

The Ontario Securities Commission

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The Ontario Securities Commission

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Editor's Note: On Friday, April 29, 2022, the Securities Commission Act, 2021 (SCA), came into force by proclamation of the Lieutenant Governor of Ontario. The SCA's proclamation implemented key structural and governance changes to the OSC: the separation of the OSC Chair and Chief Executive Officer roles, and the creation of a new Capital Markets Tribunal. These new structural and governance changes are now reflected in the Bulletin, with one section to report and record the activities of the Capital Markets Tribunal and one section to report and record the activities of the Ontario Securities Commission: www.capitalmarketstribunal.ca/en/resources.

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B.2.1 Points.com 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).

July 15, 2022

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
POINTS.COM INC.
(the “Filer”)

ORDER

Background

The principal regulator in the Jurisdiction has received an application from the Filer for an order under the securities legislation of the Jurisdiction of the principal regulator (the “**Legislation**”) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which the Filer 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 Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Prince Edward Island, Quebec, and Saskatchewan.

Interpretation

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

Representations

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

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

Order

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.

“Michael Balter”
Manager, Corporate Finance
Ontario Securities Commission

OSC File #: 2022/0322

B.2.2 Redline Communications Group 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).

July 15, 2022

**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
REDLINE COMMUNICATIONS GROUP INC.
(the “Filer”)**

ORDER

Background

The principal regulator in the Jurisdiction has received an application from the Filer for an order under the securities legislation of the Jurisdiction of the principal regulator (the “**Legislation**”) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which the Filer 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 Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Quebec, Saskatchewan, and Yukon.

Interpretation

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

Representations

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

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

Order

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.

“Michael Balter”
Manager, Corporate Finance
Ontario Securities Commission

OSC File #: 2022/0312

B.2.3 Gamesys Group Limited

Headnote

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

Applicable Legislative Provisions

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

July 19, 2022

**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
GAMESYS GROUP LIMITED
(the Filer)**

ORDER

Background

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

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

- (a) the Ontario Securities Commission (the **Principal Regulator**) 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, Quebec and New Brunswick.

Interpretation

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

Representations

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

1. The Filer is a private limited company incorporated under the laws of England and Wales.
2. The Filer is a reporting issuer in the provinces of Ontario, British Columbia, Alberta, Quebec and New Brunswick.
3. The Filer's Canadian head office is located at 20 Duncan Street, Toronto, Ontario M5H 3G8, and the Principal Regulator is the Canadian securities regulatory authority with which the Filer has the most significant connection.
4. On April 13, 2021, Bally's Corporation and its wholly-owned subsidiary, Premier Entertainment Sub, LLC (the **Bally's Purchaser**), announced, pursuant to Rule 2.7 of the United Kingdom City Code on Takeovers and Mergers, the terms of an offer to acquire the entire issued and outstanding share capital of the Filer by means of a scheme of arrangement under Part 26 of the *Companies Act* (U.K.) (the **Arrangement**).
5. The Arrangement was approved at a meeting of shareholders of Gamesys on June 30, 2021.
6. The Arrangement became effective on October 1, 2021 and the Bally's Purchaser became the sole securityholder of the Filer and no other securities of the Filer are outstanding, including debt securities.
7. The shares of Gamesys ceased trading on the London Stock Exchange's main market for listed securities on October 4, 2021.
8. The Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*.
9. 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.
10. 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.
11. 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.
12. The Filer, upon granting of the Order Sought, will no longer be a reporting issuer in any jurisdiction of Canada.
13. The Filer has no intention to seek public financing by way of an offering of securities.

B.2: Orders

14. The Filer is not in default of securities legislation in any jurisdiction other than in respect of its continuous disclosure filing obligations as a designated foreign issuer arising on or after October 1, 2021 pursuant to National Instrument 71-102 *Continuous Disclosure And Other Exemptions Relating to Foreign Issuers* (collectively, the **Filings**).
15. The requirements to file the Filings did not arise until after the completion of the Arrangement.
16. The Filer is not eligible to use the simplified procedure under National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications (NP 11-206)* as it is in default for failure to file the Filings.
17. But for the fact that the Filer is in default for failure to file the Filings, the Filer would be eligible for the “simplified procedure” under NP 11-206.

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.

“Michael Balter”
Manager, Corporate Finance
Ontario Securities Commission

OSC File #: 2021/0640

B.3 Reasons and Decisions

B.3.1 SLGI Asset Management Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief in Multiple Jurisdictions – Investment funds subject to National Instrument 81-102 Investment Funds that are “qualified institutional buyers” under the United States Securities Act of 1933 (US Securities Act) investing in unregistered fixed income securities pursuant to Rule 144A of the US Securities Act – Rule 144A exempts resales of unregistered securities by and to a “qualified institutional buyer” from the registration requirements of the US Securities Act – Public resales of 144A Securities to non-qualified institutional buyer subject to prescribed holding period – Prescribed holding period causes 144A Securities to be considered restricted securities under part (b) of the definition of “illiquid assets” in s. 1.1 of NI 81-102 notwithstanding that trades of 144A Securities between “qualified institutional buyers” are not subject to holding periods – Funds granted exemption that: (i) purchases by a Fund that is a “qualified institutional buyer” of 144A Securities are exempt from part (b) of the definition of “illiquid asset” in s. 1.1 of NI 81-102, and (ii) a Fund’s holdings of 144A Securities purchased as a “qualified institutional buyer” are excluded from consideration as an “illiquid asset” for the purposes of the illiquid asset restrictions in s. 2.4 of NI 81-102, subject to conditions.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 1.1, 2.4 and 19.1.

July 12, 2022

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
SLGI ASSET MANAGEMENT INC.
(SLGI)

DECISION

BACKGROUND

The principal regulator in the Jurisdiction has received an application from SLGI, on behalf of all current and future investment funds that are, or will be, managed by SLGI or an affiliate of SLGI (collectively, the **Filer**) and to which National Instrument 81-102 *Investment Funds (NI 81-102)* applies (collectively, the **Funds**) for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that grants exemptive relief to the Funds that:

- (a) the purchase by a Fund that is a Qualified Institutional Buyer (as defined below) at the time of purchase, of those fixed income securities that qualify for, and may be traded pursuant to, the exemption from the registration requirements of the *Securities Act of 1933*, as amended (**US Securities Act**), as set out in Rule 144A of the US Securities Act (**Rule 144A**) for resales of certain fixed income securities (**144A Securities**) to Qualified Institutional Buyers (as defined below) are exempt from part (b) of the section 1.1 definition of an “illiquid asset” in NI 81-102; and
- (b) a Fund’s holdings of 144A Securities purchased as a Qualified Institutional Buyer are excluded from consideration as an “illiquid asset” for the purposes of section 2.4 of NI 81-102

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

INTERPRETATION

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102 and NI 81-102 have the same meaning if used in this decision, unless otherwise defined. In addition, capitalized terms have the following meanings:

IRC means the independent review committee of the Funds.

Qualified Institutional Buyers has the same meaning as given to such term in §230.144A of the US Securities Act and **Qualified Institutional Buyer** means any one of them.

Registered Securities means securities that have been registered with the United States Securities and Exchange Commission.

Rule 144 means Rule 144 of the US Securities Act.

REPRESENTATIONS

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

The Filer

1. SLGI is a corporation governed by the laws of Canada with its head office in Toronto, Ontario.
2. SLGI is registered: (a) under the securities legislation of Ontario, Québec, and Newfoundland and Labrador as an investment fund manager; (b) under the securities legislation of Ontario as a mutual fund dealer; (c) under the securities legislation of Ontario as a portfolio manager; and (d) under the *Commodity Futures Act* (Ontario) as a commodity trading manager.
3. The Filer is, or will be, the investment fund manager of the Funds and the Filer or a third-party portfolio manager retained by the Filer is, or will be, the portfolio manager of the Funds.
4. The Filer is not in default of securities legislation in any of the Jurisdictions.

The Funds

5. Each Fund is, or will be, an investment fund organized and governed by the laws of a province or territory or the laws of Canada.
6. Each Fund is, or will be, governed by the provisions of NI 81-102, subject to any exemption therefrom that has been, or may be, granted by the securities regulatory authorities.
7. No existing Fund is in default of securities legislation in any of the Jurisdictions.

Definition of Illiquid Assets in NI 81-102 and 144A Securities

8. Pursuant to section 1.1 of NI 81-102, an "illiquid asset" is defined as:
 - a. a portfolio asset that cannot be readily disposed of through market facilities on which public quotations in common use are widely available at an amount that at least approximates the amount at which the portfolio asset is valued in calculating the net asset value per security of the investment fund; or
 - b. a restricted security held by an investment fund.
9. Rule 144A provides an exemption from the registration requirements of the US Securities Act for resales of unregistered securities by and to a Qualified Institutional Buyer. Rule 144A also requires that there must be adequate current public information about the issuing company before the sale can be made.
10. The definition of a Qualified Institutional Buyer under §230.144A of the US Securities Act includes several types of entities, but in general, such entities must, in the aggregate, own and invest on a discretionary basis at least USD\$100 million in securities of issuers that are not affiliated with such entity.
11. While issuers themselves cannot rely on Rule 144A, as Rule 144A provides an exemption for resales of unregistered securities, the existence of Rule 144A allows financial intermediaries to purchase unregistered securities from issuers

and resell them to Qualified Institutional Buyers in transactions that comply with Rule 144A without registering such securities.

12. Pursuant to the terms of the US Securities Act, public resales of 144A Securities to non-Qualified Institutional Buyers are subject to certain holding periods, which range from a minimum of six months to a minimum of one year, depending on the issuer of the securities.
13. Though public resales of 144A Securities are subject to certain holding periods, 144A Securities may be traded among Qualified Institutional Buyers in accordance with Rule 144A without regard to any holding periods. 144A Securities may also be sold to and purchased by non-Qualified Institutional Buyers after registration of the securities, or pursuant to another exemption from registration under the US Securities Act, if any exemption is available at that time.
14. Because public resales of 144A Securities are subject to certain holding periods, notwithstanding that Qualified Institutional Buyers may purchase 144A Securities in accordance with Rule 144A which does not require a holding period, they may be considered restricted securities for the purposes of the part (b) definition of an "illiquid asset" under section 1.1 of NI 81-102, and each Fund's holdings of 144A Securities would be subject to the limits on holdings of illiquid assets in section 2.4 of NI 81-102 (the **Illiquid Asset Restrictions**).
15. The segment of each of the U.S. investment grade corporate bond market and the U.S. high-yield corporate bond market that is made up of 144A Securities has increased substantially in the last five years. As a result, the average daily trading volume/market size has also increased. Given this, the Filer is of the view that (i) 144A Securities are liquid, and (ii) 144A Securities are an increasing part of the Funds' potential investment universe.

Reasons for the Exemption Sought

16. The Filer is of the view that certain 144A Securities provide an attractive investment opportunity for the Funds. Due to the definition of an "illiquid asset" under section 1.1 of NI 81-102, the Funds may be unable to pursue these investment opportunities without risking a breach of the Illiquid Asset Restrictions.
17. The ability of Qualified Institutional Buyers to freely trade 144A Securities pursuant to Rule 144A has substantially reduced the discounts and illiquidity that were present in unregistered offerings historically. The market for 144A Securities consists of a very deep pool of Qualified Institutional Buyers.
18. The most liquid 144A Securities have traded with comparable volumes to the most liquid corporate debt Registered Securities over the past few years. The segment of the U.S. investment grade corporate bond market that is made up of 144A Securities has grown substantially over the past 15 years. The segment of the U.S. high-yield corporate bond market that is made up of 144A Securities has also grown significantly over the past decade.
19. Daily market quotations are obtained in the same way through fixed income market platforms for 144A Securities as they are for Registered Securities. Real-time price quotes and market trade data are available for 144A Securities. Many fixed income trades including 144A Securities, are reported within minutes into the "Trade Reporting and Compliance Engine," a program initially developed by the National Association of Securities Dealers, Inc. (now the Financial Industry Regulatory Authority, Inc.) that provides for the reporting of over-the-counter transactions pertaining to eligible fixed income securities, including 144A Securities, thus meeting market integrity requirements.
20. A Fund that qualifies as a Qualified Institutional Buyer at the time it purchases 144A Securities may trade those 144A Securities to another Qualified Institutional Buyer without further restriction. Typically, a Fund would sell 144A Securities to other brokers or dealers that are Qualified Institutional Buyers themselves, who would then on-sell the securities to other Qualified Institutional Buyers.
21. In addition to 144A Securities being freely tradable among Qualified Institutional Buyers immediately, 144A Securities may be sold to and purchased by retail investors under other available exemptions, such as Rule 144. Rule 144 allows a seller to sell 144A Securities to a purchaser who does not qualify as a Qualified Institutional Buyer after a prescribed period of time (ranging from six months to one year after issuance), if certain other reporting requirements of the issuer are satisfied.
22. A Fund is not required to maintain its Qualified Institutional Buyer status in order to be able to resell its holdings of 144A Securities to another Qualified Institutional Buyer at any time.
23. In the course of determining the potential liquidity of a security, the portfolio manager or sub-adviser may use several factors, including, but not limited to, market volatility, trending credit quality, current valuation, maturity, size of the tranche or offering, the applicable underwriters, the status of well-covered credit or first-time issuer, index eligibility, and in the case of 144A Securities, whether the security falls under "144A for life" status.
24. The Filer is of the view that it has the tools, resources and expertise necessary to assess issuances of 144A Securities and to evaluate the creditworthiness of issuers on a per issuance basis. The Filer has the ability to conduct sufficient analysis and should have the opportunity to invest in 144A Securities, and for the foregoing reasons, considers 144A

B.3: Reasons and Decisions

Securities to be liquid investments that are not “restricted securities” under part (b) of the section 1.1 definition of an “illiquid asset” in NI 81-102.

25. One purpose of the Illiquid Asset Restrictions is to govern a core mutual fund principle: investors should be able to redeem mutual fund securities on demand. Considering that 144A Securities trade in an active institutional market, the Filer is of the view that 144A Securities can be liquid relative to a Fund’s need to satisfy redemptions. The result of the current part (b) definition of an “illiquid asset” in NI 81-102 is that all 144A Securities may be considered illiquid, whereas 144A Securities may be more liquid than other types of securities that meet the liquidity criteria set out in NI 81-102.
26. Exempting 144A Securities from the section 1.1, part (b) definition of an “illiquid asset” in NI 81-102 will not result in a Fund being unable to satisfy redemption requests. Investing in 144A Securities may be more beneficial to the Funds than various other securities in which the Funds may invest, and the liquidity determination regarding any such 144A Securities should be made based on the actual trading liquidity of the security and not simply based on the manner in which the security was offered into the market.
27. The Filer maintains investor protection policies and procedures that address liquidity risk, and uses a combination of risk management tools, which include (i) IRC approved governance policies that have been adopted to protect investors in the Funds, (ii) internal portfolio manager notification requirements of significant cash flows into the Funds, (iii) ongoing liquidity monitoring of each Fund’s portfolio, (iv) real time cash projection reporting for the Funds, and (v) the consideration of factors to assess the potential liquidity of a security, including, but not limited to, trending credit quality, current valuation, maturity and index eligibility.
28. If a Fund no longer meets the requirements for qualifying as a Qualified Institutional Buyer, then the Filer will arrange to immediately restrict any further purchases of 144A Securities until such time as the Fund regains its status as a Qualified Institutional Buyer.
29. It would not be prejudicial to the public interest to grant the Exemption Sought to the Funds. The Filer is of the view that, if the Funds were unable to access and invest in 144A Securities, the Funds and their investors would lose out on potential investment opportunities in the fixed income space.

DECISION

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

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

- (a) a Fund that purchases 144A Securities is a Qualified Institutional Buyer at the time of purchase;
- (b) the 144A Securities purchased pursuant to the Exemption Sought are not illiquid assets under part (a) of the section 1.1 definition of an “illiquid asset” in NI 81-102;
- (c) the 144A Securities purchased pursuant to the Exemption Sought are traded on a mature and liquid market; and
- (d) the prospectus of each Fund relying on the Exemption Sought discloses, or will disclose in the next renewal of its prospectus following the date of this decision, the fact that the Fund has obtained the Exemption Sought.

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

Application File #: 2022/0285
SEDAR File #: 3397904

B.3.2 Gilberto Arrieche-Sayago

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

AND

IN THE MATTER OF
AN OPPORTUNITY TO BE HEARD
REQUESTED BY GILBERTO ARRIECHE-SAYAGO

DECISION OF THE DIRECTOR

Having reviewed and considered the agreed statement of facts, the admissions by Gilberto Arrieche-Sayago (**Arrieche-Sayago**), and the joint recommendation to the Director by Arrieche-Sayago and staff of the Ontario Securities Commission (**Staff**) contained in the settlement agreement signed by Arrieche-Sayago on June 22, 2022, and by Staff on June 24, 2022 (the **Settlement Agreement**), a copy of which is attached as Appendix "A" to this Decision, and on the basis of those agreed facts and admissions, I, Debra Foubert, in my capacity as Director under the *Securities Act*, R.S.O. 1990, c. S.5 (the **Act**), accept the joint recommendation of the parties, and make the following decision:

1. The registration of Arrieche-Sayago is suspended pursuant to s. 28 of the Act effective five business days from date of this decision (the **Effective Date**), and Arrieche-Sayago will not apply for registration for a period of at least six-months from the Effective Date.
2. Before reapplying for registration, Arrieche-Sayago shall provide Staff with proof that he has successfully completed the Ethics and Professional Conduct Course offered by the IFSE Institute.
3. If Arrieche-Sayago complies with paragraphs 1 and 2 above, then upon Arrieche-Sayago reapplying for registration in the future with a registered scholarship plan dealer, Staff will not recommend to the Director that his application be refused unless Staff becomes aware after the date of this Settlement Agreement of conduct impugning Arrieche-Sayago's suitability for registration or rendering his registration otherwise objectionable, provided Arrieche-Sayago meets all other applicable criteria for registration at the time he applies for registration.
4. This Settlement Agreement will be published on the website of the Ontario Securities Commission and in the OSC Bulletin.

July 12, 2022

"Debra Foubert"

Appendix "A"

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

AND

IN THE MATTER OF
AN OPPORTUNITY TO BE HEARD
REQUESTED BY GILBERTO ARRIECHE-SAYAGO

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. This settlement agreement (the **Settlement Agreement**) between staff of the Ontario Securities Commission (**Staff**) and Gilberto Arrieche-Sayago (**Arrieche-Sayago**) relates to an opportunity to be heard (an **OTBH**) under section 31 of the *Securities Act*, R.S.O. 1990, c. S.5 (the **Act**) requested by Arrieche-Sayago concerning a recommendation made by Staff to the Director that Arrieche-Sayago's registration as a scholarship plan dealing representative be suspended pursuant to section 28 of the Act.
2. As more particularly described in this Settlement Agreement, Arrieche-Sayago failed to comply with Ontario securities law and to conduct himself with the integrity required of a registrant by impersonating certain of his clients during telephone calls he made to his previous sponsor firm to request that actions be taken with respect to their scholarship plan savings accounts, and by falsely denying his conduct to his current sponsor firm when questioned about his conduct.

II. AGREED STATEMENT OF FACTS

3. Staff and Arrieche-Sayago agree as to the following facts.

A. Arrieche-Sayago

4. Arrieche-Sayago has been in the financial services industry since 1991; first in his native Venezuela, and since 2003, in Ontario.
5. Arrieche-Sayago has been registered under the Act as follows:
 - (a) November 7, 2003 to March 26, 2021: scholarship plan dealing representative with Knowledge First Financial Inc. (**KFFI**); and
 - (b) March 30, 2021 to the present: scholarship plan dealing representative with CST Consultants Inc. (**CST**).
6. Staff is unaware of any regulatory or other professional disciplinary action against Arrieche-Sayago prior to the events described herein.

B. Impersonation of Clients

7. Arrieche-Sayago resigned from KFFI effective March 26, 2021, and reinstated his registration with CST four days later on March 30, 2021.
8. The scholarship plan savings accounts that Arrieche-Sayago had established for clients at KFFI were not portable (*i.e.*, clients could not transfer the assets in their accounts at KFFI to CST or any other scholarship plan dealer). Accordingly, if a client wanted to "follow" Arrieche-Sayago from KFFI to CST, they would need to establish a new account at CST and fund it with new money, while retaining their original account at KFFI (and the funds deposited therein).
9. To enable certain clients to "follow" him to CST, from time-to-time Arrieche-Sayago phoned KFFI's customer service centre from his home, introduced himself as the client, pretended to be the client, and requested that the client's contributions to their account be reduced and/or paused, which were actions those clients were entitled to take at any time. With Arrieche-Sayago's knowledge, his wife placed similar phone calls to KFFI pretending to be certain of his female clients. In some but not all cases, clients were physically present with Arrieche-Sayago (or his wife) when they made these phone calls. These clients subsequently established accounts at CST through Arrieche-Sayago, funding those accounts with money that they may otherwise have contributed to their KFFI accounts.

B.3: Reasons and Decisions

10. The phone calls during which Arrieche-Sayago or his wife impersonated clients were as follows:

Client	Date	Caller	Client Present?
RR	May 18, 2021	Arrieche-Sayago	Yes
DB	May 19, 2021	Wife	Yes
HG	June 3, 2021	Arrieche-Sayago	Yes
MR	June 10, 2021	Wife	Yes
CL	June 16, 2021	Arrieche-Sayago	No
ER	June 17, 2021	Wife	No
ER	June 18, 2021	Wife	No
ER	August 20, 2021	Wife	No

11. Arrieche-Sayago states that these calls were made as a convenience to the clients and to give effect to their expressed wishes to “follow” him to CST, but that in other instances he advised clients to remain at KFFI, which they did.

C. Misleading Statements

12. KFFI become concerned that Arrieche-Sayago may have been impersonating clients when the firm’s phone records indicated that calls purporting to come from different clients were originating from his home number.
13. On September 3, 2021, counsel for KFFI wrote to CST and Arrieche-Sayago alleging that Arrieche-Sayago had impersonated clients in calls to KFFI. Arrieche-Sayago misled CST and KFFI about this allegation on four occasions:
- (a) Arrieche-Sayago was interviewed by his branch manager at CST about the allegation and denied it;
 - (b) Arrieche-Sayago was interviewed by the chief compliance officer at CST about the allegation and denied it;
 - (c) Arrieche-Sayago sent a responding letter to KFFI in which he stated: “I did not impersonate these clients or make changes to their plans”;
 - (d) In a letter dated September 15, 2021, CST formally responded to the September 3, 2021 letter from KFFI’s counsel. CST’s letter stated that the firm had discussed the allegation with Arrieche-Sayago and that: “Mr. Arrieche-Sayago ... has advised that a small number of friends and family members contacted your Customer Service Department with questions or to make changes to their plans using his home telephone during visits to his residence or through conference calls from his home telephone. Mr. Arrieche-Sayago has refuted the claim that he impersonated any of these individuals.” CST sent this letter to Arrieche-Sayago in draft for his comment before it was delivered to KFFI. Arrieche-Sayago did not correct the draft, despite the fact that it contained false and misleading information regarding the impersonation allegation.

D. Staff Recommends Suspension of Registration

14. Following an investigation into the matters described herein, on April 19, 2022 Staff sent a letter to Arrieche-Sayago alleging the conduct substantially described in paragraphs 9, 10, and 13 above, and informing him that on the basis of that alleged conduct, Staff had recommended to the Director that his registration be suspended.
15. On April 28, 2022, Arrieche-Sayago requested an OTBH before the Director regarding Staff’s recommendation that his registration be suspended.

III. ADMISSIONS BY ARRIECHE-SAYAGO

16. Arrieche-Sayago admits that he engaged in the conduct described in paragraphs 9, 10, and 13 above, and that in so doing, he failed to act fairly, honestly, and in good faith with his clients contrary to s. 2.1(2) of OSC Rule 31-505 *Conditions of Registration* by impersonating them to KFFI, and failed to conduct himself with the integrity required of a registered dealing representative under the Act.

IV. JOINT RECOMMENDATION

17. To settle the OTBH, Staff and Arrieche-Sayago make the following joint recommendation to the Director:

B.3: Reasons and Decisions

- (a) Arrieche-Sayago's registration shall be suspended pursuant to section 28 of the Act effective 5 business days after the date the Director approves this Settlement Agreement, and Arrieche-Sayago will not reapply for registration for a period of at least six months from that date;
 - (b) Before reapplying for registration, Arrieche-Sayago shall provide Staff with proof that he has successfully completed the Ethics and Professional Conduct Course offered by the IFSE Institute;
 - (c) If Arrieche-Sayago complies with paragraphs 17(a) and (b) above, then upon Arrieche-Sayago reapplying for registration in the future with a registered scholarship plan dealer, Staff will not recommend to the Director that his application be refused unless Staff becomes aware after the date of this Settlement Agreement of conduct impugning Arrieche Sayago's suitability for registration or rendering his registration otherwise objectionable, provided Arrieche-Sayago meets all other applicable criteria for registration at the time he applies for registration; and
 - (d) This Settlement Agreement will be published on the website of the Ontario Securities Commission and in the OSC Bulletin.
18. The parties submit that their joint recommendation to the Director is reasonable, having regard to the following factors:
- (a) Arrieche-Sayago does not have a prior disciplinary history;
 - (b) Arrieche-Sayago's misconduct was limited to a very small fraction of his total clientele;
 - (c) Arrieche-Sayago has recognized and acknowledged his misconduct;
 - (d) By agreeing to this Settlement Agreement, Arrieche-Sayago has saved Staff and the Director the time and resources that would have been required for the OTBH.
19. The parties acknowledge that if the Director does not accept this joint recommendation:
- (a) This joint recommendation and all discussions and negotiations between Staff and Arrieche-Sayago in relation to this matter, including the admissions in this Agreement, shall be without prejudice to the parties; and
 - (b) Arrieche-Sayago will be entitled to an OTBH in accordance with section 31 of the Act in respect of the recommendation made by Staff that his registration be suspended.

"Elizabeth A. King"
Deputy Director, Registrant Conduct
Compliance and Registrant Regulation

June 24, 2022

"Gilberto Arrieche-Sayago"

June 22, 2022

B.3.3 AXA Investment Managers, Inc.

Headnote

Application to the Ontario Securities Commission for an order pursuant to subsection 74(1) of the Securities Act (Ontario) (the Act) that the Applicant be exempted from the adviser registration requirements in subsection 25(3) of the Act. The Applicant will provide advice to its Canadian affiliates in Ontario only for so long as such affiliate remains an affiliate of the Applicant.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25(3) and 74(1).

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

AND

**IN THE MATTER OF
AXA INVESTMENT MANAGERS, INC.**

DECISION

UPON the application (the **Application**) of AXA Investment Managers, Inc. (the **Applicant**) to the Ontario Securities Commission (the **Commission**) for an order pursuant to subsection 74(1) of the Act that the Applicant be exempted from the adviser registration requirement in subsection 25(3) of the Act;

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

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

Background

1. The Applicant is a Delaware corporation registered with the U.S. Securities and Exchange Commission (**SEC**) as an investment advisor, with its principal office located in Greenwich, Connecticut. The Applicant does not have an office or employees in Canada.
2. The Applicant is a wholly owned, indirect subsidiary of AXA SA, a Société Anonyme organized under the laws of France. The ownership to the ultimate parent holding company, AXA SA, is as follows:
 - (a) AXA SA directly and indirectly owns substantially all of AXA Investment Managers SA's equity ownership interests;
 - (b) AXA Investment Managers SA directly owns 100% of AXA IM U.S. Group Holding Inc.; and
 - (c) AXA IM US Group Holding Inc. directly owns 100% of the Applicant.

AXA SA and its direct and indirect subsidiaries are collectively referred to as the "AXA Group." The AXA Group is a diversified, global financial services company.

3. The Applicant is an affiliated company of:
 - (a) Catlin Syndicates Limited, formerly Catlin Westgen Limited (**Catlin Member**), a Member of the Lloyd's Market (as defined below) that carries on business as a foreign insurance company federally-regulated in Canada in accordance with the *Insurance Companies Act* (Canada) (**ICA**) through, among others, Lloyd's Syndicate 2003;
 - (b) XL Bermuda Ltd., an insurance company established under the laws of Bermuda that carries on business as a Class E and Class 4 insurer regulated in Bermuda by the Bermuda Monetary Authority, that has assets pledged in a collateral account with a Canadian trust company established for the benefit of the Canadian insurance business of an affiliate that carries on business as a foreign insurance company federally-regulated in Canada in accordance with the ICA and the Office of the Superintendent of Financial Institutions (**OSFI**) guidelines;

- (c) XL Reinsurance America, Inc., a reinsurance company established under the laws of New York, that carries on business as a foreign insurance company federally-regulated in Canada in accordance with the ICA and that has been granted an order to insure in-Canada risks; and
- (d) XL Specialty Insurance Company, an insurance company established under the laws of Delaware, that carries on business as a foreign insurance company federally-regulated in Canada in accordance with the ICA and that has been granted an order to insure in-Canada risks,

(each a **Canadian Affiliate**, and collectively, the **Canadian Affiliates**).

4. The head offices of the Canadian Affiliates are located in: (a) Catlin Member: 20 Gracechurch Street, London EC3V 0BG, (b) XL Bermuda Ltd.: O'Hara House, One Bermudiana Road, Hamilton HM08, Bermuda, (c) XL Reinsurance America, Inc.: 70 Seaview Avenue, Stamford, CT 06902-6040, USA, and (d) XL Specialty Insurance Company: 70 Seaview Avenue, Stamford, CT 06902-6040, USA, respectively. Each Canadian Affiliate is an indirect wholly-owned subsidiary of AXA SA, the parent company of the AXA Group. The principal activity of AXA SA is the holding of investments in the AXA Group entities.
5. Lloyd's is a self-regulating organization operating under the provisions of the *Lloyd's Act 1982* (U.K.) that operates a brokered market (the **Lloyd's Market**), which focuses on, among other things, high risk, specialist insurance for businesses, comprised of a number of underwriting syndicates (**Syndicates**).
6. The capital supporting risks underwritten by Syndicates at the Lloyd's Market is provided by underwriting members (**Members**).
7. Under the ICA, Lloyd's Members, collectively, are authorized to insure risks as a "foreign company". In addition to being governed by the ICA, Members, collectively, are licensed as insurers under applicable insurance legislation in all provinces and territories of Canada to transact most classes of insurance, and the relevant Canadian business of Members is subject to and governed in accordance with the applicable requirements of such legislation in the same manner as any other licensed insurer.
8. Catlin Member is a Member of Lloyd's and carries on the business of insurance in Canada through, among others, Lloyd's Syndicate 2003.
9. The Applicant proposes to provide investment management and investment advisory services to the Canadian Affiliates and any other affiliates in Ontario that may be formed or acquired in the future that: (i) are licensed or otherwise duly permitted or authorized to carry on the business of an insurance company in Canada or a branch of a foreign insurance company in Canada; (ii) are holding companies that, as their principal business activity, hold securities of one or more affiliates that are each licensed or otherwise duly permitted or authorized to carry on business as an insurance company in Canada; or (iii) are grantor or pledgor of a collateral account established for the benefit of the Canadian insurance business of an affiliate, described in paragraphs (i) and (ii), in accordance with the ICA and OSFI guidelines. It is expected that the Applicant will provide investment management and investment advisory services on the assets of the Canadian Affiliates that are approximately US\$2.299 billion in the aggregate as at the date of this order.
10. The Canadian Affiliates hold portfolio assets directly and are also the beneficiaries of portfolio assets held in certain collateral accounts (the **Collateral Accounts**) established either: (i) as Canadian-domiciled trusts settled by the Canadian Affiliates, as grantors, for the contingent benefit of themselves (**Vested Asset Trusts**); or (ii) by the Canadian Affiliates, as pledgors, for the benefit of an affiliate that is licensed or otherwise duly permitted or authorized to carry on business as an insurance company in Canada, as secured parties, under reinsurance security agreements pursuant to which the pledgor has agreed to collateralize certain risks of the secured party for purposes of reinsurance (the **Reinsurance Security Agreements**). Any other affiliates in Ontario that may be formed or acquired in the future will also hold portfolio assets directly or in Collateral Accounts. Under the ICA and guidelines of OSFI, assets in the Collateral Accounts must be maintained in Canada in order for the beneficiary or secured party, as applicable, to receive credit for such assets under the ICA for insurance regulatory solvency purposes. The trustee of each of the Vested Asset Trusts is either CIBC Mellon Trust Company or RBC Investor Services Trust Company and the custodian under each of the Reinsurance Security Agreements is CIBC Mellon Trust Company (each a **Trustee and Custodian**), each a Canadian financial institution as defined in section 1.1 of National Instrument 45-106 *Prospectus Exemptions (NI 45-106)*. The portfolio assets held directly by the Canadian Affiliates and any other affiliates in Ontario that may be formed or acquired in the future, and the Collateral Accounts are referred to, collectively, as the **Accounts**.
11. With respect to the Vested Asset Trusts, the Trustee and Custodian acts as agent of the AXA Group and invests the vested assets on the written direction of the persons authorized by the grantor of the Vested Asset Trust.
12. With respect to the Reinsurance Security Agreements, until an entitlement order is delivered by the secured party, pledged collateral is held by the Trustee and Custodian for safekeeping and the pledgor is entitled to direct the Trustee and Custodian as to the manner of investment of the collateral and with respect to the manner of exercising the voting

rights attached to the securities and other financial assets that are part of the collateral. Upon the receipt of an entitlement order by the Trustee and Custodian from the secured party, the investment and voting powers promptly cease, and the Trustee and Custodian must transfer the collateral to or according to the direction of the secured party.

13. Each Canadian Affiliate, each Trustee and Custodian, the grantor under each Vested Asset Trust, and the pledgor under each Reinsurance Security Agreement is a “permitted client”, as such term is defined in National Instrument 31 -103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations (NI 31-103)*.
14. The Applicant offers discretionary portfolio management services under various investment strategies, and manages and/or sub-advises separate accounts for international and domestic institutional clients.
15. The Applicant is required to be registered as an investment adviser with the SEC pursuant to the Investment Advisers Act of 1940 as it provides investment management and investment advisory services to others for compensation both from a U.S. office location and to U.S. clients at levels that mandate such registration.
16. The Applicant has operated in Canada under the international adviser registration exemption in section 8.26 of NI 31-103 (the **International Advisor Registration Exemption**) and provides investment management and investment advisory services to affiliates within the AXA Group with respect to non-Canadian securities.
17. The Applicant proposes to provide investment management and investment advisory services to the Canadian Affiliates with respect to the Accounts of each Canadian Affiliate maintained in connection with its Canadian business that includes Canadian securities (being part of the investment objectives of the Accounts). However, the Applicant cannot rely on the International Adviser Registration Exemption if it advises the Accounts of the Canadian Affiliates since such advice will be with respect to Canadian securities and will not be incidental to the advice it is providing on a “foreign security” (as defined in Section 8.26(2) of NI 31-103).
18. There is no requirement for employees of a corporation to be registered as advisers under the Act if such employees provide investment advice to their employer on portfolio assets held by such employer. The Canadian Affiliates do not currently employ, nor do they intend to employ, individuals who provide investment advice with respect to the Accounts, but rather the Canadian Affiliates intend to outsource the adviser function to the Applicant, an affiliate of each of the Canadian Affiliates. Outsourcing the investment function is permitted under the ICA and other applicable federal insurance company legislation.
19. The Canadian portfolio assets held in the Accounts and managed or to be managed by the Applicant are owned by each of the respective Canadian Affiliates or held for the benefit of the respective Canadian Affiliates. There are no external stakeholders (such as, for example, holders of variable annuity contracts or segregated funds/ separate accounts for policyholders) that have any direct interest in the performance of such portfolios. Accordingly, there is no stakeholder in Ontario or elsewhere, other than members of the AXA Group, that would be directly affected by the investment advice provided by the Applicant.
20. Subsection 74(1) of the Act provides that an order may be made by the Commission that a person or company is not subject to section 25 of the Act, subject to such terms and conditions as the Commission considers necessary, where the Commission is satisfied that to do so would not be prejudicial to the public interest.
21. The Applicant is in compliance in all material respects with securities laws of the United States of America. The Applicant is not in default of any requirements of securities legislation of any jurisdiction in Canada.

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

IT IS ORDERED, pursuant to subsection 74(1) of the Act, that the Applicant is exempt from the adviser registration requirement of subsection 25(3) of the Act in respect of it acting as an adviser to its affiliates in Ontario, provided that:

1. the Applicant provides investment management and investment advisory services in Ontario only to its affiliates that:
 - (a) are licensed or otherwise duly permitted or authorized to carry on business as an insurance company in Canada or a branch of a foreign insurance company in Canada; or
 - (b) are holding companies that have as their principal business activity to hold securities of one or more affiliates that are each licensed or otherwise duly permitted or authorized to carry on business as an insurance company in Canada; or
 - (c) are the grantor or pledgor of a collateral account established for the benefit of the Canadian insurance business of an affiliate, described in paragraphs (a) and (b), in accordance with the ICA and OSFI guidelines;

B.3: Reasons and Decisions

2. with respect to any particular affiliate, the investment management and investment advisory services provided in Ontario are provided only as long as that affiliate remains: (i) an "affiliate" of the Applicant as defined in the Act, and (ii) a "permitted client" as defined in NI 31-103; and
3. in the case of investment management and investment advisory services provided to the grantor of a collateral account, described in paragraph 1(c), that is a trust, the trust remains a "permitted client" as defined in NI 31-103.

DATED at Toronto, Ontario, this **14th** day of **July, 2022**.

"Debra Foubert"
Director, Compliance and Registrant Regulation
Ontario Securities Commission

Application File #: 2021/0688

B.3.4 Algoma Steel Group Inc.

Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Exemption from the extension take up requirements in subsection 2.32(4) of National Instrument 62-104 Take-Over Bids and Issuer Bids – an issuer conducting an issuer bid by way of a modified Dutch auction procedure – issuer may wish to extend the bid if it is undersubscribed and the market price of the shares at the time is not greater than the range of proposed prices under the bid – requires relief from the requirement not to extend its issuer bid if all terms and conditions are met unless the issuer first takes up all securities validly deposited and not withdrawn under the issuer bid as all tenders need to be known in order to calculate the purchase price per share – requested relief granted, subject to conditions.

Applicable Legislative Provisions

National Instrument 62-104 Take-Over Bids and Issuer Bids, ss. 2.32(4) and 6.1.

July 15, 2022

**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
ALGOMA STEEL GROUP INC.
(the Filer)**

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) that, in connection with the proposed purchase by the Filer of a portion of its issued and outstanding common shares (the **Common Shares**) pursuant to an issuer bid commenced on June 21, 2022 (the **Offer**), the Filer be exempt from the requirement set out in subsection 2.32(4) of National Instrument 62-104 – *Take-Over Bids and Issuer Bids* (**NI 62-104**) that the Offer not be extended if all the terms and conditions of the Offer have been complied with or waived unless the Filer first takes up all of the Common Shares deposited under the Offer and not withdrawn (the **Exemption Sought**).

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

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

Interpretation

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

Representations

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

1. The Filer is a corporation validly existing under the *Business Corporations Act* (British Columbia) and is in good standing.

B.3: Reasons and Decisions

2. The registered office of the Filer is in Vancouver, British Columbia and its principal executive office is in Sault Ste. Marie, Ontario.
3. The Filer is a reporting issuer in the Province of Ontario and is a foreign private issuer in the United States. The Filer is not in default of any requirement of the securities legislation in any jurisdiction in which it is a reporting issuer.
4. The authorized share capital of the Filer consists of an unlimited number of Common Shares and an unlimited number of preferred shares. As at June 17, 2022, 146,868,096 Common Shares were issued and outstanding and no preferred shares were issued and outstanding.
5. The Common Shares are listed and posted for trading on the Toronto Stock Exchange (the **TSX**) and on The Nasdaq Stock Market (**Nasdaq**) under the symbol "ASTL".
6. The Filer also has, issued and outstanding, 24,179,000 warrants to purchase Common Shares (the **Warrants**). The Warrants are traded on the TSX under the trading symbol "ASTL.WT" and on the Nasdaq under the trading symbol "ASTL.W".
7. Management of the Filer believes that the purchase of Common Shares pursuant to the Offer constitutes an efficient means of providing value to the holders of Common Shares (each a **Shareholder**, collectively the **Shareholders**) and is in the best interests of the Filer and its Shareholders. Management of the Filer further believes that the recent trading price of the Common Shares is not fully reflective of the value of the Filer's business and future prospects. The Offer allows the Filer an opportunity to return up to US\$400,000,000 of capital to Shareholders who elect to tender their Common Shares to the Offer while at the same time increasing the equity ownership of Shareholders who elect not to tender.
8. The Filer formally commenced the Offer on June 21, 2022. The issuer bid circular dated June 21, 2022 prepared and filed by the Filer in connection with the Offer (the **Circular**) specifies that the Filer proposes to purchase, by way of a modified "Dutch auction" procedure in the manner described below, up to US\$400,000,000 of the issued and outstanding Common Shares (the **Maximum Purchase Amount**) at a purchase price of not less than US\$8.75 and not more than US\$10.25 per Common Share (the **Price Range**).
9. The Filer will fund any purchase of Common Shares pursuant to the Offer, together with all related fees and expenses of the Offer, from available cash on hand. The Offer is not conditional upon the receipt of any financing.
10. Each Shareholder wishing to tender to the Offer may do so pursuant to:
 - (a) auction tenders in which the tendering Shareholders specify the number of Common Shares being tendered at a specified price per Common Share (the **Auction Price**) within the Price Range in increments of US\$0.10 per Common Share (the **Auction Tenders**); or
 - (b) purchase price tenders in which the tendering Shareholders do not specify a price per Common Share, but rather agree to have a specified number of Common Shares purchased at the Purchase Price (as defined below) to be determined by the Filer (the **Purchase Price Tenders**).
11. Shareholders who tender Common Shares without making a valid Auction Tender or Purchase Price Tender will be deemed to have made a Purchase Price Tender.
12. If a Shareholder wishes to deposit Common Shares in separate lots at a different price for each lot, that Shareholder must complete a separate Letter of Transmittal (and, if applicable, a Notice of Guaranteed Delivery) for each price at which the Shareholder is depositing Common Shares. A Shareholder may not deposit the same Common Shares pursuant to both an Auction Tender and a Purchase Price Tender, or pursuant to an Auction Tender at more than one price.
13. Any Shareholder who beneficially owns fewer than 100 Common Shares (an **Odd Lot Holder**) and tenders all such Common Shares pursuant to an Auction Tender at a price at or below the Purchase Price, or pursuant to a Purchase Price Tender, will be considered to have made an "Odd Lot Tender".
14. Taking into account the number of Common Shares deposited pursuant to the Auction Tenders and Purchase Price Tenders and the prices specified by Shareholders depositing Common Shares pursuant to the Auction Tenders, the Filer will determine a single price payable per Common Share (the **Purchase Price**) promptly following the expiration of the Offer. The Purchase Price will be the lowest price per Common Share that enables the Filer to purchase the maximum number of Common Shares validly deposited and not properly withdrawn pursuant to the Offer having an aggregate purchase price not exceeding the Maximum Purchase Amount. For the purposes of determining the Purchase Price, Common Shares deposited pursuant to a Purchase Price Tender will be deemed to have been deposited at a price of US\$8.75 per Common Share (which is the minimum price per Common Share under the Offer).

B.3: Reasons and Decisions

15. If the aggregate Purchase Price for the Common Shares validly deposited and not withdrawn pursuant to Auction Tenders at Auction Prices at or below the Purchase Price and Purchase Price Tenders would result in an aggregate Purchase Price in excess of the Maximum Purchase Amount, then such deposited Common Shares will be purchased as follows:
 - (a) first, the Filer will purchase all Common Shares tendered at or below the Purchase Price by Odd Lot Holders; and
 - (b) second, the Filer will purchase Common Shares at the Purchase Price on a *pro rata* basis according to the number of Common Shares deposited or deemed to be deposited at a price equal to or less than the Purchase Price by the depositing Shareholders, for an aggregate purchase price of the Maximum Purchase Amount less the aggregate purchase price of the Common Shares purchased from Odd Lot Holders. All Auction Tenders and Purchase Price Tenders will be subject to adjustment to avoid the purchase of fractional Common Shares (with fractions rounded down to the nearest whole Common Share).
16. Until expiry of the Offer, all information about the number of Common Shares tendered and the prices at which such Common Shares are tendered will be required to be kept confidential by the depository and the Filer until the Purchase Price has been determined.
17. All Common Shares purchased by the Filer pursuant to the Offer (including Auction Tenders tendered at a price below the Purchase Price) will be purchased at the Purchase Price, payable in cash. All payments to Shareholders will be subject to deduction of applicable withholding taxes.
18. Common Shares validly deposited by a Shareholder pursuant to an Auction Tender will not be purchased by the Filer pursuant to the Offer if the Auction Price per Common Share specified by the Shareholder is greater than the Purchase Price.
19. Certificates for all Common Shares not purchased under the Offer (including Common Shares not purchased because of pro-ration), or properly withdrawn before the Expiration Date (as defined below), will be returned (in the case of certificates representing Common Shares all of which are not purchased) or replaced with new certificates representing the balance of Common Shares not purchased (in the case of certificates representing Common Shares of which less than all are purchased), promptly after the Expiration Date or termination of the Offer or the date of withdrawal of the Common Shares, without expense to the Shareholder. In the case of Common Shares tendered through book-entry transfer into the account of TSX Trust Company at Depository Trust Company (**DTC**) or CDS Clearing and Depository Services Inc. (**CDS**), the Common Shares will be credited to the appropriate account maintained by the tendering Shareholder at DTC or CDS, as applicable, without expense to the Shareholder.
20. Shareholders who do not accept the Offer will continue to hold the same number of Common Shares held before the Offer and their proportionate ownership of Common Shares will increase following completion of the Offer, subject to the number of Common Shares purchased under the Offer.
21. Bain Capital Credit, LP (**Bain**) exercises control or direction over 20,515,674 Common Shares (approximately 14.0% of the total number of Common Shares outstanding as of June 17, 2022) as a result of its role as an investment advisor that furnishes investment advice to and manages certain investment funds that own Common Shares. To the knowledge of the Filer, and to the knowledge of its directors and officers, after reasonable inquiry, Bain will not be tendering any of its Common Shares to the Offer. If the Purchase Price is determined to be US\$8.75 (being the minimum Purchase Price under the Offer) and the maximum number of Common Shares are repurchased, Bain will exercise control or direction over 20,515,674 Common Shares, representing approximately 20.28% of the outstanding Common Shares. If the Purchase Price is determined to be US\$10.25 (being the maximum Purchase Price under the Offer) and the maximum number of Common Shares are repurchased, Bain will exercise control or direction over 20,515,674 Common Shares, representing approximately 19.02% of the outstanding Common Shares).
22. To the knowledge of the Filer, after reasonable inquiry, other than Bain, no person or company beneficially owns, or exercises control or direction over, more than 10% of the voting rights attached to all of the Filer's outstanding voting securities.
23. On June 14, 2022, the date prior to the announcement of the Filer's intention to proceed with the Offer, the closing price of the Common Shares on the TSX and Nasdaq were Cdn\$10.24 per Common Share and US\$7.90 per Common Share, respectively. On June 17, 2022, the closing price of the Common Shares on the TSX and Nasdaq were Cdn\$12.07 per Common Share and US\$9.24 per Common Share, respectively.
24. As of June 17, 2022, there were 146,868,096 Common Shares issued and outstanding. If the Purchase Price is determined to be US\$8.75 (being the minimum Purchase Price under the Offer), the maximum number of Common Shares that the Filer is offering to purchase pursuant to the Offer represents approximately 31.13% of the outstanding Common Shares. If the Purchase Price is determined to be US\$10.25 (being the maximum Purchase Price under the

B.3: Reasons and Decisions

Offer), the maximum number of Common Shares that the Filer is offering to purchase pursuant to the Offer represents approximately 26.57% of the outstanding Common Shares.

25. The Offer is subject to Rule 13e-4 and Regulation 14E promulgated under the *U.S. Securities Exchange Act of 1934*, as amended (the **Exchange Act**), and is not exempt therefrom. Pursuant to Rule 13e-4 under the Exchange Act, the Filer filed a Tender Offer Statement on Schedule TO with the U.S. Securities and Exchange Commission on June 21, 2022.
26. The Offer is scheduled to expire at 5:00 p.m. (Eastern time) on July 27, 2022 (the **Expiration Date**).
27. If all the terms and conditions of the Offer have been complied with or waived by the Filer by the Expiration Date but the aggregate Purchase Price of the Common Shares validly tendered and not withdrawn pursuant to Auction Tenders and Purchase Price Tenders is less than the Maximum Purchase Amount, the Filer may wish to extend the Offer. The Filer will not extend the Offer if, all the terms and conditions of the Offer have been complied with or waived by the Filer by the Expiration Date and the aggregate Purchase Price of the Common Shares validly tendered and not withdrawn pursuant to Auction Tenders and Purchase Price Tenders is equal to or greater than the Maximum Purchase Amount.
28. Pursuant to subsection 2.32(4) of NI 62-104, an issuer may not extend an issuer bid if all the terms and conditions of the issuer bid have been complied with or waived unless the issuer first takes up all securities deposited under the issuer bid and not withdrawn. In issuer tender offers subject to Rule 13e-4 under the Exchange Act, an issuer is required to take up all securities tendered under an issuer bid promptly following the expiration of the issuer bid and, as a consequence, an issuer is prohibited from taking up securities prior to the expiration of an issuer bid, including all extension periods.
29. As the determination of the Purchase Price requires that all Auction Prices and the number of Common Shares deposited pursuant to both Auction Tenders and Purchase Price Tenders be known and taken into account, the Filer will be unable to take up the Common Shares deposited and not withdrawn under the Offer as of the Expiration Date prior to extending the Offer because the Purchase Price will not and cannot be known as additional Auction Tenders and Purchase Price Tenders may be made during the extension period that will impact the calculation of the Purchase Price. Accordingly, the Exemption Sought is required in connection with an extension of the Offer to enable the Filer to make a final determination regarding the Purchase Price, taking into account all Common Shares tendered prior to the Expiration Date and those tendered during any extension period.
30. Common Shares deposited pursuant to the Offer, including those deposited prior to the Expiration Date, may be withdrawn by the Shareholder at any time prior to the expiration of any extension period in respect of the Offer.
31. The Filer is relying on the "liquid market exemption" set out in subsection 3.4(b) of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions (MI 61-101)* from the formal valuation requirements applicable to issuer bids under MI 61-101 (the **Liquid Market Exemption**).
32. There is a "liquid market" for the Common Shares, as such term is defined in MI 61-101, as of the date the Offer was publicly announced because:
 - (a) there is a published market for the Common Shares (i.e. the TSX and Nasdaq); and
 - (b) Cormark Securities Inc. (**Cormark**), a person qualified and independent of all interested parties to the Offer, provided an opinion to the Filer in accordance with section 1.2 of MI 61-101 (the **Liquidity Opinion**) that, based on and subject to the qualifications, assumptions and limitations stated in the Liquidity Opinion, Cormark is of the opinion that, as of the date the Offer was publicly announced: (i) a liquid market exists for the Common Shares; and (ii) it is reasonable to conclude that, following completion of the Offer, there will be a market for holders of Common Shares who do not tender to the Offer that is not materially less liquid than the market that existed at the time of the making of the Offer. A copy of the Liquidity Opinion was included in the Circular.
33. Based on the maximum number of Common Shares that may be purchased under the Offer and the Liquidity Opinion, the board of directors of the Filer (the **Board**) determined that it is reasonable to conclude that, following completion of the Offer, there will be a market for holders of Common Shares who do not tender to the Offer that is not materially less liquid than the market that existed at the time of the making of the Offer.
34. The Board has determined that the Offer is in the best interests of the Filer and Shareholders, and that the Offer is an advisable use of the Filer's financial resources.
35. The Circular:
 - (a) discloses the mechanics for the take up of, and payment for, deposited Common Shares;
 - (b) explains that, by tendering Common Shares under an Auction Tender at the lowest price in the Price Range or by tendering Common Shares under a Purchase Price Tender, a Shareholder can reasonably expect that the

B.3: Reasons and Decisions

Common Shares so tendered will be purchased at the Purchase Price, subject to proration and other terms of the Offer as specified herein;

- (c) discloses that the Filer has applied for the Exemption Sought;
- (d) sets out the manner in which an extension of the Offer will be communicated to Shareholders and the public;
- (e) discloses that Common Shares deposited pursuant to the Offer may be withdrawn any time prior to the expiration of any extension period in respect of the Offer;
- (f) discloses the facts supporting the Filer's reliance on the Liquid Market Exemption, including the Liquidity Opinion; and
- (g) contains the disclosure prescribed by the Legislation for issuer bids.

Decision

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

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

- (a) Common Shares validly deposited under the Offer and not withdrawn are taken up and paid for, or dealt with, in the manner set out in the Circular and described above;
- (b) the Filer is eligible to rely on the Liquid Market Exemption; and
- (c) the Filer complies with the requirements of Rules 13e-4 and Regulation 14E promulgated under the Exchange Act in respect of the Offer.

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

B.3.5 3iQ Corp. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief granted from subsection 9.4(2) of NI 81-102 for exchange-traded funds that hold digital assets to permit in-kind subscriptions of fund creation units purchased with bitcoin or ether – relief is subject to conditions.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 9.4(2) and 19.1.

June 16, 2022

**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
3iQ CORP.
(the Filer)**

AND

**IN THE MATTER OF
3iQ COINSHARES BITCOIN ETF,
3iQ COINSHARES ETHER ETF
(collectively, the Existing ETFs)**

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Existing ETFs and any additional exchange-traded mutual funds (the **Future ETFs**, and together with the **Existing ETFs**, the **ETFs**) of which the Filer, or an affiliate of the Filer, will be the investment fund manager of in the future, for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) that exempts the Filer and each ETF from subsection 9.4(2) of National Instrument 81-102 – *Investment Funds (NI 81-102)* to permit each ETF to accept Digital Assets (as defined below) as subscription proceeds for Creation Units (as defined below) (the **Exemption Sought**).

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

- (a) the Ontario Securities Commission 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* is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, the Northwest Territories, Nunavut and Yukon (together with the Jurisdiction, the **Jurisdictions**).

Interpretation

Authorized Dealer means a registered dealer that has entered, or intends to enter, into an agreement with the manager of an ETF authorizing the dealer to subscribe for, purchase and redeem Creation Units from one or more ETFs on a continuous basis from time to time.

Creation Units means Listed Securities (as defined below) that are subscribed for or purchased directly from the ETFs by Authorized Dealers, Designated Brokers and other permitted purchasers.

Designated Broker means a registered dealer that has entered, or intends to enter, into an agreement with the manager of an ETF to perform certain duties in relation to the ETF, including the posting of a liquid two-way market for the trading of the Listed Securities on the TSX or another Marketplace.

Digital Asset means bitcoin or ether.

Exchange means the Toronto Stock Exchange or another stock exchange recognized by the Ontario Securities Commission.

Listed Securities means a series of securities of an ETF distributed pursuant to a long-form prospectus filed in accordance with National Instrument 41-101 – *General Prospectus Requirements* (**NI 41-101**) that is listed on an Exchange.

Prescribed Number of Listed Securities means the number of Listed Securities of an ETF determined by the Filer from time to time for the purpose of subscription orders, exchanges, redemptions or for other purposes.

Terms defined in National Instrument 14-101 – *Definitions* (**NI 14-101**) or in NI 81-102 have the same meaning in this decision as in NI 14-101 or NI 81-102.

Representations

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

The Filer

1. The Filer is a corporation incorporated under the laws of Canada, with its registered office located at 4800-1 King Street West, Box 160, Toronto, Ontario M5H 1A1.
2. The Filer is registered as (a) a portfolio manager and exempt market dealer in Alberta, British Columbia, Ontario and Quebec, (b) an investment fund manager in Alberta, Ontario and Quebec and (c) a commodity trading manager in Ontario.
3. The Filer is the investment fund manager of the Existing ETFs and the Filer or an affiliate of the Filer will be, the investment fund manager of the Future ETFs.
4. The Filer is not in default of securities legislation in any of the Jurisdictions.

The ETFs

5. Each Existing ETF is, and each Future ETF will be, a reporting issuer under the laws of the Jurisdictions and an open-ended mutual fund subject to NI 81-102.
6. Each Existing ETF issues, and each Future ETF will be subject to the approval of the applicable Exchange issue, Listed Securities.
7. Each ETF has filed, or will file, a final long-form prospectus prepared in accordance with NI 41-101 with the securities regulatory authorities in each of the Jurisdictions to qualify the issuance of its Listed Securities in each of the Jurisdictions on a continuous basis.
8. The investment objective of each of the ETFs is, or will be, to provide its securityholders with exposure to a Digital Asset.
9. Each of the ETFs seeks, or will seek, to achieve its investment objective by buying and holding substantially all of its assets in bitcoin and/or ether.
10. Neither of the Existing ETFs is in default of securities legislation in any of the Jurisdictions.

In-Kind Subscriptions

11. Generally, subscriptions for Creation Units may only be placed for a Prescribed Number of Listed Securities (or a multiple thereof) on any day when there is a trading session on an Exchange. Authorized Dealers or Designated Brokers subscribe for Creation Units for the purpose of facilitating investor purchases of Listed Securities on the Exchange.
12. Subsection 9.4(2) of NI 81-102 provides that a mutual fund may accept as subscription proceeds for its securities either cash or securities. Digital Assets are neither cash nor securities.
13. Absent the Exemption Sought, an ETF would be prohibited by subsection 9.4(2) of NI 81-102 from accepting Digital Assets as payment, in whole or in part, for Creation Units.

B.3: Reasons and Decisions

14. The price that an investor can purchase the Listed Securities of an ETF for on an Exchange is largely determined by the hedging costs of the Authorized Dealers and Designated Broker. The lower the cost of the hedging instruments, the closer the trading price that the investor receives for their Listed Securities will be to the net asset value per Listed Security of the ETF.
15. Generally, if the Authorized Dealers and the Designated Broker are not able to hedge with the applicable Digital Asset itself and if these parties cannot deliver that Digital Asset in-kind to the ETF, the trading price for the Listed Securities of the ETF will be determined based on the price of those futures contracts where the underlying interest is the applicable Digital Asset. The difference between the price of the Digital Asset and the price of the futures contract is reflected in the premium or the discount that the trading price of the Listed Securities of an ETF bears to the net asset value per Listed Security of the ETF. This differential is borne by the investors in the ETF.
16. Permitting Digital Assets to be used to satisfy in-kind subscriptions of Creation Units of each ETF will result in the trading price of the Listed Securities being more closely aligned to the net asset value per Listed Security of the ETF.
17. The Digital Asset delivered to an ETF to satisfy the issue price for in-kind subscriptions of Creation Units will be valued by the ETF for purposes of determining the net asset value of the ETF in accordance with the valuation principles of the ETF disclosed in its most recent prospectus.
18. Each ETF may also accept cash as subscription proceeds for its securities, including Creation Units. To the extent that an ETF holds cash and consistent with its investment objective, it may use that cash to purchase Digital Assets.

Decision

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

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

- (a) the acceptance of Digital Assets as payment, in whole or in part, for the issue price of Creation Units is made in accordance with paragraph 9.4(2)(b) of NI 81-102; and
- (b) the Filer enter into an agreement with the Designated Broker, each Authorized Dealer and any other person that is permitted to pay for Listed Securities purchased directly from an ETF by delivering Digital Assets to the ETF that requires, among other things, that all Digital Assets delivered in-kind to the ETF as payment for the issue price of securities of the ETF:
 - (i) be acquired only on an exchange, trading platform or trading venue, or from an OTC counterparty, that (A) is registered as a dealer or a marketplace in Canada, or (B) is regulated as a trust company or a broker-dealer under the laws of a state of the United States, and, in each case, is required under such registration or by its regulator, as the case may be, to comply with the laws of the applicable jurisdiction aimed at the prevention and detection of money laundering and terrorist financing activities; and
 - (ii) be delivered directly from the exchange, trading venue or counterparty to the digital wallet of the ETF at its custodian or sub-custodian.

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

Application File #: 2022/0233
SEDAR File #: 3380963

B.3.6 Capital International Asset Management (Canada), Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief granted to permit investment funds subject to National Instrument 81-102 Investment Funds that are “qualified institutional buyers” under the United States Securities Act of 1933 to invest in unregistered fixed income securities that are traded on mature and liquid markets purchased pursuant to Rule 144A of the United States Securities Act of 1933 in excess of the illiquid asset restrictions – relief subject to conditions.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 1.1, 2.4(1), 2.4(2), 2.4(3) and 19.1.

July 18, 2022

**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
CAPITAL INTERNATIONAL ASSET MANAGEMENT (CANADA), INC.
(the Filer)**

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer, on behalf of all current and future mutual funds that are, or will be, managed by the Filer or an affiliate of the Filer and to which National Instrument 81-102 *Investment Funds (NI 81-102)* applies (collectively, the **Funds**) for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that grants exemptive relief to the Funds that:

- (a) the purchases by a Fund that is a Qualified Institutional Buyer (as defined below) at the time of purchase, of those fixed income securities that qualify for, and may be traded pursuant to, the exemption from the registration requirements of the *Securities Act of 1933*, as amended (the **US Securities Act**), as set out in Rule 144A of the US Securities Act (**Rule 144A**) for resales of certain fixed income securities (**144A Securities**) to “qualified institutional buyers” (as defined in the US Securities Act) are exempt from part (b) of the section 1.1 definition of an “illiquid asset” in NI 81-102; and
- (b) a Fund’s holdings of 144A Securities purchased as a Qualified Institutional Buyer are excluded from consideration as an “illiquid asset” for the purposes of subsections 2.4(1), 2.4(2) and 2.4(3) of NI 81-102 (collectively, 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 the application; and
- (b) the Filer has provided notice that Section 4.7(1) of Multilateral Instrument 11-102 *Passport System (MI 11-102)* is intended to be relied upon in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Québec, Saskatchewan and Yukon (together with Ontario, the **Jurisdictions**).

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102 and NI 81-102 have the same meaning if used in this decision, unless otherwise defined. In addition to the defined terms used in this decision, capitalized terms used in this decision have the following meanings:

IRC means the independent review committee of the Funds.

Qualified Institutional Buyers has the same meaning as is given to such term in §230.144A of the US Securities Act.

Registered Securities means securities that have been registered with the United States Securities and Exchange Commission.

Representations

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

The Filer and the Funds

1. The Filer is registered as an investment fund manager, portfolio manager, and exempt market dealer in the province of Ontario. The Filer is also registered as an exempt market dealer in Alberta, British Columbia, Nova Scotia and Québec, and as an investment fund manager in Newfoundland and Labrador and Québec. The Filer's head office is located in Toronto, Ontario.
2. The Filer is, or will be, the investment fund manager of the Funds and the Filer, an affiliate of the Filer or a third-party portfolio manager retained by the Filer is, or will be, the portfolio manager of the Funds.
3. Each Fund is, or will be, an open-ended mutual fund trust, organized and governed by the laws of a Jurisdiction or the laws of Canada.
4. Each Fund is, or will be, governed by the provisions of NI 81-102, subject to any exemption therefrom that has been, or may be, granted by the securities regulatory authorities.
5. As at the date of this decision, neither the Filer, nor any of the existing Funds, is in default of securities legislation in any of the Jurisdictions.

Definition of Illiquid Assets in NI 81-102 and 144A Securities

6. Pursuant to section 1.1 of NI 81-102, an "illiquid asset" is defined as:
 - (a) a portfolio asset that cannot be readily disposed of through market facilities on which public quotations in common use are widely available at an amount that at least approximates the amount at which the portfolio asset is valued in calculating the net asset value per security of the investment fund; or
 - (b) a restricted security held by an investment fund.
7. Rule 144A provides an exemption from the registration requirements of the US Securities Act for resales of unregistered securities by and to Qualified Institutional Buyers. Rule 144A also requires that there must be adequate current public information about the issuing company before the sale can be made.
8. The definition of a Qualified Institutional Buyer under §230.144A of the US Securities Act includes several types of entities, but in general, such entities must, in the aggregate, own and invest on a discretionary basis at least USD\$100 million in securities of issuers that are not affiliated with such entity.
9. While issuers themselves cannot rely on Rule 144A, as Rule 144A provides an exemption for resales of unregistered securities, the existence of Rule 144A allows financial intermediaries to purchase unregistered securities from issuers and resell them to Qualified Institutional Buyers in transactions that comply with Rule 144A without registering such securities.
10. Pursuant to the terms of the US Securities Act, public resales of 144A Securities to non-Qualified Institutional Buyers must be conducted in reliance upon other available exemptions, such as Rule 144. Rule 144 allows a seller to sell 144A Securities to a purchaser who does not qualify as a Qualified Institutional Buyer after a prescribed period of time (ranging from a minimum of six months to a minimum of one year after issuance depending on the issuer of the securities), if certain other reporting requirements are satisfied.

B.3: Reasons and Decisions

11. Despite the foregoing, 144A Securities are immediately freely tradeable among Qualified Institutional Buyers in accordance with Rule 144A without regard to any holding periods. 144A Securities may also be sold to and purchased by non-Qualified Institutional Buyers after registration of the securities, or pursuant to another exemption from registration under the US Securities Act, if any exemption is available at that time.
12. Because public resales of 144A Securities are subject to certain holding periods notwithstanding that Qualified Institutional Buyers may purchase 144A Securities in accordance with Rule 144A which does not require a holding period, they may be considered to be restricted securities for the purposes of part (b) of the definition of an “illiquid asset” under section 1.1 of NI 81-102, and each Fund’s holdings of 144A Securities would be subject to the limits on holdings of illiquid assets in subsections 2.4(1), 2.4(2) and 2.4(3) of NI 81-102 (the **Illiquid Asset Restrictions**).
13. The segment of each of the U.S. investment grade corporate bond market and U.S. high-yield corporate bond market that is made up of 144A Securities has increased substantially in the last five years. As a result, the average daily trading volume/market size has also increased. Given this, the Filer is of the view that (i) 144A Securities are liquid, and (ii) 144A Securities are an increasing part of the Funds’ potential investment universe.

Reasons for the Exemption Sought

14. The Filer is of the view that certain 144A Securities provide an attractive investment opportunity for the Funds. Due to the definition of an “illiquid asset” under section 1.1 of NI 81-102, the Funds may be unable to pursue these investment opportunities without risking a breach of the Illiquid Asset Restrictions.
15. The ability of Qualified Institutional Buyers to freely trade 144A Securities pursuant to Rule 144A has substantially reduced the discounts and illiquidity that were present in unregistered offerings historically. The market for 144A Securities consists of a very deep pool of Qualified Institutional Buyers.
16. The most liquid 144A Securities have traded with comparable volumes to the most liquid corporate debt Registered Securities over the past few years. The segment of the U.S. investment grade corporate bond market that is made up of 144A Securities has grown substantially over the past 15 years. The segment of the U.S. high-yield corporate bond market that is made up of 144A Securities has also grown significantly over the past decade.
17. Daily market quotations are obtained in the same way through fixed income market platforms for 144A Securities as they are for Registered Securities. Real-time price quotes and market trade data are available for 144A Securities. Many fixed income trades including 144A Securities, are reported within minutes into the Trade Reporting and Compliance Engine, a program initially developed by the National Association of Securities Dealers, Inc. (now the Financial Industry Regulatory Authority, Inc.) that provides for the reporting of over-the-counter transactions pertaining to eligible fixed income securities, including 144A Securities, thus meeting market integrity requirements.
18. A Fund that qualifies as a Qualified Institutional Buyer at the time it purchases 144A Securities may trade those 144A Securities to another Qualified Institutional Buyer without further restriction (i.e., not subject to any holding period). Typically, a Fund would sell 144A Securities to other brokers or dealers that are Qualified Institutional Buyers themselves, who would then on-sell the securities to other Qualified Institutional Buyers.
19. A Fund is not required to maintain its Qualified Institutional Buyer status in order to be able to resell its holdings of 144A Securities to another Qualified Institutional Buyer at any time.
20. In the course of determining the potential liquidity of a security, the portfolio manager or sub-adviser may use several factors, including, but not limited to, market volatility, trending credit quality, current valuation, maturity, size of the tranche or offering, the applicable underwriters, the status of well-covered credit or first-time issuer, index eligibility, and in the case of 144A Securities, whether the security falls under “144A for life” status.
21. The Filer is of the view that it has the tools, resources and expertise necessary to assess issuances of 144A Securities and to evaluate the creditworthiness of issuers on a per issuance basis. The Filer has the ability to conduct sufficient analysis and should have the opportunity to invest in 144A Securities, and for the foregoing reasons, considers 144A Securities to be liquid investments that are not “restricted securities” under part (b) of the section 1.1 definition of an “illiquid asset” in NI 81-102.
22. One purpose of the Illiquid Asset Restrictions is to govern a core mutual fund principle: investors should be able to redeem mutual fund securities on demand. Considering that 144A Securities trade in an active institutional market, the Filer is of the view that 144A Securities can be liquid relative to a Fund’s need to satisfy redemptions. The result of part (b) of the current definition of an “illiquid asset” in NI 81-102 is that all 144A Securities may be considered illiquid, whereas 144A Securities may be more liquid than other types of securities that meet the liquidity criteria set out in NI 81-102.
23. Exempting 144A Securities from the section 1.1, part (b) definition of an “illiquid asset” in NI 81-102 will not result in a Fund being unable to satisfy redemption requests. Investing in 144A Securities may be more beneficial to the Funds than

various other securities in which the Funds may invest, and the liquidity determination regarding any such 144A Securities should be made based on the actual trading liquidity of the security and not simply based on the manner in which the security was offered into the market.

24. The Filer maintains investor protection policies and procedures that address liquidity risk, and uses a combination of risk management tools, including (i) IRC-approved governance policies, including a sub-advisor oversight conflict policy for which the IRC has provided standing instructions, that have been adopted to protect investors in the Funds, (ii) internal portfolio manager notification requirements of significant cash flows into the Funds, (iii) ongoing liquidity monitoring of each Fund's portfolio, and (iv) the consideration of factors in order to assess the potential liquidity of a security, including, but not limited to, trending credit quality, current valuation, maturity and index eligibility.
25. If a Fund no longer meets the requirements for qualifying as a Qualified Institutional Buyer, then the Filer's compliance department will immediately restrict any further purchases of 144A Securities until such time as the Fund regains its status as a Qualified Institutional Buyer.
26. It would not be prejudicial to the public interest to grant the Exemption Sought to the Funds. The Filer is of the view that, if the Funds were unable to access and invest in 144A Securities, the Funds and their investors would lose out on potential investment opportunities in the fixed income space.

Decision

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

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

- (a) a Fund that purchases 144A Securities is a Qualified Institutional Buyer at the time of purchase;
- (b) the 144A Securities purchased pursuant to the Exemption Sought are not illiquid assets under part (a) of the section 1.1 definition of an "illiquid asset" in NI 81-102;
- (c) the 144A Securities purchased pursuant to the Exemption Sought are traded on a mature and liquid market; and
- (d) the prospectus of each Fund relying on the Exemption Sought discloses, or will disclose in the next renewal of its prospectus following the date of this decision, the fact that the Fund has obtained the Exemption Sought.

"Neeti Varma"
Manager, Investment Funds and Structured Products
Ontario Securities Commission

Application File #: 2022/0300
SEDAR File #: 3401646

B.3.7 PenderFund Capital Management Ltd. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – An alternative mutual fund wants relief from the short selling restriction in NI 81-102 that prohibits an alternative mutual fund or a non-redeemable investment fund from selling a security short if the aggregate market value of all securities sold short by the fund exceeds 50% of the fund's net asset value (NAV) – the fund will be restricted to short sell securities up to an aggregate market value of 100% of the fund's NAV; the fund will continue to comply with the requirements in NI 81-102 that permit the fund to borrow cash, short sell and enter into specified derivatives transactions (which can be set up to mimic leverage and short transactions) up to a limit of 300% of the fund's NAV; if the relief results in a material change or change to the fund's risk rating, the fund will comply with applicable requirements under securities legislation; the fund will disclose the material terms of the relief in its investor facing materials.

An alternative mutual fund wants relief from the borrowing restriction in NI 81-102 that prohibits an alternative mutual fund or a non-redeemable investment fund from borrowing cash if the aggregate value of all outstanding borrowing by the fund exceeds 50% of the fund's net asset value (NAV) – the fund will be restricted to borrow cash to an aggregate value of 100% of the fund's NAV; the fund will continue to comply with the requirements in NI 81-102 that permit the fund to borrow cash, short sell and enter into specified derivatives transactions (which can be set up to mimic leverage and short transactions) up to a limit of 300% of the fund's NAV; if the relief results in a material change or change to the fund's risk rating, the fund will comply with applicable requirements under securities legislation; the fund will disclose the material terms of the relief in its investor facing materials.

An alternative mutual fund wants relief from the restriction in NI 81-102 that prohibits an investment fund from borrowing cash or selling securities short if the aggregate value of cash borrowed combined with the aggregate market value of all securities sold short by the fund exceeds 50% of the fund's net asset value (NAV) – the fund will be restricted to borrow cash and/or short sell to an aggregate value of 100% of the fund's NAV; the fund will continue to comply with the requirements in NI 81-102 that permit the fund to borrow cash, short sell and enter into specified derivatives transactions (which can be set up to mimic leverage and short transactions) up to a limit of 300% of the fund's NAV; if the relief results in a material change or change to the fund's risk rating, the fund will comply with applicable requirements under securities legislation; the fund will disclose the material terms of the relief in its investor facing materials.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 2.6, 2.6.1, 2.6.2 and 19.1.

June 30, 2022

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

AND

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

AND

**IN THE MATTER OF
PENDERFUND CAPITAL MANAGEMENT LTD.
(the Filer)**

AND

**PENDER ALTERNATIVE ABSOLUTE RETURN FUND
(PAARF)**

AND

**PENDER ALTERNATIVE ARBITRAGE PLUS FUND
(PAAF+)**

DECISION

1. Background

The Filer, on behalf of PAARF, was granted relief by the British Columbia Securities Commission and the Ontario Securities Commission (the Decision Makers) on May 9, 2022 (the Prior Order) from the following provisions in National Instrument 81-102 *Investment Funds* (NI 81-102):

- (a) subparagraph 2.6.1(1)(c)(v) of NI 81-102, which restricts an alternative mutual fund or non-redeemable investment fund from selling a security short, if at the time, the aggregate market value of all securities sold short by the fund exceeds 50% of the fund's NAV (together with (c) below, the Short Selling Limit);
- (b) subparagraph 2.6(2)(c) of NI 81-102, which restricts an alternative mutual fund or non-redeemable investment fund from borrowing cash if the value of cash borrowed, when aggregated with the value of all outstanding borrowing by the fund, exceeds 50% of the fund's NAV (together with (c) below, the Cash Borrowing Limit); and
- (c) section 2.6.2 of NI 81-102, which restricts an alternative mutual fund or non-redeemable investment fund from borrowing cash or selling securities short if, immediately after entering into a cash borrowing or short selling transaction, the aggregate value of cash borrowed combined with the aggregate market value of all securities sold short by the fund (the Combined Aggregate Value) would exceed 50% of the fund's NAV and which requires an alternative mutual fund or non-redeemable investment fund, if the Combined Aggregate Value exceeds 50% of the fund's NAV, as quickly as commercially reasonable, to take all steps necessary to reduce the Combined Aggregate Value to 50% or less of the fund's NAV ((a) and (c) together, the Short Selling Relief, and (b) and (c) together, the Cash Borrowing Relief, and collectively the Requested Relief).

The Filer wishes to update the Requested Relief to include the PAAF+ (together with the PAARF, the Existing Funds) and alternative mutual funds that the Filer may manage in the future (together with the Existing Funds, the Funds and each a Fund) and has requested that the Prior Order be revoked by the Decision Makers and replaced with this decision (the Exemption Sought).

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

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

2. 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.

3. Representations

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

The Filer

- 1. the Filer is a corporation incorporated under the laws of British Columbia on May 28, 2003;
- 2. the head office of the Filer is located in Vancouver, British Columbia;
- 3. the Filer is registered as an investment fund manager in British Columbia, Ontario, Québec and Newfoundland and Labrador; a portfolio manager in British Columbia and Ontario; and an exempt market dealer in British Columbia, Alberta, Manitoba, Ontario and Québec;
- 4. the Filer is or will be the investment fund manager, portfolio manager and trustee of each Fund;
- 5. the Filer is not a reporting issuer in any of the Jurisdictions and is not in default of the Legislation in any of the Jurisdictions;

The Funds

- 6. each Fund is, or will be, an alternative mutual fund to which NI 81-102 applies, and is, or will be, organized under and governed by the laws of British Columbia;

B.3: Reasons and Decisions

7. each Fund has distributed, distributes or will distribute its securities pursuant to a simplified prospectus (a Prospectus) prepared in accordance with NI 81-101 *Mutual Fund Prospectus Disclosure* (NI 81-101) and Form 81-101F1 *Contents of Simplified Prospectus*;
8. securities of each Fund are, or will be, qualified for distribution in a Jurisdiction;
9. each of the Funds is, or will be, a reporting issuer in each Jurisdiction where the Requested Relief is relied upon;
10. the Existing Funds are not in default of the Legislation in any of the Jurisdictions;
11. the investment objective of each Fund will differ but, in each case, key investment strategies which may be utilized by a Fund will include: (a) the use of absolute return, offsetting, inverse or shorting strategies requiring the use of short selling in excess of the Short Selling Limit; and/or (b) the use of cash borrowing to provide additional investment exposure in connection with the investment strategies of the Fund in excess of the Cash Borrowing Limit;
12. the investment objective of PAARF is to maximize absolute returns over a complete market cycle by providing long-term capital growth and income, with low volatility of returns by investing primarily in a portfolio of North American fixed income securities; the investment objective of PAAF+ is to generate consistent, positive returns, with low volatility and low correlation to equity markets by investing primarily in North American securities; the Existing Funds may also invest in foreign and other securities;
13. as an alternative mutual fund subject to NI 81-102, each Fund is permitted to invest in asset classes such as physical commodities and specified derivatives, and, among other things:
 - (a) invests up to 20% of its NAV in securities of a single issuer (rather than 10% for conventional mutual funds);
 - (b) borrows cash of up to 50% of its NAV to use for investment purposes;
 - (c) sells securities short (provided that the aggregate market value of the securities of the issuer of the securities sold short, other than government securities, does not exceed 10% of its NAV and the aggregate market value of the securities sold short does not exceed 50% of its NAV); and
 - (d) uses leverage through the use of cash borrowing, short selling and specified derivatives.
14. as an alternative mutual fund subject to NI 81-102, the combined level of cash borrowing and short selling of each Fund is currently limited to 50% of its NAV in aggregate and the maximum aggregate exposure to the foregoing sources of leverage, as calculated in accordance with section 2.9.1 of NI 81-102, cannot exceed 300% of the Existing Fund's NAV (the Leverage Limit);
15. the Filer has determined that it is in the best interests of the Funds to borrow cash and sell securities short up to 100% of NAV;

Reasons for the Requested Relief

16. the Prospectus, annual information form, and fund facts, as applicable, comply, or will comply, with the applicable requirements of NI 81-101 and Form 81-103F3 *Content of Fund Facts Document* (the Fund Facts) for alternative mutual funds, and will include disclosure in a text box on the cover page of the Fund Facts to highlight how each Fund differs from other mutual funds and alternative mutual funds and to emphasize that the short selling and cash borrowing strategies and increased ability to engage in short selling and cash borrowing permitted for each Fund are outside the scope of the restrictions in NI 81-102 applicable to alternative mutual funds;
17. the Filer does not consider that any activities it would engage in for an Existing Fund in reliance on the Short Selling Relief and Cash Borrowing Relief would constitute either a fundamental or material change for the Existing Fund under NI 81-102 or Part 11 of National Instrument 81-106 – *Investment Fund Continuous Disclosure*;
18. the Filer determines the risk rating for the Funds using the Investment Risk Classification Methodology as set out in Appendix F of NI 81-102; the Filer does not anticipate that the current risk rating of an Existing Fund would change if the Short Selling and Cash Borrowing Relief were granted;
19. the Filer has comprehensive risk management policies or procedures that address the risks associated with short selling and cash borrowing in connection with the implementation of the investment strategies of each of the Funds;
20. each Fund will implement the following controls when conducting a short sale:
 - (a) each Fund will assume the obligation to return to the borrowing agent the securities borrowed to effect the short sale;

- (b) each Fund will receive cash for the securities sold short within normal trading settlement periods for the market in which the short sale is effected;
- (c) the Filer will monitor the short positions within the constraints of the Short Selling Relief and the Cash Borrowing Relief at least daily;
- (d) on an annual basis, the Filer is responsible for setting and reviewing written policies and procedures for the conduct of short sales, risk management controls and proper books and records, including what is described in paragraph 19;
- (e) the security interest provided by a Fund over any of its assets that is required to enable a Fund to effect a short sale transaction is made in accordance with industry practice for that type of transaction and relates only to obligations arising under such short sale transactions;
- (f) any short sale by a Fund will comply with the investment objectives of the Fund; and
- (g) the Filer will keep proper books and records of short sales and all assets of the Fund deposited with borrowing agents as security.

4. 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 Prior Order is revoked, and the Exemption Sought is granted provided that:

1. Fund may sell a security short or borrow cash only if, immediately after the cash borrowing or short selling transaction:
 - (a) the aggregate market value of all securities sold short by the Fund does not exceed 100% of the Fund's NAV;
 - (b) the aggregate value of all cash borrowing by the Fund does not exceed 100% of the Fund's NAV;
 - (c) the aggregate market value of securities sold short by the Fund combined with the aggregate value of cash borrowing by the Funds does not exceed 100% of the Fund's NAV; and
 - (d) the Fund's aggregate exposure to short selling, cash borrowing and specified derivatives does not exceed the Leverage Limit;
2. in the case of a short sale by a Fund, the short sale:
 - (a) otherwise complies with all of the short sale requirements applicable to alternative mutual funds under sections 2.6.1 and 2.6.2 of NI 81-102; and
 - (b) is consistent with the Fund's investment objectives and strategies;
3. in the case of a cash borrowing transaction by a Fund, the transaction:
 - (a) otherwise complies with all of the cash borrowing requirements applicable to alternative mutual funds under sections 2.6 and 2.6.2 of NI 81-102; and
 - (b) is consistent with the Fund's investment objectives and strategies; and
4. the Prospectus under which securities of a Fund are offered:
 - (a) discloses that the Fund can sell securities short or borrow cash up to, and subject to, the limits described in condition (1) above; and
 - (b) describes the material terms of this decision.

"John Hinze"
Director, Corporate Finance
British Columbia Securities Commission

B.4 Cease Trading Orders

B.4.1 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
The Alkaline Water Company Inc.	July 6, 2022	July 18, 2022

B.4.2 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order	Date of Lapse
Emerald Health Therapeutics, Inc.	May 5, 2022	July 12, 2022
CoinAnalyst Corp.	May 6, 2022	July 15, 2022

B.4.3 Outstanding Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Expire	Date of Issuer Temporary Order
Performance Sports Group Ltd.	19 October 2016	31 October 2016	31 October 2016		

Company Name	Date of Order	Date of Lapse
Agrios Global Holdings Ltd.	September 17, 2020	
Gatos Silver, Inc.	April 1, 2022	
Gatos Silver, Inc.	April 12, 2022	
Red White & Bloom Brands Inc.	May 4, 2022	
Emerald Health Therapeutics, Inc.	May 5, 2022	July 12, 2022
CoinAnalyst Corp.	May 6, 2022	July 15, 2022
Rapid Dose Therapeutics Corp.	June 29, 2022	
Sproutly Canada, Inc.	June 30, 2022	
Gatos Silver, Inc.	July 7, 2022	

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B.7 Insider Reporting

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

This chapter contains a weekly summary of insider transactions of Ontario reporting issuers in the System for Electronic Disclosure by Insiders (SEDI). The weekly summary contains insider transactions reported during the seven days ending Sunday at 11:59 pm.

To obtain Insider Reporting information, please visit the SEDI website (www.sedi.ca).

B.9

IPOs, New Issues and Secondary Financings

INVESTMENT FUNDS

Issuer Name:

Langdon Canadian Smaller Companies Portfolio
Langdon Global Smaller Companies Portfolio
Principal Regulator – Ontario

Type and Date:

Preliminary Simplified Prospectus dated Jul 18, 2022
NP 11-202 Preliminary Receipt dated Jul 18, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3410120

Issuer Name:

TruX Exogenous Risk Pool
Principal Regulator - Ontario

Type and Date:

Amendment #4 to Final Simplified Prospectus dated July 7, 2022
NP 11-202 Final Receipt dated Jul 13, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3278743

Issuer Name:

RBC Canadian Dividend Covered Call ETF
RBC Target 2028 Corporate Bond Index ETF
RBC Target 2029 Corporate Bond Index ETF
RBC U.S. Dividend Covered Call ETF
Principal Regulator – Ontario

Type and Date:

Preliminary Long Form Prospectus dated Jul 15, 2022
NP 11-202 Preliminary Receipt dated Jul 18, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3409847

Issuer Name:

Phillips, Hager & North High Yield Bond Fund
Principal Regulator - Ontario

Type and Date:

Amendment #1 to Final Simplified Prospectus dated July 14, 2022
NP 11-202 Final Receipt dated Jul 15, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3385508

Issuer Name:

Franklin Bissett Ultra Short Bond Active ETF
Principal Regulator – Ontario

Type and Date:

Preliminary Long Form Prospectus dated Jul 15, 2022
NP 11-202 Preliminary Receipt dated Jul 15, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3409725

Issuer Name:

Primerica Global Equity Fund
Primerica Canadian Balanced Growth Fund
Primerica Global Balanced Growth Fund
Primerica Balanced Yield Fund
Primerica Income Fund
Primerica Canadian Money Market Fund
Principal Regulator - Ontario

Type and Date:

Amendment #1 to Final Simplified Prospectus dated July 14, 2022
NP 11-202 Final Receipt dated Jul 15, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3289469

B.9: IPOs, New Issues and Secondary Financings

Issuer Name:

IA Clarington Strategic Income Fund
IA Clarington Loomis Global Allocation Class
Principal Regulator - Quebec

Type and Date:

Amendment #1 to Final Simplified Prospectus dated June
27, 2022
NP 11-202 Final Receipt dated Jul 12, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3380535

NON-INVESTMENT FUNDS

Issuer Name:

EV Ventures Inc.
Principal Regulator - British Columbia

Type and Date:

Amendment dated July 12, 2022, to Preliminary Long Form Prospectus dated April 8, 2022
NP 11-202 Preliminary Receipt dated July 14, 2022

Offering Price and Description:

\$400,000.00 - 4,000,000 Common Shares
Price of \$0.10 per Common Share

Underwriter(s) or Distributor(s):

PI FINANCIAL CORP.

Promoter(s):

Etienne Moshevich

Project #3366894

Issuer Name:

Pure to Pure Beauty Inc. (formerly "P2P Info Inc.")
Principal Regulator - British Columbia

Type and Date:

Preliminary Long Form Prospectus dated July 12, 2022
NP 11-202 Preliminary Receipt dated July 13, 2022

Offering Price and Description:

\$0.00

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3409107

Issuer Name:

Purepoint Uranium Group Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Shelf Prospectus dated July 12, 2022
NP 11-202 Preliminary Receipt dated July 13, 2022

Offering Price and Description:

\$15,000,000.00 - Common Shares, Warrants, Units, Subscription Receipts

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3408724

Issuer Name:

Quisitive Technology Solutions, Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Shelf Prospectus dated July 13, 2022
NP 11-202 Preliminary Receipt dated July 13, 2022

Offering Price and Description:

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

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3409113

Issuer Name:

RDARS Inc.
Principal Regulator - Ontario

Type and Date:

Amendment dated July 14, 2022 to Preliminary Long Form Prospectus dated April 14, 2022

NP 11-202 Preliminary Receipt dated July 15, 2022

Offering Price and Description:

53,650,000 Units on Conversion of 53,650,000 Subscription Receipts

Underwriter(s) or Distributor(s):

-

Promoter(s):

Charles Zwebner
Project #3368984

Issuer Name:

Spirit Blockchain Capital Inc. (formerly, 1284696 B.C. Ltd.)
Principal Regulator - British Columbia

Type and Date:

Amendment dated July 12, 2022 to Preliminary Long Form Prospectus dated April 12, 2022

NP 11-202 Preliminary Receipt dated July 14, 2022

Offering Price and Description:

No Securities are being offered pursuant to this Prospectus

Underwriter(s) or Distributor(s):

-

Promoter(s):

Erich Perroulaz
Project #3367566

Issuer Name:

The Descartes Systems Group Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Shelf Prospectus dated July 15, 2022
NP 11-202 Preliminary Receipt dated July 15, 2022

Offering Price and Description:

Common Shares, Preferred Shares, Debt Securities,
Subscription Receipts, Warrants, Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3409774

Issuer Name:

Tier One Silver Inc. (formerly, Tier One Metals Inc.)
Principal Regulator - British Columbia

Type and Date:

Preliminary Shelf Prospectus dated July 12, 2022
NP 11-202 Preliminary Receipt dated July 13, 2022

Offering Price and Description:

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

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3408856

Issuer Name:

WonderFi Technologies Inc. (formerly "Austpro Energy
Corporation")
Principal Regulator - British Columbia

Type and Date:

Preliminary Shelf Prospectus dated July 12, 2022
NP 11-202 Preliminary Receipt dated July 13, 2022

Offering Price and Description:

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

Underwriter(s) or Distributor(s):

-

Promoter(s):

Ben Samaroo
Dean Sutton
Cong Ly

Project #3408797

Issuer Name:

WonderFi Technologies Inc. (formerly "Austpro Energy
Corporation")

Principal Regulator - British Columbia

Type and Date:

Amendment dated July 18, 2022 to Preliminary Shelf
Prospectus dated July 12, 2022

NP 11-202 Receipt dated July 18, 2022

Offering Price and Description:

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

Underwriter(s) or Distributor(s):

-

Promoter(s):

Ben Samaroo
Dean Sutton
Cong Ly
Project #3408797

Issuer Name:

Ambari Brands Inc.
Principal Regulator - British Columbia

Type and Date:

Final Long Form Prospectus dated July 13, 2022
NP 11-202 Receipt dated July 18, 2022

Offering Price and Description:

11,093,154 Units on Exercise of 9,175,700 Outstanding
Special Warrants

Underwriter(s) or Distributor(s):

RESEARCH CAPITAL CORPORATION

Promoter(s):

Avneesh Dhaliwal
Project #3357509

Issuer Name:

Bravo Mining Corp. (formerly BPG Metals Corp.)
Principal Regulator - British Columbia

Type and Date:

Final Long Form Prospectus dated July 15, 2022
NP 11-202 Receipt dated July 15, 2022

Offering Price and Description:

\$40,250,000.00 - 23,000,000 Offered Shares
Price: \$1.75 per offered share

Underwriter(s) or Distributor(s):

Canaccord Genuity Corp. and BMO Nesbitt Burns Inc.

Promoter(s):

Luis Mauricio Ferraiuoli De Azevedo
Project #3398062

Issuer Name:

Frontenac Mortgage Investment Corporation
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated July 15, 2022 to Final Long Form Prospectus dated June 16, 2022
NP 11-202 Receipt dated July 15, 2022

Offering Price and Description:

Qualifying for Distribution an Unlimited Number of Common Shares

Price: \$30.00 per Common Share

Underwriter(s) or Distributor(s):

-

Promoter(s):

W.A. ROBINSON ASSET MANAGEMENT LTD.

Project #3380479

Issuer Name:

Mednow Inc.
Principal Regulator - British Columbia

Type and Date:

Final Shelf Prospectus dated July 15, 2022
NP 11-202 Receipt dated July 15, 2022

Offering Price and Description:

CDN\$150,000,000.00 - COMMON SHARES WARRANTS
UNITS SUBSCRIPTION RECEIPTS

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3368686

Issuer Name:

Padlock Partners UK Fund III
Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated July 11, 2022
NP 11-202 Receipt dated July 12, 2022

Offering Price and Description:

Minimum: \$35,000,000.00 of Class A Units, Class F Units, Class C Units and/or Class U Units
Maximum: \$60,000,000.00 of Class A Units, Class F Units, Class C Units and/or Class U Units

Underwriter(s) or Distributor(s):

CIBC WORLD MARKETS INC.
RICHARDSON WEALTH LIMITED
WELLINGTON-ALTUS PRIVATE WEALTH INC.
CANACCORD GENUITY CORP.
NATIONAL BANK FINANCIAL INC.
RAYMOND JAMES LTD.

Promoter(s):

PADLOCK CAPITAL PARTNERS III, LLC
CLEAR SKY CAPITAL INC.

Project #3396318

Issuer Name:

Rock Tech Lithium Inc.
Principal Regulator - British Columbia

Type and Date:

Final Shelf Prospectus dated July 13, 2022
NP 11-202 Receipt dated July 13, 2022

Offering Price and Description:

\$500,000,000.00 - Common Shares Preferred Shares Debt Securities Warrants Subscription Receipts Share Purchase Contracts Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3397505

Issuer Name:

St. Davids Capital Inc.
Principal Regulator - Ontario

Type and Date:

Final CPC Prospectus dated July 15, 2022
NP 11-202 Receipt dated July 18, 2022

Offering Price and Description:

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

Maximum Offering: \$500,000.00 - 5,000,000 Common Shares

Price: \$0.10 per Common Share

Underwriter(s) or Distributor(s):

-

Promoter(s):

Rocco Racioppo
Project #3403364

Issuer Name:

The Descartes Systems Group Inc.
Principal Regulator - Ontario

Type and Date:

Final Shelf Prospectus dated July 15, 2022
NP 11-202 Receipt dated July 15, 2022

Offering Price and Description:

Common Shares, Preferred Shares, Debt Securities, Subscription Receipts, Warrants, Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3409774

B.9: IPOs, New Issues and Secondary Financings

Issuer Name:

Vital Battery Metals Inc.
Principal Regulator - British Columbia

Type and Date:

Final Long Form Prospectus dated July 11, 2022
NP 11-202 Receipt dated July 14, 2022

Offering Price and Description:

3,397,450 Common Shares and 3,397,450 Warrants on
Exercise of 3,397,450 Outstanding Special Warrants

Underwriter(s) or Distributor(s):

-

Promoter(s):

Adrian Lamoureux
Mandeep Parmar

Project #3362606

B.10 Registrations

B.10.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Richline Capital Management Inc.	Portfolio Manager	July 15, 2022
Consent to Suspension (Pending Surrender)	Gryphon International Investment Corporation	Portfolio Manager and Investment Fund Manager	July 18, 2022

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B.11

SROs, Marketplaces, Clearing Agencies and Trade Repositories

B.11.1 SROs

B.11.1.1 Mutual Fund Dealers Association of Canada (MFDA) – New MFDA Policy No. 11 – Proficiency Standards for the Sale of Alternative Mutual Funds – Notice of Commission Approval

NOTICE OF COMMISSION APPROVAL

MUTUAL FUND DEALERS ASSOCIATION OF CANADA (MFDA)

NEW MFDA POLICY NO. 11 – PROFICIENCY STANDARDS FOR THE SALE OF ALTERNATIVE MUTUAL FUNDS

The Ontario Securities Commission has approved new MFDA Policy No.11 *Proficiency Standards for the Sale of Alternative Mutual Funds* (**MFDA Policy No. 11**). MFDA Policy No. 11 aims to:

- adopt requirements that are consistent with Ontario Instrument 81-506 *Temporary Exemptions from National Instrument 81-104 Alternative Mutual Funds* and similar blanket orders issued by other regulators of the Canadian Securities Administrators; and
- ensure that alternative mutual funds, whether sold pursuant to a prospectus or on a prospectus-exempt basis, will be subject to appropriate proficiency requirements.

MFDA Policy No. 11 was published for public comment on November 25, 2021. Four comment letters were received. A summary of the public comments and the MFDA's responses can be found at www.osc.ca.

MFDA Policy No. 11 will be effective immediately.

In addition, the British Columbia Securities Commission; the Alberta Securities Commission; the Financial and Consumer Affairs Authority of Saskatchewan; the Financial and Consumer Services Commission of New Brunswick; the Manitoba Securities Commission; the Nova Scotia Securities Commission; and the Prince Edward Island Office of the Superintendent of Securities have either not objected to or have approved MFDA Policy No. 11.

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Editor's Note: On Friday, April 29, 2022, the Securities Commission Act, 2021, came into force by proclamation of the Lieutenant Governor of Ontario. The new structural and governance changes are now reflected in the Bulletin index with the use of the "Capital Markets Tribunal" designation to differentiate those proceedings from the proceedings of the Ontario Securities Commission: www.capitalmarketstribunal.ca.

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