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

Contact Centre:
Toll Free: 1-877-785-1555
Local: 416-593-8314
TTY: 1-866-827-1295
Fax: 416-593-8122
Email: inquiries@osc.gov.on.ca

Capital Markets Tribunal:
Local: 416-595-8916
Email: registrar@osc.gov.on.ca

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19 Duncan Street
Toronto, ON
M5H 3H1
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Customer Support
1-416-609-3800 (Toronto & International)
1-800-387-5164 (Toll Free Canada & U.S.)
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A.1.1 Zahir "Zip" Sadrudin Dhanani and Robert James Naso – ss. 127(1), 127(10)

FILE NO.: 2023-14

IN THE MATTER OF
ZAHIR "ZIP" SADRUDIN DHANANI AND
ROBERT JAMES NASO

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 orders requested in the Statement of Allegations filed by Staff of the Commission on June 6, 2023.

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 TribunalRules 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 14th day of June, 2023.

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

For more information

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

IN THE MATTER OF
ZAHIR "ZIP" SADRUDIN DHANANI AND
ROBERT JAMES NASO

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 British Columbia Securities Commission (**BCSC**) that the Respondents (as defined below) failed to disclose information, concealed financial losses and made false or misleading statements.

B. FACTS

Staff of the Enforcement Branch of the Ontario Securities Commission (**Enforcement Staff**) (the **Commission**) makes the following allegations of fact:

2. On February 22, 2022, the BCSC issued its sanctions decision (the **Sanctions Decision**) and an order (the **BCSC Order**) that imposed sanctions on Arian Resources Corp. (**Arian**), Zahir "Zip" Sadrudin Dhanani (**Dhanani**) and Robert James Naso (**Naso**) (together, the **Respondents**), including permanent prohibitions on trading or purchasing securities or derivatives, and removals of exemptions under British Columbia securities laws. In addition, Dhanani and Naso were permanently prohibited from acting in various capacities, including as a director or officer of any issuer or as a registrant. Dhanani and Naso were also each ordered to pay an administrative penalty of $200,000.

3. In its decision on the merits (the **Merits Decision**) dated October 6, 2021, a panel of the BCSC (the **BCSC Panel**) held that in and around 2015 and 2016, there were material changes in Arian's business which Arian failed to disclose; on several occasions in the period in and around 2014, 2015 and 2016, Arian delivered financial statements and MD&As which omitted material information; and in information circulars filed by Arian in 2015 and 2017 Arian made false and misleading statements about executive compensation.

4. Arian repeatedly breached sections 85(a) & (b) and section 168.1(b) of the British Columbia *Securities Act* (the **BC Act**). As directors and officers of Arian, Dhanani and Naso also repeatedly breached sections 168.1(1)(b) and 85 of the BC Act as they authorized, permitted or acquiesced in Arian's conduct. As a result, Dhanani and Naso were liable for those breaches pursuant to section 168.2(1) of the BC Act.

5. The Merits Decision followed a hearing on the merits (the **Merits Hearing**) of the allegations brought by the BCSC. The Merits Decision includes the following findings:

(i) The Respondents

6. Arian was in the mineral exploration business. At all relevant times, the shares of Arian were listed on the TSX Venture Exchange and Arian was a reporting issuer in British Columbia.

7. In November 2012, each of Naso and Dhanani became a director of Arian and Dhanani became its chief executive officer (**CEO**). On March 20, 2015, Naso was appointed the chief financial officer (**CFO**) of Arian.

8. Neither Arian, Dhanani, nor Naso have ever been registered with the Commission in any capacity.

(ii) Failure to Disclose Promoter Loss and Related Party Payments

9. In February 2014, on directions from Dhanani, Arian wired two payments totaling $800,000 to a Promoter with instructions to Arian's accountants to book the payment as relating to investor relations. The wired payments were made pursuant to a written contract with the Promoter whereby they would seek investment funding for Arian.

10. By April 2014, the Promoter had failed to provide the contracted services, and Arian began writing to the Promoter to demand the return of the $800,000 (**Promoter Loss**). On April 28, 2014, Arian's directors passed a resolution authorizing payments to the Promoter for "shareholder communications" and also authorizing payments totalling $285,715 to Dhanani's mother.

11. On April 29, 2014, Arian's financial statements and management's discussion and analysis (**MD&A**) for the period ending February 28, 2014 and 2013, did not disclose either the Promoter Loss or that the payments to Dhanani's mother were a related party transaction (**Related Party Payments**).

12. On May 12, 2014, Arian advised its accountants to write to the Promoter in the form of an email requesting return of the Promoter Loss to Arian.

13. In September 2014, Dhanani approved Arian's accountants to reclassify $500,000 of the Promoter Loss as a consulting payment for identifying potential acquisition targets and created and emailed an invoice, backdated to February 28, 2014, to support the Related Party Payments which had been made to his mother.

14. On September 29, 2014, Arian issued its financial statements and MD&A for the years ended May 31, 2014 and 2013. Contrary to its continuous disclosure obligations, Arian did not disclose the existence of the Promoter Loss or the Related Party Payments to Dhanani's mother.

(iii) Failure to Disclose Material Changes Related to the Perlat Project

15. By March of 2014, Arian's operational attention was focused on its sole material asset, its interest in a mineral exploration project in Albania (the **Perlat Project**). Arian entered into a share purchase agreement dated March 25, 2014 with a vendor (**Vendor**) from which Arian acquired the shares (**Shares**) of an Albanian company which was the licensee of the Perlat Project. Under the share purchase agreement, Arian accepted certain obligations, including to advance the Perlat Project and to make a $2,000,000 payment to the Vendor on June 30, 2015.

16. On June 29, 2015, the Vendor advised Arian that it would not grant an extension to Arian's obligation to pay the $2,000,000 due the following day. Arian failed to make any payment to the Vendor. On August 24, 2015, the Vendor commenced arbitration against Arian seeking, among other things, the return of the Shares. As CFO of Arian, notice of the arbitration was sent to the attention of Naso, who in turn sent it to Dhanani.

17. On August 28, 2015, Naso wrote to Albanian authorities to request the authorities provide a notice of temporary interruption to Arian's efforts to advance the Perlat Project. Naso did this to pause certain obligations related to the Perlat Project, failing which the licensee's exploration licences might be terminated by Albanian authorities.

18. On September 15, 2015, the Vendor informed Arian's accountants that it had commenced arbitration with respect to the Perlat Project. The following day, Dhanani advised Arian's accountants that the arbitration had not been initiated.

19. On September 16, 2015, Albanian authorities issued the requested notice of temporary suspension of exploration activity (**Stop Work Order**), preventing further activities on the Perlat Project until the Stop Work Order was lifted.

20. Neither Arian's annual financial statements and MD&A for the year ended May 31, 2015 nor its interim financial statements for the three-month period ended August 31, 2015 disclosed either the arbitration or the Stop Work Order, both of which directly affected Arian's sole material asset.

(iv) Omissions and Misstatements in Arian's Public Filings

21. In November of 2015, Arian filed an information circular which included information regarding executive compensation. The information circular misstated both the amounts and the recipients of the executive compensation, including the amounts paid to Dhanani.

22. Arian's difficulties escalated during late 2015 and early 2016 in the following manner:

    (a) in November of 2015, the Vendor delivered a formal notice of civil claim in connection with its efforts to recover the Shares;

    (b) in December of 2015, Albanian authorities sent Arian a notice of revocation of the licensee's exploration licence, specifying that the revocation would take effect in 30 days;

    (c) in February of 2016, Albanian authorities confirmed in writing to Arian that the revocation of the exploration licence was in effect;

    (d) in March of 2016, Arian applied for judicial review; and

    (e) by June of 2016, an Albanian court had upheld the revocation.

23. Throughout late 2015 and into 2016, Arian's financial statements and MD&A continued to omit any mention of the Vendor's efforts to reclaim ownership of the Shares, the cessation of work on the Perlat Project or the revocation of the licensee's exploration licence. In addition, a further information circular filed by Arian in March of 2017 contained the same misstatements as were contained in the November 2015 information circular.

24. Dhanani purported to resign as a director of Arian and as its chief executive officer on January 12, 2016. However, numerous records show that he continued to be intimately involved in the affairs of Arian, including directing Arian's

response to the civil claim by the Vendor and, ultimately, in approving the conclusion reached by Arian's accountants that Arian's interest in the Perlat Project was fully impaired and, therefore, without value.

25. Arian's acknowledgement that its interest in the Perlat Project was fully impaired was made public only upon the filing of Arian's financial statements and related MD&A for the years ended May 31, 2016 and 2015, which were issued on September 29, 2016.

C. JURISDICTION

26. Pursuant to paragraph 4 of subsection 127(10) of the *Securities Act*, RSO 1990, c S.5 (the **Act**), the BCSC Order, being an order made by a securities regulatory authority, derivatives regulatory authority or financial regulatory authority, in any jurisdiction, 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.

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

D. ORDER SOUGHT

28. Enforcement Staff requests that the Tribunal make the following orders:

a) against Dhanani that:

i. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities or derivatives by Dhanani cease permanently, except that he may trade and purchase securities or derivatives for his own account (including one RRSP account, one TFSA account and one RESP account), through a registered dealer or registrant, who has first been given a copy of this Order;

ii. pursuant to paragraph 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Dhanani cease permanently, except that he may trade and purchase securities or derivatives for his own account (including one RRSP account, one TFSA account and one RESP account), through a registered dealer or registrant, who has first been given a copy of this Order;;

iii. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Dhanani permanently;

iv. pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act, Dhanani resign any positions he holds as a director or officer of an issuer or registrant, including an investment fund manager;

v. pursuant to paragraph 8, 8.2 and 8.4 of subsection 127(1) of the Act, Dhanani is prohibited permanently from becoming or acting as a director or officer of any issuer or registrant, including an investment fund manager; and

vi. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Dhanani is prohibited permanently from becoming or acting as a registrant, including as an investment fund manager or promoter.

b) against Naso that

i. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities or derivatives by Naso cease permanently, except that he may trade and purchase securities or derivatives for his own account (including one RRSP account, one TFSA account and one RESP account), through a registered dealer or registrant, who has first been given a copy of this Order;

ii. pursuant to paragraph 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Naso cease permanently, except that he may trade and purchase securities or derivatives for his own account (including one RRSP account, one TFSA account and one RESP account), through a registered dealer or registrant, who has first been given a copy of this Order;

iii. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Naso permanently;

iv. pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act, Naso resign any positions he holds as a director or officer of an issuer or registrant, including an investment fund manager;

v. pursuant to paragraph 8, 8.2 and 8.4 of subsection 127(1) of the Act, Naso is prohibited permanently from becoming or acting as a director or officer of any issuer or registrant, including an investment fund manager; and

vi. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Naso is prohibited permanently from becoming or acting as a registrant, including as an investment fund manager or promoter; and

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

DATED at Toronto this 6th day of June, 2023.

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

Vincent Amartey
Litigation Counsel
Enforcement Branch
Email: vamartey@osc.gov.on.ca
Tel: (416) 593-8174

A.1.2 David Singh – ss. 127(1), 127(10)

FILE NO.: 2023-15

IN THE MATTER OF
DAVID SINGH

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(s) requested in the Statement of Allegations filed by Staff of the Commission on June 9, 2023.

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 15th day of June, 2023

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

For more information

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

IN THE MATTER OF
DAVID SINGH

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 is sought based on a finding of the Ontario Court of Justice (the **OCJ**) that David Deonarine Singh (**Singh** or the **Respondent**) engaged in fraud and illegal distributions of securities by selling approximately $5 million of shares to approximately 78 investors. This order is sought using the expedited procedure for inter-jurisdictional proceedings set out in Rule 11(3) of the Capital Markets Tribunal's (the **Tribunal**) *Rules of Procedure and Forms*.

B. FACTS

Staff of the Enforcement Branch of the Ontario Securities Commission (**Enforcement Staff**) makes the following allegations of fact:

2. On November 9, 2021, the OCJ found the Respondent:

   (a) engaged in the business of trading without being registered, contrary to section 25(1) of the *Securities Act*, RSO 1990, c S.5 (the **Act**);

   (b) engaged in the distribution of securities without filing a prospectus, contrary to section 53(1) of the Act;

   (c) and perpetrated a fraud on investors, contrary to section 126.1(1)(b) of the Act.

3. On May 9, 2022, Singh was sentenced to nine months incarceration for the failure to register, nine months incarceration for the failure to file a prospectus, and three and a half years incarceration for securities fraud, served concurrently. The OCJ also imposed a free-standing restitution order in the amount of $4,859,522.58.

4. Between 2015 and 2017, Singh owned and controlled two companies: Rockfort Mortgage Investment Corporation (**Rockfort**) and Greenview Mortgage Investment Corporation (**Greenview**). Rockfort and Greenview stated they would use investor money to fund mortgages on residential and commercial properties. Investors invested by purchasing shares of Rockfort and Greenview, and it was represented to investors that they would earn interest and/or dividends from the profits of these mortgages.

5. However, neither Rockfort nor Greenview held any mortgages. The OCJ also found that Singh also had no intention to seek out mortgages.

6. Singh also made material misrepresentations in the offering memorandum to intentionally bolster the reputation of Rockfort and Greenview. The offering memorandum misrepresented the experience and roles of the directors and employees. It also included information about a credit and investment committee that was set up to "review all proposals regarding investment decisions and to approve or reject such proposals". However, such committee did not exist.

7. Seventy-eight individuals invested in Rockfort and Greenview for a total of $5,657,896.64 of which $4,859,552.58 has not been repaid to the investors. At least $2 million of investor funds were paid to Singh and used to pay his personal expenses, which included his children's tuition, his credit cards, lease payments on his car, and payments on his life insurance policy.

8. Many investors lost significant sums of money, often in excess of $100,000. Many lost their life savings, harming their ability to retire, and some investors lost their homes.

C. BREACHES AND CONDUCT CONTRARY TO THE PUBLIC INTEREST

Enforcement Staff alleges the following breaches of Ontario securities law and/or conduct contrary to the public interest:

9. Pursuant to paragraph 1 of subsection 127(10) of the Act, Singh's conviction for offences arising from transactions, business or a course of conduct related to securities or derivatives may form the basis for an order in the public interest made under subsection 127(1) of the Act.

10. It is in the public interest to make an order against the Respondent for the breaches of Ontario securities law found by the OCJ.

D. ORDER SOUGHT

11. Enforcement Staff requests that the Tribunal make the following inter-jurisdictional enforcement order, pursuant to paragraph 1 of subsection 127(10) of the Act:

a) against Singh that:

i. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities or derivatives by Singh cease permanently;

ii. pursuant to paragraph 2.1 of subsection 127(1) of the Act, acquisition of any securities by Singh be prohibited permanently;

iii. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Singh permanently;

iv. pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act, Singh resign any positions that he holds as a director or officer of any issuer or registrant;

v. pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act, Singh be prohibited permanently from becoming or acting as a director or officer of any issuer or registrant;

vi. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Singh be prohibited permanently from becoming or acting as a registrant or promoter; and

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

DATED at Toronto this 9th day of June, 2023.

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

Nicole Fung
Litigation Counsel, Enforcement Branch
Email: nfung@osc.gov.on.ca
Tel: 647-921-9362

A.1.3 April Vuong and Hao Quach – ss. 127(1), 127(10)

IN THE MATTER OF
APRIL VUONG AND
HAO QUACH

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 orders requested in the Statement of Allegations filed by Staff of the Commission on June 15, 2023.

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.

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REPRESENTATION

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Dated at Toronto this 19th day of June, 2023

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

For more information

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

IN THE MATTER OF
APRIL VUONG AND
HAO QUACH

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 conviction of April Vuong (**Vuong**) and Hao Quach (**Quach**, collectively, the **Respondents)** at the Ontario Superior Court of Justice. Between October 2007 and October 2012 (the **Material Time**)[1], the Respondents defrauded investors of $5.1 million in a sophisticated investment scam that resembled a ponzi scheme involving promissory notes.

B. FACTS

Staff of the Enforcement Branch of the Ontario Securities Commission (**Enforcement Staff**) makes the following allegations of fact:

2. On October 12, 2021, the Respondents' appeals against their convictions and sentences were dismissed. On October 23, 2018, the Respondents received a custodial sentence of six years less 11 days credit for pre-trial custody and three months credit for their lengthy bail conditions resulting in a net sentence of five years, eight months, and 19 days.

3. On July 5, 2018, the Respondents were convicted before the Honourable Justice Shaw of the Ontario Superior Court of Justice of fraud over $5000 contrary to section 380(1)(a) of the Canadian Criminal Code based on their role in the fraudulent scheme.

4. The conviction followed a four-week trial where the offences for which the Respondents were charged arose from transactions, business or a course of conduct related to securities. The promissory notes are securities as defined in subsection 1(1) of the Act.

5. The court's Reasons for Sentencing includes the following findings:

   (a) During the Material Time, Vuong and Quach engineered a large scale and sophisticated fraud involving millions of dollars of investor funds being deposited into multiple bank accounts held in the name of the Respondents jointly and individually;

   (b) Investor funds were also deposited into bank accounts registered to Systematech Solutions Inc. (**Systematech**), a company incorporated in 1999 by the Respondents. By 2007, Systematech was being used by the Respondents as a vehicle to offer investment opportunities to various investors;

   (c) Most of the investor victims signed promissory notes they received from the Respondents guaranteeing high annual rates of interest between 12 and 15 per cent, with some offered rates as high as 20 per cent;

   (d) Investors were also promised that their principal and any unpaid interest would be returned, upon written request, within a fixed number of days;

   (e) During the trial, the 12 investor witnesses were consistent in their evidence that:

      a. The Respondents promised to invest their money;

      b. They were assured that their money was not at risk and that the investment scheme was safe; and

      c. They were never told that their money would be used by the Respondents for their personal expenses or to pay other investors.

   (f) The Respondents used some of the investor funds to repay principal or to make interest payments to other investors in the way of a ponzi scheme. The Respondents also used some of the money personally, including for the purchase of a $50,000 Porsche in October 2010;

   (g) Investor funds flowed through a myriad of personal and corporate bank accounts and trading accounts that belonged to the Respondents and Systematech between February 2010 and March 2012;

[1] All activities described occurred during the Material Time unless otherwise indicated.

(h) During that time, the investors who testified at trial gave evidence that they deposited $3,627,670 into the various bank accounts. Also during that time, other deposits into those same bank accounts from other sources totaled $3,267,924. Thus, between February 2010 and March 2012, a total of $6,895,594 was deposited into bank accounts held by the Respondents or their company, Systematech;

(i) During that time, the Respondents lost $1,711,205 of investor funds in trading, despite this, Vuong and Quach withdrew $468,487 out of the bank accounts for their personal use as cash withdrawals, for retail and miscellaneous purchases and credit card payments, including the $50,000 Porsche payment in October 2010, funded partially from an investment made by one of the victims;

6. Vuong was the president and a director of Systematech. Vuong resides in Ontario and had primary responsibility for communicating with investors about the investment opportunity offered by Systematech.

7. Quach was the managing director and a director of Systematech. Quach acted as a directing mind of Systematech and resides in Ontario. Quach participated in activities related to the sale of the promissory notes.

8. Neither of the Respondents has ever been registered with the Commission in any capacity.

9. On November 11, 2013, Systematech, Vuong and Quach entered into a Settlement Agreement (the **Settlement Agreement**) with the OSC. Paragraph nine of the Settlement Agreement specifically contemplated and allowed for the criminal proceedings referenced above and the subsection 127(10) reciprocal proceeding presently sought against the Respondents.

10. Under the Settlement Agreement, the market participation bans levied against the Respondents expire on November 11, 2023 for Quach and on November 11, 2028 for Vuong.

C. JURISDICTION

11. Pursuant to paragraph 1 of subsection 127(10) of the Act, the Respondents' conviction for offences arising from transactions, business or a course of conduct related to securities or derivatives may form the basis for an order in the public interest made under subsection 127(1) of the Act.

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

D. ORDER SOUGHT

13. Enforcement Staff requests that the Tribunal make the following order:

(a) against Vuong and Quach that:

i. pursuant to paragraphs 2 and 2.1 of subsection 127(1) of the Act, trading in or the acquisition of any securities or derivatives by Vuong and Quach cease permanently;

ii. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Vuong and Quach permanently;

iii. pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act, Vuong and Quach resign any positions they hold as a director or officer of any issuer or registrant, including an investment fund manager;

iv. pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act, Vuong and Quach be prohibited permanently from becoming or acting as a director or officer of any issuer or registrant, including an investment fund manager;

v. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Vuong and Quach be prohibited permanently from becoming or acting as a registrant, including as an investment fund manager or promoter; and

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

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

DATED at Toronto this 15th day of June, 2023.

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

Vincent Amartey
Litigation Counsel
Enforcement Branch
Tel: (416) 593-8174
Email: vamartey@osc.gov.on.ca

A.2
Other Notices

A.2.1 Zahir "Zip" Sadrudin Dhanani and Robert James Naso

FOR IMMEDIATE RELEASE
June 14, 2023

ZAHIR "ZIP" SADRUDIN DHANANI AND ROBERT JAMES NASO,
File No. 2023-14

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 June 14, 2023 and Statement of Allegations dated June 6, 2023 are available at capitalmarketstribunal.ca.

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

For Media Inquiries:

media_inquiries@osc.gov.on.ca

For General Inquiries:

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

A.2.2 David Singh

FOR IMMEDIATE RELEASE
June 15, 2023

DAVID SINGH,
File No. 2023-15

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 June 15, 2023 and Statement of Allegations dated June 9, 2023 are available at capitalmarketstribunal.ca.

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

For Media Inquiries:

media_inquiries@osc.gov.on.ca

For General Inquiries:

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

A.2.3 Notice of Correction – Steer Technologies Inc. (formerly Facedrive Inc.) et al.

NOTICE OF CORRECTION

IN THE MATTER OF
STEER TECHNOLOGIES INC.
(FORMERLY FACEDRIVE INC.),
SAYANTHAN NAVARATNAM,
SUMAN PUSHPARAJAH, AND
JUNAID RAZVI

(2023), 46 OSCB 4749. Please be advised that the following error has been corrected in the Oral Reasons for Approval of a Settlement in the above matter.

- The File No. indicating "2023-7" is incorrect, and is replaced with "2023-10".

A.2.4 Cormark Securities Inc. et al.

FOR IMMEDIATE RELEASE
June 16, 2023

CORMARK SECURITIES INC.,
WILLIAM JEFFREY KENNEDY,
MARC JUDAH BISTRICER, AND
SALINE INVESTMENTS LTD.,
File No. 2022-24

TORONTO – The Tribunal issued its Reasons for Decision in the above-named matter.

A copy of the Reasons for Decision dated June 15, 2023 is available at capitalmarketstribunal.ca.

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

For Media Inquiries:

media_inquiries@osc.gov.on.ca

For General Inquiries:

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

A.2.5 April Vuong and Hao Quach

FOR IMMEDIATE RELEASE
June 19, 2023

APRIL VUONG AND
HAO QUACH,
File No. 2023-16

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 June 19, 2023 and Statement of Allegations dated June 15, 2023 are available at capitalmarketstribunal.ca.

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

For Media Inquiries:

media_inquiries@osc.gov.on.ca

For General Inquiries:

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

A.2.6 Troy Richard James Hogg et al.

FOR IMMEDIATE RELEASE
June 19, 2023

TROY RICHARD JAMES HOGG,
CRYPTOBONTIX INC.,
ARBITRADE EXCHANGE INC.,
ARBITRADE LTD.,
T.J.L. PROPERTY MANAGEMENT INC. AND
GABLES HOLDINGS INC.,
File No. 2022-20

TORONTO – Take notice that an attendance in the above-named matter is scheduled to be heard on July 10, 2023 at 10:00 a.m.

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

For Media Inquiries:

media_inquiries@osc.gov.on.ca

For General Inquiries:

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

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A.4
Reasons and Decisions

A.4.1 Steer Technologies Inc. (formerly Facedrive Inc.) et al. – ss. 127(1), 127.1

Citation: *Steer Technologies Inc (Re)*, 2023 ONCMT 22
Date: 2023-05-19
File No. 2023-10

IN THE MATTER OF
STEER TECHNOLOGIES INC.
(FORMERLY FACEDRIVE INC.),
SAYANTHAN NAVARATNAM,
SUMAN PUSHPARAJAH, AND
JUNAID RAZVI

ORAL REASONS FOR APPROVAL OF A SETTLEMENT
(Subsection 127(1) and section 127.1 of the *Securities Act*, RSO 1990, c S.5)

Adjudicators:	James D.G. Douglas (chair of the panel) Dale R. Ponder M. Cecilia Williams	
Hearing:	By videoconference, May 19, 2023	
Appearances:	Rikin Morzaria	For Staff of the Ontario Securities Commission
	Rohit Kumar	For Steer Technologies Inc., Sayanthan Navaratnam, Suman Pushparajah, and Junaid Razvi

ORAL REASONS FOR APPROVAL OF A SETTLEMENT

The following reasons have been prepared for publication, based on the reasons delivered orally at the hearing, as edited and approved by the panel, to provide a public record of the oral reasons.

[1] Staff of the Ontario Securities Commission has alleged that:

a. Steer Technologies Inc. published contradictory and misleading news releases regarding the capabilities and consumer readiness of its COVID-19 digital contact-tracing platform and failed to correct forward looking information contained in a news release after it had become clear that the information was inaccurate;

b. Sayanthan Navaratnam, Suman Pushparajah, and Junaid Razvi, all of whom are individual respondents in this matter, failed to conduct sufficient diligence to ensure that the news releases were accurate and not misleading before they were made public, and, therefore, acted contrary to the public interest;

c. contrary to the public interest, Navaratnam and Razvi authorized Steer to enter into a contractual relationship with a business that they knew or ought to have known was publishing biased and promotional articles about Steer; and

d. Navaratnam and Razvi also authorized, permitted or acquiesced in Steer's contravention of section 5.8 of National Instrument 51-102, contrary to subsection 129.2 of the *Securities Act*[1].

[2] OSC Staff and the respondents seek approval of a settlement agreement they have entered regarding these allegations. We conclude that it would be in the public interest to approve the settlement, for the following reasons.

[3] The factual background is set out in more detail in the settlement agreement, but we summarise the most important facts here.

[1] RSO 1990, c S.5

[4] Steer is a technology company, listed on the TSX Venture Exchange and OTCQX. At the material time, Navaratnam and Razvi were directors and officers of Steer, and Pushparajah was an officer of Steer.

[5] Beginning in early 2020, Steer was involved in the development of contact-tracing technologies in response to the spread of COVID-19. Between April 2020 and January 2021, Steer issued a number of news releases that announced product developments and launches in unbalanced terms. Several of the news releases created confusion or misleading impressions about the status of the development and availability of Steer's products. Steer admits that the news releases were contradictory and misleading and, therefore, contrary to the public interest. The individual respondents admit that they acted contrary to the public interest by failing to take adequate steps to ensure that the press releases were not misleading.

[6] In its May 28, 2020 news release, Steer announced that an enhanced feature for its products would be available for testing within 30 to 90 days. The enhanced feature was not available for testing within 90 days. Contrary to section 5.8 of National Instrument 51-102, Steer failed to update or correct the forward-looking information concerning the enhanced feature and its anticipated availability for testing, either in a subsequent news release or in its next MD&A. Navaratnam and Razvi admit that they authorized, permitted or acquiesced in Steer's breach of Ontario securities law.

[7] In May 2020, Steer entered into a consulting services agreement with a company which included assistance with business expansion and marketing and promotional activities. The CEO of the company was also the editor of a website that, during the material time, issued numerous overly promotional articles about Steer. While those articles contained a conflict of interest disclaimer, Steer admits it was aware, upon entering into and during the relationship with the company, of the overly promotional content of the articles and took no steps to stop their publication, which was contrary to the public interest. Navaratnam and Razvi admit that, contrary to the public interest, they authorized Steer to enter into the relationship with the company and knew or ought to have known that the website edited by the company's CEO was publishing biased and promotional articles about Steer. Steer and the company terminated their relationship in October 2020.

[8] We have reviewed the settlement agreement in detail. In addition, we had the benefit of a confidential conference with counsel for all parties.

[9] Each of the respondents has made, and Staff of the Ontario Securities Commission has confirmed this, payments to the Commission in the amounts contemplated in the Settlement Agreement.

[10] Steer will submit to a review by an independent consultant of, amongst other things, its corporate governance framework and disclosure policies, submit to quarterly reviews of its disclosure practices, and institute specific requirements for its Disclosure Committee for a period of two years from the date of the order approving this settlement.

[11] Navaratnam, Pushparajah, and Razvi have each agreed to complete a course on disclosure issues satisfactory to the Enforcement Branch of the Ontario Securities Commission. We're advised by counsel for the OSC Staff that Pushparajah has now completed that course. Pending completion, Pushparajah was prohibited from certifying an interim or annual filing as defined in National Instrument 52-109. Navaratnam and Razvi will be prohibited from becoming or acting as a director or officer of a reporting issuer, other than Steer or its affiliates, for three and two years, respectively.

[12] Our role at this settlement hearing is to determine whether the negotiated result falls within a range of reasonable outcomes, and whether it would be in the public interest to approve the settlement.

[13] Timely and accurate disclosure are among the fundamental principles upon which securities regulation in Ontario is founded. Similarly, the correction of forward-looking statements that, with the passage of time, prove to be inaccurate or misleading is essential to the efficiency and integrity of the capital markets. Likewise, acquiescence or condonement of promotional activities that are biased and misleading poses a serious risk to the investing public and to capital market integrity. The potential harm associated with such conduct may be greater in the case of companies like Steer where alternative sources of investor information may be more limited. Conduct contrary to the public interest and breaches of Ontario securities law in these areas warrant regulatory action and censure.

[14] The panel is satisfied that, overall, the sanctions agreed to by the parties under the settlement agreement achieve the objectives of specific and general deterrence. Moreover, the Tribunal respects the negotiation process and accords significant deference to the resolution reached by the parties. In the context of settlement approval, it is not the role of this panel to substitute or impose its views as to appropriate settlement terms, but rather, to ensure that the settlement is consistent with the purposes and principles articulated in sections 1.1 and 2.1 of the *Act*, which inform the public interest in this context. We are satisfied that the settlement agreement is consistent with those purposes and principles and, therefore, it is in the public interest for us to approve the settlement.

[15] We will therefore issue an order substantially in the form of the draft attached to the settlement agreement.

Dated at Toronto this 19th day of May, 2023

“James D.G. Douglas”

“M. Cecilia Williams”

“Dale R. Ponder”

A.4.2 Cormark Securities Inc. et al. – Rule 27 of the Capital Markets Tribunal Rules of Procedure and Forms

Citation: *Cormark Securities Inc (Re)*, 2023 ONCMT 23
Date: 2023-06-15
File No. 2022-24

IN THE MATTER OF
CORMARK SECURITIES INC.,
WILLIAM JEFFREY KENNEDY,
MARC JUDAH BISTRICER, AND
SALINE INVESTMENTS LTD.

REASONS FOR DECISION
(Rule 27 of the *Capital Markets Tribunal Rules of Procedure and Forms*)

Adjudicators:	M. Cecilia Williams (chair of the panel) Sandra Blake Timothy Moseley	
Hearing:	By videoconference, May 4, 2023	
Appearances:	Anna Huculak Nicole Fung	For Staff of the Ontario Securities Commission
	Joseph Groia Kevin Richard	For Marc Judah Bistricer
	Melissa MacKewn	For William Jeffrey Kennedy
	Derek Ricci	For Saline Investments Ltd.
	Graham Splawski	For Cormark Securities Inc.

REASONS FOR DECISION

1. OVERVIEW

[1] On May 8, 2023, we dismissed a motion brought by Marc Judah Bistricer for the disclosure of documents that he says are in the possession of Staff of the Ontario Securities Commission and that were obtained as part of its investigation of this matter. These are our reasons for dismissing the motion.

[2] Staff alleges that Cormark Securities Inc., Bistricer and William Jeffrey Kennedy carried out a series of transactions involving short sales, a private placement and a share swap, that were abusive and contrary to the animating principles of the *Securities Act*[1] (the **Act**). Staff made disclosure to Bistricer in the normal course. Bistricer seeks additional disclosure. He described this request in three different ways, which we examine in detail below.

[3] This motion presents the following issues:

a. Is Bistricer's request for disclosure sufficiently clear?

b. Is Bistricer entitled to the disclosure that he is seeking from Staff?

[4] We conclude that Bistricer's disclosure request is unclear with respect to the specific documents he seeks. As a result, we cannot grant the requested relief. Giving Bistricer's request the most generous possible meaning, we still conclude that he is not entitled to the disclosure he is seeking because the documents are not relevant to the allegations Staff has made against Bistricer and the other respondents.

2. ANALYSIS

2.1 Introduction

[5] We start our analysis with a description of the series of transactions at issue. We then look at the investigation orders under which Staff gathered documents. Then, we consider the three different ways Bistricer described the documents he is seeking to have disclosed, which leave Staff and us uncertain about the scope of his request. Finally, we give Bistricer's

[1] RSO 1990, c S.5

request for disclosure its most generous possible meaning and conclude that the documents he is seeking are irrelevant to the issues in this matter.

[6] The alleged activity involved Saline Investments Ltd., in anticipation of a private placement by Canopy Growth Corporation (**Canopy**):

a. selling Canopy shares short in the open market;

b. buying an equal number of Canopy shares in the private placement;

c. swapping the private placement shares for free-trading Canopy shares under a securities lending agreement; and

d. using the free-trading shares to settle the short sales.

[7] During the investigation that preceded Staff's filing of the Statement of Allegations, the Commission issued two orders under s. 11 of the Act. A s. 11 order starts a formal investigation and allows Staff to compel evidence for the investigation. Neither of these orders specifically targeted any of the respondents.

[8] The initial order authorized Staff to investigate persons and companies who may have engaged in: (i) improper short selling of securities of reporting issuers in advance of public offerings and private placements, (ii) tipping or insider trading, and (iii) conduct that resulted in or contributed to a misleading appearance of trading activity in, or an artificial price for, the securities.

[9] Amendments to the initial s. 11 order expanded the investigation to include persons or companies who may have traded in securities on their own accounts or on behalf of other persons or companies, where the trades would be distributions of the securities, without preliminary prospectuses or prospectuses having been filed.

2.2 The scope of Bistricer's disclosure request is unclear

[10] Staff submits that Bistricer's request is too vague and imprecise to determine what documents are included or whether any responsive documents even exist. We agree.

[11] Bistricer describes the documents he is requesting in three different ways, but submits that his request is clear because the three different formulations are merely different ways of referring to the same information. We disagree. The imprecision and lack of clarity are apparent on a review of the different formulations:

a. In paragraph [h] of Bistricer's motion, "Requested Documents" is defined as "…all documents in Staff's possession which pertain to any transactions that have similarities to the transactions at issue in this matter, which would include the short sales, private placement and/or the securities lending agreement." The term 'similarities' is too imprecise and open-ended. Similarity is a question of degree. Any order we make must be clear and definitive, and must enable someone subject to the order to determine what they must do to comply.[2] The word 'similarities' is too vague to permit that. Arguably, every transaction of any kind has some 'similarity' to the subject transactions. How similar would a transaction have to be for it to be caught within the order? We cannot know, based on Bistricer's formulation.

b. Paragraph 2 of Bistricer's written submissions uses different language. It defines the disclosure requested as being for documents that are "of the same type" as those referred to in the statement of allegations. Our plain reading of "the same type" implies a narrower set of documents than does "similarities", but in any event, the phrase "of the same type" is also insufficiently precise.

c. In oral submissions, Bistricer adopted a completely different approach. He described his request as being for disclosure of everything Staff received pursuant to the s. 11 orders, including all documents, as well as transcripts of examinations, and if no transcripts exist, then notes from those examinations. This request is more precise than what Bistricer sought in his motion document or in his written submissions, but it is also significantly broader than either of those requests.

[12] Saying that the three requests are the same does not make them so. None of those formulations allows us to issue an order that would be sufficiently precise for Staff to implement. We conclude therefore that Bistricer's request is too unclear to form the basis of a disclosure order.

[13] Despite that finding, we now turn to consider what the outcome would be were we to give his requests the most generous meaning.

[2] *Ironside, Re*, 2005 ABASC 683 at para 84

2.3 Bistricer is not entitled to the disclosure that he is seeking from Staff as the documents sought are irrelevant

2.3.1 Introduction

[14] If we attempt to put aside the uncertainty, and interpret Bistricer's requests generously, is Bistricer entitled to disclosure of any additional documents that might fall within one or more of his three formulations? We conclude that he is not, because those documents are irrelevant to the allegations against the respondents.

[15] We begin by considering the law with respect to Staff's disclosure obligation. We then address the following issues:

a. Does the existence of an allegation that is not tied to a specific contravention of Ontario securities law change the nature of Staff's disclosure obligation?

b. Is evidence of general practise in the market relevant to the allegations?

c. Does Staff have an obligation to disclose all the material it obtained under a s.11 order?

2.3.2 Staff's disclosure obligation

[16] Rule 27(1) of the *Capital Markets Tribunal Rules of Procedure and Forms* (the ***Rules***) requires Staff to provide every other party "copies of all non-privileged documents in Staff's possession that are relevant to an allegation." Staff's duty of disclosure in an enforcement proceeding is akin to the standard imposed on the Crown in criminal proceedings.[3]

[17] When assessing relevance, Staff must:

a. include not only documents on which Staff intends to rely, but also documents that might reasonably assist a respondent in making full answer and defence to Staff's allegations, including by helping the respondent make tactical decisions;

b. assess the relevance of documents in the context of the specific allegations being made by Staff;

c. reasonably anticipate defences or issues that a respondent might properly raise, to inform Staff's assessment of relevance;

d. include both inculpatory and exculpatory documents; and

e. err on the side of inclusion.[4]

[18] The threshold for relevance is low and includes "materials which may have only a marginal value to the ultimate issues" at a hearing.[5]

[19] The burden lies with the respondent making the disclosure request to articulate a basis for that request. The respondent must establish a sufficient connection between the documents or information they say are missing and their ability to make full answer and defence to Staff's allegations.[6]

2.3.3 Does the existence of an allegation that is not tied to a specific contravention of Ontario securities law change the nature of Staff's disclosure obligation?

[20] Bistricer notes that Staff's allegations go beyond specified contraventions of Ontario securities law. Staff has alleged that "this type of abusive short selling may cause" certain negative impacts on the capital markets, and highlights the involvement of registrants and the risk-free nature of the transactions. Staff says that these circumstances combine to make the conduct at issue therefore abusive and contrary to the animating principles of the Act, therefore warranting sanctions under s. 127 of the Act even if the Tribunal finds no contraventions of Ontario securities law.

[21] Bistricer submits that through these broader allegations, Staff has raised the issue of similar types of transactions and their potential impact on the market. Bistricer says he is merely seeking to have Staff disclose those similar transactions to him so that he may effectively respond.

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3 *BDO Canada LLP (Re)*, 2019 ONSEC 21 (**BDO Canada**) at para 13, citing *R v Stinchcombe*, [1991] 3 SCR 326
4 BDO Canada at para 14
5 *R v Dixon,* 1998 CanLII 805 at para 23, quoted in *Agueci (Re)*, 2012 ONSEC 44 at para 35
6 BDO Canada at paras 16-17

[22] Staff submits that the improvement of conduct is a critical part of securities regulation. In pursuit of that objective, one must measure conduct against the applicable regulatory standard.[7] The regulatory standard is not determined by what others are doing or how often they are doing it.

[23] We do not agree that an allegation of conduct that warrants an order under s. 127 of the Act even absent any breaches of Ontario securities law, in and of itself broadens what documents might be relevant to a respondent. There is nothing inherent in a public interest allegation that makes broad disclosure of information unrelated to the specific respondents and their alleged conduct automatically relevant. The issue here, based upon the Statement of Allegations, is the involvement by registrants in this specific series of transactions in securities of a particular public issuer.

2.3.4 Is evidence of general practise in the market relevant to the allegations?

[24] Bistricer submits that the prevalence of these types of transactions, how often they occur together, and the impact they have on the market are relevant to the respondents' choices about what their defences should be and how best to advance those defences. Bistricer also submits that the information is relevant to the respondents' determination of what lay and expert evidence to call, and what questions to ask Staff's witnesses about the impact of "this type" of transaction on Ontario's capital markets.

[25] Staff submits that the determination of whether Bistricer breached the prospectus requirement or acted in a manner that would engage the animating principles of the Act turns on how Bistricer conducted himself, not on how others conducted themselves, or whether others engaged in conduct like the respondents', or the frequency or consequences of any such conduct.

[26] In the only case Staff cites that is on point, in our view, the Tribunal concludes that "Although it may have been common practice at the time for brokers to allocate 'hot' new issues to traders at institutions in return for business, this practice is improper where it places either the trader at the institution or the broker in a position where his interest conflicts with those of the institution."[8]

[27] The standard against which the respondents' conduct is to be measured, apart from any potential contravention, is whether their conduct was abusive or engaged the animating principles of the Act. What others might have done or how frequently they might have done it is irrelevant to whether those criteria are met. Staff's allegation is that the type of conduct alleged may cause the specified consequences. The allegation is not that the type of conduct always, or usually, or often, causes those consequences. Even if there were some relevance to the prevalence of similar conduct, we have no basis to conclude that any information Staff has would be representative in any way and would be probative of prevalence.

[28] Bistricer also suggested that information about whom Staff contacted would be useful, because it would allow Bistricer to seek the views of others who might have engaged in similar transactions. We disagree that those views, even if admissible, would be relevant to any issues involving the respondents.

[29] We therefore conclude that there is no basis to order Staff to disclose information that indicates what practices others are engaging in.

2.3.5 Does Staff have an obligation to disclose all material obtained pursuant to a s. 11 order?

[30] Bistricer's third version of his request, made only in oral submissions, is that he wants everything that Staff obtained under a s. 11 order. We agree with Staff's submission that its disclosure obligation does not extend that far.

[31] Bistricer offered no authority that supports his broad request. In his submissions, Bistricer attempted to reverse the onus, saying that Staff had cited no authority for being able to withhold evidence obtained under a s. 11 order that gave rise to the proceeding. We reject this attempt to reformulate the long-standing test for disclosure. It does not follow from the fact that Staff obtained information in an investigation that the information is automatically relevant to the allegations. In fact, the opposite is often true, particularly where the allegations that Staff ultimately settles on relate only to a subset of the matters that Staff investigated.

[32] Bistricer also attempts to bolster his position on this issue by submitting that the investigation was part of this proceeding, and Staff must disclose documents obtained during the proceeding. We disagree, for two reasons: (i) we are aware of no authority for the proposition that a different standard applies to documents Staff obtains within a proceeding than applies to documents obtained outside a proceeding; and (ii) in any event, an investigation does not form part of a proceeding.

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7 *Caldwell Investment Management Ltd. (Re),* 2018 ONSEC 50 at para 40

8 Biscotti, Re (1993), 16 OSCB 31 at paras 112, 123 and 111

[33] On the latter point, Bistricer bases his submission on the Tribunal's decision in *Sextant Capital Management Inc. (Re)*,[9] in which the panel concluded that "the investigative stage and the adjudicative stage are not separate proceedings, but rather stages in one proceeding, in the circumstances of this matter."[10]

[34] In our view, that conclusion does not correctly describe investigations and proceedings under the current statutory and regulatory regime, and if our view on that question represents a departure from the previous decision of this Tribunal, then we respectfully do so. More recent decisions separate investigations from the proceedings that often follow them, and are more faithful to the characterization of a "proceeding" in the *Statutory Powers Procedure Act*,[11] this Tribunal's *Rules*, and elsewhere. At this Tribunal, a proceeding starts with the issuance of a Notice of Hearing by the Secretary, following the filing with the Tribunal of an Application or a Statement of Allegations.[12]

[35] That issue aside, we repeat our earlier conclusion that Staff's disclosure obligation does not extend to everything Staff obtains in the course of an investigation. The test remains one of relevance.

3. CONCLUSION

[36] We conclude that Bistricer's various requests for disclosure leave too much uncertainty about what he asks for, and are either too imprecise or too broad.

Dated at Toronto this 15th day of June, 2023

"M. Cecilia Williams"

"Sandra Blake"

"Timothy Moseley"

9 2010 ONSEC 25 (***Sextant***)
10 *Sextant* at para 10
11 RSO 1990, c S.22
12 *Sharpe* at paras 81-82

B. Ontario Securities Commission

B.1
Notices

B.1.1 Notice of Ministerial Approval of OSC Rule 44-502 Extension to Ontario Instrument 44-501 Certain Prospectus Requirements for Well-Known Seasoned Issuers

NOTICE OF MINISTERIAL APPROVAL OF
OSC RULE 44-502 *EXTENSION TO ONTARIO INSTRUMENT 44-501*
CERTAIN PROSPECTUS REQUIREMENTS FOR WELL-KNOWN SEASONED ISSUERS

Ministerial Approval

On March 28, 2023, the Ontario Securities Commission (the **OSC**) made as a rule under the *Securities Act* (Ontario) local OSC Rule 44-502 *Extension to Ontario Instrument 44-501 Certain Prospectus Requirements for Well-known Seasoned Issuers* (the **Rule**) in Ontario.

The above material was published on May 18, 2023 in the Bulletin. See (2023), 46 OSCB 4047.

On June 20, 2023, the Minister of Finance approved the Rule.

The text of the Rule is published in Chapter B.5 of this Bulletin.

Effective Date

The Rule has an effective date of July 4, 2023.

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B.2
Orders

B.2.1 Discover Wellness Solutions Inc.

Headnote

National Policy 11-207 Failure-to-File Cease Trade Orders and Revocations in Multiple Jusidictions – Section 144 – Application for partial revocation of a cease trade order against an issuer to permit the transfer of security held by a securityholder to an acquiror as part of the dissolution of the securityholder – Purchaser of the security is a sophisticated purchaser who understands the nature of the cease trade order – Each of the purchaser and securityholder are not aware of any material information regarding the issuer that has not been generally disclosed – Partial revocation of the cease trade order granted subject to conditions.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as amended s. 144.

Citation: *Re Discover Wellness Solutions Inc.*, 2023 ABASC 88

ALBERTA SECURITIES COMMISSION

PARTIAL REVOCATION ORDER
Under the securities legislation of Alberta and Ontario
(the Legislation)

June 12, 2023

Discover Wellness Solutions Inc.

Background

1. Discover Wellness Solutions Inc. (the **Issuer**) is subject to a failure-to-file cease trade order (the **FFCTO**) issued by the regulator or securities regulatory authority in each of Alberta (the **Principal Regulator**) and Ontario (each a **Decision Maker**) respectively on May 6, 2022.

2. Olive Resources Capital Inc. (the **Filer**) has applied to each of the Decision Makers for a partial revocation of the FFCTO.

3. This order is the order of the Principal Regulator and evidences the decision of the Decision Maker in Ontario.

Interpretation

4. Terms defined in National Instrument 14-101 *Definitions* or in National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions* have the same meaning if used in this order, unless otherwise defined.

Representations

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

    a) the Issuer

        (i) is a corporation incorporated under the laws of the province of Alberta,

        (ii) has its head office located in Calgary, Alberta; and

        (iii) is a reporting issuer in British Columbia, Alberta and Ontario;

    b) the Filer

        (i) is incorporated pursuant to the *Canada Business Corporations Act* (**CBCA**),

        (ii) has its head office located in Toronto, Ontario;

(iii) is a reporting issuer in British Columbia, Alberta, Manitoba and Ontario, and

(iv) is listed on the TSX Venture Exchange under the stock symbol OC;

c) the FFCTO was issued by the Decision Makers due to the failure of the Issuer to file its annual audited financial statements, annual management's discussion and analysis and certification of annual filings for the year ended December 31, 2021 (the **CD Materials**);

d) subsequent to the failure to file the CD Materials, the Issuer has not filed any further financial statements or any continuous disclosure documents required by applicable securities legislation (the **Subsequent Filings**);

e) the Issuer has not been subject to any cease trade orders other than the FFCTO;

f) the Filer seeks to vary the FFCTO to permit the transfer of a debt security of the Issuer currently held by CannaIncome Fund Corporation (**CIF)**;

g) on September 13, 2019, CIF entered into a secured loan agreement with RMMI Corp. (the predecessor of the Issuer) and its subsidiary Rocky Mountain Marijuana Inc. (the **Subsidiary**, and together with RMMI Corp., the **Debtors**) pursuant to which it lent $175,000, which agreement has been extended and amended on multiple occasions since that date (the agreement as amended and extended, being the **Loan Agreement**). As of March 31, 2023 the amount owed to CIF pursuant to the Loan Agreement was approximately $365,000. Concurrently with CIF's entry into the Loan Agreement, nine other persons (together with CIF, the **Secured Parties**) also entered into loan agreements with the Debtors. The loans were collectively secured by a general security agreement and mortgage (the **Mortgage**) over a property owned by the Subsidiary (the **Newell Property**);

h) all amounts owing under the Loan Agreement were to be repaid on October 31, 2022. The Issuer defaulted under the Loan Agreement and the other loan agreements and the Secured Parties are currently in the process of enforcing their rights under the Mortgage;

i) on July 28, 2022, CIF filed a Form 19 – Statement of Intent to Dissolve with the Director under the CBCA and commenced the orderly winding-up of its business, all as previously approved by its shareholders;

j) the Filer and CIF entered into a purchase and sale agreement (the **Sale Agreement**) pursuant to which the Filer acquired substantially all of CIF's assets. The Sale Agreement also contemplated that the proceeds, if any, from the Loan Agreement and, subject to addressing the requirements of the FFCTO, its interest in the Loan Agreement would also transfer to the Filer. The Filer understands that once enforcement proceedings under the Mortgage have been completed, the proceeds, if any, will be paid out to the Secured Parties and the Loan Agreement will be terminated. The Sale Agreement is governed by the laws of the Province of Ontario;

k) the Filer acknowledges that entering into the Sale Agreement may have constituted "an act in furtherance of a trade" in contravention of FFCTO;

l) CIF has completed the transfer of all of its assets other than the Loan Agreement and certain common shares in one public company which are in the process of being liquidated at this time. The proceeds of the liquidation of these common shares (along with existing cash) will be used to satisfy all remaining liabilities. At that point, the only remaining asset in the name of CIF will be the Loan Agreement;

m) CIF cannot be dissolved until the Loan Agreement is transferred or otherwise dealt with, and CIF does not have the resources to continue its existence indefinitely;

n) the transfer of the Loan Agreement will be conducted on a prospectus exempt basis to the Filer who is an "accredited investor" pursuant to subsection 1.1(m) of National Instrument 45-106 – *Prospectus Exemptions*;

o) the Filer has been advised by counsel and is fully aware of the implications of the FFCTO. The Filer has no plans for the Loan Agreement other than to hold it until the enforcement proceedings under the Mortgage have been completed. Neither the Filer, nor, to the knowledge of the Filer, CIF are insiders of the Issuer nor do they share any common management or directors;

p) as the transfer of the Loan Agreement will involve a trade in securities of the Issuer, the transfer cannot be completed and CIF will be unable to effect its dissolution without a variation of the FFCTO;

q) the Filer and CIF are not aware of any material information concerning the affairs of the Issuer that has not been generally disclosed.

Order

6. Each of the Decision Makers is satisfied that a partial revocation order of the FFCTO meets the test set out in the Legislation for the Decision Maker to make the decision.

7. The decision of the Decision Makers under the Legislation is that the FFCTO is partially revoked as it applies to the Issuer solely to permit the transfer of the Loan Agreement to the Filer pursuant to the Sale Agreement, provided that:

   (a) prior to completion of the transfer of the Loan Agreement to the Filer, the Filer will provide CIF with a written acknowledgement that all of the Issuer's securities, including the debt securities transferred in connection with the transfer of the Loan Agreement, will remain subject to the FFCTO until such orders are revoked and that the issuance of the partial revocation order does not guarantee the issuance of a full revocation in the future; and

   (b) the Filer undertakes to make available a copy of the written acknowledgement referred to in paragraph (a) to staff of the Decision Makers upon request.

"Denise Weeres"
Director, Corporate Finance
Alberta Securities Commission

OSC File #: 2023/171

B.2.2 The Canadian Depository for Securities Limited and CDS Clearing and Depository Services Inc. – ss. 21.2, 144

Headnote

Subsection 144(1) of the Securities Act (Ontario) – application for order varying the Commission's order recognizing the Canadian Depository for Securities Limited and CDS Clearing and Depository Services Inc. (CDS), as clearing agencies – variation required to streamline and update applicable regulatory reporting requirements and to reduce regulatory burden – requested order granted.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 21.2, 144(1).

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

AND

IN THE MATTER OF
THE CANADIAN DEPOSITORY FOR SECURITIES LIMITED

AND

CDS CLEARING AND DEPOSITORY SERVICES INC.

ORDER
(Sections 21.2 and 144 of the Act)

WHEREAS the Ontario Securities Commission (**Commission**) issued an order dated July 4, 2012, which was varied and restated on December 21, 2012, varied on December 7, 2012, May 1, 2013, June 25, 2013, June 24, 2014, January 27,2015, March 27, 2015, December 20, 2016, February 28, 2018, September 25, 2018 and December 4, 2019 recognizing each of The Canadian Depository for Securities Limited (**CDS Ltd.**) and CDS Clearing and Depository Services Inc. (**CDS Clearing**) as clearing agencies pursuant to section 21.2 of the Act (**CDS Recognition Order**);

AND WHEREAS the Commission considers the proper operation of a clearing agency as essential to investor protection and maintaining a fair and efficient capital market, and the Commission may recognize a clearing agency, pursuant to section 21.2 of the Act, if it is satisfied that it is in the public interest to do so;

AND WHEREAS the Commission has received an application under section 144 of the Act to vary and restate the CDS Recognition Order to reflect the streamlining of certain reporting requirements, to reduce regulatory burden and to otherwise modernize the order (**Application**);

AND WHEREAS CDS Ltd. and CDS Clearing have each agreed to the applicable terms and conditions set out in the Schedule to the CDS Recognition Order;

AND WHEREAS based on the Application, the Commission has determined that:

(a) CDS Ltd. and CDS Clearing continue to satisfy the criteria for recognition set out in National Instrument 24-102 *Clearing Agency Requirements*;

(b) it is in the public interest to continue to recognize each of CDS Ltd. and CDS Clearing as a clearing agency pursuant to section 21.2 of the Act, subject to terms and conditions that are set out in Schedule A to this order; and

(c) it is not prejudicial to the public interest to vary and restate the current Recognition Order;

IT IS ORDERED, pursuant to section 144 of the Act, that the Application to vary and restate the CDS Recognition Order is granted.

IT IS ORDERED that:

(a) pursuant to section 21.2 of the Act, CDS Ltd. continues to be recognized as a clearing agency; and

(b) pursuant to section 21.2 of the Act, CDS Clearing continues to be recognized as a clearing agency;

provided CDS Ltd. and CDS Clearing comply with the terms and conditions set out in the Schedule to the CDS Recognition Order, as applicable.

DATED this 15th day of June, 2023.

"Susan Greenglass"
Director, Market Regulation
Ontario Securities Commission

SCHEDULE A – TERMS AND CONDITIONS

PART I – Definitions

For the purposes of this schedule:

"affiliated entity" has the meaning ascribed to it in subsection 1.2(1) of National Instrument 24-102 *Clearing Agency Requirements*;

"associate" has the meaning ascribed to it in subsection 1(1) of the Act;

"CDS" means each of CDS Ltd. and CDS Clearing;

"CDS Clearing" means CDS Clearing and Depository Services Inc.;

"CDS Ltd." means the Canadian Depository for Securities Limited;

"Critical Services" mean activities, functions or services of such a nature that any interruption in their provision could lead to the collapse of or present a serious impediment to the performance of one or more critical functions of the clearing agency;

"financial risk model" means the mechanisms adopted by CDS to manage the risk of potential loss in the provision of clearing, settlement and depository services for securities and derivatives transactions in the event of the failure of a Participant to fulfill its settlement obligations, and for greater certainty:

(i) includes margin and clearing fund calculation models, stress and backtesting policies and procedures for determining the adequacy of CDS's total financial resources, collateral and treasury management policies and procedures, and other tools to manage CDS's credit and liquidity risk, but

(ii) does not include mechanisms to manage business or operational risk;

"IT Systems" means CDS's information technology systems supporting the services or the business operations of CDS;

"Ontario securities law" has the meaning ascribed to it in subsection 1(1) of the Act;

"PFMIs" means the principles contained in the CPMI-IOSCO *Principles for Financial Market Infrastructures*, as amended from time to time, or any successor principles or recommendations;

"Participant" means a user of the services offered by CDS which are governed by the CDS Participant Rules;

"report" includes electronic data files and similar documents, as the context permits;

"Rule" has the meaning ascribed to it in section 2 of the Rule Protocol at Appendix A to this Schedule; and

"TMX Group" means TMX Group Limited.

PART II – Terms and Conditions Applicable to CDS

1 OWNERSHIP OF CDS LTD.

1.1 CDS must not make any changes to its ownership structure without the prior approval of the Commission.

2 CRITERIA FOR RECOGNITION

2.1 CDS must continue to meet the criteria for recognition under applicable Ontario securities law.

3 PUBLIC INTEREST RESPONSIBILITY

3.1 CDS must conduct its business and operations in a manner that is consistent with the public interest, and the mandate of its board of directors must expressly include CDS's public interest responsibility.

4 GOVERNANCE

4.1 CDS must promote a governance structure that minimizes the potential for any conflict of interest between CDS and its shareholder(s) that could adversely affect the clearing of products cleared by CDS or the effectiveness of CDS' risk management policies, controls and standards.

4.2 CDS's governance arrangements must be designed to fulfill its public interest requirements under paragraph 3.1 and to balance the interests of its shareholders and its Participants and other users of its services.

4.3 CDS must ensure that:

(a) at least 33% of its board of directors are independent as that term is defined in paragraph 4.4;

(b) at least 33% of its board of directors are representatives of Participants, of which

(i) one representative must be nominated by the Canadian Investment Regulatory Organization, and

(ii) the representatives of Participants represent a diversity of Participants;

(c) either

(i) one additional director is independent; or

(ii) one director is a representative of an entity that is unaffiliated with TMX Group and

(A) uses services offered by, or is connected to, CDS, such as a transfer agent or a marketplace; or

(B) is a service provider to Participants, such as a technology service provider or a custodian;

(d) at least 50% of the directors have expertise in clearing and settlement; and

(e) the quorum for the board of directors consists of a majority of the directors, with at least 50% of such majority being independent.

4.4 For the purpose of paragraph 4.3:

(a) a director is independent if the director is not:

(i) an associate, partner, director, officer or employee of a Participant of CDS or such Participant's affiliated entities or an associate of such director, partner, officer or employee;

(ii) an associate, partner, director, officer or employee of a marketplace or such marketplace's affiliated entities or an associate of such partner, director, officer or employee, or

(iii) an officer or employee of CDS or its affiliated entities or an associate of such officer or employee.

(b) Notwithstanding 4.4(a)(i) and (ii), a director of the Canadian Derivatives Clearing Corporation (**CDCC**) is not considered to be non-independent solely on the ground that he or she is a director, or in the case of the chair of the board of directors only, an officer, of CDCC; and

(c) Notwithstanding 4.4(a)(iii), the chair of the board of directors of CDS is not considered non-independent solely on the ground that he or she is an officer of CDS.

4.5 CDS must actively consider any conflict of interest or potential conflict of interest that arises as a result of any CDS/CDCC mirror board structure, and if CDS identifies any conflict of interest or potential conflict of interest that arises as a result of such a CDS/CDCC mirror board structure, CDS will notify the Commission as soon as possible and provide the Commission with:

(a) a written summary of the relevant facts relating to the conflict of interest, or potential conflict of interest;

(b) a detailed description of how the conflict of interest will be resolved; and

(c) timing to resolve the conflict of interest.

4.6 CDS must identify in its notice of publication for any material rule change per the CDS Rule Protocol (attached as Appendix A to this Schedule) the specific impact of the rule change, if any, on CDCC and its activities as a Participant of CDS, and whether CDCC is impacted in a different manner than any other CDS Participant and, if it is, the reason for, and an explanation of, the difference.

4.7 An appeal of any decision of CDS management relating to the suspension of CDCC's participation in CDS will be directly made to the Commission pursuant to section 21.7 of the *Securities Act* (Ontario).

4.8 The CDS governance structure must provide for the use of one or more Participant committees and a marketplace committee to provide advice, comments and recommendations to assist the board of directors of CDS, and such committees must meet the following requirements:

(a) membership or application for membership must, in accordance with the mandate of the respective committee, be open to all Participants and marketplaces, as applicable, that connect to or use the services provided by CDS;

(b) the committees may on any matters that they deem appropriate, and must if requested by the Commission, report directly to the Commission without first requiring board approval or notification of such reporting; and

(c) staff representatives of the Commission may attend any meetings of the committees as observers.

4.9 CDS must obtain prior Commission approval before:

(a) making changes to its constating documents;

(b) making changes to the structure of its board of directors or any of its board committees; and

(c) establishing any additional committees whose membership includes persons external to CDS.

4.10 CDS must notify the Commission in writing at least 30 days before:

(a) making changes to the structure of its marketplace committee or of any of its Participant committees; or

(b) making changes to the mandates of its board of directors, board committees, marketplace committee, or Participant committees.

4.11 If Commission staff do not object in writing within 15 days of receiving written notice under paragraph 4.10, the Commission shall be deemed not to object to the changes.

4.12 CDS must establish and maintain a risk and audit committee of its board of directors, whose mandate includes, at a minimum, the following:

(a) providing advice and recommendations to the board of directors to assist it in fulfilling its risk management responsibilities, including reviewing and assessing CDS's risk management policies and procedures, the adequacy of the implementation of appropriate procedures to mitigate and manage such risks and CDS's participation standards and collateral requirements;

(b) monitoring the financial performance of CDS and providing financial management oversight and direction to the business and affairs of CDS;

(c) advising the board of directors on the fairness, reasonableness and competitiveness of its pricing and fees in the context of the Canadian capital market and trends relating to comparable services offered by clearing houses worldwide; and

(d) ensuring fair and equitable resources are dedicated to development projects for unaffiliated marketplaces.

4.13 The risk and audit committee's composition will be as follows:

(a) a minimum of five directors;

(b) an independent chair;

(c) at least two industry directors who represent a diversity of Participants, and which may include the nominee of the Canadian Investment Regulatory Organization; and

(d) a majority of directors who are either independent or who represent a diversity of Participants.

4.14 In the event that CDS fails to meet the requirements of this Part, it must immediately advise the Commission and take appropriate measures to promptly remedy such failure.

5 FITNESS

5.1 CDS must take reasonable steps to ensure that each director and officer of CDS is a fit and proper person. CDS must, among other things, consider whether the past conduct of each director or officer affords reasonable grounds for the belief that the director or officer will perform his or her duties with integrity and in a manner that is consistent with the public interest responsibility of CDS.

6 ACCESS

6.1 CDS must accept clearing of trades in securities that are eligible under its rules on a commercially reasonable and non-discriminatory basis, regardless of the marketplace of execution.

6.2 CDS must complete its review of an application for access and must grant or deny access at the earliest practicable date after receipt of such application, and must promptly notify the Commission of any applications for access that have been approved, delayed or denied and the reasons for any delay or denial.

6.3 CDS must, subject to compliance with CDS's eligibility criteria and its connectivity and other security standards or requirements, allow any person or company, including other third-party post-trade service providers, to interface or connect to any of its services or systems on a commercially reasonable basis, for the purposes of facilitating post-trade processing of securities transactions by Participants.

6.4 CDS must provide its services and products, including any interface or connection to its services or systems, to any person or company, including a third-party service provider, on a non-discriminatory basis and at a service level or performance standard comparable to that which would be provided to its affiliated entities.

7. FEES, FEE MODELS AND INCENTIVES

7.1 CDS's fees must not have the effect of unreasonably creating barriers to access CDS's services or discriminating between users of CDS's services or marketplaces, and must be balanced with the criterion that CDS has sufficient revenues to satisfy its responsibilities.

7.2 CDS must not, through any fee schedule, fee model or any contract with any Participant or other market Participant, provide any discount, rebate, allowance, price concession or similar arrangement on any services or products offered by CDS that is conditional upon the purchase of any other service or product offered by CDS or any affiliated entity.

7.3 The fees must be charged on a per transaction basis and must not provide a discount, rebate, allowance or similar price concession based on a Participant's level of activity.

7.4 CDS's process for setting fees for any of its services must provide for meaningful input from the relevant Participant committees and the risk management and audit committee of its board of directors.

7.5 CDS must operate under the fee setting process and the fee and rebate model described in Appendix B to this schedule.

7.6 CDS must obtain prior Commission approval before implementing any amendments to the fees set out in the fee schedule that was published on CDS's website and became effective November 1, 2011 (**2012 Fee Schedule**).

7.7 CDS must obtain prior Commission approval before implementing any new fees, any other fees for services or products designated by the Commission from time to time, or any change to the fee and rebate model.

7.8 For greater clarification, in paragraphs 7.6 and 7.7 "fees" means all fees whether for core or non-core services as defined by CDS from time to time.

7.9 If the Commission considers that it would be in the public interest, the Commission may require CDS to submit a fee, fee model or incentive that has previously been approved by the Commission for re-approval by the Commission. In such circumstances, if the Commission decides not to re-approve the fee, fee model or incentive, the previous approval for the fee, fee model or incentive will be revoked.

7.10 CDS must submit to the Commission all fees and fee models, and any amendments thereto, referred to in paragraphs 7.5, 7.6, 7.7 or 7.9, for approval in accordance with the procedure for a material rule as set out in the Rule Protocol.

7.11 CDS must annually engage an independent auditor to conduct an audit and prepare a report in accordance with established audit standards regarding its compliance with the approved fee and rebate model. CDS must provide the independent auditor's report to the Commission within 90 days of its fiscal year-end.

8 INTERNAL COST ALLOCATION MODEL AND TRANSFER PRICING

8.1 CDS must maintain an internal cost allocation model and policy or policies with respect to the allocation of costs or transfer of prices between CDS and its affiliated entities.

8.2 CDS must obtain prior Commission approval before making any non-technical amendments to the internal cost allocation model and policy or policies required to be maintained under paragraph 8.1.

8.3 CDS must annually engage an independent auditor to conduct an audit and prepare a report in accordance with established audit standards regarding compliance by CDS and its affiliated entities with the approved internal cost allocation model and transfer pricing policies. CDS must provide the independent auditor's report to its board promptly after the report's completion and then to the Commission within 90 days of its fiscal year-end.

8.4 The fees, costs or expenses borne by CDS, and indirectly by the users of CDS's services, for each of the services provided by CDS, must not reflect any cost or expense incurred by CDS in connection with an activity carried on by CDS that is not related to that service.

9 PFMI COMPLIANCE REPORTS

9.1 CDS must promptly notify the Commission in writing each time it publishes a report on its website regarding its compliance with the PFMIs.

10 RISK CONTROLS

10.1 CDS must have clearly defined and transparent procedures for the management of risk which specify the respective responsibilities of CDS and its Participants.

10.2 CDS must, as required by the Commission, engage an independent qualified party, acceptable to the Commission, to assess CDS's financial risk model and prepare a report on the findings, conclusions and any recommendations. The Commission will have the ability to provide input into the scope of such assessment, and may require that it include an assessment of how CDS's financial risk model balances the need for appropriate risk management and maintenance of fair and open access. CDS must provide the written report to its board of directors promptly after the report's completion and then to the Commission within 30 days of providing it to its board.

10.3 CDS must seek prior Commission approval at least 60 days before making material changes to its risk management framework. CDS must assess the materiality of a proposed change based on the effect of such a change on CDS, CDS Participants, the Canadian financial system, or the control of risk for the IT Systems supporting CDS's Critical Services.

10.4 CDS must notify the Commission in writing at least 20 days prior to implementing (i) a change to its risk management framework that would not have a material effect on any of CDS, CDS Participants, the Canadian financial system, or the control of risk for the IT Systems supporting CDS' Critical Services, or (ii) any technical/housekeeping changes made to its risk management framework.

10.5 If the Commission disagrees with CDS's categorization of the change to its risk management framework under paragraph 10.4, CDS must obtain the Commission's approval for the change under paragraph 10.3.

10.6 CDS must provide the Commission with an updated recovery plan at least annually.

10.7 CDS must provide the Commission with a written description of the scope of its annual internal audit plan in advance of such plan being provided to the audit committee for approval, and must provide the Commission at least 30 days prior written notice before finalizing the scope of the plan.

10.8 CDS must submit quarterly a written report detailing all of its internal audit activities during the quarter (including with respect to shared services). The report must include any corrective measures undertaken by CDS to address the internal audit gaps in the report.

11 OUTSOURCING

11.1 CDS must notify the Commission in writing at least 45 days prior to entering into or materially amending any outsourcing arrangement (including outsourcing to affiliated entities of CDS) related to any of its Critical Services.

11.2 CDS must notify the Commission in writing at least 15 days prior to renewing any outsourcing arrangement (including outsourcing to affiliated entities of CDS) related to any of its Critical Services.

11.3 CDS must promptly notify the Commission in writing of any material issues that arise in connection with its outsourcing arrangements with respect to Critical Services.

12 OPERATIONAL RELIABILITY

12.1 CDS must continue to meet the performance standards currently in effect for CDS, as amended by CDS and approved by the Commission from time to time. The performance standards must be made publicly available on the CDS website.

12.2 CDS must obtain prior Commission approval before changing its performance standards.

13 RULES

13.1 CDS's rules and the process for adopting new rules or amending existing rules must be transparent to Participants and the general public.

13.2 CDS must comply with the Rule Protocol included at Appendix A.

14 ENFORCEMENT OF RULES AND DISCIPLINE

14.1 The rules of CDS must set out appropriate sanctions in the event of non-compliance by Participants.

14.2 CDS must reasonably monitor Participant activities and impose sanctions to ensure compliance by Participants with its rules.

15 CONFIDENTIALITY OF INFORMATION

15.1 CDS must not release Participants' confidential information to a person or company other than CDS's affiliates, the Participant, a regulation services provider, CDS's regulators or another securities regulatory authority unless:

(a) the Participant has consented in writing to the release of the information;

(b) disclosure of the information is permitted by, and made in accordance with, the CDS Participant Rules;

(c) the release of the information is required by Ontario securities law or other applicable law; or

(d) the information has been publicly disclosed by another person or company, and CDS reasonably believes that the disclosure was lawful.

15.2 CDS must implement reasonable safeguards and procedures to protect Participants' information, including limiting access to such Participant information to employees of CDS, or persons or companies retained by CDS to operate the system.

15.3 CDS must implement adequate oversight procedures to ensure that the safeguards and procedures established under paragraph 15.2 are followed.

16 PROVISION OF INFORMATION

16.1 On request by the Commission, CDS must promptly provide the Commission with any and all data, information and analyses in the custody or control of CDS or any of its affiliates, without limitations, restrictions or conditions, including, without limiting the generality of the foregoing:

(a) data, information and analyses relating to all its or their businesses; and

(b) data, information and analyses of third parties in its or their custody and control.

16.2 CDS must provide the Commission with access to copies of all notices, bulletins and similar forms of communication that it sends its Participants in respect of their participation in CDS.

16.3 CDS must share information and otherwise cooperate with recognized self-regulatory organizations, investor protection funds and other appropriate regulatory bodies.

16.4 CDS must, on a commercially reasonable basis and subject to appropriate confidentiality protections being in force, share information and otherwise cooperate with other recognized or exempt clearing agencies, recognized or exempt exchanges, recognized or exempt quotation and trade reporting systems, and registered alternative trading systems.

16.5 CDS must make available to all Participants any reports required under paragraphs 7.11, 8.3, and 21.1 of this Schedule, subject to redaction of any information that CDS reasonably believes is competitively sensitive.

16.6 The disclosure or sharing of information by CDS pursuant to paragraphs 16.1, 16.3 or 16.4 must be subject to any confidentiality provisions contained in agreements entered into with the Bank of Canada pertaining to information received from the Bank of Canada in its roles as registrar, issuing agent, transfer agent or paying agent for the Government of Canada.

17 COMPLIANCE

17.1 If CDS, or its directors or officers, becomes aware of a breach or a possible breach of any of the terms and conditions applicable to CDS under this order, such person must, within two business days after becoming aware of the breach or

possible breach, notify the risk and audit committee of the breach or possible breach. The director or officer of CDS must provide to the risk and audit committee details sufficient to describe the nature, date and effect (actual and anticipated) of the breach or possible breach.

17.2 The risk and audit committee must, within two business days after being notified of the breach or possible breach, notify the Commission and confirm that the breach or possible breach is under investigation as required by paragraph 17.3 below.

17.3 The risk and audit committee must promptly cause an investigation to be conducted of the breach or possible breach reported under paragraph 17.2. Once the risk and audit committee has made a determination as to whether there has been a breach, or that there is an impending breach, of any terms and conditions applicable to CDS under this order, the risk and audit committee must, within two business days of such determination, notify the Commission of its determination and must provide details sufficient to describe the nature, date and effect (actual and anticipated) of the breach or impending breach, and any actions that will be taken to address it.

18 FINANCIAL VIABILITY

18.1 CDS must provide to the Commission its annual budget, accompanied by the underlying assumptions, approved by its board of directors.

19 SYSTEMS CAPACITY, INTEGRITY AND SECURITY

19.1 At least 45 days prior to implementing a material change affecting its IT Systems, CDS must provide the Commission with a written description of the change.

19.2 For any change to its IT Systems other than a change contemplated in paragraph 19.1, CDS must provide the Commission with a written description of the change, within 30 days following the end of the calendar quarter during which the change occurred.

20 REPORTING OBLIGATIONS

20.1 CDS must comply with Appendix C to this Schedule setting out its reporting obligations to the Commission.

PART III – Terms and Conditions Applicable to CDS Ltd.

21 FEES

21.1 On request by the Commission, CDS Ltd. must:

(a) engage a party acceptable to the Commission to conduct a review of its fees and fee models and the fees and fee models of its affiliated entities that are related to clearing, settlement, and depository and other services specified by the Commission that includes, among other things, a benchmarking or other comparison of the fees and fee models against the fees and fee models of similar services in other jurisdictions; and

(b) provide a written report on the outcome of such review to its board of directors promptly after the report's completion and then to the Commission within 30 days of providing it to its board.

22 ALLOCATION OF RESOURCES

22.1 CDS Ltd. must, subject to paragraph 22.2 and for so long as CDS Clearing carries on business as a clearing agency, allocate sufficient financial and other resources to CDS Clearing to ensure that CDS Clearing can carry out its functions in a manner that is consistent with the public interest and in compliance with Ontario securities law.

22.2 CDS Ltd. must notify the Commission immediately upon becoming aware that it is or will be unable to allocate sufficient financial or other resources to CDS Clearing as required under paragraph 22.1.

23 COMPLIANCE

23.1 CDS Ltd. must do everything within its control to cause CDS Clearing to:

(a) carry out its activities as a clearing agency recognized under section 21.2 of the Act and in accordance with Ontario securities law; and

(b) observe the PFMI Principles.

PART IV – Terms and Conditions Applicable to TMX Group

24 PUBLIC INTEREST RESPONSIBILITY

24.1 TMX Group must conduct, and must ensure that CDS conducts, its business and operations in a manner that is consistent with the public interest.

25 FEES

25.1 TMX Group must ensure that none of its affiliated entities provide, through any fee schedule, fee model or any contract with any marketplace participant or other market participant, any discount, rebate, allowance, price concession or similar arrangement on any services or products offered by the affiliated entity that is conditional upon the purchase of any service or product provided by CDS.

26 ALLOCATION OF RESOURCES

26.1 TMX Group must, for so long as CDS Clearing and CDS Ltd. carry on business as clearing agencies, allocate sufficient financial and other resources to CDS to ensure that it can carry out its functions in a manner that is consistent with the public interest and in compliance with Ontario securities law.

26.2 TMX Group must notify the Commission immediately upon becoming aware that it is or will be unable to allocate sufficient financial and other resources to CDS, as required under paragraph 26.1.

27 PROVISION OF INFORMATION

27.1 On request by the Commission, TMX Group must, and must cause CDS to, promptly provide the Commission with any and all data, information and analysis in CDS's custody or control, without limitations, restrictions or conditions, including data, information and analysis relating to all of CDS' businesses.

27.2 TMX Group must, and must cause CDS to, share information and otherwise cooperate with other recognized or exempt entities, recognized self-regulatory organizations, investor protection funds and other appropriate regulatory bodies.

27.3 TMX Group must, and must cause CDS to, on a commercially reasonable basis and subject to appropriate confidentiality protections being in force, share information and otherwise cooperate with other recognized or exempt entities.

27.4 The disclosure or sharing of information by TMX Group and CDS pursuant to paragraphs 27.1, 27.2 and 27.3 is subject to any confidentiality provisions contained in agreements entered into with the Bank of Canada pertaining to information received from the Bank of Canada in its roles as registrar, issuing agent, transfer agent or paying agent for the Government of Canada.

28 CONFLICTS OF INTEREST

28.1 TMX Group must establish, maintain, and require compliance with policies and procedures that identify and manage any conflicts of interest or potential conflicts of interest, perceived or real, arising from its interest in CDS.

28.2 The policies established in accordance with paragraph 28.1 must be made publicly available on TMX Group's website.

28.3 TMX Group must review the effectiveness of the policies and procedures established under paragraph 28.1 on a regular, and at least annual, basis.

28.4 TMX Group must regularly review compliance with the policies and procedures established in accordance with paragraph 28.1, and must document each review and any deficiencies and how those deficiencies were remedied.

28.5 TMX Group must provide a report detailing the reviews conducted under paragraphs 28.3 and 28.4 to the Commission on an annual basis.

29 COMPLIANCE

29.1 TMX Group must promote fair access to CDS and must not unreasonably prohibit, condition or limit access by a person or company to any services provided by CDS.

29.2 TMX Group must promote within CDS a corporate governance structure that minimizes the potential for any conflict of interest between any marketplace owned or operated by TMX Group or TMX Group's affiliated entities and CDS that could adversely affect the clearance and settlement of trades in securities or the effectiveness of CDS's risk management policies, controls and standards.

29.3 TMX Group must do everything within its control to cause CDS Clearing and CDS Inc. to carry out their activities as clearing agencies recognized under section 21.2 of the Act and in compliance with Ontario securities law, and to observe the PFMI Principles.

29.4 TMX Group must certify in writing to the Commission, in a certificate signed by its chief executive officer and general counsel, annually or at other times required by the Commission, that TMX Group is in compliance with the terms and conditions applicable to it in this order and describe in detail:

(a) the steps taken to require compliance;

(b) the controls in place to verify compliance; and

(c) the names and titles of employees who have oversight of compliance.

29.5 If TMX Group, or its directors or officers, becomes aware of a breach or a possible breach of any of the terms and conditions applicable to TMX Group in this order, such person must, within two business days after becoming aware of the breach or possible breach, notify the governance and regulatory oversight committee of TMX Group of the breach or possible breach. The director or officer of TMX Group must provide to the governance and regulatory oversight committee details sufficient to describe the nature, date and effect (actual and anticipated) of the breach or possible breach.

29.6 The governance and regulatory oversight committee must, within two business days after being notified of the breach or possible breach, notify the Commission and confirm that the breach or possible breach is under investigation as required by paragraph 29.7 below.

29.7 The governance and regulatory oversight committee must promptly cause an investigation to be conducted of the breach or possible breach reported under paragraph 29.5. Once the governance and regulatory oversight committee has made a determination as to whether there has been a breach, or that there is an impending breach, of any terms and conditions applicable to TMX Group in this order, the governance and regulatory oversight committee must, within two business days of such determination, notify the Commission of its determination and must provide details sufficient to describe the nature, date and effect (actual or anticipated) of the breach or impending breach, and any actions that will be taken to address it.

APPENDIX A

RULE PROTOCOL REGARDING THE REVIEW AND APPROVAL OF CDS RULES BY THE COMMISSION

1. Purpose of the Protocol

This Protocol sets out the procedures for the submission of a Rule by CDS and the review and approval of a Rule by the Commission. The Commission will, to the extent possible, align and coordinate its process for reviewing and approving a Rule with that of other regulators having jurisdiction over such review and approval.

2. Definitions

In this Protocol:

"Rule" means a proposed new or amendment to or deletion of a Participant rule, operating procedure, manual or similar instrument or document of CDS setting out the respective rights and obligations between CDS and Participants or among Participants.

All other terms have the respective meanings ascribed to them in the Recognition Order and in securities legislation as that term is defined in National Instrument 14-101 *Definitions*.

3. Classification of Rules

CDS must classify a Rule as either "Material" or "Technical/Housekeeping" for the purposes of the approval process set out in this Protocol.

(a) Technical/Housekeeping Rules

For the purpose of this Protocol, a "Technical/Housekeeping" Rule means a Rule that:

(i) relates to non-core clearing services offered by CDS and/or does not have a material impact on Participants of CDS, or the Canadian financial markets;

(ii) involves matters of a technical nature in routine operating procedures and administrative practices relating to CDS services;

(iii) makes consequential amendments to implement a Material Rule that has been published for comment pursuant to this Protocol, and does not contain any additional material amendments that have not previously disclosed in the notice accompanying the Material Rule;

(iv) makes amendments to ensure consistency or compliance with an existing Rule, securities legislation or other regulatory requirement;

(v) corrects spelling, punctuation, typographical or grammatical mistakes, inaccurate cross-referencing, or stylistic formatting, including changes to headings or paragraph numbers.

(b) Material Rules

A Rule that is not a Technical/Housekeeping Rule, as defined in subsection 3(a) above, is a "Material" Rule.

4. Procedures for Review and Approval of Material Rules

(a) Prior Notice of a Significant Material Rule

CDS must notify Commission staff in writing at least 20 days prior to submitting a Material Rule that it anticipates will result in a significant change in its policy, will involve amendments to a significant number of Rules or may be the subject of significant public comment. Commission staff will not begin a formal review of the Material Rule until all relevant documents have been submitted.

(b) Documents to be Submitted with a Material Rule

At least 10 business days prior to publishing a Material Rule under subsection 4(e), CDS must submit the following documents to the Commission:

(i) a cover letter that contains the following information:

A. the classification of the Rule by CDS;

B. CDS's rationale for that classification; and

C. a statement that the Rule is not contrary to the public interest.

(ii) the Rule and, where applicable, a blacklined version of the Rule indicating the proposed changes to an existing Rule;

(iii) a notice of publication that contains the following information:

A. a description of the current Rule, including its nature and purpose, and a description of the nature and purpose of the new Rule, including a description of the new Rule's impact on the rights and obligations of CDS Participants;

B. a description and analysis of the possible effects of the Rule on CDS, CDS Participants and other market participants and the securities and financial markets in general, including but not limited to any impact on competition, risks and the costs of compliance, and where applicable, a comparison of the Rule to international standards;

C. a description of the context in which the Rule was developed, the process followed, the issues considered, consultation done, the alternative approaches considered, the reasons for rejecting the alternatives and a review of the implementation plan;

D. where applicable, a description of the Rule's impact on technological systems used by Participants, other market participants or CDS and, where possible, an implementation plan, including a description of how and when the Rule will be implemented;

E. where applicable, a brief description and comparative analysis of any comparable rules planned or implemented by other clearing agencies;

F. a statement that CDS has determined that the Rule is not contrary to the public interest; and

G. an explanation that all comments should be sent to CDS with a copy to the Commission, and that CDS will make available to the public on request all comments received during the comment period.

(c) Confirmation of Receipt

Commission staff will confirm receipt of documents submitted by CDS under subsection 4(b) within 3 business days.

(d) Notice of Publication Date

At least 5 business days prior to publishing a Material Rule under subsection 4(e), CDS must provide the Commission with notice in writing of the date on which the Rule will be published by CDS.

(e) Publication of a Material Rule by CDS

CDS must publish on its website the notice and Rule submitted by CDS under subsection 4(b) for a comment period of at least 30 days (**comment period**), beginning on the date on which the notice first appears on its website. CDS must inform Commission staff in writing that the Rule has been published as soon as practicable following its publication, and must provide Commission staff with a link to the publication. Where requested by Commission staff, CDS must provide a longer public comment period.

(f) Publication of Notice of Material Rule Submission by Commission Staff

As soon as practicable after publication of a Material Rule by CDS, Commission staff will publish a notice that contains the following information:

(i) CDS has submitted a Material Rule for approval by the Commission;

(ii) a brief description of the Rule;

(iii) a link to the Rule on the CDS website; and

(iv) the date on which CDS has indicated the comment period will close.

(g) Review by Commission Staff

Commission staff will use their best efforts to conduct their initial review of the Material Rule and provide comments to CDS during the comment period. However, there will be no restriction on the amount of time necessary to complete the review of the Material Rule.

(h) CDS Responses to Commission Staff's Comments and Public Comments

(i) Within 5 days of the end of the comment period, CDS must confirm to Commission staff in writing whether it received any public comments. If requested by Commission staff, CDS will provide Commission staff with a copy of any public comments it has received.

(ii) Within 60 days of the end of the comment period, CDS must provide Commission staff with a summary of all public comments received and its responses to those comments.

(iii) If CDS fails to respond to comments from Commission staff within 120 days after receipt of their comment letter, it will be deemed to have withdrawn the Material Rule unless Commission staff agree otherwise based on written submissions provided by CDS.

(i) Decision by the Commission and Publication of Approval Notice

Commission staff will use their best efforts to prepare the Material Rule for approval within 30 days of the later of (a) receipt of written responses from CDS to staff's comments or requests for additional information, and (b) receipt of the summary of public comments and CDS's response to the public comments, or confirmation from CDS that there were no comments received. If at any time during the review period, Commission staff determine that they have further comments or require further information from CDS in order to prepare the materials for Commission review, the review period will be extended by an additional period of 30 days commencing on the day that Commission staff receive responses to the comments, or the information requested.

Commission staff will notify CDS of the Commission's decision regarding the Material Rule within 5 business days of the Commission decision. If the Commission approves the Material Rule, Commission staff will prepare and publish a short notice of approval.

(j) Publication by CDS

As soon as practicable after receiving a notice of approval under subsection 4(i), CDS must publish the following information on its website:

(i) a short summary of the Material Rule;

(ii) CDS's summary of the public comments received and CDS's response to the comments, or as applicable a statement that CDS did not receive public comments on the Material Rule;

(iii) if changes were made to the version of the Rule published for public comment, a blacklined copy of the revised Material Rule; and

(iv) the effective date of the Rule, which must be at least 5 business days following the date of publication of the notice under this subsection.

(k) Significant Revisions to a Material Rule

When a Material Rule is revised subsequent to its publication for comment in a way that Commission and CDS staff determine has a material effect on the substance of the Rule or its effect, CDS must publish the revision and an explanatory notice on its website for a second 30 day comment period. Where requested by Commission staff, CDS must provide a longer public comment period. The request for comment must include CDS's summary of and responses to the comments that were submitted in response to the previous request for comments, together with an explanation of the revisions to the Material Rule and the supporting rationale for the amendment. A notice of the revisions may also be published by Commission staff.

(l) Withdrawal of a Material Rule

If CDS withdraws or is deemed to have withdrawn a Rule that was previously submitted, it must provide a notice of withdrawal to the Commission and publish the notice on its website. A notice will also be published by Commission staff.

5. Procedures for Filing a Technical/Housekeeping Rule

(a) Documents to be Submitted

For a Technical/Housekeeping Rule, CDS must submit to the Commission the following documents electronically, or by other means as agreed to by the Commission staff and CDS from time to time:

(i) a cover letter that indicates the classification of the Rule and the rationale for that classification;

(ii) the Rule and, where applicable, a blacklined version of the Rule indicating the proposed changes to an existing Rule; and

(iii) a short notice of publication to be published by CDS on its website that contains the following information:

A. a brief description of the Technical/Housekeeping Rule;

B. the reasons for the Technical/Housekeeping classification; and

C. the effective date of the Technical/Housekeeping Rule, or a statement that the Technical/Housekeeping Rule will be effective on a date subsequently determined by CDS.

(b) Confirmation of Receipt

Commission staff will within 3 business days send to CDS a confirmation of receipt of the documents submitted by CDS under subsection 5(a).

(c) Effective Date of Technical/Housekeeping Rules

The Technical/Housekeeping Rule will be effective upon on a date determined by CDS, and in any event no earlier than 10 days following its publication on the CDS website and 15 business days following its submission to the Commission.

(d) Publication of Notice of Technical/Housekeeping Rule Submission by Commission Staff

As soon as practicable after providing CDS with a confirmation of receipt under subsection 5(b), Commission staff will publish a notice that contains the following information:

(i) CDS has submitted a Technical/Housekeeping Rule to the Commission;

(ii) a brief description of the Rule;

(iii) a link to the Rule on the CDS website; and

(iv) if known, the date on which CDS has indicated that the Rule will come into effect.

(e) Disagreement with Classification

Where CDS has classified a Rule as "Technical/Housekeeping" and Commission staff disagree with the classification:

(i) Commission staff will communicate to CDS, in writing, the reasons for disagreeing with the classification of the Rule within 15 business days after receipt of CDS's submission.

(ii) After receipt of Commission staff's written communication, CDS must promptly publish a notice that the Rule has been reclassified as a Material Rule and that it will follow the procedure for review and approval of a Material Rule.

(iii) CDS must re-classify the Rule as Material and the Commission will review the Rule under the procedures set out in section 4.

(f) Comments received on Technical/Housekeeping Rules

If comments are raised in response to the publication of the notice or the implementation of the Technical/Housekeeping Rule, Commission staff may review the Rule in light of the comments received. Commission staff may determine that the Rule was incorrectly classified and require that the Rule be classified as a Material Rule and reviewed and approved by the Commission in accordance with the procedures set out in section 4 with necessary modifications. If the Commission subsequently disapproves the Material Rule, CDS must immediately withdraw or repeal the Material Rule and inform its Participants of the disapproval.

6. Immediate Implementation of a Material Rule

(a) Criteria for Immediate Implementation

CDS may make a Material Rule effective immediately where CDS determines that there is an urgent need to implement the Material Rule because of a substantial and imminent risk of material harm to CDS, Participants, other market participants, or the Canadian capital markets, or due to a change in operation imposed by a third party supplying services to CDS and its Participants.

(b) Prior Notification to Commission

Where CDS determines that immediate implementation is necessary, CDS must advise Commission staff in writing as soon as possible prior to the implementation of the Rule. Such written notice must include an analysis to support the need for immediate implementation.

(c) Notification to Participants

Prior to implementing the Material Rule, CDS must publish a notice on its website that includes the Rule and a brief description of the Rule.

(d) Disagreement on Need for Immediate Implementation – Prior to Rule Implementation

If Commission staff do not agree that immediate implementation is necessary, the process for resolving the disagreement prior to implementation of the Rule will be as follows:

(i) Where feasible, prior to the Rule's implementation Commission staff will notify CDS in writing of the disagreement, or request more time to consider the immediate implementation.

(ii) Commission staff and CDS will discuss and resolve any concerns raised by Commission staff.

(iii) If Commission staff continue to disagree that immediate implementation is necessary, CDS must not proceed with immediate implementation and must follow the procedure set out in section 4 with any necessary modifications as may be agreed to by CDS and Commission staff.

(e) Disagreement on Need for Immediate Implementation – Following Rule Implementation

If Commission staff do not agree that immediate implementation is necessary, the process for resolving the disagreement following the implementation of the Rule will be as follows:

(i) Commission staff will notify CDS, in writing, of the disagreement as soon as possible.

(ii) Commission staff and CDS will discuss and resolve any concerns raised by Commission staff.

(iii) If Commission staff conclude that immediate implementation was not necessary, CDS must withdraw the Rule and post a notice of withdrawal on its website.

(iv) If CDS wishes to proceed with the Rule, it must follow the procedure set out section 4 with any necessary modifications as may be agreed to by CDS and Commission staff.

(f) Review of Material Rules Implemented Immediately

A Material Rule that has been implemented immediately must be published, reviewed and approved in accordance with the procedures set out in section 4 with necessary modifications. If the Commission subsequently disapproves the Material Rule, CDS must immediately repeal the Material Rule and inform its Participants of the disapproval.

7. Miscellaneous Provisions

(a) Waiving Provisions of the Protocol

Commission staff may waive any part of this Protocol upon request from CDS. Such a waiver must be granted in writing by Commission staff.

(b) Amendments

This Protocol and any provision hereof may be amended at any time or times with the agreement of the Commission and CDS.

APPENDIX B

FEE AND REBATE MODEL APPROVED BY THE COMMISSION

1. Fees for services and products offered by CDS must be the prices on the 2012 Fee Schedule. CDS must make a copy of the 2012 Fee Schedule, including prices for delivery services, publicly available on its website.

2. CDS must not seek approval for fee increases on clearing and other core CDS services unless there is a significant change from current circumstances.

3. CDS must share 50% of any increase in annual revenue on clearing and other core CDS services as compared to annual revenues in the fiscal year ending on October 31, 2012, with Participants. Sharing of revenue on core services for any fiscal year must be paid through one or more of the following methods as may be determined by CDS: an annual adjustment of the quoted fee at the start of that fiscal year, intra-year discount(s) and a year-end proportionate rebate by core service category to Participants (paid pro rata to Participants in accordance with the fees paid by such Participants for such core service).

4. For the purposes of sections 2 and 3 above, “clearing and other core CDS services” means the services with the highlighted codes in the 2012 Fee Schedule.

5. CDS must rebate an additional amount to Participants each year in respect of clearing services for trades conducted on an exchange or ATS. The aggregate rebate for each 12-month period will be $4 million. This additional rebate for any 12-month period must be paid through one or more of the following methods as may be determined by CDS: an annual adjustment of the quoted fee at the start of that 12-month period, intra-year discount(s) and a proportionate rebate to Participants at the end of the 12-month period (paid pro rata to Participants in accordance with the fees paid by such Participants in respect of clearing services for trades conducted on an exchange or ATS).

APPENDIX C

REPORTING OBLIGATIONS

PART I – REPORTING OBLIGATIONS OF CDS AND CDS LTD.

In addition to complying with the obligations set out in Schedule A to the Recognition Order and the requirements of National Instrument 24-102 *Clearing Agency Requirements*, CDS must also comply with all additional reporting obligations set out below.

1. Prior Notification

1.1 CDS must provide to Commission staff prior notification of a decision to enter into an agreement, memorandum of understanding or other similar arrangement with any governmental or regulatory body, self-regulatory organization, clearing agency, stock exchange, other marketplace or market.

2. Immediate and Prompt Notification

2.1 CDS must immediately notify the Commission of any event or occurrence that has caused or could reasonably be expected to cause an adverse material effect on:

(a) CDS;

(b) its Participants;

(c) any of its services; or

(d) the Canadian financial markets.

2.2 The events and occurrences referred to in 2.1 include but are not limited to:

(a) a Participant default;

(b) fraudulent activity; and

(c) a significant breach of the CDS rules by its Participant(s).

2.3 CDS must provide to the Commission prompt notice of:

(a) the appointment of any new director or officer, including a description of the individual's employment history; and

(b) the receipt of notice of resignation from, or the resignation of a director or officer or the auditors of CDS, including a statement of the reasons for the resignation.

2.4 CDS must immediately notify the Commission if it:

(a) becomes the subject of any order, directive or other similar action of a governmental or regulatory authority;

(b) becomes aware that it is the subject of a criminal or regulatory investigation; or

(c) becomes aware that it is or will become the subject of a material lawsuit.

2.5 CDS must provide the Commission with prompt access to all notices, bulletins and similar forms of communication that CDS sends its Participants in accordance with paragraph 16.2 of Schedule A, and must immediately notify the Commission of and provide a copy to the Commission of any such communication that CDS deems to be of critical importance to its Participants, including any communications made on an emergency basis.

2.6 CDS must promptly notify the Commission of all reportable incidents in accordance with applicable regulatory incident management protocols.

3. Quarterly Reporting

3.1 CDS must submit quarterly, or at any other frequency determined by the Commission, risk management reports related to Participant positions and the adequacy of CDS' financial resources and liquidity resources, including but not limited to the required levels of margins, default funds and liquidity funds, as well as stress testing and back testing results.

3.2 The reports required to be submitted to the Commission under 3.1 must include but not be limited to the list of reports included as Annex I to this Appendix, as may be modified from time to time with the agreement of Commission staff and CDS.

3.3 CDS must submit quarterly any approved minutes of meetings of board committees, management committees, and Participant committees, as well as approved minutes of all meetings of the board of directors.

3.4 CDS must submit quarterly to the Commission a list of all breaches reported of this Recognition Order, if any, and must include a reference to the paragraphs of the Order that were breached.

3.5 CDS must submit quarterly to the Commission a list of the risk management reports, internal audit reports and any other reports prepared by, or based on reviews conducted by, an independent party that have been issued in the previous quarter, and on request by the Commission must promptly provide copies of those reports to Commission staff.

3.6 CDS must submit quarterly its assessments of the risks facing CDS and its plans for addressing those risks.

3.7 CDS must submit quarterly to the Commission risk-related reports on cybersecurity and a risk events report.

3.8 CDS must provide the Commission with a written report detailing all of its internal audit activities during the quarter in accordance with paragraph 10.8 of Schedule A.

4. Annual Reporting

4.1 CDS must provide to the Commission annually CDS's strategic plan.

4.2 CDS must provide to the Commission an independent auditor's report regarding its compliance with the approved fee and rebate model within 90 days of its fiscal year-end, in accordance with paragraph 7.11 of Schedule A.

4.3 CDS must provide to the Commission an independent auditor's report regarding compliance by CDS and its affiliated entities with the approved internal cost allocation model and transfer pricing policies within 90 days of its fiscal year-end, in accordance with paragraph 8.3 of Schedule A.

4.4 CDS must provide to the Commission at least annually its updated recovery plan in accordance with paragraph 10.6 of Schedule A.

4.5 CDS must provide the Commission annually with a written description of the scope of its annual internal audit plan in accordance with paragraph 10.7 of Schedule A.

4.6 CDS must provide the Commission with its annual budget in accordance with paragraph 18.1 of Schedule A.

PART II – ANNUAL REPORTING OBLIGATIONS OF TMX GROUP

5.1 TMX Group must provide to the Commission annually a report regarding the effectiveness of, and compliance with, its policies and procedures regarding conflicts of interest as described in paragraph 28.1 of Schedule A, in accordance with paragraph 28.5 of Schedule A.

5.2 TMX Group must provide to the Commission annually or at other times required by the Commission a written certification of its compliance with the applicable terms of this Recognition Order, as well as the steps taken to require compliance, the controls in place to verify compliance, and the names and titles of employees who have oversight of compliance, in accordance with paragraph 29.4 of Schedule A.

ANNEX I TO APPENDIX C

Reports Required to be Submitted to the Commission by CDS

1. Reports to be Submitted

1.1 All reports submitted by CDS under this Annex I must be submitted in a manner and a form acceptable to Commission staff.

1.2 The list of reports in the table below does not limit the scope of CDS's reporting obligations under the CDS Recognition Order or Ontario securities law, nor does it limit the information to be provided by CDS to the Commission on request under paragraph 16.1 of Schedule A to the Recognition Order.

1.3 This Annex may be amended from time to time with the agreement of Commission staff and CDS, without a formal amendment to the Recognition Order.

2. Table of Reports to be Submitted:

Item	Document Name/Content	Frequency and Timing
1.	CDS Supplementary Regulatory Report ● liquidity exposures, credit exposures and collateral	Weekly ● + adding participant level data, max one-week lag
2.	Collateral Credit Facilities and Resulting Credit Facilities	Weekly max one-week lag
3.	ACV Concentration and Average Haircut Rates by Instrument Type	Weekly (AMF, BoC and OSC) ● max one-week lag
4.	ACV Concentration, Average Haircut Rate and Market Value of Collateral	
5.	CDS Liquidity Risk Report	Weekly ● max one-week lag
6.	CDS Exchange Traded Detailed	Weekly ● lag TBD
7.	Collateral Credit Facilities Breakdown	Weekly ● lag TBD
8.	Distribution of Equity Haircut	Weekly max one-week lag
9.	Liquidity Breakdown	Weekly ● lag TBD
10.	Risk Monitoring and Surveillance Report	Monthly ● max one-month lag

B.2.3 The Canadian Derivatives Clearing Corporation – ss. 21.2, 144

Headnote

Subsection 144(1) of the Securities Act (Ontario) – application for order varying the Commission's order recognizing the Canadian Derivatives Clearing Corporation (CDCC) as a clearing agency – variation required to streamline and update applicable regulatory reporting requirements and to reduce regulatory burden – requested order granted.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 21.2, 144(1).

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

AND

IN THE MATTER OF
THE CANADIAN DERIVATIVES CLEARING CORPORATION

ORDER
(Sections 21.2 and 144 of the Act)

WHEREAS the Ontario Securities Commission (**Commission**) issued an order dated April 18, 2014 recognizing the Canadian Derivatives Clearing Corporation (**CDCC**) as a clearing agency pursuant to section 21.2 of the Act (**CDCC Recognition Order**);

AND WHEREAS the Commission considers the proper operation of a clearing agency as essential to investor protection and maintaining a fair and efficient capital market, and the Commission may recognize a clearing agency, pursuant to section 21.2 of the Act, if it is satisfied that it is in the public interest to do so;

AND WHEREAS the Commission has received an application under section 144 of the Act to vary and restate the CDCC Recognition Order to reflect the streamlining of certain reporting requirements, to reduce regulatory burden and to modernize the order (**Application**);

AND WHEREAS CDCC has agreed to the applicable terms and conditions set out in the Schedule to the CDCC Recognition Order;

AND WHEREAS based on the Application, the Commission has determined that:

(a) CDCC continues to satisfy the criteria for recognition set out in National Instrument 24-102 *Clearing Agency Requirements*;

(b) it is in the public interest to continue to recognize CDCC as a clearing agency pursuant to section 21.2 of the Act, subject to terms and conditions that are set out in Schedule A to this order; and

(c) it is not prejudicial to the public interest to vary and restate the current Recognition Order;

IT IS ORDERED, pursuant to section 144 of the Act, that the Application to vary and restate the CDCC Recognition Order is granted.

IT IS ORDERED, pursuant to section 21.2 of the Act, that CDCC continues to be recognized as a clearing agency;

provided CDCC complies with the terms and conditions set out in the Schedule to the CDCC Recognition Order, as applicable.

DATED this 15th day of June, 2023.

"Susan Greenglass"
Director, Market Regulation
Ontario Securities Commission

SCHEDULE A – TERMS AND CONDITIONS

Part I – Definitions

For the purposes of this Schedule A:

"affiliated entity" has the meaning ascribed to it in subsection 1.2(1) of National Instrument 24-102 *Clearing Agency Requirements;*

"CDCC" means the Canadian Derivatives Clearing Corporation;

"Clearing Member" means a clearing member that uses the services offered by CDCC which are governed by the CDCC's Rules;

"Critical Services" mean activities, functions or services of such a nature that any interruption in their provision could lead to the collapse of or present a serious impediment to the performance of one or more critical functions of the clearing agency;

"financial risk model" means the mechanisms adopted by CDCC to manage the risk of potential loss in the provision of clearing services for securities and derivatives transactions due to the failure of a Clearing Member to fulfill its obligations, and for greater certainty:

(i) includes margin and clearing fund calculation models, stress and backtesting policies and procedures for determining the adequacy of CDCC's total financial resources, collateral and treasury management policies and procedures, and other tools to manage CDCC's credit and liquidity risk, but

(ii) does not include mechanisms to manage business or operational risk;

"IT Systems" means CDCC's information technology systems supporting the services or the business operations of CDCC;

"Ontario securities law" has the meaning ascribed to it in subsection 1(1) of the Act;

"PFMIs" means the principles contained in the CPMI-IOSCO *Principles for Financial Market Infrastructures*, as amended from time to time, or any successor principles or recommendations;

"report" includes electronic data files and similar documents, as the context permits;

"Rule" has the meaning ascribed to it in section 2 of the Rule Protocol at Appendix A to this Schedule; and

"TMX Group" means TMX Group Limited.

Part II – Terms and Conditions

1 OWNERSHIP OF CDCC

1.1 CDCC must not make any changes to its ownership structure without the prior approval of the Commission.

2 REGULATION OF CDCC

2.1 CDCC must continue to meet the criteria for recognition under applicable Ontario securities law.

3 PUBLIC INTEREST RESPONSIBILITY

3.1 CDCC must conduct its business and operations in a manner that is consistent with the public interest, and the mandate of its board of directors must expressly include CDCC's public interest responsibility.

4 GOVERNANCE

4.1 CDCC must promote within CDCC a governance structure that minimizes the potential for any conflict of interest between CDCC and its shareholder(s) that could adversely affect the clearing of products cleared by CDCC or the effectiveness of CDCC's risk management policies, controls and standards.

4.2 CDCC's governance arrangements must be designed to fulfill its public interest responsibility under s. 3.1 and to balance the interests of its shareholders and its Clearing Members and other users of its services.

4.3 CDCC must actively consider any conflict of interest or potential conflict of interest that arises as a result of any CDS/CDCC mirror board structure, and if CDCC identifies any conflict of interest or potential conflict of interest that arises as a result of such a CDS/CDCC mirror board structure, CDCC will notify the Commission as soon as possible and provide the Commission with:

(a) a written summary of the relevant facts relating to the conflict of interest, or potential conflict of interest;

(b) a detailed description of how the conflict of interest will be resolved; and

(c) timing to resolve the conflict of interest.

4.4 The CDCC governance structure must provide for the use of one or more external advisory committees to provide advice, comments and recommendations to assist the board of directors of CDCC, and such committees must meet the following requirements:

(a) membership and attendance must, in accordance with the mandate of the respective committee, be open to all Clearing Members that connect to or use the services provided by CDCC;

(b) the committees may on any matters that they deem appropriate, and must if requested by the Commission, report directly to the Commission without first requiring board approval or notification of such reporting; and

(c) a staff representative of the Commission may attend any meetings of the committees as an observer.

4.5 CDCC must obtain prior Commission approval before:

(a) making changes to its constating documents;

(b) making changes to the structure of its board of directors or any of its board committees.

4.6 CDCC must notify the Commission in writing at least 30 days before:

(a) making changes to the structure of its marketplace committee or of any of its Clearing Member committees; or

(b) making changes to the mandates of its board of directors, board committees, marketplace committee, or Clearing Member committees.

4.7 If Commission staff do not object in writing within 15 days of receiving written notice under paragraph 4.6, the Commission shall be deemed not to object to the changes.

4.8 CDCC must establish and maintain a risk and audit committee of its board of directors, whose mandate includes, at a minimum, the following:

(a) providing advice and recommendations to the board of directors to assist it in fulfilling its risk management responsibilities, including reviewing and assessing CDCC's risk management policies and procedures, the adequacy of the implementation of appropriate procedures to mitigate and manage such risks and CDCC's participation standards and collateral requirements;

(b) monitoring the financial performance of CDCC and providing financial management oversight and direction to the business and affairs of CDCC; and

(c) advising the board of directors on the fairness, reasonableness and competitiveness of its pricing and fees in the context of the Canadian capital market and trends relating to comparable services offered by clearing houses worldwide.

4.9 The risk and audit committee's composition must be as follows:

(a) a minimum of five directors;

(b) an independent chair; and

(c) at least two industry directors who represent a diversity of Clearing Members

(d) a majority of directors who are either independent or who represent a diversity of Clearing Members.

4.10 In the event that CDCC fails to meet the requirements of this Part, it must immediately advise the Commission and take appropriate measures to promptly remedy such failure.

5 FITNESS

5.1 CDCC must take reasonable steps to ensure that each director and officer of CDCC is a fit and proper person. CDCC must, among other things, consider whether the past conduct of each director or officer affords reasonable grounds for

the belief that the director or officer will perform his or her duties with integrity and in a manner that is consistent with the public interest responsibility of CDCC.

6 ACCESS

6.1 With respect to the Fixed Income CCP Service or any other CCP service for transactions in the cash markets and only for as long as CDCC offers such services:

(a) CDCC must allow any person or company, including other third party post-trade service providers, that meets CDCC's minimum operational requirements, to interface or connect to any of its services or systems on a commercially reasonable basis;

(b) the Rules or any other arrangements between CDCC and its Clearing Members or between CDCC and a cash marketplace must:

(i) be designed to foster cooperation and coordination with persons engaged in the clearance and settlement of securities transactions and to remove impediments to the prompt and accurate clearance and settlement of securities transactions;

(ii) not unreasonably create an impediment to competition including in respect of securities trades that are executed on marketplaces, or processed by third party post-trade service providers, not owned or controlled by TMX Group Limited; and

(iii) without limiting the generality of the foregoing, not unreasonably prohibit, limit or impede, directly or indirectly, the ability of Clearing Members to engage other third party post-trade service providers or use their services.

7. FEES

7.1 CDCC must provide timely notice to its Clearing Members, the public and the Commission of any changes to fees charged by CDCC for its services.

7.2 CDCC must submit concurrently to the Commission all the reports filed with other regulatory authorities regarding the review of the fees and fee models related to clearing or other services of CDCC and any of its affiliates.

7.3 CDCC's process for setting fees for any of its services must provide for meaningful input from the risk and audit committee of its board of directors.

8 PFMI COMPLIANCE REPORTS

8.1 CDCC must promptly notify the Commission in writing each time it publishes a report on its website regarding its compliance with the PFMIs.

9 RISK CONTROLS

9.1 CDCC must have clearly defined and transparent procedures for the management of risk which specify the respective responsibilities of CDCC and its Clearing Members.

9.2 CDCC must, as required by the Commission, engage an independent qualified party, acceptable to the Commission, to conduct an assessment of CDCC's financial risk model and prepare a report on the findings, conclusions and any recommendations. The Commission will have the ability to provide input into the scope of such assessment, and may include an assessment of how CDCC's financial risk model balances the need for appropriate risk management and maintenance of fair and open access. CDCC must provide the written report to its board of directors promptly after the report's completion and then to the Commission within 30 days of providing it to its board.

9.3 CDCC must seek prior Commission approval at least 60 days before making material changes to its risk management framework. CDCC must assess the materiality of a proposed change based on the effect of such a change on CDCC, CDCC Clearing Members, the Canadian financial system or the control of risk for the IT Systems supporting CDCC's Critical Services.

9.4 CDCC must notify the Commission in writing at least 20 days prior to implementing (i) a change to its risk management framework that would not have a material effect on any of CDCC, CDCC Clearing Members, the Canadian financial system or the control of risk for the IT Systems supporting CDCC's Critical Services, or (ii) any technical/housekeeping changes made to its risk management framework.

9.5 If the Commission disagrees with CDCC's categorization of the change to its risk management framework under paragraph 9.4, CDCC must obtain the Commission's approval for the change under 9.3.

9.6 CDCC must provide the Commission with an updated recovery plan at least annually.

9.7 CDCC must provide the Commission with a written description of the scope of its annual internal audit plan in advance of such plan being provided to the audit committee for approval, and must provide the Commission at least 30 days prior written notice before finalizing the scope of the plan.

9.8 CDCC must submit quarterly a written report detailing all of its internal audit activities during the quarter (including with respect to shared services). The report must include any corrective measures undertaken by CDCC to address the internal audit gaps in the report.

10 OUTSOURCING

10.1 CDCC must notify the Commission in writing at least 45 days prior to entering into or materially amending any outsourcing arrangement (including outsourcing to affiliated entities of CDCC) related to any of its Critical Services.

10.2 CDCC must notify the Commission in writing at least 15 days prior to renewing any outsourcing arrangement (including outsourcing to affiliated entities of CDCC) related to any of its Critical Services.

10.3 CDCC must promptly notify the Commission in writing of any material issues that arise in connection with its outsourcing arrangements with respect to Critical Services.

11 RULES

11.1 CDCC's rules and the process for adopting new rules or amending existing rules must be transparent to Clearing Members and the general public.

11.2 CDCC must comply with the Rule Protocol included at Appendix A.

12 ENFORCEMENT OF RULES AND DISCIPLINE

12.1 The rules of CDCC must set out appropriate sanctions in the event of non-compliance by Clearing Members.

12.2 CDCC must reasonably monitor Clearing Member activities and impose sanctions to ensure compliance by Clearing Members with its rules.

13 CONFIDENTIALITY OF INFORMATION

13.1 CDCC must not release Clearing Members' confidential information to a person or company other than CDCC's affiliates, the Clearing Member, a regulation services provider, CDCC's regulators or another securities regulatory authority unless:

(a) the Clearing Member has consented in writing to the release of the information;

(b) disclosure of the information is permitted by, and made in accordance with, the CDCC Rules;

(b) the release of the information is required by Ontario securities law or other applicable law; or

(c) the information has been publicly disclosed by another person or company, and CDCC reasonably believes that the disclosure was lawful.

13.2 CDCC must implement reasonable safeguards and procedures to protect Clearing Members' information, including limiting access to such information to employees of CDCC, or persons or companies retained by CDCC to operate the system.

13.3 CDCC must implement adequate oversight procedures to ensure that the safeguards and procedures established under paragraph 13.2 are followed.

14 PROVISION OF INFORMATION

14.1 On request by the Commission, CDCC must promptly provide the Commission with any and all data, information and analyses in the custody or control of CDCC or any of its affiliates, without limitations, restrictions or conditions, including, without limiting the generality of the foregoing:

(a) data, information and analyses relating to all its or their businesses; and

(b) data, information and analyses of third parties in its or their custody and control.

14.2 CDCC must provide the Commission with access to copies of all notices, bulletins and similar forms of communication that it sends its Clearing Members in respect of their participation in CDCC.

14.3 CDCC must share information and otherwise cooperate with recognized self-regulatory organizations, investor protection funds and other appropriate regulatory bodies.

14.4 CDCC must, on a commercially reasonable basis and subject to appropriate confidentiality protections being in force, share information and otherwise cooperate with other recognized or exempt clearing agencies, recognized or exempt exchanges, recognized or exempt quotation and trade reporting systems, and registered alternative trading systems.

14.5 CDCC must make available to all Clearing Members any reports required under paragraph 9.2 of this Schedule, subject to redaction of any information that CDCC reasonably believes is competitively sensitive.

14.6 The disclosure or sharing of information by CDCC or any of its affiliates pursuant to paragraphs 14.1, 14.3 and 14.4 is subject to any confidentiality provisions contained in agreements entered into between CDCC and the Bank of Canada pertaining to information received from the Bank of Canada.

15 COMPLIANCE

15.1 If CDCC, or its directors or officers, becomes aware of a breach or a possible breach of any of the terms and conditions applicable to CDCC under this order, such person must, within two business days after becoming aware of the breach or possible breach, notify the risk and audit committee of the breach or possible breach. The director or officer of CDCC must provide to the risk and audit committee details sufficient to describe the nature, date and effect (actual and anticipated) of the breach or possible breach.

15.2 The risk and audit committee must, within two business days after being notified of the breach or possible breach, notify the Commission and confirm that the breach or possible breach is under investigation as required by paragraph 15.3 below.

15.3 The risk and audit committee must promptly cause an investigation to be conducted of the breach or possible breach reported under paragraph 15.2. Once the risk and audit committee has made a determination as to whether there has been a breach, or that there is an impending breach, of any terms and conditions applicable to CDCC under this order, the risk and audit committee must, within two business days of such determination, notify the Commission of its determination and must provide details sufficient to describe the nature, date and effect (actual and anticipated) of the breach or impending breach, and any actions that will be taken to address it.

16 FINANCIAL VIABILITY

16.1 CDCC must provide the Commission its annual budget, accompanied by the underlying assumptions, approved by its board of directors.

17 SYSTEMS CAPACITY, INTEGRITY AND SECURITY

17.1 At least 45 days prior to implementing a material change affecting its IT Systems, CDCC must provide the Commission with a written description of the change.

17.2 For any change to its IT Systems other than a change contemplated in paragraph 17.1, CDCC must provide the Commission with a written description of the change, within 30 days following the end of the calendar quarter during which the change occurred.

18 REPORTING OBLIGATIONS

18.1 CDCC must comply with Appendix B to this Schedule setting out its reporting obligations to the Commission.

PART III – Terms and Conditions Applicable to TMX Group

19 PUBLIC INTEREST RESPONSIBILITY

19.1 TMX Group must conduct, and must ensure that CDCC conducts, its business and operations in a manner that is consistent with the public interest.

20 FEES

20.1 TMX Group must ensure that none of its affiliated entities provide, through any fee schedule, fee model or any contract with any marketplace participant or other market participant, any discount, rebate, allowance, price concession or similar arrangement on any services or products offered by the affiliated entity that is conditional upon the purchase of any service or product provided by CDCC.

21 ALLOCATION OF RESOURCES

21.1 TMX Group must, for so long as CDCC carries on business as a clearing agency, allocate sufficient financial and other resources to CDCC to ensure that it can carry out its functions in a manner that is consistent with the public interest and in compliance with Ontario securities law.

21.2 TMX Group must notify the Commission immediately upon becoming aware that it is or will be unable to allocate sufficient financial and other resources to CDCC, as required under paragraph 21.1.

22 PROVISION OF INFORMATION

22.1 On request by the Commission, TMX Group must, and must cause CDCC to, promptly provide the Commission with any and all data, information and analysis in CDCC's custody or control, without limitations, restrictions or conditions, including data, information and analysis relating to all of CDCC' businesses.

22.2 TMX Group must, and must cause CDCC to share information and otherwise cooperate with recognized self-regulatory organizations, investor protection funds and other appropriate regulatory bodies.

22.3 TMX Group must, and must cause CDCC to, on a commercially reasonable basis and subject to appropriate confidentiality protections being in force, share information and otherwise cooperate with other recognized or exempt entities.

22.4 The disclosure or sharing of information by TMX Group and CDCC pursuant to paragraphs 22.1, 22.2 and 22.3 is subject to any confidentiality provisions contained in agreements entered into with the Bank of Canada.

23 CONFLICTS OF INTEREST

23.1 TMX Group must establish, maintain, and require compliance with policies and procedures that identify and manage any conflicts of interest or potential conflicts of interest, perceived or real, arising from its interest in CDCC.

23.2 The policies established in accordance with paragraph 23.1 must be made publicly available on TMX Group's website.

23.3 TMX Group must review the effectiveness of the policies and procedures established under paragraph 23.1 on a regular, and at least annual, basis.

23.4 TMX Group must regularly review compliance with the policies and procedures established in accordance with paragraph 23.1, and must document each review and any deficiencies and how those deficiencies were remedied.

23.5 TMX Group must provide a report detailing the reviews conducted under paragraphs 23.3 and 28.4 to the Commission on an annual basis.

24 COMPLIANCE

24.1 TMX Group must do everything within its control to cause CDCC to carry out its activities as a clearing agency recognized under section 21.2 of the Act and in compliance with Ontario securities law, and to observe the PFMI Principles.

24.2 Beginning with the fiscal year ending on December 31, 2023, TMX Group must certify in writing to the Commission, in a certificate signed by its chief executive officer and general counsel, annually or at other times required by the Commission, that TMX Group is in compliance with the terms and conditions applicable to it in this order and describe in detail:

(a) the steps taken to require compliance;

(b) the controls in place to verify compliance; and

(c) the names and titles of employees who have oversight of compliance.

24.3 If TMX Group, or its directors or officers, becomes aware of a breach or a possible breach of any of the terms and conditions applicable to TMX Group in this order, such person must, within two business days after becoming aware of

the breach or possible breach, notify the governance and regulatory oversight committee of TMX Group of the breach or possible breach. The director or officer of TMX Group must provide to the governance and regulatory oversight committee details sufficient to describe the nature, date and effect (actual and anticipated) of the breach or possible breach.

24.4 The governance and regulatory oversight committee must, within two business days after being notified of the breach or possible breach, notify the Commission and confirm that the breach or possible breach is under investigation as required by paragraph 24.5 below.

24.5 The governance and regulatory oversight committee must promptly cause an investigation to be conducted of the breach or possible breach reported under paragraph 24.4. Once the governance and regulatory oversight committee has made a determination as to whether there has been a breach, or that there is an impending breach, of any terms and conditions applicable to TMX Group in this order, the governance and regulatory oversight committee must, within two business days of such determination, notify the Commission of its determination and must provide details sufficient to describe the nature, date and effect (actual or anticipated) of the breach or impending breach, and any actions that will be taken to address it.

APPENDIX A

RULE PROTOCOL REGARDING THE REVIEW AND APPROVAL OF CDCC RULES BY THE COMMISSION

1. Purpose of the Protocol

This Protocol sets out the procedures for the submission of a Rule by CDCC and the review and approval of a Rule by the Commission. The Commission will, to the extent possible, align and coordinate its process for reviewing and approving a Rule with that of other regulators having jurisdiction over such review and approval.

2. Definitions

In this Protocol:

"Rule" means a proposed new or amendment to or deletion of a clearing rule, operating procedure, manual or similar instrument or document of CDCC setting out the respective rights and obligations between CDCC and its Clearing Members or among the Clearing Members.

All other terms have the respective meanings ascribed to them in the Recognition Order and in securities legislation as that term is defined in National Instrument 14-101 *Definitions*.

3. Classification of Rules

CDCC must classify a Rule as either "Material" or "Technical/Housekeeping" for the purposes of the approval process set out in this Protocol.

(a) Technical/Housekeeping Rules

For the purpose of this Protocol, a "Technical/Housekeeping" Rule means a Rule that:

(i) relates to non-core clearing services offered by CDCC and/or does not have a material impact on Clearing Members of CDCC, or the Canadian financial markets;

(ii) involves matters of a technical nature in routine operating procedures and administrative practices relating to CDCC services;

(iii) makes consequential amendments to implement a Material Rule that has been published for comment pursuant to this Protocol, and does not contain any additional material amendments that have not previously disclosed in the notice accompanying the Material Rule;

(iv) makes amendments to ensure consistency or compliance with an existing Rule, securities legislation or other regulatory requirement;

(v) corrects spelling, punctuation, typographical or grammatical mistakes, inaccurate cross-referencing, or stylistic formatting, including changes to headings or paragraph numbers; or

(vi) is in respect of a new derivative that does not have novel features and is not connected to a new asset class or a new category of products.

(b) Material Rules

A Rule that is not a Technical/Housekeeping Rule, as defined in subsection 3(a) above, is a "Material" Rule.

4. Procedures for Review and Approval of Material Rules

(a) Prior Notice of a Significant Material Rule

CDCC must notify Commission staff in writing at least 20 days prior to submitting a Material Rule that it anticipates will result in a significant change in its policy, will involve amendments to a significant number of Rules or may be the subject of significant public comment. Commission staff will not begin a formal review of the Material Rule until all relevant documents have been submitted.

(b) Documents to be Submitted with a Material Rule

At least 10 business days prior to publishing a Material Rule under subsection 4(e), CDCC must submit the following documents to the Commission:

(i) a cover letter that contains the following information:

A. the classification of the Rule by CDCC;

B. CDCC's rationale for that classification; and

C. a statement that the Rule is not contrary to the public interest.

(ii) the Rule and, where applicable, a blacklined version of the Rule indicating the proposed changes to an existing Rule;

(iii) a notice of publication that contains the following information:

A. a description of the current Rule, including its nature and purpose, and a description of the nature and purpose of the new Rule, including a description of the new Rule's impact on the rights and obligations of CDCC Clearing Members;

B. a description and analysis of the possible effects of the Rule on CDCC, CDCC Clearing Members and other market participants and the securities and financial markets in general, including but not limited to any impact on competition, risks and the costs of compliance, and where applicable, a comparison of the Rule to international standards;

C. a description of the context in which the Rule was developed, the process followed, the issues considered, consultation done, the alternative approaches considered, the reasons for rejecting the alternatives and a review of the implementation plan;

D. where applicable, a description of the Rule's impact on technological systems used by Clearing Members, other market participants or CDCC and, where possible, an implementation plan, including a description of how and when the Rule will be implemented;

E. where applicable, a brief description and comparative analysis of any comparable rules planned or implemented by other clearing agencies;

F. a statement that CDCC has determined that the Rule is not contrary to the public interest; and

G. an explanation that all comments should be sent to CDCC with a copy to the Commission, and that CDCC will make available to the public on request all comments received during the comment period.

(c) Confirmation of Receipt

Commission staff will confirm receipt of documents submitted by CDCC under subsection 4(b) within 3 business days.

(d) Notice of Publication Date

At least 5 business days prior to publishing a Material Rule under subsection 4(e), CDCC must provide the Commission with notice in writing of the date on which the Rule will be published by CDCC.

(e) Publication of a Material Rule by CDCC

CDCC must publish on its website the notice and Rule submitted by CDCC under subsection 4(b) for a comment period of at least 30 days (**comment period**), beginning on the date on which the notice first appears on its website. CDCC must inform Commission staff in writing that the Rule has been published as soon as practicable following its publication, and must provide Commission staff with a link to the publication. Where requested by Commission staff, CDCC must provide a longer public comment period.

(f) Publication of Notice of Material Rule Submission by Commission Staff

As soon as practicable after publication of a Material Rule by CDCC, Commission staff will publish a notice that contains the following information:

(i) CDCC has submitted a Material Rule for approval by the Commission;

(ii) a brief description of the Rule;

(iii) a link to the Rule on the CDCC website; and

(iv) the date on which CDCC has indicated the comment period will close.

(g) Review by Commission Staff

Commission staff will use their best efforts to conduct their initial review of the Material Rule and provide comments to CDCC during the comment period. However, there will be no restriction on the amount of time necessary to complete the review of the Material Rule.

(h) CDCC Responses to Commission Staff's Comments and Public Comments

(i) Within 5 days of the end of the comment period, CDCC must confirm to Commission staff in writing whether it received any public comments. If requested by Commission staff, CDCC will provide Commission staff with a copy of any public comments it has received.

(ii) Within 60 days of the end of the comment period, CDCC must provide Commission staff with a summary of all public comments received and its responses to those comments.

(iii) If CDCC fails to respond to comments from Commission staff within 120 days after receipt of their comment letter, it will be deemed to have withdrawn the Material Rule unless Commission staff agree otherwise based on written submissions provided by CDCC.

(i) Decision by the Commission and Publication of Approval Notice

Commission staff will use their best efforts to prepare the Material Rule for approval within 30 days of the later of (a) receipt of written responses from CDCC to staff's comments or requests for additional information, and (b) receipt of the summary of public comments and CDCC's response to the public comments, or confirmation from CDCC that there were no comments received. If at any time during the review period, Commission staff determine that they have further comments or require further information from CDCC in order to prepare the materials for Commission review, the review period will be extended by an additional period of 30 days commencing on the day that Commission staff receive responses to the comments, or the information requested.

Commission staff will notify CDCC of the Commission's decision regarding the Material Rule within 5 business days of the Commission's decision. If the Commission approves the Material Rule, Commission staff will prepare and publish a short notice of approval.

(j) Publication by CDCC

As soon as practicable after receiving a notice of approval under subsection 4(i), CDCC must publish the following information on its website:

(i) a short summary of the Material Rule;

(ii) CDCC's summary of the public comments received and CDCC's response to the comments, or as applicable a statement that CDCC did not receive public comments on the Material Rule;

(iii) if changes were made to the version of the Rule published for public comment, a blacklined copy of the revised Material Rule; and

(v) the effective date of the Rule, which must be at least 5 business days following the date of publication of the notice under this subsection.

(k) Significant Revisions to a Material Rule

When a Material Rule is revised subsequent to its publication for comment in a way that Commission and CDCC staff determine has a material effect on the substance of the Rule or its effect, CDCC must publish the revision and an explanatory notice on its website for a second 30 day comment period. Where requested by Commission staff, CDCC must provide a longer public comment period. The request for comment must include CDCC's summary of and responses to the comments that were submitted in response to the previous request for comments, together with an explanation of the revisions to the Material Rule and the supporting rationale for the amendment. A notice of the revisions may also be published by Commission staff.

(l) Withdrawal of a Material Rule

If CDCC withdraws or is deemed to have withdrawn a Rule that was previously submitted, it must provide a notice of withdrawal to the Commission and publish the notice on its website. A notice will also be published by Commission staff.

5. Procedures for Review and Approval of a Technical/Housekeeping Rule

(a) Documents to be Submitted

For a Technical/Housekeeping Rule, CDCC must submit to the Commission the following documents electronically, or by other means as agreed to by the Commission staff and CDCC from time to time:

(i) a cover letter that indicates the classification of the Rule and the rationale for that classification;

(ii) the Rule and, where applicable, a blacklined version of the Rule indicating the proposed changes to an existing Rule; and

(iii) a short notice of publication to be published by CDCC on its website that contains the following information:

A. a brief description of the Technical/Housekeeping Rule,

B. the reasons for the Technical/Housekeeping classification, and

C. the effective date of the Technical/Housekeeping Rule, or a statement that the Technical/Housekeeping Rule will be effective on a date subsequently determined by CDCC.

(b) Confirmation of Receipt

Commission staff will within 3 business days send to CDCC a confirmation of receipt of the documents submitted by CDCC under subsection 5(a).

(c) Effective Date of Technical/Housekeeping Rules

The Technical/Housekeeping Rule will be effective upon a date determined by CDCC, and in any event no earlier than 10 days following its publication on the CDCC website and 15 business days following its submission to the Commission.

(d) Publication of Notice of Technical/Housekeeping Rule Submission by Commission Staff

As soon as practicable after providing CDCC with a confirmation of receipt under subsection 5(b), Commission staff will publish a notice that contains the following information:

(i) CDCC has submitted a Technical/Housekeeping Rule to the Commission;

(ii) a brief description of the Rule;

(iii) a link to the Rule on the CDCC website; and

(iv) if known, the date on which CDCC has indicated that the Rule will come into effect.

(e) Disagreement with Classification

Where CDCC has classified a Rule as "Technical/Housekeeping" and Commission staff disagree with the classification:

(i) Commission staff will communicate to CDCC, in writing, the reasons for disagreeing with the classification of the Rule within 15 business days after receipt of CDCC's submission.

(ii) After receipt of Commission staff's written communication, CDCC must promptly publish a notice that the Rule has been reclassified as a Material Rule and that it will follow the procedure for review and approval of a Material Rule.

(iii) CDCC must re-classify the Rule as Material and the Commission will review the Rule under the procedures set out in section 4.

(f) Comments received on Technical/Housekeeping Rules

If comments are raised in response to the publication of the notice or the implementation of the Technical/Housekeeping Rule, Commission staff may review the Rule in light of the comments received. Commission staff may determine that the Rule was incorrectly classified and require that the Rule be classified as a Material Rule and reviewed and approved by the Commission in accordance with the procedures set out in section 4 with necessary modifications. If the Commission subsequently disapproves the Material Rule, CDCC must immediately withdraw or repeal the Material Rule and inform its Clearing Members of the disapproval.

6. Immediate Implementation of a Material Rule

(a) Criteria for Immediate Implementation

CDCC may make a Material Rule effective immediately where CDCC determines that there is an urgent need to implement the Material Rule because of a substantial and imminent risk of material harm to CDCC, Clearing Members, other market participants, or the Canadian capital markets, or due to a change in operation imposed by a third party supplying services to CDCC and its Clearing Members.

(b) Prior Notification to Commission

Where CDCC determines that immediate implementation is necessary, CDCC must advise Commission staff in writing as soon as possible prior to the implementation of the Rule. Such written notice must include an analysis to support the need for immediate implementation.

(c) Notification to Clearing Members

Prior to implementing the Material Rule, CDCC must publish a notice on its website that includes the Rule and a brief description of the Rule.

(d) Disagreement on Need for Immediate Implementation – Prior to Rule Implementation

If Commission staff do not agree that immediate implementation is necessary, the process for resolving the disagreement prior to implementation of the Rule will be as follows:

(i) Where feasible, prior to the Rule's implementation Commission staff will notify CDCC, in writing, of the disagreement, or request more time to consider the immediate implementation.

(ii) Commission staff and CDCC will discuss and resolve any concerns raised by Commission staff.

(iii) If Commission staff continue to disagree that immediate implementation is necessary, CDCC must not proceed with immediate implementation and must follow the procedure set out in section 4 with any necessary modifications as may be agreed to by CDCC and Commission staff.

(e) Disagreement on Need for Immediate Implementation – Following Rule Implementation

If Commission staff do not agree that immediate implementation is necessary, the process for resolving the disagreement following the implementation of the Rule will be as follows:

(i) Commission staff will notify CDCC, in writing, of the disagreement as soon as possible.

(ii) Commission staff and CDCC will discuss and resolve any concerns raised by Commission staff.

(iii) If Commission staff conclude that immediate implementation was not necessary, CDCC must withdraw the Rule and post a notice of withdrawal on its website.

(iv) If CDCC wishes to proceed with the Rule, it must follow the procedure set out section 4 with any necessary modifications as may be agreed to by CDCC and Commission staff.

(f) Review of Material Rules Implemented Immediately

A Material Rule that has been implemented immediately must be published, reviewed and approved in accordance with the procedures set out in section 4 with necessary modifications. If the Commission subsequently disapproves the Material Rule, CDCC must immediately repeal the Material Rule and inform its Clearing Members of the disapproval.

7. Miscellaneous Provisions

(a) Waiving Provisions of the Protocol

Commission staff may waive any part of this Protocol upon request from CDCC. Such a waiver must be granted in writing by Commission staff.

(b) Amendments

This Protocol and any provision hereof may be amended at any time or times with the agreement of the Commission and CDCC.

APPENDIX B

REPORTING OBLIGATIONS

In addition to complying with the obligations set out in Schedule A to the Recognition Order and the requirements of National Instrument 24-102 *Clearing Agency Requirements*, CDCC must also comply with the reporting obligations set out below.

1. Prior Notification

1.1 CDCC must provide to Commission staff prior notification of a decision to enter into an agreement, memorandum of understanding or other similar arrangement with any governmental or regulatory body, self-regulatory organization, clearing agency, stock exchange, other marketplace or market.

2. Immediate and Prompt Notification

2.1 CDCC must inform the Commission immediately upon becoming aware of any event or occurrence that has caused or could reasonably be expected to cause an adverse material effect on:

(a) CDCC;

(b) its Clearing Members;

(c) any of its services; or

(d) the Canadian financial markets.

2.2 The events or occurrences triggering the notification requirement in 2.1 include but are not limited to:

(a) a Clearing Member being declared a “non-conforming Member” or otherwise being considered in default;

(b) fraudulent activity; or

(c) a significant breach of CDCC’s rules by one or more Clearing Members.

2.3 CDCC must provide to the Commission prompt notice of:

(a) the appointment of any new director or officer, including a description of the individual's employment history; and

(b) the receipt of notice of resignation from, or the resignation of a director or officer or the auditors of CDCC, including a statement of the reasons for the resignation.

2.4 CDCC must immediately notify the Commission if it:

(a) becomes the subject of any order, directive or other similar action of a governmental or regulatory authority;

(b) becomes aware that it is the subject of a criminal or regulatory investigation; or

(c) becomes aware that it is or will become the subject of a material lawsuit.

2.5 CDCC must provide the Commission with prompt access to all notices, bulletins and similar forms of communication that CDCC sends its Clearing Members in accordance with paragraph 14.2 of Schedule A, and must immediately notify the Commission of and provide a copy to the Commission of any such communication that CDCC deems to be of critical importance to its Clearing Members, including any communications made on an emergency basis.

2.6 CDCC must promptly notify the Commission of all reportable incidents in accordance with applicable regulatory incident management protocols.

3. Quarterly Reporting

3.1 CDCC must submit quarterly, or at any other frequency determined by the Commission, risk management reports related to Clearing Member positions and the adequacy of CDCC’s financial resources and liquidity resources, including but not limited to the required levels of margins, default funds and liquidity funds, as well as stress testing and back testing results.

3.2 The reports required to be submitted to the Commission under 3.1 include but are not limited to the data and information described in Annex I to this Appendix and the list of reports included as Annex II to this Appendix, as may be modified from time to time with the agreement of Commission staff and CDCC.

3.3 CDCC must submit quarterly any approved minutes of meetings of board committees, management committees, and user groups, as well as approved minutes of all meetings of the board of directors.

3.4 CDCC must submit quarterly to the Commission a list of all breaches reported of this Recognition Order, if any, and must include a reference to the paragraphs of the Order that were breached.

3.5 CDCC must submit quarterly to the Commission a list of the risk management reports, internal audit reports and any other reports prepared by, or based on reviews conducted by, an independent party that have been issued in the previous quarter, and on request by the Commission must promptly provide copies of those reports to Commission staff.

3.6 CDCC must submit quarterly to the Commission an assessment of the risks it faces and its plans for addressing those risks.

3.7 CDCC must submit quarterly to the Commission risk-related reports on cybersecurity and a risk events report.

3.8 CDCC must provide the Commission with a written report detailing all of its internal audit activities during the quarter in accordance with paragraph 9.8 of Schedule A.

4. Annual Reporting

4.1 CDCC must provide to the Commission annually CDCC's strategic plan.

4.2 CDCC must provide to the Commission at least annually its updated recovery plan as set out in paragraph 9.6 of Schedule A.

4.3 CDCC must provide the Commission annually with a written description of the scope of its annual internal audit plan in accordance with paragraph 9.7 of Schedule A.

4.6 CDCC must provide the Commission with its annual budget in accordance with paragraph 16.1 of Schedule A.

5. Annual Reporting Obligations of TMX Group

5.1 TMX Group must provide to the Commission annually a report regarding the effectiveness of, and compliance with, its policies and procedures regarding conflicts of interest as described in paragraph 23.1 of Schedule A, in accordance with paragraph 23.5 of Schedule A.

5.2 TMX Group must provide to the Commission annually or at other times required by the Commission a written certification of its compliance with the applicable terms of this Recognition Order, as well as the steps taken to require compliance, the controls in place to verify compliance, and the names and titles of employees who have oversight of compliance, in accordance with paragraph 24.2 of Schedule A.

ANNEX I TO APPENDIX B

Data and other information to be submitted to the Commission by CDCC

1. Definitions

1.1 In this Annex I to Appendix B of the Recognition Order,

(a) "new OTC derivatives" means derivatives, within the meaning of the Act, that are not currently cleared by CDCC on the effective date of this Recognition Order; and

(b) "Ontario-based Member" means a Clearing Member that has a head office or principal place of business in Ontario.

2. Scope and Form of Reporting Obligations

2.1 All data and other information submitted by CDCC under this Annex I must be submitted in a form and a manner acceptable to Commission staff.

2.2 This Annex I may be amended from time to time with the agreement of Commission staff and CDCC, without a formal amendment to the Recognition Order.

3. Quarterly Reporting

3.1 CDCC must submit quarterly:

(a) statistical information in respect of fixed income transactions cleared and settled through the Fixed Income CCP Service;

1) total number of transactions and net settlement value by category (blind, bilateral and cash);

2) total net settlement value of unsettled / failed CCP repo transactions divided by ISIN; and

3) total number and dollar value of all net settlement positions for future dated end leg transactions, separated into the following buckets:

(i) value date being less than or equal to T+1

(ii) value date greater than T+1 and less than or equal to T+7

(iii) value date greater than T+7 and less than or equal to T+29

(iv) value date greater than T+29 and less than or equal to T+90

(v) value date being after T+90

(b) aggregate volume of Bourse-traded products cleared by CDCC by asset class during the quarter for each Ontario-based Member;

(c) aggregate notional values of new OTC derivatives cleared by CDCC by asset class during the quarter, as well as total notional values of new OTC derivatives cleared by CDCC by asset class during the quarter for each Ontario-based Member;

(d) the aggregate total margin amount (initial and variation) and clearing fund contributions required by CDCC ending on the last trading day during the quarter, as well as the total margin amount (initial and variation), and clearing fund contributions for each Ontario-based Member that clears fixed income transactions and / or new OTC derivatives at CDCC;

(e) a list of Ontario-based Members who have received permission or approval by CDCC during the quarter to perform client clearing at CDCC;

(f) the identity, LEI and jurisdiction of incorporation (including the jurisdiction of the ultimate parent) of each Clearing Member that provides client clearing services to Ontario residents, including, where known,

1) the name and LEI of each Ontario resident receiving such services; and

2) the notional value and aggregate volume of all products cleared by asset class for and on behalf of each Ontario resident during the quarter;

(g) a summary of risk management analysis related to the adequacy of required margin (initial and variation) and the level of the clearing funds, including but not limited to stress testing and back testing results;

(h) the name, jurisdiction of incorporation and LEI of each Clearing Member; and

(i) any other information in relation to products cleared by CDCC for Clearing Members as may be required by the Commission from time to time.

ANNEX II TO APPENDIX B

Reports Required to be Submitted to the Commission by CDCC

1. Scope and Form of Reporting Obligations

1.1 All reports submitted by CDCC under this Annex II must be submitted in a form and a manner acceptable to Commission staff.

1.2 The list of reports in the table below does not limit the scope of CDCC's reporting obligations under the CDCC Recognition Order or Ontario securities law, nor does it limit the information to be provided by CDCC to the Commission on request under paragraph 14.1 of Schedule A to the Recognition Order.

1.3 This Annex II may be amended from time to time with the agreement of Commission staff and CDCC, without a formal amendment to the Recognition Order.

2. Table of Reports to be Submitted:

Item	Document Name/Content	Frequency and Timing
1.	BoC CDCC Data (Positions, Margin, Member file) (.CSV)	Weekly – maximum one-week lag
2.	Cash Settlement (.xlsx)	Weekly – maximum one-week lag
3.	Collateral file (.xlsx)	Weekly – maximum one-week lag
4.	Liquidity exposure information (.xlsx) 1. Liquidity Data 2. Liquidity Report	Weekly – maximum one-week lag
5.	Sufficiency (.xlsx)	Weekly – maximum one-week lag
6.	CDCC Liquidity Risk Report (Word)	Weekly – maximum one-week lag
7.	Backtesting (Word)	Weekly – maximum one-week lag

B.2.4 Silver Spike III Acquisition Corp.

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).

June 12, 2023

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
SILVER SPIKE III ACQUISITION CORP.
(the Filer)

ORDER

Background

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

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

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

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

Interpretation

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

Representations

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

1. 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; 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.

“Marie-France Bourret”
Manager, Corporate Finance
Ontario Securities Commission

OSC File #: 2023/0244

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B.3
Reasons and Decisions

B.3.1 AltaGas Ltd.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – the Filer requests relief from the requirements in section 3.2 of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards that financial statements be prepared in accordance with Canadian GAAP applicable to publicly accountable enterprises in order to permit the Filer to prepare financial statements in accordance with U.S. GAAP. Relief granted, subject to certain conditions.

Applicable Legislative Provisions

National Instrument 52-107 Acceptable Accounting Principles and Auditing Standard, ss. 3.2 and 5.1.

Citation: *Re AltaGas Ltd.*, 2023 ABASC 90

June 13, 2023

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
ALTAGAS LTD.
(the Filer)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (each a **Decision Maker**) has received an application (the **Application**) from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) for an exemption (the **Exemption Sought**) from the requirements of section 3.2 of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* (**NI 52-107**) that the financial statements of the Filer (a) be prepared in accordance with Canadian generally accepted accounting principles (**Canadian GAAP**) applicable to publicly accountable enterprises and (b) disclose an unreserved statement of compliance with IFRS in the case of annual financial statements and an unreserved statement of compliance with IAS 34 in the case of an interim financial report.

The Exemption Sought is similar to the exemption granted to the Filer on January 26, 2018 in *Re AltaGas Ltd.*, 2018 ABASC 14 (the **Existing Relief**).

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 section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon by it in each of British Columbia, Saskatchewan, Manitoba, Québec, New Brunswick, Prince Edward Island, Nova Scotia and Newfoundland and Labrador (**Passport Jurisdictions**); and

(c) the decision is the decision of the Principal Regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

In this decision:

(a) unless otherwise defined herein, terms defined in National Instrument 14-101 *Definitions*, MI 11-102 or NI 52-107 have the same meaning; and

(b) rate-regulated activities has the meaning ascribed thereto in the Chartered Professional Accountants of Canada Handbook (**Handbook**).

Representations

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

1. The Filer is a corporation formed by amalgamation under the laws of Canada on July 1, 2010. The head office of the Filer is located in Calgary, Alberta.

2. The Filer is a reporting issuer in the Jurisdictions and each of the Passport Jurisdictions and is not in default of securities legislation in any jurisdiction in Canada.

3. The Filer has rate-regulated activities.

4. The Filer currently prepares and files its financial statements for annual and interim periods in accordance with U.S. GAAP, relying on the Existing Relief.

5. The Filer is not an SEC issuer. Were the Filer an SEC issuer, it would be permitted by section 3.7 of NI 52-107 to file its financial statements prepared in accordance with U.S. GAAP.

6. The Existing Relief provided that it would cease to apply to the Filer on the earliest of: (a) January 1, 2024; (b) if the Filer ceased to have activities subject to rate regulation, the first day of the Filer's financial year that commenced after the Filer ceased to have activities subject to rate regulation; and (c) the effective date prescribed by the International Accounting Standards Board (**IASB**) for the mandatory application of a standard within IFRS specific to entities with activities subject to rate regulation. Accordingly, in the absence of further relief provided by Canadian securities regulators, the Filer would become subject to Canadian GAAP no later than January 1, 2024. Canadian GAAP includes IFRS as incorporated into the Handbook.

7. In January 2021, the IASB published the Exposure Draft - Regulatory Assets and Regulatory Liabilities, which introduces a proposed standard of accounting for regulatory assets and liabilities applicable to entities with rate-regulated activities. The issuance by the IASB of a standard within IFRS for entities with rate-regulated activities (a **Mandatory Rate-regulated Standard**) would have resulted in the expiry of the Existing Relief, giving rise to the obligation of the Filer to commence financial statement preparation and reporting in accordance with IFRS pursuant to NI 52-107.

8. It is not yet known when the IASB will finalize and implement such a standard and the Filer will require sufficient time to: (a) interpret and implement such standard and transition from financial statement preparation and reporting in accordance with U.S. GAAP to IFRS; and (b) interpret and reconcile the implications on the customer rate setting process resulting from the implementation.

Decision

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

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

(a) the Existing Relief is revoked;

(b) the Exemption Sought is granted to the Filer in respect of the Filer's financial statements required to be filed on or after the date of this order, provided that the Filer prepares such financial statements in accordance with U.S. GAAP; and

(c) the Exemption Sought will terminate in respect of the Filer on the earliest of the following:

(i) January 1, 2027;

(ii) if the Filer ceases to have rate-regulated activities, the first day of the Filer's financial year that commences after the Filer ceases to have rate-regulated activities; and

(iii) the first day of the Filer's financial year that commences on or following the later of:

(A) the effective date prescribed by the IASB for a Mandatory Rate-regulated Standard; and

(B) two years after the IASB publishes the final version of a Mandatory Rate-regulated Standard.

For the Commission:

"Tom Cotter"
Vice-Chair

"Kari Horn"
Vice-Chair

OSC File #: 2023/0236

B.3.2 Scotia Securities Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations (NI 31-103) – relief from the requirement in section 11.2 of NI 31-103 to designate an individual to be the ultimate designated person (UDP), and instead be permitted to designate two individuals as UDPs in respect of two distinct operational divisions of the Filer.

Applicable Legislative Provisions

Multilateral Instrument 11-102 Passport System, s. 4.7.
National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions.
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 11.2 and 15.1.

June 7, 2023

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
SCOTIA SECURITIES 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 (the **Legislation**) for an exemption from the requirement contained in section 11.2 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) to permit the Filer to designate and register two individuals as the ultimate designated persons (**UDP**) of the Filer (the **Exemption Sought**).

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

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

(b) the Filers have provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of the provinces and territories in Canada other than Ontario (the **Other Jurisdictions** and together with the **Jurisdiction**, the **Filing Jurisdictions**).

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and Multilateral Instrument 11-102 *Passport System* (**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 wholly-owned subsidiary of The Bank of Nova Scotia (the **Bank**).

2. The Filer is registered under the Legislation in the category of mutual fund dealer in each of the Filing Jurisdictions, is a member of Canadian Investment Regulatory Organization and has its head office in Toronto, Ontario.

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

4. The Filer is the principal distributor of the ScotiaFunds, a family of open-end mutual funds.

5. The Filer's business structure is as follows:

   (a) The Filer provides mutual fund trading services to its clients through two primary, but distinct, groups (each a **Division**) of registered dealing representatives (**Approved Persons**).

   (b) One Division of Approved Persons (the **Non-Bank Approved Persons**) is part of the Bank's Global Wealth Management business line and provides mutual fund trading services to clients of the Filer and does not provide any banking services to clients of the Bank's retail branch distribution network or customer contact centre (the **Non-Bank Services Division**).

   (c) The other Division of Approved Persons (the **Bank Approved Persons**) is part of the Bank's Canadian Banking business line and provides mutual fund trading services to clients of the Filer as an adjunct to their principal responsibilities of providing banking services to clients of the Bank, via the Bank's retail branch distribution network and customer contact centre (the **Bank Services Division**).

6. Although each Division is part of the same corporate entity (i.e. the Filer) and the Divisions are not treated as separate operating units of the Filer for legal, tax, accounting, securities law and other similar purposes, the separate and distinct groups of Approved Persons of each Division, the business plans and service offerings that are executed by each Division, the business lines, distribution lines, and the client segmentation of each Division, and the upstream organizational reporting structure of each Division, make each Division operate in a distinct manner from the other.

7. Although the Filer is a legal entity, it is operationally supported by three business lines within the Bank corporate organization: Canadian Banking, Global Wealth Management (**GWM**) and Global Operations.

8. The Filer has the following primary distribution channels:

   a) Retail bank branches of the Canadian Banking business line. Some of the Bank Approved Persons operate through retail bank branches of the Canadian Banking business line and they provide banking services (through the Bank) and distribute mutual funds (through the Filer) to retail clients.

   b) Investment Specialists who are a mobile sales force and are part of the GWM business line. The Non-Bank Approved Persons operate as Investment Specialists and they distribute mutual funds (through the Filer).

9. Additional distribution channels include:

   a) Customer contact centres, which are part of the Global Operations business line. Some of the Bank Approved Persons operate through these call centres and they provide banking services (through the Bank) and distribute mutual funds (through the Filer).

   b) Private Banking, which is part of the GWM business line. Some of the Non-Bank Approved Persons operate under Private Banking through private banking branches across Canada and they distribute mutual funds (through the Filer) to high net worth clients.

10. Each Division will have an internal corporate governance structure that is led by a single UDP who will be the head of each Division (each **Division Head**) – one who comes from the Non-Bank Services Division (the **Non-Bank UDP**) and the other who comes from the Bank Services Division (the **Bank UDP**).

11. Each UDP will hold the functional title of "Co-Chief Executive Officer and Co-President" of the Filer (**Co-CEO**).

12. Neither of the Co-CEOs will report to the other, nor will one have authority to overrule a decision of the other or to control the other's access to the Board of Directors of the Filer. Rather, both will have direct access, and will report jointly, to the Board of Directors of the Filer (although the Bank UDP will also have a parallel reporting line up through the Bank in respect of relevant Bank distribution activities, which are not part of the Filer's activities).

13. Each Co-CEO will have the role that is equivalent to chief executive officer in respect of the Division for which they are responsible and will be the most senior and final decision maker for their Division, including as follows:

   (a) Each Co-CEO will provide clear leadership and promote a culture of compliance, collaboration and responsibility at the top of the Filer in their Division;

   (b) Each Co-CEO will be accountable and liable for the performance of their Division with the Filer, and will provide a report to the Filer's Board of Directors regarding the Filer's performance, at least annually;

(c) Each Co-CEO will have ultimate authority over compliance-related matters for their Division with the Filer. Although the Non-Bank UDP will have primary monitoring and supervision responsibility at first instance over the business of the Non-Bank Approved Persons, and the Bank UDP will similarly have primary monitoring and supervision responsibility at first instance over the Bank Approved Persons, each Co-CEO will have responsibility for the ultimate resolution of compliance-related issues in order to ensure their Division and the Filer's compliance with applicable securities legislation, and will be accountable and liable for such resolution;

(d) The Co-CEOs will meet regularly with the Filer's Chief Compliance Officer (**CCO**) regarding compliance issues. In addition, both Co-CEOs will receive updates from senior management of the Filer regarding compliance matters relating to the Filer. Compliance staff of the Filer will continue to report to the CCO, who in turn will keep the Co-CEOs informed of compliance matters, as required;

(e) Each Co-CEO, along with other members of the Filer's senior management, will be responsible for creating and developing the strategic plan for their Division and where applicable that of the Filer's; and

(f) Each Co-CEO will be responsible for the overall organizational structure and succession planning for their Division and where applicable at the Filer, and for leading and ensuring appropriate staffing and talent deployment at the Filer.

14. The Filer submits that the intended policy objectives that underlie the existence of the UDP requirement will not only be achieved in this dual UDP structure, but will be enhanced, because it will establish a decision-making framework that, through the focused expertise of the Bank UDP, will recognize, acknowledge and address the differences and unique challenges that arise in the Bank branch distribution network, therein driving accountability within the Bank Approved Persons universe, and enabling enhanced compliance capability overall within the Filer.

Decision

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

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

(a) Each Division shall have its own UDP, who shall be the equivalent of the chief executive officer in respect of the Division for which they are the UDP;

(b) Only one individual shall be the UDP of each Division;

(c) Each UDP has direct access to the Board of Directors of the Filer; and

(d) Each UDP shall fulfill the responsibilities set out in section 5.1 of NI 31-103, and any successor provision thereto, in respect of the Division for which they are designated UDP.

"Elizabeth King"
Deputy Director, Compliance and Registrant Regulation
Ontario Securities Commission

OSC File #: 2023/0040

B.3.3 Capital International Asset Management (Canada), Inc. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Mutual funds in continuous distribution offered under simplified prospectus granted relief from the requirement in paragraph 2.17(1)(c) of NI 81-102 to provide 60 days' prior notice to its securityholders before the funds can engage in securities lending, repurchase and reverse repurchase transactions – Relief subject to the issuance of a press release that is posted on the mutual funds' designated website and filed on SEDAR, informing investors that the Funds will commence entering into the transactions at least 60 days following the issuance of the press release and directing investors to the funds' simplified prospectus for additional information regarding the transactions and related risks.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 2.17(1)(c) and 19.1.

June 15, 2023

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

AND

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

AND

IN THE MATTER OF
CAPITAL INTERNATIONAL ASSET MANAGEMENT (CANADA), INC.
(the Filer)
AND
CAPITAL GROUP INTERNATIONAL EQUITY FUND™ (CANADA),
CAPITAL GROUP U.S. EQUITY FUND™ (CANADA),
CAPITAL GROUP GLOBAL EQUITY FUND™ (CANADA),
CAPITAL GROUP CANADIAN FOCUSED EQUITY FUND™ (CANADA),
CAPITAL GROUP CANADIAN CORE PLUS FIXED INCOME FUND™ (CANADA),
CAPITAL GROUP WORLD BOND FUND™ (CANADA)
(collectively, the Funds)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer, on behalf of the Funds for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that grants exemptive relief (the **Exemption Sought**) from the requirement in Section 2.17(1)(c) of National Instrument 81-102 *Investment Funds* (**NI 81-102)** for an investment fund to provide securityholders with 60 days' prior notice of the investment fund's intent to begin engaging in securities lending, repurchase and reverse repurchase transactions (the **Transactions**).

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

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

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

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102 and NI 81-102 have the same meaning if used in this decision, unless otherwise expressly defined.

Representations

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

The Filer and the Funds

1. The Filer is registered as an investment fund manager in the provinces of Ontario, Newfoundland & Labrador and Quebec, and a portfolio manager and exempt market dealer in the provinces of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland & Labrador, Nova Scotia, Ontario, Prince Edward Island, Quebec and Saskatchewan.

2. The Filer is the investment fund manager of the Funds and the Filer or an affiliate of the Filer is the portfolio manager of the Funds.

3. Each Fund is an open-ended mutual fund trust, organized and governed by the laws of Ontario.

4. Each Fund is governed by the provisions of NI 81-102, subject to any exemption therefrom that has been, or may be, granted by the securities regulatory authorities.

5. As at the date of this decision, neither the Filer nor any of the Funds is in default of securities legislation in any of the Canadian Jurisdictions.

Requirement to Provide Notice of the Commencement of Securities Lending

6. Pursuant to section 2.17(1) of NI 81-102, an investment fund that is a mutual fund must not enter into the Transactions unless:

   (a) its prospectus contains the disclosure required for mutual funds entering into such Transactions, and

   (b) the investment fund provides written notice to its securityholders at least 60 days before it begins entering into the Transactions that discloses its intent to begin entering into such Transactions and the disclosure contained in the investment fund's prospectus.

7. Section 2.17(1) was introduced into NI 81-102 further to amendments which came into force on May 2, 2001, which permitted mutual funds to enter into Transactions in accordance with the requirements of that section (the **Securities Lending Amendments**).

8. The Filer introduced the disclosure required under National Instrument 81-101 *Mutual Fund Prospectus Disclosure* for the Funds to engage in the Transactions into the simplified prospectus beginning in December 2001. This included disclosure of the risks to the Funds of engaging in the Transactions. At that time, the Filer only offered the Capital Group International Equity Fund™ (Canada) and Capital Group U.S. Equity Fund™ (Canada) under the simplified prospectus.

9. The Capital Group International Equity Fund™ (Canada) and Capital Group U.S. Equity Fund™ (Canada) had not commenced entering into such Transactions in December 2001. Therefore, the disclosure also included reference to the obligation in Section 2.17(1)(c) to provide 60 days' prior notice to securityholders.

10. On December 31, 2003, further regulatory amendments were made to NI 81-102 to introduce Section 2.17(3) which eliminated the requirement for a mutual fund to give 60 days' prior written notice to securityholders before entering into Transactions if each prospectus of the mutual fund filed since its inception contains the disclosure referred to in paragraph 6(a) above.

11. The remaining four Funds, which became reporting issuers following the coming into force of Section 2.17(3) of NI 81-102, retained the same disclosure in their simplified prospectus, including the reference to the obligation to provide 60 days' prior notice to securityholders.

12. Specifically, the Funds have historically included the following language in the Part B disclosure of each Funds' simplified prospectus:

    "The Fund may enter into repurchase transactions, reverse repurchase transactions and securities lending agreements to seek enhanced returns but will do so only if there are suitable counterparties available, if the transactions are considered appropriate and after first giving its unitholders 60 days' prior written notice.".

Reasons for the Exemption Sought

13. The rationale for including the reference to the notice requirement of Section 2.17(1) of NI 81-102 in December 2001 was to advise investors of the regulatory requirement as it applied to those Funds which were in existence at the time the Securities Lending Amendments came into effect.

14. Due to oversights in the prospectus drafting process, the 60 day notice disclosure which was initially in the simplified prospectus of the Capital Group International Equity Fund™ (Canada) and Capital Group U.S. Equity Fund™ (Canada) was carried over into the simplified prospectus disclosure of the remaining Funds when reliance could, instead, have been placed on Section 2.17(3) of NI 81-102 such that the notice requirement would not be applicable.

15. In contrast, other mutual funds managed by the Filer that were launched either before or after the Funds, other than the Capital Group International Equity Fund™ (Canada) and Capital Group U.S. Equity Fund™ (Canada), contained the necessary disclosure required to rely on Section 2.17(3) of NI 81-102 such that the notice requirement is not applicable to those funds. For example, the initial simplified prospectus for Capital Group Emerging Markets Total Opportunities Fund™ (Canada) filed in February 2012 and the initial simplified prospectus for Capital Group Global Balanced Fund™ (Canada) filed in May 2016, each included this disclosure without the reference to first providing 60 days' written notice to securityholders.

16. The cost to the Funds of preparing and mailing the required notices under Section 2.17(1) to securityholders of the Funds is significant and outweighs the potential benefit to the Funds' securityholders having regard to the fact that:

    (a) the Funds' simplified prospectus has contained disclosure regarding the Transactions and their related risks either since December 2001 in the case of Capital Group International Equity Fund™ (Canada) and Capital Group U.S. Equity Fund™ (Canada) or, in the case of the remaining Funds, the Fund's inception, and

    (b) the 60-day notice disclosure was included in the Funds' simplified prospectus in error in the case of the four remaining Funds, when reliance could instead have been placed on subsection 2.17(3) of NI 81-102.

17. The Exemption Sought is consistent with the Canadian Securities Administrators' key priority of reducing undue regulatory burden and streamlining regulatory requirements without negatively impacting investor protection or the efficiency of the capital markets.

18. In place of providing the securityholder notice required by Section 2.17(1) of NI 81-102, the Filer will issue a press release informing the Funds' securityholders that the Funds will commence entering into the Transactions at least 60 days following the issuance of the press release and direct securityholders to the Funds' simplified prospectus for additional information regarding the Transactions and related risks. The press release will also be posted on the Funds' designated website and filed on the System for Electronic Document Analysis and Retrieval (**SEDAR**).

19. The Funds' renewal simplified prospectus dated May 26, 2023 contains updated disclosure that:

    (a) names the Funds' securities lending agent;

    (b) states in the Funds' investment strategies that the Funds may engage in Transactions subject to receipt of the regulatory relief under the Exemption Sought;

    (c) states that the Funds have applied for exemptive relief from the requirements under NI 81-102 to provide securityholders in the Funds with 60 days' notice of the Funds' intent to engage in the Transactions, and if the relief is granted, the Funds will issue a press release, which will also be posted on the Funds' designated website, informing securityholders that the Funds will commence entering into the Transactions at least 60 days following the issuance of the press release and direct investors to the simplified prospectus for additional information.

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 the Filer issues a press release, which press release will be posted on the Funds' designated website and filed on SEDAR, informing investors in the Funds that the Funds will commence entering into the Transactions at least 60 days following the issuance of the press release and direct investors to the Funds' simplified prospectus for additional information regarding the Transactions and related risks.

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

Application File #: 2023/210
SEDAR File #: 3535304

B.3.4 Gravitas Securities Inc.

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

-AND-

IN THE MATTER OF
THE REGISTRATION OF
GRAVITAS SECURITIES INC.

DECISION OF THE DIRECTOR

1. Gravitas Securities Inc. (**Gravitas**) was registered under the Ontario *Securities Act* (the **Act**) as an investment dealer effective May 26, 2008 and as an investment fund manager effective April 20, 2012.

2. Gravitas has been subject to terms and conditions on its investment fund manager registration since September 12, 2019, revised on October 30, 2020, limiting its investment fund manager activity to the remediation and orderly termination, sale, or transfer of its existing investment funds under the oversight of an independent compliance consultant.

3. On June 8, 2023, a Hearing Panel of the Canadian Investment Regulatory Organization (**CIRO**) suspended the membership of Gravitas. CIRO staff sought the suspension of Gravitas' CIRO membership as a result of Gravitas becoming capital deficient and advising CIRO of its intention to wind up its business as an investment dealer.

4. Pursuant to subsection 29(1)(2) of the Act, the registration of Gravitas in the category of investment dealer was automatically suspended upon the suspension of Gravitas' membership with CIRO. However, subsection 29(1)(2) does not automatically suspend Gravitas' registration as an investment fund manager.

5. On June 8, 2023, on behalf of the Compliance and Registrant Regulation Branch of the Ontario Securities Commission (**CRR Branch**), Elizabeth King, Deputy Director, Registrant Conduct, notified the registered ultimate designated person of Gravitas in writing that staff of the CRR Branch had recommended to the Director that the registration of Gravitas be suspended.

6. CRR Branch did not receive notice from anyone acting on behalf of Gravitas objecting to CRR Branch's recommendation or requesting an opportunity to be heard.

7. Pursuant to section 28 of the Act, in considering whether to continue the registration, the Director is required to consider whether, among other things, a registration is otherwise objectionable.

8. I am of the view that it would be inconsistent with the OSC's mandate to provide investor protection, and to foster fair and efficient capital markets and confidence in the capital markets, to permit Gravitas to continue to be registered as an investment fund manager when Gravitas' registration as an investment dealer has been suspended. Moreover, Gravitas' compliance consultant has confirmed that all of Gravitas' investment funds have been terminated or sold, except for one which is being terminated, and for which all of the fund assets have already been returned to investors. Accordingly, it would be objectionable for Gravitas to continue to be registered as an investment fund manager in these circumstances.

Decision

9. My decision is that the registration of Gravitas be suspended effective June 16, 2023.

June 16, 2023

"Jason Tan"
Manager, Registration, Compliance and Registrant Regulation Branch

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
Shiny Health & Wellness Corp.	June 6, 2023	
Igen Networks Corp.	June 7, 2023	June 13, 2023
Lords & Company Worldwide Holdings Inc.	June 1, 2023	
GHP Noetic Science-Psychedelic Pharma Inc.	June 5, 2023	
Athabasca Minerals Inc.	May 9, 2023	June 13, 2023
Solvbl Solutions Inc.	May 5, 2023	June 14, 2023
Northern Power Systems Corp.	June 14, 2023	
C21 Investments Inc.	June 6, 2023	June 15, 2023
EPlay Digital Inc.	May 9, 2023	June 16, 2023
Halo Collective Inc.	June 19, 2023	

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

Company Name	Date of Order	Date of Lapse
Halo Collective Inc.	April 3, 2023	June 19, 2023
Canada Silver Cobalt Works Inc.	May 3, 2023	June 15, 2023

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	

Company Name	Date of Order	Date of Lapse
Gatos Silver, Inc.	April 12, 2022	
Sproutly Canada, Inc.	June 30, 2022	
Gatos Silver, Inc.	July 7, 2022	
iMining Technologies Inc.	September 30, 2022	
Halo Collective Inc.	April 3, 2023	
Alkaline Fuel Cell Power Corp.	April 4, 2023	
mCloud Technologies Corp.	April 5, 2023	
Champion Gaming Group Inc.	May 2, 2023	
Element Nutritional Sciences Inc.	May 2, 2023	
Eddy Smart Home Solutions Ltd.	May 2, 2023	
CareSpan Health, Inc.	May 5, 2023	
Canada Silver Cobalt Works Inc.	May 5, 2023	
XTM Inc.	May 2, 2023	
VOLTAGE METALS CORP.	May 2, 2023	
Voxtur Analytics Corp.	May 5, 2023	
Hempsana Holdings Ltd.	May 4, 2023	
FRX Innovations Inc.	May 2, 2023	
Magnetic North Acquisition Corp.	May 8, 2023	
Canopy Growth Corporation	June 2, 2023	
Halo Collective Inc.	April 3, 2023	June 19, 2023

B.5
Rules and Policies

B.5.1 OSC Rule 44-502 Extension to Ontario Instrument 44-501 Certain Prospectus Requirements for Well-Known Seasoned Issuers

OSC RULE 44-502
EXTENSION TO ONTARIO INSTRUMENT 44-501
CERTAIN PROSPECTUS REQUIREMENTS FOR WELL-KNOWN SEASONED ISSUERS

Purpose

1. This Rule provides, in Ontario, a temporary extension to the exemptions provided in Ontario Instrument 44-501 *Certain Prospectus Requirements for Well-known Seasoned Issuers* (Interim Class Order), pursuant to paragraph 143.11(3)(b) of the *Securities Act* (Ontario).

Extension of temporary exemptions

2. ***Section 13 of*** **Ontario Instrument 44-501** ***Certain Prospectus Requirements for Well-known Seasoned Issuers*** **(Interim Class Order)** ***is amended by replacing "***July 4, 2023, unless extended by the Commission" ***with "***January 4, 2025***".***

Effective date

3. This Rule comes into force on July 4, 2023.

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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:
Friedberg Asset Allocation Fund
Friedberg Global-Macro Hedge Fund
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated Jun 15, 2023
NP 11-202 Final Receipt dated Jun 16, 2023
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3537754

Issuer Name:
TD Alternative Commodities Pool
TD Alternative Long/Short Commodities Pool
TD U.S. Blue Chip Equity Currency Neutral Fund
TD U.S. Mid-Cap Growth Currency Neutral Fund
Principal Regulator – Ontario
Type and Date:
Combined Preliminary and Pro Forma Simplified Prospectus dated Jun 15, 2023
NP 11-202 Preliminary Receipt dated Jun 15, 2023
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3550480

Issuer Name:
Harvest Banks & Buildings Income Fund
Harvest Canadian Income & Growth Fund
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated Jun 16, 2023
NP 11-202 Final Receipt dated Jun 19, 2023
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3536777

Issuer Name:
BMO Aggregate Bond ETF Fund
BMO ARK Genomic Revolution Fund
BMO ARK Innovation Fund
BMO ARK Next Generation Internet Fund
BMO Ascent Balanced Portfolio
BMO Ascent Conservative Portfolio
BMO Ascent Equity Growth Portfolio
BMO Ascent Growth Portfolio
BMO Ascent Income Portfolio
BMO Asian Growth and Income Class
BMO Asian Growth and Income Fund
BMO Asset Allocation Fund
BMO Balanced ETF Portfolio
BMO Balanced ETF Portfolio Class
BMO Bond Fund
BMO Brookfield Global Real Estate Tech Fund
BMO Brookfield Global Renewables Infrastructure Fund
BMO Canadian Banks ETF Fund
BMO Canadian Equity Class
BMO Canadian Equity ETF Fund
BMO Canadian Equity Fund
BMO Canadian Income & Growth Fund
BMO Canadian Large Cap Equity Fund
BMO Canadian Small Cap Equity Fund
BMO Canadian Stock Selection Fund
BMO Clean Energy ETF Fund
BMO Concentrated Global Balanced Fund
BMO Concentrated Global Equity Fund
BMO Concentrated U.S. Equity Fund
BMO Conservative ETF Portfolio
BMO Core Bond Fund
BMO Core Plus Bond Fund
BMO Corporate Bond ETF Fund
BMO Covered Call Canada High Dividend ETF Fund
BMO Covered Call Canadian Banks ETF Fund
BMO Covered Call Energy ETF Fund
BMO Covered Call Europe High Dividend ETF Fund
BMO Covered Call U.S. High Dividend ETF Fund
BMO Covered Call Utilities ETF Fund
BMO Crossover Bond Fund
BMO Diversified Income Portfolio
BMO Dividend Class
BMO Dividend Fund
BMO Emerging Markets Bond Fund
BMO Emerging Markets Fund
BMO Equity Growth ETF Portfolio
BMO Equity Growth ETF Portfolio Class
BMO European Fund
BMO Fixed Income ETF Portfolio
BMO FundSelect Balanced Portfolio
BMO FundSelect Conservative Portfolio
BMO FundSelect Equity Growth Portfolio

BMO FundSelect Growth Portfolio
BMO FundSelect Income Portfolio
BMO Global Climate Transition Fund
BMO Global Dividend Class
BMO Global Dividend Fund
BMO Global Dividend Opportunities Fund
BMO Global Energy Class
BMO Global Energy Fund
BMO Global Enhanced Income Fund
BMO Global Equity Class
BMO Global Equity Fund
BMO Global Health Care Fund
BMO Global Income & Growth Fund
BMO Global Infrastructure Fund
BMO Global Innovators Fund
BMO Global Low Volatility ETF Class
BMO Global Low Volatility ETF Fund
BMO Global Monthly Income Fund
BMO Global Quality ETF Fund
BMO Global REIT Fund
BMO Global Small Cap Fund
BMO Global Strategic Bond Fund
BMO Greater China Class
BMO Greater China Fund
BMO Growth & Income Fund
BMO Growth ETF Portfolio
BMO Growth ETF Portfolio Class
BMO Growth Opportunities Fund
BMO Income ETF Portfolio
BMO Income ETF Portfolio Class
BMO International Equity ETF Fund
BMO International Equity Fund
BMO International Value Class
BMO International Value Fund
BMO Japan Fund
BMO Low Volatility Canadian Equity ETF Fund
BMO Low Volatility U.S. Equity ETF Fund
BMO Money Market Fund
BMO Monthly Dividend Fund Ltd.
BMO Monthly High Income Fund II
BMO Monthly Income Fund
BMO Mortgage and Short-Term Income Fund
BMO Multi-Factor Equity Fund
BMO Nasdaq 100 Equity ETF Fund
BMO North American Dividend Fund
BMO Precious Metals Fund
BMO Preferred Share Fund
BMO Premium Yield ETF Fund
BMO Resource Fund
BMO Retirement Balanced Portfolio
BMO Retirement Conservative Portfolio
BMO Retirement Income Portfolio
BMO Risk Reduction Equity Fund
BMO Risk Reduction Fixed Income Fund
BMO SDG Engagement Global Equity Fund
BMO SelectClass Balanced Portfolio
BMO SelectClass Equity Growth Portfolio
BMO SelectClass Growth Portfolio
BMO SelectClass Income Portfolio
BMO SelectTrust Balanced Portfolio
BMO SelectTrust Conservative Portfolio
BMO SelectTrust Equity Growth Portfolio
BMO SelectTrust Fixed Income Portfolio
BMO SelectTrust Growth Portfolio
BMO SelectTrust Income Portfolio
BMO SIA Focused Canadian Equity Fund
BMO SIA Focused North American Equity Fund
BMO Strategic Equity Yield Fund
BMO Sustainable Balanced Portfolio (formerly, BMO Principle Balanced Portfolio)
BMO Sustainable Bond Fund
BMO Sustainable Conservative Portfolio (formerly, BMO Principle Conservative Portfolio)
BMO Sustainable Equity Growth Portfolio
BMO Sustainable Global Balanced Fund (formerly, BMO Global Balanced Fund)
BMO Sustainable Global Multi-Sector Bond Fund (formerly, BMO Global Multi-Sector Bond Fund)
BMO Sustainable Growth Portfolio (formerly, BMO Principle Growth Portfolio)
BMO Sustainable Income Portfolio (formerly BMO Principle Income Portfolio)
BMO Sustainable Opportunities Canadian Equity Fund
BMO Sustainable Opportunities China Equity Fund
BMO Sustainable Opportunities Global Equity Fund
BMO Tactical Balanced ETF Fund
BMO Tactical Dividend ETF Fund
BMO Tactical Global Asset Allocation ETF Fund
BMO Tactical Global Bond ETF Fund
BMO Tactical Global Equity ETF Fund
BMO Tactical Global Growth ETF Fund
BMO Target Education 2025 Portfolio
BMO Target Education 2030 Portfolio
BMO Target Education 2035 Portfolio
BMO Target Education 2040 Portfolio
BMO Target Education Income Portfolio
BMO U.S. All Cap Equity Fund
BMO U.S. Corporate Bond Fund
BMO U.S. Dividend Fund
BMO U.S. Dollar Balanced Fund
BMO U.S. Dollar Dividend Fund
BMO U.S. Dollar Equity Index Fund
BMO U.S. Dollar Money Market Fund
BMO U.S. Dollar Monthly Income Fund
BMO U.S. Equity Class
BMO U.S. Equity ETF Fund
BMO U.S. Equity Fund
BMO U.S. Equity Growth Fund
BMO U.S. Equity Plus Fund
BMO U.S. Equity Value Fund
BMO U.S. High Yield Bond Fund
BMO U.S. Small Cap Fund
BMO Ultra Short-Term Bond ETF Fund
BMO USD Balanced ETF Portfolio
BMO USD Conservative ETF Portfolio
BMO USD Income ETF Portfolio
BMO Women in Leadership Fund
BMO World Bond Fund

Principal Regulator – Ontario

Type and Date:

Final Simplified Prospectus dated May 30, 2023
NP 11-202 Final Receipt dated Jun 14, 2023

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):
-
Project #3523609

Issuer Name:
North Growth Canadian Equity Fund
North Growth U.S. Equity Advisor Fund
Principal Regulator – British Columbia
Type and Date:
Final Simplified Prospectus dated Jun 15, 2023
NP 11-202 Final Receipt dated Jun 15, 2023
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3534927

Issuer Name:
Arrow Canadian Advantage Alternative Class (formerly, Exemplar Canadian Focus Portfolio)
Arrow EC Income Advantage Alternative Fund
Arrow Global Advantage Alternative Class
Arrow Global Opportunities Alternative Class
Wavefront Global Diversified Investment Class (formerly, Exemplar Diversified Portfolio)
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated Jun 15, 2023
NP 11-202 Final Receipt dated Jun 16, 2023
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3536776

Issuer Name:
Evolve NASDAQ Technology Index Fund
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated Jun 14, 2023
NP 11-202 Preliminary Receipt dated Jun 15, 2023
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3550151

Issuer Name:
Canadian Equity Managed Class
Canadian Equity Managed Pool
Fixed Income Managed Class
Fixed Income Managed Pool
International Equity Managed Class
International Equity Managed Pool
Tactical Asset Allocation Balanced Class
Tactical Asset Allocation Balanced Growth Class
Tactical Asset Allocation Balanced Growth Pool
Tactical Asset Allocation Balanced Pool
Tactical Asset Allocation Conservative Balanced Class
Tactical Asset Allocation Conservative Balanced Pool
Tactical Asset Allocation Conservative Class
Tactical Asset Allocation Conservative Income Class
Tactical Asset Allocation Conservative Income Pool
Tactical Asset Allocation Conservative Pool
Tactical Asset Allocation Equity Class
Tactical Asset Allocation Equity Pool
Tactical Asset Allocation Growth Class
Tactical Asset Allocation Growth Pool
Tactical Asset Allocation Income Class
Tactical Asset Allocation Income Pool
Tactical Asset Allocation Neutral Balanced Class
Tactical Asset Allocation Neutral Balanced Pool
US Equity Managed Class
US Equity Managed Pool
Principal Regulator – Ontario
Type and Date:
Combined Preliminary and Pro Forma Simplified Prospectus dated Jun 12, 2023
NP 11-202 Preliminary Receipt dated Jun 13, 2023
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3549536

Issuer Name:
Horizons Enhanced Canadian Large Cap Equity Covered Call ETF
Horizons Enhanced Equal Weight Banks Index ETF
Horizons Enhanced Equal Weight Canadian Banks Covered Call ETF
Horizons Enhanced S&P/TSX 60 Index ETF
Horizons Enhanced US Large Cap Equity Covered Call ETF
Horizons Equal Weight Banks Index ETF
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated Jun 13, 2023
NP 11-202 Preliminary Receipt dated Jun 13, 2023
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3549732

Issuer Name:
TruX Exogenous Risk Pool
Principal Regulator - Ontario
Type and Date:
Amendment #2 to Final Simplified Prospectus dated June 14, 2023
NP 11-202 Final Receipt dated Jun 16, 2023
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3472312

Issuer Name:
Counsel Retirement Preservation Portfolio
Principal Regulator - Ontario
Type and Date:
Amendment #1 to Final Simplified Prospectus dated June 7, 2023
NP 11-202 Final Receipt dated Jun 13, 2023
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3437723

Issuer Name:
Mackenzie FuturePath Monthly Income Balanced Portfolio
Principal Regulator - Ontario
Type and Date:
Amendment #2 to Final Simplified Prospectus and Amendment #3 to AIF dated June 15, 2023
NP 11-202 Final Receipt dated Jun 19, 2023
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3352477

NON-INVESTMENT FUNDS

Issuer Name:
Choice Properties Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Shelf Prospectus dated June 16, 2023
NP 11-202 Preliminary Receipt dated June 19, 2023
Offering Price and Description:
Debt Securities, Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3550918

Issuer Name:
Criterium Energy Ltd. (formerly Softrock Minerals Ltd.)
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated June 14, 2023
NP 11-202 Preliminary Receipt dated June 14, 2023
Offering Price and Description:
$22,000,000.00 - * Subscription Receipts
$* per Subscription Receipt
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3550162

Issuer Name:
Cybin Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Shelf Prospectus dated June 16, 2023
NP 11-202 Preliminary Receipt dated June 16, 2023
Offering Price and Description:
$125,000,000.00 - Common Shares, Warrants, Units, Debt Securities, Subscription Receipts
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3550875

Issuer Name:
Eastern Precious Metals Corp.
Principal Regulator - Ontario
Type and Date:
Amendment dated June 16, 2023 to Preliminary Long Form Prospectus dated March 17, 2023
NP 11-202 Preliminary Receipt dated June 19, 2023
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
Aaron Eisenberg
Raymond David Harari Benaim
Project #3504178

Issuer Name:
enCore Energy Corp.
Principal Regulator - British Columbia
Type and Date:
Preliminary Shelf Prospectus dated June 9, 2023
NP 11-202 Preliminary Receipt dated June 13, 2023
Offering Price and Description:
US$140,000,000.00 - Common Shares, Warrants, Subscription Receipts, Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3549569

Issuer Name:
Endeavour Silver Corp.
Principal Regulator - British Columbia
Type and Date:
Preliminary Shelf Prospectus dated June 16, 2023
NP 11-202 Preliminary Receipt dated June 19, 2023
Offering Price and Description:
Common Shares, Warrants, Subscription Receipts, Debt Securities, Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3551063

Issuer Name:
Eupraxia Pharmaceuticals Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Shelf Prospectus dated June 15, 2023
NP 11-202 Preliminary Receipt dated June 15, 2023
Offering Price and Description:
C$200,000,000.00 - Common Shares, Preferred Shares, Debt Securities, Warrants, Subscription Receipts, Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3550553

Issuer Name:
Fiera Capital Corporation
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated June 14, 2023
NP 11-202 Preliminary Receipt dated June 15, 2023
Offering Price and Description:
$65,000,000.00 - 8.25% Senior Subordinated Unsecured Debentures due December 31, 2026
Price: $1,000 per Debenture
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3548595

Issuer Name:
Fury Gold Mines Limited (formerly "Auryn Resources Inc.")
Principal Regulator - British Columbia
Type and Date:
Preliminary Shelf Prospectus dated June 14, 2023
NP 11-202 Preliminary Receipt dated June 14, 2023
Offering Price and Description:
$200,000,000.00 - Common Shares, Preferred Shares, Subscription Receipts, Warrants, Debt Securities, Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3550157

Issuer Name:
Hertz Lithium Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Shelf Prospectus dated June 15, 2023
NP 11-202 Preliminary Receipt dated June 15, 2023
Offering Price and Description:
$15,000,000.00 - Common Shares, Warrants, Subscription Receipts, Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
Kal Malhi
Project #3550551

Issuer Name:
Interactive Capital Partners Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated June 16, 2023
NP 11-202 Preliminary Receipt dated June 19, 2023
Offering Price and Description:
0.00
Underwriter(s) or Distributor(s):
SKINJECT, INC.
Promoter(s):
-
Project #3551075

Issuer Name:
Mogotes Metals Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated June 13, 2023
NP 11-202 Preliminary Receipt dated June 14, 2023
Offering Price and Description:
* Units, $*
Price: $* per Unit
Underwriter(s) or Distributor(s):
CANACCORD GENUITY CORP.
BMO NESBITT BURNS INC.
PI FINANCIAL CORP.
Promoter(s):
Allen Sabet
Project #3549804

Issuer Name:
Mogotes Metals Inc.
Principal Regulator - Ontario
Type and Date:
Amendment dated June 14, 2023 to Preliminary Long Form Prospectus dated June 13, 2023
NP 11-202 Preliminary Receipt dated June 15, 2023
Offering Price and Description:
Approximately $20,000,000.00 - Approximately 50,000,000 Units,
Price: $0.40 per Unit
Underwriter(s) or Distributor(s):
CANACCORD GENUITY CORP.
BMO NESBITT BURNS INC.
PI FINANCIAL CORP.
Promoter(s):
Allen Sabet
Project #3549804

Issuer Name:
Choice Properties Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Final Shelf Prospectus dated June 16, 2023
NP 11-202 Receipt dated June 19, 2023
Offering Price and Description:
Debt Securities, Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3550918

Issuer Name:
Diversified Royalty Corp.
Principal Regulator - British Columbia
Type and Date:
Final Shelf Prospectus dated June 19, 2023
NP 11-202 Receipt dated June 19, 2023
Offering Price and Description:
$250,000,000.00 - Common Shares, Warrants, Subscription Receipts, Debt Securities, Convertible Securities, Rights, Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3549417

Issuer Name:
Endeavour Silver Corp.
Principal Regulator - British Columbia
Type and Date:
Final Shelf Prospectus dated June 16, 2023
NP 11-202 Receipt dated June 19, 2023
Offering Price and Description:
Common Shares, Warrants, Subscription Receipts, Debt Securities, Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3551063

Issuer Name:
Questcorp Mining Inc.
Principal Regulator - British Columbia
Type and Date:
Final Long Form Prospectus dated June 14, 2023
NP 11-202 Receipt dated June 15, 2023
Offering Price and Description:
$500,000.00 - 5,000,000 Common Shares
at a price of $0.10 per Common Share
Underwriter(s) or Distributor(s):
CANACCORD GENUITY CORP.
Promoter(s):
-
Project #3521344

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B.10
Registrations

B.10.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Vessel Investments Inc.	Exempt Market Dealer	June 14, 2023
Suspended (Regulatory Action)	Gravitas Securities Inc.	Investment Dealer	June 8, 2023
Suspended (Regulatory Action)	Gravitas Securities Inc.	Investment Fund Manager	June 16, 2023

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B.11
CIRO, Marketplaces, Clearing Agencies and Trade Repositories

B.11.3 Clearing Agencies

B.11.3.1 The Canadian Depository for Securities Limited et al. – Notice of Variation Orders

NOTICE OF VARIATION ORDERS

THE CANADIAN DEPOSITORY FOR SECURITIES LIMITED

CDS CLEARING AND DEPOSITORY SERVICES INC. (CDS)

AND

THE CANADIAN DERIVATIVES CLEARING CORPORATION (CDCC)

June 22, 2023

On June 15, 2023, the Commission made orders (**Variation Orders**) under section 21.2 and subsection 144(1) of the *Securities Act* (Ontario) varying the Commission's orders recognizing the Canadian Depository for Securities Limited, CDS Clearing and Depository Services Inc. (**CDS**) and the Canadian Derivatives Clearing Corporation (**CDCC**) as clearing agencies (**Recognition Orders**).

The purpose of the Variation Orders is to reduce regulatory burden under the Recognition Orders and to streamline and update regulatory reporting requirements applicable to CDS and CDCC.

The Variation Orders are published in Chapter B.2.

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