted under subsection 62(5) of the Securities Act (Ontario) to permit extensions of two prospectus lapse dates by 40 days and 123 days, respectively – Lapse date extensions requested to allow the Filer to combine the two prospectuses and create a more optimal and consistent workload for the Filer's staff – Extension of lapse dates will not affect the accuracy of the information contained in the current prospectuses.

Applicable Legislative Provisions

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

November 10, 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
FRANKLIN TEMPLETON INVESTMENTS CORP.
(the Filer)**

AND

**IN THE MATTER OF
FRANKLIN INNOVATION ACTIVE ETF
(the Fund)**

**AND THE OTHER FUNDS LISTED IN
SCHEDULE "A" HERETO
(the Other Funds)
(collectively, the Funds)**

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 (the **Legislation**) that the time limit for the renewal of the long-form prospectus and ETF facts of the Fund, dated January 13, 2021 (the **Current Prospectus of the Fund**), and the time limit for the renewal of the long-form prospectus and ETF facts of the Other Funds, dated April 6, 2021 (the **Current Prospectus of the Other Funds**) (collectively, the

Current Prospectuses), be extended to the time limits that would be applicable as if the lapse dates of the Current Prospectuses were May 16, 2022 (the **Exemption Sought**).

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

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

1. The Filer is a corporation governed by the laws of Ontario with its head office in Toronto, Ontario.
2. The Filer is registered as: (i) an investment fund manager in Ontario, Quebec, Alberta, British Columbia, Manitoba, Nova Scotia and Newfoundland and Labrador; (ii) as a mutual fund dealer, portfolio manager and exempt market dealer in each province of Canada and the Yukon territory, and (iii) as a commodity trading manager in Ontario.
3. The Filer is the investment fund manager and the trustee of the Funds.
4. Neither the Filer nor the Funds are in default of securities legislation in any of the Canadian Jurisdictions.
5. The Funds are exchange traded funds established as trusts under the laws of Ontario. The Funds are reporting issuers as defined in the securities legislation of each of the Canadian Jurisdictions.
6. The Other Funds are comprised of eight active ETFs (the **Active ETFs**) and eight passive and index ETFs (the **Passive and Index ETFs**), as identified in Schedule "A".
7. The Passive and Index ETFs have been established pursuant to a master declaration of trust dated April 18, 2017, as amended and restated as of November 8, 2017, as amended. The Fund and the Active ETFs have been established

- pursuant to a master declaration of trust dated April 18, 2017, as amended and restated as of January 5, 2018, as amended.
8. Securities of the Funds are currently qualified for distribution in each of the Jurisdictions under the Current Prospectuses.
9. The lapse date for the Current Prospectus of the Fund is January 13, 2022 and the lapse date for the Current Prospectus of the Other Funds is April 6, 2022 (collectively, the **Current Lapse Dates**). Accordingly, under the Legislation, the distribution of securities of the Funds would have to cease on their applicable Current Lapse Date unless: (i) the Funds file a *pro forma* prospectus at least 30 days prior to their Current Lapse Date; (ii) the final prospectus is filed no later than 10 days after their Current Lapse Date; and (iii) a receipt for the final prospectus is obtained within 20 days after their Current Lapse Date.
10. The Filer desires to combine the Current Prospectuses to reduce renewal, printing and related costs. Offering the Funds under the same renewal prospectus would facilitate the distribution of the Funds in the Canadian Jurisdictions under the same prospectus and will ensure that the Filer can make the operational and administrative features of the Funds consistent with each other, if necessary.
11. The Filer desires to extend the Current Lapse Dates to move the renewal timeframe to a more administratively beneficial date. Establishing a uniform disclosure timeline for the Funds will permit the Filer to streamline operations and disclosure across the Filer's fund platform.
12. The Filer believes that May 16, 2022 is an administratively beneficial lapse date for the Funds, as it allows the Filer to create a more optimal and consistent workload for its personnel in respect of the work required to prepare and file the prospectuses (and related documents) and the continuous disclosure materials of the Funds.
13. The Funds share many common operational and administrative features and combining those Funds in the same long-form prospectus will allow investors to more easily compare the features of the Funds.
14. If the Exemption Sought is not granted, it will be necessary to renew the Funds' prospectus documents twice within a short period of time to consolidate the prospectus documents and establish a uniform filing timeline for the Funds, and it would be unreasonable for the Filer to incur the costs and expenses associated therewith, given investors would not be prejudiced by the Exemption Sought.

15. There have been no material changes in the affairs of the Funds since the date of the Current Prospectuses. Accordingly, the Current Prospectuses continue to provide accurate information regarding the Funds.
16. Given the disclosure obligations of the Filer and the Funds, should any material change in the business, operations or affairs of the Funds occur, the Current Prospectuses will be amended as required under the Legislation.
17. New investors of the Funds will receive delivery of the most recently filed ETF facts document(s) of the Funds. The Current Prospectuses will remain available to investors upon request.
18. The Exemption Sought will not affect the accuracy of the information contained in the Current Prospectuses and will therefore 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 #: 2021/0616

SCHEDULE "A"

THE OTHER FUNDS

Active ETFs

Franklin Liberty Canadian Investment Grade Corporate
ETF
Franklin Liberty Core Balanced ETF
Franklin Liberty Risk Managed Canadian Equity ETF
Franklin Liberty Global Aggregate Bond ETF (CAD-
Hedged)
Franklin Liberty U.S. Investment Grade Corporate ETF
(CAD-Hedged)
Franklin Liberty Core Plus Bond ETF
Franklin Liberty Short Duration Bond ETF
Franklin Global Growth Active ETF

Passive and Index ETFs

Franklin LibertyQT U.S. Equity Index ETF
Franklin LibertyQT International Equity Index ETF
Franklin LibertyQT Global Dividend Index ETF
Franklin LibertyQT Emerging Markets Index ETF
Franklin FTSE Canada All Cap Index ETF
Franklin FTSE U.S. Index ETF
Franklin FTSE Europe ex U.K. Index ETF
Franklin FTSE Japan Index ETF

**2.1.3 Franklin Templeton Investments Corp. and
Franklin Innovation Fund**

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted under subsection 62(5) of the Securities Act (Ontario) to permit extension of fund's prospectus lapse date by 123 days – Filer to incorporate offering of the funds under the same offering documents when they are renewed – Extension of lapse date will not affect the accuracy of the information contained in the prospectus.

Applicable Legislative Provisions

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

November 10, 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
FRANKLIN TEMPLETON INVESTMENTS CORP.
(the Filer)**

AND

**IN THE MATTER OF
FRANKLIN INNOVATION FUND
(the Fund)**

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Fund for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that the time limits for the renewal of the simplified prospectus, annual information form and fund facts of the Fund, dated January 25, 2021 (the **Current Prospectus**), be extended to the time limits that would be applicable as if the lapse date of the Current Prospectus was May 28, 2022 (the **Exemption Sought**).

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

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

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

1. The Filer is a corporation governed by the laws of Ontario with its head office in Toronto, Ontario.
2. The Filer is registered as: (i) an investment fund manager in Ontario, Quebec, Alberta, British Columbia, Manitoba, Nova Scotia and Newfoundland and Labrador; (ii) as a mutual fund dealer, portfolio manager and exempt market dealer in each province of Canada and the Yukon territory, and (iii) as a commodity trading manager in Ontario.
3. The Filer is the investment fund manager and the trustee of the Fund.
4. Neither the Filer nor the Fund are in default of securities legislation in any of the Canadian Jurisdictions.
5. The Fund is a mutual fund established as a trust under the laws of Ontario pursuant to a supplemental trust deed dated January 7, 2021 to the amended and restated master declaration of trust dated April 11, 2017, as amended. The Fund is a reporting issuer as defined in the securities legislation of each of the Canadian Jurisdictions.
6. The Fund currently distributes its securities in each of the Canadian Jurisdictions on a continuous basis pursuant to the Current Prospectus.
7. The lapse date for the Current Prospectus is January 25, 2022 (the **Current Lapse Date**). Accordingly, under the Legislation, the distribution of securities of the Fund would have to cease on its applicable Current Lapse Date unless: (i) the Fund files a *pro forma* simplified prospectus at least 30 days prior to its Current Lapse Date; (ii) the final simplified prospectus is filed no later than 10 days after its Current Lapse Date; and (iii) a receipt for the final simplified prospectus is obtained within 20 days after its Current Lapse Date.
8. The Filer is also the manager of 44 other mutual funds as listed in Schedule “A” (the **Other Funds**) that currently distribute their securities under a

simplified prospectus, annual information form and fund facts with a lapse date of May 28, 2022 (the **Other Funds’ Prospectus**).

9. The Filer wishes to combine the Current Prospectus with the Other Funds’ Prospectus to reduce renewal, printing, and related costs. Offering the Fund under the same prospectus as the Other Funds would facilitate the distribution of the Fund in the Canadian Jurisdictions under the same prospectus and will ensure that the Filer can make the operational and administrative features of the Fund consistent with all the Other Funds, if necessary.
10. The Filer wishes to extend the lapse date of the Current Prospectus to move the renewal timeframe to a more administratively beneficial date. The Filer believes that May 28, 2022 is an administratively beneficial lapse date, as it allows the Filer to create a more optimal and consistent workload for its personnel in respect of the work required to prepare and file the prospectus (and related documents) and the continuous disclosure materials of the Fund.
11. Establishing a uniform disclosure timeline for the Fund will enable the Filer to streamline operations and disclosure across the Filer’s fund platform. The Fund and the Other Funds share many common operational and administrative features and combining them in the same simplified prospectuses will allow investors to compare the features of the funds more easily.
12. If the Exemption Sought is not granted, it will be necessary to renew the Fund’s prospectus documents twice within a short period of time to consolidate the prospectus documents and establish a uniform filing timeline for the Fund, and it would be unreasonable for the Filer to incur the costs and expenses associated therewith, given investors would not be prejudiced by the Exemption Sought.
13. There have been no material changes in the affairs of the Fund since the date of the Current Prospectus. Accordingly, the Current Prospectus continues to provide accurate information regarding the Fund.
14. Given the disclosure obligations of the Filer and the Fund, should any material change in the business, operations or affairs of the Fund occur, the Current Prospectus will be amended as required under the Legislation.
15. New investors of the Fund will receive delivery of the most recently filed fund facts document(s) of the Fund. The Current Prospectus will remain available to investors upon request.
16. The Exemption Sought will not affect the accuracy of the information contained in the Current

Prospectus and will therefore 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 McCall”
Manager, Investment Funds and Structured Products
Branch
Ontario Securities Commission

Application File #: 2021/0617

SCHEDULE “A”

THE OTHER FUNDS

Franklin ActiveQuant Canadian Fund
Franklin ActiveQuant U.S. Fund
Franklin Bissett Canada Plus Equity Fund
Franklin Bissett Canadian Balanced Fund
Franklin Bissett Canadian Bond Fund
Franklin Bissett Canadian Dividend Fund
Franklin Bissett Canadian Equity Fund
Franklin Bissett Canadian Government Bond Fund
Franklin Bissett Core Plus Bond Fund
Franklin Bissett Corporate Bond Fund
Franklin Bissett Dividend Income Fund
Franklin Bissett Money Market Fund
Franklin Bissett Monthly Income and Growth Fund
Franklin Bissett Short Duration Bond Fund
Franklin Bissett Small Cap Fund
Franklin Brandywine Global Sustainable Income Optimiser Fund
Franklin Canadian Core Equity Fund
Franklin ClearBridge Sustainable International Growth Fund
Franklin Conservative Income ETF Portfolio
Franklin Core ETF Portfolio
Franklin Emerging Markets Core Equity Fund
Franklin Global Aggregate Bond Fund
Franklin Global Growth Fund
Franklin Growth ETF Portfolio
Franklin High Income Fund
Franklin International Core Equity Fund
Franklin Martin Currie Sustainable Global Equity Fund
Franklin Quotential Balanced Growth Portfolio
Franklin Quotential Balanced Income Portfolio
Franklin Quotential Diversified Equity Portfolio
Franklin Quotential Diversified Income Portfolio
Franklin Quotential Growth Portfolio
Franklin Royce Global Small Cap Premier Fund
Franklin U.S. Core Equity Fund
Franklin U.S. Monthly Income Fund
Franklin U.S. Opportunities Fund
Franklin U.S. Rising Dividends Fund
FT Balanced Growth Private Wealth Pool
FT Balanced Income Private Wealth Pool
FT Growth Private Wealth Pool
Templeton Emerging Markets Fund
Templeton Global Balanced Fund
Templeton Global Bond Fund
Templeton Growth Fund

2.1.4 National Bank Investments Inc.

Headnote

Multilateral Instrument 11-102 Passport System – National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations (“NI 31-103”) – Revocation and replacement of previous relief from the requirement contained in section 11.2 of NI 31-103 to designate an individual to be the UDP, and instead be permitted to designate and register two individuals as UDPs in respect of the two distinct operational divisions of the Filer – Relief from the requirement contained in section 11.3 of NI 31-103 to designate an individual to be the CCO, and instead be permitted to designate and register two individuals as CCOs in respect of the two distinct operational divisions of the Filer.

Applicable Legislative Provisions

Multilateral Instrument 11-102 Passport System.
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 11.2, 11.3 and 15.1.
National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions.

[Translation]

November 1, 2021

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

AND

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

AND

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

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (**Decision Maker**) has received an application from the Filer, for a decision under the securities legislation of the Jurisdictions (the **Legislation**) for:

- A. the revocation of the decision of the Decision Makers dated February 26, 2020 *In the Matter of National Bank Investments Inc.* (the **Previous Relief**),

which exempted the Filer from the UDP Designation Requirement (as defined below), in order to permit the Filer to designate two individuals as ultimate designated person (**UDP**), where each UDP performs the functions described in section 5.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations (NI 31-103)* in respect of their corresponding Division (as defined below) (the **Revocation Sought**);

- B. an exemption pursuant to section 15.1 of NI 31-103 from the UDP Designation Requirement (as defined below), in order to permit the Filer to designate two individuals as UDP, where each UDP performs the functions described in section 5.1 of NI 31-103 in respect of their corresponding Division (as defined below) (the **UDP Exemption Sought**); and
- C. an exemption pursuant to section 15.1 of NI 31-103 from the CCO Designation Requirement (as defined below), in order to permit the Filer to designate two individuals as chief compliance officer (**CCO**), where each CCO performs the functions described in section 5.2 of NI 31-103 in respect of their corresponding Division (the **CCO Exemption Sought**, and together with the UDP Exemption Sought, the **Exemptions Sought**).

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

- a) the Autorité des marchés financiers is the principal regulator for this application;
- b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 Passport System (**MI 11-102**) is intended to be relied upon in all of the provinces and territories of Canada other than Québec and Ontario; and
- c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* 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 are defined:

“**CCO Designation Requirement**” means the requirement under section 11.3(1) of NI 31-103 that a registered firm designate an individual who is registered under securities legislation in the category of CCO to perform the functions described in section 5.2 of NI 31-103;

“**Division**” means each of the Investment Fund Manager Division and the Mutual Fund Dealer Division of the Filer;

“**Division Head**” means the most senior executive officer in charge of a Division;

“**Investment Fund Manager Division**” means the product development and manufacturing division of the Filer that is responsible for all activities of the Filer related to the creation and management of mutual funds, including all activities related to its independent review committee, the preparation of all outbound documents of the Filer, and the distribution of the Filer’s products through dealers other than the Filer;

“**Mutual Fund Dealer Division**” means the internal dealer distribution division of the Filer that is responsible for all product distribution activities of the Filer within its own dealer network, i.e., all activities of the Filer related to its registered dealing representatives, the implementation of a distribution network with a compliance supervision model for its branches, of which there are currently 444, and the implementation of procedures pertaining to the validation of the suitability of transactions;

“**NBC**” means National Bank of Canada, the parent entity of the Filer;

“**UDP Designation Requirement**” means the requirement under section 11.2 of NI 31-103 that a registered firm designate an individual who is registered under securities legislation in the category of UDP to perform the functions described in section 5.1 of NI 31-103, and that this individual be one of the following: (i) the chief executive officer (**CEO**) of the firm or, if the firm does not have a CEO, an individual acting in a capacity similar to a CEO; (ii) the sole proprietor of the firm; or (iii) the officer in charge of a division of the firm, if the activity that requires the firm to register occurs only in the division and the firm has significant other business activities.

Representations

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

1. The Filer, formerly known as National Bank Securities Inc., is a corporation resulting from a merger performed under the *Canada Business Corporations Act*.
2. The Filer’s head office is located in Montréal, Québec.
3. The Filer is registered as:
 - (a) a mutual fund dealer under the securities legislation of each of the jurisdictions of Canada; and

- (b) an investment fund manager in the provinces of Québec, Ontario and Newfoundland and Labrador.

4. The Filer is not in default of any requirements of securities legislation in any jurisdiction of Canada.

Operational structure

5. The Filer’s operational structure is organized in two divisions, the Investment Fund Manager Division and the Mutual Fund Dealer Division, which are based on the nature of the Filer’s operations, and no activities that require registration under securities legislation are carried out by the Filer outside of the Divisions.
6. The Investment Fund Manager Division and the Mutual Fund Dealer Division each have separate and distinct senior management structures. Although they are part of the same corporate entity, each Division is functionally a stand-alone operation within the Filer’s business.
7. The Filer has applied for the Exemption Sought to permit its compliance supervision and operational structure to be properly aligned with its business model, while effectively meeting the policy objectives of sections 11.2 and 11.3 of NI 31-103, as well as sections 5.1 and 5.2 of NI 31-103.

Compliance Structure: Division Heads

8. Pursuant to the Previous Relief, the Filer designated each Division Head as UDP of their corresponding Division, where each UDP performs the functions described in section 5.1 of NI 31-103 in respect of their corresponding Division.
9. Despite the fact that only the most senior executive officer in charge of the Investment Fund Manager Division currently holds the title of “Chief Executive Officer” of the Filer, each of the two Division Heads acts in a similar capacity to that of a CEO in respect of their corresponding Division. There is no line of reporting between the Division Heads and each Division Head reports independently to different members of the senior management team of NBC and has direct access to the Filer’s Board of Directors.
10. No executive officer of the Filer has authority to overrule a decision of either of the Division Heads or control either of the Division Heads’ access to the Board of Directors of the Filer.

Compliance Structure: Chief Compliance Officers

11. The Filer has designated under section 11.3 of NI 31-103 only one individual who is currently registered under securities legislation as the CCO to perform the functions described in section 5.2 of NI 31-103 in respect of the Filer. Recent changes to the structure and organization of NBC’s compliance functions contemplate the designation of a separate CCO for each Division.

12. The Filer currently has only one compliance team that is part of the NBC Corporate Compliance function and is composed of the Investment Fund Manager Division compliance staff and the Mutual Fund Dealer Division compliance staff, now reporting to two senior managers. In total, three dedicated staff members are responsible for the Filer's compliance supervision for the Mutual Fund Dealer Division and two dedicated staff are responsible for the Filer's compliance supervision for the Investment Fund Manager Division.

Reasons for the Exemption Sought

13. The Filer submits that granting the Exemptions Sought would allow a more effective supervision of controls, without affecting its manufacturing and distribution activities, which have been well defined and governed as separate divisions for several years.

14. If the Exemptions Sought are granted, the Filer will keep each of the current Division Heads as UDPs for their respective Divisions and will designate one CCO for each Division.

15. If the CCO Exemption Sought is granted and the Filer designates separate individuals to act as the CCO for each Division, the CCO of each Division will (i) benefit from the expertise of the NBC Corporate Compliance team, which now includes more than 170 employees with different specializations such as conduct of business, regulatory watch, inspections, anti-money laundering, proceeds of crime, strategy and governance; (ii) have access to the NBC Wealth Management legal team for the settlement of client complaints and the processing of internal investigations; and (iii) report and have access to their respective Division Head and UDP; and (iv) have direct access to the Filer's Board of Directors and report to the Board independently of one another.

16. The Filer further submits that granting the Exemptions Sought would be consistent with the policy objectives that the UDP Designation Requirement and CCO Designation Requirement are intended to achieve, because:

- a. each Division is an independent operation that is distinct from the other and is conducted on a very large scale;
- b. the individuals who occupy the position of Division Head, who are currently designated and registered as UDPs of the Filer pursuant to the Previous Relief, are effectively the most senior executive officers of their respective Divisions; and

c. section 5.2 of the Companion Policy 31-103CP *Registration Requirements, Exemptions and Ongoing Registrant Obligations* suggests that, in large firms, the scale and kind of activities carried out by different operating divisions in a large firm may warrant the designation of more than one CCO.

Decision

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

The decision of the Decision Makers under the Legislation is that:

- A. the Revocation Sought is granted;
- B. the UDP Exemption Sought is granted provided that:
 - i. each Division shall have its own UDP, who shall be its Division Head;
 - ii. each UDP fulfils the responsibilities set out in section 5.1 of NI 31-103, and any successor provisions thereto, in respect of the Division for which they are designated by the Filer as its UDP; and
 - iii. each UDP has direct access to the board of directors of the Filer;
- C. the CCO Exemption Sought is granted provided that:
 - i. each Division shall have its own CCO;
 - ii. each CCO fulfils the responsibilities set out in section 5.2 of NI 31-103, and any successor provision thereto, in respect of the Division for which they are designated by the Filer as its CCO;
 - iii. each CCO reports and has direct access to the UDP; and
 - iv. each CCO has direct access to the board of directors of the Filer.

"Éric Jacob"
Superintendent, Client Services and Distribution Oversight

OSC File #: 2021/0477

2.1.5 Telesat Corporation and Telesat Partnership LP

Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief from the take-over bid requirements in Part 2 of NI 62-104 to allow for take-over bid thresholds to be calculated based on the aggregate number of the issuer's two classes of listed securities, as opposed to on a per-class basis – listed securities separated into two distinct classes (by Canadian status of the holder) to allow the issuer to track its Canadian shareholder composition and ensure that it maintain its status as Canadian-controlled for regulatory, financing and contractual purposes – listed securities trade under the same ticker symbol and CUSIP, are economically equivalent and are mandatorily inter-convertible upon a change in the holder's Canadian status – relief granted to allow offerors to calculate their ownership position by combining the outstanding listed securities of both classes for the purposes of determining whether the take-over bid requirements are triggered.

Relief from the requirement to issue and file a news release in section 5.4 of NI 62-104 to allow the threshold triggering the requirement for an acquiror to file a news release during a take-over bid or an issuer bid to be calculated based on the aggregate number of the issuer's two classes of listed securities, as opposed to on a per-class basis – listed securities separated into two distinct classes (by Canadian status of the holder) to allow the issuer to track its Canadian shareholder composition and ensure that it maintain its status as Canadian-controlled for regulatory, financing and contractual purposes – listed securities trade under the same ticker symbol and CUSIP, are economically equivalent and are mandatorily inter-convertible upon a change in the holder's Canadian status – relief granted to allow acquirors to calculate their ownership position by combining the outstanding listed securities of both classes for the purposes of determining whether the requirement to file a news release during a take-over bid or issuer bid is triggered.

Relief from the issuer bid requirements in Part 2 of NI 62-104 to allow for the thresholds in the exemption for normal course issuer bids in section 4.8(3) of NI 62-104 to be calculated based on the aggregate number of the issuer's two classes of listed securities, as opposed to on a per-class basis – listed securities separated into two distinct classes (by Canadian status of the holder) to allow the issuer to track its Canadian shareholder composition and ensure that it maintain its status as Canadian-controlled for regulatory, financing and contractual purposes – listed securities trade under the same ticker symbol and CUSIP, are economically equivalent and are mandatorily inter-convertible upon a change in the holder's Canadian status – relief granted to allow the issuer to calculated thresholds for the normal course issuer bid exemption in section 4.8(3) of NI 62-104 on the basis of the outstanding listed securities of both classes.

Relief from the early warning requirements in section 5.2 of NI 62-104 to allow early warning thresholds to be calculated based on the aggregate number of the issuer's two classes of listed securities, as opposed to on a per-class basis – listed securities separated into two distinct classes (by Canadian status of the holder) to allow the issuer to track its Canadian shareholder composition and ensure that it maintain its status as Canadian-controlled for regulatory, financing and contractual purposes – listed securities trade under the same ticker symbol and CUSIP, are economically equivalent and are mandatorily inter-convertible upon a change in the holder's Canadian status – relief granted to allow acquirors to calculate their ownership position by combining the outstanding listed securities of both classes for the purposes of determining whether the early warning requirements are triggered.

Relief to allow the issuer to provide disclosure on significant shareholders in its information circular on a combined basis for the issuer's two classes of listed securities, rather than for each of the listed classes – listed securities separated into two distinct classes (by Canadian status of the holder) to allow the issuer to track its Canadian shareholder composition and ensure that it maintain its status as Canadian-controlled for regulatory, financing and contractual purposes – listed securities trade under the same ticker symbol and CUSIP, are economically equivalent and are mandatorily inter-convertible upon a change in the holder's Canadian status – relief granted to allow the issuer to provide disclosure on its significant shareholders calculated on the basis of the outstanding listed securities of both classes in its information circular.

Relief from the prescribed restricted security term and restricted share term requirements under NI 41-101, NI 44-101, NI 51-102, and OSC Rule 56-501 – relief granted to allow the issuers to refer to the Class B variable voting shares, Class B limited partnership units and Class C limited voting shares by those specified alternative terms.

Applicable Legislative Provisions

National Instrument 62-104 Take-Over Bids and Issuer Bids, Part 2 and ss. 5.2, 5.4 and 6.1.
National Instrument 51-102 Continuous Disclosure Obligations, ss. 10.1(1)(a), 10.1(4), 10.1(6) and 13.1.
National Instrument 41-101 General Prospectus Requirements, ss. 12.2(3), 12.2(4) and 19.1.
National Instrument 44-101, Short Form Prospectus Distributions, s. 8.1.
Ontario Securities Commission Rule 56-501 Restricted Shares, ss. 2.3(1)(1.), 2.3(1)(3.), 2.3(2) and 4.2.

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
TELESAT CORPORATION
(the "Issuer")

AND

TELESAT PARTNERSHIP LP
(the "Partnership" and together with the Issuer, the "Filers")

DECISION

Background

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

1. In connection with National Instrument 62-104 *Take-Over Bids and Issuer Bids* ("**NI 62-104**"):
 - (a) an offer to acquire outstanding Class A common shares of the Issuer (the "**Class A Shares**") or Class B variable voting shares of the Issuer (the "**Class B Variable Voting Shares**", and together with the Class A Shares, the "**Listed Shares**"), as the case may be, which would constitute a take-over bid under the Legislation as a result of the securities subject to the offer to acquire, together with the offeror's securities, representing in the aggregate 20% or more of the outstanding Class A Shares or Class B Variable Voting Shares, as the case may be, at the date of the offer to acquire, be exempt from the requirements set out in Part 2 of NI 62-104 applicable to take-over bids (the "**TOB Relief**");
 - (b) an acquiror who acquires, during a take-over bid or an issuer bid, beneficial ownership of, or control or direction over, Class A Shares or Class B Variable Voting Shares, as the case may be, that, together with the acquiror's securities of that class, would constitute 5% or more of the outstanding Class A Shares or Class B Variable Voting Shares, as the case may be, be exempt from the requirement set out in section 5.4 of NI 62-104 to issue and file a news release (the "**News Release Relief**");
 - (c) an issuer bid made by the Issuer in the normal course on a published market, other than a designated exchange, with respect to Class A Shares or Class B Variable Voting Shares, as the case may be, be exempt from the requirements in Part 2 of NI 62-104 applicable to issuer bids (the "**NCIB Relief**"); and
 - (d) an acquiror who triggers the disclosure and filing obligations pursuant to the early warning requirements set out in section 5.2 of NI 62-104 with respect to the Class A Shares or Class B Variable Voting Shares, as the case may be, be exempt from such requirements (the "**Early Warning Relief**");
2. The Issuer be exempt from the disclosure requirements in Item 6.5 of Form 51-102F5 *Information Circular* ("**Form 51-102F5**" and such relief, the "**Continuous Disclosure Relief**"); and
3. The requirements under:
 - (a) (i) Subsections 12.2(3) and 12.2(4) of National Instrument 41-101 *General Prospectus Exemptions* ("**NI 41-101**"), and (ii) Item 1.13(1) of Form 41-101F1 *Information Required in a Prospectus* ("**Form 41-101F1**") relating to the use of restricted security terms;

- (b) Item 1.12(1) of Form 44-101F1 *Short Form Prospectus* (including in respect of any equivalent disclosure in a prospectus or supplement filed pursuant to National Instrument 44-102 *Shelf Distributions* (“**NI 44-102**”)) relating to the use of restricted security terms;
- (c) Subsections 10.1(1)(a), 10.1(4) and 10.1(6) of National Instrument 51-102 *Continuous Disclosure Obligations* (“**NI 51-102**”) relating to the use of restricted security terms; and
- (d) Subsections 2.3(1)(1.), 2.3(1)(3.) and 2.3(2) of Ontario Securities Commission Rule 56-501 *Restricted Shares* (“**Rule 56-501**”) relating to the use of restricted share terms,

shall not apply to any of the Class B Variable Voting Shares, the Class C limited voting shares of the Issuer (the “**Class C Limited Voting Shares**”) or the Class B limited partnership units of the Partnership (the “**Class B Units**”, and such relief, the “**Nomenclature Relief**”, and together with the TOB Relief, the News Release Relief, the NCIB Relief, the Early Warning Relief, and the Continuous Disclosure Relief, 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 Filers have provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (“**MI 11-102**”) is intended to be relied upon in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland, the Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Quebec, Saskatchewan and the Yukon Territory.

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102, National Instrument 62-103 *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues* (“**NI 62-103**”), and NI 62-104 have the same meaning if used in this decision, unless otherwise defined. The meaning of the term “Canadian” is as such term is defined in the *Investment Canada Act*.

Representations

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

1. The Issuer is a corporation validly existing and in good standing under the *Business Corporations Act* (British Columbia).
2. The Issuer’s registered office is located at 666 Burrard Street, Suite 1700, Vancouver, British Columbia, V6C 2X8 and its head office and principal place of business is located at 160 Elgin St. Suite 2100, Ottawa, Ontario, K2P 2P7.
3. The Issuer is not a reporting issuer in any jurisdiction and is not in default of any applicable requirement of securities legislation.
4. The authorized share capital of the Issuer consists of an unlimited number of super voting shares (the “**Super Voting Shares**”). As at November 9, 2021, there are 50 Super Voting Shares issued and outstanding, all of which are held by the incorporator of the Issuer, Henry Intven.
5. The Partnership is a limited partnership formed and in good standing under the laws of the Province of Ontario.
6. The Partnership’s head office and principal place of business is located at 160 Elgin Street, Suite 2100, Ottawa, Ontario, K2P 2P7.
7. The Issuer is the general partner of the Partnership.
8. The Partnership is not a reporting issuer in any jurisdiction and is not in default of any applicable requirement of securities legislation.

The Transaction

9. The Filers are parties to a transaction agreement and plan of merger dated November 23, 2020 (the “**Transaction Agreement**”) with Telesat Canada (“**Telesat**”), Telesat CanHold Corporation, Loral Space & Communications Inc. (“**Loral**”), Lion Combination Sub Corporation, Public Sector Pension Investment Board (“**PSP Investments**”), and Red Isle Private Investments Inc. (“**Red Isle**”).

Decisions, Orders and Rulings

10. Loral is a corporation validly existing and in good standing under the laws of the State of Delaware.
11. Loral's principal executive office is located at 600 Fifth Avenue, New York, New York, 10020, United States of America.
12. Loral is not a reporting issuer in Canada but is a public company in the United States. Loral is not in default of any applicable requirement of securities legislation.
13. Loral's voting common shares are listed for trading on the Nasdaq Stock Exchange under the symbol "LORL".
14. Loral holds an indirect 62.6% equity interest in Telesat and an indirect 32.6% voting interest on all matters on which Telesat shareholders are entitled to vote.
15. The principal shareholder of Loral is MHR Fund Management LLC ("MHR"), a New York based private equity firm. MHR, through certain of its affiliated funds, holds approximately 39.9% of Loral's voting common shares and is the holder of all of Loral's non-voting common shares. MHR's principal executive office is located at 1345 Avenue of the Americas, 42nd Floor, New York, New York, 10105, United States of America.
16. PSP Investments is a Canadian Crown corporation validly existing and in good standing under the laws of Canada. PSP Investments was established to invest funds for the pension plans of the Public Service, the Canadian Armed Forces, the Royal Canadian Mounted Police, and the Reserve Force.
17. PSP Investments' registered office is located at 1 Rideau Street, 7th Floor, Ottawa, Ontario, K1N 8S7 and its principal place of business is located at 1250 Boulevard René Lévesque West, Suite 1400, Montreal, Quebec, H3B 5E9.
18. PSP Investments holds its interest in Telesat through a wholly owned subsidiary, Red Isle. Red Isle is a corporation validly existing and in good standing under the *Canada Business Corporations Act*.
19. Red Isle' registered office and principal place of business is located at 1250 Boulevard René Lévesque West, Suite 1400, Montreal, Quebec, H3B 5E9.
20. Red Isle's interest in Telesat consists of a 36.7% equity interest, a 67.4% voting interest on all matters except for the election of directors, and a 29.4% voting interest for the election of directors.
21. Pursuant to the Transaction Agreement, the Filers will complete an integration transaction (the "**Transaction**") that will result in, among other things:
 - (a) the Partnership indirectly acquiring all of the equity interests of both Telesat and Loral;
 - (b) each common share of Loral outstanding immediately prior to the effective time of the Transaction being converted into the right to receive,
 - (i) if the Loral stockholder elects to receive units of the Partnership pursuant to the Transaction Agreement (a "**Partnership Election**"), one newly issued Class A limited partnership unit of the Partnership (a "**Class A Unit**") if such Loral stockholder can demonstrate that it is Canadian, and otherwise one newly issued Class B Unit, or
 - (ii) if the Loral stockholder makes an election to receive shares of the Issuer or does not validly make a Partnership Election, one newly issued Class A Share if such Loral stockholder can demonstrate that it is Canadian, and otherwise one newly issued Class B Variable Voting Share;
 - (c) Red Isle receiving a combination of Class C fully voting shares of the Issuer (the "**Class C Fully Voting Shares**"), Class C Limited Voting Shares (and together with the Class C Fully Voting Shares, the "**Class C Shares**"), and Class C limited partnership units of the Partnership (the "**Class C Units**") in exchange for its equity interests in Telesat;
 - (d) the Filers filing a joint non-offering prospectus, and upon obtaining a receipt for the final prospectus, becoming reporting issuers in the provinces and territories of Canada; and
 - (e) the Class A Shares and Class B Variable Voting Shares being listed for trading on the Nasdaq Global Select Market, the Nasdaq Global Market or the Nasdaq Capital Market (collectively, the "**Nasdaq**") and the Toronto Stock Exchange (the "**TSX**"), in each case, under a single ticker symbol (being, "TSAT") and CUSIP.

Share Capital of the Issuer and the Partnership

22. In connection with the completion of the Transaction, the Issuer will undertake a re-organization and file articles of amendment (the “**Amended Articles**”), following which the Issuer’s authorized share capital will consist of: (a) an unlimited number of Class A Shares; (b) an unlimited number of Class B Variable Voting Shares; (c) an unlimited number of Class C Fully Voting Shares; (d) an unlimited number of Class C Limited Voting Shares; (e) one Class A Special Voting Share; (f) one Class B Special Voting Share; (g) one Class C Special Voting Share; (h) an unlimited number of Super Voting Shares; (i) one Golden Share; and (j) an unlimited number of “blank check” Class A Preferred Shares (the “**Preferred Shares**”).
23. All of the outstanding Super Voting Shares will be redeemed at their issue price upon completion of the Transaction. The Amended Articles will prohibit the issuance of Super Voting Shares, and the Issuer will undertake in writing to the principal regulator that no Super Voting Shares will be issued (the “**Undertaking**”), which Undertaking will remain in force until such time as the Amended Articles are amended to remove the Super Voting Shares from the Issuer’s authorized share capital.
24. In connection with the completion of the Transaction, the Partnership will undertake a re-organization and adopt an amended and restated limited partnership agreement (the “**A&R Partnership Agreement**”). Pursuant to the A&R Partnership Agreement, the authorized capital of the Partnership will consist of: (a) an unlimited number of general partnership units (the “**GP Units**”); (b) an unlimited number of Class A Units; (c) an unlimited number of Class B Units; (d) an unlimited number of Class C Units; and (e) an unlimited number of Class D limited partnership units (the “**Class D Units**”).
25. Although Class D Units form part of the authorized capital of the Partnership, they can only be issued to a wholly owned subsidiary of the general partner of the Partnership immediately before the Class A Units, Class B Units and Class C Units (collectively, the “**Partnership Units**”) cease to be outstanding.
26. The Partnership Units provide economic rights that are substantially equivalent to the corresponding rights of holders of Class A Shares, Class B Variable Voting Shares and Class C Shares (collectively, the “**Issuer Shares**”).
27. The holders of Partnership Units are indirectly entitled to vote in respect of matters on which holders of the Issuer Shares are entitled to vote, including in respect of the election of directors of the Issuer, through the Class A Special Voting Share, the Class B Special Voting Share and the Class C Special Voting Share (collectively, the “**Special Voting Shares**”).
28. In connection with the Transaction, the Issuer, the Partnership and the trustee (the “**Trustee**”) of Telesat Corporation Trust (the “**Trust**”) entered into a voting trust agreement (the “**Trust Voting Agreement**”).
29. The Special Voting Shares are held by TSX Trust Company, the Trustee. The Special Voting Shares entitle the Trustee to that number of votes on applicable matters on which holders of Issuer Shares are entitled to vote that is equal to the number of Issuer Shares into which the Partnership Units held by such persons are convertible. Pursuant to the A&R Partnership Agreement, each holder of Partnership Units has the right to direct the Issuer as to how to instruct the Trustee to vote the voting power of the Special Voting Shares corresponding to such holder’s Partnership Units.
30. Pursuant to the Trust Voting Agreement, the Trustee is required to cast such votes in accordance with voting instructions provided to it by the Issuer, in its capacity as general partner of the Partnership. In the absence of instructions from the Issuer with respect to all or any such votes, the Trustee will not exercise those votes. The Special Voting Shares cannot be sold, assigned, or otherwise transferred without the consent of the Issuer.
31. The Special Voting Shares have no material economic rights and are not entitled to receive any dividend payable by the Issuer.
32. The Filers’ share structure has been implemented for the sole purposes of (a) ensuring the Filers’ continued status as Canadian-controlled, (b) providing for certain favourable tax treatment for stockholders of Loral in connection with the Transaction, and (c) ensuring PSP Investments’ ongoing compliance with the obligations imposed under its governing legislation.
33. The Filers are not required to be Canadian-controlled under applicable legislation or regulations. However, the Filers believe that there are benefits to being Canadian-controlled for regulatory and financing purposes and have entered into contractual arrangements with the Government of Canada that require each of them to be and remain Canadian-controlled.

34. To ensure that the Filers remain Canadian-controlled following completion of the Transaction, the Issuer will issue a Golden Share, which will be held and voted by the Trust.
35. The Golden Share is entitled to participate in a particular vote only when:
- (a) in the event of a vote with respect to the election of directors of the Issuer, the number of fully diluted Class B Variable Voting Shares is greater than the aggregate number of fully diluted Class A Shares and Class C Fully Voting Shares;
 - (b) in the event of a vote with respect to any matter other than the election of directors of the Issuer, the number of fully diluted Class B Variable Voting Shares is greater than the aggregate number of fully diluted Class A Shares and Class C Shares; or
 - (c) a person who is not Canadian beneficially owns or controls more than one-third of the sum of (i) the number of votes attached to the Issuer Shares and the Special Voting Shares then outstanding, and (ii) the Golden Share Canadian Votes (as defined and described below) (such person, a **“Non-Canadian Principal Shareholder”** and such limitation, the **“Non-Canadian Voting Limitation”**).
36. Voting power will be attributed to the Golden Share in two ways. First, the Golden Share will be attributed with the number of votes required to ensure that the votes cast by the holders of Class A Shares and Class A Units (indirectly via the Class A Special Voting Share), Class C Shares and Class C Units (indirectly via the Class C Special Voting Share), and the Golden Share, together, represent a simple majority of the votes cast and entitled to vote (such voting power, the **“Golden Share Canadian Votes”**). Second, the Golden Share will be attributed with the number of votes in excess of the Non-Canadian Voting Limitation exercised by a Non-Canadian Principal Shareholder.
37. The Golden Share voting rights will be voted *pro rata* consistent with the sum of the aggregate votes of the Class A Shares and the Class A Special Voting Share (in each case, excluding any votes cast by or on behalf of PSP Investments and/or its affiliates) controlled by holders who can demonstrate that they are Canadian. However, if (a) one or more holders other than PSP Investments or its controlled affiliates holds an aggregate amount of Class A Shares and/or Class A Units exceeding 5% of the aggregate number of outstanding Issuer Shares and Partnership Units taken as a whole as of the record date for the applicable vote (each such holder, a **“5% Voter”**), and (b) the 5% Voters together hold over 50% of the aggregate number of outstanding Class A Shares and Class A Units (in each case, excluding any Class A Shares or Class A Units held by or on behalf of PSP Investments and/or its affiliates) taken as a whole as of the record date for the applicable vote, one-half of the voting rights attached to the Golden Share will be voted *pro rata* consistent with the aggregate votes cast on the applicable matter as described in the first sentence of this paragraph and the other half will be voted *pro rata* consistent with the aggregate votes cast on the applicable matter by the holders of Class A Shares and the Class A Special Voting Share (in each case, excluding any votes cast by or on behalf of the 5% Voters and PSP Investments and/or its affiliates).
38. The Golden Share has no material economic rights and is not entitled to receive any dividend payable by the Issuer.
39. The holders of the Issuer Shares, the Special Voting Shares and the Golden Share are generally entitled to receive notice of and attend meetings of the Issuer’s shareholders and receive copies of all proxy materials, information statements and other written communications given in respect of the Listed Shares.
40. The holders of Issuer Shares are entitled to one vote for each Issuer Share held at all meetings of the shareholders of the Issuer, except meetings at which only holders of another class or of a particular series have the right to vote, provided that holders of Class C Limited Voting Shares are not entitled to vote on the election of directors of the Issuer.
41. The Amended Articles provide that the holders of Issuer Shares vote together as a single class with the Partnership Units (via the Special Voting Shares), and the Golden Share, with a simple majority of votes required to pass the majority of matters (other than the election of directors of the Issuer, which shall be decided by a plurality of votes cast).
42. The Amended Articles provide that the holders of Issuer Shares are entitled to receive dividends if, as and when declared by the board of directors of the Issuer (the **“Issuer’s Board”**) out of the assets of the Issuer and payable in such manner as the Issuer’s Board may determine, provide that any dividend must be declared and paid in equal amounts per Issuer Share.
43. An issued and outstanding Class A Share will immediately be converted into a Class B Variable Voting Share automatically and without any further act of the Issuer or the holder thereof if such Class A Share is or becomes beneficially owned or controlled, directly or indirectly, by a person who is not Canadian.

44. If an issued and outstanding Class B Variable Voting Share becomes beneficially owned and controlled, directly or indirectly, by a person who is Canadian, then such holder may notify the Issuer of its Canadian status and upon providing evidence satisfactory to the Issuer to confirm its Canadian status, the Class B Variable Voting Share shall convert automatically into a Class A Share.
45. If an offer is made to purchase either Class A Shares or Class B Variable Voting Shares and the offer is required to be made to all or substantially all of the holders of such class of Listed Shares under applicable securities legislation or stock exchange rules, then each share of the other class of Listed Shares, as applicable, will be convertible at the option of its holder into one Listed Share of the class for which the offer has been made at any time while the offer is in effect until one day after the time prescribed by the applicable securities legislation for the offeror to take up and pay for such Listed Shares pursuant to the offer.
46. The Class C Shares may not be held by anyone other than Red Isle or PSP Investments (or permitted transferees of either of them that are wholly owned by PSP Investments). Prior to transferring a Class C Share, Red Isle must first convert such Class C Share into a Class A Share.
47. Under the A&R Partnership Agreement, the Partnership Units are non-transferrable except in limited circumstances. Holders of Partnership Units are required to convert their Partnership Units into shares of the Issuer prior to disposition. Each Class A Unit is exchangeable for one Class A Share. Each Class B Unit is exchangeable for one Class B Variable Voting Share. Each Class C Unit is exchangeable for one Class C Fully Voting Share or one Class C Limited Voting Share, at the discretion of the holder of Class C Units.
48. Except for certain limited circumstances as set out in the A&R Partnership Agreement (i.e., issuances necessary to implement reciprocal changes to the capital of the Partnership as are adopted by the Issuer and the automatic exchanges of Class A Units and Class B Units in the event that the beneficial ownership or control of such units changes from Canadian to non-Canadian and *vice versa*) no additional limited partnership units of the Partnership (other than Class D Units) are permitted to be issued by the Partnership.
49. Partnership Units that are exchanged into the corresponding class of Issuer Shares will be cancelled, and such Partnership Units will not be reissued by the Partnership.
50. Upon completion of the Transaction:
 - (a) the Class A Shares will be held by certain former direct shareholders in Telesat and by Loral stockholders that elect to receive shares of the Issuer or fail to make a valid Partnership Election, and who, in each case, demonstrate that they are Canadian;
 - (b) the Class B Variable Voting Shares will be held by certain former direct shareholders in Telesat and by Loral stockholders that elect to receive shares of the Issuer or fail to make a valid Partnership Election, and who, in each case, do not demonstrate that they are Canadian;
 - (c) the Class C Shares will be held by Red Isle;
 - (d) the Class A Units will be held by the limited partners (other than Red Isle, Red Isle's permitted transferees that are wholly owned by PSP Investments, or any holder of Class D Units in their capacity as such) who can demonstrate to the Partnership that they are Canadian;
 - (e) the Class B Units will be held by the limited partners (other than Red Isle, Red Isle's permitted transferees that are wholly owned by PSP Investments, or any holder of Class D Units in their capacity as such) who do not demonstrate that they are Canadian;
 - (f) the Class C Units will be held by Red Isle or its permitted transferees that are wholly owned by PSP Investments;
 - (g) the GP Units will be held by the Issuer as the general partner of the Partnership.

Aggregation Relief

51. The Class A Shares and Class B Variable Voting Shares will be the only securities of the Issuer listed on a stock exchange. The Class A Shares and Class B Variable Voting Shares will be listed on the Nasdaq and the TSX and will trade under the same ticker symbol, being "TSAT", and under the same CUSIP.
52. The Issuer is not required to be Canadian-controlled under applicable legislation or regulations. However, it believes that there are benefits to being Canadian-controlled for regulatory and financing purposes and is party to contractual arrangements with the Government of Canada that require it to be and remain Canadian-controlled.

53. To maintain the Issuer's status as Canadian, the Amended Articles employ a variable voting mechanism by way of the Golden Share and the separation of its shares into classes based on the holder's status as Canadian or non-Canadian.
54. The voting power attributed to the Golden Share will vary, as described in paragraphs 35 through 37, to ensure that the aggregate number of votes cast by Canadians, including Red Isle, with respect to a particular matter, will equal a simple majority of all votes cast in respect of such matter, which may result in the dilution of the voting power of the Issuer's non-Canadian shareholders, being the holders of Class B Variable Voting Shares. Moreover, if a person who is not Canadian controls one-third or more of the votes of the Issuer Shares and the Partnership Units, any voting power of that shareholder in excess of one-third of the voting power (less one vote) of the Issuer Shares will be attributed to the Golden Share and voted by the Trustee as provided in the Amended Articles.
55. There is commonality of interest among the Listed Shares, and aside from the differences in (a) who may hold Class A Shares and Class B Variable Voting Shares, as between Canadians and non-Canadians, and (b) the potentially dilutive effect of the voting power of the Golden Share to the Issuer's non-Canadian shareholders (i.e., the holders of the Class B Variable Voting Shares) in circumstances where the Golden Share voting mechanic is triggered to ensure that the Issuer remains Canadian-controlled, the Listed Shares are the same in all respects and are mandatorily inter-convertible.
56. Although the Listed Shares are two separate and distinct classes of shares, they are economically equivalent. The relevance of the distinction between the two classes (i.e., the Canadian status of the holder) is solely for the Issuer (i.e., so that the Issuer can track its Canadian shareholder composition) but has no relevance to the holders of the Listed Shares for economic purposes.
57. An investor does not control or choose which class of Listed Shares it acquires and holds. There are no unique features of either the Class A Shares or the Class B Variable Voting Shares which an existing or potential investor can choose to acquire, exercise or dispose of. The class of Listed Shares ultimately available to an investor will solely be a function of the investor's non-Canadian status or ability to evidence its Canadian status. Moreover, if after having acquired a Class A Share an investor's Canadian status changes, the shares will convert accordingly and automatically, without formality or regard to any other consideration.
58. Pursuant to the terms of the Amended Articles, (a) Class A Shares will convert mandatorily and automatically and without any further act of the Issuer or the holder to a Class B Variable Voting Share if transferred to a non-Canadian, and (b) if a Canadian acquires a Class B Variable Voting Share, upon delivery of evidence to the Issuer that it is a Canadian, such Class B Variable Voting Share will convert mandatorily and automatically and without any further act of the Issuer or the holder to a Class A Share.
59. Administrative processes are required to ascertain whether a holder is Canadian and accordingly, no person will know the number of Class A Shares and Class B Variable Voting Shares outstanding, on a class by class basis, at any given time. However, the aggregate number of Listed Shares outstanding is and will be known at all times.
60. The Issuer has developed and adopted policies and procedures for canvassing holders of the Listed Shares on a quarterly basis to ascertain the Canadian status of the holders of the Listed Shares. In connection with proxy solicitations for matters on which shareholders of the Issuer are entitled to vote, the Issuer will request on each proxy a declaration of such shareholder's Canadian status.

Nomenclature Relief

61. Section 1.1 of NI 41-101 and section 1.1 of NI 51-102 define "restricted security terms" to mean each of the terms "non-voting security", "subordinate voting security" and "restricted voting security".
62. Section 1.1 of Rule 56-501 defines "restricted share terms" to mean "non-voting shares", "subordinate voting shares", "restricted voting shares" or any other term deemed appropriate by the Director.
63. The Class B Variable Voting Shares and the Class B Units may be considered restricted securities and restricted shares, as applicable, under NI 41-101, NI 51-102 and Rule 56-501 as the voting power of the Filers' non-Canadian shareholders, being the holders of Class B Variable Voting Shares and Class B Units, may be diluted by the voting power attributed to the Golden Share which voting power will vary to ensure that the aggregate number of votes cast by Canadians, including Red Isle, with respect to a particular matter, will equal a simple majority of all votes cast in respect of such matter.
64. There are no analogous restricted security nomenclature requirements under United States securities laws or the rules of the Nasdaq. Loral stockholders receiving Class B Variable Voting Shares or Class B Units are not required to be provided with, nor would they expect to receive, restricted security disclosure or securities bearing restricted security designations. Moreover, Loral stockholders voted to approve the Transaction (including the approval by disinterested

Decisions, Orders and Rulings

- Loral stockholders) at a special meeting of stockholders, pursuant to the mailing of a proxy statement and prospectus to Loral stockholders in which a detailed description of the Canadian-control mechanics were set out.
65. Holders of Class B Units (i.e., Loral stockholders) made an election and chose, with the benefit of detailed disclosure in the proxy statement and prospectus, to receive such Class B Units upon completion of the Transaction and to hold their interests in the Filers in the form of such securities. With the exception of certain limited circumstances set out in the A&R Partnership Agreement, Class B Units are non-transferrable and no additional Class B Units will be issued.
 66. The Issuer desires to use the term “variable voting” to describe the qualified and limited rights of the Class B Variable Voting Shares resulting from the variable voting power of the Golden Share in any offering documents, future prospectuses and all future continuous disclosure documents of the Issuer.
 67. The Class C Limited Voting Shares are restricted securities and restricted shares, as applicable, under NI 41-101, NI 51-102 and Rule 56-501 as the Class C Limited Voting Shares do not entitle the holder thereof to vote on the election of directors of the Issuer. The Class C Shares (including the Class C Limited Voting Shares) were included in the capital structure of the Issuer solely to ensure, at the request of PSP Investments, PSP Investments’ compliance with its governing legislation with respect to the ability to elect directors; the Class C Shares serve no other purpose.
 68. Under the Amended Articles, no person other than Red Isle or permitted transferees of Red Isle that are wholly owned by PSP Investments can acquire Class C Shares. In order to dispose of a Class C Share, Red Isle or PSP Investments, as the case may be, must convert the Class C Share into a Class A Share.
 69. Red Isle and PSP Investments are sophisticated investors and understand the qualified and limited voting rights associated with the Class C Limited Voting Shares. PSP Investments has delivered a written acknowledgement to staff of the principal regulator to confirm and acknowledge that it understands and is aware of the limited rights of the Class C Limited Voting Shares and that it does not require the use of a prescribed restricted security term or restricted share term by the Issuer to explicitly indicate the restricted nature and rights of the Class C Limited Voting Shares.
 70. The features of the Class B Variable Voting Shares, the Class B Units, and the Class C Limited Voting Shares will be set out in disclosure documents pursuant to NI 41-101, National Instrument 44-101 *Short Form Prospectus Distributions*, NI 44-102 and NI 51-102, as applicable, in compliance with the form requirements of such instruments.

Decision

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

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

- (a) each of the Filers discloses the Exemption Sought and the terms and conditions of this decision in (i) the final prospectus, and (ii) each annual information form, management information/proxy circular, and other document where the characteristics of its securities are described that is filed on SEDAR following the date of this decision;
- (b) no Super Voting Shares are issued and outstanding following the completion of the Transaction, the Amended Articles prohibit the issuance of Super Voting Shares, and the Issuer provides the Undertaking to the principal regulator, which will remain in force until such time as the Amended Articles are amended to remove the Super Voting Shares from the Issuer’s authorized share capital;
- (c) no Preferred Shares (i) carrying a greater number of votes on a per share basis, irrespective of the number or percentage of preferred shares owned, than any of the Issuer Shares, or (ii) that would cause any of the factors set out in section 4.1 of Rule 56-501 to be present in relation to any of the Issuer Shares, regardless of the existing restrictions on the Class B Variable Voting Shares and the Class C Limited Voting Shares, are issued and outstanding;
- (d) with respect only to the TOB Relief, the securities subject to the offer to acquire, together with the offeror’s securities, would not represent in the aggregate 20% or more of the outstanding Class A Shares and Class B Variable Voting Shares, as the case may be, calculated using (i) a denominator comprised of all of the outstanding Class A Shares and Class B Variable Voting Shares, determined in accordance with subsection 1.8(2) of NI 62-104 on a combined basis, as opposed to a per-class basis, and (ii) a numerator including as offeror’s securities all of the Class A Shares and Class B Variable Voting Shares, as applicable, that constitute offeror’s securities.

- (e) with respect only to the News Release Relief, the Class A Shares or Class B Variable Voting Shares, as the case may be, that the acquiror acquires beneficial ownership of, or control or direction over, when added to the acquiror's securities of that class, would not constitute 5% or more of the outstanding Class A Shares or Class B Variable Voting Shares, as the case may be, calculated using (i) a denominator comprised of all of the outstanding Class A Shares and Class B Variable Voting Shares, determined in accordance with subsection 1.8(2) of NI 62-104 on a combined basis, as opposed to a per-class basis, and (ii) a numerator including as acquiror's securities, all of the Class A Shares and Class B Variable Voting Shares, as applicable, that constitute acquiror's securities.
- (f) with respect only to the NCIB Relief, the Issuer complies with the conditions in subsection 4.8(3) of NI 62-104, except that: (i) the bid is for not more than 5% of the outstanding Class A Shares and Class B Variable Voting Shares on a combined basis, as opposed to a per-class basis, and (ii) the aggregate number of Class A Shares and Class B Variable Voting Shares acquired in reliance on the NCIB Relief by the Issuer and any person acting jointly or in concert with the Issuer within any 12-month period does not exceed 5% of the outstanding Class A Shares and Class B Variable Voting Shares on a combined basis, as opposed to a per-class basis, at the beginning of such 12-month period;
- (g) with respect only to the Early Warning Relief:
 - (i) the acquiror complies with the early warning requirements, except that, for the purpose of determining the percentage of outstanding Class A Shares or Class B Variable Voting Shares, as the case may be, that the acquiror has acquired or disposed of beneficial ownership, or acquired or ceased to have control or direction over, the acquiror calculates the percentage using (A) a denominator comprised of all of the outstanding Class A Shares and Class B Variable Voting Shares, determined in accordance with subsection 1.8(2) of NI 62-104, on a combined basis, as opposed to a per-class basis, and (B) a numerator including, as acquiror's securities, all of the Class A Shares and Class B Variable Voting Shares, as applicable, that constitute acquiror's securities; or
 - (ii) in the case of an acquiror that is an eligible institutional investor, the acquiror complies with the requirements of the alternative monthly reporting system set out in Part 4 of NI 62-103 to the extent it is not disqualified from filing reports thereunder pursuant to section 4.2 of NI 62-103, except that, for purposes of determining the acquiror's securityholding percentage, the acquiror calculates its securityholding percentage using (A) a denominator comprised of all of the outstanding Class A Shares and Class B Variable Voting Shares determined in accordance with subsection 1.8(2) of NI 62-104 on a combined basis, as opposed to a per-class basis, and (B) a numerator including all of the Class A Shares and Class B Variable Voting Shares, as applicable, beneficially owned or controlled by the eligible institutional investor;
- (h) with respect only to the Continuous Disclosure Relief, the Issuer provides the disclosure required by Item 6.5 of Form 51-102F5 except that for the purposes of determining the percentage of voting rights attached to the Class A Shares or Class B Variable Voting Shares, the Issuer calculates the voting percentage using (i) a denominator comprised of all of the outstanding Class A Shares and Class B Variable Voting Shares on a combined basis, as opposed to a per-class basis, and (ii) a numerator including all of the Class A Shares and Class B Variable Voting Shares beneficially owned, or over which control or direction is exercised, directly or indirectly, by any person who, to the knowledge of the Issuer's directors or executive officers, beneficially owns, controls or directs, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to the outstanding Class A Shares and Class B Variable Voting Shares on a combined basis, as opposed to a per-class basis; and
- (i) with respect only to the Nomenclature Relief, (i) the Class B Variable Voting Shares be referred to as "Class B Variable Voting Shares", (ii) the Class C Limited Voting Shares be referred to as "Class C Limited Voting Shares", and (iii) the Class B Units be referred to as "Class B Units".

"David Mendicino"
Manager, Office of Mergers & Acquisitions
Ontario Securities Commission

Application File #: 2021/0614

2.1.6 Telesat Corporation and Telesat Partnership LP

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Filers wish to put in place an exchangeable security issuer structure but are unable to rely on the exemption for exchangeable security issuers in applicable securities legislation – Equivalent relief granted, subject to conditions.

Entity in structure also granted relief from insider reporting requirements, subject to conditions.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, ss. 107 and 121(2)(a)(ii).
National Instrument 51-102 Continuous Disclosure Obligations, ss. 13.1(2) and 13.3.
National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, ss. 8.4 and 8.6(2).
National Instrument 52-110 Audit Committees, ss. 1.2(f) and 8.1(2).
National Instrument 55-102 System for Electronic Disclosure by Insiders (SEDI), s. 6.1(2).
National Instrument 55-104 Insider Reporting Requirements and Exemptions, s. 10.1(2).
National Instrument 58-101 Disclosure of Corporate Governance Practices, ss. 1.3(c) and 3.1(2).

November 16, 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
TELESAT CORPORATION
(the "Issuer")**

AND

**TELESAT PARTNERSHIP LP
(the "Partnership" and together with the Issuer, the "Filers")**

DECISION

Background

The principal regulator in the Jurisdiction has received an application (the "**Application**") from the Filers for a decision under the securities legislation of the Jurisdiction of the principal regulator (the "**Legislation**") for an exemption from certain provisions of National Instrument 51-102 – *Continuous Disclosure Obligations* ("**NI 51-102**"), National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* ("**NI 52-109**"), National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"), and National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**").

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

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

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.

Requested Relief

The Filers have requested a decision exempting the Partnership under:

- (a) section 13.1 of NI 51-102 from the requirements of NI 51-102 (the “**Continuous Disclosure Requirements**”),
- (b) section 8.6 of NI 52-109 from the requirements of the Partnership to certify the disclosure in its annual and interim filings (the “**Certification Requirements**”),
- (c) section 8.1 of NI 52-110 from the application of the requirements of NI 52-110 (the “**Audit Committee Requirements**”),
- (d) section 3.1 of NI 58-101 from requirements of the Partnership to disclose its corporate governance practices (the “**Corporate Governance Requirements**”),
- (e) insiders of the Partnership from the insider reporting requirement (as defined in National Instrument 14-101 *Definitions*) (the “**Insider Reporting Requirements**”) in respect of the Partnership,

in each case, permitting the Partnership to satisfy the Continuous Disclosure Requirements, Certification Requirements, Audit Committee Requirements, Corporate Governance Requirements and Insider Reporting Requirements by relying on the continuous disclosure documents filed or other documents, disclosure, or filings prepared and certified, as applicable, by or on behalf of the Issuer and the audit committee and corporate governance disclosure and practices implemented by the Issuer (collectively the “**Requested Relief**”).

Representations

The Transaction and Parties to the Transaction

1. The Filers are parties to a transaction agreement and plan of merger dated November 23, 2020 (the “**Transaction Agreement**”) with Telesat Canada (“**Telesat**”), Telesat CanHold Corporation, Loral Space & Communications Inc. (“**Loral**”), Lion Combination Sub Corporation, Public Sector Pension Investment Board (“**PSP Investments**”), and Red Isle Private Investments Inc. (“**Red Isle**”).
2. The Issuer is a corporation incorporated under the *Business Corporations Act* (British Columbia) on October 21, 2020.
3. The Issuer’s registered office is located at 666 Burrard Street, Suite 1700, Vancouver, British Columbia, V6C 2X8 and its head office and principal place of business is located at 160 Elgin St. Suite 2100, Ottawa, Ontario, K2P 2P7. The Issuer was formed to be the publicly traded general partner of the Partnership following completion of the Transaction (as defined below).
4. The Partnership is a limited partnership formed under the laws of Ontario on November 12, 2020. The Partnership’s head office and principal place of business is 160 Elgin St. Suite 2100, Ottawa, ON K2P 2P7.
5. Telesat is a leading global satellite operator that was initially formed as a Canadian crown corporation on May 2, 1969. Currently, Telesat is a privately held corporation amalgamated under the *Canada Business Corporations Act*. Telesat’s head office and principal place of business is 160 Elgin St. Suite 2100, Ottawa, ON K2P 2P7.
6. Loral is a Delaware corporation incorporated on June 24, 2005. Loral’s voting shares are currently listed for trading on the Nasdaq under the symbol “LORL”. Loral holds an indirect 62.6% equity interest in Telesat and an indirect 32.6% voting interest on all matters. Loral’s principal executive office is located at 600 Fifth Avenue, New York, New York 10020.
7. The principal shareholder of Loral is MHR Fund Management LLC (“**MHR**”), a New York based private equity firm. MHR, through certain of its affiliated funds, holds approximately 39.9% of Loral’s voting common shares and is the holder of all of Loral’s non-voting common shares. MHR’s principal executive office is located at 1345 Avenue of the Americas, 42nd Floor, New York, New York 10105.
8. PSP Investments is a Canadian Crown corporation established to invest funds for the pension plans of the Public Service, the Canadian Armed Forces, the Royal Canadian Mounted Police, and the Reserve Force. PSP Investments holds its

interest in Telesat through a wholly owned subsidiary, Red Isle, a corporation formed under the CBCA. PSP Investments' principal place of business is at 1250 Boulevard René Lévesque West, Suite 1400, Montreal, Quebec, Canada, H3B 5E9 and its registered office is at 1 Rideau Street, 7th Floor, Ottawa, Ontario, Canada, K1N 8S7.

9. Red Isle's interest in Telesat is a 36.7% equity interest, a 67.4% voting interest on all matters except for the election of directors, and a 29.4% voting interest for the election of directors. Red Isle's principal place of business and its registered office is at 1250 Boulevard René Lévesque West, Suite 1400, Montreal, Quebec, Canada, H3B 5E9.
10. Pursuant to the Transaction Agreement, the Filers will complete an integration transaction (the "**Transaction**") that will result in, among other things:
 - (a) the Partnership indirectly acquiring all of the equity interests of both Telesat and Loral;
 - (b) the Issuer becoming the Canadian-controlled publicly traded general partner of the Partnership;
 - (c) each common share of Loral outstanding immediately prior to the effective time of the Transaction being converted into the right to receive (i) if the Loral stockholder elects to receive units of the Partnership pursuant to the Transaction Agreement (a "**Telesat Partnership Election**") one newly issued Class A unit of the Partnership (a "**Class A Unit**") if such Loral stockholder can demonstrate it is Canadian (as such term is defined in the *Investment Canada Act*), and otherwise one newly issued Class B unit of the Partnership (a "**Class B Unit**") or (ii) if the Loral stockholder makes an election to receive shares of the Issuer or does not validly make a Telesat Partnership Election, one newly issued Class A common share of the Issuer (a "**Class A Share**") if such Loral stockholder can demonstrate it is Canadian (as such term is defined in the *Investment Canada Act*), and otherwise one newly issued Class B variable voting share of the Issuer (a "**Class B Variable Voting Share**");
 - (d) Red Isle receiving a combination of Class C Fully Voting Shares, Class C Limited Voting Shares and Class C Units in exchange for its equity interests in Telesat; and
 - (e) The Class A Shares and Class B Variable Voting Shares being listed for trading on the Nasdaq Global Select Market, the Nasdaq Global Market or the Nasdaq Capital Market (the "**Nasdaq**") under a single ticker symbol and CUSIP.
11. The Filers are not currently reporting issuers in any province or territory of Canada. The Filers are not in default of any requirement of the securities legislation in any province or territory of Canada. Following issuance of a final receipt for their non-offering prospectus and completion of the Transaction, the Filers will each be reporting issuers in each of the provinces and territories of Canada and will be subject to Canadian continuous disclosure and other reporting obligations under applicable Canadian securities laws, absent available exemptions.

Capital Structure of the Issuer

12. The Issuer will, in connection with the completion of the Transaction, undertake a re-organization and file articles of amendment (the "**Amended Articles**") that provide for the capital and voting structure of the Issuer as a publicly traded company. Upon completion of the Transaction, the Issuer will be the Canadian-controlled publicly traded general partner of the Partnership.
13. The authorized share capital of the Issuer consists of an unlimited number of super voting shares (the "**Super Voting Shares**"). As at November 9, 2021, there are 50 Super Voting Shares issued and outstanding, all of which are held by the incorporator of the Issuer, Henry Intven.
14. All of the outstanding Super Voting Shares will be redeemed at their issue price upon completion of the Transaction. The Amended Articles will prohibit the issuance of Super Voting Shares, and the Issuer will deliver an undertaking to the principal regulator that no Super Voting Shares will be issued, which undertaking will remain in force until such time as the Amended Articles are amended to remove the Super Voting Shares from the Issuer's authorized share capital.
15. In connection with completion of the Transaction, the Issuer will file the Amended Articles, which provide for the following outstanding classes of shares: Class A Shares, Class B Variable Voting Shares, Class C Fully Voting Shares, Class C Limited Voting Shares, Class A Special Voting Shares, Class B Special Voting Shares, Class C Special Voting Shares, Super Voting Shares and the Golden Share.
16. The Issuer has adopted the Class A Shares and Class B Variable Voting Shares along with the Golden Share to ensure it remains Canadian controlled following completion of the Transaction.

17. The Class C Fully Voting Shares and Class C Limited Voting Shares (together the “**Class C Shares**”) were included in the capital structure of the Issuer solely to ensure PSP Investments’ compliance with its governing legislation with respect to the ability to elect directors; the Class C Shares serve no other purpose.
18. The Class A Shares, Class B Variable Voting Shares, and Class C Shares (collectively the “**Issuer Shares**”) will be economically identical. Holders of the Issuer Shares will be entitled to receive dividends if, as and when declared by the Issuer’s board of directors (the “**Issuer’s Board**”) out of the assets of the Issuer and payable in such manner as the Issuer’s Board may determine, provided that any dividend must be declared and paid in equal amounts per Class A Share, Class B Variable Voting Shares, Class C Fully Voting Share and Class C Limited Voting Share.
19. The Golden Share and the Class A Special Voting Shares, Class B Special Voting Shares, Class C Special Voting Shares (collectively, the “**Special Voting Shares**”) have no material economic entitlements.
20. Holders of Issuer Shares, Special Voting Shares, and the Golden Share will generally be entitled to receive notice of and attend meetings of the Issuer’s shareholders and receive copies of all proxy materials, information statements and other written communications, including from third parties, given in respect of Issuer Shares.
21. Holders of Class A Shares, Class B Variable Voting Shares and Class C Shares shall have one vote for each share held at all meetings of the shareholders of the Issuer, except meetings at which only holders of another class or of a particular series shall have the right to vote, provided that holders of Class C Limited Voting Shares will not be entitled to vote on the election of directors of the Issuer.
22. The Golden Share is entitled to participate in a particular vote only when (i) in the event of a vote with respect to the election of directors of the Issuer, the number of fully diluted Class B Variable Voting Shares is greater than the aggregate number of fully diluted Class A Shares and Class C Fully Voting Shares, (ii) in the event of a vote with respect to any matter other than the election of directors of the Issuer, the number of fully diluted Class B Variable Voting Shares is greater than the aggregate number of fully diluted Class A Shares and Class C Shares, or (iii) a person who is not Canadian (as defined in the *Investment Canada Act*) beneficially owns or controls more than one-third of the sum of (a) the number of votes attached to the Class A Shares, Class B Variable Voting Shares, Class C Shares and the Special Voting Shares then outstanding, and (b) the Golden Share Canadian Votes, as defined and described below (such person, a “**Non-Canadian Principal Shareholder**” and such limitation, the “**Non-Canadian Voting Limitation**”).
23. Voting power will be attributed to the Golden Share in two ways. First, the Golden Share will be attributed with the number of votes required to ensure that the votes cast by the holders of Class A Shares and Class A Units (indirectly via the Class A Special Voting Share), Class C Shares and Class C Units (indirectly via the Special Voting Share) and the Golden Share, together, represent a simple majority of the votes cast and entitled to vote (such voting power, the “**Golden Share Canadian Votes**”). Second, the Golden Share will be attributed with the number of votes in excess of the Non-Canadian Voting Limitation exercised by a Non-Canadian Principal Shareholder.
24. The Golden Share voting rights will be voted pro rata consistent with the sum of the aggregate votes of the Class A Shares and the Class A Special Voting Shares (in each case, excluding any votes cast by or on behalf of PSP Investments and/or its affiliates), the votes of each of which will be controlled by holders who can demonstrate that they are Canadian. However, if (i) one or more holders other than PSP Investments or its controlled affiliates holds an aggregate amount of Class A Shares and/or Class A Units exceeding 5% of the aggregate number of outstanding Class A Shares, Class B Variable Voting Shares, Class C Shares, Class A Units, Class B Units and Class C Units, taken as a whole as of the record date for the applicable vote (each such holder, a “**5% Voter**”) and (ii) the 5% Voters together hold over 50% of the aggregate number of outstanding Class A Shares and Class A Units (in each case, excluding any Class A Shares or Class A Units held by or on behalf of PSP Investments and/or its affiliates) taken as a whole as of the record date for the applicable vote, one-half of the voting rights attached to the Golden Share will be voted pro rata consistent with the aggregate votes cast on the applicable matter as described in the first sentence of this paragraph 24 and the other half will be voted pro rata consistent with the aggregate votes cast on the applicable matter by the holders of Class A Shares and the Class A Special Voting Share (in each case, excluding any votes cast by or on behalf of the 5% Voters and PSP Investments and/or its affiliates).

Capital Structure of the Partnership

25. The Partnership will, in connection with the completion of the Transaction, adopt an amended and restated limited partnership agreement (the “**A&R Partnership Agreement**”). The A&R Partnership Agreement will provide for an exchangeable unit structure of the Partnership following completion of the Transaction. Upon completion of the Transaction, the Partnership will be the indirect holder of all of the equity interests in both Telesat and Loral.
26. The A&R Partnership Agreement provides for a capital structure consisting of GP Units, Class A Units, Class B Units, Class C Units and Class D Units.

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27. The Class A Units, Class B Units, and Class C Units (together, the “**Exchangeable Units**”) will be economically identical to each other.
28. The Class D Units will have no economic entitlement until such time as there are no Exchangeable Units outstanding.
29. The GP Units will be held by the Issuer. The Issuer will hold a number of GP Units that corresponds to the number of Issuer Shares outstanding.
30. The Partnership’s multi-class exchangeable unit structure is being implemented solely to provide for certain favourable tax treatment for stockholders of Loral in connection with the exchange of Loral common shares for equity interest in the Filers upon completion of the Transaction.
31. The Exchangeable Units are intended to provide economic rights that are substantially equivalent, and (through the Special Voting Shares) voting rights with respect to the Issuer that are equivalent, to the corresponding rights afforded to holders of Class A Shares, Class B Variable Voting Shares and Class C Shares, respectively, of the Issuer.
32. The Exchangeable Units are modelled on the conventional exchangeable share structure used in Canada and are intended to provide US stockholders with a tax deferral on the disposition of their Loral common shares in connection with the Transaction. The Exchangeable Units have equivalent voting rights and substantially equivalent economic rights to the Issuer Shares, and are exchangeable from and after a six month period following the Transaction into the corresponding class of Issuer Shares for no additional consideration.
33. Equivalent voting rights are conveyed to the holders of Exchangeable Units through the mechanism of the Special Voting Shares and a voting trust agreement, as is often done in conventional exchangeable share structures. As part of the Transaction, the Issuer, the Partnership and a trustee to be agreed between the parties (“**Trustee**”) will enter into the voting trust agreement (the “**Trust Agreement**”).
34. Under the Trust Agreement, the Trustee will be granted specified rights and will agree to specified obligations and the Issuer will issue the Special Voting Share to the Trustee. The Trustee will also enter into a trust voting agreement (the “**Voting Agreement**”) to govern the manner in which the Special Voting Shares (and the Golden Share) will be voted. The Special Voting Shares will have the number of votes, which may be cast by the Trustee at any meeting at which the holders of Issuer Shares are entitled to vote or in respect of any written consent sought by the Issuer from its holders of Issuer Shares, equal to the then outstanding number of Exchangeable Units. Each holder of an Exchangeable Unit on the record date for any meeting or shareholder consent at which holders of Issuer Shares are entitled to vote will be entitled to instruct the Issuer to instruct the Trustee to exercise the votes attached to the Special Voting Shares for each Exchangeable Unit held by the exchangeable unitholder. The Trustee will exercise each vote attached to the Special Voting Shares pursuant to the Voting Agreement.
35. Under the A&R Partnership Agreement, the Issuer, in its capacity as the general partner of the Partnership, is required to send copies of all proxy materials, information statements, reports (including all interim and annual financial statements) and other written communications to the holders of Exchangeable Units at the same time as such materials are first sent to holders of Issuer Shares. In addition, the Issuer, in its capacity of the general partner of the Partnership, is also required to send to the holders of Exchangeable Units all materials sent by third parties to the holders of Issuer Shares, including dissident proxy and information circulars and tender and exchange offer circulars, as soon as reasonably practicable after the materials are received by the Issuer or the shareholders thereof.
36. Pursuant to the A&R Partnership Agreement, the holders of Exchangeable Units will have the right to exercise certain rights of shareholders of the Issuer as if such holders had exchanged their Exchangeable Units for Issuer Shares, including (i) rights of holders of Issuer Shares set forth in the Amended Articles and under applicable law (other than voting rights and rights to dividends or other distributions) and (ii) statutory rights with respect to the inspection of books and records and shareholder lists, and to make a shareholder requisition, to have a court call a shareholder meeting, to participate in a meeting telephonically and to submit shareholder proposals.
37. Pursuant to the A&R Partnership Agreement, for so long as the Issuer is general partner of the Partnership, if any shares in the capital of the Issuer other than Class A Shares, Class B Variable Voting Shares or Class C Shares are issued by the Issuer (“**New Shares**”), the Issuer will (either immediately before or after such issuance), (a) cause the Partnership to create a corresponding new class of Exchangeable Units (“**New Units**”) that have corresponding distribution rights to such New Shares, (b) cause the Partnership to issue one or more New Units to the Issuer in exchange for the contribution by the Issuer of the proceeds from, or other consideration received in connection with, the issuance of such New Shares to the Partnership and (c) effect such amendments to the A&R Partnership Agreement as are necessary to give effect to the foregoing.

38. The Issuer and the Issuer's Board are prohibited from proposing or recommending an offer for the Issuer Shares or for the Exchangeable Units unless the holders of the Exchangeable Units and the holders of Issuer's shares are entitled to participate to the same extent and on an equitably equivalent basis. As a result of the inability of a holder of Exchangeable Units to exchange such Exchangeable Units into Issuer Shares prior to the six month anniversary of the Transaction, if a bid with respect to Issuer Shares was made in that six month period, a holder of Exchangeable Units could not participate in such bid unless it was proposed or recommended by the Issuer or the Issuer's Board or was otherwise effected with the consent or approval of the Issuer's Board.
39. A statement substantially to the effect of the statement in paragraph 38 above will be included in any management information circular and annual information form of the Issuer filed pursuant to NI 51-102 prior to the one year anniversary of the date of the effective time of the Transaction.
40. Canadian securities regulatory authorities may intervene in the public interest (either on application by an interested party or by staff of a Canadian securities regulatory authority) to prevent an offer to holders of Issuer Shares or Exchangeable Units being made or completed where such offer is abusive of the holders of one of those security classes that are not subject to that offer.
41. A statement substantially to the effect of the statement in paragraph 40 above will be included in any management information circular and annual information form of the Issuer filed pursuant to NI 51-102; provided that such statement may be modified to reflect any change in the applicable law and need not be made with respect to the Exchangeable Units if, at the applicable time, there are no outstanding securities of such class (other than securities beneficially owned, either directly or indirectly, by the Issuer).
42. In addition:
- (a) the Issuer may not issue or distribute rights, options or warrants or other securities or assets of the Issuer to all or substantially all of the holders of Class A Shares, Class B Variable Voting Shares and Class C Shares unless a corresponding distribution is made to holders of the Exchangeable Units;
 - (b) no subdivision or combination of the outstanding Class A Shares, Class B Variable Voting Shares or Class C Shares of the Issuer is permitted unless a corresponding subdivision or combination of the Exchangeable Units is made;
 - (c) approval of holders of the Exchangeable Units is required for an action (such as an amendment to the A&R Partnership Agreement) that would affect the economic rights of an Exchangeable Unit relative to the Class A Shares, Class B Variable Voting Shares or Class C Shares, as applicable;
 - (d) after making distributions to the Issuer required pursuant to the A&R Partnership Agreement for expenses related to taxes, operations, administration, and contractual obligations, including in connection with the dissolution of the Partnership, the Issuer may make *pro rata* distributions to each Exchangeable Unit and the Issuer based on the respective number of outstanding Issuer Shares and outstanding Exchangeable Units at the time of distribution; and
 - (e) as a result of the distribution provisions of the A&R Partnership Agreement, assets of the Partnership that will be distributed to the Issuer and that will be available for distribution to the holders of Issuer Shares will be proportionate to the assets that are distributed to the holders of the Exchangeable Units (except for tax consequences), based on the respective number of outstanding Issuer Shares and outstanding Exchangeable Units at the time of dissolution.
43. As a consequence of these restrictions, the limitation on receipt of distributions except for distributions on a *pro rata* basis and in order to fund administrative and operating expenses and the other terms governing the relationship between the Issuer and the Partnership, the consolidated financial position of the Issuer and the consolidated financial position of the Partnership will remain identical in all material respects (with certain differences due to (i) tax consequences for the Issuer and (ii) accounting for partnership units) and the Issuer will not have any business other than through its interest in the Partnership.

Requested Relief

44. The Partnership will be an "exchangeable security issuer" and the Issuer (as the Partnership's "parent issuer" for the purposes of NI 51-102) will be the beneficial owner of all of the issued and outstanding "voting securities" (for purposes of NI 51-102) of the Partnership. As the limited partnership agreement confers only limited voting rights to the holders of Exchangeable Units in respect of matters affecting the Partnership, the Exchangeable Units do not constitute "voting securities" for this purpose. Accordingly, the Partnership could satisfy all of its continuous disclosure obligations under

NI 51-102 by relying on the disclosure documents of the Issuer, provided that it met the other requirements and conditions of section 13.3(2) of NI 51-102 (the “**Exchangeable CD Exemption**”).

45. By satisfying the requirements and conditions of the Exchangeable CD Exemption, the Partnership would also be exempt from (i) the certification requirements of NI 52-109 pursuant to section 8.4 of that instrument, (ii) the audit committee requirements of NI 52-110 pursuant to section 1.2(f) of that instrument, and (iii) the corporate governance disclosure requirements of NI 58-101 pursuant to section 1.3(c) of that instrument.
46. In addition, the insider reporting requirement and the requirement to file an insider profile under NI 55-102 do not apply to any insider of an exchangeable security issuer in respect of securities of that exchangeable security issuer so long as the conditions of section 13.3(3) of NI 51-102 are met (the “**Exchangeable Insider Reporting and Profile Exemption**”).
47. A common condition to each of the Exchangeable CD Exemption and the Exchangeable Insider Reporting and Profile Exemption is that any exchangeable security issued by the exchangeable security issuer be a “designated exchangeable security” (as defined in Section 13.3(1) of NI 51-102).
48. Further, the Exchangeable CD Exemption requires that the parent issuer include in all mailings of proxy solicitation materials to holders of designated exchangeable securities a clear and concise statement that, among other things, indicates the designated exchangeable securities are the economic equivalent to the underlying securities (the “**Economic Equivalence Disclosure Requirement**”).
49. As the Exchangeable Units have only “substantially equivalent economic” rights to the corresponding class of Issuer Shares, the Class A Units, Class B Units and Class C Units are not “designated exchangeable securities”. As such, the conditions of the Exchangeable CD Exemption and Exchangeable Insider Reporting and Profile Exemption and the Economic Equivalence Disclosure Requirement cannot be satisfied, and the Partnership cannot rely on the applicable exemptions to the Certification Requirements, Audit Committee Requirements, and Corporate Governance Requirements.

Decision

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

The decision of the principal regulator under the Legislation is that the Requested Relief is granted provided that:

1. in respect of the Continuous Disclosure Requirements,
 - (a) the Issuer and the Partnership continue to satisfy the conditions set out in subsection 13.3(2) of NI 51-102, except as modified as follows:
 - (i) that any reference to designated exchangeable security in section 13.3 of NI 51-102 shall be deemed to include the Exchangeable Units notwithstanding that the Exchangeable Units do not provide their holders with economic rights which are, as nearly as possible for tax implications, equivalent to the Class A Shares, Class B Variable Voting Shares and Class C Shares, as applicable;
 - (ii) any management information circular and annual information form of the Issuer discloses:
 - A. the differences between the rights of holders of Exchangeable Units and the rights of holders of Issuer Shares;
 - B. how the Exchangeable Units provide voting rights that are equivalent to the Issuer Shares through the Special Voting Shares held by the Trustee pursuant to the Trust Agreement and Voting Agreement;
 - C. how the Exchangeable Units provide economic rights that are substantially equivalent to the Issuer Shares, and
 - D. a summary of the Requested Relief in respect of the Continuous Disclosure Requirements granted by this decision;

(the disclosure required by items (A) – (C) above of this clause (ii) may be satisfied through disclosure that is substantially similar to the disclosure attached as Appendix A to this decision),

- (iii) the Issuer does not have to comply with the condition in subsection 13.3(2)(h)(ii) of NI 51-102.
 - (b) the consolidated financial position of the Partnership and the consolidated financial position of the Issuer will remain identical in all material respects and the Issuer will not have any business other than through its interest in the Partnership;
 - (c) the Issuer will consolidate the financial information of the Partnership in accordance with IFRS in each of its annual financial statements and interim financial reports filed on SEDAR;
 - (d) the Issuer is not in breach of its representation to include the disclosure referred to in paragraph 39 or 41 of the section of this decision entitled "Representations"; and
 - (e) the Issuer will deliver, in connection with the Filers' non-offering prospectus, an undertaking pursuant to subsection 6.1 of National Policy – 41-201 – *Income Trusts and Other Indirect Offerings*;
2. in respect of the Certification Requirements, the Audit Committee Requirements and the Corporate Governance Requirements, the Issuer and the Partnership continue to satisfy the conditions for relief from the Continuous Disclosure Requirements set forth above; and
3. in respect of the Insider Reporting Requirements,
- (a) an insider of the Partnership (a "**Partnership Insider**") can only rely on the Requested Relief in respect of the Insider Reporting Requirements so long as:
 - (i) the Partnership Insider complies with the conditions in sections 13.3(3)(a) and (c) of NI 51-102, and
 - (ii) the Filers continue to satisfy the conditions for relief from the Continuous Disclosure Requirements set forth above,
 - (b) for greater certainty, a Partnership Insider may only rely on the Requested Relief in respect of the Insider Reporting Requirements so long as such Partnership Insider aggregates (i) any votes that such Partnership Insider is entitled to instruct the Trustee holding the Special Voting Share to exercise by virtue of such Partnership Insider's beneficial ownership of, or control or direction over, Exchangeable Units (whether direct or indirect) and (ii) any votes carried by any other securities of the Issuer that are beneficially owned by such Partnership Insider, or over which such Partnership Insider has control or direction, whether direct or indirect, in determining whether it is an "insider" and "significant shareholder" of the Issuer for purposes of National Instrument 55-104 – *Insider Reporting Requirements and Exemptions*.

As to the Exemption Sought (other than from the Insider Reporting Requirements in the *Securities Act* (Ontario)):

"Michael Balter"
Manager, Corporate Finance
Ontario Securities Commission

As to the Exemption Sought from the Insider Reporting Requirements in the *Securities Act* (Ontario):

"Tim Moseley"
VICE-CHAIR
Ontario Securities Commission

"Wendy Berman"
VICE-CHAIR
Ontario Securities Commission

OSC File #: 2021/0613

Appendix A

The Exchangeable Units of the Partnership are intended to provide economic rights that are substantially equivalent, and voting rights with respect to the Issuer that are equivalent, to the corresponding rights afforded to holders of Class A Shares, Class B Variable Voting Shares and Class C Shares. Under the terms of the amended and restated partnership agreement, the rights, privileges, restrictions and conditions attaching to the Exchangeable Units include the following:

- From and after the six month anniversary of the date of the effective time of the Transaction, the Exchangeable Units will be exchangeable at any time, at the option of the holder, on a one-for-one basis for the corresponding class of the Issuer Shares. Exchangeable Units will not be exchangeable prior to the six month anniversary of the date of the effective time of the Transaction.
- After making distributions to the Issuer required pursuant to the A&R Partnership Agreement for expenses related to taxes, operations, administration, and contractual obligations, the Partnership may make *pro rata* distributions to each Exchangeable Unit and the Issuer based on the respective number of outstanding Issuer Shares and outstanding Exchangeable Units at the time of distribution.
- If the Issuer issues the Issuer Shares in the form of a dividend or distribution on the Issuer Share, the Partnership will issue to each holder of Exchangeable Units, in respect of each Exchangeable Unit held by such holder, a number of Exchangeable Units equal to the number of Issuer Shares issued in respect of each Issuer Share.
- If the Issuer issues or distributes rights, options or warrants or other securities or assets of the Issuer to all or substantially all of the holders of Issuer Shares, the Partnership is required to make a corresponding distribution to holders of the Exchangeable Units.
- No subdivision or combination of the outstanding shares of Issuer Shares is permitted unless a corresponding subdivision or combination of Exchangeable Units is made.
- The Issuer and its board of directors are prohibited from proposing or recommending an offer for the Issuer Shares or for the Exchangeable Units unless the holders of the Exchangeable Units and the holders of the Issuers Shares are entitled to participate to the same extent and on equitably equivalent basis.
- Upon a dissolution and liquidation of the Partnership, if Exchangeable Units remain outstanding and have not been exchanged for the corresponding class of the Issuer Shares, then the distribution of the assets of the Partnership between holders of Issuer Shares and holders of Exchangeable Units will be made on a *pro rata* basis based on the number of Issuer Shares and Partnership exchangeable units outstanding. Prior to this *pro rata* distribution, the Partnership is required to pay to the Issuer sufficient amounts to fund the expenses or other obligations of the Issuer to ensure that any property and cash distributed to the Issuer in respect of the Issuer Shares will be available for distribution to holders of Issuer Shares in an amount per share equal to distributions in respect of each Exchangeable Unit.
- Approval of holders of the Exchangeable Units is required for an action (such as an amendment to the amended and restated partnership agreement) that would affect the economic rights of an Exchangeable Unit relative to an Issuer Share.
- The holders of Exchangeable Units are indirectly entitled to vote in respect of matters on which holders of Issuers Shares are entitled to vote through Special Voting Shares of the Issuer. The Special Voting Shares are held by a trustee, entitling the trustee to that number of votes on matters on which holders of Issuers Shares are entitled to vote equal to the number of Exchangeable Units outstanding. The trustee is required to cast such votes in accordance with voting instructions provided by the Issuer on behalf of holders of Exchangeable Units in accordance with the Voting Agreement. The trustee will exercise each vote attached to the Special Voting Shares only as directed by the Issuer on behalf of the relevant holder of Exchangeable Units.

2.1.7 Ninepoint Partners LP et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted from certain provisions of NI 81-101, NI 41-101, NI 81-102 and NI 81-106 to permit new continuing funds to use the past performance, financial data, start date and fund expenses of corresponding terminating funds in their sales communications, simplified prospectus, fund facts, ETF facts, management reports of fund performance and financial statements, and use the past performance of the terminating funds to determine their risk level – Relief granted from seed capital requirements of NI 81-102 for new continuing funds – Terminating funds are classes of a mutual fund corporation and are being merged into corresponding new continuing mutual fund trusts – New continuing funds having substantially similar investment objectives and investment strategies as the corresponding terminating funds and will offer same series of units as the terminating funds – Unitholders of terminating funds becoming unitholders of the corresponding new continuing funds further to the merger – Relief from paragraph 2.3(1)(f) of NI 81-102 granted to the Ninepoint Silver Equities Fund to permit it to invest up to 20% of net assets in silver consistent with past exemptive relief previously granted to corresponding terminating fund – Relief subject to conditions.

Applicable Legislative Provisions

National Instrument 81-101 Mutual Fund Prospectus Disclosure, ss. 2.1 and 6.1(1).
Form 81-101F1 Contents of Simplified Prospectus, Items 5(b), 9.1(b) and 13.2 of Part B.
Form 81-101F3 Contents of Fund Facts Document, Items 2, 3, 4 and 5 of Part I and Item 1.3 of Part II.
National Instrument 41-101 General Prospectus Requirements, ss. 3.1(2), 3B.2 and 19.1.
Form 41-101F2 Information Required in an Investment Fund Prospectus, Item 17.2.
Form 41-101F4 Information Required in an ETF Facts Document, Items 2, 3, 4 and 5 of Part I, and Item 1.3 of Part II.
National Instrument 81-102 Investment Funds, ss. 2.3(1)(f), 3.1, 15.1.1, 15.3(2), 15.6(1)(a)(i)(A), 15.6(1)(b), 15.6(1)(d)(i), 15.8(2)(a), 15.8(2)(a.1), 15.8(3)(a), 15.8(3)(a.1), 15.9(2) and 19.1(1), and Items 2 and 4 of Appendix F Investment Risk Classification Methodology.
National Instrument 81-106 Investment Fund Continuous Disclosure, ss. 2.1, 2.3, 4.4 and 17.1(1).
Form 81-106F1 Contents of Annual and Interim Management Report of Fund Performance, Items 3.1(1), 3.1(7), 3.1(7.1), 3.1(8), 3.1(13), 4.1(1), 4.1(2), 4.2(1), 4.2(2), 4.3(1)(a) and 4.3(1)(b) of Part B, and Items 3(1) and 4 of Part C.

November 15, 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
NINEPOINT PARTNERS LP
(the Filer)**

AND

**IN THE MATTER OF
NINEPOINT RESOURCE FUND,
NINEPOINT SILVER EQUITIES FUND,
NINEPOINT RISK ADVANTAGED U.S. EQUITY INDEX FUND,
NINEPOINT RETURN ADVANTAGED U.S. EQUITY INDEX FUND
AND
NINEPOINT FOCUSED GLOBAL DIVIDEND FUND
(collectively, the Continuing Funds)**

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer, on behalf of the Continuing Funds, for a decision under the securities legislation of the Jurisdiction of the principal regulator (the Legislation) granting an exemption from:

- (a) section 3.1 of National Instrument 81-102 *Investment Funds (NI 81-102)* to permit the filing of a simplified prospectus for the Continuing Funds (the **Simplified Prospectus**), notwithstanding that the initial investment required in respect of each of the Continuing Funds (the **Seed Capital Requirement**) will not be provided (the **Seed Capital Relief**);
- (b) section 2.1 of National Instrument 81-101 *Mutual Fund Prospectus Disclosure* for the purposes of the following exemptions sought from Form 81-101F1 *Contents of Simplified Prospectus (Form 81-101F1)* and Form 81-101F3 *Contents of Fund Facts Document (Form 81-101F3)*:
 - (i) Item 5(b) of Part B of Form 81-101F1 to permit the Continuing Funds to disclose the series start dates of the Terminating Funds as its series start dates in the Simplified Prospectus;
 - (ii) Item 9.1(b) of Part B of Form 81-101F1 to permit the Continuing Funds to use the performance history of the Terminating Funds to calculate its investment risk rating in the Simplified Prospectus;
 - (iii) Item 13.2 of Part B of Form 81-101F1 to permit the Continuing Funds to use the financial data of the Terminating Funds in making the calculation required under the subheading “Fund Expenses Indirectly Borne by Investors” in the Simplified Prospectus;
 - (iv) Item 2 of Part I of Form 81-101F3 to permit the Continuing Funds to use the management expense ratio (the **MER**) and the start date of each series of the Terminating Funds in the “Management expense ratio (MER)” and “Date series started” boxes, respectively, of the Quick Facts table in the fund facts documents of each series of the Continuing Funds (the **Fund Facts**);
 - (v) Item 3 of Part I of Form 81-101F3 to permit the Continuing Funds to show the investments of the Terminating Funds in the “Top 10 investments” and “Investment mix” tables in the Continuing Funds’ initial Fund Facts;
 - (vi) Item 4 of Part I of Form 81-101F3 to permit the Continuing Funds to use the performance history of the Terminating Funds to calculate its investment risk rating in the Fund Facts;
 - (vii) Item 5 of Part I of Form 81-101F3 to permit the Continuing Funds to use the performance data of the Terminating Funds in the “Average return”, “Year-by-year returns” and “Best and worst 3-month returns” sections in the Fund Facts; and
 - (viii) Item 1.3 of Part II of Form 81-101F3 to permit the Continuing Funds to use the MER, trading expense ratio (the **TER**) and fund expenses of the Terminating Funds in the “Fund expenses” section of the Fund Facts;
- (c) sections 3.1(2) and 3B.2 of National Instrument 41-101 *General Prospectus Requirements* for the purposes of the exemptions sought from Form 41-101F2 *Information Required in an Investment Fund Prospectus (Form 41-101F2)* and Form 41-101F4 *Information Required in an ETF Facts Document (Form 41-101F4)*:
 - (i) Item 17.2 of Form 41-101F2 to permit the ETF Series of Ninepoint Silver Equities Fund to disclose the trading price and volume information required thereunder of the ETF Series of Ninepoint Silver Equities Class as its trading price and volume information;
 - (ii) Item 2 of Part I of Form 41-101F4 to permit the ETF Series of Ninepoint Silver Equities Fund to disclose the start date, MER, average daily volume, number of days traded, market price, net asset value and average bid-ask spread of the ETF Series of Ninepoint Silver Equities Class as its information in the ETF facts document (the **ETF Facts**);
 - (iii) Item 3 of Part I of Form 41-101F4 to permit Ninepoint Silver Equities Fund to show the investments of Ninepoint Silver Equities Class in the “Top 10 investments” and “Investment mix” tables in Ninepoint Silver Equities Fund’s initial ETF Facts;
 - (iv) Item 4 of Part I of Form 41-101F4 to permit Ninepoint Silver Equities Fund to use the performance history of Ninepoint Silver Equities Class to calculate its investment risk rating in the ETF Facts;

- (v) Item 5 of Part I of Form 41-101F4 to permit the ETF Series of Ninepoint Silver Equities Fund to use the past performance data of the ETF Series of Ninepoint Silver Equities Class in the “Average return”, “Year-by-year returns” and “Best and worst 3-month returns” sections in the ETF Facts; and
- (vi) Item 1.3 of Part II of Form 41-101F4 to permit the ETF Series of Ninepoint Silver Equities Fund to use the MER, TER and fund expenses of Ninepoint Silver Equities Class in the “Fund expenses” section of the ETF Facts;
- (d) sections 15.3(2), 15.6(1)(a)(i)(A), 15.6(1)(b), 15.6(1)(d)(i), 15.8(2)(a), 15.8(2)(a.1) 15.8(3)(a), 15.8(3)(a.1) and 15.9(2) of NI 81-102 to permit the Continuing Funds to use the performance data of the Terminating Funds in sales communications and reports to securityholders (collectively, **Fund Communications**) of the Continuing Fund (collectively, the **Fund Communications Relief**);
- (e) section 15.1.1 of NI 81-102 and Items 2 and 4 of Appendix F *Investment Risk Classification Methodology to NI 81-102* to permit the Continuing Funds to calculate its investment risk level using the performance history of the Terminating Funds (together with paragraphs (b), (c) and (d) above, the **Past Performance Relief**);
- (f) sections 2.1 and 2.3 of National Instrument 81-106 *Investment Fund Continuous Disclosure (NI 81-106)* to permit the Continuing Funds to file comparative annual and interim financial statements that include information that is derived from the financial statements of the corresponding Terminating Funds;
- (g) section 4.4 of NI 81-106 for relief from the requirements of Form 81-106F1 *Contents of Annual and Interim Management Report of Fund Performance (Form 81-106F1)* set out below, to permit each Continuing Fund to include in its annual and interim management reports of fund performance (**MRFPs**) the performance data and information derived from the financial statements and other financial information (collectively, the **Financial Data**) of the respective Terminating Fund as follows:
 - (i) Items 3.1(1), 3.1(7), 3.1(7.1), 3.1(8) and 3.1(13) of Part B of Form 81-106F1 to permit each Continuing Fund to use the financial highlights of the corresponding Terminating Fund in its Form 81-106F1;
 - (ii) Items 4.1(1), 4.1(2), 4.2(1), 4.2(2), 4.3(1)(a) and 4.3(1)(b) of Part B of Form 81-106F1 to permit each Continuing Fund to use the past performance data of the corresponding Terminating Fund in its Form 81-106F1; and
 - (iii) Items 3(1) and 4 of Part C of Form 81-106F1 to permit each Continuing Fund to use the financial highlights and past performance data of the corresponding Terminating Fund in its Form 81-106F1 (together with paragraph (f) above, the **Continuous Disclosure Relief**); and
- (h) section 2.3(1)(f) of NI 81-102 to permit Ninepoint Silver Equities Fund to invest up to 20% in total of its net assets, taken at the market value thereof at the time of purchase, directly in silver, silver certificates and/or specified derivatives of which the underlying interest is silver, provided it complies with the terms and conditions of the existing decision (the **Silver Class Relief**) that applies to Ninepoint Silver Equities Class *In the Matter of Sprott Asset Management LP* (January 31, 2012) (the **Past Exemptive Relief**).

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

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

In addition, the following terms have the meanings set out below:

“**Terminating Funds**” means Ninepoint Resource Class, Ninepoint Silver Equities Class, Ninepoint Risk Advantaged U.S. Equity Index Class, Ninepoint Return Advantaged U.S. Equity Index Class and Ninepoint Focused Global Dividend Class.

“**Funds**” means the Continuing Funds and the Terminating Funds.

Representations

The decision is based on the following facts represented by the Filer on behalf of itself and the Funds:

The Filer, the Funds and the Mergers

1. The Filer is a limited partnership established under the laws of the Province of Ontario with its head office located in Toronto, Ontario.
2. The Filer is the investment fund manager and portfolio manager of the Terminating Funds.
3. The Filer is registered under the securities legislation: (i) in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, and Newfoundland and Labrador as an adviser in the category of portfolio manager; (ii) in Ontario, Newfoundland and Labrador and Quebec as an investment fund manager; and (iii) in British Columbia, Alberta, Quebec, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, and Newfoundland and Labrador as a dealer in the category of exempt market dealer. The Filer is also registered in Ontario as a commodity trading manager.
4. The Terminating Funds are classes of Ninepoint Corporate Class Inc., a corporation established under the laws of Ontario.
5. Securities of each Terminating Fund are currently qualified for sale in each of the Jurisdictions under a simplified prospectus, annual information form, Fund Facts and, in the case of the Ninepoint Silver Equities Class, ETF Facts, each dated April 30, 2021 (collectively, the **Offering Documents**), each of which has been prepared in accordance with NI 81-102.
6. Each Continuing Fund is expected on its creation to be an open-ended trust established under the laws of Ontario. The Filer will be the investment fund manager and trustee of each of the Continuing Funds upon creation.
7. On October 27, 2021, the Filer filed a preliminary simplified prospectus, annual information form, Fund Facts and, in the case of the Ninepoint Silver Equities Fund, ETF Facts, in each of the Jurisdictions to qualify the distribution of the securities of each series of the Continuing Funds. The Filer will not begin distributing securities of the Continuing Funds prior to the Mergers (as defined below).
8. Each Continuing Fund is expected to be a reporting issuer under the applicable securities legislation in each of the Jurisdictions and is expected to be subject to NI 81-102.
9. Each Continuing Fund will offer the same series of units as its respective Terminating Fund.
10. Neither the Filer, nor any of the Terminating Funds, are in default of securities legislation in any of the Jurisdictions.
11. Each Terminating Fund follows, and each Continuing Fund will follow, the standard investment restrictions and practices established under NI 81-102, except pursuant to the terms of any exemption that has been previously obtained.
12. The Filer proposes to merge each Terminating Fund into the corresponding Continuing Fund (the **Mergers**) on a tax-deferred basis after the close of business on or about December 10, 2021 (the **Merger Date**) as follows:

Terminating Fund	Continuing Fund
Ninepoint Resource Class	Ninepoint Resource Fund
Ninepoint Silver Equities Class	Ninepoint Silver Equities Fund
Ninepoint Risk Advantaged U.S. Equity Index Class	Ninepoint Risk Advantaged U.S. Equity Index Fund
Ninepoint Return Advantaged U.S. Equity Index Class	Ninepoint Return Advantaged U.S. Equity Index Fund
Ninepoint Focused Global Dividend Class	Ninepoint Focused Global Dividend Fund

13. The Mergers satisfy the pre-approval criteria set out in section 5.6 of NI 81-102, and the Independent Review Committee of the Terminating Funds approved the Mergers at a meeting held on October 5, 2021.
14. As the Continuing Funds are new, they will not have their own past performance data on the date the Mergers are implemented.

Seed Capital Relief

15. The Filer does not intend to subscribe for \$150,000 of units of each Continuing Fund as required by the Seed Capital Requirement because the assets of the corresponding Terminating Fund (which will become the assets of that Continuing Fund in connection with the implementation of the applicable Merger) are significantly in excess of the \$150,000 Seed Capital Requirement. Accordingly, the Filer is of the view that any seed capital injected into a Continuing Fund prior to a Merger will not provide any additional benefit to unitholders.
16. On the Merger Date, unitholders of a Continuing Fund will hold units of that Continuing Fund equal to the same net asset value as they did before as securityholders of the corresponding Terminating Fund, and therefore, the Continuing Funds will each have already received subscriptions in excess of \$150,000.

Past Performance Relief and Continuous Disclosure Relief

17. Subject to receipt of the Seed Capital Relief, the Continuing Funds will not have any assets (other than a nominal amount to establish it) or liabilities at the time of the applicable Merger.
18. The assets of the Terminating Funds will be transferred to the equivalent Continuing Funds in connection with the implementation of the Mergers.
19. As the Filer intends to cease distribution of the Terminating Funds at the close of business on the business day prior to the Merger Date, it does not intend to renew the Terminating Funds' simplified prospectus and annual information form after the lapse date.
20. Each Continuing Fund will be a new fund. While each Continuing Fund will have the same assets and liabilities as the corresponding Terminating Fund, as a new fund, it will not have its own Financial Data as at the Merger Date.
21. The Financial Data of the Terminating Funds are significant information which can assist investors in determining whether to purchase securities of the Continuing Funds. In the absence of the Past Performance Relief and Continuous Disclosure Relief, investors will have no historical financial or performance information (such as past performance) on which to base such an investment decision.
22. Without the Past Performance Relief and Continuous Disclosure Relief, the sales communications pertaining to, and the MRFPs of, the Continuing Funds cannot include Financial Data of the Terminating Funds that relate to a period prior to the applicable Merger and the Continuing Funds cannot provide performance data in their sales communications until they have distributed securities under a simplified prospectus for at least 12 months.
23. The Filer proposes to:
 - (a) disclose the series start dates of the Terminating Funds as the series start dates of the Continuing Funds:
 - (i) in the "Fund Details" table in Part B of the Simplified Prospectus;
 - (ii) under the subheading "Date series started" under the heading "Quick Facts" in the Fund Facts; and
 - (iii) under the subheading "Date series started" under the heading "Quick Facts" in the ETF Facts (if applicable);
 - (b) use the performance data of the Terminating Funds to calculate the risk rating of the Continuing Funds in:
 - (i) the Simplified Prospectus;
 - (ii) the Fund Facts; and
 - (iii) the ETF Facts (if applicable);
 - (c) use the performance data of the Terminating Funds in:
 - (i) the Fund Communications of the Continuing Funds;
 - (ii) the "Average return", "Year-by-year returns" and "Best and worst 3-month returns" subsections of the Fund Facts for the Continuing Funds; and

- (iii) the “Average return”, “Year-by-year returns” and “Best and worst 3-month returns” subsections of the ETF Facts for Ninepoint Silver Equities Fund;
 - (d) use the MER of the Terminating Funds for the purposes of calculating the information required under the subheading “Fund Expenses Indirectly Borne by Investors” in Part B of the Simplified Prospectus for the Continuing Funds;
 - (e) show the investments of the Terminating Funds in the “Top 10 investments” and “Investment mix” tables in the initial Fund Facts and the initial ETF Facts (if applicable) for the Continuing Funds;
 - (f) use the MER, TER and fund expenses of the Terminating Funds in the “Fund expenses” sections of the Fund Facts and the ETF Facts (if applicable) for the Continuing Funds;
 - (g) use the trading price and volume information of Ninepoint Silver Equities Class for Ninepoint Silver Equities Fund in the Simplified Prospectus;
 - (h) use the average daily volume, number of days traded, market price, net asset value and average bid-ask spread of Ninepoint Silver Equities Class in the ETF Facts for Ninepoint Silver Equities Fund;
 - (i) incorporate by reference into the Simplified Prospectus the most recent annual financial statements and MRFPs of the Terminating Funds for the period ended December 31, 2020, and the most recent interim June 30, 2021 (collectively, the **Terminating Fund Disclosure**), until such Terminating Fund Disclosure is superseded by more current financial statements and MRFPs of the Continuing Funds;
 - (j) prepare annual MRFPs for the Continuing Funds commencing with the year ending December 31, 2021 and interim MRFPs for the Continuing Funds commencing with the period ending June 30, 2022, using the Terminating Funds’ financial highlights and past performance; and
 - (k) prepare comparative annual financial statements for the Continuing Funds commencing with the year ending December 31, 2021 and interim financial statements for the Continuing Funds commencing with the period ending June 30, 2022 using the Terminating Funds’ financial highlights and past performance.
24. The Filer is seeking to make the Mergers as seamless as possible for investors of the Terminating Funds. Accordingly, the Filer submits that treating a Continuing Fund as fungible with the corresponding Terminating Fund for purposes of the starting dates, investment holdings and Financial Data would be beneficial to investors and that to do otherwise would cause unnecessary confusion among investors concerning the difference between the Terminating Funds and the Continuing Funds.
25. The Filer submits that investors will not be misled if the starting dates, investment holdings and Financial Data of a Continuing Fund reflects the starting dates, investment holdings and Financial Data of the corresponding Terminating Fund.

Past Exemptive Relief

26. Each Continuing Fund will have an investment objective and investment strategies that are substantially similar to the investment objective and investment strategies of the corresponding Terminating Fund.
27. Pursuant to the Silver Class Relief, Ninepoint Silver Equities Class received exemptive relief to invest up to 20% in total of its net assets, taken at the market value thereof at the time of purchase, directly in silver, silver certificates and/or specified derivatives of which the underlying interest is silver.
28. Without the Past Exemptive Relief, Ninepoint Silver Equities Fund cannot properly effect an investment strategy which is substantially similar to its corresponding Terminating Fund.
29. The Filer is seeking to make the Continuing Funds as identical as possible to the Terminating Funds, but for the change in structure from classes of a corporation to trusts.
30. The Filer proposes that Ninepoint Silver Equities Fund be permitted to rely on the Silver Class Relief as if it is applied directly to it.

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:

1. the Seed Capital Relief is granted;
2. the Past Performance Relief is granted, provided that:
 - (a) the Fund Communications of each series of each Continuing Fund include the applicable past performance data of the corresponding series of the corresponding Terminating Fund prepared in accordance with Part 15 of NI 81-102;
 - (b) the Simplified Prospectus:
 - (i) incorporates by reference the Terminating Fund Disclosure, until such Terminating Fund Disclosure is superseded by more current financial statements and MRFPs of the Continuing Fund;
 - (ii) states that the start date for each series of the Continuing Fund is the start date of the corresponding series of the Terminating Fund; and
 - (iii) discloses the Merger where the start date for each series of the Continuing Fund is stated;
 - (c) the Fund Facts of each series of the Continuing Fund and the ETF Facts of the ETF Series of the Ninepoint Silver Equities Fund:
 - (i) states that the "Date series started" date is the "Date series started" date of the corresponding series of the Terminating Fund;
 - (ii) includes the performance data of the corresponding series of the Terminating Fund prepared in accordance with Part 15 of NI 81-102; and
 - (iii) discloses the Merger where the "Date series started" date is stated; and
 - (d) the Continuing Fund prepares its MRFPs in accordance with the Continuous Disclosure Relief; and
3. the Continuous Disclosure Relief is granted, provided that:
 - (a) the MRFPs and financial statements for the Continuing Funds include the Financial Data of the Terminating Funds pertaining to the corresponding series of the Terminating Funds and disclose the Mergers for the relevant time periods; and
 - (b) the Continuing Funds prepare their Simplified Prospectus, Fund Facts, ETF Facts and other Fund Communications in accordance with the Seed Capital Relief and Past Performance Relief.
4. the Past Exemptive Relief is granted, provided that:
 - (a) the Investment Strategies section in Ninepoint Silver Equities Fund's Simplified Prospectus will include the following disclosure:
 - (i) that the Fund has received approval of the Canadian securities regulators to permit the Fund to invest directly in silver, silver certificates and/or specified derivatives of which the underlying interest is silver, up to 20% in total of its net assets taken at the market value at the time of the purchase; and
 - (ii) the unique risks associated with an investment in the Fund including the risk that direct purchases of silver by the Fund may generate higher transaction and custody costs than other types of investments, which may impact the performance of the Fund.

"Darren McCall"

Manager, Investment Funds and Structured Products Branch
ONTARIO SECURITIES COMMISSION

Application File #: 2021/0621 & 0624

SEDAR File #: 3291884

2.2 Orders

2.2.1 Silk Road Energy Inc.

Headnote

National Policy 11-207 Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions – Application by an issuer for a revocation of cease trade orders issued by the Commission and Alberta Securities Commission – cease trade order issued because the issuer had failed to file certain continuous disclosure materials required – defaults subsequently remedied by bringing continuous disclosure filings up-to-date – Ontario opt-in to revocation order issued by Alberta Securities Commission, as principal regulator.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 127 and 144.
National Policy 11-207 Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions.

ALBERTA SECURITIES COMMISSION

REVOCATION ORDER

Under the securities legislation of Alberta and Ontario (the Legislation)

Citation: *Re Silk Road Energy Inc.*, 2021 ABASC 153

October 1, 2021

Silk Road Energy Inc.

Background

1. Silk Road Energy Inc. (the **Issuer**) is subject to a failure-to-file cease trade order (the **FFCTO**) issued by the regulator or securities regulatory authority in each of Alberta (the **Principal Regulator**) and Ontario (each a Decision Maker) respectively on 1 February 2019.
2. On 24 October 2019, the Principal Regulator issued a partial revocation order in respect of the FFCTO (the **PRO**), and the PRO also evidenced the decision of the Decision Maker in Ontario.
3. The Issuer has applied to each of the Decision Makers under National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions* (**NP 11-207**) for an order revoking the FFCTOs.
4. This order is the order of the Principal Regulator and evidences the decision of the Decision Maker in Ontario.

Interpretation

5. Terms defined in National Instrument 14-101 *Definitions* or in NP 11-207 have the same meaning if used in this order, unless otherwise defined.

Representations

6. This decision is based on the following facts represented by the Issuer:
 - (a) It is a reporting issuer in Alberta, British Columbia, and Ontario.
 - (b) It has filed with the Principal Regulator all continuous disclosure that it is required to file under the Legislation, except any continuous disclosure that the Principal Regulator elected not to require as contemplated in sections 25 and 26 of NP 11-207, and has paid all activity, participation and late filing fees that it is required to pay in each jurisdiction in which it is a reporting issuer.
 - (c) It has an up-to-date SEDAR profile and SEDI issuer profile supplement.

Order

7. Each of the Decision Makers is satisfied that the order to revoke the FFCTO meets the test set out in the Legislation for the Decision Maker to make the decision.
8. The decision of the Decision Makers under the Legislation is that the FFCTO is revoked.

“Tom Graham, CPA”
Director, Corporate Finance
Alberta Securities Commission

2.2.2 Trevor Rosborough et al.

IN THE MATTER OF
TREVOR ROSBOROUGH,
TAYLOR CARR and
DMITRI GRAHAM

File No. 2020-33

Timothy Moseley, Vice-Chair and Chair of the Panel
Frances Kordyback, Commissioner
Cathy Singer, Commissioner

November 12, 2021

ORDER

WHEREAS on November 11, 2011, the Ontario Securities Commission concluded the evidentiary portion of the merits hearing in this proceeding;

ON HEARING the submissions of the representatives for Staff of the Commission (**Staff**) and of Dmitri Graham appearing on his own behalf;

IT IS ORDERED THAT:

1. by 4:30 p.m. on November 26, 2021, Staff shall serve and file its written closing submissions;
2. by 4:30 p.m. on November 29, 2021, Graham shall serve and file his responding written closing submissions, if any; and
3. by 4:30 p.m. on December 3, 2021, Staff shall serve and file its written reply closing submissions, if any.

“Timothy Moseley”

“Frances Kordyback”

“Cathy Singer”

2.2.3 The Mutual Fund Dealers Association and Omar Enrique Rojas Diaz (also known as Omar Rojas) – ss. 21.7, 8

IN THE MATTER OF
THE MUTUAL FUND DEALERS ASSOCIATION AND
OMAR ENRIQUE ROJAS DIAZ
(ALSO KNOWN AS OMAR ROJAS)

File No. 2021-7

Lawrence P. Haber, Commissioner and Chair of the Panel

October 5, 2021

ORDER

(Sections 21.7 and 8 of the
Securities Act, RSO 1990, c S.5)

WHEREAS on August 12, 2021, the Ontario Securities Commission held a hearing by videoconference in relation to the application brought by the Mutual Fund Dealers Association (**MFDA**) to review the decision of the Mutual Fund Dealers Association Central Regional Council dated January 29, 2021 (the **MFDA Order**);

ON READING the materials filed by the parties and hearing the submissions of the representatives of the MFDA, Staff of the Commission, and Omar Enrique Rojas Diaz (the **Respondent**) appearing on his own behalf;

IT IS ORDERED THAT:

1. the Respondent shall pay a fine of \$52,270 to the MFDA pursuant to section 24.1.1(b) of MFDA By-law No. 1, in addition to the penalty set out in the MFDA Order.

“Lawrence P. Haber”

2.2.4 Joseph Debus – s. 9(2)

IN THE MATTER OF
JOSEPH DEBUS

File No. 2019-16

Wendy Berman, Vice-Chair and Chair of the Panel

November 12, 2021

ORDER

(Subsection 9(2) of the *Securities Act*, RSO 1990, c S.5)

WHEREAS the Ontario Securities Commission held a hearing in writing to consider a motion brought by Joseph Debus (**Debus**) for a stay of the decision of the Commission dated August 31, 2021 (the **Commission Decision**) until the disposition of his appeal of the Commission Decision to the Divisional Court;

ON READING the motion materials from Debus and the written submissions of Debus, Staff of the Investment Industry Regulatory Organization of Canada (**IIROC**) and Staff of the Commission;

IT IS ORDERED THAT:

1. the Commission Decision is stayed for sixty days, subject to the following conditions:
 - a. the registration of Debus shall be subject to strict supervision by his sponsoring firm; and
 - b. Debus's sponsoring firm must submit monthly strict supervision reports (in the form specified in Appendix "A") to IIROC.

"Wendy Berman"

Appendix "A"

STRICT SUPERVISION REPORT

To be Filed with IROC

I hereby certify that strict supervision for the month ending _____, 202_ of the activities of Joseph Debus (the **Approved Person**) has been conducted and evidence to support the review has been retained. I further certify the following:

- All orders, both buy and sell of the Approved Person, have been reviewed by a qualified Supervisor prior to a trade occurring;
- All client accounts of the Approved Person have been reviewed by a qualified Supervisor on a daily and monthly basis, regardless of the amount of commissions generated, including with reference to the items listed in Dealer Member Rule 2500, and a review for leveraging and any recent amendments to know your client information;
- A review of trading activity on a daily basis has been conducted by a qualified Supervisor relative to the Approved Person's personal accounts and no regulatory issues or concerns have been identified;
- No transactions have been made in any client account until the full and correct documentation is in place;
- The Approved Person has not been granted a power of attorney over any client accounts;
- No client complaints of any nature have been received during the period covered. If there have been reportable complaints, identify the ComSet number(s) and any follow-up action initiated by the firm if not disclosed on ComSet. If there have been service complaints, details have been provided below;
- There has been no handling of any client funds or securities or payment by the Approved Person and no issuance of cheques to any clients without management approval;
- Any transfer of securities between any client accounts has been authorized by the client in writing and reviewed and approved by a qualified Supervisor;
- If the activity that led to the supervision has reoccurred, details have been provided below; and
- Reasons for the inability to comply with any of the above and disclosure of any issues or concerns identified during the period under review have been provided below.

Date

Signature of Supervisor

Name of Supervisor

(please print)

Employing Dealer Member

2.2.5 David Sharpe

IN THE MATTER OF
DAVID SHARPE

File No.: 2021-26

Timothy Moseley, Vice-Chair and Chair of the Panel

November 15, 2021

ORDER

WHEREAS the Ontario Securities Commission held a hearing in writing to consider a motion by PricewaterhouseCoopers Inc. (the **Receiver**), in its capacities as receiver and manager, without security, of all of the assets, undertakings, and properties of various entities named as respondents in a proceeding (*In the Matter of Bridging Finance Inc. et al.*, File No. 2021-15) related to this proceeding, for leave to intervene at the hearing of this application;

ON READING the materials filed by the Receiver, David Sharpe and Staff of the Commission;

IT IS ORDERED, pursuant to Rule 21(4) of the Commission's *Rules of Procedure and Forms*, (2019) 42 OSCB 9714, that the Receiver may participate as intervenor in this application to deliver written submissions by 4:30pm on December 10, 2021, and to make oral submissions at the hearing of this application.

"Timothy Moseley"

2.2.6 Buffalo Grand Hotel Inc. et al. – ss. 127(8),
127(1)

IN THE MATTER OF
BUFFALO GRAND HOTEL INC.,
STINSON HOSPITALITY MANAGEMENT INC.,
STINSON HOSPITALITY CORP.,
RESTORATION FUNDING CORPORATION and
HARRY STINSON

File No. 2020-11

Wendy Berman, Vice-Chair and Chair of the Panel

November 16, 2021

ORDER

(Subsections 127(8) and 127(1) of
the *Securities Act*, RSO 1990 c S.5)

WHEREAS the Ontario Securities Commission held a hearing in writing to consider a motion by Staff of the Commission (**Staff**) to extend a temporary order dated April 28, 2021 (the **Temporary Order**), against Buffalo Grand Hotel Inc., Stinson Hospitality Management Inc., Stinson Hospitality Corp., Restoration Funding Corporation and Harry Stinson (together, the **Respondents**);

ON READING the materials filed by Staff and on considering that the Respondents consent to an extension of the Temporary Order;

IT IS ORDERED:

1. pursuant to subsection 127(8) of the *Securities Act*, RSO 1990 c S.5 (the **Act**), and pursuant to paragraph 2 of subsection 127(1) of the Act, that until February 22, 2022, all trading in any securities by or of the Respondents or by any person on their behalf shall cease; and
2. pursuant to subsection 127(8) and paragraph 3 of subsection 127(1) of the Act, that until February 22, 2022, any exemptions contained in Ontario securities law do not apply to the Respondents.

"Wendy Berman"

2.2.7 New Oroperu Resources 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).

November 11, 2021

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

AND

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

AND

IN THE MATTER OF
NEW OROPERU RESOURCES INC.
(the Filer)

ORDER

Background

¶ 1 The securities regulatory authority or regulator in each of the Jurisdictions (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 British Columbia Securities Commission is the principal regulator for this application,
- (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, and
- (c) this order is the order of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

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

Representations

- ¶ 3 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 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 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

¶ 4 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.

“Noreen Bent”
Chief, Corporate Finance Legal Services
British Columbia Securities Commission

2.2.8 Michael Paul Kraft and Michael Brian Stein

IN THE MATTER OF
MICHAEL PAUL KRAFT and
MICHAEL BRIAN STEIN

File No. 2021-32

Wendy Berman, Vice-Chair and Chair of the Panel

November 16, 2021

ORDER

WHEREAS on November 16, 2021, the Ontario Securities Commission held a hearing by teleconference;

ON HEARING the submissions of the representative for Staff of the Commission and the representatives for each of Michael Paul Kraft and for Michael Brian Stein;

IT IS ORDERED THAT:

1. the respondents shall serve and file a motion, if any, regarding Staff's disclosure or seeking disclosure of additional documents, by 4:30 p.m. on February 25, 2022;
2. Staff shall serve and file a witness list, and serve a summary of each witness' anticipated evidence on the respondents, and indicate any intention to call an expert witness, including providing the expert's name and the issues on which the expert will give evidence, by 4:30 p.m. on March 4, 2022; and
3. a further attendance in this matter is scheduled for March 16, 2022 at 2:00 p.m., by teleconference, or on such other date and time as may be agreed to by the parties and set by the Office of the Secretary.

"Wendy Berman"

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions

3.1.1 Joseph Debus – s. 9(2)

Citation: *Debus (Re)*, 2021 ONSEC 28

Date: 2021-11-12

File No. 2019-16

IN THE MATTER OF JOSEPH DEBUS

REASONS AND DECISION ON A STAY MOTION (Subsection 9(2) of the *Securities Act*, RSO 1990, c S.5)

Hearing:	In writing	
Decision:	November 12, 2021	
Panel:	Wendy Berman	Vice-Chair and Chair of the Panel
Appearances:	Dalbir Kelley Mark Persaud	For Joseph Debus
	Kathryn Andrews Sally Kwon	For Staff of the Investment Industry Regulatory Organization of Canada
	Aaron Dantowitz	For Staff of the Commission

REASONS AND DECISION ON A STAY MOTION

I. OVERVIEW

- [1] Joseph Debus asks for a stay of a Commission decision¹ dismissing his application for a review of two decisions of the Investment Industry Regulatory Organization of Canada (**IIROC**)² until the disposition of his appeal of the Commission's decision to the Divisional Court.
- [2] In the IIROC decisions, Debus, a registered investment advisor, was found to have engaged in conduct which contravened various IIROC rules, including the business conduct, supervision of accounts and suitability determination rules. Among other sanctions imposed, his registration as an advisor was suspended for nine months and he was ordered to pay a fine of \$65,000.
- [3] On October 22, 2021, I granted an interim stay pending the disposition of this motion or further order of the Commission.³
- [4] I heard this motion in writing. Having considered the motion materials from Debus and written submissions from Debus, IIROC Staff and Commission Staff, I decline to grant a stay pending the disposition of Debus's appeal to the Divisional Court. In my view, it is appropriate to grant a further stay for sixty days for the limited purpose of allowing Debus to bring a stay motion before the Divisional Court, should he wish to do so.

II. BACKGROUND

- [5] On April 16, 2019, Debus filed his application for hearing and review of the IIROC decisions, pursuant to section 21.7 of the *Securities Act*⁴ (the **Act**).

¹ *Debus (Re)*, 2021 ONSEC 22, (2021) 44 OSCB 7430

² *Debus (Re)*, 2019 IIROC 5 and *Debus (Re)*, 2019 IIROC 18

³ (2021) 44 OSCB 8864

⁴ RSO 1990, c S.5

- [6] The application was heard on January 27 and 28, 2021. Near the end of the hearing, Debus brought a motion for the recusal of the presiding Commissioner, alleging bias against both him and his counsel.
- [7] On August 31, 2021, the Commission issued its decision, in which it dismissed Debus's application and confirmed the IIROC decisions. On the same day, the Commission issued a separate decision dismissing Debus's recusal motion.⁵
- [8] On September 29, 2021, Debus appealed the first of those two Commission decisions to the Divisional Court. On the same day, he filed this motion for a stay, pursuant to section 9 of the Act.
- [9] In his appeal to the Divisional Court, Debus raises several grounds, including bias, misapprehension and/or failure to consider relevant evidence, exclusion of relevant evidence and improper assessment of witness credibility.
- [10] As of November 8, 2021, by which time the parties had filed their materials for this motion, Debus had not yet perfected his appeal to the Divisional Court and no schedule for the conduct or hearing of the appeal had been set.
- [11] On November 7, 2021, after Debus and IIROC Staff had filed their written submissions for this motion, and shortly before the release of this decision, Debus's counsel wrote to the Commission's Registrar, with a copy to IIROC Staff and Commission Staff. In that email, Debus's counsel purported to rescind an agreement they had previously made with IIROC Staff related to the time by which Debus was to perfect his appeal. Neither that agreement nor its purported rescission was relevant to my decision on this motion, so I need not address that portion of the email.
- [12] The email from Debus's counsel also contained wide-ranging allegations of serious misconduct by many involved in this proceeding. Those allegations are not in a proper form for my consideration. If Debus wishes to pursue these allegations he must do so in the proper forum with proper notice to those who are the subject of his allegations. I decline to consider them for the purposes of this motion.
- [13] I turn now to consider Debus's request for a stay of the Commission's decision.

III. LEGAL FRAMEWORK

- [14] Subsection 9(2) of the Act authorizes both the Commission and the Divisional Court to stay a Commission decision that is appealed to the Divisional Court, until the disposition of the appeal.
- [15] The test to be applied for the grant of a stay is the three-part test articulated by the Supreme Court of Canada and adopted by the Commission in numerous cases:⁶
- a. there is a serious issue to be tried;
 - b. the moving party would suffer irreparable harm if the stay were refused; and
 - c. the balance of convenience favours granting the stay.
- [16] Debus bears the onus of establishing that all three parts of the above test have been met. Debus submits that a stay of the Commission's decision pending the disposition of the appeal to the Divisional Court is consistent with the Commission's public interest mandate and that all three parts of the above test are met.

IV. ANALYSIS AND CONCLUSION

- [17] Debus submits that:
- a. the appeal raises serious issues relating to errors of law and procedural fairness;
 - b. if I refuse his request for a stay, he will lose his employment as a registered representative, his "book of business", and his career in the financial sector, and his family would suffer serious consequences, as they depend on his income; and
 - c. the absence of inconvenience to the other parties, and the fact that Debus is currently, and will continue to be, under strict supervision by his sponsoring firm, mitigate any potential harm to the public interest; accordingly, the balance of convenience favours the granting of a stay.

⁵ *Debus (Re)*, 2021 ONSEC 21, (2021) 44 OSCB 7447

⁶ *RJR-MacDonald Inc. v Canada (Attorney General)*, [1994] 1 SCR 311 at para 43; *Argosy Securities Inc (Re)*, 2015 ONSEC 38, (2015) 38 OSCB 9711 at para 12; *Eley (Re)*, 2020 ONSEC 30, (2020) 43 OSCB 9479 at para 14

- [18] IIROC Staff takes no position on whether Debus meets the first two parts of the test. IIROC Staff submits that the balance of convenience favours granting a stay only if conditions are imposed relating both to strict supervision of Debus and to the timely conduct of the appeal. IIROC Staff submits that if a stay is granted, it should be with the following conditions:
- a. Debus's registration shall be subject to strict supervision by his sponsoring firm; and
 - b. if Debus has not perfected his appeal to the Divisional Court and delivered a certification of perfection to IIROC Staff on or before November 12, 2021, the stay will terminate.
- [19] OSC Staff also takes no position on whether Debus meets the first two parts of the test. OSC Staff adopts IIROC Staff's submissions related to the third part of the test.
- [20] Although the Commission has the authority to grant a stay pending the disposition of an appeal to the Divisional Court, the Commission should take a cautious approach to the exercise of this discretion. Generally, the determination of whether a stay pending the disposition of the appeal is warranted is better made by the Divisional Court.⁷
- [21] The Divisional Court is better placed to conduct a preliminary assessment of the merits of an appeal (which necessarily involves scrutiny of the Commission decision and the process leading to the decision) and to determine whether the appeal is frivolous or raises serious issues (the first part of the test for a stay).
- [22] The Divisional Court also controls the appeal process and is therefore better able to consider the duration of any stay, which is a factor when assessing the balance of convenience.
- [23] Accordingly, I decline to grant a stay pending the disposition of Debus's appeal to the Divisional Court. However, it is appropriate to grant a stay for sixty days to allow Debus to bring a stay motion before the Divisional Court, should he wish to do so.
- [24] For the reasons set out above, I shall issue an order providing that the Commission's decision is stayed for sixty days on the following conditions:
- a. the registration of Debus shall be subject to strict supervision by his sponsoring firm; and
 - b. Debus's sponsoring firm must submit written monthly strict supervision reports to IIROC.

Dated at Toronto this 12th day of November, 2021.

"Wendy Berman"

⁷ *Vitug (Re)*, 2010 ONSEC 8, (2010) 33 OSCB 4601 at para 27

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Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

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

Failure to File Cease Trade Orders

Company Name	Date of Order	Date of Revocation
THERE IS NOTHING TO REPORT THIS WEEK.		

4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order	Date of Lapse
DGTL Holdings Inc.	September 30, 2021	November 11, 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
Akumin Inc.	August 20, 2021	
Agrios Global Holdings Ltd.	September 17, 2020	
Reservoir Capital Corp.	May 5, 2021	
AION THERAPEUTIC INC.	September 1, 2021	
DGTL Holdings Inc.	September 30, 2021	November 11, 2021
Helix BioPharma Corp.	November 1, 2021	
KetamineOne Capital Limited	November 2, 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:

Sun Life KBI Sustainable Infrastructure Private Pool
Sun Life MFS U.S. Mid Cap Growth Fund
Principal Regulator – Ontario

Type and Date:

Preliminary Simplified Prospectus dated Nov 8, 2021
NP 11-202 Final Receipt dated Nov 9, 2021

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3283745

Issuer Name:

Manulife Balanced Dividend ETF Bundle
Principal Regulator – Ontario

Type and Date:

Preliminary Simplified Prospectus dated Nov 9, 2021
NP 11-202 Final Receipt dated Nov 9, 2021

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3278676

Issuer Name:

Fidelity All-in-One Balanced ETF Fund
Fidelity All-in-One Growth ETF Fund
Fidelity American Balanced Currency Neutral Fund
Fidelity American Balanced Fund
Fidelity American Disciplined Equity Fund
Fidelity American Equity Fund
Fidelity American Equity Systematic Currency Hedged Fund
Fidelity American High Yield Currency Neutral Fund
Fidelity American High Yield Fund
Fidelity AsiaStar Fund
Fidelity Asset Allocation Private Pool Trust
Fidelity Balanced Income Private Pool Trust
Fidelity Balanced Managed Risk Portfolio
Fidelity Balanced Portfolio
Fidelity Balanced Private Pool Trust
Fidelity Canadian Asset Allocation Fund
Fidelity Canadian Balanced Fund
Fidelity Canadian Bond Fund
Fidelity Canadian Core Equity Fund
Fidelity Canadian Disciplined Equity Fund
Fidelity Canadian Equity Multi-Asset Base Fund
Fidelity Canadian Focused Equity Multi-Asset Base Fund
Fidelity Canadian Fundamental Equity Multi-Asset Base Fund
Fidelity Canadian Government Long Bond Index Multi-Asset Base Fund
Fidelity Canadian Growth Company Fund
Fidelity Canadian High Dividend Index ETF Fund
Fidelity Canadian High Quality Index ETF Fund
Fidelity Canadian Large Cap Fund
Fidelity Canadian Low Volatility Index ETF Fund
Fidelity Canadian Money Market Fund
Fidelity Canadian Money Market Investment Trust
Fidelity Canadian Monthly High Income ETF Fund
Fidelity Canadian Opportunities Fund
Fidelity Canadian Real Return Bond Index Multi-Asset Base Fund
Fidelity Canadian Short Term Bond Fund
Fidelity Canadian Short Term Corporate Bond ETF Fund
Fidelity Canadian Short Term Fixed Income Multi-Asset Base Fund
Fidelity China Fund
Fidelity ClearPath 2005 Portfolio
Fidelity ClearPath 2010 Portfolio
Fidelity ClearPath 2015 Portfolio
Fidelity ClearPath 2020 Portfolio
Fidelity ClearPath 2025 Portfolio
Fidelity ClearPath 2030 Portfolio
Fidelity ClearPath 2035 Portfolio
Fidelity ClearPath 2040 Portfolio
Fidelity ClearPath 2045 Portfolio
Fidelity ClearPath 2050 Portfolio
Fidelity ClearPath 2055 Portfolio
Fidelity ClearPath Income Portfolio

Fidelity ClearPath® 2060 Portfolio
Fidelity Climate Leadership Balanced Fund
Fidelity Climate Leadership Bond Fund
Fidelity Climate Leadership Fund
Fidelity Concentrated Canadian Equity Multi-Asset Base Fund
Fidelity Concentrated Value Investment Trust
Fidelity Conservative Income Fund
Fidelity Conservative Income Private Pool
Fidelity Conservative Managed Risk Portfolio
Fidelity Convertible Securities Multi-Asset Base Fund
Fidelity Corporate Bond Fund
Fidelity Dividend Fund
Fidelity Dividend Multi-Asset Base Fund
Fidelity Dividend Plus Fund (formerly Fidelity Income Trust Fund)
Fidelity Emerging Markets Debt Multi-Asset Base Fund
Fidelity Emerging Markets Equity Multi-Asset Base Fund
Fidelity Emerging Markets Fund
Fidelity Emerging Markets Local Currency Debt Multi-Asset Base Fund
Fidelity Europe Fund
Fidelity Far East Fund
Fidelity Floating Rate High Income Currency Neutral Fund
Fidelity Floating Rate High Income Currency Neutral Multi-Asset Base Fund
Fidelity Floating Rate High Income Fund
Fidelity Floating Rate High Income Multi-Asset Base Fund
Fidelity Founders Investment Trust
Fidelity Global Asset Allocation Currency Neutral Private Pool
Fidelity Global Asset Allocation Fund
Fidelity Global Asset Allocation Private Pool
Fidelity Global Balanced Portfolio
Fidelity Global Bond Currency Neutral Fund
Fidelity Global Bond Currency Neutral Multi-Asset Base Fund
Fidelity Global Bond Fund
Fidelity Global Bond Multi-Asset Base Fund
Fidelity Global Concentrated Equity Currency Neutral Fund
Fidelity Global Concentrated Equity Fund (formerly Fidelity Global Opportunities Fund)
Fidelity Global Consumer Industries Fund
Fidelity Global Core Plus Bond ETF Fund
Fidelity Global Credit Ex-U.S. Currency Neutral Multi-Asset Base Fund
Fidelity Global Credit Ex-U.S. Investment Trust
Fidelity Global Disciplined Equity Fund
Fidelity Global Dividend Fund
Fidelity Global Dividend Investment Trust
Fidelity Global Equity Investment Trust
Fidelity Global Financial Services Fund
Fidelity Global Fund
Fidelity Global Growth and Value Investment Trust (formerly, Fidelity Core Global Equity Investment Trust)
Fidelity Global Growth Portfolio
Fidelity Global Health Care Fund
Fidelity Global High Yield Multi-Asset Base Fund
Fidelity Global Income Portfolio
Fidelity Global Innovators Investment Trust
Fidelity Global Intrinsic Value Fund
Fidelity Global Intrinsic Value Investment Trust
Fidelity Global Investment Grade Bond ETF Fund
Fidelity Global Large Cap Fund
Fidelity Global Monthly High Income ETF Fund
Fidelity Global Monthly Income Currency Neutral Fund
Fidelity Global Monthly Income Fund
Fidelity Global Natural Resources Fund
Fidelity Global Real Estate Fund
Fidelity Global Real Estate Multi-Asset Base Fund
Fidelity Global Small Cap Fund
Fidelity Global Value Long/Short Fund
Fidelity Greater Canada Fund
Fidelity Growth Portfolio
Fidelity High Income Commercial Real Estate Currency Neutral Multi-Asset Base Fund
Fidelity High Income Commercial Real Estate Multi-Asset Base Fund
Fidelity Income Allocation Fund
Fidelity Income Portfolio
Fidelity Insights Currency Neutral Multi-Asset Base Fund
Fidelity Insights Investment Trust
Fidelity Insights Systematic Currency Hedged Fund
Fidelity International Concentrated Equity Currency Neutral Fund
Fidelity International Concentrated Equity Fund (formerly Fidelity International Value Fund)
Fidelity International Disciplined Equity Fund
Fidelity International Equity Currency Neutral Investment Trust
Fidelity International Equity Investment Trust
Fidelity International Equity Multi-Asset Base Fund (formerly, Fidelity International Equity Central Fund)
Fidelity International Growth Currency Neutral Multi-Asset Base Fund
Fidelity International Growth Fund (formerly Fidelity Overseas Fund)
Fidelity International Growth Multi-Asset Base Fund
Fidelity International High Dividend Index ETF Fund
Fidelity International High Quality Index ETF Fund
Fidelity International Low Volatility Index ETF Fund
Fidelity Investment Grade Total Bond Currency Neutral Fund
Fidelity Investment Grade Total Bond Fund
Fidelity Japan Fund
Fidelity Long-Term Leaders Currency Neutral Fund
Fidelity Long-Term Leaders Fund
Fidelity Long/Short Alternative Fund
Fidelity Market Neutral Alternative Fund
Fidelity Monthly Income Fund
Fidelity Multi-Asset Innovation Fund
Fidelity Multi-Sector Bond Currency Neutral Fund
Fidelity Multi-Sector Bond Fund
Fidelity Multi-Sector Bond Hedged Multi-Asset Base Fund
Fidelity North American Equity Investment Trust
Fidelity NorthStar Balanced Currency Neutral Fund
Fidelity NorthStar Balanced Fund
Fidelity NorthStar Fund
Fidelity Premium Fixed Income Private Pool
Fidelity Premium Money Market Private Pool
Fidelity Premium Tactical Fixed Income Private Pool
Fidelity Small Cap America Fund
Fidelity Small Cap America Systematic Currency Hedged Fund
Fidelity Special Situations Fund
Fidelity Strategic Income Currency Neutral Fund

Fidelity Strategic Income Fund
Fidelity Sustainable World ETF Fund
Fidelity Systematic Canadian Bond Index ETF Fund
Fidelity Systematic U.S. High Yield Bond Currency Neutral
ETF Fund
Fidelity Systematic U.S. High Yield Bond ETF Fund
Fidelity Tactical Fixed Income Fund
Fidelity Tactical Global Dividend ETF Fund
Fidelity Tactical High Income Currency Neutral Fund
Fidelity Tactical High Income Fund
Fidelity Tactical Strategies Fund
Fidelity Technology Innovators Fund
Fidelity True North Fund
Fidelity U.S. All Cap Fund
Fidelity U.S. Bond Currency Neutral Multi-Asset Base Fund
Fidelity U.S. Bond Multi-Asset Base Fund
Fidelity U.S. Core Equity Fund
Fidelity U.S. Dividend Currency Neutral Fund
Fidelity U.S. Dividend for Rising Rates Currency Neutral
Index ETF Fund
Fidelity U.S. Dividend for Rising Rates Index ETF Fund
Fidelity U.S. Dividend Fund
Fidelity U.S. Dividend Investment Trust
Fidelity U.S. Dividend Private Pool
Fidelity U.S. Dividend Registered Fund
Fidelity U.S. Dividend Systematic Currency Hedged Fund
Fidelity U.S. Equity Investment Trust
Fidelity U.S. Focused Stock Fund (formerly Fidelity Growth
America Fund)
Fidelity U.S. Focused Stock Systematic Currency Hedged
Fund
Fidelity U.S. Growth and Income Private Pool
Fidelity U.S. Growth Opportunities Investment Trust
Fidelity U.S. High Dividend Currency Neutral Index ETF
Fund
Fidelity U.S. High Dividend Index ETF Fund
Fidelity U.S. High Quality Currency Neutral Index ETF Fund
Fidelity U.S. High Quality Index ETF Fund
Fidelity U.S. Low Volatility Currency Neutral Index ETF Fund
Fidelity U.S. Low Volatility Index ETF Fund
Fidelity U.S. Money Market Fund
Fidelity U.S. Money Market Investment Trust
Fidelity U.S. Monthly Income Currency Neutral Fund
Fidelity U.S. Monthly Income Fund
Fidelity U.S. Small/Mid-Cap Equity Multi-Asset Base Fund
Fidelity Women's Leadership Fund
Fidelity Women's Leadership Systematic Currency Hedged
Fund
Principal Regulator – Ontario

Type and Date:

Final Simplified Prospectus dated Nov 12, 2021

NP 11-202 Final Receipt dated Nov 15, 2021

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3281899

Issuer Name:

Tangerine Balanced Growth SRI Portfolio

Tangerine Balanced Income ETF Portfolio

Tangerine Balanced Income SRI Portfolio

Tangerine Balanced SRI Portfolio

Tangerine Equity Growth SRI Portfolio

Principal Regulator – Ontario

Type and Date:

Preliminary Simplified Prospectus dated Nov 10, 2021

NP 11-202 Preliminary Receipt dated Nov 11, 2021

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3299404

Issuer Name:

Evolve Metaverse ETF

Principal Regulator – Ontario

Type and Date:

Preliminary Long Form Prospectus dated Nov 12, 2021

NP 11-202 Preliminary Receipt dated Nov 15, 2021

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3301220

Issuer Name:

Wealthsimple North American Green Bond Index ETF (CAD-
Hedged)

Principal Regulator – Ontario

Type and Date:

Preliminary Long Form Prospectus dated Nov 10, 2021

NP 11-202 Preliminary Receipt dated Nov 10, 2021

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3299206

Issuer Name:

CST Spark 2026 Education Portfolio
CST Spark 2029 Education Portfolio
CST Spark 2032 Education Portfolio
CST Spark 2035 Education Portfolio
CST Spark 2038 Education Portfolio
CST Spark Graduation Portfolio
Principal Regulator – Ontario

Type and Date:

Preliminary Simplified Prospectus dated Nov 2, 2021
NP 11-202 Final Receipt dated Nov 10, 2021

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3276227

Issuer Name:

Exemplar Global Growth and Income Class
Principal Regulator – Ontario

Type and Date:

Preliminary Simplified Prospectus dated Nov 11, 2021
NP 11-202 Preliminary Receipt dated Nov 15, 2021

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3300482

Issuer Name:

EHP Global Multi-Strategy Fund
Principal Regulator – Ontario

Type and Date:

Preliminary Simplified Prospectus dated Nov 12, 2021
NP 11-202 Preliminary Receipt dated Nov 12, 2021

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3300888

Issuer Name:

IA Wealth Core Bond Pool
IA Clarington Inhance Balanced SRI Portfolio
IA Clarington Inhance Conservative SRI Portfolio
IA Clarington Inhance Growth SRI Portfolio
IA Clarington Loomis Global Equity Opportunities Fund
Principal Regulator - Quebec

Type and Date:

Amendment #2 to Final Simplified Prospectus dated October 21, 2021
NP 11-202 Final Receipt dated Nov 15, 2021

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3220066

Issuer Name:

Americas Gold and Silver Corporation
Principal Regulator - Ontario

Type and Date:

Amendment #3 to Final Simplified Prospectus dated November 8, 2021

NP 11-202 Final Receipt dated Nov 9, 2021

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3203166

Issuer Name:

Horizons Equal Weight Canada Banks Index ETF
Principal Regulator - Ontario

Type and Date:

Amendment #1 to Final Long Form Prospectus dated November 8, 2021

NP 11-202 Final Receipt dated Nov 11, 2021

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3267081

Issuer Name:

Horizons High Interest Savings ETF
Principal Regulator - Ontario

Type and Date:

Amendment #1 to Final Long Form Prospectus dated
November 8, 2021

NP 11-202 Final Receipt dated Nov 11, 2021

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3186503

Issuer Name:

Purpose Floating Rate Income Fund
Principal Regulator - Ontario

Type and Date:

Amendment #1 to Final Simplified Prospectus dated October
29, 2021

NP 11-202 Final Receipt dated Nov 9, 2021

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3267251

Issuer Name:

Franklin Global Aggregate Bond Fund
Franklin Conservative Income ETF Portfolio
Franklin Core ETF Portfolio
Franklin Growth ETF Portfolio
Franklin Quotential Balanced Growth Portfolio
Franklin Quotential Balanced Income Portfolio
Franklin Quotential Diversified Equity Portfolio
Franklin Quotential Diversified Income Portfolio
Franklin Quotential Growth Portfolio
Principal Regulator - Ontario

Type and Date:

Amendment #3 to Annual Information Form dated November
10, 2021

NP 11-202 Final Receipt dated Nov 12, 2021

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3203753

Issuer Name:

RBC U.S. Mid-Cap Growth Equity Fund
RBC U.S. Mid-Cap Growth Equity Currency Neutral Fund
RBC U.S. Mid-Cap Value Equity Fund
Principal Regulator - Ontario

Type and Date:

Amendment #3 to Final Simplified Prospectus dated
November 5, 2021

NP 11-202 Final Receipt dated Nov 9, 2021

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3226001

Issuer Name:

Financial 15 Split Corp.
Principal Regulator - Ontario

Type and Date:

Preliminary Shelf Prospectus (NI 44-102) dated November
8, 2021

NP 11-202 Preliminary Receipt dated November 9, 2021

Offering Price and Description:

Maximum Offerings: \$800,000,000 Preferred Shares and
Class A Shares

Price: \$10.77 per Preferred Shares and \$11.92 per Class A
Shares

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3297815

NON-INVESTMENT FUNDS

Issuer Name:

Algonquin Power & Utilities Corp.
Principal Regulator - Ontario

Type and Date:

Preliminary Shelf Prospectus dated November 12, 2021
NP 11-202 Preliminary Receipt dated November 12, 2021

Offering Price and Description:

US\$4,000,000,000.00 - Debt Securities (unsecured),
Subscription Receipts, Preferred Shares, Common Shares,
Warrants, Share Purchase Contracts, Share Purchase or
Equity Units, Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3300835

Issuer Name:

Alpha Lithium Corporation
Principal Regulator - British Columbia

Type and Date:

Preliminary Short Form Prospectus dated November 12,
2021

NP 11-202 Preliminary Receipt dated November 12, 2021

Offering Price and Description:

\$21,750,000.00 - 21,750,000 Units
Consisting of 21,750,000 Common Shares and 10,875,000
Warrants

Price: \$1.00 per Unit

Underwriter(s) or Distributor(s):

Echelon Wealth Partners Inc.

Promoter(s):

-

Project #3301019

Issuer Name:

Chesswood Group Limited
Principal Regulator - Ontario

Type and Date:

Preliminary Shelf Prospectus dated November 11, 2021
NP 11-202 Preliminary Receipt dated November 12, 2021

Offering Price and Description:

\$500,000,000.00 - Debt Securities (unsecured) Common
Shares Warrants Subscription Receipts Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3300538

Issuer Name:

Class 1 Nickel and Technologies Limited (formerly, Lakefield
Marketing Corporation)
Principal Regulator - Ontario

Type and Date:

Preliminary Shelf Prospectus dated November 9, 2021
NP 11-202 Preliminary Receipt dated November 10, 2021

Offering Price and Description:

\$10,000,000.00 - Common Shares, Debt Securities,
Warrants, Subscription Receipts, Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3299388

Issuer Name:

Critical Elements Lithium Corporation
Principal Regulator - Quebec

Type and Date:

Preliminary Short Form Prospectus dated November 10,
2021

NP 11-202 Preliminary Receipt dated November 11, 2021

Offering Price and Description:

\$26,101,250.00 - 14,915,000 Units
PRICE: \$1.75 per Unit

Underwriter(s) or Distributor(s):

CANTOR FITZGERALD CANADA CORPORATION
STIFEL NICOLAUS CANADA INC.
PARADIGM CAPITAL INC.
BEACON SECURITIES LIMITED
RED CLOUD SECURITIES INC.

Promoter(s):

-

Project #3299240

Issuer Name:

Financial 15 Split Corp.
Principal Regulator - Ontario

Type and Date:

Preliminary Shelf Prospectus dated November 8, 2021
NP 11-202 Preliminary Receipt dated November 9, 2021

Offering Price and Description:

Maximum Offerings: \$800,000,000 Preferred Shares and
Class A Shares

Price: \$10.77 per Preferred Shares and \$11.92 per Class A
Shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3297815

Issuer Name:

Freehold Royalties Ltd.
Principal Regulator - Alberta

Type and Date:

Preliminary Shelf Prospectus dated November 12, 2021
NP 11-202 Preliminary Receipt dated November 12, 2021

Offering Price and Description:

\$500,000,000.00 - Common Shares, Preferred Shares,
Subscription Receipts, Warrants, Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3300902

Issuer Name:

Great Republic Mining Corp.
Principal Regulator - British Columbia

Type and Date:

Preliminary Long Form Prospectus dated November 8, 2021
NP 11-202 Preliminary Receipt dated November 9, 2021

Offering Price and Description:

\$750,000.00 - Common Shares 7,500,000
Price: \$0.10

Underwriter(s) or Distributor(s):

Haywood Securities Inc.

Promoter(s):

Frederick Davidson and Jerry Huang

Project #3298417

Issuer Name:

GIGA Metals Corporation
Principal Regulator - British Columbia

Type and Date:

Preliminary Shelf Prospectus dated November 8, 2021
NP 11-202 Preliminary Receipt dated November 9, 2021

Offering Price and Description:

\$50,000,000 Common Shares Preferred Shares Warrants
Subscription Receipts Units Debt Securities

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3298028

Issuer Name:

Jushi Holdings Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Shelf Prospectus dated November 11, 2021
NP 11-202 Preliminary Receipt dated November 15, 2021

Offering Price and Description:

C\$500,000,000.00 - Subordinate Voting Shares Warrants
Subscription Receipts Debt Securities Convertible Securities
Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3300094

Issuer Name:

Giyani Metals Corp.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated November 15,
2021
NP 11-202 Preliminary Receipt dated November 15, 2021

Offering Price and Description:

C\$10,000,012.00 - 22,727,300 Units
Price: C\$0.44 per Unit

Underwriter(s) or Distributor(s):

CORMARK SECURITIES INC.
BEACON SECURITIES LIMITED

Promoter(s):

-

Project #3298813

Issuer Name:

LDB Capital Corp.
Principal Regulator - British Columbia

Type and Date:

Preliminary CPC Prospectus dated November 9, 2021
NP 11-202 Preliminary Receipt dated November 10, 2021

Offering Price and Description:

\$200,000.00 - or 2,000,000 Common Shares
Price: \$0.10 per Common Share

Underwriter(s) or Distributor(s):

Haywood Securities Inc.

Promoter(s):

David Eaton

Project #3298559

Issuer Name:

Nevada Copper Corp.
Principal Regulator - British Columbia

Type and Date:

Preliminary Short Form Prospectus dated November 10, 2021

NP 11-202 Preliminary Receipt dated November 10, 2021

Offering Price and Description:

\$75,000,000.00 - [] Units

Price \$[] per Offered Unit

Underwriter(s) or Distributor(s):

Scotia Capital Inc.

Promoter(s):

-

Project #3299396

Issuer Name:

Nevada Copper Corp.
Principal Regulator - British Columbia

Type and Date:

Amendment dated November 11, 2021 to Preliminary Short Form Prospectus dated November 10, 2021

NP 11-202 Preliminary Receipt dated November 12, 2021

Offering Price and Description:

\$114,037,000.00 - 148,100,000 Units

Price \$0.77 per Offered Unit

Underwriter(s) or Distributor(s):

Scotia Capital Inc.

Promoter(s):

-

Project #3299396

Issuer Name:

NowVertical Group Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated November 10, 2021

NP 11-202 Preliminary Receipt dated November 10, 2021

Offering Price and Description:

Minimum Offering: C\$5,000,000.00 (*Units)

Maximum Offering: C\$8,000,000.00 (*Units)

Price: C\$* per Unit

Underwriter(s) or Distributor(s):

ECHELON WEALTH PARTNERS INC.

Promoter(s):

-

Project #3299252

Issuer Name:

Pender Growth Fund Inc.
Principal Regulator - British Columbia

Type and Date:

Preliminary Shelf Prospectus dated November 8, 2021

NP 11-202 Preliminary Receipt dated November 9, 2021

Offering Price and Description:

\$75,000,000.00 - COMMON SHARES DEBT SECURITIES

CONVERTIBLE SECURITIES SUBSCRIPTION RECEIPTS

WARRANTS RIGHTS UNITS

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3298020

Issuer Name:

Plantable Health Inc.
Principal Regulator - British Columbia

Type and Date:

Preliminary Long Form Prospectus dated November 10, 2021

NP 11-202 Preliminary Receipt dated November 10, 2021

Offering Price and Description:

Minimum \$6,400,000.00

16,000,000 Common Shares

Price: \$0.40 per Common Share

Underwriter(s) or Distributor(s):

Clarus Securities Inc.

Promoter(s):

Nadja Pinnavaia

Nicholas Findler

Kevan Matheson

Project #3299280

Issuer Name:

Telesat Corporation
Principal Regulator - Ontario

Type and Date:

Preliminary Long Form Prospectus dated November 9, 2021

NP 11-202 Preliminary Receipt dated November 10, 2021

Offering Price and Description:

0.00

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3298857

Issuer Name:

Telesat Partnership LP
Principal Regulator - Ontario

Type and Date:

Preliminary Long Form Prospectus dated November 9, 2021
NP 11-202 Preliminary Receipt dated November 10, 2021

Offering Price and Description:

0.00

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3298860

Issuer Name:

TMX Group Limited
Principal Regulator - Ontario

Type and Date:

Preliminary Shelf Prospectus dated November 12, 2021
NP 11-202 Preliminary Receipt dated November 12, 2021

Offering Price and Description:

\$2,000,000,000.00 Common Shares Preference Shares
Debt Securities Subscription Receipts Warrants Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3300908

Issuer Name:

Allied Properties Real Estate Investment Trust
Principal Regulator - Ontario

Type and Date:

Amendment dated November 11, 2021 to Final Shelf
Prospectus dated June 2, 2021

NP 11-202 Receipt dated November 12, 2021

Offering Price and Description:

\$3,000,000,000.00 - Debt Securities, Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3225340

Issuer Name:

Arizona Metals Corp.
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated November 5, 2021
NP 11-202 Receipt dated November 10, 2021

Offering Price and Description:

\$45,050,000.00 -10,600,000 Common Shares \$
Price: 4.25 per Common Share

Underwriter(s) or Distributor(s):

STIFEL NICOLAUS CANADA INC.
CLARUS SECURITIES INC.
BEACON SECURITIES LIMITED

Promoter(s):

MARC PAIS
PAUL REID

Project #3293485

Issuer Name:

Arizona Sonoran Copper Company Inc.
Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated November 8, 2021
NP 11-202 Receipt dated November 9, 2021

Offering Price and Description:

\$46,712,969.10 - 19,066,518 Common Shares
\$2.45 per Offered Share

Underwriter(s) or Distributor(s):

RBC DOMINION SECURITIES INC.
HAYWOOD SECURITIES INC.

Promoter(s):

-

Project #3285858

Issuer Name:

ASEP Medical Holdings Inc.
Principal Regulator - British Columbia

Type and Date:

Final Long Form Prospectus dated November 9, 2021
NP 11-202 Receipt dated November 10, 2021

Offering Price and Description:

11,731,500 Common Shares issuable on deemed exercise
of 11,731,500 Special Warrants

Underwriter(s) or Distributor(s):

-

Promoter(s):

Dr. Robert E.W. Hancock

Project #3269775

Issuer Name:

Burin Gold Corp.
Principal Regulator - British Columbia

Type and Date:

Final Long Form Prospectus dated November 10, 2021
NP 11-202 Receipt dated November 10, 2021

Offering Price and Description:

Minimum \$4,000,000.00 Maximum \$7,500,000.00 Up to
12,500,000 Units at a price of \$0.60 per Unit Up to
10,869,565 FT Shares at a price of \$0.69 per FT Share

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3276288

Issuer Name:

Collective Mining Ltd.
Principal Regulator - Ontario

Type and Date:

Final Shelf Prospectus dated November 9, 2021
NP 11-202 Receipt dated November 10, 2021

Offering Price and Description:

\$100,000,000.00 - Common Shares Debt Securities
Subscription Receipts Warrants Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

ARI SUSSMAN

Project #3285578

Issuer Name:

CopperCorp Resources Inc.
Principal Regulator - British Columbia

Type and Date:

Final Long Form Prospectus dated November 10, 2021
NP 11-202 Receipt dated November 12, 2021

Offering Price and Description:

Up to 10,000,000 Common Shares
Price: \$0.50 per Common Share Up to \$5,000,000

Underwriter(s) or Distributor(s):

Haywood Securities Inc.

Promoter(s):

Stephen Swatton

Project #3279975

Issuer Name:

Fission Uranium Corp.
Principal Regulator - British Columbia

Type and Date:

Final Shelf Prospectus dated November 10, 2021
NP 11-202 Receipt dated November 12, 2021

Offering Price and Description:

C\$250,000,000.00 Common Shares Subscription Receipts
Units Debt Securities Warrants Share Purchase Contracts

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3291775

Issuer Name:

Great-West Lifeco Inc.
Principal Regulator - Manitoba

Type and Date:

Final Shelf Prospectus dated November 12, 2021
NP 11-202 Receipt dated November 12, 2021

Offering Price and Description:

\$8,000,000,000.00 - Debt Securities (unsecured) First
Preferred Shares Common Shares Subscription Receipts

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3296869

Issuer Name:

Mineros S.A.
Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated November 11, 2021
NP 11-202 Receipt dated November 12, 2021

Offering Price and Description:

US\$20,000,000.70 - 22,222,223 Common Shares
US\$0.90 per Common Share

Underwriter(s) or Distributor(s):

SCOTIA CAPITAL INC.

SPROTT CAPITAL PARTNERS LP

Promoter(s):

-

Project #3279662

Issuer Name:

Neo Performance Materials Inc.
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated November 9, 2021
NP 11-202 Receipt dated November 9, 2021

Offering Price and Description:

C\$87,529,750 4,547,000 Common Shares

Underwriter(s) or Distributor(s):

PARADIGM CAPITAL INC.
CANACCORD GENUITY CORP.
CORMARK SECURITIES INC.
RAYMOND JAMES LTD.
SCOTIA CAPITAL INC.
STIFEL NICOLAUS CANADA INC.

Promoter(s):

Oaktree Capital Management, L.P.

Project #3291373

Issuer Name:

Obsidian Energy Ltd.
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated November 12, 2021
NP 11-202 Receipt dated November 12, 2021

Offering Price and Description:

Minimum Offering: \$12,500,000.00 (2,840,909 Subscription Receipts)

Maximum Offering: \$22,500,000.00 (5,113,636 Subscription Receipts)

Price: \$4.40 per Subscription Receipt

Underwriter(s) or Distributor(s):

RAYMOND JAMES LTD.
STIFEL NICOLAUS CANADA INC.

Promoter(s):

-

Project #3295176

Issuer Name:

Prosperity Exploration Corp.
Principal Regulator - British Columbia

Type and Date:

Final Long Form Prospectus dated November 5, 2021
NP 11-202 Receipt dated November 9, 2021

Offering Price and Description:

Common Shares A minimum of 3,500,000 and \$0.10 a maximum of 4,000,000

Underwriter(s) or Distributor(s):

PI FINANCIAL CORP.

Promoter(s):

MICHAEL ENGLAND

Project #3225053

Issuer Name:

Quipt Home Medical Corp.
Principal Regulator - British Columbia

Type and Date:

Final Shelf Prospectus dated November 11, 2021
NP 11-202 Receipt dated November 12, 2021

Offering Price and Description:

\$200,000,000.00 - Common Shares Preferred Shares Debt Securities Warrants Subscription Receipts Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3288857

Issuer Name:

Roshni Capital Inc.
Principal Regulator - Ontario

Type and Date:

Final CPC Prospectus dated November 9, 2021
NP 11-202 Receipt dated November 11, 2021

Offering Price and Description:

\$500,000.00 - 5,000,000 Common Shares

Price: \$0.10 per Common Share

Underwriter(s) or Distributor(s):

HAYWOOD SECURITIES INC.

Promoter(s):

-

Project #3280695

Issuer Name:

Sangoma Technologies Corporation
Principal Regulator - Ontario

Type and Date:

Final Shelf Prospectus dated November 12, 2021
NP 11-202 Receipt dated November 12, 2021

Offering Price and Description:

C\$200,000,000.00 - Common Shares Debt Securities Warrants Subscription Receipts Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3295790

Issuer Name:

Swarmio Media Holdings Inc.
Principal Regulator - British Columbia

Type and Date:

Final Long Form Prospectus dated November 10, 2021
NP 11-202 Receipt dated November 15, 2021

Offering Price and Description:

17,904,284 Common Shares issuable upon the exchange of
17,904,284 Subscription Receipts

Underwriter(s) or Distributor(s):

-

Promoter(s):

Vijai Karthigesu
Darren Devine

Project #3242877

Issuer Name:

Sangoma Technologies Corporation
Principal Jurisdiction - Ontario

Type and Date:

Final Shelf Prospectus dated June 29, 2020
Withdrawn on November 12, 2021

Offering Price and Description:

C\$150,000,000.00 - Common Shares, Debt Securities,
Warrants Subscription Receipts Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3071735

Issuer Name:

Taurus Gold Corp.
Principal Regulator - Alberta

Type and Date:

Amendment dated November 10, 2021 to Final Long Form
Prospectus dated September 9, 2021
NP 11-202 Receipt dated November 11, 2021

Offering Price and Description:

\$2,000,000.00 (A minimum of 5,000,000 Common Share
Units and a maximum of 10,000,000 Common Share Units
and up to a maximum of 4,000,000 Flow-Through Units)
\$0.20 per Common Share Unit \$0.25 per Flow-Through Unit

Underwriter(s) or Distributor(s):

Canaccord Genuity Corp.

Promoter(s):

Robert Sim

Project #3199872

Issuer Name:

Whitehorse Gold Corp.
Principal Regulator - British Columbia

Type and Date:

Final Shelf Prospectus dated November 8, 2021
NP 11-202 Receipt dated November 9, 2021

Offering Price and Description:

\$50,000,000.00 - Common Shares Preferred Shares Debt
Securities Warrants Units Subscription Receipts

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3292431

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Mclean Capital Inc.	Portfolio Manager, Exempt Market Dealer and Investment Fund Manager	November 10, 2021
Change in Registration Category	C.S.T. Spark Inc.	From: Scholarship Plan Dealer and Investment Fund Manager To: Scholarship Plan Dealer, Investment Fund Manager and Mutual Fund Dealer	November 10, 2021

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Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.1 SROs

13.1.1 MFDA – Housekeeping Amendments to MFDA Rules to Enhance Protection of Older and Vulnerable Clients – Notice of Commission Deemed Approval

NOTICE OF COMMISSION DEEMED APPROVAL – HOUSEKEEPING AMENDMENTS TO MFDA RULES TO ENHANCE PROTECTION OF OLDER AND VULNERABLE CLIENTS

The Ontario Securities Commission did not object to the classification as housekeeping of the proposed MFDA Rules amendments aiming to enhance protection of older and vulnerable clients (the **Housekeeping Amendments**).

The Housekeeping Amendments are designed to make MFDA requirements uniform in all material respects with the [recent amendments](#) made by the Canadian Securities Administrators (**CSA**) to National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. More specifically, the Housekeeping Amendments:

- add definitions of the relevant terms;
- require MFDA Members and Approved Persons to take reasonable steps to obtain from the client the name and contact information of a trusted contact person and the client's written consent to contact the trusted contact person in prescribed circumstances;
- create a regulatory framework for Members who place a temporary hold on the purchase or sale of a security on behalf of a client on the basis of financial exploitation of a vulnerable client;
- create a requirement to provide written disclosure to the client regarding the disclosure of client information to a trusted contact person and placing of a temporary hold; and
- create a requirement for Members and Approved Persons to keep appropriate records.

The Housekeeping Amendments are expected to become effective on December 31, 2021, which is harmonized with the implementation date adopted by the CSA.

A copy of the MFDA Notice of Approval/Implementation, including the text of the approved amendments, can be found at www.osc.ca.

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

13.2 Marketplaces

13.2.1 Nasdaq CXC Limited – Odd Lot Order Book for CXD Trading Book – Notice of Approval

NASDAQ CXC LIMITED

NOTICE OF APPROVAL

INTRODUCTION OF ODD LOT ORDER BOOK FOR CXD TRADING BOOK

In accordance with the requirements set out in the Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 and the Exhibits Thereto (Exchange Protocol), on November 15th, 2021, the Commission approved changes to the Nasdaq CXC Limited (Nasdaq Canada) Trading Rules and Policies reflecting the introduction of an odd lot order book for the CXD Trading Book.

Nasdaq Canada's Notice and Request for Comment on the proposed functionality was published on the Commission's website and in the Commission's Bulletin on September 23rd, 2021 at (2021) 44 OSCB 8103. No comment letters were received.

This new functionality is expected to be introduced in the first quarter of 2022.

13.2.2 NEO Exchange Inc. – Listing Manual – Request for Comments

NEO EXCHANGE REQUEST FOR COMMENTS
LISTING MANUAL

NOVEMBER 18, 2021

Introduction

Neo Exchange Inc. (“NEO Exchange” or “Exchange”) is publishing proposed public interest rule amendments (the “Public Interest Rule Amendments”) to the NEO Exchange Listing Manual in accordance with Schedule 4 to its recognition order, as amended. The Public Interest Rule Amendments were filed with the Ontario Securities Commission (“OSC”) and is being published for comment. A description of the Public Interest Rule Amendments is set out below and the text of the Public Interest Rule Amendments are attached hereto as 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 Amendments

NEO is seeking to streamline the minimum listing standards for corporate issuers under section 2.02 of the Listing Manual, and make consequential changes to paragraph 3.01(3)(d) of the Listing Manual as follows:

LM Section	Existing Standard	Proposed Changes
2.02(1)	<i>Minimum Distribution</i> – Public Float of 1,000,000 securities together with a minimum of 300 Public Security Holders each holding at least a Board Lot.	Decrease the minimum required number of Public Security Holders from 300 to 150. Introduce a new minimum expected market value of Public Float requirement of \$10,000,000, which will apply to all corporate issuer listings.
2.02(2)	<i>Minimum Price</i> – \$2 per security, unless the applicant is an Other Listed Issuer, is listed on an Accepted Foreign Exchange, or the Listed Issuer will result from a transaction (e.g. a reverse take-over transaction) involving a Listed Issuer, an Other Listed Issuer or a reporting issuer in Canada.	Repeal the \$2 minimum price requirement.
2.02(3)	<i>Issuer Criteria</i> – An applicant must demonstrate at the time of the application to list on the Exchange that it meets or will, at the time of listing, meet the requirements of at least one of the following categories: (a) Equity Standard: (i) Shareholders’ equity of at least \$5,000,000, (ii) An operating history of at least two years, and (iii) Expected market value of Public Float of at least \$10,000,000 or (b) Net Income Standard: (i) Net income of at least \$750,000 from continuing operations in the last fiscal year or in two of the last three fiscal years, (ii) Shareholders’ equity of at least \$2,500,000, and (iii) Expected market value of Public Float of at least \$5,000,000 or (c) Market Value Standard: (i) Market value of all securities of at least \$50,000,000, based on either (A) the market value of securities listed on a Recognized Exchange or an Accepted Foreign Exchange or both, or (B) the amount derived from combining the market value of securities listed on	Reorder as subsection 2.02(2). Remove references to the minimum expected market value of Public Float requirement, which has been moved to subsection 2.02(1). Introduce the two-year operating history requirement under the Equity Standard as a stand-alone requirement applicable to all corporate issuer listings under a separate and revised subsection 2.02(3). Remove reference to minimum shareholders’ equity from the Net Income Standard. Simplify and clarify for the Market Value Standard that the combined market value on all Recognized Exchanges or Accepted Foreign Exchanges and any additional offering of securities concurrent with the listing application can be used to fulfill the minimum market value requirement. Clarify in a commentary to the Market Value Standard that the Exchange may consider certain established foreign over-the-counter trading platforms an “Accepted Foreign Exchange” for the purpose of applying this standard. Decrease the minimum total assets and total revenue required to meet the Assets and Revenue Standard from \$50,000,000 to \$10,000,000 respectively.

LM Section	Existing Standard	Proposed Changes
	<p>a Recognized Exchange or an Accepted Foreign Exchange or both and an additional offering of securities concurrent with the listing application, where the market value of the securities on the other exchange(s) under both (A) and (B) must have been maintained for at least 90 consecutive trading days before the date of the application to list on the Exchange,</p> <p>(ii) Shareholders' equity of at least \$2,500,000, if the market value standard is met under (i)(B), and</p> <p>(iii) Expected market value of Public Float of at least \$10,000,000 or</p> <p>(d) Assets and Revenue Standard:</p> <p>(i) Total assets and total revenues of at least \$50,000,000 each in the last fiscal year or in two of the last three fiscal years, and</p> <p>(ii) Expected market value of Public Float of at least \$5,000,000.</p>	
2.02(3)(new)		Introduce the two-year operating history requirement as a stand-alone requirement applicable to all corporate issuer listings. In the circumstances where the issuer does not have a two-year operating history, issuers will be required to provide submission on the various specified factors.
2.02(4)	<i>Working Capital and Capital Structure</i> – Adequate working capital to carry on business and an appropriate capital structure.	Clarify the adequate working capital requirement by requiring listing issuers to have a minimum of 12 months of working capital upon listing.
2.02(5)	<i>Investor Relations Requirement</i> – At the time of the application to list on the Exchange, an applicant must have: <p>(a) A written investor relations strategy, and</p> <p>(b) An annual investor relations budget of at least \$50,000.</p>	Clarify the intent of the Investor Relations Requirement is to have issuers implement an investor relations strategy. Increase the minimum required investor relations budget from \$50,000 to \$100,000 for the 12 months following the listing.
2.02(6)(b)		Housekeeping change only. Update section references to issuer criteria from subsection 2.02(3) to subsection 2.02(2).
2.02(7)	<i>SPACs</i> – Subsections 2.02 (1), (3), (4) and (5) do not apply to a SPAC. An issuer that is a SPAC must meet the following standards to qualify for listing on the Exchange: <p>(a) Public Float of 1,000,000 securities together with a minimum of 150 Public Security Holders each holding at least a Board Lot;</p> <p>(b) expected market value of Public Float of at least \$30,000,000 at time of listing; and</p> <p>(c) the criteria prescribed in section 10.16.</p>	Remove the redundancy introduced by having the same minimum Public Float requirement under subsection 2.02(1), which is applicable to all corporate issuer listings (including SPACs).
3.01(3)(d)	(3) Minimum Standards – At least one of the following criteria must be met: <p>...</p> <p>(d) Assets and revenue of at least \$25,000,000 each.</p>	Consequential decrease to the continuous listing requirement of maintaining minimum assets and revenue of \$25,000,000 to \$5,000,000.

Expected Date of Implementation of the Public Interest Rule Amendments

NEO seeks to implement the Public Interest Rule Amendments on January 1, 2022.

Rationale for the Public Interest Rule Amendments and Supporting Analysis

The changes to section 2.02 of the Listing Manual are the result of NEO's regular reassessment of its listing requirements. As our experience with listing corporate issuers grows, we reassess our listing requirements to ensure that the requirements:

- reflect the nature of the corporate issuers that list or seek to list on NEO;
- address the core factors NEO views as essential and important for a public listing to be successful; and
- do not create unnecessary burdens for issuers.

We also perform these reassessments to keep our requirements relevant and adequate to address developments in the capital markets.

In developing the proposed changes, we also reviewed the requirements of other exchanges in Canada and in other jurisdictions including the United States ("U.S.") and the United Kingdom.

Changes to subsection 2.02(1) Minimum Distribution Requirement

- Introduce a new minimum expected market value of Public Float requirement of \$10,000,000.
 - The proposed initial minimum expected market value of Public Float requirement will be a requirement applicable to all corporate listing applicants, with the exception of SPACs where it remains at \$30,000,000. The current minimum expected market value of Public Float requirement varies based on the listing criteria applied and ranges from \$5,000,000 to \$10,000,000. We are of the view that a larger Public Float is beneficial to liquidity, and propose to apply the most stringent requirement currently used, with the exception of the SPAC requirement, across all corporate listing applicants.
- Decrease the initial minimum required number of Public Security Holders for corporate issuers from 300 to 150. The minimum requirement for SPACs remains unchanged.
 - The original intent of imposing a minimum 300 Public Security Holders initial listing requirement was to ensure a minimum distribution that would enable natural liquidity in the security. What we have learned over time is that the combined effect of a meaningful public float, a sizable market value, NEO's Designated Market Maker program, and an appropriate issuer investor relations program is far more effective in enabling liquidity. We have also observed that the threshold of 300 Public Security Holders have sometimes resulted in issuers grappling for minimal and meaningless investments, at a comparatively higher cost of capital, to meet this requirement. The threshold of 300 Public Security Holders, therefore, presents an unnecessary burden for issuers in this context.
 - Additionally, the decrease to the threshold of Public Security Holders is being made concurrently with the application of a \$10,000,000 minimum expected market value of Public Float across all corporate issuers, and a more stringent investor relations budget requirement, both of which enhance the underlying natural liquidity of a listed issuer.
 - The proposed change also ensures consistency with NEO's continuous listing requirement in subsection 3.01(1) of 150 Public Security Holders, and the approach applied by many Canadian and U.S. exchanges.

Changes to subsection 2.02(2) Minimum Price Requirement

- Repeal the minimum price requirement
 - The original intent of the minimum price was to ensure that NEO IPO issuers would be less exposed to large price fluctuations, and as a consequence, significant market capitalization fluctuations that are typical of lower priced securities. It was also intended to differentiate NEO from venture exchanges that typically focus on penny stock issuers. Based on our existing listings experience, the types of corporate issuers listing on NEO, and the type of deal structures accompanying these listings, we observed that this threshold does not effectively prevent large price fluctuations and, in fact, creates an unnecessary barrier to many quality issuers seeking to IPO on NEO.

- Additionally, the approach for corporate issuers listing on NEO through an IPO, where the minimum price requirement is applicable, differs from the treatment of graduations, migrations or foreign listed corporate issuers, where there is no minimum price requirement. The application of this requirement results in an arbitrary disadvantage to IPO issuers.
- An analysis of minimum price requirements of other Canadian exchanges indicates that corporate issuers are required to have an initial minimum price of \$0.05¹, \$0.10²³ or no minimum at all⁴. The proposed change is, therefore, consistent with the existing Canadian marketplace standards.

In light of the above submissions, NEO is proposing to repeal the minimum price requirement.

Changes to subsection 2.02(3) Issuer Criteria Requirement [revised subsection 2.02(2)] and the new subsection 2.02(3) History of Operations

- Remove references to the minimum expected market value of Public Float requirement, which has been moved to subsection 2.02(1).
 - This is a housekeeping change following the proposed change to subsection 2.02(1)
- Introduce, under a separate and revised subsection 2.02(3), the two-year operating history requirement (currently solely included under the Equity Standard) as a general requirement applicable to all corporate issuer applicants.
 - Based on existing listings review experience, we view sufficient operating history as beneficial to the assessment, from an exchange perspective, of an issuer's suitability to operate as a public company.
 - In circumstances where a corporate issuer does not have a two-year operating history, we will require a submission on various factors that address the limited operating history and help inform the exchange's assessment of the issuer's suitability to operate as a public company.
- Remove reference to minimum shareholders' equity from the Net Income Standard.
 - With a higher initial minimum expected market value of Public Float requirement, now applicable to all corporate issuers, we do not believe requiring a minimum shareholders' equity serves its original gatekeeping purpose under this standard.
- Simplify and clarify for the Market Value Standard that the combined market value on all Recognized Exchanges or Accepted Foreign Exchanges and any additional offering of securities concurrent with the listing application can be used to fulfill the minimum market value requirement.
 - This change is a housekeeping change aimed to clarify our initial listing standard. Based on applicant and counsel feedback, the existing language setting out the calculation of the Market Value has created confusion when applying the calculation.
- Clarify in a commentary to the Market Value Standard that the Exchange may consider certain established foreign over-the-counter trading platforms an "Accepted Foreign Exchange" for the purpose of applying this standard.
 - We believe that certain companies listed on foreign over-the-counter markets should be able to list on NEO under this standard, provided the company meets all other relevant requirements and that NEO is satisfied that the price and volume figures are a reliable indication of market value.
- Decrease the minimum total assets and total revenue required to meet the Assets and Revenue Standard from \$50,000,000 to \$10,000,000.
 - To-date, we have not received an application where an issuer has qualified under the Assets and Revenue Standard without first qualifying under another initial listing standard. This indicates that the current thresholds for NEO's Assets and Revenue Standard are not appropriate for our target issuers.

¹ TSXV CPC: Policy 2.4 Capital Pool Companies section 3.2 (d) Listing Requirements and NEX: NEX Policy section 5.1 Pricing, at: <https://www.tsx.com/resource/en/701>;

² CSE: Policy 2 – Qualifications for Listing – Appendix A, section 2.3 Pricing, at: https://webfiles.thecse.com/resource/CSE_Policies_1-10.pdf?nxcc9lfE2P7wGpMKuEp74YZXCUEq1b;

³ TSXV: Policy 2.1 Initial Listing Requirements, section 3 Pricing, at: <https://www.tsx.com/resource/en/701>;

⁴ TSX: no minimum as long as all other listing requirements are met.

- After analyzing approximately 300 Canadian corporate issuers listed on the CSE, TSX-V, and TSX, selected on the basis of all relevant information being available on market data terminals, we determined that \$10,000,000 would be an appropriate revised assets and revenue threshold that does not materially change the universe of potential migrating or graduating issuers and maintains a meaningful non-venture distinction.
- We also propose a corresponding decrease to the continuous listing minimum Assets and Revenue requirement, under section 3.01 of the Listing Manual, from \$25,000,000 to \$5,000,000.

Changes to subsection 2.02(4) Working Capital and Capital Structure Requirement

- In reviewing a corporate issuer's submission on working capital, staff at NEO have consistently relied upon the guidance set out in the CSA Staff Notice 41-307 (Revised) *Concerns regarding an issuer's financial condition and the sufficiency of proceeds from a prospectus offering in relation to the minimum* to determine adequacy of working capital. We have historically received many questions on the extent and content of our working capital analysis, which does not appear to be clear to many corporate issuers and their advisers who approach us on a first-time basis. To clarify our review standards and provide transparency in our requirements, we are proposing to codify the sufficient working capital for 12 months requirement into our Listing Manual under this section.

Changes to subsection 2.02(5) Investor Relations Requirement

- Under existing requirements, corporate issuers have submitted their internal investor relations strategy for NEO's review to satisfy the requirement to "have a written internal investor relations strategy". The Exchange is not in a position to opine on the adequacy of a corporate issuer's internal investor relations strategy, and it was unintended for the Exchange to have a role in providing commentary on this document. Instead, we are of the view that the focus for corporate issuers should be on implementing an investor relations strategy as opposed to submitting a written document for NEO's review. The change is being made to clarify our intent to corporate issuers.
- Additionally, we believe that investor relations are critical to a successful public listing and therefore propose to increase the investment relations budget requirement from \$50,000 to \$100,000. In our listings review experience we have consistently seen issuer's investor relations budgets in excess of \$100,000. An incremental increase from \$50,000 to \$100,000 does not materially impact the amount of total resources an issuer will expend to maintain adequate investor relations functions and reflects the low-end for current market expenditures to adequately maintain the function. We are also of the view that expenditure over the initial 12 months of an issuer's listing gives the issuer sufficient opportunity to assess their investor relations needs on a going forward basis.

Changes to subsection 2.02(7) SPAC Requirements

- Given the change to paragraph 2.02(1)(a) Minimum Distribution (which applies to all corporate issuers) aligns with the existing SPAC minimum distribution requirement in subsection 2.02(7), a separate requirement is no longer required for SPACs. The removal is a consequence of the changes being made to subsection 2.02(1).

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

There is no anticipated impact on the market structure or members. Most of the changes are to streamline and clarify our expectations for corporate issuers as set out above. We have generally maintained or increased our initial listings requirements without significantly impacting an issuer's ability to meet these revised criteria. In the instances where requirements were removed or decreased, we expect a positive impact on certain issuers' ability to list on NEO and/or reduce burden on the corporate issuer applicant, without compromising the quality of our listings. The overall impact on the capital markets is positive.

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

The proposed amendments will not adversely impact the Exchange's compliance with Ontario securities laws, including requirements for fair access and maintenance of fair and orderly markets. The bulk of the amendments seek to provide additional clarity to our existing rules, streamline the listing process for new issuers (and harmonize with other requirements where applicable), and, as such, the anticipated impact will be positive.

Impact on the Systems of Members or Service Vendors

The Public Interest Rule Amendments do not impact members or service vendors.

New Rule

The Public Interest Rule Amendments do not introduce any new feature.

Comments

Comments should be provided, in writing, no later than December 20, 2021 to:

Dmitri Smidovich Head of
Regulatory
Neo Exchange Inc.
65 Queen Street West,
Suite 1900
Toronto, ON M5H 2M5
dmitri@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-1
Text of the Public Interest Rule Amendments

2.02 Minimum Listing Standards – Corporate Issuers

- (1) *Minimum Distribution –*
- (a) Public Float of 1,000,000 securities ~~together with a minimum of 300;~~
 - (b) Expected market value of Public Float of at least \$10,000,000; and
 - (c) At least 150 Public Security Holders each holding at least a Board Lot.
- ~~(2) *Minimum Price – \$2 per security, unless the applicant is an Other Listed Issuer, is listed on an Accepted Foreign Exchange, or the Listed Issuer will result from a transaction (e.g. a reverse take-over transaction) involving a Listed Issuer, an Other Listed Issuer or a reporting issuer in Canada.*~~
- (2) ~~(3)~~ *Issuer Criteria – An applicant must demonstrate at the time of the application to list on the Exchange that it meets or will, at the time of listing, meet ~~the requirements of at least~~ one of the following ~~categories~~ criteria:*
- (a) Equity Standard: ~~(i) =~~ Shareholders' equity of at least \$5,000,000;
 - ~~(ii) – An operating history of at least two years, and~~
 - ~~(iii) – Expected market value of Public Float of at least \$10,000,000 or~~
 - (b) Net Income Standard – Net Income of at least \$750,000 from continuing operations in the last fiscal year or in two of the last three fiscal years;
 - (c) Market Value Standard – Market value of securities to be listed of at least \$50,000,000, based on the market value of securities traded on a Recognized Exchange or an Accepted Foreign Exchange, together with any additional offering of securities concurrent with the listing application; or
- | |
|--|
| Commentary: |
| The Exchange recognizes that an |
| <u>For the purpose of applying the Market Value Standard, the Exchange may consider an established foreign over-the-counter trading platform as an "Accepted Foreign Exchange". When assessing whether the market value of securities traded on an over-the-counter platform is acceptable, the Exchange will consider trading volume, number and frequency of trades, price volatility, availability and reputation of liquidity providers, and any other relevant factors.</u> |
- (d) Assets and Revenue Standard – Total assets and revenues of at least \$10,000,000 each, in the last fiscal year or in two of the last three fiscal years.
- (3) History of Operations – An operating history of at least two years ~~may not be available or applicable to a proposed issuer that would otherwise meet the Equity Standard. In lieu of, If the issuer does not have~~ an operating history; of two years, a submission to the Exchange ~~may consider~~ addressing the following factors ~~on a case-by-case basis~~:
- (a) –The nature of the proposed issuer's business and industry;
 - (b) –The proposed issuer's business plan;
 - (c) –The experience and qualifications of its Senior Management;
 - (d) –The type and quality of the issuer's assets; ~~and~~
 - (e) –Such other factors that may be relevant to a going concern determination; and
- ~~(b) – Net Income Standard:~~

- ~~(i) Net income of at least \$750,000 from continuing operations in the last fiscal year or in two of the last three fiscal years,~~
 - ~~(ii) Shareholders' equity of at least \$2,500,000, and~~
 - ~~(iii) Expected market value of Public Float of at least \$5,000,000 or~~
 - ~~(c) Market Value Standard:~~
 - ~~(i) Market value of all securities of at least \$50,000,000, based on either~~
 - ~~(A) the market value of securities listed on a Recognized Exchange or an Accepted Foreign Exchange or both, or~~
 - ~~(B) the amount derived from combining the market value of securities listed on a Recognized Exchange or an Accepted Foreign Exchange or both and an additional offering of securities concurrent with the listing application,~~

~~where the market value of the securities on the other exchange(s) under both (A) and (B) must have been maintained for at least 90 consecutive trading days before the date of the application to list on the Exchange,~~
 - ~~(ii) Shareholders' equity of at least \$2,500,000, if the market value standard is met under (i)(B), and~~
 - ~~(iii) Expected market value of Public Float of at least \$10,000,000 or~~
 - ~~(d) Assets and Revenue Standard:~~
 - ~~(i) Total assets and total revenues of at least \$50,000,000 each in the last fiscal year or in two of the last three fiscal years, and~~
 - ~~(ii) Expected market value of Public Float of at least \$5,000,000.~~
 - ~~(f) Any additional factors relevant to a determination of suitability for listing.~~
- (4) *Working Capital and Capital Structure* – Adequate working capital to carry on business for 12 months and an appropriate capital structure.
- (5) *Investor Relations Requirement* – At the time of the application to list on the Exchange, an applicant must have:
- ~~(a) A written confirm that it will implement an investor relations strategy, ~~and~~~~
 - ~~(b) An annual supported by an investor relations budget of at least \$~~50,000~~100,000 for the 12 months after listing.~~

Commentary:

The ~~Exchange will review the~~ investor relations strategy ~~to confirm it is being used to~~ must ensure that the issuer will provide sufficient information ~~which facilitates~~ about its business and operations to facilitate informed investment decisions. Acceptable expenses include: maintaining ~~an~~ investor relations web site, presentations to institutional and retail investors, research, investor relations staff compensation, annual reports, news release dissemination ~~and~~ media monitoring, and investor relations and public relations advisory services.

- (6) *Supplemental Listings* – A Listed Issuer or an Other Listed Issuer may apply to have a new class or series of securities listed and posted for trading on the Exchange, subject to the following:
- (a) A Listed Issuer, or an Other Listed Issuer that is not a “venture issuer” and that is a “non-venture” issuer under Canadian securities legislation, must meet the following standards to qualify for listing on the Exchange:

- (i) *Good Standing* – The issuer must be in good standing and not subject to delisting review by any Recognized Exchange; and
 - (ii) *Minimum Distribution* – A Public Float of at least 150,000 supplemental securities (that are not convertible debentures) held by at least 50 Public Security Holders, each holding at least a Board Lot. In the case of convertible debentures, a minimum of 50 Public Security Holders each holding at least \$1000 and together holding a minimum of \$150,000 convertible debentures.
- (b) In addition to the requirements above, an Other Listed Issuer that is a “venture issuer” must also demonstrate that it meets the issuer criteria set out in section ~~2.02(3.02(2))~~ in order for its securities to be considered for a supplemental listing.

Commentary:

Supplemental listings may include warrants, preference shares, convertible debentures or any other security convertible or asset-backed security.

A supplemental listing by a venture issuer may result in such issuer becoming a “non-venture” issuer under Canadian securities legislation, which would require the issuer’s main listed security to meet the listing criteria under subsection ~~2.02(3.02(2))~~ of the Listing Manual.

- (7) SPACs – Subsections 2.02 (~~4.2~~), (3), (4) and (5) do not apply to a SPAC. An issuer that is a SPAC must also meet the following standards to qualify for listing on the Exchange:
- ~~(a) Public Float of 1,000,000 securities together with a minimum of 150 Public Security Holders each holding at least a Board Lot;~~
 - (a) ~~(b)~~ expected market value of Public Float of at least \$30,000,000 at time of listing; and
 - (b) ~~(c)~~ the criteria prescribed in section 10.16.

3.01 Continuous Listing Requirements – Corporate Issuers

- (1) *Distribution* – Public Float of at least 500,000 securities together with a minimum of 150 Public Security Holders each holding a Board Lot;
- (2) *Minimum Public Float Value* – \$2,000,000; and
- (3) *Minimum Standards* – At least one of the following criteria must be met:
 - (a) Shareholders’ equity of at least \$2,500,000;
 - (b) Net income from continuing operations of at least \$375,000;
 - (c) Market value of Listed Securities of at least \$25,000,000; or
 - (d) Assets and revenue of at least ~~\$25,000,000~~ \$5,000,000 each.
- (4) *Supplemental Listing* – 50 Public Security Holders, each holding at least a Board lot (or \$1,000 for convertible debentures) and for securities other than convertible debentures, a Public Float of at least 50,000 securities.
- (5) *Investor Relations Requirement* – maintain an annual investor relations budget of at least \$50,000. For a SPAC, this provision does not apply prior to the completion of a Qualifying Transaction.

Appendix A-2
Text of the Public Interest Rule Amendments

2.02 Minimum Listing Standards – Corporate Issuers

- (8) *Minimum Distribution*
- (a) Public Float of 1,000,000 securities;
 - (b) Expected market value of Public Float of at least \$10,000,000; and
 - (c) At least 150 Public Security Holders each holding at least a Board Lot.
- (9) *Issuer Criteria* – An applicant must demonstrate at the time of the application to list on the Exchange that it meets or will, at the time of listing, meet one of the following criteria:
- (a) Equity Standard – Shareholders' equity of at least \$5,000,000;
 - (b) Net Income Standard – Net Income of at least \$750,000 from continuing operations in the last fiscal year or in two of the last three fiscal years;
 - (c) Market Value Standard – Market value of securities to be listed of at least \$50,000,000, based on the market value of securities traded on a Recognized Exchange or an Accepted Foreign Exchange, together with any additional offering of securities concurrent with the listing application; or

Commentary:

For the purpose of applying the Market Value Standard, the Exchange may consider an established foreign over-the-counter trading platform as an "Accepted Foreign Exchange". When assessing whether the market value of securities traded on an over-the-counter platform is acceptable, the Exchange will consider trading volume, number and frequency of trades, price volatility, availability and reputation of liquidity providers, and any other relevant factors.

- (d) Assets and Revenue Standard – Total assets and revenues of at least \$10,000,000 each, in the last fiscal year or in two of the last three fiscal years.
- (10) *History of Operations* – An operating history of at least two years. If the issuer does not have an operating history of two years, a submission to the Exchange addressing the following factors:
- (a) The nature of the proposed issuer's business and industry;
 - (b) The proposed issuer's business plan;
 - (c) The experience and qualifications of its Senior Management;
 - (d) The type and quality of the issuer's assets;
 - (e) Such other factors that may be relevant to a going concern determination; and
 - (f) Any additional factors relevant to a determination of suitability for listing.
- (11) *Working Capital and Capital Structure* – Adequate working capital to carry on business for 12 months and an appropriate capital structure.
- (12) *Investor Relations Requirement* – At the time of the application to list on the Exchange, an applicant must confirm that it will implement an investor relations strategy supported by an investor relations budget of at least \$100,000 for the 12 months after listing.

Commentary:

The investor relations strategy must ensure that the issuer will provide sufficient information about its business and operations to facilitate informed investment decisions. Acceptable expenses include: maintaining an investor relations web site, presentations to institutional and retail investors, research, investor relations staff compensation, annual reports, news release dissemination, media monitoring, and investor relations and public relations advisory services.

- (13) *Supplemental Listings* – A Listed Issuer or an Other Listed Issuer may apply to have a new class or series of securities listed and posted for trading on the Exchange, subject to the following:
- (a) A Listed Issuer, or an Other Listed Issuer that is not a “venture issuer” and that is a “non-venture” issuer under Canadian securities legislation, must meet the following standards to qualify for listing on the Exchange:
 - (i) *Good Standing* – The issuer must be in good standing and not subject to delisting review by any Recognized Exchange; and
 - (ii) *Minimum Distribution* – A Public Float of at least 150,000 supplemental securities (that are not convertible debentures) held by at least 50 Public Security Holders, each holding at least a Board Lot. In the case of convertible debentures, a minimum of 50 Public Security Holders each holding at least \$1000 and together holding a minimum of \$150,000 convertible debentures.
 - (b) In addition to the requirements above, an Other Listed Issuer that is a “venture issuer” must also demonstrate that it meets the issuer criteria set out in section 2.02(2) in order for its securities to be considered for a supplemental listing.

Commentary:

Supplemental listings may include warrants, preference shares, convertible debentures or any other security convertible or asset-backed security.

A supplemental listing by a venture issuer may result in such issuer becoming a “non-venture” issuer under Canadian securities legislation, which would require the issuer’s main listed security to meet the listing criteria under subsection 2.02(2) of the Listing Manual.

- (14) *SPACs* – Subsections 2.02 (2), (3), (4) and (5) do not apply to a SPAC. An issuer that is a SPAC must also meet the following standards to qualify for listing on the Exchange:
- (a) expected market value of Public Float of at least \$30,000,000 at time of listing; and
 - (b) the criteria prescribed in section 10.16.

3.02 Continuous Listing Requirements – Corporate Issuers

- (6) *Distribution* – Public Float of at least 500,000 securities together with a minimum of 150 Public Security Holders each holding a Board Lot;
- (7) *Minimum Public Float Value* – \$2,000,000; and
- (8) *Minimum Standards* – At least one of the following criteria must be met:
 - (a) Shareholders’ equity of at least \$2,500,000;
 - (b) Net income from continuing operations of at least \$375,000;
 - (c) Market value of Listed Securities of at least \$25,000,000; or
 - (d) Assets and revenue of at least \$5,000,000 each.

- (9) *Supplemental Listing* – 50 Public Security Holders, each holding at least a Board lot (or \$1,000 for convertible debentures) and for securities other than convertible debentures, a Public Float of at least 50,000 securities.

- (10) *Investor Relations Requirement* – maintain an annual investor relations budget of at least \$50,000. For a SPAC, this provision does not apply prior to the completion of a Qualifying Transaction.

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