

The Ontario Securities Commission

OSC Bulletin

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

The Ontario Securities Commission

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Table of Contents

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.

A.	Capital Markets Tribunal.....	7047	B.9	IPOs, New Issues and Secondary	
A.1	Notices of Hearing.....	7047		Financings.....	7145
A.1.1	Tinashe (Nash) Sylvester Nyadongo et al.		B.10	Registrations.....	7153
	– ss. 127(1), 127(10)	7047	B.10.1	Registrants.....	7153
A.2	Other Notices.....	7051	B.11	SROs, Marketplaces, Clearing Agencies	
A.2.1	Christopher Uitvlugt.....	7051		and Trade Repositories.....	7155
A.2.2	Morrie Tobin	7051	B.11.1	SROs.....	7155
A.2.3	Bridging Finance Inc. et al.	7052	B.11.1.1	Mutual Fund Dealers Association of Canada	
A.2.4	Mughal Asset Management Corporation et al....	7052		(MFDA) – Approval of the MFDA Application	
A.2.5	Bridging Finance Inc. et al.	7053		Regarding the MFDA Discretionary Fund	
A.2.6	Bridging Finance Inc. et al.	7053		– Notice of Commission Order.....	7155
A.2.7	Jonathan Cartu et al.	7054	B.11.2	Marketplaces.....	7156
A.2.8	Tinashe (Nash) Sylvester Nyadongo et al.	7054	B.11.2.1	Nasdaq CXC Limited – Introduction of	
A.2.9	Go-To Developments Holdings Inc. et al.	7055		PureStream on the CXD Trading Book	
A.3	Orders.....	7057		– Notice of Approval	7156
A.3.1	Christopher Uitvlugt – ss. 127(1), 127(10).....	7057	B.11.3	Clearing Agencies	(nil)
A.3.2	Morrie Tobin – ss. 127(1), 127(10)	7057	B.11.4	Trade Repositories	(nil)
A.3.3	Mughal Asset Management Corporation et al....	7058	B.12	Other Information	(nil)
A.3.4	Jonathan Cartu et al. – ss. 127(1), 127.1	7058			
A.3.5	Go-To Developments Holdings Inc. et al.	7059	Index		7159
A.4	Reasons and Decisions	7061			
A.4.1	Christopher Uitvlugt – ss. 127(1), 127(10).....	7061			
A.4.2	Morrie Tobin – ss. 127(1), 127(10)	7064			
A.4.3	Jonathan Cartu et al. – ss. 127(1), 127.1	7068			
B.	Ontario Securities Commission	7075			
B.1	Notices	(nil)			
B.2	Orders.....	7075			
B.2.1	Starlight Capital Corporation (formerly, Stone				
	Investment Group Limited)	7075			
B.2.2	Intertape Polymer Group Inc.	7076			
B.2.3	Mutual Fund Dealers Association of				
	Canada – s. 21.1(4).....	7077			
B.3	Reasons and Decisions	7081			
B.3.1	Fidelity Investments Canada ULC	7081			
B.3.2	Frontera Energy Corporation.....	7083			
B.3.3	Algoma Steel Group Inc.	7088			
B.4	Cease Trading Orders	7093			
B.4.1	Temporary, Permanent & Rescinding				
	Issuer Cease Trading Orders	7093			
B.4.2	Temporary, Permanent & Rescinding				
	Management Cease Trading Orders	7093			
B.4.3	Outstanding Management & Insider				
	Cease Trading Orders	7093			
B.5	Rules and Policies.....	(nil)			
B.6	Request for Comments.....	(nil)			
B.7	Insider Reporting.....	7095			
B.8	Legislation	(nil)			

A. Capital Markets Tribunal

A.1 Notices of Hearing

A.1.1 Tinashe (Nash) Sylvester Nyadongo et al. – ss. 127(1), 127(10)

FILE NO.: 2022-17

IN THE MATTER OF
TINASHE (NASH) SYLVESTER NYADONGO
AND
10194131 CANADA LTD., doing business as
FUTURE GROWTH INVESTMENTS

NOTICE OF HEARING

Subsections 127(1) and 127(10) of the *Securities Act*, RSO 1990, c S.5

PROCEEDING TYPE: Inter-jurisdictional Enforcement Proceeding

HEARING DATE AND TIME: In writing

PURPOSE

The purpose of this proceeding is to consider whether it is in the public interest for the Capital Markets Tribunal to make the order requested in the Statement of Allegations filed by Staff of the Commission on July 19, 2022.

Take notice that Staff of the Commission has elected to proceed by way of the expedited procedure for a written hearing provided for by Rule 11(3) of the *Capital Markets Tribunal Rules of Procedure and Forms*.

Staff must serve on you this Notice of Hearing, the Statement of Allegations, Staff's hearing brief containing all documents Staff relies on, and Staff's written submissions.

You have **21 days** from the date Staff serves these documents on you to file a request for an oral hearing, if you do not want to follow the expedited procedure for a written hearing.

Otherwise, you have **28 days** from the date Staff served these documents on you to file your hearing brief and written submissions.

REPRESENTATION

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

FAILURE TO PARTICIPATE

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

FRENCH HEARING

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

AVIS EN FRANÇAIS

L'avis d'audience est disponible en français sur demande d'une partie, que la participation à l'audience peut se faire en français ou en anglais et que les participants doivent aviser le Tribunal par écrit dès que possible si le participant demande qu'une instance soit tenue entièrement ou partiellement en français.

Dated at Toronto this 26th day of July, 2022

A.1: Notices of Hearing

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

For more information

Please visit <http://www.capitalmarketstribunal.ca/en> or contact the Registrar at registrar@osc.gov.on.ca.

**IN THE MATTER OF
TINASHE (NASH) SYLVESTER NYADONGO
AND
10194131 CANADA LTD., doing business as
FUTURE GROWTH INVESTMENTS**

**STATEMENT OF ALLEGATIONS
(Subsections 127(1) and 127(10) of the *Securities Act*, RSO 1990 c S.5)**

A. OVERVIEW

1. An inter-jurisdictional enforcement order using the expedited procedure for inter-jurisdictional proceedings as set out in Rule 11(3) of the Capital Markets Tribunal's (the **Tribunal**) *Rules of Procedure* is sought based on a finding by the Alberta Securities Commission (**ASC**) that the Respondents (as defined below) engaged in fraud and illegal distributions of securities, in relation to sales of \$1.2 million worth of shares to approximately 28 Canadian investors, including 6 from Ontario.

B. FACTS

2. The ASC issued an order on February 24, 2022 (the **ASC Order**) that imposed sanctions on Tinashe (Nash) Sylvester Nyadongo (**Nyadongo**) and 10194131 Canada Ltd., doing business as Future Growth Investments (**Numberco**) (together, the **Respondents**), including prohibitions on trading or purchasing securities or derivatives, and removals of exemptions under Alberta securities laws. In addition, Nyadongo was prohibited from acting in various capacities, including as a director or officer of any issuer or as a registrant. The conduct sanctions in respect of Nyadongo were ordered for a period of 20 years, or until the date when the administrative penalty ordered by the ASC is paid in full, whichever is later. The conduct sanctions in respect of Numberco are permanent. Nyadongo was also ordered to pay an administrative penalty of \$150,000, disgorgement of \$234,000, and costs of \$10,000.
3. In its Sanctions Decision dated February 24, 2022, a panel of the ASC (the **ASC Panel**) held that the Respondents breached s. 110(1) of the Alberta *Securities Act* by distributing Numberco shares without having filed and received a receipt for a preliminary prospectus or a prospectus, and, in certain cases, without an available prospectus exemption; and breached s. 93(1)(b) by directly or indirectly engaging or participating in an act, practice, or course of conduct relating to securities that they knew or ought to have known may perpetrate a fraud on certain investors.
4. The Sanctions Decision and ASC Order were based on the Statement of Admissions and Joint Submission on Sanctions (August 3, 2021), (the **Statement**) signed by the ASC and the Respondents. The Statement sets out admissions of the Respondents. Those admissions include the following:
 - (a) The Respondents raised approximately \$1.2 million by selling shares in Numberco to approximately 28 investors, including 6 from Ontario, without filing a preliminary prospectus or prospectus, and without attempting to qualify Numberco investors for any prospectus exemption. These sales were illegal distributions.
 - (b) 19 of the 28 investors held locked-in retirement accounts or other registered accounts (**Registered Accounts**) and wanted to "unlock" or otherwise access funds in their Registered Accounts prior to retirement (**Unlock Investors**). The Respondents deceived Unlock Investors about how their funds would be used. Among other false and misleading representations, the Respondents told Unlock Investors that Numberco would transfer a portion of the funds in the Registered Accounts to the investors and withhold the remaining balance to pay taxes. The Respondents used the withheld funds for Nyadongo's personal use and/or for other unauthorized uses. Unlock Investors accounted for approximately \$750,000 of the total amount raised.
 - (c) At least \$234,000 of the \$1.2 million raised was used for Nyadongo's personal use or benefit. A further \$440,000 was loaned to a small Calgary business owned by an acquaintance of Nyadongo. As of the date of the Statement, Numberco had no funds remaining in its bank account and all of the funds transferred to Nyadongo's personal accounts had been spent by Nyadongo.
 - (d) During the period of November 2017 to March 2019 (the **Material Time**), Nyadongo resided in Calgary. Nyadongo was a director of Numberco and its guiding mind during the Material Time. Since March 19, 2019, Nyadongo has been the sole director and officer of Numberco.

C. JURISDICTION

5. Pursuant to paragraph 4 of subsection 127(10) of the *Securities Act*, RSO 1990, c S.5 (the **Act**), the ASC Order, being an order made by a securities regulatory authority that imposes sanctions, conditions, restrictions or requirements on a person or company, may form the basis for an order in the public interest made under subsection 127(1) of the Act. In

addition, the Respondents acknowledged that the Statement may form the basis of securities-related orders in other jurisdictions.

6. It is in the public interest to make an order against the Respondents.

D. ORDER SOUGHT

7. It is requested that the Tribunal make the following inter-jurisdictional enforcement order, pursuant to paragraph 4 of subsection 127(10) of the Act:

a) against Nyadongo that:

- i. pursuant to paragraphs 2 and 2.1 of subsection 127(1) of the Act, Nyadongo is prohibited from trading in or acquiring any securities or derivatives until February 24, 2042 or the date on which the administrative penalty ordered against Nyadongo by the ASC (the **ASC Administrative Penalty**) is paid in full, whichever is later, except that this order does not preclude Nyadongo from trading in or purchasing securities or derivatives through a registrant (who has first been given a copy of this Order) in registered retirement savings plans, registered retirement income funds, registered education savings plans and tax-free savings accounts (each as defined in the *Income Tax Act* (Canada)) and locked-in retirement accounts, each for the benefit of one or more of Nyadongo, his spouse and his dependent children;
- ii. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Nyadongo until February 24, 2042 or the date on which the ASC Administrative Penalty is paid in full, whichever is later;
- iii. pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act, Nyadongo resign any positions he holds as a director or officer of an issuer or registrant;
- iv. pursuant to paragraph 8, 8.2 and 8.4 of subsection 127(1) of the Act, Nyadongo is prohibited from becoming or acting as a director or officer of any issuer or registrant until February 24, 2042 or the date on which the ASC Administrative Penalty is paid in full, whichever is later; and
- v. pursuant to paragraph 8.5 of subsection 127(1) of the Act, from becoming or acting as a registrant or promoter until February 24, 2042 or the date on which the ASC Administrative Penalty is paid in full, whichever is later.

b) against Numberco that:

- i. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities or derivatives by Numberco cease permanently;
- ii. pursuant to paragraph 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Numberco cease permanently; and
- iii. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Numberco permanently.

c) such other order or orders as the Tribunal considers appropriate.

8. These allegations may be amended and further and other allegations may be added as the Tribunal may permit.

DATED at Toronto this 19th day of July, 2022.

ONTARIO SECURITIES COMMISSION

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

Christina Galbraith

Litigation Counsel, Enforcement Branch
Email: cgalbraith@osc.gov.on.ca
Tel: 416-596-4298

A.2 Other Notices

A.2.1 Christopher Uitvlugt

FOR IMMEDIATE RELEASE
July 20, 2022

CHRISTOPHER UITVLUGT,
File No. 2022-12

TORONTO – The Tribunal issued Reasons and Decision pursuant to Subsections 127(1) and 127(10) of the *Securities Act* in the above named matter.

A copy of the Reasons and Decision and Order dated July 19, 2022 are available at capitalmarketstribunal.ca.

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

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media_inquiries@osc.gov.on.ca

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inquiries@osc.gov.on.ca

A.2.2 Morrie Tobin

FOR IMMEDIATE RELEASE
July 20, 2022

MORRIE TOBIN,
File No. 2022-2

TORONTO – The Tribunal issued Reasons and Decision pursuant to Subsections 127(1) and 127(10) of the *Securities Act* in the above named matter.

A copy of the Reasons and Decision and Order dated July 19, 2022 are available at capitalmarketstribunal.ca.

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A.2.3 Bridging Finance Inc. et al.

**FOR IMMEDIATE RELEASE
July 20, 2022**

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

AND

**BRIDGING FINANCE INC.,
DAVID SHARPE,
NATASHA SHARPE and
ANDREW MUSHORE,
File No. 2022-9**

TORONTO – Take notice that an attendance in the above named matters is scheduled to be heard on July 22, 2022 at 9:30 a.m.

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Ontario Securities Commission

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A.2.4 Mughal Asset Management Corporation et al.

**FOR IMMEDIATE RELEASE
July 21, 2022**

**MUGHAL ASSET MANAGEMENT CORPORATION,
LENLE CORPORATION and
USMAN ASIF,
File No. 2022-15**

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

A copy of the Order dated July 21, 2022 is available at capitalmarketstribunal.ca.

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inquiries@osc.gov.on.ca

A.2.5 Bridging Finance Inc. et al.

FOR IMMEDIATE RELEASE
July 21, 2022

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

AND

**BRIDGING FINANCE INC.,
DAVID SHARPE,
NATASHA SHARPE and
ANDREW MUSHORE,
File No. 2022-9**

TORONTO – Take notice the attendance in the above named matters scheduled to be heard on July 22, 2022 at 9:30 a.m. will not proceed as scheduled.

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

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inquiries@osc.gov.on.ca

A.2.6 Bridging Finance Inc. et al.

FOR IMMEDIATE RELEASE
July 21, 2022

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

TORONTO – Take notice that a motion hearing in the above named matter is scheduled to be heard on September 8, 2022 at 10:00 a.m.

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

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For General Inquiries:

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A.2.7 Jonathan Cartu et al.

**FOR IMMEDIATE RELEASE
July 26, 2022**

**JONATHAN CARTU,
DAVID CARTU, AND
JOSHUA CARTU,
File No. 2020-14**

TORONTO – The Tribunal issued its Reasons and Decision and an Order in the above noted matter.

A copy of the Reasons and Decision and the Order dated July 25, 2022 are available at capitalmarketstribunal.ca.

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

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media_inquiries@osc.gov.on.ca

For General Inquiries:

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inquiries@osc.gov.on.ca

A.2.8 Tinashe (Nash) Sylvester Nyadongo et al.

**FOR IMMEDIATE RELEASE
July 26, 2022**

**TINASHE (NASH) SYLVESTER NYADONGO AND
10194131 CANADA LTD., doing business as
FUTURE GROWTH INVESTMENTS,
File No. 2022-17**

TORONTO – The Tribunal issued a Notice of Hearing pursuant to Subsections 127(1) and 127(10) of the *Securities Act* in the above named matter.

A copy of the Notice of Hearing dated July 26, 2022 and Statement of Allegations dated July 19, 2022 are available at capitalmarketstribunal.ca.

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

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inquiries@osc.gov.on.ca

A.2.9 Go-To Developments Holdings Inc. et al.

FOR IMMEDIATE RELEASE
July 26, 2022

**GO-TO DEVELOPMENTS HOLDINGS INC.,
GO-TO SPADINA ADELAIDE SQUARE INC.,
FURTADO HOLDINGS INC., and
OSCAR FURTADO,
File No. 2022-8**

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

A copy of the Order dated July 26, 2022 is available at capitalmarketstribunal.ca.

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

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For General Inquiries:

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inquiries@osc.gov.on.ca

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A.3 Orders

A.3.1 Christopher Uitvlugt – ss. 127(1), 127(10)

**IN THE MATTER OF
CHRISTOPHER UITVLUGT**

File No. 2022-12

Adjudicator: Timothy Moseley

July 19, 2022

**ORDER
(Subsections 127(1) and 127(10) of
the Securities Act, RSO 1990, c S.5)**

WHEREAS the Capital Markets Tribunal held a hearing in writing to consider an application by Staff of the Ontario Securities Commission (**Staff**) for an order imposing sanctions against Christopher Uitvlugt (**Uitvlugt**) pursuant to subsections 127(1) and 127(10) of the *Securities Act*, RSO 1990, c S.5 (the **Act**);

ON READING the materials filed by Staff, Uitvlugt having not filed any materials, although properly served;

IT IS ORDERED THAT:

1. pursuant to paragraph 2 of s. 127(1) of the Act, trading in any securities or derivatives by Uitvlugt shall cease permanently;
2. pursuant to paragraph 2.1 of s. 127(1) of the Act, acquisition of any securities by Uitvlugt shall be prohibited permanently;
3. pursuant to paragraph 3 of s. 127(1) of the Act, any exemptions contained in Ontario securities law shall not apply to Uitvlugt permanently;
4. pursuant to paragraphs 7, 8.1 and 8.3 of s. 127(1) of the Act, Uitvlugt shall immediately resign any positions that he holds as a director or officer of any issuer or registrant;
5. pursuant to paragraphs 8, 8.2 and 8.4 of s. 127(1) of the Act, Uitvlugt shall be prohibited permanently from becoming or acting as a director or officer of any issuer or registrant; and
6. pursuant to paragraph 8.5 of s. 127(1) of the Act, Uitvlugt shall be prohibited permanently from becoming or acting as a registrant or promoter.

“Timothy Moseley”

A.3.2 Morrie Tobin – ss. 127(1), 127(10)

**IN THE MATTER OF
MORRIE TOBIN**

File No. 2022-2

Adjudicator: Cathy Singer

July 19, 2022

**ORDER
(Subsections 127(1) and 127(10) of
the Securities Act, RSO 1990, c S.5)**

WHEREAS the Capital Markets Tribunal held a hearing in writing to consider a request by Staff of the Ontario Securities Commission (**Staff**) for an order imposing sanctions against Morrie Tobin (**Tobin**) pursuant to subsections 127(1) and 127(10) of the *Securities Act*, RSO 1990, c S.5 (the **Act**);

ON READING the materials filed by Staff, Tobin having not filed any materials, although properly served;

IT IS ORDERED THAT:

1. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities or derivatives by Tobin shall cease permanently;
2. pursuant to paragraph 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Tobin shall be prohibited permanently;
3. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Tobin permanently;
4. pursuant to paragraphs 7 and 8.1 of subsection 127(1) of the Act, Tobin shall resign any positions that he holds as a director or officer of any issuer or registrant;
5. pursuant to paragraphs 8 and 8.2 of subsection 127(1) of the Act, Tobin is prohibited permanently from becoming or acting as a director or officer of any issuer or registrant; and
6. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Tobin is prohibited permanently from becoming or acting as a registrant or promoter.

“Cathy Singer”

A.3.3 Mughal Asset Management Corporation et al.

**IN THE MATTER OF
MUGHAL ASSET MANAGEMENT CORPORATION,
LENDLE CORPORATION and
USMAN ASIF**

File No. 2022-15

Adjudicator: Andrea Burke

July 21, 2022

ORDER

WHEREAS on July 21, 2022, the Capital Markets Tribunal held a hearing by videoconference;

ON HEARING the submissions of the representative for Staff of the Ontario Securities Commission, and of the representative for the respondents (who appeared by telephone);

IT IS ORDERED THAT:

1. Staff shall disclose to the respondents any additional non-privileged, relevant documents and things in the possession or control of Staff, by 4:30 p.m. on August 12, 2022;
2. Staff shall serve and file a witness list, and serve a summary of each witness's anticipated evidence on the respondents, and indicate any intention to call an expert witness, including by providing the expert's name and the issues on which the expert will give evidence, by 4:30 p.m. on October 21, 2022;
3. the respondents shall serve and file a motion, if any, regarding Staff's disclosure or seeking disclosure of additional documents, by 4:30 p.m. on October 28, 2022; and
4. a further attendance in this matter is scheduled for November 7, 2022, at 10:00 a.m., by videoconference, or on such other date and time as may be agreed to by the parties and set by the Governance & Tribunal Secretariat.

"Andrea Burke"

A.3.4 Jonathan Cartu et al. – ss. 127(1), 127.1

**IN THE MATTER OF
JONATHAN CARTU,
DAVID CARTU AND
JOSHUA CARTU**

File No. 2020-14

Adjudicators: M. Cecilia Williams (chair of the panel)
Russell Juriansz
Sandra Blake

July 25, 2022

ORDER

**(Subsection 127(1) and section 127.1 of
the Securities Act, RSO 1990, c S.5)**

WHEREAS on May 13, 2022, the Capital Markets Tribunal held a hearing by videoconference to consider the sanctions and costs that the Tribunal should impose on Jonathan Cartu and Joshua Cartu (the **Respondents**) as a result of the findings in the Reasons and Decision on the merits, issued April 7, 2022;

ON READING the materials filed by Staff of the Ontario Securities Commission and on hearing the submissions of the representatives for Staff, and no one appearing on behalf of the Respondents, although properly served;

IT IS ORDERED THAT:

1. with respect to Jonathan Cartu:
 - a. he shall cease trading in any securities or derivatives for a period of 15 years, pursuant to paragraph 2 of subsection 127(1) of the *Securities Act* (**Act**);
 - b. he shall cease acquiring any securities for a period of 15 years, pursuant to paragraph 2.1 of subsection 127(1) of the *Act*;
 - c. any exemptions contained in Ontario securities law shall not apply to him for a period of 15 years, pursuant to paragraph 3 of subsection 127(1) of the *Act*;
 - d. he shall resign any positions that he holds as a director or officer of an issuer or registrant, pursuant to paragraphs 7 and 8.1 of subsection 127(1) of the *Act*;
 - e. he shall be prohibited from acting as a director or officer of an issuer or registrant for a period of 15 years, pursuant to paragraphs 8 and 8.2 of subsection 127(1) of the *Act*;
 - f. he shall be prohibited from becoming or acting as a registrant or as a promoter for a period of 15 years, pursuant to paragraph 8.5 of subsection 127(1) of the *Act*;

- g. he shall pay an administrative penalty in the amount of \$1,000,000 to the Commission, pursuant to paragraph 9 of subsection 127(1) of the Act; and
 - h. he shall pay \$300,000 to the Commission for costs of the investigation and hearing, pursuant to s. 127.1 of the Act; and
2. with respect to Joshua Cartu:
- a. he shall cease trading in any securities or derivatives for a period of 10 years, pursuant to paragraph 2 of subsection 127(1) of the Act;
 - b. he shall cease acquiring any securities for a period of 10 years, pursuant to paragraph 2.1 of subsection 127(1) of the Act;
 - c. any exemptions contained in Ontario securities law shall not apply to him for a period of 10 years, pursuant to paragraph 3 of subsection 127(1) of the Act;
 - d. he shall resign any positions that he holds as a director or officer of an issuer or registrant, pursuant to paragraphs 7 and 8.1 of subsection 127(1) of the Act;
 - e. he shall be prohibited from acting as a director or officer of an issuer or registrant for a period of 10 years, pursuant to paragraphs 8 and 8.2 of subsection 127(1) of the Act; and
 - f. he shall be prohibited from becoming or acting as a registrant or as a promoter for a period of 10 years, pursuant to paragraph 8.5 of subsection 127(1) of the Act;
 - g. he shall pay an administrative penalty in the amount of \$500,000 to the Commission, pursuant to paragraph 9 of subsection 127(1) of the Act; and
 - h. he shall pay \$100,000 to the Commission for the costs of the investigation and hearing, pursuant to s.127.1 of the Act; and
3. the Respondents jointly and severally disgorge to the Commission the amount of \$1,407,278.63, pursuant to paragraph 10 of subsection 127(1) of the Act.

"M. Cecilia Williams"

"Russell Juriansz"

"Sandra Blake"

A.3.5 Go-To Developments Holdings Inc. et al.

**IN THE MATTER OF
GO-TO DEVELOPMENTS HOLDINGS INC.,
GO-TO SPADINA ADELAIDE SQUARE INC.,
FURTADO HOLDINGS INC., and
OSCAR FURTADO**

File No. 2022-8

Adjudicators: M. Cecilia Williams (chair of the panel)
Geoffrey Creighton
Dale Ponder

July 26, 2022

ORDER

WHEREAS the Capital Markets Tribunal held a hearing in writing to consider requests for an order extending certain deadlines set in the Order issued on April 20, 2022;

ON READING the emails from the parties and considering the consents of Staff of the Ontario Securities Commission (**Staff**) and counsel for Oscar Furtado, with no position provided by the other respondents;

IT IS ORDERED THAT:

- 1. the respondents shall serve and file a motion, if any, regarding Staff's disclosure or seeking disclosure of additional documents, by 4:30 p.m. on August 19, 2022;
- 2. Staff shall serve and file a witness list, and serve a summary of each witness's anticipated evidence on the respondents, and indicate any intention to call an expert witness, including providing the expert's name and the issues on which the expert will give evidence, by 4:30 p.m. on August 24, 2022; and
- 3. a further attendance in this matter, previously scheduled for August 17, 2022, will instead be heard at 10:00 a.m. on August 31, 2022 by videoconference, or on such other date and time as may be agreed to by the parties and set by the Governance & Tribunal Secretariat.

"M. Cecilia Williams"

"Geoffrey Creighton"

"Dale Ponder"

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A.4

Reasons and Decisions

A.4.1 Christopher Uitvlugt – ss. 127(1), 127(10)

Citation: *Uitvlugt (Re)*, 2022 ONCMT 19

Date: 2022 07 19

File No. 2022-12

IN THE MATTER OF CHRISTOPHER UITVLUGT

REASONS AND DECISION (Subsections 127(1) and 127(10) of the *Securities Act*, RSO 1990, c S.5)

Adjudicator: Timothy Moseley

Hearing: In writing; final written submissions received June 30, 2022

Appearances: Vincent Amartey For Staff of the Ontario Securities Commission
No submissions made by or on behalf of Christopher Uitvlugt

REASONS AND DECISION

1. OVERVIEW

- [1] On November 11, 2018, the respondent Christopher Uitvlugt pled guilty before Justice Tranmer in the Ontario Superior Court of Justice to a charge of fraud. Uitvlugt admitted to having been the principal of a business that solicited funds from individuals, with promises of significant investment returns. Uitvlugt admitted that in fact, he carried out a Ponzi scheme through his business, whereby he used funds from new investors to pay returns to earlier investors.
- [2] Staff of the Ontario Securities Commission commenced this enforcement proceeding, which is known as an inter-jurisdictional enforcement proceeding because Staff relies principally on Uitvlugt's conviction in court. Staff asks for an order banning Uitvlugt from the capital markets permanently.
- [3] Uitvlugt was afforded an opportunity to participate in this proceeding, but did not. As I explain in more detail below, I conclude that it is in the public interest to make the order that Staff requests.

2. SERVICE AND PARTICIPATION

- [4] In this proceeding, Staff elected to use the expedited procedure for inter-jurisdictional enforcement proceedings as set out in Rule 11(3) of the Tribunal's *Rules of Procedure and Forms* (the **Rules**). Among other things, that procedure allows a respondent who is served with a Notice of Hearing to request an oral hearing, or to file a hearing brief and written submissions.
- [5] As is evident from the affidavit of Michelle Spain sworn on May 3, 2022,¹ Staff served Uitvlugt with the Notice of Hearing, Statement of Allegations and other written materials, on April 29, 2022. I am satisfied that Staff has complied with the service obligations set out in Rule 11(2) of the Rules.
- [6] Uitvlugt did not respond, either to request an oral hearing or by filing materials, or in any other way. Pursuant to the *Statutory Powers Procedure Act*² and the Rules,³ the Tribunal may proceed in the absence of a party where that party has been given adequate notice of a proceeding. I am satisfied that Uitvlugt received adequate notice of this proceeding and that I may proceed in his absence.

¹ Marked as exhibit 1 in this hearing

² RSO 1990, c S.22, s 7(2)

³ Rules, r 21(3)

3. ANALYSIS

3.1 Introduction

[7] Subsection 127(1) of the *Securities Act*⁴ (the **Act**) empowers the Tribunal to make various orders against an individual if in the Tribunal's opinion it is in the public interest to do so. Subsection 127(10) of the Act explicitly authorizes an order under s. 127(1) where a person has been convicted in any jurisdiction of an offence arising from a transaction, business or course of conduct related to securities or derivatives.

[8] Following his guilty plea, Uitvlugt was convicted of one charge of fraud over \$5,000, contrary to s. 380(1)(a) of the *Criminal Code*.⁵ He was given a custodial sentence of five years less one day.

3.2 Did Uitvlugt engage in a transaction, business or course of conduct related to securities or derivatives?

[9] I must determine whether that offence arose from a transaction, business or course of conduct related to securities or derivatives. I conclude that it did, based on the facts admitted to the Court in support of Uitvlugt's guilty plea.⁶

[10] Uitvlugt was the CEO of Next Level Investments. He and his business offered a range of investment services, including analysis, planning and risk management. They solicited funds from individuals based in part on promises of up to a 550% return on three-month term investments. Through his business, Uitvlugt was to earn these significant profits by trading in the foreign exchange market. He promised that investors would receive one half of the profit earned.

[11] Next Level Investments received more than \$4 million of deposits from 874 investors. Some investors were repaid or earned what appeared to be profit, all from funds received from later investors. Most investors lost their entire investment.

[12] Staff submits, and I agree, that the investments were securities (as that term is defined in s. 1(1) of the Act) because they were "investment contracts", a term that is not itself defined in the Act but is used in clause (n) of the definition of "security" s. 1(1) of the Act, thereby making an investment contract a security.

[13] While "investment contract" is not defined in the Act itself, it is well established that an investment contract exists where:

- a. there is an investment of money;
- b. with an intention or expectation of profit;
- c. in a common enterprise in which the fortunes of the investor are interwoven with and dependent on the efforts and success of third parties; and
- d. where the efforts made by those other than the investor are significant and managerial, thereby affecting the failure or success of the enterprise.⁷

[14] The first two of those four elements are undeniably present. Investors invested money, hoping and expecting to receive a profit.

[15] The third element is established by the fact that the investors were dependent on Uitvlugt's success in foreign exchange trading. The investors' return was to be based on the profit earned while trading on their behalf, using their money.

[16] The fourth element is established by the relative degree of involvement by the investor on the one hand and by Uitvlugt and his business on the other. The investors did nothing other than provide funds. The efforts were all Uitvlugt's, were managerial, and entirely dictated the failure or success of the common enterprise between the investors and Uitvlugt through his business.

[17] For these reasons, I conclude that the agreements between Uitvlugt's business and the investors were investment contracts, and therefore securities. Through his business, Uitvlugt entered into many such contracts with investors and thereby engaged in a course of conduct related to securities.

3.3 Appropriate sanctions

[18] I turn now to consider whether it is in the public interest to grant the order requested by Staff, barring Uitvlugt from the capital markets permanently.

⁴ RSO, 1990, c S.5

⁵ RSC, 1985, c C-46

⁶ Contained in Staff's Hearing Brief, marked as exhibit 2 in this hearing

⁷ *Furtak (Re)*, 2016 ONSEC 35 at para 66

- [19] I conclude that the requested order is in the public interest, for the following reasons:
- a. Uitvlugt's conduct was fraudulent, making it among the most egregious kinds of misconduct related to the capital markets;
 - b. Uitvlugt was sentenced to five years in jail, reflecting the Court's view that his misconduct was serious;
 - c. at least 678 investors lost all their investment, with an aggregate loss of approximately \$3.5 million;
 - d. by his own admission in court, Uitvlugt was motivated by overwhelming greed; and
 - e. Uitvlugt's misconduct had devastating effects on many victims.
- [20] Uitvlugt did not appear in this proceeding to offer mitigating factors or to submit that Staff's request ought not to be granted.
- [21] Uitvlugt has demonstrated by his conduct that he is not to be trusted. A permanent ban from the capital markets is necessary to protect investors by restraining future conduct by Uitvlugt that would be detrimental to the integrity of the capital markets. A permanent ban is also necessary to act as a general deterrent to other like-minded individuals who might be inclined to engage in similar conduct.

4. CONCLUSION

- [22] I agree with Staff's submission that Uitvlugt should be permanently banned from the capital markets as a result of his misconduct. Accordingly, I shall issue an order in reliance on paragraph 1 of s. 127(10) of the Act, that provides that:
- a. pursuant to paragraph 2 of s. 127(1) of the Act, trading in any securities or derivatives by Uitvlugt shall cease permanently;
 - b. pursuant to paragraph 2.1 of s. 127(1) of the Act, acquisition of any securities by Uitvlugt shall be prohibited permanently;
 - c. pursuant to paragraph 3 of s. 127(1) of the Act, any exemptions contained in Ontario securities law shall not apply to Uitvlugt permanently;
 - d. pursuant to paragraphs 7, 8.1 and 8.3 of s. 127 (1) of the Act, Uitvlugt shall immediately resign any positions that he holds as a director or officer of any issuer or registrant;
 - e. pursuant to paragraphs 8, 8.2 and 8.4 of s. 127(1) of the Act, Uitvlugt shall be prohibited permanently from becoming or acting as a director or officer of any issuer or registrant; and
 - f. pursuant to paragraph 8.5 of s. 127(1) of the Act, Uitvlugt shall be prohibited permanently from becoming or acting as a registrant or promoter.

Dated at Toronto this 19th day of July, 2022

"Timothy Moseley"

A.4.2 Morrie Tobin – ss. 127(1), 127(10)

Citation: *Tobin (Re)*, 2022 ONCMT 20

Date: 2022-07-19

File No. 2022-2

**IN THE MATTER OF
MORRIE TOBIN**

**REASONS AND DECISION
(Subsections 127(1) and 127(10) of the *Securities Act*, RSO 1990, c S.5)**

Adjudicator: Cathy Singer
Hearing: In writing; final written submissions received July 14, 2022
Appearances: Sarah McLeod For Staff of the Ontario Securities Commission
No submissions were made on behalf of Morrie Tobin

REASONS AND DECISION

1. OVERVIEW

- [1] Staff of the Ontario Securities Commission (**Staff**) seek an inter-jurisdictional enforcement order based on a conviction by the United States District Court for the District of Massachusetts (the **District Court**) and finding of the Securities and Exchange Commission (**SEC**) that Morrie Tobin committed securities fraud by pumping and dumping shares of publicly traded companies.
- [2] Paragraph 1 of s. 127(10) of the Ontario *Securities Act*¹ (the **Act**) authorizes the Capital Markets Tribunal (the **Tribunal**) to make orders in the public interest under s. 127(1) where a person or company has been convicted in any jurisdiction of an offence arising from a transaction, business or course of conduct related to securities or derivatives.
- [3] For the reasons that follow, I find that Tobin's conviction arose from a course of conduct related to securities and that it is in the public interest to permanently prohibit Tobin from participating in Ontario's capital markets by issuing the order requested by Staff.

2. SERVICE AND PARTICIPATION

- [4] Staff elected to proceed with a hearing in writing using the expedited procedure for inter-jurisdictional enforcement proceedings set out in Rule 11(3) of the *Rules of Procedure and Forms* (the **Rules**).
- [5] Staff served Tobin on February 22, 2022 with the Notice of Hearing, Statement of Allegations and Staff's hearing brief,² written submissions and book of authorities, by courier at the US correctional facility where Tobin was incarcerated.³ Staff later obtained confirmation from a representative of the US correctional facility that Tobin personally received these materials on or around that date.⁴
- [6] I find that service was properly effected on Tobin on or around February 22, 2022.
- [7] As stated on the Notice of Hearing, Tobin had 21 days from the date of service to file a request for an oral hearing, and 28 days from the date of service to file a hearing brief and written submissions. The deadlines for Tobin to request an oral hearing and to serve and file written submissions have passed. No request for an oral hearing was made and no materials were filed by or on behalf of Tobin.
- [8] Pursuant to the *Statutory Powers Procedure Act*⁵ and the Rules,⁶ the Tribunal may proceed in the absence of a party where that party has been provided with adequate notice of a proceeding. I am satisfied that Tobin was provided with adequate notice of this proceeding and that I may proceed in his absence.

¹ RSO 1990, c S.5

² Exhibit 1, Staff's Hearing Brief dated February 9, 2022

³ Exhibit 2, Affidavit of Service of Michelle Spain, sworn February 23, 2022

⁴ Exhibit 3, Supplementary Affidavit of Service of Michelle Spain, sworn March 10, 2022

⁵ RSO 1990, c S.22, s 7(2)

⁶ Rules, r 21(3)

3. BACKGROUND FACTS

3.1 US District Court Conviction

[9] The US Department of Justice (**DOJ**) filed an Information against Tobin, a Canadian and former registrant⁷ residing in Los Angeles, California, in the District Court in November 2018. The Information alleged that between 2013 and 2018, Tobin and others committed securities fraud by pumping and dumping shares of publicly traded companies.

[10] More particularly, the Information alleged that Tobin, along with his co-defendant, committed securities fraud by knowingly and willfully:

- a. employing devices, schemes and artifices to defraud;
- b. making untrue statements of material facts and omitting to state material facts necessary to make the statements not misleading;
- c. engaging in acts, practices, and courses of business which would and did operate as a fraud and deceit upon any person in connection with the purchase and sale of securities in violation of Title 18, United States Code, Section 371; and
- d. by the use of means and instrumentalities of interstate commerce, the mails, and the facilities of a national securities exchange, directly or indirectly using and employing manipulative and deceptive devices and contrivances in connection with the purchase and sale of securities by engaging in the above, in violation of Title 15, United States Code, Sections 78j(b) and 78ff; Title 17, Code of Federal Regulations, Section 240.10b-5; and Title 18, United States Code, Section 2.⁸

[11] Tobin signed a plea agreement, in which he admitted to the facts as set out in the Information, which was filed with the District Court on December 3, 2018 (the **Plea Agreement**).⁹

[12] On February 27, 2019, Tobin pleaded guilty to conspiracy to commit securities fraud in violation of Title 18 of the United States Code, Section 371 and securities fraud in violation of Title 15 of the United States Code, Section 78j(b) and 78ff before the District Court. The Plea Agreement was accepted by the District Court on that date.

[13] On August 18, 2020, Tobin was sentenced to 12 months and one day of imprisonment and ordered to forfeit US\$4 million to the United States, with conditions upon release.¹⁰ On December 18, 2020, an Amended Judgment was issued, ordering Tobin to, in addition, pay restitution of approx. \$1.9 million.¹¹

[14] On October 1, 2021, a further Amended Judgment was issued, reducing Tobin's sentence to four months incarceration followed by a term of eight months home confinement and two years of supervised release.¹²

[15] As a result of the pandemic and confidential assistance efforts, Tobin sought and was granted a number of extensions to self surrender, the final of which was December 30, 2021.¹³

3.2 SEC Judgment

[16] The SEC filed a complaint against Tobin and others on November 27, 2018 (amended on August 29, 2019) alleging that Tobin and others engaged in securities fraud and engaged in a deceptive scheme to sell publicly traded stock to investors. According to the complaint, "what appeared to be ordinary trading by unaffiliated investors was actually a massive dump of shares by a company insider and his team seeking to profit at the expense of defrauded investors".¹⁴ The complaint was later amended, adding defendants, additional details and increasing the number of claims for relief.¹⁵

[17] The DOJ's Information and the SEC's complaint are founded on the same facts involving the same individuals.

[18] On April 16, 2021, a Final Judgment was issued in the SEC proceeding permanently prohibiting Tobin from violating fraud provisions of the US *Securities Exchange Act*. Tobin is further permanently barred from "participating in an offering

⁷ Tobin was previously registered with the Commission as a Trading Officer under the category of Limited Market Dealer with Powerone Capital Markets Limited from January 2004 to September 23, 2005.

⁸ Exhibit 1, Staff's Hearing Brief, Information, Tab 1 (**Information**) at para 29

⁹ Exhibit 1, Staff's Hearing Brief, Plea Agreement filed December 3, 2018, Tab 6 (**Plea Agreement**)

¹⁰ Exhibit 1, Staff's Hearing Brief, Judgment-August 2020, Tab 7

¹¹ Exhibit 1, Staff's Hearing Brief, Amended Judgment dated December 18, 2020, Tab 8

¹² Exhibit 1, Staff's Hearing Brief, Amended Judgment dated October 1, 2021, Tab 9

¹³ Exhibit 1, Staff's Hearing Brief, Assented-To Motions to Continue Self-Surrender Date, Tab 10; Amended Judgment, Tab 9

¹⁴ Exhibit 1, Staff's Hearing Brief, SEC Complaint dated November 27, 2018, Tab 12

¹⁵ Exhibit 1, Staff's Hearing Brief, Amended Complaint filed August 29, 2019, Tab 15

of penny stock, including engaging in activities with a broker, dealer or issuer for purposes of issuing, trading or inducing or attempting to induce the purchase or sale of any penny stock".¹⁶

4. LAW AND ANALYSIS

- [19] Subsection 127(10) of the Act provides that an order may be made under s. 127(1) where a person has been convicted in any jurisdiction of an offence arising from a transaction, business or course of conduct related to securities or derivatives. If that precondition is met, the Tribunal must consider whether it should exercise its jurisdiction to make a protective order in the public interest.
- [20] Tobin pleaded guilty to, and was convicted of, conspiracy to commit securities fraud in violation of Title 18 of the United States Code, Section 371 and securities fraud in violation of Title 15 United States Code, Section 78j(b) and 78ff. Tobin's conviction arose from a course of conduct related to securities.
- [21] Accordingly, the Tribunal may make a protective order in the public interest under s. 127(1) of the Act.
- [22] Staff submits that it is in the public interest to protect Ontario investors from Tobin by preventing his participation in Ontario's capital markets.
- [23] In determining the appropriate sanctions, the Tribunal may consider, among other factors, the seriousness of the misconduct, the harm suffered by investors, specific and general deterrence and any aggravating or mitigating factors.¹⁷ Staff asks that I give significant weight to the serious nature of the misconduct in this case, Tobin's status as a former registrant, and the amount of harm to investors.
- [24] As part of his Plea Agreement, Tobin admitted to committing securities fraud by disguising his ownership and control of various securities, and employing paid promotional campaigns and manipulative trading techniques to artificially inflate the price and trading volume of those stocks so that he and others could secretly sell their shares of those stocks at a substantial profit.¹⁸ In doing so, Tobin also concealed his actions from regulators, law enforcement and other investors.¹⁹
- [25] Tobin pleaded guilty to, and was convicted of, conspiracy to commit securities fraud and securities fraud in the US. For that, he received a sentence including payment of restitution of approximately \$1.9 million and forfeiture to the United States of US\$4 million. Tobin also received a custodial sentence of 12 months and a day, followed by two years of supervised release, which was ultimately reduced as a result of the pandemic to four months incarceration followed by eight months home confinement and two years of supervised release.²⁰ Nevertheless, this reduced sentence is still a significant penalty.
- [26] Previous panels have consistently held that fraud is one of the most egregious securities regulatory violations. It causes direct and immediate harm to its investors, and it significantly undermines confidence in the capital markets.²¹ Serious fraudulent conduct warrants permanent removal from the capital markets to protect investors and to deliver a deterrent message to others who might contemplate similar misconduct.²² I also consider Tobin's status as a former registrant to be an important consideration in coming to this conclusion.
- [27] Though the SEC limited Tobin's ban to dealings with penny stocks, there is no requirement in a reciprocal proceeding for the Tribunal to mirror the sanctions ordered by another regulator. In any event, Ontario securities law offers no definition of "penny stocks" and there is no precedent for barring a respondent in Ontario from only trading in penny stocks. After considering the determinations of fact made by the foreign jurisdiction, it is up to the Tribunal to impose terms in Ontario that are in the public interest. Based on the facts before me, permanent prohibitions from participating in Ontario's capital markets, including a permanent trading ban in any securities or derivatives, are appropriate.

5. CONCLUSION

- [28] I find that it is in the public interest to permanently prohibit Tobin from participating in Ontario's capital markets by imposing the sanctions requested by Staff. Such sanctions will protect Ontario investors and act as a general deterrent to other like-minded persons. I therefore order that:
- a. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities or derivatives by Tobin shall cease permanently;

¹⁶ Exhibit 1, Staff's Hearing Brief, Tobin SEC Judgment, Tab 16

¹⁷ *Reeve (Re)*, 2018 ONSEC 55 at para 27

¹⁸ See Plea Agreement and Information at para 12

¹⁹ Information at para 14

²⁰ Exhibit 1, Staff's Hearing Brief, Amended Judgment-Sentence, Tab 9 at 3

²¹ *Black Panther Trading Corp (Re)*, 2017 ONSEC 8 (*Black Panther*) at para 48; *Paolucci (Re)*, 2020 ONSEC 32 at para 25

²² *Black Panther* at para 68

A.4: Reasons and Decisions

- b. pursuant to paragraph 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Tobin shall be prohibited permanently;
- c. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Tobin permanently;
- d. pursuant to paragraphs 7 and 8.1 of subsection 127(1) of the Act, Tobin shall resign any positions that he holds as a director or officer of any issuer or registrant;
- e. pursuant to paragraphs 8 and 8.2 of subsection 127(1) of the Act, Tobin is prohibited permanently from becoming or acting as a director or officer of any issuer or registrant; and
- f. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Tobin is prohibited permanently from becoming or acting as a registrant or promoter.

Dated at Toronto this 19th day of July, 2022

“Cathy Singer”

A.4.3 Jonathan Cartu et al. – ss. 127(1), 127.1

Citation: *Cartu (Re)*, 2022 ONCMT 21

Date: 2022-07-25

File No. 2020-14

**IN THE MATTER OF
JONATHAN CARTU,
DAVID CARTU
AND
JOSHUA CARTU**

REASONS AND DECISION

(Subsection 127(1) and section 127.1 of the *Securities Act*, RSO 1990, c S.5)

Adjudicators: M. Cecilia Williams (chair of the panel)
Russell Juriansz
Sandra Blake

Hearing: By videoconference, May 13, 2022

Appearances: Rikin Morzaria For Staff of the Ontario Securities Commission
No one appearing for Jonathan Cartu or Joshua Cartu

REASONS AND DECISION

1. DECISION AND OVERVIEW

- [1] This is a sanctions and costs hearing. Jonathan Cartu and Joshua Cartu were properly served but did not participate in the hearing.
- [2] In the merits decision, dated April 7, 2022 (the **Merits Decision**),¹ the panel found that Jonathan Cartu and Joshua Cartu operated an interconnected global business trading in binary options. Their operation included binary options trading platforms, call centres and payment processing companies. The panel also found that Jonathan Cartu used deceptive practices by using an alias, encouraging others to use aliases, and hiding the true location of the business from investors.
- [3] The panel concluded that Jonathan Cartu and Joshua Cartu had breached s. 25(1) (registration) and s. 53(1) (prospectus) requirements of the *Securities Act* (the **Act**)². It also concluded that Jonathan Cartu engaged the animating principles of the *Act* by using deceptive practices that undermined the capital markets and the public's confidence in those markets.
- [4] This serious misconduct warrants the following orders in the public interest, which are set out in greater detail in paragraph [41] below:
- a. Jonathan Cartu be subject to a market participation ban of 15 years, an administrative penalty of \$1,000,000, and costs of \$300,000;
 - b. Joshua Cartu be subject to a market participation ban of 10 years, an administrative penalty of \$500,000, and costs of \$100,000; and
 - c. Jonathan Cartu and Joshua Cartu jointly and severally disgorge \$1,407,278.63.

2. SANCTIONS ANALYSIS

2.1 What is the legal framework for sanctions?

- [5] The Capital Markets Tribunal may impose sanctions pursuant to s.127(1) of the *Act* where it finds it is in the public interest to do so. The Tribunal must exercise its jurisdiction in a manner that is consistent with the *Act's* purposes. Those purposes include protecting investors from unfair, improper and fraudulent practices and fostering fair, efficient and competitive markets and confidence in the capital markets.³

¹ *Cartu (Re)*, 2022 ONSEC 4 (**Merits Decision**)

² RSO 1990, c S.5

³ *Act*, s 1.1

- [6] Sanctions are preventive and protective and are intended to prevent future harm to investors and the capital markets.⁴ In restraining future conduct that is likely to be prejudicial to the public interest, the Tribunal, of necessity, must look to past conduct as a guide to future conduct.⁵
- [7] The Tribunal considers a non-exhaustive list of factors in imposing sanctions. The relevant factors in this case are the seriousness of the misconduct, whether the activity was isolated or recurrent, whether the respondents recognized the seriousness of the misconduct, and the amounts obtained and the profit made from the misconduct.⁶
- [8] It is appropriate for the Tribunal, when making an order in the public interest that is both protective and preventive, to consider specific and general deterrence. It is important that respondents, and like-minded individuals engaging in such conduct, should be deterred from doing so in the future by imposing appropriate sanctions, which reflect the harm to investors;⁷ although the weight to be given to general deterrence will vary at the discretion of the Tribunal depending on the circumstances of each case.⁸
- [9] We apply the sanctioning factors below.

2.2 Application of the various factors

2.2.1 Was the misconduct serious?

- [10] The panel in the Merits Hearing found that Jonathan Cartu and Joshua Cartu traded without being registered and distributed securities without a prospectus. The registration and prospectus requirements of the *Act* are cornerstones of Ontario's securities law.
- [11] The registration requirement is designed to ensure that those who sell or promote securities are proficient, solvent and act with integrity. Registration ensures that the public deals with individuals who meet the necessary proficiency requirements and who engage in honest and responsible conduct.⁹ Unregistered trading is contrary to these necessary legal protections and undermines investor protection and the integrity of the capital markets.¹⁰
- [12] The prospectus requirement seeks to ensure that investors are properly equipped to assess the risks of investments and to make informed business decisions.¹¹
- [13] We find that Jonathan Cartu's and Joshua Cartu's misconduct was serious. By failing to comply with these foundational requirements of Ontario securities law they deprived investors of the:
- a. ability to properly assess the risks associated with a high-risk investment in binary options, and
 - b. protection of trading with individuals who had met Ontario's standards of proficiency, solvency and integrity.
- [14] As found on the evidence before us, their serious misconduct resulted in 716 Ontario investors investing at least \$1,407,278 in binary options, some of whom lost some or all of their investment. Investor M lost all of his approximately US\$628,000 investment, Investor C lost the \$750 he invested, and Investor S lost the \$3,000 he invested.
- [15] Staff asks that we consider Jonathan Cartu's use of deceptive practices as an aggravating factor that increases the seriousness of the statutory misconduct. The panel in the Merits Hearing found that Jonathan Cartu engaged in deceptive practices by using an alias and instructing others within the Cartu's integrated binary options' operation to use aliases to conceal and misstate the true location of their business operations.¹²
- [16] While the deceptive practices engage an animating principle of the *Act*,¹³ they do not attract an independent administrative penalty. Staff submits that we should follow the approach taken by the panel in *Majestic*. The panel in *Majestic* noted that the seriousness of a respondent's conduct was aggravated by deceptive practices contrary to the public interest.¹⁴

⁴ *Committee for the Equal Treatment of Asbestos Minority Shareholders v Ontario (Securities Commission)*, 2001 SCC 37 at para 36

⁵ *Mithras Management Ltd (Re)* (1990), 13 OSCB 1600 at 1610–1611

⁶ *Belteco Holdings Inc (Re)*, (1998) 21 OSCB 7743 at 7746; *Erikson v. Ontario (Securities Commission)*, 2003 CanLII 2451 (Div Ct) at para 58; *MCJC Holdings Inc (Re)*, (2002) 25 OSCB 1133 at 1135

⁷ *Majestic Supply Co. Inc. et al. (Re)*, 2013 ONSEC 41 (*Majestic*) at para 91

⁸ *Cartaway Resources Corp (Re)*, 2004 SCC 26 at paras 60, 64

⁹ *MRS Sciences Inc. (Re)*, 2014 ONSEC 14 at para 88

¹⁰ *Sheehan (Re)*, 2021 ONSEC 26 at para 24

¹¹ Merits Decision at para 93

¹² Merits Decision at paras 101–104

¹³ Merits Decision at para 108

¹⁴ *Majestic* at para 83

[17] We agree. Misleading investors about the identity of the individuals and the location of the business they are dealing with denies investors the ability to properly understand and evaluate the risks of their investment. It undermines the capital markets and the public's trust in those markets and aggravates the seriousness of Jonathan's misconduct.

2.2.2 Was the activity isolated or recurrent and what was the level of activity?

[18] We conclude that the level of the Respondents' misconduct was significant and recurrent.

[19] Jonathan Cartu and Joshua Cartu operated their interconnected binary options business for approximately four years, from July 2013 to April 2017.¹⁵ During that period, they actively solicited and welcomed Ontario investors.¹⁶ Their Israeli-based sales team operated from 3:00 pm to 11:00 pm local time. The express purpose of this work schedule was to target North American and European clients.¹⁷ One Ontario investor was expressly told that the company could take investors from anywhere in Canada without restrictions. He was also told that the business was located in Canada, with many locations around the world.¹⁸

[20] A total of 716 Ontario investors invested at least \$1,407,278.63 in binary options through the Cartus' business operation. The amounts from Ontario investors were part of the approximate \$233,000,000 generated by the Respondent's global operations during their four years in business.

2.2.3 Have the Respondents recognized the seriousness of their misconduct?

[21] Staff submits and we agree that Jonathan Cartu and Joshua Cartu have failed to acknowledge the seriousness of their misconduct. Despite receiving notice of each step of this proceeding and of all orders issued throughout, and having had the opportunity to make written submissions, the Respondents have chosen not to participate. They have given no indication that they recognize the seriousness of their misconduct or its impact on their investors or Ontario's capital markets.

2.2.4 What is the extent of the "amounts obtained" or the profit made?

[22] Previous panels have established that the legal question for determining the "amount obtained" for the purpose of a disgorgement order under paragraph 10 of s. 127(1) of the *Act* is not what profit was made but what amounts the respondents obtained through their illegal activity.¹⁹ We address Staff's request for disgorgement in more detail below.

2.2.5 Will the requested sanctions achieve specific and general deterrence?

[23] Staff submits that specific deterrence is necessary because of the seriousness and extent of the Respondents' misconduct. Staff further submits that specific deterrence will be achieved by barring Jonathan Cartu and Joshua Cartu for a lengthy period from Ontario's capital markets.

[24] Staff submits that the requested sanctions will also achieve general deterrence by sending a firm message to the market, especially the emerging technology markets, that risky, unregistered trading operations that target Ontario investors will not be tolerated, even if those operations are located outside of Ontario.

[25] Staff is seeking an order:

- a. for a 15-year market participation ban for Jonathan Cartu;
- b. for a 10-year market participation ban for Joshua Cartu;
- c. that both Respondents immediately resign all current director or officer positions they may hold;
- d. for disgorgement of \$1,407,278.63 on a joint and several basis;
- e. that Jonathan Cartu pay an administrative penalty of \$1,000,000; and
- f. that Joshua Cartu pay an administrative penalty of \$500,000.

¹⁵ Merits Decision at para 83

¹⁶ Merits Decision at para 84

¹⁷ Merits Decision at para 58

¹⁸ Merits Decision at para 103

¹⁹ *Limelight Entertainment Inc. (Re)*, 2008 ONSEC 28 at para 49; *Pro-Financial Asset Management (Re)*, 2018 ONSEC 18 at paras 48–51; *Phillips (Re)*, 2015 ONSEC 36 at paras 18–19

2.3 What are the appropriate sanctions?

[26] We conclude that the requested sanctions are proportionate to the Respondents' misconduct and to previous cases involving similar conduct. Participation in Ontario's capital markets is a privilege not a right. Jonathan Cartu's and Joshua Cartu's serious misconduct warrants a significant restriction on their ability to participate in our markets and administrative penalties that reflect the scope of the misconduct and act as a deterrent for these Respondents and for like-minded individuals. While in our view permanent bans may have been reasonable in these circumstances, Staff sought bans of 15 years for Jonathan Cartu and 10 years for Joshua Cartu, which we have accepted.

2.3.2 Administrative penalties

[27] The Respondent's brother, David Cartu, also participated in their global binary options business but agreed to a settlement of the allegations in this matter against him. In the settlement agreement, David Cartu agreed to a 7-year market participation ban and a \$300,000 administrative penalty. A number of mitigating factors were considered in determining that the agreed-upon sanctions against David Cartu were reasonable and in the public interest. They included that:

- a. he was not the principal actor in the business;
- b. he did not induce investors to enter into the trades;
- c. there was no evidence that he received amounts from, had contact with, initiated, or solicited investors to enter into trades;
- d. he assisted a liquidator of one of the payment processing entities in recovering funds from merchants for investors; and
- e. he agreed to settle at an early stage of the proceeding, thereby avoiding the use of significant Staff and Tribunal resources for a full merits hearing.

[28] In *Doulis (Re)*²⁰ the respondents were found to have engaged in the business of advising about securities without being registered and to have made misleading or untrue statements to Staff. Their activity spanned approximately seven years, involving 12 investors who traded between \$15 million to \$17 million, and generated approximately \$37,000 and US\$8,000 in fees. The two respondents were ordered to pay administrative penalties of \$200,000 and \$100,000, respectively.

[29] In *Natural Bee Works Apiaries Inc. (Re)*²¹ the individual and corporate respondents raised \$300,000 from 70 investors over the course of one year, and used some of the proceeds for personal purposes. The panel imposed a permanent market participation ban and an administrative penalty of \$500,000, payable on a joint and several basis.

[30] In *Black Panther Trading Corp. (Re)*²² the individual and corporate respondents raised approximately \$425,000 from 16 investors without being registered. They promised returns to investors, used some of the proceeds for personal purposes or to pay other investors, and misled Staff about how much money they had raised and how much money they held. The panel imposed permanent market participation bans on both respondents and an administrative penalty of \$300,000, to be paid on a joint and several basis.

[31] Unlike David Cartu, there are no mitigating factors to consider with respect to Jonathan Cartu and Joshua Cartu. More substantial sanctions for Jonathan and Joshua are appropriate to reflect their more significant involvement in the interconnected global operation.

[32] In all the cases Staff is relying on, the administrative penalties imposed were commensurate with or in excess of the amounts the respondents in those cases had obtained through their misconduct. Administrative penalties of \$1,000,000 for Jonathan Cartu and \$500,000 for Joshua Cartu are proportionate to the approximate \$1.4 million invested through their global business operation by Ontario residents.

[33] It is also appropriate that the administrative penalty imposed on Jonathan Cartu significantly exceed that imposed on Joshua Cartu. It is clear from the Merits Decision that Jonathan had a more active role in the development and operation of the business. In addition, as we indicated above, we consider Jonathan's use of deceptive practices to be an aggravating factor. The higher administrative penalty imposed on him reflects this consideration.

²⁰ 2014 ONSEC 40 (*Doulis*)

²¹ 2019 ONSEC 31 (*Natural Bee*)

²² 2017 ONSEC 8 (*Black Panther*)

2.3.3 Disgorgement

[34] Staff seeks disgorgement, on a joint and several basis, of the \$1,407,278.63 obtained by the Respondents in Ontario. In our view, a disgorgement is appropriate, as the ascertainable amount was obtained as a result of the Respondents' misconduct. Their misconduct was serious and resulted in harm to investors. A disgorgement order will also contribute to the deterrent effect of this decision on the Respondents and on any like-minded individuals.

[35] A disgorgement order is also consistent with the case law Staff submitted. In each of those cases, the panels ordered disgorgement of amounts obtained as a result of the respondents' misconduct.²³

3. COSTS ANALYSIS

[36] The Tribunal has discretion to order a person or company to pay the costs of an investigation or a hearing, if the Tribunal is satisfied that the person or company has not complied with Ontario securities law or has not acted in the public interest.²⁴ A costs order is not a sanction. Rather it is a means to have those who contravene Ontario securities law contribute to the costs of an investigation or hearing.

[37] Staff is seeking \$400,000 in costs. This represents a reduction from the fees for Staff time totalling \$574,425.98 and disbursements of \$16,827.23 set out in the Bill of Costs filed by Staff. The Bill of Costs reflects only the time of one investigation counsel and one litigation counsel during each of the investigation and litigation phases of this matter. Excluded from the Bill of Costs is any time spent by law clerks, assistants, members of the E-Discovery and Analytics unit, and the time of any person who recorded 35 hours or fewer on this matter. Staff time is billed at hourly rates previously approved by the Tribunal.

[38] The actual costs sought have been further reduced to reflect the fact that David Cartu contributed \$15,000 towards costs and to account for the possible time dedicated solely to investigating David Cartu.

[39] We conclude that the costs sought by Staff are appropriate in this case. The Respondents' misconduct was directly responsible for the investigation and hearing in this matter. The investigation was complicated by the global nature of the Respondents' business operation and the deceptive practices used in that operation. The breaches of Ontario securities law at the centre of this matter are serious and warrant action to protect the Ontario investors.

[40] We agree with Staff's request that the costs awarded should be allocated 75% (\$300,000) to Jonathan Cartu and 25% (\$100,000) to Joshua Cartu. Jonathan Cartu was the more central player in the development and operation of the business and engaged in deceptive practices in the operation of the business.

4. CONCLUSION

[41] We, therefore, issue an order:

a. with respect to Jonathan Cartu, that:

- i. he shall cease trading in any securities or derivatives for a period of 15 years, pursuant to paragraph 2 of subsection 127(1) of the *Act*;
- ii. he shall cease acquiring any securities for a period of 15 years, pursuant to paragraph 2.1 of subsection 127(1) of the *Act*;
- iii. any exemptions contained in Ontario securities law shall not apply to him for a period of 15 years, pursuant to paragraph 3 of subsection 127(1) of the *Act*;
- iv. he shall resign any positions that he holds as a director or officer of an issuer or registrant, pursuant to paragraphs 7 and 8.1 of subsection 127(1) of the *Act*;
- v. he shall be prohibited from acting as a director or officer of an issuer or registrant for a period of 15 years, pursuant to paragraphs 8 and 8.2 of subsection 127(1) of the *Act*;
- vi. he shall be prohibited from becoming or acting as a registrant or as a promoter for a period of 15 years, pursuant to paragraph 8.5 of subsection 127(1) of the *Act*;
- vii. he shall pay an administrative penalty in the amount of \$1,000,000 to the Ontario Securities Commission, pursuant to paragraph 9 of subsection 127(1) of the *Act*; and

²³ *Doullis* at paras 51–52; *Natural Bee* at paras 37, 40; *Black Panther* at para 97
²⁴ *Act*, s 127.1

- viii. he shall pay \$300,000 for costs of the investigation and hearing, pursuant to s. 127.1 of the *Act*,
- b. with respect to Joshua Cartu, that:
 - i. he shall cease trading in any securities or derivatives for a period of 10 years, pursuant to paragraph 2 of subsection 127(1) of the *Act*;
 - ii. he shall cease acquiring any securities for a period of 10 years, pursuant to paragraph 2.1 of subsection 127(1) of the *Act*;
 - iii. any exemptions contained in Ontario securities law shall not apply to him for a period of 10 years, pursuant to paragraph 3 of subsection 127(1) of the *Act*;
 - iv. he shall resign any positions that he holds as a director or officer of an issuer or registrant, pursuant to paragraphs 7 and 8.1 of subsection 127(1) of the *Act*;
 - v. he shall be prohibited from acting as a director or officer of an issuer or registrant for a period of 10 years, pursuant to paragraphs 8 and 8.2 of subsection 127(1) of the *Act*; and
 - vi. he shall be prohibited from becoming or acting as a registrant or as a promoter for a period of 10 years, pursuant to paragraph 8.5 of subsection 127(1) of the *Act*;
 - vii. he shall pay an administrative penalty in the amount of \$500,000 to the Commission, pursuant to paragraph 9 of subsection 127(1) of the *Act*; and
 - viii. he shall pay \$100,000 for the costs of the investigation and hearing, pursuant to s.127.1 of the *Act*; and
- c. Jonathan Cartu and Joshua Cartu jointly and severally disgorge to the Commission the amount of \$1,407,278.63, pursuant to paragraph 10 of subsection 127(1) of the *Act*.

Dated at Toronto this 25th day of July, 2022

“M. Cecilia Williams”

“Russell Juriansz”

“Sandra Blake”

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B. Ontario Securities Commission

B.2 Orders

B.2.1 Starlight Capital Corporation (formerly, Stone Investment Group Limited)

Prince Edward Island, Nova Scotia, Yukon, Nunavut and Northwest Territories.

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 20, 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
STARLIGHT CAPITAL CORPORATION
(formerly, Stone Investment 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 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 British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Newfoundland and Labrador,

Interpretation

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

Representations

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

1. the Filer 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 #: 2022/0332

B.2.2 Intertape Polymer Group Inc.

the securities regulatory authority or regulator in Ontario.

Headnote

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – issuer deemed to be no longer 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).

[TRANSLATION]

July 20, 2022

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

AND

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

AND

**IN THE MATTER OF
INTERTAPE POLYMER GROUP INC.
(the Filer)**

ORDER

Background

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

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

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

Interpretation

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

Representations

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

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

Order

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

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

“Benoit Gascon”
Directeur principal du financement des sociétés
Autorité des marchés financiers

OSC File #: 2022/0314

B.2.3 Mutual Fund Dealers Association of Canada – s. 21.1(4)

Headnote

Approval of the MFDA Application regarding the MFDA Discretionary Fund.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., s. 21.1(4).

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

AND

**IN THE MATTER OF
THE MUTUAL FUND DEALERS ASSOCIATION OF CANADA**

**ORDER
(Subsection 21.1(4) of the Act)**

WHEREAS section 21.1 of the Act provides the Ontario Securities Commission (**Commission**) with the power to recognize, on the application, the self-regulatory organization if the Commission is satisfied that to do so would be in the public interest;

AND WHEREAS the Commission recognized the Mutual Fund Dealers Association of Canada (the **MFDA**) as a self-regulatory organization for mutual fund dealers by an order dated February 6, 2001, as amended on March 30, 2004, November 3, 2006, October 28, 2008, December 12, 2008, October 29, 2014, March 9, 2018 and October 22, 2020, subject to terms and conditions (the **MFDA Recognition Order**);

AND WHEREAS on August 3, 2021, the Canadian Securities Administrators (the **CSA**) published the [CSA Position Paper 25-404 New Self-Regulatory Organization Framework](#) (the **CSA Position Paper**) recommending amalgamation of the MFDA with the Investment Industry Regulatory Organization of Canada (**IIROC**); and the MFDA and IIROC commenced the process of amalgamation to create a new single self-regulatory organization (**New SRO**);

AND WHEREAS on October 18, 2021, the Commission received an application from the MFDA (**Application**) seeking approval to use unallocated monies from the MFDA Discretionary Fund¹ to pay for external advisor costs incurred by the MFDA related to the creation of the New SRO (the **New SRO Integration Costs** as described in Appendix A of Schedule 1 of this order) in accordance with subparagraph 10 (A)(v) of Schedule A of the MFDA Recognition Order²;

AND WHEREAS the MFDA has submitted that

1. it has incurred, and continues to incur, the New SRO Integration Costs for the following services:
 - (i) legal and regulatory advisors to advise on all aspects of the integration of the MFDA into the New SRO,
 - (ii) consultants to advise on the integration of the MFDA into the New SRO, including advice related to corporate structure, organizational design and change management,

¹ The MFDA Discretionary Fund is an internally restricted fund established by the MFDA Board of Directors, which collects enforcement fines, imposed by order of an MFDA hearing panel, and related investment income.

² Section 10 of the Terms and Conditions states that all fines collected by the MFDA and all payments made under settlement agreements entered into with the MFDA may be used only as follows:

- (A) as approved by the MFDA's Board,
 - (i) for funding the MFDA IPC
 - (ii) for the development of systems or other expenditures that are necessary to address emerging regulatory issues and are directly related to protecting investors or the integrity of the capital markets, provided that any such use does not constitute normal course operating expenses
 - (iii) for education or research projects that are directly relevant to the investment industry, are in the public interest, and which benefit the public or the capital markets
 - (iv) to contribute to a non-profit, tax exempt organization, the purposes of which include the protection of investors, or those described in paragraph (A)(iii)
 - (v) for such other purposes as may be subsequently approved by the Recognizing Regulators

- or
- (B) for reasonable costs associated with the administration of the MFDA's hearing panels.

- (iii) consultants to conduct an executive search for the new CEO and members of the board of directors for the New SRO,
 - (iv) accounting support to produce proforma financial statements for the New SRO, and
 - (v) compensation and benefits structure alignment advisors;
2. the New SRO Integration Costs directly arise from the creation of the New SRO, mandated by the CSA;
3. as the CSA Position Paper describes the creation of the New SRO as an initiative with a clear public interest mandate which will enhance investor protection, the MFDA is of the view that disbursements from the MFDA Discretionary Fund to cover such costs would be appropriate and consistent with the underlying intent in section 10 of Schedule A of the MFDA Recognition Order that fine and settlement monies be used for a public interest and investor protection purposes; and
4. the use of the funds from the MFDA Discretionary Fund towards the New SRO Integration Costs will not impact the availability of the funds for other expenses contemplated by subparagraphs 10(A)(i) to (iv) and paragraph 10(B) of Schedule A of the MFDA Recognition Order;

AND WHEREAS the CSA staff created a dedicated working group (the **CSA Working Group**) that conducted a thorough review of the Application and the above submissions;

AND WHEREAS, the CSA Working Group recommended that the MFDA be permitted to access, on a limited basis, costs up to \$4.29 million, as described in Appendix A of Schedule 1, for the following reasons:

- the MFDA Discretionary Fund is restricted to the expenses that are not considered operating in nature. Any costs directly associated with the MFDA integrating into the New SRO are not ordinary operating costs;
- according to the CSA Position Paper, creation of the New SRO will contribute to the regulatory framework that has a clear public interest mandate which will enhance investor protection. The underlying intent of section 10 of Schedule A of the MFDA Recognition Order is that fine and settlement monies be used for a public interest and investor protection purposes. As such, the specified use of the MFDA Discretionary Fund for the payment of external advisory costs associated with the formation of the New SRO that is in the public interest would be consistent with the intent of the MFDA Recognition Order;
- the use of the MFDA Discretionary Fund will be limited to the New SRO Integration Costs, which can only be accessed in accordance with the specific terms and conditions set out in Schedule 1 of this order;

AND WHEREAS, based on the Application, the Commission has determined that it is in the public interest to allow the MFDA limited access to the MFDA Discretionary Fund;

IT IS ORDERED by the Commission that, pursuant to subsection 21.1(4) of the Act, the MFDA may access the MFDA Discretionary Fund to pay for the New SRO Integration Costs;

PROVIDED THAT the MFDA complies with the terms and conditions contained in Schedule 1 of this order.

DATED July 19, 2022

“Elizabeth Cynthia Tripp”
Board Director
Ontario Securities Commission

“Frances Kordyback”
Board Director
Ontario Securities Commission

Schedule 1

**Mutual Fund Dealers Association of Canada (MFDA) Discretionary Fund Application:
Terms and Conditions**

Definitions

1. In this Schedule 1:
 - “**New SRO Integration Costs**” means the costs described in Appendix A.
 - “**Discretionary Fund**” has the same meaning as in the Order.

Quarterly Reporting

2. The MFDA must file with the Commission, by delivering to the members of the CSA Oversight Committee, within 30 days after the end of each quarter, starting with the quarter ending June 30, 2022, a report that includes the following information and documents:
 - (a) a summary of New SRO Integration Costs incurred during the previous calendar quarter or, in case of the initial filing, a summary of all New SRO Integration Costs incurred prior to June 30, 2022;
 - (b) a summary of the New SRO Integration Costs that the MFDA reasonably expects to incur during the next calendar quarter (the “**Quarterly Reports**”).

Certification

3. The Quarterly Reports shall include a certification by the MFDA Vice President, Finance & Administration, President and audit committee chair that:
 - (a) the expenses incurred during the relevant period are not operational in nature and only relate to the New SRO Integration Costs as set out in Appendix A;
 - (b) after paying the New SRO Integration Costs, sufficient funds remain in the MFDA’s discretionary fund for other expenses contemplated by subparagraphs 10(A)(i) to (iv) and paragraph 10(B) of Schedule A to the MFDA’s Recognition Order.

Other Conditions

4. The MFDA must make an additional application under subparagraph 10(a)(v) of Schedule A to the MFDA Recognition Order and obtain additional prior approval by the Commission if it will use the Discretionary Fund:
 - (a) to pay for any New SRO Integration Cost that exceeds the amounts set out in Appendix A;
 - (b) to pay any cost that is not a New SRO Integration Cost described in Appendix A.
5. The MFDA shall not use the Discretionary Fund for any New SRO Integration Costs incurred after December 31, 2022.

Appendix A - New SRO Integration Costs¹

Nature of Costs	Advisory Mandate	Projected Total Costs ²	Approved MFDA Expenditures ³
Legal Fees	Integration Advisory	N/A	\$1.20M
Other External Consultants - Advisory Contract	Integration Management	\$4.70M	\$2.35M
Executive Search - Fees & Support	New CEO and Board Search	\$800K - \$840K	\$420K
Finance - Accounting Support	Proforma Financial Statements	\$60K - \$68K	\$34K
Human Resources – Compensation and Benefits Structure Alignment	Compensation and Benefits Structure Alignment	\$434K - \$566K	\$283K
	Total		\$4.29M

¹ Range of projected third-party advisor and consultant costs

² K= 1,000; M= 1,000,000

³ Where applicable, MFDA's portion of fees represents 50% of the total Projected Total Costs

B.3 Reasons and Decisions

B.3.1 Fidelity Investments Canada ULC

Headnote

Pursuant to National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief from the prohibition on the use of corporate officer titles by certain registered individuals in respect of institutional clients – Relief does not extend to interactions by registered individuals with retail clients.

Applicable Legislative Provisions

Multilateral Instrument 11-102 Passport System, s. 4.7(1).
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 13.18(2)(b) and 15.1(2).

July 21, 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
FIDELITY INVESTMENTS CANADA ULC
(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 (the **Legislation**) that pursuant to section 15.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**), the Filer and its Registered Individuals (as defined below) are exempt from the prohibition in paragraph 13.18(2)(b) of NI 31-103 that a registered individual may not use a corporate officer title when interacting with clients, unless the individual has been appointed to that corporate office by their sponsoring firm pursuant to applicable corporate law, in respect of Institutional Clients (as defined below) (the **Exemption Sought**).

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

- (a) the Ontario Securities Commission is the principal regulator for this application, and
- (b) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon by the Filer and its Registered Individuals (as defined below) in each of the other provinces and territories of Canada (together with the Jurisdiction, the **Jurisdictions**) in respect of the Exemption Sought.

Interpretation

Terms defined in MI 11-102 and National Instrument 14-101 *Definitions* 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 continued under the laws of the Province of Alberta with its head office located in Toronto, Ontario.
2. The Filer is registered as an investment fund manager in Ontario, Quebec and Newfoundland and Labrador, as a portfolio manager in each of the Jurisdictions, as a commodity trading manager in Ontario and as a mutual fund dealer in each of the Jurisdictions.
3. Other than with respect to the subject of this decision, the Filer is not in default of securities legislation in any of the Jurisdictions.
4. The Filer and its affiliates and related parties comprise a worldwide group of financial services companies (collectively, **Fidelity Investments**). Within Fidelity Investments, there are several asset management firms that provide investment management services to institutional clients globally, including the Filer.
5. The Filer offers managed accounts exclusively to sophisticated institutional investors, including pension funds, insurance companies, charitable organizations and corporations. The vast majority of the Filer's institutional clients are non-individual "permitted clients" as defined in NI 31-103 or non-

individual “institutional clients” as defined in Rule 1201 of the Investment Industry Regulatory Organization of Canada (**IIROC**). The Filer’s institutional clients include the mutual funds, pooled funds and exchange-traded funds for which it acts as portfolio manager.

6. The Filer is the sponsoring firm for registered individuals that interact with clients and use a corporate officer title without being appointed to the corporate office of the Filer pursuant to applicable corporate law (the **Registered Individuals**). The number of Registered Individuals may increase or decrease from time to time as the business of the Filer changes. As of the date of this decision, the Filer has approximately nine Registered Individuals.
7. The current titles used by the Registered Individuals include the words “Vice President” and “Director”, and the Registered Individuals may use additional corporate officer titles in the future (collectively, the **Titles**). The Titles used by the Registered Individuals are consistent with the titles used by Filer’s affiliates and related parties within Fidelity Investments.
8. The Filer has a process in place for awarding the Titles, which sets out the criteria for each of the Titles. The Titles are based on criteria including seniority and experience, and a Registered Individual’s sales activity or revenue generation is not a primary factor in the decision by the Filer to award one of the Titles.
9. The Registered Individuals interact only or primarily with institutional clients that are, each, a non-individual “permitted client” as defined in subsection 1.1 of NI 31-103, or a non-individual “institutional client” as defined in IIROC Rule 1201 (collectively, the **Institutional Clients**).
10. To the extent a Registered Individual interacts with clients who are not Institutional Clients (the **Retail Clients**), the Filer has policies, procedures and controls in place to ensure that such Registered Individual will only use a Title when interacting with Institutional Clients, and will not use a Title in any interaction with Retail Clients, including in any communications, such as written and verbal communications, that are directed at, or may be received by, Retail Clients.
11. The Filer will not grant any registered individual that interacts primarily with Retail Clients, nor will such registered individual be permitted by the Filer to use, a corporate officer title other than in compliance with paragraph 13.18(2)(b) of NI 31-103.
12. Section 13.18 of NI 31-103 prohibits registered individuals in their client-facing relationships from, among other things, using titles or designations that could reasonably be expected to deceive or

mislead existing and prospective clients. Paragraph 13.18(2)(b) of NI 31-103 specifically prohibits the use of corporate officer titles by registered individuals who interact with clients unless the individuals have been appointed to those corporate offices by their sponsoring firms pursuant to applicable corporate law.

13. There would be significant operational and human resources challenges for the Filer to comply with the prohibition in paragraph 13.18(2)(b). In addition, the Titles are widely used and recognized throughout the institutional segment of the financial services industry within Canada and globally, and being unable to use the Titles has the potential to put the Filer and its Registered Individuals at a competitive disadvantage as compared to non-Canadian firms that are not subject to the prohibition and who compete for the same institutional clients.
14. Given their nature and sophistication, the use of the Titles by the Registered Individuals would not be expected to deceive or mislead existing and prospective Institutional Clients.
15. For the reasons provided above, it would not be prejudicial to the public interest to grant the Exemption Sought.

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, when using the Titles, the Filer and its Registered Individuals interact only with existing and prospective clients that are exclusively non-individual “permitted clients” as defined in NI 31-103 or non-individual “institutional clients” as defined in IIROC Rule 1201.

This decision will terminate six months, or such other transition period as may be provided by law, after the coming into force of any amendment to NI 31-103 or other applicable securities law that affects the ability of the Registered Individuals to use the Titles in the circumstances described in this decision.

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

OSC File #: 2022/0198

B.3.2 Frontera Energy Corporation

Headnote

Multilateral Instrument 11-102 Passport System – National Policy 11-203 Process for Exemptive Relief in Multiple Jurisdictions – Dual application – Issuer bid – Modified Dutch auction – Application for relief from the requirement to take up and pay for shares on a pro rata basis and the related disclosure requirements for the issuer bid circular (Section 2.26 of National Instrument 62-104 Take-Over Bids and Issuer Bids and Item 8 of Form 62-104F2 Issuer Bid Circular) – Application for relief from the requirement that the Offer not be extended if all the terms and conditions of the Offer have been complied with or waived unless the issuer first takes up all Shares deposited under the Offer and not withdrawn (Section 2.32 of NI 62-104).

Citation: *Re Frontera Energy Corporation*, 2022 ABASC 100

July 22, 2022

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

AND

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

AND

**IN THE MATTER OF
FRONTERA ENERGY CORPORATION
(the Filer)**

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (each a **Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) that, in connection with the proposed purchase by the Filer of a portion of its outstanding common shares (the **Shares**) pursuant to a formal issuer bid (the **Offer**), the Filer be exempt, subject to the conditions set forth herein, from the following requirements in the Legislation (the **Exemption Sought**):

- (a) the requirement in Section 2.26 of National Instrument 62-104 *Take-Over Bids and Issuer Bids* (**NI 62-104**) to take up and pay for Shares deposited pursuant to the Offer proportionately according to the number of Shares deposited by each holder of Shares (a **Shareholder**) (the **Proportionate Take Up Requirement**);
- (b) the requirement in Item 8 of Form 62-104F2 *Issuer Bid Circular* (**Form 62-104F2**) to provide disclosure of the proportionate take up and payment of Shares under the Offer in the Filer's issuer bid circular (the **Circular**) (the **Proportionate Take Up Disclosure Requirement**); and
- (c) the requirement in Section 2.32(4) of 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 issuer first takes up all Shares deposited under the Offer and not withdrawn (the **Extension Take Up Requirement**).

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

- (a) the Alberta 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* is intended to be relied upon in British Columbia, Saskatchewan, Manitoba, Québec, New Brunswick, Prince Edward Island, Nova Scotia and Newfoundland and Labrador; and
- (c) this decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and NI 62-104 have the same meaning if used in this decision, unless otherwise defined herein.

Representations

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

1. The Filer is a corporation governed by the *Business Corporations Act* (British Columbia).
2. The head office of the Filer is located in Calgary, Alberta. The registered office of the Filer is located in Vancouver, British Columbia.
3. The Filer is a reporting issuer in each of the provinces of Canada and the Shares are listed for trading on the Toronto Stock Exchange (the **TSX**) under the trading symbol "FEC". The Filer is not in default of any requirement of the securities legislation in any of the jurisdictions in which it is a reporting issuer.
4. The Filer's authorized share capital consists of: (a) an unlimited number of Shares with no par value; and (b) an unlimited number of preferred shares with no par value. As of June 9, 2022, there were 92,982,495 Shares and no preferred shares issued and outstanding. The Offer will not include any offer for the purchase of any of the preferred shares.
5. On June 9, 2022, the closing price of the Shares on the TSX was \$13.58. On the basis of this closing price, on such date the Shares had an aggregate market value of approximately \$1,262,702,282.10 (on a non-diluted basis).
6. As at June 9, 2022, The Catalyst Capital Group Inc. (**Catalyst**) beneficially owned 34,775,609 Shares (approximately 37.40% of the issued outstanding Shares) and Gramercy Funds Management LLC (**Gramercy**) exercised control or direction over 10,601,732 Shares (approximately 11.40% of the issued and outstanding Shares), which in the aggregate represented approximately 48.80% of the issued and outstanding Shares.
7. Catalyst has advised the Filer that it will not be depositing any Shares pursuant to the Offer. Gramercy has advised the Filer that its current intention is not to deposit Shares pursuant to the Offer, however such intention is subject to market conditions and other factors and Gramercy reserves the right without notice to revisit its investment decision.
8. The Offer reflects the offer of the Filer to purchase that number of Shares having an aggregate maximum purchase price of up to \$65,000,000 (the **Specified Maximum Dollar Amount**).
9. The purchase price payable per Share (the **Purchase Price**) will be determined by the Filer through a modified "Dutch auction" procedure in the manner described below, but will not be less than \$11.00 and not more than \$13.00 per Share (the **Price Range**).
10. The Offer commenced on June 24, 2022 and will expire at 11:59 p.m. (Eastern time) on July 29, 2022 unless withdrawn, extended or varied by the Filer (the **Expiration Date**).
11. The board of directors of the Filer (the **Board**) has determined that the Offer is in the best interests of the Filer.
12. The Filer will fund the purchase of Shares pursuant to the Offer, together with fees and expenses of the Offer, using available cash on hand. In any event, the Offer will not be conditional upon the receipt of any financing.
13. Shareholders wishing to tender to the Offer will be able to do so in one of three ways:
 - (a) by making an auction tender pursuant to which the tendering Shareholders agree to tender a specified number of Shares at a specified price per Share (an **Auction Price**) within the Price Range (an **Auction Tender**);
 - (b) by making a purchase price tender pursuant to which the tendering Shareholders do not specify a price per Share, but rather agree to have a specified number of Shares purchased at the Purchase Price (a **Purchase Price Tender**); or
 - (c) by making a proportionate tender pursuant to which the tendering Shareholders agree sell to the Filer, at the Purchase Price, a number of Shares that will result in them maintaining their respective proportionate equity ownership in the Filer following completion of the Offer (a **Proportionate Tender**).
14. Shareholders may deposit some of their Shares pursuant to an Auction Tender and deposit different Shares pursuant to a Purchase Price Tender. Shareholders who tender Shares in an Auction Tender and/or a Purchase Price Tender cannot tender Shares in a Proportionate Tender. Shareholders may not deposit the same Shares pursuant to more than one

B.3: Reasons and Decisions

method of tender or pursuant to an Auction Tender at more than one price. Shareholders who tender Shares in a Proportionate Tender may not tender Shares in an Auction Tender or a Purchase Price Tender.

15. Any Shareholder who owns fewer than 100 Shares and tenders all of such Shareholder's Shares pursuant to an Auction Tender at an Auction Price at or below the Purchase Price or pursuant to a Purchase Price Tender will be considered to have made an "Odd Lot Tender".
16. The Filer will determine the Purchase Price based on the Auction Prices and the number of Shares specified in valid Auction Tenders and Purchase Price Tenders (considered for purposes of determining the Purchase Price to have been tendered at the minimum price per Share offered). The Purchase Price will be the lowest price that enables the Filer to purchase that number of Shares tendered pursuant to valid Auction Tenders and Purchase Price Tenders having an aggregate purchase price not to exceed an amount (the **Auction Tender Limit Amount**) equal to:
 - (a) the Specified Maximum Dollar Amount, less
 - (b) the product of:
 - (i) the Specified Maximum Dollar Amount; and
 - (ii) a fraction, the numerator of which is the aggregate number of Shares owned by Shareholders making valid Proportionate Tenders, and the denominator of which is the aggregate number of Shares outstanding at the time of expiry of the Offer.
17. If the aggregate Purchase Price for Shares validly tendered pursuant to Auction Tenders (at Auction Prices at or below the Purchase Price) and Purchase Price Tenders is less than or equal to the Auction Tender Limit Amount, the Filer will purchase at the Purchase Price all Shares so deposited pursuant to Auction Tenders at or below the Purchase Price and Purchase Price Tenders.
18. If the aggregate Purchase Price for Shares validly tendered pursuant to Auction Tenders (at Auction Prices at or below the Purchase Price) and Purchase Price Tenders is greater than the Auction Tender Limit Amount, the Filer will purchase a portion of the Shares so deposited pursuant to Auction Tenders (at or below the Purchase Price) and Purchase Price Tenders, determined as follows:
 - (a) first, the Filer will purchase all such Shares tendered by Shareholders pursuant to Odd Lot Tenders; and
 - (b) second, the Filer will purchase on a *pro rata* basis that portion of such Shares having an aggregate purchase price, based on the Purchase Price, equal to
 - (i) the Auction Tender Limit Amount, less
 - (ii) the aggregate amount paid by the Filer for Shares tendered pursuant to Odd Lot Tenders, in each of the cases set forth in clauses (a) and (b) of this paragraph, at the Purchase Price.
19. The Filer will purchase at the Purchase Price that portion of the Shares deposited by Shareholders making valid Proportionate Tenders that results in each tendering Shareholder maintaining their proportionate Share ownership following completion of the Offer (the **Proportionate Take Up**).
20. The number of Shares that the Filer will purchase pursuant to the Offer and the aggregate Purchase Price will vary depending on whether the aggregate Purchase Price payable in respect of Shares required to be purchased pursuant to Auction Tenders (at or below the Purchase Price) and Purchase Price Tenders (the **Auction Tender Purchase Amount**) is equal to or less than the Auction Tender Limit Amount. If the Auction Tender Purchase Amount is equal to the Auction Tender Limit Amount, the Filer will purchase Shares pursuant to the Offer for an aggregate Purchase Price equal to the Specified Maximum Dollar Amount. If the Auction Tender Purchase Amount is less than the Auction Tender Limit Amount, the Filer will purchase proportionately fewer Shares in the aggregate, with a proportionately lower aggregate purchase price.
21. All Shares purchased by the Filer pursuant to the Offer (including Shares tendered at Auction Prices at or below the Purchase Price) will be purchased at the Purchase Price. Shareholders will receive the Purchase Price in cash. All Auction Tenders, Purchase Price Tenders and Proportionate Tenders will be subject to adjustment to avoid the purchase of fractional Shares. All payments to Shareholders will be subject to deduction of applicable withholding taxes.
22. The Purchase Price will be denominated in Canadian dollars and the payment of amounts owing to Shareholders whose Shares are taken up under the Offer will be made in Canadian dollars. However, Shareholders may elect to receive the Purchase Price in United States dollars by indicating that in the letter of transmittal for the Offer. The exchange rate that will be used to convert payments from Canadian dollars into U.S. dollars will be the rate available from the depository

B.3: Reasons and Decisions

and foreign exchange service provider under the Offer, on the date on which the funds are converted, which rate will be based on the prevailing market rate on such date.

23. All Shares tendered to the Offer and not taken up by the Filer will be returned to the appropriate Shareholders.
24. Until expiry of the Offer, all information about the number of Shares tendered and the prices at which the Shares are tendered will be required to be kept confidential by the depositary and the Filer until the Purchase Price has been determined.
25. Shareholders who do not accept the Offer will continue to hold the same number of Shares held before the Offer and, assuming Shares are validly tendered to the Offer, their proportionate Share ownership will increase following completion of the Offer.
26. The Filer may elect to extend the Offer without first taking up all the Shares deposited and not withdrawn under the Offer if the aggregate Purchase Price for Shares validly tendered pursuant to Auction Tenders and Purchase Price Tenders is less than or equal to the Auction Tender Limit Amount. Under the Extension Take Up Requirement contained in Section 2.32(4) of NI 62-104, an offeror 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 the securities deposited and not withdrawn under the issuer bid.
27. As the determination of the Purchase Price requires that all Auction Prices and the number of 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 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 Shares tendered prior to the Expiration Date and those tendered during any extension period.
28. 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 Shares validly tendered and not withdrawn is equal to or greater than the Specified Maximum Dollar Amount.
29. The Filer intends to rely on the exemption from the formal valuation requirements applicable to issuer bids under Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (**MI 61-101**) set out in subsection 3.4(b) of MI 61-101 (the **Liquid Market Exemption**).
30. There was a "liquid market" for the Shares, as such term is defined in MI 61-101, as of the date of the making of the Offer because the test in Subsection 1.2(1)(a) of MI 61-101 was satisfied based on:
 - (a) the Shares having been traded on the TSX for the twelve month period prior to the date the Offer is publicly announced; and
 - (b) the trading of the Shares on the TSX during the twelve month period prior to the announcement date of the Offer exceeding the minimum outstanding common share and common share trading volume and market value requirements set forth in Subsection 1.2(1)(a) of MI 61-101.
31. In addition, the Board has voluntarily obtained a liquidity opinion (the **Liquidity Opinion**) in accordance with Section 1.2 of MI 61-101 from BMO Nesbitt Burns Inc. confirming that, as of the date the Offer is publicly announced, based on and subject to customary qualifications, assumptions and restrictions set out therein, (i) a liquid market for the Shares exists and (ii) it is reasonable to conclude that, following the completion of the Offer, there will be a market for holders of 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 is attached to the Circular.
32. Based on the liquid market test set out above and the Liquidity Opinion, the Filer has determined that it is reasonable to conclude that, following the completion of the Offer, there will be a market for holders of Shares who do not tender their Shares pursuant to the Offer that is not materially less "liquid" than the market that existed at the time of the making of the Offer.
33. The Filer has disclosed in the Circular relating to the Offer the following information:
 - (a) the mechanics for the take up of and payment for Shares as described herein;
 - (b) that, by tendering Shares at the lowest price in the Price Range under an Auction Tender or by tendering Shares under a Purchase Price Tender or a Proportionate Tender, a Shareholder can reasonably expect that the Shares

B.3: Reasons and Decisions

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

- (c) that the Filer has applied for the Exemption Sought;
- (d) the manner in which any extension of the Offer will be communicated to Shareholders;
- (e) that Shares deposited pursuant to the Offer may be withdrawn at any time prior to the Shares being taken up by the Filer;
- (f) if known after reasonable inquiry, the name of every person named in Item 11 of Form 62-104F2 who has accepted or intends to accept the Offer and the number of Shares in respect of which the person has accepted or intends to accept the Offer;
- (g) the facts supporting the Filer's reliance on the Liquid Market Exemption and the Liquidity Opinion; and
- (h) except to the extent exemptive relief is granted pursuant to the Exemption Sought, the disclosure prescribed by applicable securities laws for issuer bids.

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 this decision.

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted, provided that:

- (a) the Filer takes up and pays for Shares deposited pursuant to the Offer and not withdrawn, in each case, in the manner described herein; and
- (b) the Filer is eligible to rely on the Liquid Market Exemption.

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

B.3.3 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-rata), 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.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
THERE IS NOTHING TO REPORT THIS WEEK.		

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

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

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	
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:

Waratah Alternative Equity Income Fund
Principal Regulator – Ontario

Type and Date:

Final Simplified Prospectus dated Jul 20, 2022
NP 11-202 Final Receipt dated Jul 20, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3400649

Issuer Name:

Canada Life Advanced Portfolio (formerly, Canada Life Advanced Folio Fund)
Canada Life Aggressive Portfolio (formerly, Canada Life Aggressive Folio Fund)
Canada Life American Value Fund (formerly, Canada Life American Equity Fund (Beutel Goodman))
Canada Life Balanced Portfolio (formerly, Canada Life Balanced Folio Fund)
Canada Life Canadian Core Bond Fund
Canada Life Canadian Core Dividend Fund (formerly, Canada Life Canadian Dividend Fund (Laketon))
Canada Life Canadian Core Plus Bond Fund
Canada Life Canadian Corporate Bond Fund
Canada Life Canadian Dividend Fund
Canada Life Canadian Equity Fund (formerly, Canada Life Canadian Equity Fund (Laketon))
Canada Life Canadian Fixed Income Balanced Fund
Canada Life Canadian Fixed Income Balanced Fund II (formerly, Canada Life Canadian Income Fund)
Canada Life Canadian Focused Dividend Fund (formerly, Canada Life Dividend Fund (GWLIM))
Canada Life Canadian Focused Growth Fund
Canada Life Canadian Focused Value Fund (formerly, Canada Life Canadian Equity Fund (Beutel Goodman))
Canada Life Canadian Growth Balanced Fund (formerly, Canada Life Equity/Bond Fund (GLC))
Canada Life Canadian Growth Balanced Fund II (formerly, Canada Life Canadian Stock Balanced Fund)
Canada Life Canadian Growth Fund (formerly, Canada Life Canadian Growth Fund (GWLIM))
Canada Life Canadian Low Volatility Fund (formerly, Canada Life Canadian Low Volatility Fund (London Capital))
Canada Life Canadian Small-Mid Cap Fund (formerly, Canada Life Mid Cap Canada Fund (GWLIM))
Canada Life Canadian Tactical Bond Fund
Canada Life Canadian Value Balanced Fund (formerly, Canada Life Balanced Fund (Beutel Goodman))
Canada Life Canadian Value Fund (formerly, Canada Life Canadian Value Fund (FGP))
Canada Life Conservative Portfolio (formerly, Canada Life Conservative Folio Fund)
Canada Life Diversified Fixed Income Portfolio (formerly, Canada Life Diversified Fixed Income Folio Fund)
Canada Life Emerging Markets Equity Fund
Canada Life European Equity Fund
Canada Life Floating Rate Income Fund
Canada Life Foreign Equity Fund
Canada Life Global All Cap Equity Fund (formerly, Canada Life Global All Cap Equity Fund (Setanta))
Canada Life Global Balanced Fund

B.9: IPOs, New Issues and Secondary Financings

Canada Life Global Dividend Fund (formerly, Canada Life Global Dividend Equity Fund (Setanta))
Canada Life Global Founders Fund (formerly, Canada Life Global Founders Fund (Beutel Goodman))
Canada Life Global Growth and Income Fund (formerly, Canada Life Growth and Income Fund (GWLIM))
Canada Life Global Growth Balanced Fund (formerly, Canada Life Global Growth Balanced Fund (T. Rowe Price))
Canada Life Global Growth Equity Fund (formerly, Canada Life Global Growth Equity Fund (T. Rowe Price))
Canada Life Global Growth Opportunities Balanced Fund (formerly, Canada Life Global Focused Growth Balanced Fund)
Canada Life Global Growth Opportunities Fund
Canada Life Global Infrastructure Fund (formerly, Canada Life Global Infrastructure Equity Fund (London Capital))
Canada Life Global Low Volatility Fund (formerly, Canada Life Global Low Volatility Fund (ILIM))
Canada Life Global Multi-Sector Fixed Income Fund
Canada Life Global Real Estate Fund (formerly, Canada Life Global Real Estate Fund (London Capital))
Canada Life Global Resources Fund
Canada Life Global Small-Mid Cap Growth Fund
Canada Life Global Strategic Income Fund (formerly, Canada Life Global Monthly Income Fund)
Canada Life Global Value Balanced Fund (formerly, Canada Life Global Value Balanced Fund (Beutel Goodman))
Canada Life International Equity Fund (formerly, Canada Life International Core Equity Fund (JPMorgan))
Canada Life International Growth Fund (formerly, Canada Life International Opportunity Fund (JPMorgan))
Canada Life Moderate Portfolio (formerly, Canada Life Moderate Folio Fund)
Canada Life Money Market Fund
Canada Life North American High Yield Fixed Income Fund
Canada Life North American Specialty Fund
Canada Life Pathways Canadian Concentrated Equity Fund
Canada Life Pathways Canadian Equity Fund
Canada Life Pathways Core Bond Fund
Canada Life Pathways Core Plus Bond Fund
Canada Life Pathways Emerging Markets Equity Fund
Canada Life Pathways Emerging Markets Large Cap Equity Fund
Canada Life Pathways Global Core Plus Bond Fund
Canada Life Pathways Global Multi Sector Bond Fund
Canada Life Pathways Global Tactical Fund
Canada Life Pathways International Concentrated Equity Fund
Canada Life Pathways International Equity Fund
Canada Life Pathways Money Market Fund
Canada Life Pathways US Concentrated Equity Fund
Canada Life Pathways US Equity Fund
Canada Life Precious Metals Fund
Canada Life Risk-Managed Balanced Portfolio
Canada Life Risk-Managed Conservative Income Portfolio
Canada Life Risk-Managed Growth Portfolio
Canada Life Science and Technology Fund (formerly, Canada Life Science & Technology Fund (London Capital))
Canada Life Short-Term Bond Fund
Canada Life Strategic Income Fund

Canada Life Strategic Income Fund II (formerly, Canada Life Monthly Income Fund)
Canada Life Sustainable Balanced Portfolio
Canada Life Sustainable Conservative Portfolio
Canada Life Sustainable Emerging Markets Equity Fund
Canada Life Sustainable Global Bond Fund
Canada Life Sustainable Global Equity Fund
Canada Life Sustainable Growth Portfolio
Canada Life Sustainable U.S. Equity Fund
Canada Life U.S. Carbon Transition Equity Fund
Canada Life U.S. Dividend Fund (formerly, Canada Life US Dividend Fund (GWLIM))
Canada Life U.S. Growth Fund (formerly, Canada Life US Equity Fund (London Capital))
Canada Life U.S. Low Volatility Fund (formerly, Canada Life US Low Volatility Fund (Putnam))
Canada Life U.S. Mid Cap Growth Fund (formerly, Canada Life US Mid Cap Opportunities Fund)
Canada Life U.S. Small-Mid Cap Growth Fund
Canada Life U.S. Value Fund (formerly, Canada Life US Value Fund (Putnam))
Canada Life Unconstrained Fixed Income Fund
Canada Life US All Cap Growth Fund
Principal Regulator – Ontario

Type and Date:

Combined Preliminary and Pro Forma Simplified Prospectus dated Jul 21, 2022

NP 11-202 Final Receipt dated Jul 22, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3394907

Issuer Name:

Dynamic Active Enhanced Yield Covered Options ETF
Principal Regulator – Ontario

Type and Date:

Preliminary Long Form Prospectus dated Jul 22, 2022
NP 11-202 Preliminary Receipt dated Jul 22, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3411426

Issuer Name:

Canadian Equity Alpha Corporate Class
Canadian Equity Alpha Pool
Canadian Equity Growth Corporate Class
Canadian Equity Growth Pool
Canadian Equity Small Cap Corporate Class
Canadian Equity Small Cap Pool
Canadian Equity Value Corporate Class
Canadian Equity Value Pool
Canadian Fixed Income Corporate Class
Canadian Fixed Income Pool
Cash Management Pool
Emerging Markets Equity Corporate Class
Emerging Markets Equity Pool
Global Equity Allocation Pool
Global Equity Pool
Global Fixed Income Corporate Class
Global Fixed Income Pool
Global Income Allocation Corporate Class
Global Income Allocation Pool
International Equity Alpha Corporate Class
International Equity Alpha Pool
International Equity Growth Corporate Class
International Equity Growth Pool
International Equity Value Corporate Class
International Equity Value Currency Hedged Corporate Class
International Equity Value Currency Hedged Pool
International Equity Value Pool
Real Estate Investment Corporate Class
Real Estate Investment Pool
Short Term Income Corporate Class
Short Term Income Pool
US Equity Alpha Corporate Class
US Equity Alpha Pool
US Equity Growth Corporate Class
US Equity Growth Pool
US Equity Small Cap Corporate Class
US Equity Small Cap Pool
US Equity Value Corporate Class
US Equity Value Currency Hedged Corporate Class
US Equity Value Currency Hedged Pool
US Equity Value Pool
Principal Regulator – Ontario

Type and Date:

Final Simplified Prospectus dated Jul 15, 2022
NP 11-202 Final Receipt dated Jul 19, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3398301

Issuer Name:

Dynamic Credit Absolute Return II Fund
Dynamic Liquid Alternatives Private Pool
Principal Regulator - Ontario

Type and Date:

Amendment #3 to Final Simplified Prospectus dated July 15, 2022

NP 11-202 Final Receipt dated Jul 19, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3267119

Issuer Name:

Invesco 1-3 Year Laddered Floating Rate Note Index ETF
Principal Regulator - Ontario

Type and Date:

Amendment #1 to Final Long Form Prospectus dated July 15, 2022

NP 11-202 Final Receipt dated Jul 20, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3305170

Issuer Name:

Dynamic Diversified Inflation Focused Fund
(formerly, Dynamic Diversified Real Asset Fund)
Principal Regulator - Ontario

Type and Date:

Amendment #2 to Final Simplified Prospectus dated July 15, 2022

NP 11-202 Final Receipt dated Jul 20, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3287695

B.9: IPOs, New Issues and Secondary Financings

Issuer Name:

Renaissance Global Health Care Fund
Renaissance Global Bond Private Pool
Principal Regulator - Ontario

Type and Date:

Amendment #4 to Final Simplified Prospectus dated July
13, 2022

NP 11-202 Final Receipt dated Jul 19, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3247938

Issuer Name:

Imperial International Bond Pool
Imperial Global Equity Income Pool
Principal Regulator - Ontario

Type and Date:

Amendment #2 to Final Simplified Prospectus dated July
13, 2022

NP 11-202 Final Receipt dated Jul 19, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3292515

NON-INVESTMENT FUNDS

Issuer Name:

Agra Ventures Ltd. (formerly AgraFlora Organics International Inc.)
Principal Regulator - British Columbia

Type and Date:

Preliminary Shelf Prospectus dated July 22, 2022
Preliminary Receipt dated July 22, 2022

Offering Price and Description:

C\$25,000,000.00 - Common Shares, Subscription Receipts, Units, Debt Securities, Warrants, Share Purchase Contracts

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3411512

Issuer Name:

Big Gold Inc.
Principal Regulator - Ontario

Type and Date:

Amendment dated July 20, 2022 to Preliminary Long Form Prospectus dated April 19, 2022
Preliminary Receipt dated July 20, 2022

Offering Price and Description:

No securities are being offered pursuant to this Prospectus

Underwriter(s) or Distributor(s):

-

Promoter(s):

Scott Walters

Project #3369508

Issuer Name:

Brookfield Infrastructure Corporation
Principal Regulator - Ontario

Type and Date:

Preliminary Shelf Prospectus dated July 15, 2022
Preliminary Receipt dated July 19, 2022

Offering Price and Description:

C\$2,000,000,000.00 - Class A Exchangeable Subordinate Voting Shares of Brookfield Infrastructure Corporation Limited Partnership Units of Brookfield Infrastructure Partners L.P. (issuable or deliverable upon exchange, redemption or acquisition of Class A Exchangeable Subordinate Voting Shares)

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3410187

Issuer Name:

Brookfield Infrastructure Partners L.P.
Principal Regulator - Ontario

Type and Date:

Preliminary Shelf Prospectus dated July 15, 2022
Preliminary Receipt dated July 19, 2022

Offering Price and Description:

C\$2,000,000,000.00 - Class A Exchangeable Subordinate Voting Shares of Brookfield Infrastructure Corporation Limited Partnership Units of Brookfield Infrastructure Partners L.P. (issuable or deliverable upon exchange, redemption or acquisition of Class A Exchangeable Subordinate Voting Shares)

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3410185

Issuer Name:

Eat & Beyond Global Holdings Inc.
Principal Regulator - British Columbia

Type and Date:

Preliminary Shelf Prospectus dated July 18, 2022
Preliminary Receipt dated July 19, 2022

Offering Price and Description:

\$25,000,000.00 - Common Shares, Warrants, Subscription Receipts, Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3410290

Issuer Name:

Hamilton Thorne Ltd.
Principal Regulator - Ontario

Type and Date:

Preliminary Shelf Prospectus dated July 18, 2022
Preliminary Receipt dated July 21, 2022

Offering Price and Description:

\$120,000,000.00 - Common Shares, Preferred Shares, Warrants, Units, Subscription Receipts, Debt Securities

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3410957

Issuer Name:

Hypercharge Networks Corp. (formerly "Cliffwood Capital Corp.")

Principal Regulator - British Columbia

Type and Date:

Preliminary Long Form Prospectus dated July 20, 2022

Preliminary Receipt dated July 21, 2022

Offering Price and Description:

10,000,000 COMMON SHARES ISSUABLE ON THE DEEMED EXERCISE OR EXCHANGE OF 10,000,000 OUTSTANDING SUBSCRIPTION RECEIPTS

Underwriter(s) or Distributor(s):

HAYWOOD SECURITIES INC.

RESEARCH CAPITAL CORPORATION

EIGHT CAPITAL

CLARUS SECURITIES INC.

Promoter(s):

ROCKBANK CAPITAL CORP.

David Bibby

1198349 BC LTD.

NORTH KING CAPITAL INC.

Project #3410894

Issuer Name:

M3 Capital Corp.

Principal Regulator - Alberta

Type and Date:

Preliminary CPC Prospectus dated July 18, 2022

Preliminary Receipt dated July 19, 2022

Offering Price and Description:

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

PRICE: \$0.10 per Common Share

Underwriter(s) or Distributor(s):

iA Private Wealth Inc.

Promoter(s):

Morris Chia

Project #3410318

Issuer Name:

Pet Valu Holdings Ltd.

Principal Regulator - Ontario

Type and Date:

Preliminary Shelf Prospectus dated July 22, 2022

Preliminary Receipt dated July 25, 2022

Offering Price and Description:

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

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3411620

Issuer Name:

Ranchero Gold Corp. (Formerly, Melior Resources Inc.)

Principal Regulator - British Columbia

Type and Date:

Preliminary Short Form Prospectus dated July 20, 2022

Preliminary Receipt dated July 21, 2022

Offering Price and Description:

\$5,000,000.00 - 41,666,666 Units

Price: \$0.12 per Unit

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3410835

Issuer Name:

Silver47 Exploration Corp.

Principal Regulator - British Columbia

Type and Date:

Amendment dated July 21, 2022 to Preliminary Long Form Prospectus dated July 21, 2022

Preliminary Receipt dated July 21, 2022

Offering Price and Description:

3,998,667 Common Shares and 3,998,667 Common Share Purchase Warrants on automatic exercise of 3,998,667 Special Warrants and 1,219,600 Common Shares on automatic exercise of 1,219,600 Flow-Through Special Warrants

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3381954

Issuer Name:

The Real Brokerage Inc. (formerly ADL Ventures Inc.)

Principal Regulator - Ontario

Type and Date:

Amendment dated July 22, 2022 to Preliminary Shelf

Prospectus dated April 26, 2022

Preliminary Receipt dated July 22, 2022

Offering Price and Description:

US\$200,000,000 Common Shares, Warrants, Units, Debt Securities, Subscription Receipts

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3372138

Issuer Name:

The Toronto-Dominion Bank
Principal Regulator - Ontario

Type and Date:

Preliminary Shelf Prospectus dated July 22, 2022
Preliminary Receipt dated July 25, 2022

Offering Price and Description:

\$5,000,000,000.00 - Senior Medium Term Notes

Underwriter(s) or Distributor(s):

TD Securities Inc.
DESJARDINS SECURITIES
INC.

IA PRIVATE WEALTH INC.

RICHARDSON WEALTH

LIMITED

Promoter(s):

-

Project #3411598

Issuer Name:

Volatus Aerospace Corp.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated July 22, 2022
Preliminary Receipt dated July 25, 2022

Offering Price and Description:

\$4,000,032.00 - 11,111,200 Units

Price: \$0.36 per Unit

Underwriter(s) or Distributor(s):

ECHELON WEALTH PARTNERS INC.
INTEGRAL WEALTH SECURITIES LIMITED

Promoter(s):

-

Project #3411639

Issuer Name:

IMV Inc.
Principal Regulator - Nova Scotia

Type and Date:

Final Shelf Prospectus dated July 22, 2022
Receipt dated July 25, 2022

Offering Price and Description:

US\$200,000,000 Preferred Shares Common Shares

Subscription Receipts Warrants Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3408336

Issuer Name:

New Found Gold Corp.
Principal Regulator - British Columbia

Type and Date:

Final Shelf Prospectus dated July 22, 2022
Receipt dated July 22, 2022

Offering Price and Description:

Up to US\$300,000,000.00 - Common Shares, Warrants,

Subscription Receipts, Units, Debt Securities,

Share Purchase Contracts

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3408059

Issuer Name:

Pet Valu Holdings Ltd.
Principal Regulator - Ontario

Type and Date:

Final Shelf Prospectus dated July 22, 2022
Receipt dated July 25, 2022

Offering Price and Description:

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

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3411620

Issuer Name:

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

Type and Date:

Final Long Form Prospectus dated July 18, 2022
Receipt dated July 19, 2022

Offering Price and Description:

Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3400314

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B.10 Registrations

B.10.1 Registrants

Type	Company	Category of Registration	Effective Date
THERE IS NOTHING TO REPORT THIS WEEK.			

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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) – Approval of the MFDA Application Regarding the MFDA Discretionary Fund – Notice of Commission Order

MUTUAL FUND DEALERS ASSOCIATION OF CANADA (MFDA)

APPROVAL OF THE MFDA APPLICATION REGARDING THE MFDA DISCRETIONARY FUND

NOTICE OF COMMISSION ORDER

The Ontario Securities Commission issued an order pursuant to section 21.1(4) of the *Securities Act* (Ontario) to allow the Mutual Fund Dealers Association of Canada (MFDA) limited access to the MFDA discretionary fund in order to cover certain external advisor costs incurred by the MFDA in relation to the creation of the New SRO in accordance with subparagraph 10 (A)(v) of Schedule A of the [MFDA Recognition Order](#).

The order takes effect on July 28, 2022 and is also published on the OSC website and in Chapter B.2 of the OSC Bulletin, dated July 28, 2022.

In addition, the British Columbia Securities Commission; the Alberta Securities Commission; the Financial and Consumer Affairs Authority of Saskatchewan; the Financial and Consumer Services Commission of New Brunswick; the Manitoba Securities Commission; the Nova Scotia Securities Commission; the Prince Edward Island Office of the Superintendent of Securities Office; Office of the Superintendent of Securities, Northwest Territories, Office of the Superintendent of Securities, Nunavut and Office of the Yukon Superintendent of Securities issued analogous approvals.

B.11.2 Marketplaces

B.11.2.1 Nasdaq CXC Limited – Introduction of PureStream on the CXD Trading Book – Notice of Approval

NASDAQ CXC LIMITED

NOTICE OF APPROVAL

INTRODUCTION OF PURESTREAM ON THE CXD TRADING BOOK

In accordance with the requirements set out in the Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 and the Exhibits Thereto (**Exchange Protocol**), the Ontario Securities Commission (**OSC** or **Commission**) has approved amendments to the Nasdaq CXC Limited Trading Rule and Policies (**Trading Rules**) and to Nasdaq CXC Limited's (**Nasdaq Canada**) Form 21-101F1 reflecting the introduction of the PureStream order type on the CXD Trading Book.

Nasdaq Canada's Notice and Request for Comment on the proposed functionality (**PureStream Notice**) was published on the Commission's website and in the Commission's Bulletin on April 28th, 2022 at (2022) 45 OSCB 4648. One comment letter was received. A summary of the comment and response is provided below.

In conjunction with approving the amendments to the Trading Rules and Form 21-101F1, the OSC is reviewing an application by Nasdaq Canada for exemptive relief from the pre-trade transparency requirements in subsection 7.1(1) of National Instrument 21-101 *Marketplace Operation* with respect to when certain firm-up requests are sent to a PureStream order entered with a conditional parameter as described in the PureStream Notice. The OSC, as principal regulator, will determine whether to grant or deny the exemption sought. Should the exemptive relief be granted, the decision will be published separately on the OSC website.

This new functionality is expected to be introduced in October 2022. Nasdaq Canada will send a Notice communicating the effective date of this change.

SUMMARY OF COMMENT AND RESPONSE

Note: *The response to the comment reflects the views of Nasdaq Canada and do not necessarily reflect the views of the Ontario Securities Commission (OSC)*

The following is a summary of comments received in response to Nasdaq CXC Limited's (**Nasdaq Canada, or we**) Notice and Request for Comment regarding the proposed introduction of the PureStream order type on the CXD Trading Book (**Notice**) published on April 28, 2022. One comment letter was received in response to the Notice from the following market participant:

1. Canadian Securities Traders Association, Inc.

GENERAL COMMENT	NASDAQ CANADA RESPONSE
The commenter applauded Nasdaq Canada's proposal that will provide Canadian equity traders with additional flexibility and optionality aimed at assisting the institutional trading community also noting that the option to tag all PureStream orders as conditional is a key benefit.	We agree and appreciate the commenter's supportive comment.
The commenter noted the risk that information leakage can result from conditional functionality and the importance of striking the right balance between minimizing false positives on matches vs. providing flexibility to participants.	We recognize the commenter's concern and agree that the compliance monitoring program outlined in the Notice that will be used by Nasdaq Canada to monitor fall-down rates and participant behavior will serve as a control that will ensure the right balance is struck between minimizing false positives on matches and providing flexibility to participants.
The commenter noted there may be some information leakage implied in participation rates resulting from the specific marker that will identify PureStream trades printed on CXD but that this level of transparency outweighs this risk.	We agree that the added level of transparency offered by PureStream trades having their own liquidity marker benefits participants.
A potential issue was raised by the commenter that there may be a negative impact to price discovery if PureStream captures a significant portion of trades. As a result, monitoring should be performed by the industry and regulators.	We also recognize there may be a potential impact to price discovery if PureStream captures a certain level of market share. As a result, we do not disagree that monitoring should be performed but note the importance that policy decision be made based on quantitative data measurements clearly demonstrating an impact to price discovery and not based on conjecture or subjective interpretation.

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Index

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.

10194131 Canada Ltd.

Capital Markets Tribunal Notice of Hearing – ss. 127(1), 127(10).....	7047
Notice from the Governance & Tribunal Secretariat.....	7054

Agrios Global Holdings Ltd.

Cease Trading Order	7093
---------------------------	------

Algoma Steel Group Inc.

Decision	7088
----------------	------

Asif, Usman

Notice from the Governance & Tribunal Secretariat.....	7052
Capital Markets Tribunal Order.....	7058

Bridging Finance Inc.

Notice from the Governance & Tribunal Secretariat.....	7052
Notice from the Governance & Tribunal Secretariat.....	7053

Bridging Income Fund LP

Notice from the Governance & Tribunal Secretariat.....	7052
Notice from the Governance & Tribunal Secretariat.....	7053

Bridging Income RSP Fund

Notice from the Governance & Tribunal Secretariat.....	7052
Notice from the Governance & Tribunal Secretariat.....	7053

Bridging Indigenous Impact Fund

Notice from the Governance & Tribunal Secretariat.....	7052
Notice from the Governance & Tribunal Secretariat.....	7053

Bridging Infrastructure Fund LP

Notice from the Governance & Tribunal Secretariat.....	7052
Notice from the Governance & Tribunal Secretariat.....	7053

Bridging Mid-Market Debt Fund LP

Notice from the Governance & Tribunal Secretariat.....	7052
Notice from the Governance & Tribunal Secretariat.....	7053

Bridging Mid-Market Debt RSP Fund

Notice from the Governance & Tribunal Secretariat.....	7052
Notice from the Governance & Tribunal Secretariat.....	7053

Bridging Private Debt Institutional LP

Notice from the Governance & Tribunal Secretariat.....	7052
Notice from the Governance & Tribunal Secretariat.....	7053

Bridging Real Estate Lending Fund LP

Notice from the Governance & Tribunal Secretariat.....	7052
Notice from the Governance & Tribunal Secretariat.....	7053

Bridging SMA 1 LP

Notice from the Governance & Tribunal Secretariat.....	7052
Notice from the Governance & Tribunal Secretariat.....	7053

Cartu, David

Notice from the Governance & Tribunal Secretariat.....	7054
Capital Markets Tribunal Order – ss. 127(1), 127.1	7058
Capital Markets Tribunal Reasons and Decision – ss. 127(1), 127.1	7068

Cartu, Jonathan

Notice from the Governance & Tribunal Secretariat.....	7054
Capital Markets Tribunal Order – ss. 127(1), 127.1	7058
Capital Markets Tribunal Reasons and Decision – ss. 127(1), 127.1	7068

Cartu, Joshua

Notice from the Governance & Tribunal Secretariat.....	7054
Capital Markets Tribunal Order – ss. 127(1), 127.1	7058
Capital Markets Tribunal Reasons and Decision – ss. 127(1), 127.1	7068

Fidelity Investments Canada ULC

Decision.....	7081
---------------	------

Frontera Energy Corporation		Nasdaq CXC Limited	
Decision	7083	Marketplaces – Introduction of PureStream on the CXD Trading Book – Notice of Approval	7156
Furtado Holdings Inc.		Nyadongo, Tinashe (Nash) Sylvester	
Notice from the Governance & Tribunal		Capital Markets Tribunal Notice of Hearing	
Secretariat.....	7055	– ss. 127(1), 127(10)	7047
Capital Markets Tribunal Order	7059	Notice from the Governance & Tribunal	
Furtado, Oscar		Secretariat.....	7054
Notice from the Governance & Tribunal		Performance Sports Group Ltd.	
Secretariat.....	7055	Cease Trading Order.....	7093
Capital Markets Tribunal Order	7059	Rapid Dose Therapeutics Corp.	
Future Growth Investments		Cease Trading Order.....	7093
Capital Markets Tribunal Notice of Hearing		Red White & Bloom Brands Inc.	
– ss. 127(1), 127(10).....	7047	Cease Trading Order.....	7093
Notice from the Governance & Tribunal		Sharpe, David	
Secretariat.....	7054	Notice from the Governance & Tribunal	
Gatos Silver, Inc.		Secretariat	7052
Cease Trading Order	7093	Notice from the Governance & Tribunal	
Go-To Developments Holdings Inc.		Secretariat	7053
Notice from the Governance & Tribunal		Sharpe, Natasha	
Secretariat.....	7055	Notice from the Governance & Tribunal	
Capital Markets Tribunal Order	7059	Secretariat	7052
Go-To Spadina Adelaide Square Inc.		Notice from the Governance & Tribunal	
Notice from the Governance & Tribunal		Secretariat	7053
Secretariat.....	7055	Sproutly Canada, Inc.	
Capital Markets Tribunal Order	7059	Cease Trading Order.....	7093
Intertape Polymer Group Inc.		Starlight Capital Corporation	
Order.....	7076	Order	7075
Lendle Corporation		Stone Investment Group Limited	
Notice from the Governance & Tribunal		Order	7075
Secretariat.....	7052	Tobin, Morrie	
Capital Markets Tribunal Order	7058	Notice from the Governance & Tribunal	
MFDA		Secretariat	7051
Order – s. 21.1(4).....	7077	Capital Markets Tribunal Order – ss. 127(1), 127(10)	7057
SROs – Approval of the MFDA Application		Capital Markets Tribunal Reasons and Decision	
Regarding the MFDA Discretionary Fund – Notice		– ss. 127(1), 127(10)	7064
of Commission Order	7155	Uitvlugt, Christopher	
Mughal Asset Management Corporation		Notice from the Governance & Tribunal	
Notice from the Governance & Tribunal		Secretariat	7051
Secretariat.....	7052	Capital Markets Tribunal Order – ss. 127(1), 127(10)	7057
Capital Markets Tribunal Order	7058	Capital Markets Tribunal Reasons and Decision	
Mushore, Andrew		– ss. 127(1), 127(10)	7061
Notice from the Governance & Tribunal		Mutual Fund Dealers Association of Canada	
Secretariat.....	7052	Order – s. 21.1(4).....	7077
Notice from the Governance & Tribunal		SROs – Approval of the MFDA Application	
Secretariat.....	7053	Regarding the MFDA Discretionary Fund – Notice	
Mutual Fund Dealers Association of Canada		of Commission Order	7155
Order – s. 21.1(4).....	7077		
SROs – Approval of the MFDA Application			
Regarding the MFDA Discretionary Fund – Notice			
of Commission Order	7155		