

The Ontario Securities Commission

# OSC Bulletin

December 23, 2021

Volume 44, Issue 51

(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  
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# Chapter 1

## Notices

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### 1.4 Notices from the Office of the Secretary

#### 1.4.1 Threegold Resources Inc. et al.

**FOR IMMEDIATE RELEASE**  
December 16, 2021

**THREEGOLD RESOURCES INC.,  
VICTOR GONCALVES AND  
JON SNELSON,  
File No. 2019-42**

**TORONTO** – The Commission issued its Reasons and Decision and Order in the above named matter.

A copy of the Reasons and Decision and the Order dated December 15, 2021 are available at [www.osc.ca](http://www.osc.ca).

OFFICE OF THE SECRETARY  
GRACE KNAKOWSKI  
SECRETARY TO THE COMMISSION

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[inquiries@osc.gov.on.ca](mailto:inquiries@osc.gov.on.ca)

#### 1.4.2 First Global Data Ltd. et al.

**FOR IMMEDIATE RELEASE**  
December 16, 2021

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

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

A copy of the Order dated December 16, 2021 is available at [www.osc.ca](http://www.osc.ca).

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1.4.3 David Sharpe et al.

FOR IMMEDIATE RELEASE  
December 20, 2021

DAVID SHARPE,  
File No. 2021-26

and

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

A copy of the Order dated December 20, 2021 is available at [www.osc.ca](http://www.osc.ca).

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1.4.4 Mughal Asset Management Corporation and  
Usman Asif

FOR IMMEDIATE RELEASE  
December 21, 2021

MUGHAL ASSET MANAGEMENT CORPORATION  
AND  
USMAN ASIF

**TORONTO** – The Commission issued a Temporary Order pursuant to (Subsections 127(1) and 127(5)) in the above named matter.

A copy of the Temporary Order dated December 17, 2021 is available at [www.osc.ca](http://www.osc.ca).

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1.4.5 Bridging Finance Inc. et al.

FOR IMMEDIATE RELEASE  
December 22, 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** – The Commission issued an Order in the above named matter.

A copy of the Order dated December 22, 2021 is available at [www.osc.ca](http://www.osc.ca).

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## Chapter 2

# Decisions, Orders and Rulings

## 2.1 Decisions

### 2.1.1 Horizons ETFs Management (Canada) Inc. and the Funds Listed in Schedule A

#### Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief granted under subsection 62(5) of the Securities Act to permit lapse dates of five fund prospectuses to be extended by 91, 71, 33, 25 and 12 days, respectively, to facilitate combination of funds' prospectuses with three other prospectuses of funds under common management – no conditions.

#### Applicable Legislative Provisions

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

December 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  
HORIZONS ETFS MANAGEMENT (CANADA) INC.  
(the Filer)

AND

IN THE MATTER OF  
THE FUNDS LISTED IN SCHEDULE A  
(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 respective time limits for the renewal of the long form prospectus of the Psychedelic ETF (as defined in Schedule A) dated January 20, 2021 (the **Psychedelic Prospectus**), long form prospectus of the Bitcoin ETF (as defined in Schedule A) dated March 5, 2021 (the **Bitcoin Prospectus**), long form prospectus of the April

2021 ETFs (as defined in Schedule A) dated April 5, 2021 (the **April 2021 Prospectus**), the long form prospectus of the Green Bond ETF (as defined in Schedule A) dated May 21, 2021 (the **Green Bond Prospectus**) and long form prospectus of the June 2021 ETFs (as defined in Schedule A) dated June 3, 2021 (the **June 2021 Prospectus** and, together with the Psychedelic Prospectus, the Bitcoin Prospectus, the April 2021 Prospectus and the Green Bond Prospectus, the **Prospectuses**) be extended to those time limits that would apply if the lapse dates of the Prospectuses were April 21, 2022 (in the case of the Psychedelic Prospectus), April 7, 2022 (in the case of the Bitcoin Prospectus) and June 15, 2022 (in the case of the April 2021 Prospectus, the Green Bond Prospectus and the June 2021 Prospectus) (the **Exemption Sought**).

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

- (i) the Ontario Securities Commission is the principal regulator for this application; and
- (ii) 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 **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 incorporated under the laws of Canada. The Filer's head office is located in Toronto, Ontario.
2. The Filer is registered as a portfolio manager in Alberta, British Columbia, Ontario and Québec, an exempt market dealer in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island, Québec and Saskatchewan, a commodity trading manager and a commodity trading adviser in Ontario and an investment fund manager in each of Ontario, Québec and Newfoundland and Labrador.
3. The Filer is the investment fund manager of the Funds.

4. Each of the Funds is an exchange-traded mutual fund (**ETF**) established under the laws of Ontario, and is a reporting issuer as defined in the securities legislation of each of the Jurisdictions.
5. Neither the Filer nor any of the Funds are in default of securities legislation in any of the Jurisdictions.
6. The Funds currently distribute securities in the Jurisdictions under the Prospectuses. Securities of each of the Funds, except for the Psychedelic ETF, trade on the Toronto Stock Exchange. Securities of the Psychedelic ETF trade on the Neo Exchange Inc.
7. Pursuant to subsection 62(1) of the *Securities Act* (Ontario) (the **Act**), the respective lapse dates of the Psychedelic Prospectus, Bitcoin Prospectus, April 2021 Prospectus, Green Bond Prospectus and June 2021 Prospectus are January 20, 2022, March 5, 2022, April 5, 2022, May 21, 2022 and June 3, 2022 (each a **Lapse Date**, and collectively, the **Lapse Dates**). Accordingly, under subsection 62(2) of the Act, the distribution of securities of each of the Funds would have to cease on the applicable Lapse Date unless: (i) each of the Funds files a pro forma prospectus at least 30 days prior to the applicable Lapse Date; (ii) the final prospectus is filed no later than 10 days after the applicable Lapse Date; and (iii) a receipt for the final prospectus is obtained within 20 days of the applicable Lapse Date.
8. The Filer is the investment fund manager of (i) one other ETF (the **US Marijuana ETF**) that currently distributes its securities to the public under a prospectus that has a lapse date of April 21, 2022 (the **US Marijuana Prospectus**) (ii) one other ETF (the **Inverse Bitcoin ETF**) that currently distribute its securities to the public under a prospectus that has a lapse date of April 7, 2021 (the **Inverse Bitcoin Prospectus**) and (iii) three other ETFs (the **June 15 Funds**) that currently distribute their securities to the public under a prospectus that has a lapse date of June 15, 2022 (the **June 15 Prospectus**).
9. The Filer wishes to combine the (i) Psychedelic Prospectus with the US Marijuana Prospectus, (ii) the Bitcoin Prospectus with the Inverse Bitcoin Prospectus and (iii) the April 2021 Prospectus, the Green Bond Prospectus and the June 2021 Prospectus with the June 15 Prospectus, in order to reduce renewal and related costs of the Funds and the US Marijuana ETF, the Inverse Bitcoin ETF and the June 15 Funds, as applicable.
10. Offering (i) the Psychedelic ETF and US Marijuana ETF under one prospectus, (ii) the Bitcoin ETF and the Inverse Bitcoin ETF under one prospectus and (iii) the April 2021 ETFs, the Green Bond ETF, the June 2021 ETFs and the June 15 Funds under one prospectus, would facilitate the distribution of the Funds in the Jurisdictions under the same prospectus and enable the Filer to streamline disclosure across the Filer's fund platform. As the Funds, the US Marijuana ETF, the Inverse Bitcoin ETF and the June 15 Funds are all managed by the Filer, offering them under three prospectuses (as opposed to eight) will allow investors to more easily compare their features.
11. It would be unreasonable to incur the costs and expenses associated with preparing eight separate renewal prospectuses given how close in proximity the Lapse Dates are to one another.
12. There have been no material changes in the affairs of each Fund since the date of the applicable Prospectus, other than those for which amendments have been filed. Accordingly, the Prospectus and current ETF Facts of each Fund represents current information regarding such Fund.
13. Given the disclosure obligations of the Funds, should a material change in the affairs of any of the Funds occur, the Prospectus and current ETF facts document(s) of the applicable Fund(s) will be amended as required under the Legislation.
14. New investors in the Funds will receive the most recently filed ETF facts document(s) of the applicable Fund(s). The Prospectuses will still be available upon request.
15. The Exemption Sought will not affect the accuracy of the information contained in the 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  
Ontario Securities Commission

Application File #: 2021/0732

**Schedule "A"**

**The Psychedelic ETF**

Horizons Psychedelic Stock Index ETF  
(the **Psychedelic ETF**)

**The Bitcoin ETF**

BetaPro Bitcoin ETF  
(the **Bitcoin ETF**)

**The April 2021 ETFs**

Horizons Global BBIG Technology ETF  
Horizons High Interest Savings ETF  
(each, an **April 2021 ETF** and collectively, the **April 2021 ETFs**)

**The Green Bond ETF**

Horizons S&P Green Bond Index ETF  
(the **Green Bond ETF**)

**The June 2021 ETFs**

Horizons US Dollar Currency ETF  
Horizons Pipelines & Energy Services Index ETF  
Horizons Marijuana Life Sciences Index ETF  
Horizons Inovestor Canadian Equity Index ETF  
Horizons Robotics and Automation Index ETF  
Horizons Big Data & Hardware Index ETF  
Horizons Global Sustainability Leaders Index ETF  
Horizons Industry 4.0 Index ETF  
Horizons Enhanced Income Equity ETF  
Horizons Enhanced Income Energy ETF  
Horizons Enhanced Income Financials ETF  
Horizons Enhanced Income Gold Producers ETF  
Horizons Enhanced Income US Equity (USD) ETF  
Horizons Enhanced Income International Equity ETF  
(each, a **June 2021 ETF** and collectively, the **June 2021 ETFs**)

**2.1.2 Services Conseils Optimista Inc. and Kaleido Growth Inc.**

**Headnote**

Relief under paragraph 4.1(1)(a) of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations a registered firm must not permit an individual to act as a dealing, advising or associate advising representative of the registered firm if the individual acts as an officer, partner or director of another registered firm that is not an affiliate of the first-mentioned firm. The individual will have sufficient time to adequately serve both firms. Conflicts of interest are unlikely to arise because clients of the Filers and the products offered by the Filers differ considerably. The firms have policies in place to handle potential conflicts of interest. The firms are exempted from the prohibition.

**Applicable Legislative Provisions**

Multilateral Instrument 11-102 Passport System, s. 4.7.  
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 4.1 and 15.1.

**December 14, 2021**

**IN THE MATTER OF  
THE SECURITIES LEGISLATION OF  
QUEBEC AND  
ONTARIO  
(the "Jurisdictions")**

**AND**

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

**AND**

**IN THE MATTER OF  
SERVICES CONSEILS OPTIMISTA INC.  
("Optimista")**

**AND**

**KALEIDO GROWTH INC.  
("Kaleido")  
(the "Filers")**

**DECISION**

**Background**

The securities regulatory authority or regulator in each of the Jurisdictions ("Decision Maker") has received an application from the Filers for a decision under the securities legislation of the Jurisdictions (the "Legislation") for an exemption from the requirement of subsection 4.1 (1) of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("NI 31-103"), in accordance with section 15.1 of NI 31-103, to authorize one of its

representatives, namely Mr. Christian Trudeau (the “Representative”), to be registered as a director of Kaleido while retaining its current registrations with Optimista (the “Exemption 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 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 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.

**Representations**

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

- 1. Optimista is registered as an exempt market dealer in the provinces of Quebec and Ontario.
- 2. The Representative is an officer, the ultimate designated person and a dealing representative of Optimista.
- 3. Kaleido is a scholarship plan dealer registered with the securities authorities of Quebec and New Brunswick. It is also registered as an investment fund manager with these same two provinces.
- 4. There is no relationship between the Filers. They do not have any common ownership, shareholders, officers, directors or employees.
- 5. The Filers are not in default with respect to the requirements of securities laws in any of the jurisdictions of Canada.
- 6. Optimista is aware of and accepts the upcoming activities of the Representative at Kaleido.
- 7. Kaleido wishes to add the Representative to its board of directors because Kaleido is currently reviewing its business model and seeks to benefit from the expertise and experience of the Representative in the field of electronic commerce, the implementation of a digital shift and the financial sector. The Representative's participation is not intended to create a partnership, joint venture or any other commercial arrangement between the Filers. It is the personal skills of the Representative that are sought.

- 8. Kaleido is aware of and accepts the activities of the Representative at Optimista.
- 9. Within Kaleido, the representative will interact exclusively with the other members of the Board of Directors as well as with members of senior management. The Representative will not have a role in the day-to-day management of Kaleido. His role will be limited to the participation in meetings of the board of directors of Kaleido, which is 4 or 5 meetings per year.
- 10. Kaleido's day-to-day operations are handled by Kaleido's management team and employees. The Representative will have no role in the day-to-day management of Kaleido's activities.
- 11. The Representative acts as the ultimate designated person and as a dealing representative for Optimista.
- 12. The risk of conflicts of interest is low because the clients of the Filers and the products offered by the Filers differ considerably. There is no overlap between the activities of the Filers.
- 13. Kaleido is an investment fund manager and distributor of scholarship plans promoted by the Kaleido Foundation. As a manager, Kaleido's responsibility is to direct the business, operations and affairs of the scholarship plans. The scholarship plans promoted by the Kaleido Foundation are only sold by prospectus. The plans promoted by the Kaleido Foundation are only distributed in the provinces of Quebec and New Brunswick by Kaleido Growth Inc., a scholarship plan dealer. To this end, Kaleido can count on an exclusive sales network. By the nature of the plans offered, they can only be taken out by individuals in favour of a designated beneficiary, who must also be a natural person. For its part, Optimista is registered as an exempt market dealer in Quebec and Ontario and acts in venture capital and private equity matters by putting qualified investors, often also authorized clients, in touch with issuers using innovative technology. Optimista's activities are therefore mainly performed with to authorized clients wishing to make prospectus-exempt investments in start-up or growing technology companies.
- 14. In addition, there is no risk of confusion among clients considering the Representative's roles with the Filers. At Optimista, the Representative solicits authorized clients to make investments in technology companies seeking capital. As such, he connects the president of innovative companies seeking capital with lending institutions, venture capital funds or very wealthy private investors. At Kaleido, the Representative will exclusively participate to the board of directors and will not act as a dealing representative.
- 15. In the current situation, the Filers observe that the risk of conflicts of interest is low.

16. The Representative will have sufficient time to fulfill his obligations to both Filers. The work for Optimista will remain the main activity of the Representative.
17. Existing structures for compliance and oversight will apply depending on the Filer for which the Representative is acting and their role within the firm. The Filers have policies and procedures to manage conflicts of interest and all of their representatives, directors and officers are informed of these policies and procedures.
18. Optimista's policies and procedures include a code of ethics describing conflict of interest situations, describing the duty to act with loyalty and in the best interest of the client, with diligence, competence, honesty and loyalty. They also provide for the disclosures and mechanisms to be put in place in the event of a risk of conflicts of interest. Compliance with the code of ethics is monitored by the Chief Compliance Officer. For its part, Kaleido has a code of ethics for directors describing conflict of interest situations, describing the values that must govern all conduct and decisions as well as the duty to act with loyalty and best interest of the client. Compliance with the Code of Ethics is monitored by the Kaleido Governance Committee.
19. Both Filers are subject to the conflict of interest requirements set out in NI 31-103, which will be met at all times.
20. The Representative will act in the best interests of both Filers and will carry out his activities with good faith, honesty and loyalty.
21. Faced with these elements, investor protection is not compromised.
22. As a result of the foregoing, due to the Representative's skills which will be of added value for the Filers, as well as due to the absence of conflict of interest, an exemption is sought to the restriction contained in section 4.1 of Regulation 31-103.

**Decision**

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

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted provided that the circumstances described above remain in place.

***French version signed by:***

"Éric Jacob"  
Superintendent, Client Services and Distribution Oversight  
Autorité des marchés financiers

### 2.1.3 Simply Digital Technologies Inc. COB CoinSmart

#### Headnote

Application for time-limited relief from suitability requirement, prospectus requirement and trade reporting requirements – relief to allow the Filer to distribute Crypto Contracts and operate a platform that facilitates the buying, selling and holding of crypto assets – relief granted subject to certain conditions set out in the decision, including investment limits, disclosure and reporting requirements – relief is time-limited to allow the Filer to operate while seeking registration as an investment dealer and membership with IIROC – relief will expire upon two (2) years – relief granted based on the particular facts and circumstances of the application with the objective of fostering innovative businesses in Canada – decision should not be viewed as precedent for other filers.

#### Statute cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 1(1), 53 and 74.

#### Instrument, Rule or Policy cited

Multilateral Instrument 11-102 Passport System, s. 4.7.

National Instrument 21-101 Marketplace Operation, s. 1.1.

National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, s. 13.3.

OSC Rule 91-506 Derivatives: Product Determination, ss. 2 and 4.

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

**IN THE MATTER OF  
THE SECURITIES LEGISLATION OF  
ONTARIO  
(the Jurisdiction)  
AND  
ALBERTA,  
BRITISH COLUMBIA,  
MANITOBA,  
NEW BRUNSWICK,  
NEWFOUNDLAND AND LABRADOR,  
NORTHWEST TERRITORIES,  
NOVA SCOTIA,  
NUNAVUT,  
PRINCE EDWARD ISLAND,  
QUÉBEC,  
SASKATCHEWAN, AND  
YUKON  
  
AND  
  
IN THE MATTER OF  
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS  
IN MULTIPLE JURISDICTIONS  
  
AND  
  
IN THE MATTER OF  
SIMPLY DIGITAL TECHNOLOGIES INC.  
COB COINSMART  
(the Filer)  
  
DECISION**

#### Background

As set out in Joint CSA/IIROC Staff Notice 21-329 *Guidance for Crypto-Asset Trading Platforms: Compliance with Regulatory Requirements* (**Staff Notice 21-329**) and CSA Staff Notice 21-327 *Guidance on the Application of Securities Legislation to Entities Facilitating the Trading of Crypto Assets* (**Staff Notice 21-327**), securities legislation apply to crypto asset trading platforms (**CTPs**) that facilitate or propose to facilitate the trading of instruments or contracts involving crypto assets because the user's contractual right to the crypto asset may itself constitute a security and/or a derivative (**Crypto Contract**).

To foster innovation and respond to novel circumstances, the CSA has considered an interim, time-limited registration that would allow CTPs to operate within a regulated framework, with regulatory requirements tailored to the CTP's operations. The overall goal of the regulatory framework is to ensure there is a balance between the need to be flexible and facilitate innovation in the Canadian capital markets, while upholding the regulatory mandate of promoting investor protection and fair and efficient capital markets.

The Filer operates a CTP and has applied for registration as a restricted dealer in accordance with Staff Notice 21-329 in each province and territory of Canada. While registered as a restricted dealer, the Filer intends to seek exemptive relief from marketplace and clearing agency requirements to operate a Marketplace Platform (as described in Staff Notice 21-329) and seek membership with the Investment Industry Regulatory Organization of Canada (**IIROC**). This Decision has been tailored for the specific facts and circumstances of the Filer, and the securities regulatory authority or regulator in the Applicable Jurisdictions (as defined below) will not consider this Decision as constituting a precedent for other filers.

### Relief Requested

The securities regulatory authority or regulator in the Jurisdiction has received an application from the Filer (the **Passport Application**) for a decision under the securities legislation of the Jurisdiction (the **Legislation**) exempting the Filer from:

- (a) the prospectus requirements of the Legislation in respect of the Filer entering into Crypto Contracts with clients to purchase, hold and sell Crypto Assets (as defined below) (the **Prospectus Relief**); and
- (b) the requirement in subsection 13.3(1) of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) to take reasonable steps to ensure that, before it makes a recommendation to or accepts instructions from a client to buy or sell a security, the purchase or sale is suitable for the client (the **Suitability Relief**, and together with the Prospectus Relief, the **Passport Relief**).

The securities regulatory authority or regulator in the Jurisdiction and each of the other jurisdictions referred to in Appendix A (the **Jurisdictions**) (the **Coordinated Review Decision Makers**) have received an application from the Filer for a decision under the securities legislation of the Jurisdictions exempting the Filer from certain reporting requirements under the Local Trade Reporting Rules (as defined in Appendix A) (the **Trade Reporting Relief**).

The Passport Relief and the Trade Reporting Relief are referred to as the **Requested Relief**.

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

- (a) the Ontario Securities Commission is the principal regulator for this Application (the **Principal Regulator**),
- (b) in respect of the Passport Relief, the Filer has provided notice that, in the jurisdictions where required, 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 (the **Non-Principal Jurisdictions**, and, together with the Jurisdiction, the **Applicable Jurisdictions**), and
- (c) the decision in respect of the Trade Reporting Relief is the decision of the Principal Regulator and evidences the decision of each Coordinated Review Decision Maker.

### Interpretation

For the purposes of this Decision, 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 (the **Decision**) is based on the following facts represented by the Filer:

#### The Filer

1. The Filer is a corporation incorporated under the federal laws of Canada with its principal and head office in Toronto, Ontario.
2. The Filer operates under the business name of "CoinSmart".
3. The Filer does not have any securities listed or quoted on an exchange or marketplace in any jurisdiction inside or outside of Canada.
4. On April 26, 2021, the Filer entered into an amalgamation agreement with Mesa Exploration Corp. (**Mesa**) and 12553562 Canada Inc., a wholly-owned subsidiary of Mesa (the **RTO**). Mesa is a corporation incorporated and governed under the

laws of the Province of British Columbia. 12553562 Canada Inc. is a corporation incorporated and governed under the federal laws of Canada. It is a condition to the completion of the RTO that the common shares of the corporation resulting from the amalgamation (the **Resulting Issuer**) be listed on a recognized Canadian stock exchange.

5. In connection with the RTO, the Filer entered into an agency agreement dated April 27, 2021 with a syndicate of investment dealers pursuant to which the Filer issued subscription receipts on a private placement basis (the **Offering**). Each subscription receipt issued pursuant to the Offering entitles the holder therefore to receive one common share of the Resulting Issuer.
6. An application will be submitted by the Resulting Issuer to a recognized Canadian stock exchange (the **Exchange**) for the listing of the common shares of the Resulting Issuer (the **Exchange Listing**).
7. Upon the approval of the Exchange Listing, the RTO and the Offering will close and the common shares of the Resulting Issuer will be listed for trading on the Exchange. As of the date of such listing, the Filer will be a wholly-owned subsidiary of the Resulting Issuer.
8. The Filer's personnel consist of software engineers, compliance professionals and customer support representatives who each have experience operating in a regulated environment as a money services business (**MSB**) and expertise in blockchain technology. All of the Filer's personnel have passed, and new personnel will have passed, criminal records and credit checks.
9. The Filer is not in default of securities legislation of any jurisdiction in Canada, except in respect of the Filer's trading of Crypto Contracts prior to the date of this Decision.

#### CoinSmart Platform

10. The Filer operates a proprietary and fully automated internet-based platform for the trading of crypto assets in Canada (the **CoinSmart Platform**) that enables clients to buy, sell, hold, deposit and withdraw crypto assets such as Bitcoin, Ether, and anything commonly considered a crypto asset, digital or virtual currency, or digital or virtual token that are not themselves securities or derivatives (the **Crypto Assets**) through the Filer.
11. The Filer's role under the Crypto Contracts is to buy or sell Crypto Assets and to provide custody services for all Crypto Assets held in accounts on the CoinSmart Platform.
12. The CoinSmart Platform is governed by terms of service (the **CoinSmart TOS**).
13. Under the CoinSmart TOS, the Filer maintains certain controls over client Crypto Assets to ensure compliance with applicable law and provide secure custody of the client assets.
14. The Filer's trading of Crypto Contracts is consistent with activities described in Staff Notice 21-327 and constitutes the trading of securities and/or derivatives as described in Staff Notice 21-327.
15. The Filer does not have any authority to act on a discretionary basis on behalf of clients and will not offer or provide discretionary investment management services relating to Crypto Assets.
16. The Filer is not a member firm of the Canadian Investor Protection Fund (**CIPF**) and the Crypto Assets custodied on the CoinSmart Platform do not qualify for CIPF coverage. The Risk Statement (as defined below) includes disclosure that there is no CIPF coverage for the Crypto Assets and clients must acknowledge that they have received, read and understood the Risk Statement before opening an account with the Filer.

#### OTC Trading

17. In addition to the CoinSmart Platform, the Filer operates an over-the-counter (OTC) trading desk for orders of a minimum size of C\$25,000. The OTC trading desk allows clients to purchase or sell Crypto Assets from the Filer. The Filer immediately delivers, as described in Staff Notice 21-327, any purchased Crypto Assets to the purchaser at a blockchain wallet address specified by the purchaser which is not under the ownership, possession or control of the Filer.

#### Crypto Assets Made Available Through the Platform

18. The Filer has established and applies policies and procedures to review Crypto Assets and to determine whether to allow clients on the CoinSmart Platform to enter into Crypto Contracts to buy and sell the Crypto Asset on the CoinSmart Platform (**KYP Policy**). Such review includes, but is not limited to, publicly available information concerning:
  - (a) the creation, governance, usage and design of the Crypto Asset, including the source code, security and roadmap for growth in the developer community and, if applicable, the background of the developer(s) that created the Crypto Asset;

- (b) the supply, demand, maturity, utility and liquidity of the Crypto Asset;
  - (c) material technical risks associated with the Crypto Asset, including any code defects, security breaches and other threats concerning the Crypto Asset and its supporting blockchain (such as the susceptibility to hacking and impact of forking), or the practices and protocols that apply to them; and
  - (d) legal and regulatory risks associated with the Crypto Asset, including any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of the Crypto Asset.
19. The Filer only offers and only allows clients to enter into Crypto Contracts to buy and sell Crypto Assets that are not each themselves a security and/or a derivative.
20. The Filer does not allow clients to enter into a Crypto Contract to buy and sell Crypto Assets unless the Filer has taken steps to
- (a) assess the relevant aspects of the Crypto Asset pursuant to the KYP Policy and as described in representation 18 to determine whether it is appropriate for its clients,
  - (b) approve the Crypto Asset, and Crypto Contracts to buy and sell such Crypto Asset, to be made available to clients, and
  - (c) monitor the Crypto Asset for significant changes and review its approval under (b) where a significant change occurs.
21. The Filer is not engaged, and will not engage, in trades that are part of, or designed to facilitate, the creation, issuance or distribution of Crypto Assets by the developer(s) of the Crypto Asset or affiliates or associates of such persons.
22. As set out in the Filer's KYP Policy, the Filer determines whether a Crypto Asset available to be bought and sold through a Crypto Contract is a security and/or derivative and is being offered in compliance with securities and derivatives laws, which include but are not limited to:
- (a) Consideration of statements made by any regulators or securities regulatory authorities of the Applicable Jurisdictions, other regulators of the International Organization of Securities Commissions jurisdictions, or the regulator with the most significant connection to a Crypto Asset about whether the Crypto Asset, or generally about whether the type of Crypto Asset, is a security and/or derivative; and
  - (b) If the Filer determines it to be necessary, obtaining legal advice as to whether the Crypto Asset is a security and/or derivative under securities legislation of the Applicable Jurisdictions.
23. The Filer monitors ongoing developments related to the Crypto Assets available on the CoinSmart Platform that may cause a Crypto Asset's status as a security and/or derivative or the assessment conducted by the Filer pursuant to its KYP Policy and as described in representations 18 and 22 above to change.
24. The Filer acknowledges that any determination made by the Filer as set out in representations 18 to 23 of this Decision does not prejudice the ability of any of the regulators or securities regulatory authorities of any province or territory of Canada to determine that a Crypto Asset that a client may enter into a Crypto Contract to buy and sell is a security and/or derivative.
25. As set out in the Filer's KYP Policy, the Filer applies policies and procedures to promptly stop the trading of any Crypto Asset available on the CoinSmart Platform and to allow clients to liquidate their positions in Crypto Contracts with underlying Crypto Assets that the Filer ceases to make available on the CoinSmart Platform.

### Account Opening

26. Each client must open an account (a **Client Account**) using the Filer's website or mobile application to access the CoinSmart Platform.
27. In addition to the factors that the Filer considers in determining that it is appropriate for an account to be opened, the Filer has adopted eligibility criteria for the onboarding of all Canadian clients. All Canadian clients must: (a) successfully complete the Filer's know-your-client (**KYC**) process which satisfies the requirements applicable to MSBs under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* and its regulations (**AMF/ATF Law**), and (b) hold an account with a Canadian financial institution. Each Canadian client who is an individual, and each individual who is authorized to give instructions for a Canadian client that is a legal entity, must be: (a) a Canadian citizen or permanent resident; and (b) 18 years or older.

28. The Filer does not provide recommendations or advice to clients or conduct a trade- by-trade suitability determination for clients, but rather performs product assessments pursuant to the KYP Policy and account assessments taking into account the following factors (the **Account Appropriateness Factors**):
- (a) the client's experience and knowledge in investing in Crypto Assets;
  - (b) the client's financial assets and income;
  - (c) the client's risk tolerance; and
  - (d) the Crypto Assets approved to be made available to a client by entering into Crypto Contracts on the CoinSmart Platform.
29. The Account Appropriateness Factors are used by the Filer to evaluate whether entering into Crypto Contracts with the Filer is appropriate for a prospective client before the opening of a Client Account.
30. The Filer has adopted and will apply policies and procedures to conduct an assessment to establish appropriate limits on the losses that a client that is not a permitted client (as defined in NI 31-103) can incur and what loss limits will apply to such client based on the Account Appropriateness Factors. After completion of the assessment, the Filer will implement controls to monitor and apply such limits.
31. After completion of the account-level appropriateness assessment, a prospective client receives appropriate messaging about using the CoinSmart Platform to enter into Crypto Contracts, which, in circumstances where the Filer has evaluated that entering into Crypto Contracts with the Filer is not appropriate for the client, will include prominent messaging to the client that this is the case and that the client will not be permitted to open an account with the Filer.
32. Additionally, the Filer monitors and will continue to monitor Client Accounts after opening to identify activity inconsistent with the client's account and product assessment. If warranted, the client may receive further messaging about the CoinSmart Platform and the Crypto Assets, specific risk warnings and/or receive direct outreach from the Filer about their activity. The Filer monitors compliance with the loss limits established in representation 30. If warranted, the client will receive messaging when their account is approaching its loss limit and receive instructions on how to implement a stop loss order to prevent further losses.
33. As part of the account opening process:
- (a) the Filer collects know-your-client information to verify the identity of the client in accordance with Canadian AML/ATF Law;
  - (b) the Filer provides a prospective client with a statement of risks (the **Risk Statement**) that clearly explains the following in plain language:
    - (i) the Crypto Contracts;
    - (ii) the risks associated with the Crypto Contracts;
    - (iii) prominently, a statement that no securities regulatory authority has expressed an opinion about the Crypto Contracts or any of the Crypto Assets made available through the CoinSmart Platform, including any opinion that the Crypto Assets themselves are not securities and/or derivatives;
    - (iv) the due diligence performed by the Filer before making a Crypto Asset available through the CoinSmart Platform, including the due diligence taken by the Filer to assess whether the Crypto Asset is a security and/or derivative under the securities legislation of each of the jurisdictions of Canada and the securities and derivatives laws of the foreign jurisdiction with which the Crypto Asset has the most significant connection, and the risks if the Filer has incorrectly determined that the Crypto Asset is not a security and/or derivative;
    - (v) that the Filer has prepared a plain language description of each Crypto Asset made available through the CoinSmart Platform, with instructions as to where on the CoinSmart Platform the client may obtain the descriptions (each, a **Crypto Asset Statement**),
    - (vi) the Filer's policies for halting, suspending and withdrawing a Crypto Asset from trading on the CoinSmart Platform, including criteria that would be considered by the Filer, options available to clients holding such a Crypto Asset, any notification periods and any risks to clients,
    - (vii) the location and manner in which Crypto Assets are held for the client, the risks and benefits to the client of the Crypto Assets being held in that manner,

- (viii) the manner in which the Crypto Assets are accessible by the Filer, and the risks and benefits to the client arising from the Filer having access to the Crypto Assets in that manner,
  - (ix) the Filer is not a member of the Canadian Investor Protection Fund (**CIPF**) and the Crypto Assets held by the Filer (directly or indirectly through third parties) will not qualify for CIPF protection, and
  - (x) a statement that the statutory rights in section 130.1 of the *Securities Act* (Ontario) (the **Act**), and, if applicable, similar statutory rights under securities legislation of the other Applicable Jurisdictions, do not apply in respect of the Risk Statement or a Crypto Asset Statement to the extent a Crypto Contract is distributed under the Prospectus Relief in this Decision.
34. In order for a prospective client to open and operate an account with the Filer, the Filer will obtain an electronic acknowledgement from the prospective client confirming that the prospective client has received, read and understood the Risk Statement. Such acknowledgement will be prominent and separate from other acknowledgements provided by the prospective client as part of the account opening process.
35. A copy of the Risk Statement acknowledged by a client will be made available to the client in the same place as the client's other statements on the CoinSmart Platform.
36. The Filer has policies and procedures for updating the Risk Statement and each Crypto Asset Statement to reflect any material changes to the disclosure or include any material risks that may develop with respect to the Crypto Contracts, Crypto Assets generally, or a specific Crypto Asset, as the case may be. In the event the Risk Statement is updated, existing clients of the Filer will be promptly notified and provided with a copy of the updated Risk Statement. In the event a Crypto Asset Statement is updated, existing clients of the Filer will be promptly notified through website and in-App disclosures, with links provided to the updated Crypto Asset Statement.
37. For clients with pre-existing accounts with the Filer at the time of this Decision, the Filer will:
- (a) conduct the account appropriateness assessment and establish the appropriate loss limit for the client as set out in representations 28 to 32 above, and
  - (b) deliver to the client the Risk Statement and will require the client to provide electronic acknowledgement of having received, read and understood the revised Risk Statement, at the earlier of (i) before placing their next trade or deposit of Crypto Assets and (ii) the next time they log in to their account with the Filer. The Risk Statement must be prominent and separate from other disclosures given to the client at that time, and the acknowledgement must be separate from other acknowledgements by the client at that time.
38. Before a client enters a Crypto Contract to buy a Crypto Asset, the Filer will provide instructions for the client to read the Crypto Asset Statement for the Crypto Asset, which will include a link to the Crypto Asset Statement on the Filer's website or App.
39. Each Crypto Asset Statement will include:
- (a) a prominent statement that no securities regulatory authority in Canada has expressed an opinion about the Crypto Contracts or any of the Crypto Assets made available through the CoinSmart Platform, including an opinion that the Crypto Assets are not themselves securities and/or derivatives,
  - (b) a description of the Crypto Asset, including the background of the team that first created the Crypto Asset, if applicable,
  - (c) a description of the due diligence performed by the Filer with respect to the Crypto Asset,
  - (d) any risks specific to the Crypto Asset,
  - (e) a direction to the client to review the Risk Statement for additional discussion of general risks associated with the Crypto Contracts and Crypto Assets made available through the CoinSmart Platform,
  - (f) a statement that the statutory rights in section 130.1 of the Act, and, if applicable, similar statutory rights under securities legislation of other Applicable Jurisdictions, do not apply in respect of the Crypto Asset Statement to the extent a Crypto Contract is distributed under the Prospectus Relief in this Decision, and
  - (g) the date on which the information was last updated.
40. The Filer will also periodically prepare and make available to its clients, educational materials and other informational updates about trading on the CoinSmart Platform and the ongoing development of Crypto Assets and Crypto Asset trading markets.

### Operation of the CoinSmart Platform

41. The CoinSmart Platform operates 24 hours a day, seven days a week.
42. Clients on the CoinSmart Platform enter orders to buy or sell Crypto Assets through the Filer.
43. A Crypto Contract is a bilateral contract between a client and the Filer. Accordingly, the Filer will be the counterparty to each buy or sell transaction initiated by a client. For each client transaction, the Filer will also be a counterparty to a corresponding Crypto Assets buy or sell transaction with a crypto asset trading firm or marketplace (**Liquidity Providers**).
44. The Filer relies upon multiple Liquidity Providers to act as sellers of Crypto Assets that may be purchased by the Filer for its clients. Liquidity Providers may also buy any Crypto Assets from the Filer that the Filer purchases from its clients on the CoinSmart Platform and wishes to sell.
45. The Filer evaluates and will continue to evaluate the price obtained from its Liquidity Providers on an ongoing basis against global benchmarks to provide fair and reasonable pricing to its clients.
46. The Filer has taken or will take reasonable steps to verify that each Liquidity Provider is appropriately registered and/or licensed to trade in the Crypto Assets in their home jurisdiction, or that their activities do not require registration in their home jurisdiction, and that they are not in default of securities legislation in the Applicable Jurisdictions.
47. The Filer has verified that each Liquidity Provider has effective policies and procedures to address concerns relating to fair price, fraud and market manipulation.
48. The Filer charges trading commissions on purchases of Crypto Assets at rates disclosed on the CoinSmart Platform under "Pricing" and incorporated by reference into the CoinSmart TOS. The total commission payable in respect of a transaction is disclosed to the client prior to confirmation of the order.
49. All fees and commissions earned by the Filer are clearly disclosed on the CoinSmart Platform, and the Filer's clients can check the quoted prices for Crypto Assets on the CoinSmart Platform against the prices available on other crypto asset exchanges.
50. The Filer obtains buy and sell prices for Crypto Assets from its Liquidity Providers, after which the Filer incorporates a "spread" to compensate the Filer, and presents these adjusted prices as open buy and sell orders on the CoinSmart Platform (**CoinSmart Offers** and each a **CoinSmart Offer**). CoinSmart Offers are automatically generated using a simple algorithm operated by the Filer based on prices available from the Filer's Liquidity Providers.
51. The only orders available for clients to trade against on the CoinSmart Platform are CoinSmart Offers. The Filer discloses to clients that all buy and sell orders on the CoinSmart Platform are the Filer's orders.
52. Clients can enter orders to the CoinSmart Platform in two ways: (i) SmartTrade allows a client to enter a market order which specifies the desired trading pair and quantity; (ii) Advanced Trade allows a client to enter a limit order or market order.
53. When a client enters a market order using SmartTrade or Advanced Trade, the Filer presents an average price calculated based on available CoinSmart Offers required to fill the client order and the prices of such CoinSmart Offers. If the client finds the price agreeable, the client will then agree to the entry of an order to the CoinSmart Platform to execute against the available CoinSmart Offers.
54. When a client enters a limit order using Advanced Trade, the limit order is partially or completely filled if there is one or more CoinSmart Offers at or better than the price of the limit order. If there are no CoinSmart Offers at or better than the price of the limit order, the limit order remains open in the Client Account until it is modified or cancelled by the client or filled by one or more CoinSmart Offers entered subsequently. If a limit order is partially filled, the rest of the order remains open in the Client Account. Open limit orders entered by clients are neither displayed on the CoinSmart Platform nor are they available to trade against other client orders.
55. After each trade entered into with a client, the Filer executes an offsetting trade against the applicable Liquidity Provider.
56. The Filer will be compensated by the spread on trades, a trading commission and a fee charged for Crypto Asset withdrawals.
57. The Filer will record in its books and records the particulars of each trade.
58. The Filer will promptly, and no later than two business days after the trade, settle transactions with the Liquidity Providers on a net basis. Where there are net purchases of Crypto Assets, the Filer will arrange for cash to be transferred to the Liquidity Provider and Crypto Assets to be sent by the Liquidity Provider to the Filer. Where there are net sales of Crypto

Assets, the Filer will arrange for Crypto Assets to be sent from the Filer to the Liquidity Provider in exchange for cash received by the Filer from the Liquidity Provider.

59. Clients will receive electronic trade confirmations and monthly statements setting out the details of the transaction history in their account with the Filer. Clients will also have access to a complete record of all transactions in their Client Account, including all transfers in of fiat or Crypto Assets, all purchases, sales and withdrawals, and the relevant prices, commissions and withdrawal fees charged in respect of such transactions.
60. The Filer does not, and will not, offer margin, credit or other forms of leverage to clients in connection with trading of Crypto Assets on the CoinSmart Platform and will not offer derivatives based on Crypto Assets to clients other than Crypto Contracts.
61. Clients can fund their account by transferring in fiat currency or Crypto Assets. Clients can transfer in fiat currency by Interac e-transfer, bank wire, bank draft or credit card payment, with the maximum amount for each transfer type set out on the CoinSmart Platform. Interac e-transfers and credit card payments are subject to fees disclosed on the CoinSmart Platform under "Pricing" and incorporated by reference into the CoinSmart TOS.
62. Clients are charged a withdrawal fee when transferring Crypto Assets out of their Client Account to a blockchain address specified by the client. The withdrawal fee varies by Crypto Asset and is disclosed on the CoinSmart Platform under "Pricing". The total withdrawal fee payable in respect of a withdrawal is disclosed to the client prior to confirmation of the withdrawal.
63. Prior to transferring Crypto Assets out of a Client Account, the Filer conducts second verification of the blockchain address and screens the blockchain address specified by the transferring client using blockchain forensics software. The Filer has expertise in and has developed anti-fraud and anti-money laundering monitoring systems, for both fiat and Crypto Assets, to reduce the likelihood of fraud, money laundering, or client error in sending or receiving Crypto Assets to incorrect wallet addresses.
64. Clients can transfer fiat currency out of their Client Accounts by electronic funds transfer or bank wire, subject to a withdrawal fee disclosed on the CoinSmart Platform under "Pricing" and incorporated by reference into the CoinSmart TOS. Part of the withdrawal fee covers fees charged by the Filer's payment processor to process the withdrawal transaction. The total withdrawal fee payable in respect of a fiat currency withdrawal is disclosed to the client prior to confirmation of the withdrawal.

### Custody of Crypto Assets

65. The Filer holds Crypto Assets for the benefit of clients separate and apart from its own assets and from the assets of any custodial service provider. The Filer is not permitted to pledge, re-hypothecate or otherwise use any Crypto Assets owned by its clients.
66. The Filer has and will retain the services of third-party custodians to hold not less than 80% of the total value of Crypto Assets held on behalf of clients. The Filer primarily uses BitGo Trust Company as custodian (the **Custodian**), and will use other custodians as necessary after reasonable due diligence. Up to 20% of the Filer's total client Crypto Assets may be held online in hot wallets secured by Fireblocks Inc. (**Fireblocks**).
67. The Custodian is licensed as a trust company with the South Dakota Division of Banking. The Custodian is a qualified custodian, as defined in section 1.1 of NI 31- 103.
68. The Custodian has completed a Service Organization Controls (**SOC**) report under the SOC 1 – Type 1 standards from a leading global audit firm. The Filer has conducted due diligence on the Custodian, including reviewing a copy of the SOC 1 – Type 1 audit report prepared by the Custodian's auditors, and has not identified any material concerns. The Filer has also reviewed the SOC 2 – Type 2 audit report prepared by BitGo Inc.'s auditors regarding BitGo Inc.'s multi-signature wallet services system (i.e., hot wallets) offered by BitGo Inc., and have not identified any material concerns.
69. The Custodian holds all Crypto Assets for clients of the Filer in an omnibus account in the name of the Filer and separate and distinct from the assets of the Filer, the Filer's affiliates and all of the Custodian's other clients.
70. The Custodian maintains US\$100 million of insurance for Crypto Assets held in the Custodian's cold storage system. The coverage covers losses of assets held by the Custodian on behalf of its customers due to third-party hacks, copying or theft of private keys, insider theft or dishonest acts by the Custodian employees or executives and loss of keys. The Filer has assessed the Custodian's insurance policy and has determined, based on information that is publicly available and on information provided by the Custodian and considering the scope of the Custodian's business, that the amount of insurance is appropriate.

## Decisions, Orders and Rulings

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71. The Custodian has established and applies policies and procedures that manage and mitigate the custodial risks, including, but not limited to, an effective system of controls and supervision to safeguard the Crypto Assets for which it acts as custodian and to mitigate security breaches and cyber incidents.
72. The Custodian has established and applies written disaster recovery and business continuity plans.
73. The Filer has established, and will maintain and apply, policies and procedures that are reasonably designed to ensure the Custodian's records related to Crypto Assets that the Custodian holds in trust for clients of the Filer are accurate and complete.
74. The Filer has assessed the risks and benefits of using the Custodian and, has determined that in comparison to a Canadian custodian (as that term is defined in NI 31-103) it is more beneficial to use the Custodian, a U.S. custodian, to hold client assets than a Canadian custodian.
75. The Filer licenses software from Fireblocks which includes a crypto asset wallet that stores private and public keys and interacts with various blockchains to send and receive crypto assets and monitor balances. Fireblocks uses secure multiparty computation to share signing responsibility for a particular blockchain address among multiple independent persons.
76. Fireblocks has obtained a SOC report under the SOC 2 – Type 1 and SOC 2 – Type 2 standards from a leading global audit firm. The Filer has reviewed a copy of the SOC 2 – Type 2 audit report prepared by the auditors of Fireblocks, and has not identified any material concerns.
77. The Filer has licensed software from Digital Assets Services Limited (trading as Coincover) (**Coincover**) to provide additional security for keys to Crypto Assets held by the Filer using Fireblocks, including key pair creation, key pair storage, device access recovery and account access recovery. Coincover is based in the United Kingdom and is regulated by the U.K. Financial Conduct Authority.
78. The Filer is proficient and experienced in holding Crypto Assets and has established and applied policies and procedures that manage and mitigate custodial risks, including but not limited to, an effective system of controls and supervision to safeguard the Crypto Assets. The Filer also maintains appropriate policies and procedures related to IT security, cyber-resilience, disaster recovery capabilities and business continuity plans.
79. The third-party insurance obtained by the Filer includes coverage for the Crypto Assets held by the Filer in cold storage in the event of loss or theft in accordance with the terms of the insurance policy in question.
80. The Filer's hot wallet provider, Fireblocks, has insurance coverage in the amount of US\$30 million in aggregate which, in the event of theft of crypto assets from hot wallets secured by Fireblocks, will be distributed among applicable Fireblocks customers, which could include the Filer, pursuant to an insurance settlement agreement.
81. In addition, backup key material for the Filer's hot wallets is secured by Coincover and 100% insured against loss or theft by a leading global insurance provider.
82. In addition to the insurance coverage available through its services providers for the loss of Crypto Assets held in its hot wallets, the Filer will obtain a guarantee through Coincover and will supplement the guarantee by setting aside cash that will be held in an account at a Canadian financial institution, separate from the Filer's operational accounts and Filer's client accounts, in an amount agreed upon with its Principal Regulator. Depending on the circumstances, either funds from the guarantee or the bank account would be available in the event of loss of Crypto Assets held in the Filer's hot wallet.

### Marketplace and Clearing Agency

83. The Filer will not operate a "marketplace" as that term is defined in National Instrument 21-101 Marketplace Operation and in Ontario, subsection 1(1) of the Act.
84. The Filer will not operate a "clearing agency" or a "clearing house" as the terms are defined or referred to in securities legislation. Any clearing or settlement activity conducted by the Filer is incidental to the Filer engaging in the business of a Crypto Asset dealer. Any activities of the Filer that may be considered the activities of a clearing agency or clearing house are related to the Filer arranging or providing for settlement of obligations resulting from agreements entered into on a bilateral basis and without a central counterparty.

### Decision

The Principal Regulator is satisfied that the Decision satisfies the test set out in the Legislation for the Principal Regulator to make the Decision and each Coordinated Review Decision Maker is satisfied that the Decision in respect of the Trade Reporting Relief

satisfies the test set out in the securities legislation of its jurisdiction for the Coordinated Review Decision Maker to make the Decision in respect of the Trade Reporting Relief.

The decision of the Principal Regulator under the Legislation is that the Requested Relief is granted, and the Decision of each Coordinated Review Decision Maker under the securities legislation of its jurisdiction is that the Trade Reporting Relief is granted, provided that:

- (A) Unless otherwise exempted by a further decision of the Principal Regulator, the Filer complies with all of the terms, conditions, restrictions and requirements applicable to a registered dealer under securities legislation, including the Legislation, and any other terms, conditions, restrictions or requirements imposed by a securities regulatory authority or regulator on the Filer.
- (B) The Filer is registered as a restricted dealer or investment dealer in the Jurisdiction and the jurisdiction in which the client is resident.
- (C) The Filer, and any representatives of the Filer, does not provide recommendations or advice to any client or prospective client.
- (D) The Filer will only engage in the business of trading Crypto Contracts in relation to Crypto Assets, and performing its obligations under those contracts, and does not offer derivatives based on Crypto Assets to clients other than Crypto Contracts. The Filer will seek the appropriate approvals from the Principal Regulator and, if required under securities legislation, the regulator or securities regulatory authority of any other Applicable Jurisdiction, prior to undertaking any other activity governed by securities legislation.
- (E) The Filer will not operate a “marketplace” as the term is defined in National Instrument 21-101 Marketplace Operation and in Ontario, in subsection 1(1) of the Act or a “clearing agency” or “clearing house” as the terms are defined or referred to in securities legislation.
- (F) At all times, the Filer will hold not less than 80% of the total value of all Crypto Assets held on behalf of clients with a custodian that meets the definition of a “qualified custodian” under NI 31-103, unless the Filer has obtained the prior written approval of the Principal Regulator to hold a different percentage with a “qualified custodian”.
- (G) Before the Filer holds Crypto Assets with a custodian referred to in condition F, the Filer will take reasonable steps to verify that the custodian:
  - (a) has appropriate insurance to cover the loss of Crypto Assets held at the custodian,
  - (b) has established and applies written policies and procedures that manage and mitigate the custodial risks, including, but not limited to, an effective system of controls and supervision to safeguard the Crypto Assets for which it acts as custodian, and
  - (c) has obtained a SOC 2-Type 2 report within the last 12 months, unless the Filer has obtained the prior written approval of the Principal Regulator to alternatively verify that the custodian has obtained a SOC 1 Type 1 or Type 2 or a SOC 2-Type 1 report within the last 12 months.
- (H) As of December 31, 2021, the Filer will ensure that any custodian that holds Crypto Assets on behalf of the Filer has obtained a SOC 2 Type 2 report and is a “qualified custodian” under NI 31-103.
- (I) The Filer will promptly notify the Principal Regulator if the U.S. Securities and Exchange Commission, the U.S. Commodity Futures Trading Commission, the Financial Industry Regulatory Authority, the National Futures Association, the South Dakota Division of Banking or the New York State Department of Financial Services makes a determination that the Custodian is not permitted by that regulatory authority to hold client Crypto Assets.
- (J) For the Crypto Assets held by the Filer, the Filer:
  - (a) will hold the Crypto Assets for its clients separate and distinct from the assets of the Filer;
  - (b) will ensure there is appropriate insurance for the loss of Crypto Assets held by the Filer; and
  - (c) has established and will maintain and apply written policies and procedures that manage and mitigate the custodial risks, including, but not limited to, an effective system of controls and supervision to safeguard the Crypto Assets for which it acts as custodian.

- (K) The Filer will only use a Liquidity Provider that it has verified is registered and/or licensed, to the extent required in its home jurisdiction, to execute trades in the Crypto Assets and is not in default of securities legislation in any of the Applicable Jurisdictions, and will promptly stop using a Liquidity Provider if (i) the Filer is made aware that the Liquidity Provider is, or (ii) a court, regulator or securities regulatory authority in any jurisdiction of Canada has determined it to be, not in compliance with securities legislation.
- (L) The Filer will evaluate the price obtained from its Liquidity Providers on an ongoing basis against global benchmarks and will provide fair and reasonable prices to its clients.
- (M) Before each prospective client opens an account, the Filer will deliver to the client a Risk Statement, and will require the client to provide electronic acknowledgement of having received, read and understood the Risk Statement.
- (N) For each client with a pre-existing account at the date of this Decision, the Filer will deliver to the client a Risk Statement and will require the client to provide electronic acknowledgement of having received, read and understood the Risk Statement at the earlier of (a) before placing their next trade or deposit of Crypto Assets on the CoinSmart Platform and (b) the next time they log in to their account with the Filer.
- (O) The Risk Statement delivered in condition M and N to new clients or clients with pre-existing accounts on the date of this Decision will be prominent and separate from other disclosures given to the client at the time the Risk Statement is delivered, and the acknowledgement will be separate from other acknowledgements by the client at that time.
- (P) A copy of the Risk Statement acknowledged by a client will be made available to the client in the same place as the client's other statements on the CoinSmart Platform.
- (Q) Before a client enters into a Crypto Contract to buy a Crypto Asset, the Filer will provide instructions for the client to read the Crypto Asset Statement for the Crypto Asset, which will include a link to the Crypto Asset Statement on the website and in-Apps and includes the information set out in representation 39.
- (R) The Filer will promptly update the Risk Statement and each Crypto Asset Statement to reflect any material changes to the disclosure or include any material risks that may develop with respect to the Crypto Contracts and/or Crypto Assets and,
  - (a) in the event of any update to the Risk Statement, will promptly notify each existing client of the update and deliver to them a copy of the updated Risk Statement, and
  - (b) in the event of any update to a Crypto Asset Statement, will promptly notify clients through electronic disclosures on the CoinSmart Platform and, when developed the CoinSmart app, with links provided to the updated Crypto Asset Statement.
- (S) Prior to the Filer delivering a Risk Statement to a client, the Filer will deliver, or will have previously delivered, a copy of the Risk Statement delivered to the client to the Principal Regulator.
- (T) For each client, the Filer will perform an account appropriateness assessment as described in representations 28 to 31 prior to opening an account and on an ongoing basis at least annually.
- (U) For each client with a pre-existing account at the date of this Decision, the Filer will perform an account appropriateness assessment, as described in representations 28 to 31, the next time the client uses their account. The client will not be permitted to trade until the completion of the account appropriateness assessment and a determination that the account is appropriate.
- (V) The Filer will monitor client activity and contact clients to discuss their trading behaviour if it indicates a lack of knowledge or understanding of Crypto Asset trading, in an effort to identify and deter behaviours that may indicate that trading a Crypto Contract is not appropriate for the client, or that additional education is required.
- (W) The Filer will ensure that the maximum amount of Crypto Assets, excluding Specified Crypto Assets (as set out in Appendix B to this Decision), that a client, except those clients resident in Alberta, British Columbia, Manitoba and Québec, may enter into Crypto Contracts to purchase and sell on the CoinSmart Platform (calculated on a net basis and is an amount not less than \$0) in the preceding 12 months does not exceed a net acquisition cost of \$30,000.
- (X) The Filer has established and will apply and monitor the limits on the losses a client may incur as set out in representation 30.

- (Y) In the jurisdictions where the Prospectus Relief is required, the first trade of a Crypto Contract is deemed to be a distribution under securities legislation of that Jurisdiction.
- (Z) The Filer will provide the Principal Regulator with at least 10 days' prior written notice of any:
  - (a) change of or use of a new custodian; and
  - (b) material changes to the Filer's ownership, its business operations, including its systems, or its business model.
- (AA) The Filer will notify the Principal Regulator, promptly, of any material breach or failure of its or its custodian's system of controls or supervision, and what steps have been taken by the Filer to address each such breach or failure. The loss of any amount of Crypto Assets will be considered a material breach or failure.
- (BB) The Filer will only trade Crypto Contracts based on Crypto Assets that are not in and of themselves securities or derivatives.
- (CC) The Filer will evaluate Crypto Assets as set out in its KYP Policy and described in representations 18 to 23.
- (DD) The Filer will not trade Crypto Assets or Crypto Contracts based on Crypto Assets with a customer in Jurisdiction, without the prior written consent of the regulator or securities regulatory authority of the Jurisdiction, where the Crypto Asset was issued by or on behalf of a person or company that is or has in the last five years been the subject of an order, judgment, decree, sanction, or administrative penalty imposed by, or has entered into a settlement agreement with, a government or government agency, administrative agency, self-regulatory organization or court in Canada or in a Specified Foreign Jurisdiction in relation to a claim based in whole or in part on fraud, theft, deceit, aiding and abetting or otherwise facilitating criminal activity, misrepresentation, violation of AML laws, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading, illegal distributions, failure to disclose material facts or changes, or allegations of similar conduct; for the purposes of this condition, the term "Specified Foreign Jurisdiction" means any of the following: Australia, Brazil, any member country of the European Union, Hong Kong, Japan, Republic of Korea, New Zealand, Singapore, Switzerland, United Kingdom of Great Britain and Northern Ireland, and United States of America.
- (EE) Except to allow clients to liquidate their positions in those Crypto Contracts or transfer such Crypto Assets to a blockchain address specified by the client, the Filer will promptly stop trading Crypto Contracts where the underlying is a Crypto Asset if (i) the Filer determines it to be, (ii) a court, regulator or securities regulatory authority in any jurisdiction of Canada or the foreign jurisdiction with which the Crypto Asset has the most significant connection determines it to be, or (iii) the Filer is made aware or is informed that the Crypto Asset is viewed by a regulator or securities regulatory authority to be, a security and/or derivative.

*Data Reporting*

- (FF) The Filer will provide the following information to the Principal Regulator, and to the securities regulatory authority or regulator in each of the Non-Principal Jurisdictions with respect to clients in those jurisdictions individually, within 30 days of the end of each March, June, September and December:
  - (a) aggregate reporting of activity conducted pursuant to Crypto Contracts that will include the following:
    - (i) number of Client Accounts opened each month in the quarter;
    - (ii) number of Client Accounts closed each month in the quarter;
    - (iii) number of trades in each month of the quarter;
    - (iv) average value of the trades in each month of the quarter;
    - (v) number of client accounts with a net acquisition cost greater than \$30,000 of Crypto Assets at the end of each month in the quarter;
    - (vi) number of client accounts with no trades during the quarter;
    - (vii) number of client accounts that have not been funded at the end of each month in the quarter; and
    - (viii) number of client accounts that hold a positive amount of Crypto Assets at the end of each month in the quarter;

- (b) the details of any client complaints received by the Filer during the calendar quarter and how such complaints were addressed;
  - (c) the details of any fraudulent activity or cybersecurity incidents on the CoinSmart Platform during the calendar quarter, any resulting harms and effects on clients, and the corrective measures taken by the Filer to remediate such activity or incident and prevent similar activities or incidents from occurring in the future;
  - (d) the amount of crypto assets held in hot wallets as of the end of the quarter,
  - (e) the amount of the guarantee described in paragraph 82 as of the end of the quarter;
  - (f) the name of the financial institution and the amount of money held at the end of the quarter in an account with the financial institution, separate from the Filer's operational accounts and Filer's client accounts, to supplement any insurance policy or guarantee relating to the Filer's hot wallets; and
  - (g) the details of the transaction volume per Liquidity Provider, per Crypto Asset during the quarter.
- (GG) The Filer will deliver to the regulator or the securities regulatory authority in each of the Applicable Jurisdictions, in a form and format acceptable to the regulator or the securities regulatory authority, a report that includes the following anonymized account-level data for activity conducted pursuant to a Crypto Contract for each client within 30 days of the end of each March, June, September and December:
- (a) unique account number and unique client identifier, as applicable;
  - (b) jurisdiction where the client is located;
  - (c) the date the account was opened;
  - (d) the amount of fiat currency held by the Filer at the beginning of the reporting period and at the end of the reporting period;
  - (e) cumulative realized gains/losses since account opening in CAD;
  - (f) unrealized gains/losses as of the report end date in CAD;
  - (g) quantity traded, deposited and withdrawn by Crypto Asset during the quarter in number of units;
  - (h) Crypto Asset traded by the client;
  - (i) quantity held of each Crypto Asset by the client as of the report end date in units;
  - (j) CAD equivalent aggregate value for each Crypto Asset traded by the client, calculated as the amount in (i) multiplied by the market price of the asset in (h) as of the report end date;
  - (k) age of account in months; and
  - (l) the loss limit established by the Filer on each account.
- (HH) Within 7 calendar days from the end of each month, the Filer will deliver to the regulator or securities regulatory authority in each of the Applicable Jurisdictions, a report of all accounts for which the loss limits established pursuant to representation 30 were exceeded during that month.
- (II) The Filer will deliver to the Principal Regulator within 30 days of the end of each March, June, September and December, either:
- (a) blackline copies of changes made to the policies and procedures on the operations of its wallets that were previously delivered to the Principal Regulator; or
  - (b) a nil report stating no changes have been made to its policies and procedures on the operations of its wallets in the quarter.
- (JJ) In addition to any other reporting required by Legislation, the Filer will provide, on a timely basis, any report, data, document or information to the Principal Regulator, including any information about the Filer's custodian(s) and the Crypto Assets held by the Filer's custodian(s), that may be requested by the Principal Regulator from

time to time as reasonably necessary for the purpose of monitoring compliance with the Legislation and the conditions in the Decision, in a format acceptable to the Principal Regulator.

- (KK) Upon request, the Filer will provide the Principal Regulator and the regulators or securities regulatory authorities of each of the Non-Principal Jurisdictions with aggregated and/or anonymized data concerning client demographics and activity on the CoinSmart Platform that may be useful to advance the development of the Canadian regulatory framework for trading crypto assets.
- (LL) The Filer will promptly make any changes to its business practices or policies and procedures that may be required to address investor protection concerns that may be identified by the Filer or by the Principal Regulator arising from the operation of the CoinSmart Platform.

*Time Limited Relief*

- (MM) The Filer will, if it intends to operate the CoinSmart Platform in Ontario and Québec after the expiry of the Decision, take the following steps:
  - (a) submit an application to the OSC and the Autorité des marchés financiers (AMF) to become registered as an investment dealer no later than 12 months after the date of the Decision;
  - (b) submit an application with IIROC to become a dealer member no later than 12 months after the date of the Decision;
  - (c) work actively and diligently with the OSC, the AMF and IIROC to transition the CoinSmart Platform to investment dealer registration and obtain IIROC membership.
- (NN) This Decision shall expire upon the date that is two years from the date of this Decision.
- (OO) This Decision may be amended by the Principal Regulator upon prior written notice to the Filer in accordance with applicable securities legislation.

In respect of the Prospectus Relief

**Date: October 21, 2021**

“Wendy Berman”  
Vice Chair  
Ontario Securities Commission

“Lawrence Haber”  
Commissioner  
Ontario Securities Commission

In respect of the Suitability Relief and the Derivatives Trade Reporting Relief

**Date: October 21, 2021**

“Debra Foubert”  
Director, Compliance and Registrant Regulation  
Ontario Securities Commission

OSC File # 2021/0262

**APPENDIX A – LOCAL TRADE REPORTING RULES**

In this Decision, the “**Local Trade Reporting Rules**” means each of the following:

- (a) Part 3, Data Reporting of Ontario Securities Commission Rule 91-507 *Trade Repositories and Derivatives Data Reporting* (**OSC Rule 91-507**), and the power to grant exemption orders set out in Section 42 of OSC Rule 91-507;
- (b) Part 3, Data Reporting of Manitoba Securities Commission Rule 91-507 *Trade Repositories and Derivatives Data Reporting* (**MSC Rule 91-507**), and the power to grant exemption orders set out in Section 42 of MSC Rule 91-507; and
- (c) Part 3, Data Reporting of Multilateral Instrument 96-101 *Trade Repositories and Derivatives Data Reporting* in Alberta, British Columbia, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Saskatchewan, and Yukon (**MI 96-101**), and the power to grant exemption orders set out in Section 43 of MI 96-101.

**APPENDIX B – SPECIFIED CRYPTO ASSETS**

Bitcoin  
Ether  
Bitcoin Cash  
Litecoin

#### 2.1.4 Voyager Digital Ltd.

##### 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 shares outstanding, as opposed to on a per-class basis – dual-class share structure among common shares and variable voting shares was implemented solely to ensure the issuer’s continued status as a “foreign private issuer” under U.S. securities laws; all classes of shares are freely tradable, trade under the same trading symbol, have identical economic attributes and are automatically and mandatorily inter-convertible based on the shareholder’s status as a U.S. Resident – relief granted to allow offerors to calculate their ownership position by combining the outstanding classes of shares for the purposes of determining whether take-over bid requirements are triggered.

Relief from the early warning requirements to allow early warning thresholds to be calculated based on the aggregate number of shares outstanding, as opposed to on a per-class basis – dual-class share structure among common shares and variable voting shares was implemented solely to ensure the issuer’s continued status as a “foreign private issuer” under U.S. securities laws; all classes of shares are freely tradable, trade under the same trading symbol, have identical economic attributes and are automatically and mandatorily inter-convertible based on the shareholder’s status as a U.S. Resident – relief granted to allow acquirors to calculate their ownership position by combining the outstanding classes of shares for the purposes of determining whether early warning requirements are triggered.

Relief from the requirement to issue and file a news release in section 5.4 of NI 62-104 to provide that the threshold triggering the requirement for an acquiror to file a news release during a take-over bid or an issuer bid is to be calculated based on the aggregate number of shares outstanding, as opposed to on a per-class basis – dual-class share structure among common shares and variable voting shares was implemented solely to ensure the issuer’s continued status as a “foreign private issuer” under U.S. securities laws; all classes of shares are freely tradable, trade under the same trading symbol, have identical economic attributes and are automatically and mandatorily inter-convertible based on the shareholder’s status as a U.S. Resident – relief granted to allow acquirors to calculate their ownership position by combining the outstanding classes of shares for the purposes of determining whether the requirement to file a news release during a take-over bid or issuer bid is triggered.

Relief so that the issuer can provide disclosure on significant shareholders in its information circular on a combined basis among shares, rather than for each class of shares – to be calculated based on the aggregate number of shares outstanding, as opposed to on a per-class basis – dual-class share structure among common shares and variable voting

shares was implemented solely to ensure the issuer’s continued status as a “foreign private issuer” under U.S. securities laws; all classes of shares are freely tradable, trade under the same trading symbol, have identical economic attributes and are automatically and mandatorily inter-convertible based on the shareholder’s status as a U.S. Resident – relief granted to allow issuer to provide disclosure on holders of its shares on a combined basis in its information circular.

Issuer granted relief from requirements under National Instrument 41-101 General Prospectus Requirements, National Instrument 51-102 Continuous Disclosure Requirements and OSC Rule 56-501 Restricted Shares to refer to Variable Voting Shares using prescribed restricted security term – relief subject to condition that specified alternate term is used.

##### Applicable Legislative Provisions

- National Instrument 62-104 Take-Over Bids and Issuer Bids, Part 2, ss. 5.2, 5.4 and 6.1.
- National Instrument 62-103 The Early Warning System and Related Take-Over Bid and Insider Reporting Issues, ss. 4.1, 4.5 and 11.1.
- National Instrument 51-102 Continuous Disclosure Obligations, s. 13.1.
- National Instrument 41-101 General Prospectus Requirements, s. 19.1.
- Ontario Securities Commission Rule 56-501 Restricted Shares, s. 4.2.

December 17, 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  
VOYAGER DIGITAL LTD.  
(the “Filer”)**

**DECISION**

##### Background

The principal regulator in the Jurisdiction has received an application (the “**Application**”) from the Filer 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**”) and National Instrument 62-103 *The Early Warning*

*System and Related Take-over Bid and Insider Reporting Issues* (“**NI 62-103**”):

- (a) an offer to acquire outstanding variable voting shares (“**Variable Voting Shares**”) or common shares (“**Common Shares**”, and collectively with the Variable Voting Shares, the “**Shares**”) of the Filer, 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 Variable Voting Shares or Common 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 triggers the disclosure and filing obligations pursuant to the early warning requirements contained in the Legislation with respect to the Variable Voting Shares or Common Shares, as the case may be, be exempt from such requirements (the “**Early Warning Relief**”),
- (c) an acquiror who acquires, during a take-over bid or an issuer bid, beneficial ownership of, or control or direction over, Variable Voting Shares, or Common Shares, as the case may be, that, together with the acquiror’s securities of that class, would constitute 5% or more of the outstanding Variable Voting Shares or Common Shares, as the case may be, be exempt from the requirement to issue and file a news release set out in section 5.4 of NI 62-104 (the “**News Release Relief**”) and together with the TOB Relief and Early Warning Relief, the “**Bid Relief**”);

2. the Filer be exempt from the disclosure requirements in Item 6.5 of Form 51-102F5 *Information Circular* (“**Form 51-102F5**”) (the “**Alternative Disclosure Relief**”, and together with the Bid Relief, the “**Aggregation Relief**”); and

3. the requirements under:

- (a) subsections 12.2(3) and 12.2(4) of National Instrument 41-101 *General Prospectus Exemptions* (“**NI 41-101**”), (ii) Item 1.13(1) of Form 41-101 F1 *Information Required in a Prospectus* (“**Form 41-101F1**”), and (iii) 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,

- (b) subsections 10.1(1)(a), 10.1(4) and 10.1(6) of NI 51-102 *Continuous Disclosure Obligations* (“**NI 51-102**”) relating to the use of restricted security terms, and
- (c) subsections 2.3(1)(1.), 2.3(1)(3.) and 2.3(2) of Ontario Securities Commission Rule 56-501 *Restricted Shares* (“**OSC Rule 56-501**”) relating to the use of restricted share terms,

shall not apply to the Variable Voting Shares (the “**Nomenclature Relief**”, and together with the Aggregation 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 Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (“**MI 11-102**”) is intended to be relied upon in Alberta, 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, NI 62-103 and NI 62-104, including without limitation, “offeror”, “offeror’s securities”, “offer to acquire”, “acquiror”, “acquiror’s securities”, “eligible institutional investor”, and “security-holding percentage”, have the same meaning if used in this decision, unless otherwise defined herein.

### Representations

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

1. The Filer is a corporation incorporated under the *Business Corporations Act* (British Columbia) (the “**BCBCA**”).
2. The Filer is a reporting issuer in each of the provinces and territories of Canada and is not in default of the securities legislation in any of these jurisdictions.
3. The Filer’s head office is located at 33 Irving Plaza, Suite 3060 New York, NY 10003.
4. The Filer’s authorized share capital consists of (i) an unlimited number of Common Shares and (ii) an unlimited number of Variable Voting Shares.

5. As of December 16, 2021, 170,022,827 Shares are issued and outstanding.
6. The Common Shares and Variable Voting Shares will be listed on the Toronto Stock Exchange (“TSX”) under the symbol “VOYG” on or about December 23, 2021.
7. The Filer is a publicly traded cryptocurrency platform in the United States. The Filer has implemented procedures in order to prevent residents in the provinces and territories of Canada from becoming clients or customers of its crypto-asset trading and investing business. These measures include KYC procedures and geofencing the availability of the Voyager app. To the best of the Filer’s knowledge, the Filer does not have any clients or customers who are ordinarily resident in, or have immigrated to, Canada.

*Aggregation Relief*

8. As at December 31, 2020, the Filer believes it qualified as a “foreign private issuer” (“FPI”) under Rule 405 of the *U.S. Securities Act of 1933*, as amended, and Rule 3b-4(b) of the *U.S. Securities Exchange Act of 1934*, as amended, as:
  - (a) the Filer is continued under the laws of British Columbia; and
  - (b) based on reasonable enquiry, less than 50% of the Filer’s outstanding voting securities are held directly or indirectly by residents of the United States (the “**FPI Threshold**”).
9. For the purposes of the FPI Threshold “voting securities” are defined as those securities that entitle the holders to vote for the election of directors at the time of such determination.
10. As (a) a majority of the Filer’s executive officers and directors are U.S. citizens or residents, (b) more than 50% of the Filer’s assets are located in the United States, and (c) the Filer’s business is administered primarily in the United States, the Filer will not qualify as an FPI should it exceed the FPI Threshold at the applicable time.
11. The Filer derives material benefits from its status as an FPI.
12. On December 15, 2021, the Filer amended its articles (the “**Amendments**”) to (i) create and set the terms of a new class of shares of the Filer, being the Variable Voting Shares, including applying coattail terms to such shares; and (ii) amend the terms of the Common Shares, including without limitation, by including constraints on who may hold the Common Shares and applying coattail terms to such shares.
13. The Filer received the shareholder approvals required under applicable corporate and securities

14. The Amendments are intended to ensure that the Filer maintains its FPI status under applicable U.S. securities laws and thereby avoids a commensurate material increase in its ongoing costs. This is to be accomplished by implementing a mandatory conversion mechanism in the Filer’s share capital to decrease the number of shares eligible to be voted by U.S. Residents in connection with the election of directors of the Filer if the Filer’s FPI Threshold would be exceeded.
15. For the purposes of the Amendments, a “U.S. Resident” means a resident of the United States, determined as set forth in Rule 405 under the U.S. Securities Act. Without limiting the foregoing but for greater clarity, a security holder is a U.S. Resident if such person’s address appears on the records of the Filer (i.e., a registered holder) as in the United States; provided that (i) the Filer is required to “look through” the record ownership of brokers, dealers, banks or nominees located in (A) the United States, (B) Canada, and (C) the Filer’s primary trading market (if different from Canada) who hold securities for the accounts of their customers, to determine the residency of those customers, and the Filer is also required to take into account information regarding U.S. ownership derived from beneficial ownership reports that are provided to the Filer or filed publicly, as well as information that otherwise is provided to the Filer and a “Non-U.S. Resident” means a person or entity that is not a U.S. Resident. At the request of the Filer, beneficial shareholders and actual or proposed transferees will be required to respond to enquiries regarding their status as U.S. Residents or Non-U.S. Residents, and shall be required to provide declarations or other documents with respect thereto, as may be necessary or desirable, in the discretion of the Filer, failing which they would, in the Filer’s discretion, be deemed to be U.S. Residents.
16. Except as provided in Item 19 below, the Common Shares may only be held, beneficially owned or controlled by Non-U.S. Residents, and will carry one vote per share for the election of directors (and for all other purposes). The Common Shares will be automatically converted, without further act or formality, on a one-for one basis into Variable Voting Shares if they become held, beneficially owned or controlled by a U.S. Resident.
17. Except as provided in Item 19 below, the Variable Voting Shares may only be held, beneficially owned or controlled by U.S. Residents. The Variable Voting Shares will carry one vote per share for the election of directors (and for all other purposes), except where the number of votes that may be exercised in connection with the election or removal of directors, in respect of all issued and outstanding

Variable Voting Shares exceeds 49.9% of the total number of votes that may be exercised, in connection with the election or removal of directors, in respect of all issued and outstanding Shares. In such case the votes attached to each Variable Voting Share in respect of the election or removal of directors will decrease automatically and pro rata and without further act or formality to equal the maximum permitted vote per Variable Voting Share. The Variable Voting Shares as a class cannot carry more than 49.9% of the aggregate votes, in connection with the election or removal of directors, attached to all issued and outstanding Shares of the Filer. The Variable Voting Shares will be automatically converted, without further act or formality, on a one-for-one basis into Common Shares if they become held, beneficially owned or controlled by a Non-U.S. Resident.

18. All Shares shall rank equally with the other Shares as to dividends on a share-for-share basis, without preference or distinction, except that, subject to applicable regulatory and stock exchange approvals, stock dividends or distributions may be declared by the Filer's board of directors that are payable in Common Shares on the Common Shares and in Variable Voting Shares on the Variable Voting Shares, provided an equal number of shares is declared as a dividend or distribution on a per-share basis in each case. All Shares will rank *pari passu* on a per-share basis in the event of the Filer's liquidation, dissolution or winding-up, or a distribution of assets of the Filer for the purposes of a dissolution or winding-up of the Filer. All holders of Shares will be entitled to receive notice of, to attend (if applicable, virtually) and vote at all meetings of the Filer's shareholders, except that they will not be able to vote (but will be entitled to receive notice of, to attend (if applicable, virtually) and to speak) at those meetings at which the holders of a specific class are entitled to vote separately as a class under the BCBCA.
19. The Amendments contain coattail provisions, pursuant to which each class of Shares may be converted into another class of Shares in the event an offer is made to purchase such other class of Shares and the offer is one which is required to be made to all or substantially all the holders in Canada of such other class of Shares (assuming that the offeree was resident in Ontario).
20. Aside from the differences in (a) who may hold Common Shares and Variable Voting Shares as between U.S. Residents and Non-U.S. Residents, and (b) the voting rights attributable to each class of Shares set out above, the Shares are the same in all respects and are mandatorily inter-convertible (continuously and without formality) based on (i) the holder's status as a U.S. Resident and Non-U.S. Resident, and (ii) the Filer's FPI status.
21. The Filer's dual class share structure has been implemented solely to ensure the Filer's continued

status as an FPI and thereby reduce compliance costs; it has no other purpose.

22. Under the terms of the Amendments, (i) only Non-U.S. Residents may own the Common Shares, (ii) only U.S. Residents may own the Variable Voting Shares, (iii) the Variable Voting Shares as a class cannot carry more than 49.9% of the aggregate votes, in connection with the election or removal of directors, attached to all issued and outstanding Shares of the Filer, and (iv) the Variable Voting Shares will carry one vote per share held, except where the number of votes that may be exercised in connection with the election or removal of directors, in respect of all issued and outstanding Variable Voting Shares exceeds 49.9% of the total number of votes that may be exercised, in respect of all issued and outstanding Shares. In such case the votes attached to each Variable Voting Share will decrease automatically and pro rata and without further act or formality to equal the maximum permitted vote per Variable Voting Share. Further, if a Non-U.S. Resident sells his or her Common Shares to a U.S. Resident, whether or not on the TSX, upon settlement the Filer's articles will automatically deem the shares acquired by the U.S. Resident to be converted into Variable Voting Shares at the relevant time.
23. An investor will not control or choose which class of Shares it acquires and holds. There are no unique features of any class of Shares which an existing or potential investor will be able to choose to acquire, exercise or dispose of. The class ultimately available to an investor will be a function of such investor's status as a U.S. Resident or Non-U.S. Resident and the Filer's FPI status only. Moreover, if after having acquired Shares a holder's status as a U.S. Resident or Non-U.S. Resident changes, such Shares will convert accordingly and automatically, without formality or regard to any other consideration.

*Nomenclature Relief*

24. Section 1.1 of NI 41-101 and Section 1.1 of NI 51-102 defines "restricted security terms" to mean each of the terms "non-voting security", "subordinate voting security" and "restricted voting security".
25. Section 1.1 of OSC 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.
26. The Variable Voting Shares may be considered restricted securities and restricted shares, as applicable, under NI 41-101, NI 51-102 and OSC Rule 56-501 as there will be another class of shares that carries a disproportionate vote per share relative to the Variable Voting Shares.

27. The Filer desires to use the term “variable voting” to describe the Variable Voting Shares in any offering documents, in any future prospectuses and in all future continuous disclosure documents of the Filer given that (i) in the event the Variable Voting Shares as a class would carry more than 49.9% of the aggregate votes in connection with the election or removal of directors attached to all issued and outstanding Shares of the Filer, the votes attached to each Variable Voting Share will decrease automatically and pro rata and without further act or formality to equal the maximum permitted vote per Variable Voting Share and (ii) other TSX listed issuers with similar capital structures use the term “Variable Voting Shares”.
28. The features of the Variable 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:

1. the Filer publicly discloses the Exemption Sought and the terms and conditions of this decision in a news release filed on SEDAR promptly following the issuance of this decision;
2. the Filer discloses the Exemption Sought and the terms and conditions of this decision in each of its annual information forms and management information circulars filed on SEDAR following the issuance of this decision and in any other filing where the characteristics of the Shares are described;
3. 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 Variable Voting Shares and Common Shares, as the case may be, calculated using (a) a denominator comprised of all of the outstanding Variable Voting Shares and Common 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 offeror’s securities all of the Variable Voting Shares and Common Shares, as applicable, that constitute offeror’s securities;
4. with respect only to the News Release Relief, the Variable Voting Shares or Common 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 Variable Voting Shares or Common Shares, as the case may be, calculated using (a) a denominator comprised of all of the outstanding Variable Voting Shares and Common 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 Variable Voting Shares and Common Shares that constitute acquiror’s securities;

5. with respect only to the Early Warning Relief:
  - (a) the acquiror complies with the early warning requirements, except that, for the purpose of determining the percentage of outstanding Variable Voting Shares or Common 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 (i) a denominator comprised of all of the outstanding Variable Voting Shares and Common 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 Variable Voting Shares and Common Shares, as applicable, that constitute acquiror’s securities; or
  - (b) 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 (i) a denominator comprised of all of the outstanding Variable Voting Shares and Common 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 all of the Variable Voting Shares and Common Shares, as applicable, beneficially owned or controlled by the eligible institutional investor;
6. with respect only to the Alternative Disclosure Relief, the Filer provides the disclosure required by Item 6.5 of Form 51-102F5 except that for purposes of determining the percentage of voting rights attached to the Variable Voting Shares or Common Shares, the Filer calculates the voting percentage using (a) a denominator comprised of all of the

outstanding Variable Voting Shares and Common Shares on a combined basis, as opposed to a per-class basis, and (b) a numerator including all of the Variable Voting Shares and Common Shares beneficially owned, or over which control or direction is exercised, directly or indirectly, by any person who, to the knowledge of the Filer'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 Variable Voting Shares, and Common Shares on a combined basis, as opposed to a per-class basis; and

7. with respect only to the Nomenclature Relief, the Variable Voting Shares are referred to as "Variable Voting Shares".

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

## 2.2 Orders

### 2.2.1 Prairie Storm Resources Corp.

#### Headnote

National Policy 11-206 Process for Cease to be a Reporting Issuer – issuer deemed to be no longer a reporting issuer under securities legislation.

#### Applicable Legislative Provisions

Securities Act, R.S.A., 2000, c.S-4, s. 153.

**Citation:** *Re Prairie Storm Resources Corp.*, 2021 ABASC 184

December 15, 2021

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

**AND**

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

**AND**

**IN THE MATTER OF  
PRAIRIE STORM RESOURCES CORP.  
(the Filer)**

**ORDER**

#### Background

The securities regulatory authority or regulator in each of the Jurisdictions (each a **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 Alberta 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 British Columbia; 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

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

### Representations

This order is based on the following facts represented, on behalf of the Filer, by InPlay Oil Corp. (**InPlay**) as the successor of the Filer by way of amalgamation:

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. InPlay, on behalf of the Filer, is applying for an order that the Filer has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer; and
5. the Filer is not in default of securities legislation in any jurisdiction.

### Order

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

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

"Timothy Robson"  
Manager, Legal  
Corporate Finance  
Alberta Securities Commission

OSC File #: 2021/0710

### 2.2.2 Threegold Resources Inc. et al. – s. 127(1)

File No. 2019-42

**IN THE MATTER OF  
THREEGOLD REOURCES INC.,  
VICTOR GONCALVES  
AND  
JON SNELSON**

Wendy Berman, Vice-Chair and Chair of the Panel

**December 15, 2021**

**ORDER  
(Subsection 127(1) of  
the Securities Act, RSO 1990, c S.5)**

**WHEREAS** the Ontario Securities Commission held a combined merits and sanctions hearing in writing to consider whether to make findings against, and impose sanctions on, Threegold Resources Inc. (**Threegold**) pursuant to subsection 127(1) of the *Securities Act*, RSO 1990, c S.5 (the **Act**);

**AND WHEREAS** the Commission made findings against Threegold in its Reasons and Decision issued on December 15, 2021;

**ON READING** the materials filed by Staff, no one appearing on behalf of Threegold;

**IT IS ORDERED THAT:**

1. pursuant to paragraphs 2 and 2.1 of subsection 127(1) of the Act:
  - a. trading in the securities of Threegold shall cease permanently;
  - b. trading in any securities or derivatives by Threegold shall cease permanently; and
  - c. the acquisition of any securities by Threegold is prohibited permanently; and
2. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Threegold permanently.

"Wendy Berman"

2.2.3 First Global Data Ltd. et al.

File No. 2019-22

IN THE MATTER OF  
FIRST GLOBAL DATA LTD.,  
GLOBAL BIOENERGY RESOURCES INC.,  
NAYEEM ALLI,  
MAURICE AZIZ,  
HARISH BAJAJ,  
AND  
ANDRE ITWARU

Timothy Moseley, Vice-Chair, and Chair of the Panel  
Lawrence P. Haber, Commissioner  
Mary Anne De Monte-Whelan, Commissioner

December 16, 2021

ORDER

**WHEREAS** the Ontario Securities Commission held a hearing in writing to consider a motion brought by Staff of the Commission:

- (i) to dismiss a motion brought by Nayeem Alli for, among other things, a stay of this proceeding against him (the **Stay Motion**), and
- (ii) to strike certain portions of:
  - a. Alli's closing written submissions dated June 28, 2021, filed following the hearing on the merits in this proceeding (the **Alli Submissions**); and
  - b. Alli's affidavit sworn on November 7, 2021, on the Stay Motion (the **Alli Affidavit**);

**ON READING** the materials filed by the parties and correspondence from Staff and from Alli;

**IT IS ORDERED**, for reasons to follow, that:

1. Staff's motion is granted, and the Stay Motion is dismissed;
2. pursuant to s. 2(2) of the *Tribunal Adjudicative Records Act, 2019*, SO 2019, c 7, Sch 60 and Rule 22(4) of the Commission's *Rules of Procedure and Forms*, (2019) 42 OSCB 9714:
  - a. paragraphs (a), (b) and (c) and footnote 1 on page 4 of the Alli Submissions are struck; and
  - b. paragraphs 2, 6, 8, 14, 15, 16, 17(2), 17(4), 17(5), 17(6), 17(7), 19, 20 and 22 and Exhibits C, E, F, G, H, I and J of the Alli Affidavit are struck;
3. Staff shall file a revised version of the Alli Affidavit, redacted in accordance with paragraph 2(b) of this order, by 4:30pm on January 14, 2022; and

4. only the redacted version of the Alli Submissions, previously filed, and the redacted version of the Alli Affidavit shall be available to the public.

"Timothy Moseley"

"Lawrence P. Haber"

"Mary Anne De Monte-Whelan"

2.2.4 SLGI Asset Management Inc. et al.

**Headnote**

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – Application for an order that terminating funds are not reporting issuers under applicable securities laws – relief granted.

**Applicable Legislative Provisions**

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

December 17, 2021

**IN THE MATTER OF  
THE SECURITIES LEGISLATION OF  
ONTARIO  
(the Jurisdiction)**  
**AND**  
**IN THE MATTER OF  
THE PROCESS FOR CEASE TO BE  
A REPORTING ISSUER APPLICATIONS**  
**AND**  
**IN THE MATTER OF  
SLGI ASSET MANAGEMENT INC.  
(the Filer)**  
**AND**  
**NEW LEADERS CLASS  
GROWTH & INCOME CLASS  
(each, a Fund, and collectively, the Funds)**  
**ORDER**

**Background**

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

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

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

**Interpretation**

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

**Representations**

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

1. neither Fund is an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*;
2. the outstanding securities of each Fund, 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 Funds, 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 each Fund has ceased to be a reporting issuer in all of the jurisdictions of Canada in which each Fund is a reporting issuer; and
5. the Funds are not in default of securities legislation in any jurisdiction.

**Order**

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

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

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

Application File #: 2021/0718

## 2.2.5 Capital Desjardins Inc.

### Headnote

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

### Applicable Legislative Provisions

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

**DECISION N° 2021-IC-0037**  
**File N°: 12567**

**December 20, 2021**

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

**AND**

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

**AND**

**IN THE MATTER OF  
CAPITAL DESJARDINS INC.  
(the Filer)**

**ORDER**

### Background

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

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

### Representations

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

6. the Filer is not an OTC reporting issuer under *Regulation 51-105 respecting Issuers Quoted in the U.S. Over-the-Counter Markets*;
7. the outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;
8. no securities of the Filer, including debt securities, are traded in Canada or another country on a marketplace as defined in *Regulation 21-101 respecting Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;
9. 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
10. the Filer is not in default of securities legislation in any jurisdiction.

### Order

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

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

“Marie-Claude Brunet-Ladrie”  
Director, Continuous Disclosure

OSC File #: 2021/0675

2.2.6 David Sharpe et al. – s. 2(2) of the Tribunal Adjudicative Records Act and Rule 22(4) of the Commission’s Rules of Procedure and Forms

File No. 2021-26

IN THE MATTER OF  
DAVID SHARPE

AND

File No. 2021-15

IN THE MATTER OF  
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

Timothy Moseley, Vice-Chair and Chair of the Panel  
M. Cecilia Williams, Commissioner  
Lawrence P. Haber, Commissioner

December 20, 2021

**ORDER**  
**(Subsection 2(2) of**  
**the *Tribunal Adjudicative Records Act* and**  
**Rule 22(4) of**  
**the Commission’s *Rules of Procedure and Forms*)**

**WHEREAS** on December 16, 2021, the Ontario Securities Commission held a hearing by videoconference to consider an application commenced by David Sharpe, and a motion brought by David Sharpe within an application commenced by Staff of the Commission, and David Sharpe requests that the adjudicative record in the two proceedings (except for written submissions filed) be treated as confidential and not disclosed to the public, and on considering that this Panel has reserved its decision on David Sharpe’s application and motion;

**ON HEARING** the submissions of the parties;

**IT IS ORDERED**, for reasons to follow, and pursuant to s. 2(2) of the *Tribunal Adjudicative Records Act*, 2019, SO 2019, c 7, Sch 60, and Rule 22(4) of the Commission’s *Rules of Procedure and Forms*, (2019) 42 OSCB 9714, that the adjudicative record (except for written submissions filed) in these two proceedings shall be treated as confidential and not disclosed to the public.

“Timothy Moseley”

“M. Cecilia Williams”

“Lawrence P. Haber”

2.2.7 Mughal Asset Management Corporation and Usman Asif – ss. 127(1), 127(5)

IN THE MATTER OF  
MUGHAL ASSET MANAGEMENT CORPORATION  
AND  
USMAN ASIF

TEMPORARY ORDER  
(Subsections 127(1) and 127(5))

WHEREAS:

1. it appears to the Ontario Securities Commission (the **Commission**) that:
  - a. Mughal Asset Management Corporation (**Mughal**), a Toronto based federal corporation, entered into agreements with investors based on representations that Mughal was an investment firm and that investor funds would be used to purchase securities;
  - b. Usman Asif (**Asif**) is the sole director and principal of Mughal;
  - c. Mughal and Asif may have used money received from investors to pay back other investors;
  - d. Mughal and Asif are continuing to raise funds from investors;
  - e. Mughal and Asif may have engaged in conduct that perpetrates a fraud in breach of subsection 126.1(1)(b) of the Act; and
  - f. Staff are conducting an investigation into the conduct described above.
2. the Commission is of the opinion that the time required to conclude a hearing could be prejudicial to the public interest as set out in subsection 127(5) of the Act;
3. the Commission is of the opinion that it is in the public interest to make this Order; and
4. by Authorization Order July 10, 2020, pursuant to subsection 3.5(3) of the Act, each of D. Grant Vingoe, Timothy Moseley, Mary Anne De Monte-Whelan, Garnet W. Fenn, Lawrence P. Haber, Craig Hayman, Raymond Kindiak, Frances Kordyback, M. Cecilia Williams and Heather Zordel acting alone, is authorized to make orders under section 127 of the Act.

**IT IS ORDERED** pursuant to section 127 of the Act that:

1. pursuant to clause 2 of subsection 127(1), all trading in securities of Mughal shall cease;
2. pursuant to clause 2 of subsection 127(1), trading in any securities by Asif and Mughal, or by any person on their behalf, including but not limited to any act, advertisement, solicitation, conduct, or negotiation, directly or indirectly in furtherance of a trade, shall cease;
3. pursuant to clause 3 of subsection 127(1), any exemptions contained in Ontario securities law do not apply to Asif or Mughal; and
4. pursuant to subsection 127(6) of the Act, this order shall take effect immediately and shall expire on the 15th day after its making unless extended by order of the Commission.

**DATED** at Toronto, this 17th day of December, 2021

“Grant Vingoe”  
Chair

**2.2.8 Bridging Finance Inc. et al. – ss. 127(8), 127(2) and 127(1)**

**File No.** 2021-15

**IN THE MATTER OF  
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**

Timothy Moseley, Vice-Chair and Chair of the Panel

**December 22, 2021**

**ORDER  
(Subsections 127(8), 127(2) 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 to extend a temporary order issued on April 30, 2021, and extended on May 12, 2021 and August 10, 2021;

**ON READING** the materials filed by Staff and on considering that the respondents 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 (collectively, the **BFI Funds**) consent to the relief sought;

**IT IS ORDERED THAT:**

1. pursuant to Rules 3 and 4(2) of the *Ontario Securities Commission Rules of Procedure and Forms*, (2019) 42 OSCB 9714 (the **Rules**), the time required for service of Staff’s motion record is abridged;
2. pursuant to Rule 23(3) of the Rules, this motion shall be heard in writing; and
3. pursuant to subsections 127(8), 127(2) and paragraph 2 of subsection 127(1) of the *Securities Act*, until March 31, 2022, all trading in securities of the BFI Funds shall cease, except that PricewaterhouseCoopers Inc. in its capacity as receiver and manager, without security, of all the assets, undertakings and properties of Bridging Finance Inc. and the BFI Funds may trade in or facilitate the issuance or redemption of units of a BFI Fund with prior approval of the Ontario Superior Court of Justice.

“Timothy Moseley”

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## Chapter 3

# Reasons: Decisions, Orders and Rulings

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### 3.1 OSC Decisions

#### 3.1.1 Threegold Resources Inc. et al. – s. 127(1)

**Citation:** *Threegold Resources Inc. (Re)*, 2021 ONSEC 30

**August 8, 2021**

**File No.:** 2019-42

**IN THE MATTER OF  
THREEGOLD REOURCES INC.,  
VICTOR GONCALVES AND  
JON SNELSON**

**REASONS AND DECISION  
(Section 127(1) of the *Securities Act*, RSO 1990, c S.5)**

**Hearing:** In Writing

**Decision:** December 15, 2021

**Panel:** Wendy Berman Vice-Chair and Chair of the Panel

**Appearances:** Alexandra Matushenko Staff of the Commission

No one appearing for Threegold Resources Inc.

### REASONS AND DECISION

#### I. OVERVIEW

- [1] Staff of the Commission alleges that the respondent, Threegold Resources Inc., contravened Ontario securities law by issuing securities of Threegold, specifically convertible debentures. Staff alleges that by engaging in such activity, Threegold distributed securities without a prospectus and without an available exemption, engaged in the business of trading in securities without being registered and without an available exemption and breached a Commission order cease trading all securities of Threegold.
- [2] This proceeding relates only to the conduct of Threegold. The Commission approved a settlement agreement between Staff and the other respondents, Victor Goncalves and Jon Snelson, with respect to the allegations against them on February 8, 2021.
- [3] This decision concludes a proceeding that combines a merits hearing and a sanctions hearing, both in writing, pursuant to the Commission's order of March 15, 2021. That order waived the requirement to serve Threegold with the Notice of Hearing, Statement of Allegations and all future processes on the basis that Staff had exhausted all reasonable efforts to serve Threegold.
- [4] Threegold did not file any materials with respect to this proceeding. Section 7 of the *Statutory Powers and Procedures Act*<sup>1</sup> authorizes a tribunal to proceed in the absence of a party when that party has been given notice of the hearing.
- [5] I note that the Notice of Hearing and the Statement of Allegations were served on the other respondents (both of whom are former directors and officers of Threegold) and were publicly posted on the Commission's website. Threegold does not currently have any directors, officers or representatives and is not operational.
- [6] Given these circumstances and the waiver of service on Threegold, I am satisfied that I can proceed with the merits and sanctions hearing in the absence of Threegold.

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<sup>1</sup> RSO 1990, c. S.22

[7] For the reasons set out below, I find that Threegold contravened Ontario securities law by distributing debentures without a prospectus and in breach of a Commission cease trade order and that it is in the public interest to issue an order permanently prohibiting Threegold from trading in securities.

## II. EVIDENCE

[8] Staff filed an affidavit, with attached documents, from its witness Sherry Brown, a senior forensic accountant with the Commission's Enforcement Branch.<sup>2</sup> Ms. Brown's affidavit included affidavits from the respondent Mr. Goncalves, sworn on August 20, 2020,<sup>3</sup> and the respondent Mr. Snelson, sworn on July 16, 2020. No further evidence was presented.

## III. BACKGROUND FACTS

[9] Threegold is a reporting issuer in all provinces and territories in Canada. The securities of Threegold were listed on the NEX Exchange during the relevant time and subsequently delisted in April 2020.

[10] During the relevant time, the individual respondents were directors and officers of Threegold. Mr. Goncalves was the president, CEO and director of Threegold, and Mr. Snelson was a director and the treasurer of Threegold. Mr. Snelson was also at various times a registered salesperson or dealing representative under the categories of mutual fund dealer and limited market dealer. Mr. Goncalves and Mr. Snelson resigned as executives and directors on May 17, 2016, and June 30, 2018, respectively. Since Mr. Snelson's resignation, Threegold has not had any directors or officers.

[11] In May 2014, the Commission issued an order cease trading all securities of Threegold, because Threegold had failed to make required continuous disclosure filings, including failing to file audited annual financial statements for the year ended December 31, 2013. The cease trade order remained in effect during the relevant time.

[12] Threegold is also the subject of cease trade orders by the Autorité des marchés financiers (Québec), British Columbia Securities Commission, Manitoba Securities Commission and Alberta Securities Commission, all of which were issued in 2014 and remained in effect during the relevant time.

[13] From July to November 2015, and while the Commission cease trade order was in effect (as well as the cease trade orders of the other Commissions as indicated above), Threegold issued and distributed \$310,000 of debentures to 19 Ontario-resident investors.

[14] The terms of the debentures were contained in written agreements which provided that the debentures were convertible into common shares of Threegold, had a maturity date of November 16, 2015, and an interest rate of 5%.

[15] The investors have not received any payments of interest or principal related to the debentures and none of the debentures were converted into common shares.

[16] Threegold does not currently have any directors, officers or representatives and is no longer operational.

## IV. ANALYSIS

### A. Introduction

[17] I turn now to my analysis of the three principal issues raised by Staff's allegations:

- a. Did Threegold distribute securities without a prospectus, and without any available exemptions from the prospectus requirement, contrary to s. 53(1) of the *Securities Act*<sup>4</sup> (the **Act**)?
- b. Did Threegold contravene Ontario securities law by distributing securities in breach of the terms of the cease trade order?
- c. Did Threegold engage in the business of trading in securities without being registered and without any exemption from registration, contrary to s. 25(1) of the *Act*?

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<sup>2</sup> Exhibit 1, Affidavit of Sherry Brown, sworn April 22, 2021 (**Brown Affidavit**)

<sup>3</sup> Affidavit of Victor Goncalves, sworn August 20, 2020, Exhibit 1, Brown Affidavit, Exhibit A, Tab 2

<sup>4</sup> RSO 1990, c. S.5

**B. Did Threegold distribute the debentures without a prospectus, and without any applicable exemptions from the prospectus requirement?**

- [18] A person or company must not distribute a security without a prospectus, unless an exemption applies.<sup>5</sup> The prospectus requirement is a cornerstone of Ontario's securities regulatory regime designed to ensure that investors receive the necessary information to make an informed investment decision.<sup>6</sup>
- [19] The debentures were securities as defined in the Act.<sup>7</sup> Threegold issued and sold \$310,000 in debentures to 19 investors. Each sale of a debenture constituted a trade in securities by Threegold.
- [20] The debentures were also previously unissued securities and accordingly the issuance of the debentures was a "distribution" as defined in the Act.<sup>8</sup>
- [21] No preliminary prospectus or prospectus was filed for the distribution of the debentures. Accordingly, I must consider whether Threegold was entitled to an exemption from the prospectus requirement.
- [22] Staff submits that no prospectus exemptions were available in respect of the Debentures as most of the investors were not accredited investors and there were no other applicable prospectus exemptions.
- [23] None of the documents prepared and delivered by Threegold in respect of the debenture offering expressly state any reliance on a prospectus exemption or allude to any reliance on a prospectus exemption. Further, none of these documents demonstrates any attempt to rely on any applicable prospectus exemptions for securities issued to individuals, including the accredited investor exemption or the offering memorandum exemption, by, for example, gathering the required investor financial information, placing restrictions on the resale of the debentures or requiring investors to complete the prescribed risk acknowledgement form.<sup>9</sup>
- [24] In addition, a company must file a report of exempt distribution with the Commission to rely on the accredited investor or offering memorandum exemption. Threegold did not deliver or file an offering memorandum to the Commission and did not file any reports of exempt distribution with the Commission.
- [25] Mr. Snelson and Mr. Goncalves testified that they initially believed that the debentures qualified as loans and were not securities. They both acknowledged, however, that Threegold ultimately distributed convertible debentures and that they facilitated the sale of these debentures from July to November 2015.
- [26] The debentures were distributed to 19 individuals, all of whom were Ontario residents. Fifteen of the individual investors, approximately 80% of the investor group, were mutual fund clients of Mr. Snelson. Most of these individual investors, approximately 64%, did not meet the personal financial requirements for the accredited investor exemption or the offering memorandum exemption.
- [27] I am satisfied that the above evidence demonstrates that Threegold engaged in a distribution of securities without filing a preliminary prospectus or prospectus, and without an applicable exemption from the prospectus requirement, and therefore contravened s. 53(1) of the Act.

**C. Did Threegold contravene Ontario securities law by distributing securities in breach of the terms of the cease trade order?**

- [28] The cease trade order dated May 20, 2014, provided that all trading in the securities of Threegold, whether direct or indirect, cease until further order.<sup>10</sup>
- [29] The cease trade order forms part of "Ontario securities law" under the Act, which defines that term to include a decision of the Commission or of a Director.<sup>11</sup>
- [30] To find that Threegold breached the cease trade order, I must be satisfied that Threegold traded in its own securities while the cease trade order was in effect.<sup>12</sup>
- [31] The debentures were securities of Threegold and Threegold issued and sold \$310,000 in debentures to 19 investors. Each distribution of a debenture constituted a trade in securities by Threegold while the cease trade order was in effect.

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<sup>5</sup> Act, s. 53(1)

<sup>6</sup> *Money Gate Mortgage Investment Corporation (Re)*, 2019 ONSEC 40 (*Money Gate Merits*) at para 168

<sup>7</sup> Act, s. 1(1) "security" definition at paras (a), (b) and (c)

<sup>8</sup> Act, s. 1(1), "distribution" definition at para (a); *Limelight Entertainment Inc, Re*, 2008 ONSEC 4 at paras 139-140

<sup>9</sup> National Instrument 45-106 – Prospectus Exemptions, ss. 2.3, 2.6.2, 2.9 and 2.10

<sup>10</sup> Order dated May 20, 2014, Exhibit 1, Brown Affidavit, Exhibit A, Tab 15

<sup>11</sup> Act, s. 1(1)

<sup>12</sup> *MOAG Copper Gold Resources Inc (Re)*, 2020 ONSEC 3 at para 33

[32] Accordingly, I find that the distribution of the debentures by Threegold breached the cease trade order and, as a result, Threegold contravened Ontario securities law.

**D. Did Threegold engage in, or hold itself out as engaging in, the business of trading in securities?**

[33] A person or company must be registered under Ontario securities law to engage in the business of trading in securities unless an exemption applies.<sup>13</sup>

[34] The registration requirement is a cornerstone of the securities regulatory regime designed to ensure that those who engage in the business of trading related to securities are proficient and solvent, and that they act with integrity. Unregistered trading or advising defeats some of these necessary legal protections and undermines investor protection and the integrity of the capital markets.<sup>14</sup>

[35] Staff submits that Threegold engaged in, or held itself out as engaging in, the business of trading securities without being registered to do so, and where no exemption from registration was available.

[36] Threegold was never registered in any capacity under the Act. In addition, neither of the senior executives who were involved in the sale of the debentures, Mr. Snelson and Mr. Goncalves, was registered to trade or advise in respect of the sale of debentures during the relevant time.

[37] Therefore, the only question I must determine is whether Threegold engaged in the business of trading securities. To do so, I am required to determine whether Threegold's conduct constituted "trading", and if so, whether that conduct was carried out for a business purpose.

[38] As outlined above, I have concluded that Threegold's actions in distributing the debentures constituted "trading" in securities of Threegold within the meaning of the Act and that each sale of a debenture constituted a trade in a security. Accordingly, I turn now to consider whether in distributing the debentures, Threegold was engaged in, or held itself out as engaging in, the business of trading securities.

[39] Guidance on the factors that are relevant in determining whether a company is engaged in the business of trading, commonly described as the "business trigger", is provided in Companion Policy 31-103CP *Registration Requirements, Exemptions and Ongoing Registrant Obligations (NI 31-103CP)*. The Companion Policy sets out factors to be considered in determining whether the trading activities are for a business purpose. The factors include, among other things:

- a. engaging in activities similar to those of a registrant;
- b. carrying on the activity with repetition, regularity, or continuity, whether or not the activity is the sole or even primary endeavour;
- c. receiving, or expecting to receive, compensation for the activity; and
- d. directly or indirectly soliciting securities transactions.

[40] The Commission has previously relied on the business trigger factors in NI 31-103CP to determine whether the conduct was carried out for a business purpose.<sup>15</sup> These factors are useful but ultimately, I must take a holistic view to determine whether Threegold was acting like a securities dealer in the business of trading securities or was seeking to raise capital for the advancement of an underlying business.

**1. Engaging in activities similar to a registrant with repetition and regularity**

[41] Staff submits that Threegold's activities were similar to those of an exempt market dealer and that the sale of the debentures by Threegold constituted engaging in the business of trading. Staff submits that Threegold engaged in regular and continuous solicitation of investors to purchase the debentures over a four-month period.

[42] Staff also submits that the admissions by Mr. Goncalves and Mr. Snelson that they engaged in the business of trading in securities without being registered as contained in the settlement agreement between them and Staff can be relied on as evidence to conclude that Threegold engaged in the business of trading.

[43] I disagree. Mr. Goncalves and Mr. Snelson did not make these admissions on behalf of Threegold. At best these admissions are some evidence relating to the determination of whether Threegold engaged in the business of trading but are not conclusive. I must consider all the evidence in this proceeding to assess the activities of Threegold, including the

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<sup>13</sup> Act, s. 25(1)

<sup>14</sup> *Money Gate Merits* at para 140; *Al-Tar Energy Corp (Re)*, 2010 ONSEC 11 (*Al-Tar Energy Corp*) at para 81

<sup>15</sup> *Money Gate Merits* at paras 144-145; *Merharchand (Re)*, 2018 ONSEC 51 at para 111

activities undertaken by representatives of Threegold to facilitate the debenture offering, and determine whether such conduct satisfies the components of the business purpose test.

- [44] In my view, the evidence clearly establishes that Threegold engaged in the following activities through its executives:
- [45] Ongoing efforts to solicit investors to purchase debentures over a four-month period, which included approaching a number of individuals to discuss and recommend participation in the debenture offering and facilitating the sale of debentures to investors;
- a. Preparation of documents setting out the terms of the debentures and use of proceeds for the debenture offering and delivery of these documents to investors;
  - b. Receipt of funds from investors and delivery of executed documents evidencing the debentures, including agreements and use of proceeds documents; and
  - c. Issuance of a news release which announced, among other things, the total funds of \$310,000 raised in the debenture offering and additional funds from a loan of \$500,000, with such funds to be used to advance exploration work on its mining property and for general and administrative purposes.
  - d. By carrying out these activities, Threegold regularly and continuously engaged in extensive efforts over a four-month period to raise capital and succeeded in selling debentures to 19 investors for total proceeds of \$310,000.

## **2. Receiving or expecting to receive compensation for trading**

- [46] Staff submits that Threegold expected to receive, and did receive, a financial benefit from the sale of the debentures, being the funds received from investors for the preservation of Threegold's business.
- [47] Staff also submits that the expectation of compensation and/or receipt of compensation by the Threegold executives involved in the solicitation and sale of the debentures satisfies the compensation aspect of the business purpose test. Staff relies on the fact that Threegold recorded management fee expenses of approximately \$180,000 owing to Mr. Goncalves and Mr. Snelson during the relevant time and Mr. Goncalves received salary compensation that was at least partly related to his efforts in soliciting and selling debentures.
- [48] In soliciting and distributing the debentures, Threegold expected to receive and did receive a financial benefit, being the funds from investors.
- [49] Given Mr. Goncalves's executive position and that some of his time was devoted to facilitating the distribution of the debentures, I find that at least a portion of his remuneration was attributable to the sale of the debentures. Although Mr. Snelson received no compensation, commissions or fees related to the sale of the debentures, he acknowledged that he had an expectation of financial gain.

## **3. Soliciting securities transactions**

- [50] Any entity that seeks capital investment through the distribution of securities is soliciting securities transactions. By distributing the debentures and accepting investor funds for the purchase of debentures, Threegold engaged in soliciting and trading in securities.
- [51] I must determine whether the activities of Threegold crossed the line between permissible capital raising and the business of trading.<sup>16</sup> In doing so, I must consider the surrounding circumstances of the debenture offering, including the extent to which Threegold's efforts were devoted to capital raising as opposed to any underlying business during the relevant time.
- [52] At the relevant time, Threegold was experiencing financial difficulties and lacked sufficient funds to conduct its ongoing business activities as a mineral exploration company. Accordingly, it engaged in efforts to raise capital for the stated purposes of advancing one of its exploration projects (the Lotus mining project) and completing its audited financial statements.
- [53] Based on various documents filed by Staff, including Threegold's unaudited quarterly financial statements for the period ending September 30, 2015, Threegold continued to engage in business activities related to its mineral exploration projects during the relevant time. In fiscal 2015, Threegold incurred approximately \$20,000 in mining project-related expenses, \$36,000 in professional and consultant fees and \$140,000 in promotional expenses. Threegold also made payments to external legal advisors, an external auditing firm, and an engineering consultant during the relevant time.

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<sup>16</sup> *Blue Gold Holdings Ltd (Re)*, 2016 ONSEC 24 at para 20; *Money Gate Merits* at para 143

- [54] Mr. Snelson and Mr. Goncalves both testified about their involvement in facilitating the sale of the debentures. Mr. Goncalves testified that he was involved as a director and officer of Threegold in facilitating the sale of the debentures to 19 investors. He further testified that he drafted the debenture documents.
- [55] Mr. Snelson stated that he recommended and sold the debentures as an officer and director of Threegold. In particular, he solicited investors, many of whom were also his mutual fund clients at the time, to discuss the debenture investment and facilitated the sale of the debentures to 19 individuals including signing the debenture documents as an authorized signatory on behalf of Threegold.
- [56] In terms of Threegold's mineral exploration business activities, Mr. Snelson testified that Threegold was seeking to raise funds for one of its exploration projects through the sale of the debentures. Also, neither Mr. Snelson nor Mr. Goncalves stated that the debenture offering constituted the primary or sole business activity of Threegold or that there were no ongoing mineral exploration activities or other business activities of Threegold.
- [57] In my view, the evidence falls short of establishing that Threegold's activities crossed the line from capital raising into the business of trading securities. To the contrary, Threegold was pursuing a strategy to further its mineral exploration business activities and the capital raising through the debenture offering was ancillary to these activities.
- [58] Accordingly, I conclude that Threegold was not engaged in the business of trading in securities and that there was no breach of s. 25(1) of the Act.

## V. SANCTIONS

[59] I will now address the applicable sanctions against Threegold.

### A. Overview

[60] Staff seeks the following sanctions against Threegold for its breaches of Ontario securities law:

- a. an order that trading in any securities of Threegold cease permanently;
- b. an order that trading in any securities or derivatives by Threegold cease permanently;
- c. an order that Threegold be prohibited from acquiring any securities permanently; and
- d. an order that the exemptions contained in Ontario securities law do not apply to Threegold permanently.

[61] Staff seeks these sanctions as Threegold continues to exist as a corporate entity and could be reactivated. Staff does not seek any financial sanctions or costs order against Threegold as it is no longer operational.

### B. Legal Framework for Sanctions

[62] The Commission may impose sanctions under s. 127(1) of the Act where it finds that it is in the public interest to do so. The Commission must exercise this jurisdiction in a manner that is consistent with the Act's purposes, which includes investor protection and the fostering of fair and efficient capital markets.<sup>17</sup>

[63] The sanctions available under s. 127(1) of the Act are protective and preventative and intended to prevent future harm to investors and the capital markets.<sup>18</sup>

[64] Sanctions must be proportionate to the respondent's conduct in the circumstances.<sup>19</sup> The Commission has identified a non-exhaustive list of factors to be considered with respect to sanctions generally, including the seriousness of the misconduct, whether the misconduct was isolated or recurrent, the size of the profit made from the misconduct, any mitigating factors, and the likely effect that any sanction would have on the respondent as well as on others.<sup>20</sup>

### C. Appropriate Sanctions

[65] Threegold's misconduct was serious. In contravention of Ontario securities law, Threegold engaged in a course of conduct over a four-month period to solicit and distribute debentures to 19 investors for total proceeds of \$310,000. All

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<sup>17</sup> *Borealis International Inc (Re)*, 2011 ONSEC 11 at para 16 (**Borealis**); *Money Gate Mortgage Investment Corporation (Re)*, 2021 ONSEC 10 (**Money Gate Sanctions**) at paras 7-8

<sup>18</sup> *Money Gate Sanctions* at para 9; *Committee for Equal Treatment of Asbestos Minority Shareholders v Ontario (Securities Commission)*, 2001 SCC 37 at paras 42 to 43; *Bradon Technologies Ltd (Re)*, 2016 ONSEC 9 (**Bradon**) at paras 26-27.

<sup>19</sup> *Borealis* at para 20; *Bradon* at para 28

<sup>20</sup> *Bradon* at paras 28; *Re Cartaway Resources Corp.*, 2004 SCC 26 at para 60; *Money Gate Sanctions* at para 9

the investors lost their invested funds, and none received any of the interest payments due under the terms of the debentures.

[66] Threegold violated prospectus requirements, which are a cornerstone of Ontario's regulatory regime designed to ensure that investors have sufficient information to properly assess the risks of an investment in a security and make informed decisions.<sup>21</sup>

[67] Threegold also distributed the debentures while the cease trade order was in effect. The requirement that persons and companies subject to cease trade orders abide by the terms of those orders is essential to the Commission's ability to achieve the purposes and objectives of the Act. Breaching a Commission order is a very serious misconduct.<sup>22</sup>

[68] Threegold's misconduct was recurring, it extended over four months and it affected many investors. The funds obtained by Threegold over a short period were significant. By its misconduct, Threegold caused investors to suffer harm and compromised the integrity of Ontario's capital markets.

[69] Importantly, the cease trade order did not deter Threegold from capital raising activities and distribution of the debentures.

[70] Participation in the capital markets is a privilege, not a right.<sup>23</sup> A permanent trading ban is a severe sanction and accordingly I must ensure it is necessary as protective and preventative.

[71] I have considered the serious nature of the misconduct, the financial harm caused by the misconduct and the failure to abide by the terms of the cease trade order. In my view, only a permanent removal from the capital markets would be proportionate to the type of misconduct in this case and would be sufficient to protect Ontario investors by deterring Threegold (and any individual who might resurrect it) from engaging in similar or other misconduct, and by acting as a general deterrent to other like-minded persons.

## VI. CONCLUSION

[72] For the reasons set out above, I find that Threegold:

- a. distributed securities without a prospectus, and without any applicable exemptions from the prospectus requirement, contrary to s. 53(1) of the Act; and
- b. contravened Ontario securities law by trading in its own securities in breach of the terms of the cease trade order.

[73] I shall issue an order that provides:

- a. pursuant to paragraphs 2 and 2.1 of s. 127(1) of the Act, that:
  - i. trading in the securities of Threegold shall cease permanently;
  - ii. trading in any securities or derivatives by Threegold shall cease permanently; and
  - iii. the acquisition of any securities by Threegold is prohibited permanently.
- b. pursuant to paragraph 3 of s. 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Threegold permanently.

Dated at Toronto this 15 day of December, 2021.

"Wendy Berman"

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<sup>21</sup> *Bradon* at para 32

<sup>22</sup> *Al-Tar Energy Corp* at para 341; *MOAG Copper Gold Resources Inc (Re)*, 2020 ONSC 29 (**MOAG Sanctions**) at para 15

<sup>23</sup> *Borealis* at para 51; *MOAG Sanctions* at para 36

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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
Global Health Clinics Ltd	December 3, 2021	December 14, 2021
High Fusion Inc.	December 3, 2021	December 15, 2021

### 4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order	Date of Lapse
Akumin Inc.	August 20, 2021	December 15, 2021
KetamineOne Capital Limited	November 2, 2021	December 15, 2021
NextPoint Financial Inc.	November 16, 2021	December 17, 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	December 15, 2021
Agrios Global Holdings Ltd.	September 17, 2020	
Reservoir Capital Corp.	May 5, 2021	
KetamineOne Capital Limited	November 2, 2021	December 15, 2021
Cronos Group Inc.	November 16, 2021	
NextPoint Financial Inc.	November 16, 2021	December 17, 2021
GreenBank Capital Inc.	November 30, 2021	

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## Chapter 7

# Insider Reporting

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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](http://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](http://www.sedi.ca)).



## Chapter 11

# IPOs, New Issues and Secondary Financings

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### INVESTMENT FUNDS

**Issuer Name:**

Dynamic Short Term Credit PLUS Fund  
Principal Regulator – Ontario

**Type and Date:**

Preliminary Simplified Prospectus dated Dec 17, 2021  
NP 11-202 Preliminary Receipt dated Dec 20, 2021

**Offering Price and Description:**

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**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

N/A

**Project #3319312**

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**Issuer Name:**

Dynamic Global Fixed Income Fund  
Dynamic Sustainable Credit Private Pool  
Principal Regulator – Ontario

**Type and Date:**

Preliminary Simplified Prospectus dated Dec 17, 2021  
NP 11-202 Preliminary Receipt dated Dec 20, 2021

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

N/A

**Project #3319309**

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**Issuer Name:**

Encasa Canadian Bond Fund  
Encasa Canadian Short-Term Bond Fund  
Encasa Equity Fund  
Principal Regulator – Ontario

**Type and Date:**

Final Simplified Prospectus dated Dec 16, 2021  
NP 11-202 Final Receipt dated Dec 16, 2021

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

N/A

**Project #3297101**

**Issuer Name:**

Invesco Canadian Premier Growth Fund  
Invesco Canadian Premier Growth Class  
Invesco Global Growth Class  
Invesco European Growth Class  
Invesco International Growth Fund  
Invesco International Growth Class  
Principal Regulator - Ontario

**Type and Date:**

Amendment #2 to Final Simplified Prospectus dated  
December 9, 2021

NP 11-202 Final Receipt dated Dec 14, 2021

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

N/A

**Project #3237720**

---

**Issuer Name:**

NBI Sustainable Canadian Equity Fund  
NBI Sustainable Global Equity Fund  
NBI International High Conviction Equity Private Portfolio  
Principal Regulator - Quebec

**Type and Date:**

Amendment #2 to Final Simplified Prospectus dated  
December 10, 2021

NP 11-202 Final Receipt dated Dec 16, 2021

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

N/A

**Project #3199459**

**Issuer Name:**

Tradex Equity Fund Limited  
Tradex Bond Fund  
Tradex Global Equity Fund  
Principal Regulator - Ontario

**Type and Date:**

Amendment #1 to Final Simplified Prospectus dated  
December 8, 2021

NP 11-202 Final Receipt dated Dec 17, 2021

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

N/A

**Project #3204601**

---

**Issuer Name:**

CI Corporate Bond Class  
Principal Regulator - Ontario

**Type and Date:**

Amendment #2 to Final Simplified Prospectus dated  
December 16, 2021

NP 11-202 Final Receipt dated Dec 17, 2021

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

N/A

**Project #3225323**

---

**Issuer Name:**

CI Global High Yield Credit Private Pool  
Principal Regulator - Ontario

**Type and Date:**

Amendment #2 to Final Simplified Prospectus dated  
December 16, 2021

NP 11-202 Final Receipt dated Dec 17, 2021

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

N/A

**Project #3237602**

---

**Issuer Name:**

Purpose Healthcare Innovation Yield ETF (formerly  
Purpose Biotech ETF)  
StoneCastle Global Tactical Asset Allocation Fund  
Principal Regulator - Ontario

**Type and Date:**

Amendment #2 to Final Simplified Prospectus dated  
December 6, 2021

NP 11-202 Final Receipt dated Dec 15, 2021

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

N/A

**Project #3267251**

---

**Issuer Name:**

CI Active Canadian Dividend ETF  
CI Active Credit ETF  
CI Active Utility & Infrastructure ETF  
CI Core Canadian Equity Income Class ETF  
CI MSCI Canada Low Risk Weighted ETF  
CI MSCI USA Low Risk Weighted ETF  
Principal Regulator - Ontario

**Type and Date:**

Amendment #1 to Final Long Form Prospectus dated  
December 16, 2021

NP 11-202 Final Receipt dated Dec 17, 2021

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

N/A

**Project #3189746**

---

**Issuer Name:**

RBC Canadian Money Market Fund  
RBC Canadian Short-Term Income Fund  
RBC Monthly Income Bond Fund  
RBC Bond Fund  
RBC \$U.S. Investment Grade Corporate Bond Fund  
RBC Global Corporate Bond Fund  
RBC High Yield Bond Fund  
RBC Global High Yield Bond Fund  
RBC Strategic Income Bond Fund  
RBC Emerging Markets Bond Fund  
BlueBay Global Monthly Income Bond Fund  
BlueBay Global Investment Grade Corporate Bond Fund (Canada)  
BlueBay \$U.S. Global Investment Grade Corporate Bond Fund (Canada)  
BlueBay \$U.S. Global High Yield Bond Fund (Canada)  
BlueBay Emerging Markets Corporate Bond Fund  
BlueBay Global Convertible Bond Fund (Canada)  
RBC Managed Payout Solution  
RBC Managed Payout Solution – Enhanced  
RBC Managed Payout Solution – Enhanced Plus  
RBC Balanced Fund  
RBC Global Balanced Fund  
RBC Conservative Growth & Income Fund  
RBC Balanced Growth & Income Fund  
RBC Global Growth & Income Fund  
RBC Select Very Conservative Portfolio  
RBC Select Conservative Portfolio  
RBC Select Balanced Portfolio  
RBC Select Growth Portfolio  
RBC Select Aggressive Growth Portfolio  
RBC Select Choices Conservative Portfolio  
RBC Select Choices Balanced Portfolio  
RBC Select Choices Growth Portfolio  
RBC Select Choices Aggressive Growth Portfolio  
RBC Global Choices Very Conservative Portfolio  
RBC Global Choices Conservative Portfolio  
RBC Global Choices Balanced Portfolio  
RBC Global Choices Growth Portfolio  
RBC Global Choices All-Equity Portfolio  
RBC Canadian Equity Fund  
RBC QUBE Low Volatility Canadian Equity Fund  
RBC Canadian Equity Income Fund  
RBC North American Value Fund  
RBC North American Growth Fund  
RBC U.S. Dividend Fund  
RBC U.S. Equity Fund  
RBC U.S. Equity Currency Neutral Fund  
RBC QUBE Low Volatility U.S. Equity Fund  
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  
RBC U.S. Small-Cap Core Equity Fund  
RBC International Equity Fund  
RBC European Equity Fund  
RBC Asian Equity Fund  
RBC Emerging Markets Dividend Fund  
RBC Emerging Markets Equity Fund  
RBC Emerging Markets Small-Cap Equity Fund  
RBC Global Dividend Growth Fund  
RBC QUBE Low Volatility Global Equity Fund  
RBC Global Energy Fund

RBC Global Precious Metals Fund  
RBC Global Resources Fund  
RBC Global Technology Fund  
RBC Vision Balanced Fund  
RBC Vision Canadian Equity Fund  
RBC Vision Global Equity Fund  
RBC Private Canadian Dividend Pool  
RBC Private Canadian Equity Pool  
BlueBay Global Alternative Bond Fund (Canada)  
Principal Regulator - Ontario

**Type and Date:**

Amendment #4 to Final Simplified Prospectus dated December 14, 2021

NP 11-202 Final Receipt dated Dec 17, 2021

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

N/A

**Project #3226001**

---

**Issuer Name:**

Balanced 60/40 Fund  
Balanced Monthly Income Fund  
Conservative Monthly Income Fund  
Growth 100 Fund  
Growth 80/20 Fund  
Income 20/80 Fund  
Income 40/60 Fund  
Principal Regulator - Ontario

**Type and Date:**

Amendment #1 to Final Simplified Prospectus dated  
December 10, 2021  
NP 11-202 Final Receipt dated Dec 14, 2021

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

N/A

**Project #3228690**

---

**Issuer Name:**

Fidelity ClearPath 2005 Portfolio  
Fidelity ClearPath 2035 Portfolio  
Principal Regulator - Ontario

**Type and Date:**

Amendment #2 to Final Annual Information Form dated  
December 13, 2021  
NP 11-202 Final Receipt dated Dec 17, 2021

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

N/A

**Project #3281899**

---

**Issuer Name:**

Canoe EIT Income Fund  
Principal Regulator - Alberta (ASC)

**Type and Date:**

Amendment #1 dated December 16, 2021 to Final Shelf  
Prospectus dated November 25, 2020  
Received on December 16, 2021

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

N/A

**Project #3129936**

---

**Issuer Name:**

MRF 2022 Resource Limited Partnership  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Long Form Prospectus dated December 16,  
2021  
NP 11-202 Preliminary Receipt dated December 17, 2021

**Offering Price and Description:**

Maximum: \$50,000,000 – 2,000,000 Class A Units and/or  
Class F Units

Minimum: \$5,000,000 – 200,000 Class A Units and/or  
Class F Units

Price \$25.00 per unit

Minimum Subscription: \$2,500

**Underwriter(s) or Distributor(s):**

CIBC World Markets Inc.  
RBC Dominion Securities Inc.  
BMO Nesbitt Burns Inc.  
National Bank Financial Inc.  
Scotia Capital Inc.  
TD Securities Inc.  
Manulife Securities Incorporated  
Richardson Wealth Limited  
IA Private Wealth Inc. \\  
Canaccord Genuity Corp.  
Middlefield Capital Corporation  
Echelon Wealth Partners Inc.  
Hampton Securities Limited  
Raymond James Ltd.

**Promoter(s):**

N/A

**Project #3318805**

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**Issuer Name:**

Probity Mining 2022 Short Duration Flow-Through Limited  
Partnership - British Columbia  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Long Form Prospectus dated December 16,  
2021  
NP 11-202 Preliminary Receipt dated December 16, 2021

**Offering Price and Description:**

Maximum Offering: aggregate of \$70,000,000 comprising  
\$50,000,000 for National Class Units; \$10,000,000 for  
British Columbia Class Units; and \$10,000,000 for Québec  
Class Units (5,000,000 NC-A and/or NC-F Units; 1,000,000  
BC-A and/or BC-F Units; and 1,000,000 QC-A and/or QC-F  
Units)

Minimum Offering: \$1,500,000 (150,000 Class A and/or  
Class F Units)

Price per Unit: \$10.00

Minimum Purchase: \$5,000 (500 Units)

**Underwriter(s) or Distributor(s):**

iA Private Wealth Inc.

**Promoter(s):**

Probity Capital Corporation

**Project #3318742**

---

**Issuer Name:**

Probity Mining 2022 Short Duration Flow-Through Limited Partnership - National Class  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Long Form Prospectus dated December 16, 2021  
NP 11-202 Preliminary Receipt dated December 16, 2021

**Offering Price and Description:**

Maximum Offering: aggregate of \$70,000,000 comprising \$50,000,000 for National Class Units; \$10,000,000 for British Columbia Class Units; and \$10,000,000 for Québec Class Units (5,000,000 NC-A and/or NC-F Units; 1,000,000 BC-A and/or BC-F Units; and 1,000,000 QC-A and/or QC-F Units)

Minimum Offering: \$1,500,000 (150,000 Class A and/or Class F Units)

Price per Unit: \$10.00

Minimum Purchase: \$5,000 (500 Units)

**Underwriter(s) or Distributor(s):**

iA Private Wealth Inc.

**Promoter(s):**

Probity Capital Corporation

**Project #3318744**

---

**Issuer Name:**

Life & Banc Split Corp.  
Principal Regulator - Ontario

**Type and Date:**

Final Shelf Prospectus (NI 44-102) dated December 15, 2021  
NP 11-202 Receipt dated December 16, 2021

**Offering Price and Description:**

Maximum Offerings: \$300,000,000 - Preferred Shares and Class A Shares

Price: \$10.22 per Preferred Shares and \$10.06 per Class A Shares

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

N/A

**Project #3313623**

---

**Issuer Name:**

Probity Mining 2022 Short Duration Flow-Through Limited Partnership - Quebec Class  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Long Form Prospectus dated December 16, 2021  
NP 11-202 Preliminary Receipt dated December 16, 2021

**Offering Price and Description:**

Maximum Offering: aggregate of \$70,000,000 comprising \$50,000,000 for National Class Units; \$10,000,000 for British Columbia Class Units; and \$10,000,000 for Québec Class Units (5,000,000 NC-A and/or NC-F Units; 1,000,000 BC-A and/or BC-F Units; and 1,000,000 QC-A and/or QC-F Units)

Minimum Offering: \$1,500,000 (150,000 Class A and/or Class F Units)

Price per Unit: \$10.00

Minimum Purchase: \$5,000 (500 Units)

**Underwriter(s) or Distributor(s):**

iA Private Wealth Inc.

**Promoter(s):**

Probity Capital Corporation

**Project #3318748**

---

NON-INVESTMENT FUNDS

**Issuer Name:**

Albatros Acquisition Corporation Inc.  
Principal Regulator - Quebec

**Type and Date:**

Preliminary CPC Prospectus dated December 13, 2021  
NP 11-202 Preliminary Receipt dated December 14, 2021

**Offering Price and Description:**

Minimum Offering: \$201,000.00 - 1,340,000 Common Shares  
Maximum Offering: \$525,000 - 3,500,000 Common Shares  
Price: \$0.15 per Common Share

**Underwriter(s) or Distributor(s):**

Leede Jones Gable Inc.

**Promoter(s):**

-

**Project #3317377**

**Issuer Name:**

Biomind Labs Inc. (formerly Crosswinds Holdings Inc.)  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Shelf Prospectus dated December 17, 2021  
NP 11-202 Preliminary Receipt dated December 17, 2021

**Offering Price and Description:**

\$75,000,000.00  
Common Shares  
Warrants

Units  
Debt Securities  
Subscription Receipts

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

Union Group Ventures Ltd.

**Project #3319241**

**Issuer Name:**

Buscando Resources Corp  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Long Form Prospectus dated December 16, 2021  
NP 11-202 Preliminary Receipt dated December 16, 2021

**Offering Price and Description:**

885,000 Common Shares and 3,724,000 Units Issuable on Exercise of Outstanding Special Warrants

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #3318709**

**Issuer Name:**

Chartwell Retirement Residences  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Shelf Prospectus dated December 16, 2021  
NP 11-202 Preliminary Receipt dated December 16, 2021

**Offering Price and Description:**

\$2,000,000,000.00  
Units  
Subscription Receipts  
Debt Securities

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #3318686**

**Issuer Name:**

Eupraxia Pharmaceuticals Inc.  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Shelf Prospectus dated December 13, 2021  
NP 11-202 Preliminary Receipt dated December 14, 2021

**Offering Price and Description:**

C\$30,000,000.00  
Common Shares  
Preferred Shares  
Debt Securities  
Warrants  
Subscription Receipts  
Units

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #3317336**

**Issuer Name:**

Fairchild Gold Corp.  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Short Form Prospectus dated December 14, 2021  
NP 11-202 Preliminary Receipt dated December 16, 2021

**Offering Price and Description:**

Minimum Offering: \$1,400,000.00 (7,000,000 Units)  
Maximum Offering: \$2,000,000.00 (10,000,000 Units)  
Price: \$0.20 per Unit

**Underwriter(s) or Distributor(s):**

LEEDE JONES GABLE INC.

**Promoter(s):**

ROBERT COLTURA

**Project #3318379**

**Issuer Name:**

Geologica Resource Corp  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Long Form Prospectus dated December 13, 2021

NP 11-202 Preliminary Receipt dated December 14, 2021

**Offering Price and Description:**

Minimum Offering of 6,500,000 Shares at \$0.10 per Share for Gross Proceeds of \$650,000.00

Maximum Offering of 10,000,000 Shares at \$0.10 per Share for Gross Proceeds of \$1,000,000.00

Price per Share: \$0.10

**Underwriter(s) or Distributor(s):**

Research Capital Corporation

**Promoter(s):**

Douglas H. Unwin

**Project #3317355**

---

**Issuer Name:**

Kalma Capital Corp.  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary CPC Prospectus dated December 16, 2021

NP 11-202 Preliminary Receipt dated December 17, 2021

**Offering Price and Description:**

Minimum Offering: \$200,000.00 or 2,000,000 Common Shares

Maximum Offering: \$300,000.00 or 3,000,000 Common Shares

PRICE: \$0.10 per Common Share

**Underwriter(s) or Distributor(s):**

HAYWOOD SECURITIES INC.

**Promoter(s):**

Luc Pelchat

**Project #3318952**

---

**Issuer Name:**

My Site Developments Inc.  
Principal Regulator - British Columbia

**Type and Date:**

Amendment dated December 14, 2021 to Preliminary Long Form Prospectus dated September 15, 2021

NP 11-202 Preliminary Receipt dated December 14, 2021

**Offering Price and Description:**

Minimum of 5,000,000 Common Shares and up to a

Maximum of 7,000,000 Common Shares

Price: \$0.10 per Common Share

Minimum of \$500,000.00 and up to a Maximum of \$700,000.00

**Underwriter(s) or Distributor(s):**

PI FINANCIAL CORP.

**Promoter(s):**

Solomon Friedman

Itamar David

**Project #3279237**

---

**Issuer Name:**

Wesana Health Holdings Inc. (formerly Debut Diamonds Inc.)

Principal Regulator - Ontario

**Type and Date:**

Amendment dated December 13, 2021 to Preliminary Shelf Prospectus dated September 15, 2021

NP 11-202 Preliminary Receipt dated December 14, 2021

**Offering Price and Description:**

\$70,000,000.00 - Subordinate Voting Shares Proportionate Subordinate Voting Shares Preferred Shares Debt

Securities Subscription Receipts Warrants Units

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

DANIEL CARCILLO

**Project #3279124**

---

**Issuer Name:**

BELLUS Health Inc.  
Principal Regulator - Quebec

**Type and Date:**

Amendment dated December 14, 2021 to Final Shelf

Prospectus dated December 23, 2020

NP 11-202 Receipt dated December 14, 2021

**Offering Price and Description:**

US\$400,000,000 Common Shares

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #3150820**

---

**Issuer Name:**

Exro Technologies Inc.  
Principal Regulator - Alberta

**Type and Date:**

Final Shelf Prospectus dated December 16, 2021

NP 11-202 Receipt dated December 16, 2021

**Offering Price and Description:**

\$200,000,000.00

Common Shares

Preferred Shares

Debt Securities

Warrants

Units

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #3303924**

---

**Issuer Name:**

FABLED COPPER CORP.  
Principal Regulator - British Columbia

**Type and Date:**

Final Long Form Prospectus dated December 13, 2021  
NP 11-202 Receipt dated December 15, 2021

**Offering Price and Description:**

30,274,833 flow through Common Shares and 30,274,833  
Warrants on Conversion of 30,274,833 FT Subscription  
Receipts 101,670,200 Common Shares and 101,670,200  
Warrants on Conversion of 101,670,200 Conventional  
Subscription Receipts

**Underwriter(s) or Distributor(s):**

RESEARCH CAPITAL CORPORATION

**Promoter(s):**

-

**Project #3282776**

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**Issuer Name:**

Holy Cow Foods Inc.  
Principal Regulator - British Columbia

**Type and Date:**

Final Long Form Prospectus dated December 14, 2021  
NP 11-202 Receipt dated December 15, 2021

**Offering Price and Description:**

Minimum: \$1,800,000.00 - 3,600,000 Units  
Maximum: \$2,500,000.00 - 5,000,000 Units  
Per Offered Unit: \$0.50

**Underwriter(s) or Distributor(s):**

RESEARCH CAPITAL CORPORATION

**Promoter(s):**

Paul Rivas

**Project #3248953**

---

**Issuer Name:**

Icarus Capital Corp.  
Principal Regulator - British Columbia

**Type and Date:**

Final CPC Prospectus dated December 7, 2021  
NP 11-202 Receipt dated December 15, 2021

**Offering Price and Description:**

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

**Underwriter(s) or Distributor(s):**

Richard H. Carter

**Promoter(s):**

Garry Yuill

**Project #3257387**

---

**Issuer Name:**

Intact Financial Corporation  
Principal Regulator - Ontario

**Type and Date:**

Final Shelf Prospectus dated December 15, 2021  
NP 11-202 Receipt dated December 15, 2021

**Offering Price and Description:**

\$10,000,000,000.00  
Debt Securities

Class A Shares

Common Shares

Subscription Receipts

Warrants

Share Purchase Contracts

Units

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #3313602**

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**Issuer Name:**

KP3993 Resources Inc.  
Principal Regulator - British Columbia

**Type and Date:**

Final CPC Prospectus dated December 14, 2021  
NP 11-202 Receipt dated December 16, 2021

**Offering Price and Description:**

2,500,000 Common Shares - \$250,000.00

Price: \$0.10 per Common Share

**Underwriter(s) or Distributor(s):**

Research Capital Corporation

**Promoter(s):**

-

**Project #3279635**

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**Issuer Name:**

Mayo Lake Minerals Inc.  
Principal Regulator - Ontario

**Type and Date:**

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

**Offering Price and Description:**

Minimum Offering: \$800,000.00

Maximum Offering: \$1,500,000.00

Up to 7,000,000 FT Units Price per FT Unit: \$0.15

Up to 12,500,000 Units Price per Unit: \$0.12

**Underwriter(s) or Distributor(s):**

Stephen Avenue Securities Inc.

**Promoter(s):**

Vernon Rampton

**Project #3247793**

---

**Issuer Name:**

Planet Based Foods Global Inc.  
Principal Regulator - British Columbia

**Type and Date:**

Final Long Form Prospectus dated December 17, 2021  
NP 11-202 Receipt dated December 17, 2021

**Offering Price and Description:**

27,043,765 Units Issuable on Conversion of Outstanding  
Subscription Receipts

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

Braelyn Davis

**Project #3283012**

---

**Issuer Name:**

Plantable Health Inc.  
Principal Regulator - British Columbia

**Type and Date:**

Final Long Form Prospectus dated December 17, 2021  
NP 11-202 Receipt dated December 17, 2021

**Offering Price and Description:**

Minimum \$6,400,000.00

16,000,000 Units

Price: \$0.40 per Unit

**Underwriter(s) or Distributor(s):**

Clarus Securities Inc.

**Promoter(s):**

Nadja Pinnavaia

Nicholas Findler

Kevan Matheson

**Project #3299280**

---

**Issuer Name:**

Seven Oaks Capital Corp.  
Principal Regulator - Ontario

**Type and Date:**

Final CPC Prospectus dated December 14, 2021  
NP 11-202 Receipt dated December 15, 2021

**Offering Price and Description:**

\$250,000.00

2,500,000 Common Shares

Price: \$0.10 per Common Share

**Underwriter(s) or Distributor(s):**

Canaccord Genuity Corp.

**Promoter(s):**

-

**Project #3278792**

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**Issuer Name:**

StrategX Elements Corp.  
Principal Regulator - British Columbia

**Type and Date:**

Final Long Form Prospectus dated December 17, 2021  
NP 11-202 Receipt dated December 17, 2021

**Offering Price and Description:**

852,500 COMMON SHARES ISSUABLE UPON THE  
EXERCISE OF

852,500 PREVIOUSLY ISSUED SPECIAL WARRANTS

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #3283815**

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**Issuer Name:**

Theratechnologies Inc.  
Principal Regulator - Quebec

**Type and Date:**

Final Shelf Prospectus dated December 14, 2021  
NP 11-202 Receipt dated December 15, 2021

**Offering Price and Description:**

US\$150,000,000.00

Common Shares

Preferred Shares

Subscription Receipts

Warrants

Debt Securities

Units

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #3305334**

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**Issuer Name:**

United Lithium Corp. (formerly United Battery Metals Corp.)  
Principal Regulator - British Columbia

**Type and Date:**

Final Shelf Prospectus dated December 15, 2021  
NP 11-202 Receipt dated December 16, 2021

**Offering Price and Description:**

\$150,000,000.00

Common Shares

Debt Securities

Subscription Receipts

Warrants

Units

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #3246576**

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## Chapter 12

# Registrations

### 12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Voluntary Surrender	WD Capital Markets Inc.	Exempt Market Dealer	December 13, 2021
Consent to Suspension (Pending Surrender)	SCOR Investment Partners UK Ltd	Portfolio Manager, Exempt Market Dealer	December 15, 2021
Consent to Suspension (Pending Surrender)	Columbus Point LLP	Portfolio Manager	December 13, 2021
Consent to Suspension (Pending Surrender)	JSL Asset Management Inc.	Portfolio Manager, Exempt Market Dealer, Investment Fund Manager	December 15, 2021
New Registration	Willow RET Financial Services Inc.	Exempt Market Dealer	December 17, 2021
New Registration	MogoTrade Inc.	Investment Dealer	December 20, 2021
New Registration	Security Financial Private Investment Counsel Inc.	Portfolio Manager	December 20, 2021
Voluntary Surrender	Heirloom Investment Management (Canada) Inc.	Exempt Market Dealer, Portfolio Manager and Commodity Trading Manager	December 20, 2021

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## Chapter 13

# SROs, Marketplaces, Clearing Agencies and Trade Repositories

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### 13.1 SROs

#### 13.1.1 Mutual Fund Dealers Association of Canada (MFDA) – Proposed Amendments to MFDA Rule 1.2.5 (Misleading Business Titles Prohibited) – Notice of Withdrawal

##### NOTICE OF WITHDRAWAL

##### MUTUAL FUND DEALERS ASSOCIATION OF CANADA (MFDA)

##### PROPOSED AMENDMENTS TO MFDA RULE 1.2.5 (MISLEADING BUSINESS TITLES PROHIBITED)

The MFDA has published a Notice withdrawing proposed amendments to MFDA Rule 1.2.5 (Misleading Business Titles Prohibited) (the **Proposed Amendments**). The intent of the Proposed Amendments was to respond to investor confusion by establishing minimum proficiency requirements for Approved Persons who wish to use the title “Financial Planner”. The Proposed Amendments were published for public comment on October 27, 2016. See MFDA – Proposed Amendments to MFDA Rule 1.2.5 (Misleading Business Titles Prohibited) – OSC Staff Notice of Request for Comment (2016), 39 OSCB 9029. The MFDA is withdrawing the Proposed Amendments as various regulatory initiatives are underway in this area.

A copy of the **MFDA Notice** is published on our website at [www.osc.ca](http://www.osc.ca).

13.1.2 Mutual Fund Dealers Association of Canada (MFDA) – Proposed Amendments to MFDA Rules 2.3.1(b) (Discretionary Trading) and 2.2.5 (Relationship Disclosure) – Notice of Withdrawal

**NOTICE OF WITHDRAWAL**

**MUTUAL FUND DEALERS ASSOCIATION OF CANADA (MFDA)**

**PROPOSED AMENDMENTS TO  
MFDA RULES 2.3.1(b) (DISCRETIONARY TRADING) AND  
2.2.5 (RELATIONSHIP DISCLOSURE)**

The MFDA has published a Notice withdrawing proposed amendments to MFDA Rule 2.3.1(b) (Discretionary Trading) and consequential amendments to Rule 2.2.5 (Relationship Disclosure) (the **Proposed Amendments**). The intent of the Proposed Amendments was for the MFDA to be responsive to Member requests for regulatory flexibility in allowing very limited discretionary trading in respect of mutual fund model portfolios offered by Members. The Proposed Amendments were published for public comment on April 4, 2019. See MFDA – Proposed Amendments to MFDA Rule 2.3.1(b) (Discretionary Trading) – OSC Staff Notice of Request for Comment (2019), 42 OSCB 3316.

A copy of the **MFDA Notice** is published on our website at [www.osc.ca](http://www.osc.ca).

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