The Ontario Securities Commission

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The Ontario Securities Commission exercises its regulatory oversight function through the administration and enforcement of Ontario's *Securities Act* (R.S.O. 1990, c. S.5) and *Commodity Futures Act* (R.S.O. 1990, c. C.20), and administration of certain provisions of the *Business Corporations Act* (R.S.O. 1990, c. B.16).

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Table of Contents

A. Capital Markets Tribunal **1179**
A.1 Notices of Hearing .... **(nil)**
A.2 Other Notices **1179**
A.2.1 Manticore Labs OÜ (o/a Coinfield) and Manticore Labs Inc. 1179
A.3 Orders **1181**
A.3.1 Manticore Labs OÜ (o/a Coinfield) and Manticore Labs Inc. – ss. 127(1), 127.1 1181
A.4 Reasons and Decisions **1183**
A.4.1 Manticore Labs OÜ (o/a Coinfield) and Manticore Labs Inc. – ss. 127(1), 127.1 1183

B. Ontario Securities Commission **1187**
B.1 Notices .... **(nil)**
B.2 Orders **1187**
B.2.1 Fission Uranium Corp. 1187
B.2.2 RIV Capital Inc. – s. 1(6) of the OBCA 1189
B.3 Reasons and Decisions **1191**
B.3.1 VirgoCX Inc. 1191
B.3.2 LongPoint Asset Management Inc. and ReSolve Asset Management Inc. 1202
B.3.3 Goodwood Inc. and Goodwood Capital Fund 1212
B.3.4 Goldman Sachs Asset Management, L.P. 1216
B.4 Cease Trading Orders **1223**
B.4.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders 1223
B.4.2 Temporary, Permanent & Rescinding Management Cease Trading Orders 1223
B.4.3 Outstanding Management & Insider Cease Trading Orders 1223
B.5 Rules and Policies .... **(nil)**
B.6 Request for Comments .... **(nil)**
B.7 Insider Reporting **1225**
B.8 Legislation .... **(nil)**
B.9 IPOs, New Issues and Secondary Financings **1297**
B.10 Registrations **1303**
B.10.1 Registrants 1303
B.11 CIRO, Marketplaces, Clearing Agencies and Trade Repositories .... **(nil)**
B.11.1 CIRO .... **(nil)**
B.11.2 Marketplaces .... **(nil)**
B.11.3 Clearing Agencies .... **(nil)**
B.11.4 Trade Repositories .... **(nil)**
B.12 Other Information .... **(nil)**

Index **1305**

A. Capital Markets Tribunal

A.2
Other Notices

A.2.1 Manticore Labs OÜ (o/a Coinfield) and Manticore Labs Inc.

FOR IMMEDIATE RELEASE
February 3, 2025

MANTICORE LABS OÜ
(o/a COINFIELD) AND
MANTICORE LABS INC.,
File No. 2023-24

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

A copy of the Reasons and Decision and Order both dated January 30, 2025 are available at capitalmarketstribunal.ca.

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

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A.3
Orders

A.3.1 Manticore Labs OÜ (o/a Coinfield) and Manticore Labs Inc. – ss. 127(1), 127.1

IN THE MATTER OF
MANTICORE LABS OÜ
(*o/a* COINFIELD) AND
MANTICORE LABS INC.

File No. 2023-24

Adjudicators: Mary Condon (chair of the panel)
Jane Waechter
Sandra Blake

January 30, 2025

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

WHEREAS on November 7, 2024, the Capital Markets Tribunal held a hearing at 20 Queen Street West, Toronto to consider the sanctions and costs that the Tribunal should impose on Manticore Labs OÜ (o/a CoinField) and Manticore Labs Inc. as a result of the findings in the reasons and decision on the merits issued on August 26, 2024;

ON READING the materials filed by the Ontario Securities Commission, and on hearing the submissions of the representatives for the Ontario Securities Commission, and no one appearing for the respondents;

IT IS ORDERED that:

1. pursuant to paragraph 2 of s. 127(1) of the *Securities Act* (the ***Act***), trading in any securities or derivatives by the respondents shall cease permanently;

2. pursuant to paragraph 2.1 of s. 127(1) of the *Act*, the acquisition of any securities by the respondents is prohibited permanently;

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

4. pursuant to paragraph 8.5 of s. 127(1) of the *Act*, the respondents are permanently prohibited from becoming or acting as a registrant or as a promoter;

5. pursuant to paragraph 9 of s. 127(1) of the *Act*, the respondents shall, jointly and severally, pay an administrative penalty to the Commission of $2.4 million;

6. pursuant to paragraph 10 of s. 127(1) of the *Act*, the respondents shall, jointly and severally, disgorge to the Commission $537,034.46; and

7. pursuant to s. 127.1 of the *Act*, the respondents shall pay costs to the Commission in the amount of $89,538.30, for which they shall be jointly and severally liable.

"Mary Condon"

"Jane Waechter"

"Sandra Blake"

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A.4
Reasons and Decisions

A.4.1 Manticore Labs OÜ (o/a Coinfield) and Manticore Labs Inc. – ss. 127(1), 127.1

Citation: *Manticore Labs OÜ (Re)*, 2025 ONCMT 1
Date: 2025-01-30
File No. 2023-24

IN THE MATTER OF
MANTICORE LABS OÜ
(o/a COINFIELD) AND
MANTICORE LABS INC.

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

Adjudicators:	Mary Condon (chair of the panel) Jane Waechter Sandra Blake	
Hearing:	November 7, 2024	
Appearances:	Aaron Dantowitz Hansen Wong	For the Ontario Securities Commission
	No one appearing for Manticore Labs OÜ (o/a CoinField) or Manticore Labs Inc.	

REASONS AND DECISION

1. OVERVIEW

[1] In a decision on the merits dated August 26, 2024 (the **Merits Decision**),[1] the Capital Markets Tribunal found that Manticore Labs OÜ and Manticore Labs Inc. (collectively, **CoinField**) breached the *Securities Act* (the ***Act***)[2] through unregistered trading, illegal distribution of securities, and by making false and misleading statements to investors. The Tribunal also found that CoinField engaged in additional conduct that would justify a sanctions order, namely failing to maintain safe custody of investors' assets and not allowing investors to withdraw their money.

[2] The Ontario Securities Commission asks that we impose sanctions against CoinField pursuant to s. 127(1) of the *Act*, and that we order the respondents to jointly and severally pay the Commission's costs of the investigation and this proceeding. CoinField did not participate in this proceeding.

[3] For the reasons set out below, we conclude that it is in the public interest to make an order permanently banning the respondents from participating in Ontario's capital markets, and requiring that they jointly and severally:

a. pay an administrative penalty of $2.4 million;

b. disgorge $537,034.46; and

c. pay costs of $89,538.30.

2. BACKGROUND

[4] CoinField began operating its digital asset trading platform in 2018 and agreed to assist users to buy, manage, exchange and withdraw crypto assets or fiat currency from their accounts. The contracts between CoinField and its users were investment contracts and, therefore, securities.

---

1 *Manticore Labs OÜ (Re)*, 2024 ONCMT 19
2 RSO 1990, c S.5 (***Act***)

[5] The platform went offline in 2023 and became inaccessible. CoinField did not fulfill outstanding withdrawal requests, and investors lost their money.

[6] The Tribunal found that CoinField illegally engaged in the business of trading in securities and disregarded the prospectus and registration requirements of the *Act*. Further, CoinField made false or misleading statements to investors about the safety and accessibility of their funds. The Tribunal further found that CoinField did not maintain safe custody of investor funds and that investors were unable to withdraw their funds. Ontario investors were among those who suffered harm.

3. ANALYSIS

3.1 Introduction

[7] The Tribunal may impose sanctions under s. 127(1) of the *Act* where it finds it to be in the public interest to do so. The Tribunal's exercise of that jurisdiction must be consistent with the purposes of the *Act*, which include protecting investors from unfair, improper and fraudulent practices, and fostering fair and efficient capital markets and confidence in the capital markets.

[8] In this case, the Commission seeks the following sanctions and costs against the respondents:

a. permanent prohibitions on their ability to participate in Ontario's capital markets;

b. an administrative penalty of $2.4 million on a joint and several basis;

c. disgorgement of $537,034.46 on a joint and several basis; and

d. costs of $89,538.30 on a joint and several basis.

[9] We agree that the requested sanctions and costs are appropriate for the reasons below.

3.2 Sanctioning Factors

[10] In determining the nature and duration of sanctions, the Tribunal has identified a non-exhaustive list of applicable factors.[3] We will focus on the factors that are most relevant to this case, namely, the seriousness of CoinField's misconduct, the need for deterrence, and the level of CoinField's activity in the marketplace.

[11] We find that there are no mitigating factors for CoinField's conduct. While CoinField made statements to securities regulators about its intention to seek registration, it never completed that process.

[12] For the reasons that follow, we find that significant sanctions are warranted.

3.2.1 Seriousness of the misconduct

[13] CoinField's misconduct was serious. It breached the registration and prospectus requirements of the *Act*, both of which are fundamental to investor protection. It further violated the *Act* by making false or misleading statements to reassure investors that their funds were safe. These false and misleading statements were harmful because a reasonable investor would consider them relevant when deciding whether to maintain (or exit) a trading relationship with CoinField. Further findings of significant misconduct, relevant to non-monetary sanctions, are that CoinField failed to maintain safe custody of investors' assets and did not allow investors to withdraw their money.

3.2.2 Specific and general deterrence

[14] CoinField's conduct points to a need for specific and general deterrence. Specific deterrence involves discouraging future misconduct by the respondents to an enforcement proceeding. General deterrence dissuades other like-minded individuals or entities from carrying out similar activities. Both specific and general deterrence are designed to protect Ontario investors from future misconduct.

[15] Other crypto asset trading platforms have sought to bring their operations into compliance with Ontario securities law. If we were to allow CoinField to escape the consequences of its misconduct without significant sanctions, it would create an unlevel playing field within Ontario's capital markets. Further, CoinField's trading and distribution of securities in violation of key investor protection provisions of Ontario securities law resulted in significant harm to members of the investing public in Ontario.

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

[16] Virtual trading platforms, wherever based, need a strong message that they must comply with Ontario securities law when dealing with Ontario investors.[4] We agree with the Commission's argument that accepting appropriate regulatory supervision in Ontario will not put them at a competitive disadvantage, but rather represents the only acceptable path to access the Ontario capital markets.

3.2.3 CoinField's level of activity in the marketplace

[17] CoinField's activity in Ontario's capital markets was significant. Details of the total number of affected investors or investor losses are unavailable because CoinField did not provide this information to regulators when asked. However, we find that:

a. in October 2022 there were at least 1,275 accounts linked to Ontario investors;

b. in late 2022, Canadian dollar holdings for Canadian investors exceeded $2.5 million; and

c. between 2022 and 2024 there were 39 complaints from Ontario resident investors regarding CoinField.

3.3 Market Participation Bans

[18] The Commission requested that the Tribunal make several orders that would have the effect of removing CoinField from participating in Ontario capital markets permanently, including permanent restrictions on acquiring or trading securities, accessing exemptions from Ontario securities law, and becoming a registrant.

[19] The Commission argued that aggravating factors in this respect included failure to maintain custody of investor assets and ultimately shutting down the entire platform to investors, leaving them with no prospect of withdrawing funds from the CoinField platform.

[20] We agree that the sanctioning factors noted above and, in particular, the serious misconduct of the respondents that resulted in harm to Ontario investors as well as the need for specific and general deterrence, support the imposition of these permanent market participation bans.

[21] We also note that the imposition of these market participation bans is consistent with the outcome of recent crypto platform cases, such as *Mek Global Limited (Re)*[5] and *Polo Digital*.[6] Given the pressing need for general deterrence in the context of crypto platforms, we agree with the Commission that permanent market participation bans are appropriate.

3.4 Administrative Penalties

[22] The Commission seeks an administrative penalty of $2.4 million to be paid jointly and severally by the respondents.

[23] Paragraph 9 of s. 127(1) of the *Act* provides that if a person or company has not complied with Ontario securities law, the Tribunal may require the person or company to pay an administrative penalty of not more than $1 million for each failure to comply.

[24] We agree with the Commission's submissions that an administrative penalty of $2.4 million is appropriate in this case. The merits panel found that CoinField had committed multiple breaches of Ontario securities law, comprising unregistered trading, illegally distributing securities, and making misleading statements to investors as to the status of their investments on the CoinField platform. The factual circumstances of this case warrant significant administrative penalties.

[25] The penalties requested by the Commission are generally proportionate to penalties assessed in other recent similar cases involving crypto platforms, such as *Polo Digital and Mek Global*.

[26] We agree with the Commission's submission that the breach of s. 44(2) of the *Act* involving misleading investors as to the status of their investments is particularly egregious from the perspective of harm caused to investors, and justifies the penalties requested.

3.5 Disgorgement

[27] The Commission requests that the respondents be ordered to disgorge $537,034.46 on a joint and several basis. Such an order is authorized by paragraph 10 of s. 127(1) of the *Act*, which refers to disgorgement of "any amounts obtained" as a result of non-compliance with Ontario securities law.

[28] The panel questioned the Commission concerning the methodology used to arrive at the figure requested. The panel had the benefit of testimony from the Commission's investigator regarding the calculations he did, allowing us to be

[4] *Vantage Global Prime Pty Ltd (Re)*, 2021 ONSEC 18 at para 18; *Polo Digital Assets* 2022 ONCMT 32 (***Polo Digital***) at para 98

[5] 2022 ONCMT 15 (***Mek Global***)

[6] *Polo Digital* at paras 135-137

confident that the amount represents amounts obtained from Ontario investors only. We accept the Commission's submission that these calculations were necessary because CoinField itself did not provide the Commission with the information about levels of Ontario investment.

[29] We accept that the amount of disgorgement requested represents a conservative figure, based on information provided to the Commission by only twenty-six Ontario investors, despite evidence that there were over one thousand Ontario investors in CoinField. We are satisfied that $537,034.46 requested by the Commission is an ascertainable figure. Without reliable evidence regarding investments through the CoinField platform made by other Ontario investors, we are unable to make a larger finding of disgorgement. Ultimately, we agree that the serious misconduct in this case causing harm to investors warrants a disgorgement order.

3.6 Costs

[30] Section 127.1 of the *Act* authorizes the Tribunal to order a respondent to pay the costs of an investigation or a hearing if the Tribunal is satisfied that the person or company has not complied with Ontario securities law or has not acted in the public interest.

[31] The Commission seeks costs of $89,538.30 against the respondents jointly and severally. This amount is comprised of $88,781.25 for fees and $757.05 for disbursements.

[32] The Commission provided us with appropriate documentation relating to the costs sought and made additional submissions about these amounts at the sanctions hearing. We find that the amount of time spent by the investigator investigating this matter and preparing affidavit evidence assisted the Tribunal. We also note that the Commission has not sought to recover for the time spent by the senior litigator involved in this case. We find the amounts reasonable and proportionate. Given the findings of multiple breaches of Ontario securities law by CoinField, we order that the costs requested be paid.

4. CONCLUSION

[33] For the reasons above, we order:

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

ii. pursuant to paragraph 2.1 of subsection 127(1) of the *Act* that the acquisition of any securities by the respondents is prohibited permanently;

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

iv. pursuant to paragraph 8.5 of subsection 127(1) of the *Act* that the respondents be permanently prohibited from becoming or acting as a registrant or as a promoter;

v. pursuant to paragraph 9 of subsection 127(1) of the *Act* that the respondents shall, jointly and severally, pay an administrative penalty to the Commission of $2.4 million;

vi. pursuant to paragraph 10 of subsection 127(1) of the *Act* that the respondents shall, jointly and severally, disgorge to the Commission the amount of $537,034.46; and

vii. pursuant to s. 127.1 of the *Act* that the respondents shall pay costs to the Commission in the amount of $89,538.30, for which they shall be jointly and severally liable.

Dated at Toronto this 30th day of January, 2025

"Mary Condon"

"Jane Waechter"

"Sandra Blake"

B. Ontario Securities Commission

B.2
Orders

B.2.1 Fission Uranium Corp.

Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-206 Process for Cease to be a Reporting Issuer Applications -– Securities Act s. 88 Cease to be a reporting issuer in BC – The securities of the issuer are beneficially owned by not more than 50 persons and are not traded through any exchange or market – The issuer is not an OTC reporting issuer; the securities of the issuer are beneficially owned by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders worldwide; no securities of the issuer are traded on a market in Canada or another country; the issuer is not in default of securities legislation.

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.B.C. 1996, c. 418, s. 88.
Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10)(a)(ii).

Citation: 2025 BCSECCOM 44

January 27, 2025

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

AND

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

AND

**IN THE MATTER OF
FISSION URANIUM CORP.
(the Filer)**

ORDER

Background

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

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

(a) the British Columbia Securities Commission is the principal regulator for this application,

(b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in Alberta, Manitoba, New Brunswick, Newfoundland and

Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Québec, Saskatchewan and Yukon, and

(c) this order is the order of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

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

Representations

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

1. the Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*;

2. the outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;

3. no securities of the Filer, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;

4. the Filer is applying for an order that the Filer has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer; and

5. the Filer is not in default of securities legislation in any jurisdiction.

Order

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

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

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

OSC File #: 2024/0746

B.2.2 RIV Capital Inc. – s. 1(6) of the OBCA

Headnote

Applicant deemed to have ceased to be offering its securities to the public under the Business Corporations Act (Ontario).

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(6).

IN THE MATTER OF
THE BUSINESS CORPORATIONS ACT (ONTARIO),
R.S.O. 1990, c. B.16,
AS AMENDED
(the OBCA)

AND

IN THE MATTER OF
RIV CAPITAL INC.
(the Applicant)

ORDER
(Subsection 1(6) of the OBCA)

UPON the application of the Applicant to the Ontario Securities Commission (the **Commission**) for an order pursuant to subsection 1(6) of the OBCA to be deemed to have ceased to be offering its securities to the public;

AND UPON the Applicant representing to the Commission that:

1. the Applicant is an "offering corporation" as defined in subsection 1(1) of the OBCA;

2. the Applicant's head and registered office is located at 365 Bay Street, Suite 800, Toronto, Ontario, M5H 2V1;

3. the Applicant has no intention to seek public financing by way of an offering of securities;

4. on January 14, 2025, the Applicant was granted an order (the **Reporting Issuer Order**) pursuant to subclause 1(10)(a)(ii) of the *Securities Act* (Ontario) that it is not a reporting issuer in Ontario and is not a reporting issuer or the equivalent in any other jurisdiction of Canada in accordance with the simplified procedure set out in section 19 of National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications*; and

5. the representations set out in the Reporting Issuer Order continue to be true;

AND UPON the Commission being satisfied that to grant this order would not be prejudicial to the public interest;

IT IS HEREBY ORDERED pursuant to subsection 1(6) of the OBCA that the Applicant be deemed to have ceased to be offering its securities to the public.

DATED at Toronto on this 3rd day of February 2025.

"Lina Creta"
Manager, Corporate Finance
Ontario Securities Commission

OSC File #: 2025/0013

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B.3
Reasons and Decisions

B.3.1 VirgoCX Inc.

Headnote

Application for time-limited relief from certain registrant obligations, prospectus requirement and trade reporting requirements – suitability relief to allow the Filer to distribute Crypto Contracts and operate a platform that facilitates the buying, selling, depositing, and withdrawing of crypto assets – relief granted subject to certain conditions set out in the decision, including investment limits, account appropriateness, disclosure and reporting requirements – relief is time-limited and will expire 12 months from the date of the Decision – relief granted based on the particular facts and circumstances of the application with the objective of fostering capital raising by innovative businesses in Canada – decision should not be viewed as precedent for other filers in the jurisdictions of Canada.

Statute cited

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

Instrument, Rule or Policy cited

Multilateral Instrument 11-102 Passport System, s. 4.7.
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, s. 13.3.
OSC Rule 91-506 Derivatives: Product Determination, ss. 2 & 4.
OSC Rule 91-507 Trade Repositories and Derivatives Data Reporting, Part 3.

January 30, 2025

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)
AND
ALBERTA,
BRITISH COLUMBIA,
MANITOBA,
NEW BRUNSWICK,
NEWFOUNDLAND AND LABRADOR,
NORTHWEST TERRITORIES,
NOVA SCOTIA,
NUNAVUT,
PRINCE EDWARD ISLAND,
QUÉBEC,
SASKATCHEWAN,
AND
YUKON

AND

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

AND

IN THE MATTER OF
VIRGOCX INC.
(the Filer)

DECISION

Background

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

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

The Filer is currently registered in the category of restricted dealer in all provinces and territories of Canada. In connection with its registration as a restricted dealer, the Filer previously applied for and received exemptive relief in a decision dated May 30, 2024 (the **Prior Decision**) which varied and extended a decision dated May 30, 2022 (the **Original Decision**).

Under the terms and conditions of the Original Decision and the Prior Decision, the Filer has operated, and continues to operate, on an interim basis, a platform (the **Platform**) that permits clients resident in Canada to enter into Crypto Contracts to purchase, hold, sell, deposit, and withdraw Crypto Assets.

The exemptive relief granted under the Prior Decision expires on January 31, 2025, and required the Filer, by October 31, 2024, to submit an application to its Principal Regulator and the Autorité des marchés financiers (**AMF**) to become registered as an investment dealer, and to submit an application to the Canadian Investment Regulatory Organization (**CIRO**), formerly IIROC, to become a dealer member.

The Filer has prepared and submitted to CIRO a membership application and has been working with CIRO to improve the submissions in its application.

The Filer has submitted an application to extend the relief in the Prior Decision in order to allow the Filer to complete the CIRO membership process while continuing to operate the Platform past January 31, 2025 on an interim basis as a restricted dealer.

This Decision has been tailored for the specific facts and circumstances of the Filer, and the securities regulatory authority or regulator in the Applicable Jurisdictions (as defined below) will not consider this Decision as constituting a precedent for other filers.

Relief Requested

The securities regulatory authority or regulator in the Jurisdiction has received an application from the Filer (the **Passport Application**) for a decision under the securities legislation of the Jurisdiction (the **Legislation**) extending the Filer's time-limited exemption of the Filer from:

(a) the prospectus requirements under the Legislation in respect of the Filer entering into Crypto Contracts with clients to purchase, hold, sell, deposit, and withdraw Crypto Assets (the **Prospectus Relief**); and

(b) the requirement in section 13.3 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**), before it opens an account, takes investment action for a client, or makes a recommendation or exercises discretion to take investment action, to determine on a reasonable basis that the action is suitable for the client (the **Suitability Relief**).

The securities regulatory authority or regulator in the Jurisdiction and each of the other jurisdictions referred to in 0 (collectively, the **Coordinated Review Decision Makers**) have received an application from the Filer (collectively with the Passport Application, the **Application**) for a decision under the securities legislation of those jurisdictions exempting the Filer from certain reporting requirements under the Local Trade Reporting Rules (as defined in 0) (the **Trade Reporting Relief**, and together with the Prospectus Relief and the Suitability Relief, the **Requested Relief**).

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

(a) the Ontario Securities Commission is the principal regulator for the Application (the **Principal Regulator**);

(b) in respect of the Prospectus Relief and the Suitability Relief, the Filer has provided notice that, in the jurisdictions where required, subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon

in each of the other provinces and territories of Canada (the **Non-Principal Jurisdictions**, and, together with the Jurisdiction, the **Applicable Jurisdictions**); and

(c) the decision in respect of the Trade Reporting Relief is the decision of the Principal Regulator and evidences the decision of each Coordinated Review Decision Maker.

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102, Canadian securities legislation or the Prior Decision have the same meaning if used in this Decision, unless otherwise defined.

Representations

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

1. The Filer is a corporation incorporated under the federal laws of Canada with its principal and head office in Toronto, Ontario.

2. The Filer operates under the business name of "VirgoCX".

3. The Filer is a wholly owned subsidiary of VirgoCX Global Holdings Inc. (**VGHI**).

4. The Filer and VGHI do not have any securities listed or quoted on an exchange or marketplace in any jurisdiction inside or outside of Canada.

5. The Filer is registered as a dealer in the category of restricted dealer with the Applicable Jurisdictions.

6. The Filer is registered as a money services business (**MSB**) under regulations made under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada)* (**Canadian AML/ATF Law**).

7. The Filer's personnel consist of software engineers, compliance professionals and client support representatives who have experience operating in a regulated financial services environment as an MSB and/or expertise in blockchain technology. All of the Filer's personnel have passed criminal records checks and new personnel joining the Filer after May 30, 2022 will have passed criminal records and credit checks. The Filer does not have any dealing representatives.

8. On May 30, 2022, the Filer was granted relief from certain prospectus, trade reporting and suitability requirements applicable to the Filer in connection with the operation of the Platform, subject to certain terms and conditions. The relief was varied and extended on May 30, 2024 until January 31, 2025 in the Prior Decision.

9. The Filer originally submitted its membership application to CIRO on May 30, 2023 and submitted amended membership applications to CIRO on December 19, 2023 and October 30, 2024.

10. The Filer's application dated October 30, 2024 demonstrated that the Filer has worked actively and diligently to address certain threshold issues that had been identified by CIRO staff in connection with the Filer's prior applications. However, on November 22, 2024, CIRO provided written notice to the Filer of certain deficiencies which require remediation before the application can be accepted by CIRO for review.

11. The Filer met with CIRO Staff to discuss the Filer's proposed approach for remediating the deficiencies, including revising the calculation of risk-adjusted capital in accordance with CIRO Form 1, strengthening the Filer's compliance function by engaging additional qualified personnel and enhancing the Filer's policies and procedures. The Filer has taken significant steps toward addressing these deficiencies, including by retaining experienced consultants in December 2024, hiring a new Chief Compliance Officer who commenced his role on January 6, 2025 and engaging in a search for additional qualified personnel.

12. Based on the timeframes agreed upon with the Filer's compliance consultants for completion of their work, and allowing for further review by the Filer's professional advisors prior to finalizing all materials, the Filer expects to re-submit its application to CIRO on February 14, 2025 (the **Updated CIRO Application**).

13. Following the filing of the Updated CIRO Application, the Filer will continue to work actively and diligently with CIRO to complete the CIRO membership process.

14. The Filer has provided and will continue to provide the Principal Regulator with regular and timely updates relating to the Filer's CIRO membership process.

15. This Decision is based on the same representations as were made by the Filer in the Prior Decision, which remain true and complete to the extent not modified by the representations in this Decision.

Decision

The Principal Regulator is satisfied that the Decision satisfies the test set out in the Legislation for the Principal Regulator to make the Decision and each Coordinated Review Decision Maker is satisfied that the Decision in respect of the Trade Reporting Relief, as applicable, satisfies the tests set out in the securities legislation of its jurisdiction for the Coordinated Review Decision Maker to make the Decision in respect of the Trade Reporting Relief, as applicable.

The Decision of the Principal Regulator under the Legislation is that the Prior Decision is revoked and the Requested Relief is granted, and the Decision of each Coordinated Review Decision Maker under the securities legislation in its jurisdiction is that the Trade Reporting Relief, as applicable, is granted, provided that and for so long as the Filer complies with the following terms and conditions:

A. The Filer complies with all of the terms and conditions of the Prior Decision as if the Prior Decision had not expired on January 31, 2025, except as amended by this Decision.

B. The Filer will only engage in business activities governed by securities legislation as described in the representations above. The Filer will seek the appropriate approvals from the Principal Regulator and, if required under securities legislation, the regulator or securities regulatory authority of any other Applicable Jurisdiction, prior to undertaking any other activity governed by securities legislation. The Filer will not offer derivatives based on Crypto Assets other than Crypto Contracts.

C. The Filer continues to make best efforts to complete the CIRO membership process as soon as possible.

D. Appendix B of the Prior Decision is replaced with Appendix B of this Decision.

E. Conditions E and BB of the Prior Decision are replaced with the following: The Filer will only engage in the business of trading Crypto Assets, or Crypto Contracts in relation to Crypto Assets, that (a) are not securities or derivatives, or (b) are Value-Referenced Crypto Assets, provided that the Filer does not allow clients to buy or deposit, or enter into Crypto Contracts to buy or deposit, Value-Referenced Crypto Assets that do not satisfy the conditions set out in Appendix C of this Decision.

F. In the event the Updated CIRO Application has not been submitted by February 28, 2025, the Filer will implement business restrictions as required by the Principal Regulator by no later than February 28, 2025.

G. In the event the Updated CIRO Application is submitted by February 28, 2025 but CIRO does not accept the application, then the Filer will implement business restrictions as required by the Principal Regulator by no later than 14 days following the Filer's receipt of written notice from CIRO that the Updated CIRO Application is not accepted.

H. This Decision may be amended by the Principal Regulator upon prior written notice to the Filer in accordance with applicable securities legislation.

I. This Decision shall expire on the earlier of:

   (a) 12 months from the date of this Decision, or

   (b) the date on which the Filer is registered as an investment dealer and becomes a CIRO member.

In respect of the Suitability Relief:

Date: January 23, 2025

"Michelle Alexander"
Manager, Trading and Markets
Ontario Securities Commission

In respect of the Prospectus Relief:

Date: January 23, 2025

"David Surat"
Manager, Corporate Finance
Ontario Securities Commission

In respect of the Trade Reporting Relief:

Date: January 30, 2025

"Michelle Alexander"
Manager, Trading and Markets
Ontario Securities Commission

OSC File #: 2024/0742

APPENDIX A - LOCAL TRADE REPORTING RULES

In this Decision, "**Local Trade Reporting Rules**" collectively means each of the following:

(a) Part 3, Data Reporting of Ontario Securities Commission Rule 91-507 *Trade Repositories and Derivatives Data Reporting* (**OSC Rule 91-507**)

(b) Part 3, Data Reporting of Manitoba Securities Commission Rule 91-507 *Trade Repositories and Derivatives Data Reporting* (**MSC Rule 91-507**); and

(c) Part 3, Data Reporting of Multilateral Instrument 96-101 *Trade Repositories and Derivatives Data Reporting* in Alberta, British Columbia, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Saskatchewan, and Yukon (**MI 96-101**).

APPENDIX B – SPECIFIED CRYPTO ASSETS

- Bitcoin
- Ether
- Bitcoin cash
- Litecoin
- A Value-Referenced Crypto Asset that complies with condition E of this Decision

APPENDIX C - TERMS AND CONDITIONS FOR TRADING VALUE-REFERENCED CRYPTO ASSETS WITH CLIENTS

(1) The Filer establishes that all of the following conditions are met:

(a) The Value-Referenced Crypto Asset references, on a one-for-one basis, the value of a single fiat currency (the "reference fiat currency").

(b) The reference fiat currency is the Canadian dollar or United States dollar.

(c) The Value-Referenced Crypto Asset entitles a Value-Referenced Crypto Asset holder who maintains an account with the issuer of the Value-Referenced Crypto Asset to a right of redemption, subject only to reasonable publicly disclosed conditions, on demand directly against the issuer of the Value-Referenced Crypto Asset or against the reserve of assets, for the reference fiat currency on a one-to-one basis, less only any fee that is publicly disclosed by the issuer of the Value-Referenced Crypto Asset, and payment of the redemption proceeds within a reasonable period as disclosed by the issuer of the Value-Referenced Crypto Asset.

(d) The issuer of the Value-Referenced Crypto Asset maintains a reserve of assets that is:

(i) in the reference fiat currency and is comprised of any of the following:

1. cash;

2. investments that are evidence of indebtedness with a remaining term to maturity of 90 days or less and that are issued, or fully and unconditionally guaranteed as to principal and interest, by the government of Canada or the government of the United States;

3. securities issued by one or more Money Market Funds licensed, regulated or authorized by a regulatory authority in Canada or the United States of America; or

4. such other assets that the principal regulator of the Filer and the regulator or securities regulatory authority in each Canadian jurisdiction where clients of the Filer reside has consented to in writing;

(e) all of the assets that comprise the reserve of assets are:

(i) measured at fair value in accordance with Canadian GAAP for publicly accountable enterprises or U.S. GAAP at the end of each day;

(ii) held with a Qualified Custodian;

(iii) held in an account clearly designated for the benefit of the Value-Referenced Crypto Asset holders or in trust for the Value-Referenced Crypto Asset holders;

(iv) held separate and apart from the assets of the issuer of the Value-Referenced Crypto Asset and its affiliates and from the reserve of assets of any other Crypto Asset, so that, to the best of the knowledge and belief of the Filer after taking steps that a reasonable person would consider appropriate, including consultation with experts such as legal counsel, no creditors of the issuer other than the Value-Referenced Crypto Asset holders in their capacity as Value-Referenced Crypto Asset holders, will have recourse to the reserve of assets, in particular in the event of insolvency; and

(v) not encumbered or pledged as collateral at any time; and

(f) the fair value of the reserve of assets is at least equal to the aggregate nominal value of all outstanding units of the Value-Referenced Crypto Asset at least once each day.

(2) The issuer of the Value-Referenced Crypto Asset makes all of the following publicly available:

(a) details of each type, class or series of the Value-Referenced Crypto Asset, including the date the Value-Referenced Crypto Asset was launched and key features and risks of the Value-Referenced Crypto Asset;

(b) the quantity of all outstanding units of the Value-Referenced Crypto Asset and their aggregate nominal value at least once each business day;

(c) the names and experience of the persons or companies involved in the issuance and management of the Value-Referenced Crypto Asset, including the issuer of the Value-Referenced Crypto Asset, any manager of the

reserve of assets, including any individuals that make investment decisions in respect of the reserve of assets, and any custodian of the reserve of assets;

(d) the quantity of units of the Value-Referenced Crypto Asset held by the issuer of the Value-Referenced Crypto Asset or any of the persons or companies referred to in paragraph (c) and their nominal value at least once each business day;

(e) details of how a Value-Referenced Crypto Asset holder can redeem the Value-Referenced Crypto Asset, including any possible restrictions on redemptions such as the requirement for a Value-Referenced Crypto Asset holder to have an account with the issuer of the Value-Referenced Crypto Asset and any criteria to qualify to have an account;

(f) details of the rights of a Value-Referenced Crypto Asset holder against the issuer of the Value-Referenced Crypto Asset and the reserve of assets, including in the event of insolvency or winding up;

(g) all fees charged by the issuer of the Value-Referenced Crypto Asset for distributing, trading or redeeming the Value-Referenced Crypto Asset;

(h) whether Value-Referenced Crypto Asset holders are entitled to any revenues generated by the reserve of assets;

(i) details of any instances of any of the following:

  (i) the issuer of the Value-Referenced Crypto Asset has suspended or halted redemptions for all Value-Referenced Crypto Asset holders;

  (ii) the issuer of the Value-Referenced Crypto Asset has not been able to satisfy redemption rights at the price or in the time specified in its public policies;

(j) within 45 days of the end of each month, an assurance report from a public accountant that is authorized to sign such a report under the laws of a jurisdiction of Canada or the United States of America, and that meets the professional standards of that jurisdiction, that complies with all of the following:

  (i) provides reasonable assurance in respect of the assertion by management of the issuer of the Value-Referenced Crypto Asset that the issuer of the Value-Referenced Crypto Asset has met the requirements in paragraphs (1)(d)-(f) as at the last business day of the preceding month and at least one randomly selected day during the preceding month;

  (ii) the randomly selected day referred to in subparagraph (i) is selected by the public accountant and disclosed in the assurance report;

  (iii) for each day referred to in subparagraph (i), management's assertion includes all of the following:

    1. details of the composition of the reserve of assets;

    2. the fair value of the reserve of assets in subparagraph (1)(e)(i);

    3. the quantity of all outstanding units of the Value-Referenced Crypto Asset in paragraph (b);

  (iv) the assurance report is prepared in accordance with the Handbook, International Standards on Assurance Engagements or attestation standards established by the American Institute of Certified Public Accountants;

(k) starting with the first financial year ending after December 1, 2023, within 120 days of the issuer of the Value-Referenced Crypto Asset's financial year end, annual financial statements of the issuer of the Value-Referenced Crypto Asset that comply with all of the following:

  (i) the annual financial statements include all of the following:

    1. a statement of comprehensive income, a statement of changes in equity and a statement of cash flows, each prepared for the <u>most recently completed financial year and the financial year immediately preceding the most recently completed financial year, if any;</u>

    2. a statement of financial position, signed by at least one director of the issuer of the Value-Referenced Crypto Asset, <u>as at the end of the most recently completed financial year and the financial year immediately preceding the most recently completed financial year, if any;</u>

3. notes to the financial statements;

(ii) the statements are prepared in accordance with one of the following accounting principles:

1. Canadian GAAP applicable to publicly accountable enterprises;

2. U.S. GAAP;

(iii) the statements are audited in accordance with one of the following auditing standards:

1. Canadian GAAS;

2. International Standards on Auditing;

3. U.S. PCAOB GAAS;

(iv) the statements are accompanied by an auditor's report that,

1. if (iii)(1) or (2) applies, expresses an unmodified opinion,

2. if (iii)(3) applies, expresses an unqualified opinion,

3. identifies the auditing standards used to conduct the audit, and

4. is prepared and signed by a public accountant that is authorized to sign such a report under the laws of a jurisdiction of Canada or the United States of America.

(3) The Crypto Asset Statement includes all of the following:

(a) a prominent statement that no securities regulatory authority or regulator in Canada has evaluated or endorsed the Crypto Contracts or any of the Crypto Assets made available through the platform;

(b) a prominent statement that the Value-Referenced Crypto Asset is not the same as and is riskier than a deposit in a bank or holding cash with the Filer;

(c) a prominent statement that although Value-Referenced Crypto Assets may be commonly referred to as "stablecoins", there is no guarantee that the Value-Referenced Crypto Asset will maintain a stable value when traded on secondary markets or that the reserve of assets will be adequate to satisfy all redemptions;

(d) a prominent statement that, due to uncertainties in the application of bankruptcy and insolvency law, in the event of the insolvency of [Value-Referenced Crypto Asset issuer], there is a possibility that creditors of [Value-Referenced Crypto Asset issuer] would have rights to the reserve assets that could outrank a Value-Referenced Crypto Asset holder's rights, or otherwise interfere with a Value-Referenced Crypto Asset holder's ability to access the reserve of assets in the event of insolvency;

(e) a description of the Value-Referenced Crypto Asset and its issuer;

(f) a description of the due diligence performed by the Filer with respect to the Value-Referenced Crypto Asset;

(g) a brief description of the information in section (2) and links to where the information in that section is publicly available;

(h) a link to where on its website the issuer of the Value-Referenced Crypto Asset will disclose any event that has or is likely to have a significant effect on the value of the Value-Referenced Crypto Asset or on the reserve of assets.

(i) a description of the circumstances where the secondary market trading value of the Value-Referenced Crypto Asset may deviate from par with the reference fiat currency and details of any instances where the secondary market trading value of the Value-Referenced Crypto Asset has materially deviated from par with the reference fiat currency during the last 12 months on the Filer's platform;

(j) a brief description of any risks to the client resulting from the trading of a Value-Referenced Crypto Asset or a Crypto Contract in respect of a Value-Referenced Crypto Asset that may not have been distributed in compliance with securities laws;

(k) any other risks specific to the Value-Referenced Crypto Asset, including the risks arising from the fact that the Filer may not, and a client does not, have a direct redemption right with the issuer of the Value-Referenced Crypto Asset;

(l) a direction to the client to review the Risk Statement for additional discussion of general risks associated with the Crypto Contracts and Crypto Assets made available through the platform;

(m) a statement that the statutory rights in section 130.1 of the Act and, if applicable, similar statutory rights under securities legislation of other Applicable Jurisdictions, do not apply in respect of the Crypto Asset Statement to the extent a Crypto Contract is distributed under the Prospectus Relief in the Decision;

(n) the date on which the information was last updated.

(4) If the Filer uses the term "stablecoin" or "stablecoins" in any information, communication, advertising or social media related to the Platform and targeted at or accessible by Canadian investors, the Filer will also include the following statement (or a link to the following statement when impractical to include):

> "Although the term "stablecoin" is commonly used, there is no guarantee that the asset will maintain a stable value in relation to the value of the reference asset when traded on secondary markets or that the reserve of assets, if there is one, will be adequate to satisfy all redemptions."

(5) The issuer of the Value-Referenced Crypto Asset has filed an undertaking in substantially the same form as set out in Appendix B of CSA Notice 21-333 *Crypto Asset Trading Platforms: Terms and Conditions for Trading Value-Referenced Crypto Assets with Clients* (**CSA SN 21-333**) and the undertaking is posted on the CSA website.

(6) To the extent the undertaking referred to in section (5) of this Appendix includes language that differs from sections (1) or (2) of this Appendix, the Filer complies with sections (1) and (2) of this Appendix as if they included the modified language from the undertaking.

(7) The KYP Policy of the Filer requires the Filer to assess whether the Value-Referenced Crypto Asset or the issuer of the Value-Referenced Crypto Asset satisfies the criteria in sections (1), (2), (5) and (6) of this Appendix on an ongoing basis.

(8) The Filer has policies and procedures to facilitate halting or suspending deposits or purchases of the Value-Referenced Crypto Asset, or Crypto Contracts in respect of the Value-Referenced Crypto Asset, as quickly as is commercially reasonable, if the Value-Referenced Crypto Asset no longer satisfies the criteria in sections (1), (2), (5) and (6) of this Appendix.

(9) In this Appendix, terms have the same meanings set out in Appendix D of CSA SN 21-333.

B.3.2 LongPoint Asset Management Inc. and ReSolve Asset Management Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted to exchange-traded alternative mutual fund from aggregate leverage exposure limit of 300% of NAV in s. 2.9.1 of NI 81-102 to permit fund to use Absolute Value at Risk to measure leverage exposure – Relief subject to various conditions.

Relief granted from Items 3.3, 5.1 and 6.1 of Form 41-101F2 and item 3 of Part I of Form 41-101F4 to exempt fund from the requirement to disclose their maximum aggregate exposure to leverage as calculated pursuant to section 2.9.1 of NI 81-102.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 2.9.1 and 19.1.
Form 41-101F2 Information Required in an Investment Fund Prospectus, Items 3.3, 5.1 and 6.1.
Form 41-101F4 Information Required in an ETF Facts Document, Item 3 of Part I.

January 29, 2025

**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
LONGPOINT ASSET MANAGEMENT INC.
(LongPoint)**

AND

**IN THE MATTER OF
RESOLVE ASSET MANAGEMENT INC.
(ReSolve and together with LongPoint, the Filers)**

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filers for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) to grant the Filers and the Return Stacked® Global Balanced & Macro ETF (**RGBM**) exemptive relief from:

(a) Section 2.9.1 of National Instrument 81-102 *Investment Funds* (**NI 81-102**), which limits an alternative mutual fund's aggregate exposure to cash borrowing, short selling and specified derivatives transactions to 300% of the fund's net asset value; and

(b) Sections 3.3, 5.1 and 6.1 of Form 41-101F2 *Information Required in an Investment Fund Prospectus* and Item 3 of Part 1 of Form 41-101F4 *Information Required in an ETF Facts Document*, which all require an alternative mutual fund to disclose its maximum aggregate exposure to leverage as calculated pursuant to Section 2.9.1 of NI 81-102

(collectively, the **Exemption Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions:

(a) the Ontario Securities Commission is the principal regulator for this application (the **OSC**);

(b) the Filers have provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each jurisdiction of Canada, other than Ontario (the Other Jurisdictions, and together with the Jurisdiction, the **Jurisdictions**).

Interpretation

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

Representations

This decision is based on the following information represented by the Filers, ReSolve Asset Management SEZC (Cayman) (**ReSolve Global**) and Newfound Research LLC (**Newfound**), as applicable:

The Filers, and ReSolve Global, Newfound and RGBM

1. LongPoint is registered as a portfolio manager, commodity trading manager, exempt market dealer and investment fund manager in Ontario, and as an investment fund manager in Québec, and Newfoundland and Labrador. LongPoint's head office is in Toronto, Ontario.

2. ReSolve is registered as an investment fund manager, portfolio manager, commodity trading manager, and exempt market dealer in Ontario, as a portfolio manager and exempt market dealer in Alberta, British Columbia, and Newfoundland and Labrador, as an investment fund manager, portfolio manager and derivatives portfolio manager in Québec, and as an investment fund manager in Newfoundland and Labrador. ReSolve's head office is in Toronto, Ontario.

3. ReSolve Global is registered as an adviser by the Cayman Island Monetary Authority and is also regulated as a commodity trading advisor and commodity pool operator with the National Futures Association and is regulated by the Commodity Futures Trading Commission in the United States. ReSolve Global is also relying on the international sub-advisory exemption in the *Securities Act* (Ontario) and the *Commodity Futures Act* (Ontario). ReSolve Global's head office is located in George Town, Grand Cayman, Cayman Islands.

4. Newfound is registered as an investment advisor with the Securities Exchange Commission in the United States. Newfound is independent and arms length to ReSolve and ReSolve Global. Newfound's head office is located in St. Petersburg, Florida.

5. LongPoint will act as the manager of RGBM. ReSolve will act as the portfolio manager of RGBM and ReSolve Global will act as the portfolio sub-advisor of RGBM. Newfound will act as a promoter of RGBM, within the meaning of securities legislation of certain provinces and territories of Canada.

6. LongPoint is in the process of launching RGBM as an alternative mutual fund and has filed a preliminary prospectus dated November 22, 2024 to qualify the shares of RGBM which are expected to be listed on the Toronto Stock Exchange.

7. The investment objective of RGBM is to seek long-term capital appreciation by investing, directly or indirectly, in a global balanced strategy consisting of global equity securities and fixed income securities, and using leverage and derivative instruments, to stack on the returns of a systematic macro strategy that provides exposure to major global asset classes including but not limited to equity indices, volatility indices, fixed income indices, interest rates, commodities and currencies. RGBM uses leverage and derivative instruments to stack the returns of a global balanced strategy with those of a systematic macro strategy.

8. RGBM will be actively managed and will seek to achieve its investment objective by investing in two complimentary investment strategies, a balanced allocation strategy and a systematic macro strategy, together the portfolio strategy. Essentially, one dollar invested in RGBM provides approximately one dollar of exposure to RGBM's balanced allocation strategy and approximately one dollar of exposure to RGBM's systematic macro strategy. The return of the systematic macro strategy is essentially "stacked" on top of the returns of the balanced allocation strategy. RGBM uses leverage and derivatives to "stack" the return of the two strategies.

9. Derivative instruments used by RGBM will primarily include futures contracts and forward agreements. RGBM will generally take long or short positions in futures contracts related to asset classes such as equity indices, fixed income indices, interest rates, commodities, currencies, volatility indices and other alternative asset classes. RGBM will invest in futures contracts that may be based in domestic and foreign markets, including emerging markets.

10. RGBM will hold a portion of its assets in cash, money market mutual funds, treasury securities, or other cash equivalents, some or all of which will serve as margin or collateral for RGBM's investments.

11. RGBM will be managed in accordance with the same value at risk (**VaR**) model methodology employed by ReSolve and ReSolve Global for the ReSolve Funds (as defined below).

12. RGBM is a class of shares of LongPoint ETF Corp., a mutual fund corporation established under the federal laws of Canada.

13. The Filers, ReSolve Global, Newfound and RGBM are not in default of securities legislation in any of the Jurisdictions.

ReSolve Funds

14. ReSolve and ReSolve Global provide VaR based portfolio management services to the Return Stacked® Balanced Allocation & Systematic Macro Fund (the **Balanced Allocation Fund**) which was established under the U.S. *Investment Company Act of 1940*.

15. ReSolve and ReSolve Global provide VaR based portfolio management services to four exchange traded funds, the Return Stacked U.S. Stocks and Managed Futures ETF, the Return Stacked Bonds & Managed Futures ETF, the Return Stacked U.S. Stocks and Futures Yield ETF, and the Return Stacked Bonds & Futures Yield ETF (collectively, the **Return Stacked ETFs**) which were all established under the U.S. *Investment Company Act of 1940* (and together with the Balanced Allocation Fund, the **ReSolve Funds**).

16. The ReSolve Funds are each managed in accordance with U.S. Securities and Exchange Commission Rule 18f-4 under the *Investment Company Act of 1940* (the **SEC VaR Rule**).

17. Each of the ReSolve Funds has complied with the SEC VaR Rule and have each operated within their VaR limits since inception.

Alternative Mutual Funds

18. The Filers wish to offer RGBM to interested retail investors in Canada by means of a prospectus and fund fact documents as an alternative mutual fund that, with the exception of the Exemption Sought, complies with the requirements of NI 81-102 and all other applicable securities legislation, including National Instrument 41-101 *General Prospectus Requirements*, National Instrument 81-105 *Mutual Fund Sales Practices*, NI 81-106 *Investment Fund Continuous Disclosure* and National Instrument 81-107 *Independent Review Committee for Investment Funds*.

19. As noted above, except for the Exemption Sought, RGBM will comply with the requirements for alternative mutual funds in NI 81-102.

Leverage

20. The systematic macro strategy to be employed in RGBM is a rules-based, unconstrained (e.g., RGBM will not be constrained from participating in opportunities, long and short, in a variety of asset classes), multi-strategy investment program that is designed to deliver superior, non-correlated returns at critical times.

21. The systematic macro strategy to be employed in RGBM uses a combination of short selling and specified derivatives that at times will result in RGBM's aggregate exposure to cash borrowing, short selling and specified derivatives transactions exceeding 300% of its net asset value, but in a manner that does not expose RGBM to an inappropriate level of leverage risk.

22. The correlations of most alternative investment strategies to equity benchmarks such as the S&P 500® are high. In contrast, most managed futures strategies that are used by commodity trading advisors (each a **CTA**) like ReSolve and ReSolve Global are historically uncorrelated to traditional equity benchmarks and, at times, have the potential to reduce profit risk.

23. Individual market risk, as measured by futures exchanges, is a function of market volatility and other downside risk metrics. Portfolio risk is therefore a function of individual market risk and cross-market correlations, both of which are captured in the portfolio VaR (as defined in Appendix A). In a well-diversified portfolio, the notional exposure can be unrelated to portfolio risk and therefore does not accurately capture the portfolio risk. As noted below, VaR is a better measure of risk for RGBM.

24. For example, the total aggregate exposure of RGBM as calculated pursuant to section 2.9.1 of NI 81-102 will typically be between 300% and 700% and is expected to average approximately 500% from inception. Notwithstanding this range, derivative risk will be managed by ReSolve Global at a consistent level, and there is no relationship between aggregate notional exposure and the volatility of returns that ReSolve Global has historically delivered. ReSolve Global expects to target and manage RGBM at a 10% to 20% volatility level, and in order to do so, aggregate notional exposure will vary significantly. Historically, periods of higher than average aggregate notional exposure have not represented periods of

higher volatility (or risk), and periods of lower than average aggregate notional exposure have not represented periods of lower volatility (or risk).

25. The systematic macro strategy to be employed in RGBM will use multiple definitions of risk and return to capture uncorrelated returns while remaining adaptable to changing market conditions. ReSolve and ReSolve Global will also systematically manage risk across multiple constraints at the sector and the market level.

26. The current regulatory framework in Section 2.9.1 of NI 81-102 does not appropriately or adequately address the uniqueness of the investment strategies that CTAs like ReSolve Global employ.

27. The key differences between the systematic macro strategy to be employed in RGBM versus other typical investment strategies is it:

    (a) will trade futures on margin, which is different than stocks and bonds;

    (b) employs systematic and technical analysis versus being fundamental and discretionary;

    (c) is actively monitored by systematic risk management and capital allocation management techniques; and

    (d) provides returns that have the potential to reduce overall profit risk versus risk replacement or adding additional risk.

28. The European Union approved a new regulation of mutual funds in 2010 known as UCITS IV, which introduced a VaR based approach to regulatory risk management for investment funds that extensively use derivatives.

29. This approach allows for two methods of VaR limits, “relative” and “absolute”, as defined in Appendix A, and which in general terms can be summarized as follows:

    (a) Relative: This approach uses a ratio of up to 200% between the VaR of the portfolio and the VaR of a reference portfolio.

    (b) Absolute: This approach is generally used when there is no reference portfolio or benchmark and allows the one-month VaR to be up to 20% of the net asset value of the portfolio.

30. UCITS IV also includes rules for the computation of VaR and requires regular stress- and back-testing to complement the VaR estimation.

31. On October 28, 2020 the U.S. Securities and Exchange Commission adopted the SEC VaR Rule, which modernized the regulatory framework for derivatives use by registered funds. The SEC VaR Rule is generally the same as the UCITS IV rule as it adopted a 200% limit for funds using a relative VaR approach, and a 20% VaR limit for funds using an absolute VaR approach.

32. When dealing with a fund that is managed using a multi-asset approach like what ReSolve, ReSolve Global and other CTAs do, a VaR-based approach is a better means of managing risk because, unlike notional amounts which do not measure risk or volatility, VaR enables risk to be measured in a reasonably comparable and consistent manner.

33. The risk-based approach in the SEC VaR Rule, which relies on VaR, stress testing, and overall risk management, addresses concerns about fund leverage for investment portfolios managed by CTAs like ReSolve Global, while allowing such portfolios to continue to use derivatives for a variety of purposes.

34. ReSolve and ReSolve Global have employed VaR based risk management for the ReSolve Funds for several years that are consistent with both the SEC VaR Rule and the UCITS rules. Since ReSolve and ReSolve Global’s inceptions, they have been using volatility-based risk measures as a primary risk metric.

35. RGBM should be managed on the basis that it complies with VaR limits that do not exceed 20% of its net asset value at any time.

36. Allowing RGBM to use an absolute VaR methodology is the better risk mandate that CTAs like ReSolve and ReSolve Global use and should give investors access to an investment product that will diversify their holdings and may result in superior non-correlated returns at critical times. Of the two VaR approaches (“absolute” and “relative”) used in the UCITS IV rules and the SEC VaR Rule, the absolute approach is the approach that is most suitable for CTAs as there typically is no reference portfolio that would be appropriate for a CTA strategy.

37. It is expected that RGBM will consistently operate well below a 20% absolute VaR limit.

38. ReSolve and ReSolve Global already use VaR models for the ReSolve Funds and have the necessary policies and procedures in place, and RGBM will adhere to a 20% absolute VaR limit and will operate in accordance with the conditions set out in Appendix A, which are based on the SEC VaR Rule.

39. Newfound already uses a VaR model that is independent from the ReSolve VaR model and has the necessary policies and procedures in place to support daily VaR testing and reporting in accordance with the conditions set out in Appendix A, which are based on the SEC VaR Rule.

40. ReSolve Global will use a historical simulation VaR model, that will not change, to generate the VaR estimate of the RGBM portfolio as an input to the signals for the systematic macro strategy to be employed in RGBM.

41. ReSolve will prepare and maintain VaR testing reports confirming that RGBM is compliant with the applicable VaR test as set out in Appendix A for each business day. ReSolve will disseminate VaR testing reports to LongPoint, ReSolve Global and the DRM (as defined below) on each business day.

42. Newfound will, independently, prepare and deliver VaR testing reports for RGBM to LongPoint, ReSolve and ReSolve Global for the parties to verify that RGBM is compliant with the applicable VaR test as set out in Appendix A for each business day.

43. The ReSolve and Newfound VaR testing reports will be available to the OSC promptly (within 24 hours) upon request.

44. ReSolve has appointed a “derivatives risk manager” (a **DRM**) and has developed a “Derivatives Risk Management Program” (the **ReSolve DRMP**) that is consistent with and adheres to the conditions set out in Appendix A, which are based on the SEC VaR Rule. A copy of the ReSolve DRMP will be available to the OSC promptly (within 24 hours) upon request.

45. Newfound has developed a “Derivatives Risk Management Program” (the **Newfound DRMP**) that is consistent with and adheres to the conditions set out in Appendix A, which are based on the SEC VaR Rule. A copy of the Newfound DRMP will be delivered to the OSC promptly (within 24 hours) upon request.

46. The ReSolve DRMP and the Newfound DRMP incorporate policies and procedures for risk monitoring, risk management, and risk reporting of a fund’s VaR methodology.

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.

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

   a) ReSolve has appointed a DRM;

   b) RGBM will comply with the absolute VaR test, as defined in Appendix A, and will comply with all of the additional leverage conditions for funds set out in Appendix A;

   c) LongPoint will disclose in the prospectus and ETF facts document of RGBM the maximum VaR that RGBM is permitted to incur, and LongPoint will disclose in the annual and interim management report of financial performance the maximum amount of VaR incurred by RGBM over the applicable period;

   d) ReSolve will notify the OSC promptly (within 24 hours) of any material changes to its DRMP;

   e) No later than 30 days after the end of each month, ReSolve will prepare and retain a monthly portfolio investment report containing the elements set out in its DRMP, and no later than 60 days after the end of each fiscal quarter, upon request, will file promptly (within 24 hours) with the OSC the monthly portfolio investment reports for that quarter;

   f) Neither the Filer nor ReSolve Global will change the VaR model that it is being employed to manage the assets of RGBM;

   g) ReSolve will prepare and maintain daily VaR testing reports to confirm that RGBM is compliant with the applicable VaR test as set out in Appendix A for each business day. ReSolve will disseminate VaR testing reports to LongPoint, ReSolve Global and the DRM daily, and which will be available to the OSC promptly (within 24 hours) upon request;

h) Newfound will, independently, prepare and deliver VaR testing reports for RGBM to LongPoint, ReSolve and ReSolve Global for the parties to verify that RGBM is compliant with the applicable VaR test as set out in Appendix A for each business day.

i) The ReSolve and Newfound VaR testing reports will be available to the OSC promptly (within 24 hours) upon request.

j) LongPoint or ReSolve will notify the OSC within one business day if RGBM is offside the 20% VaR test for more than five consecutive business days, providing the information set out in the ReSolve VaR Breach Memo, as defined in the DRMP;

k) LongPoint or ReSolve will promptly (within 24 hours) provide the OSC with any other information that the OSC may request regarding the calculations and risk metrics that ReSolve and Newfound are using for its VaR calculations; and

l) The Filers appropriately document their risk methodology for RGBM in accordance with the requirements of paragraph 15.1.1(a) of NI 81-102 and items 2 and 4 of Appendix F *Investment Risk Classification Methodology* to NI 81-102.

Expiration

2) The Exemption Sought will expire four years from the date of this decision.

"Darren McKall"
Manager, Investment Management Division
Ontario Securities Commission

Application File #: 2024/0705
SEDAR+ File #: 6217392

APPENDIX A

ADDITIONAL LEVERAGE CONDITIONS

In these conditions,

"absolute VaR test" means that the VaR of a fund's portfolio does not exceed 20% of the value of the fund's net assets;

"board", with respect to a fund, means the fund manager's board of directors;

"derivatives risk manager" means an officer or officers of the fund's investment adviser responsible for administering the program and policies and procedures required by condition 1 below, provided that the derivatives risk manager:

(1) may not be a portfolio manager of the fund, or if multiple officers serve as derivatives risk manager, a majority of the derivatives risk managers must not be portfolio managers of the fund; and

(2) must have relevant experience regarding the management of derivatives risk;

"derivatives risks" means the risks associated with a fund's derivatives transactions or its use of derivatives transactions, including leverage, market, counterparty, liquidity, operational, and legal risks and any other risks the derivatives risk manager deems material;

"derivatives transaction" means

(1) any swap, security-based swap, futures contract, forward contract, option, any combination of the foregoing, or any similar instrument, under which a fund is or may be required to make any payment or delivery of cash or other assets during the life of the instrument or at maturity or early termination, whether as margin or settlement payment or otherwise; and

(2) any short sale borrowing.

"designated index" means an unleveraged index that is approved by the derivatives risk manager for purposes of the relative VaR test and that reflects the markets or asset classes in which the fund invests and is not administered by an organization that is an affiliated person of the fund, its investment adviser, or principal underwriter, or created at the request of the fund or its investment adviser, unless the index is widely recognized and used. In the case of a blended index, none of the indexes that compose the blended index may be administered by an organization that is an affiliated person of the fund, its investment adviser, or principal underwriter, or created at the request of the fund or its investment adviser, unless the index is widely recognized and used;

"designated reference portfolio" means a designated index or the fund's securities portfolio. Notwithstanding the first sentence of the definition of designated index in these conditions, if the fund's investment objective is to track the performance (including a leverage multiple or inverse multiple) of an unleveraged index, the fund must use that index as its designated reference portfolio;

"independent director" means a director who would be independent within the meaning of section 1.4 of National Instrument 52-110 *Audit Committees*;

"relative VaR test" means that the VaR of the fund's portfolio does not exceed 200% of the VaR of the designated reference portfolio;

"securities portfolio" means the fund's portfolio of securities and other investments, excluding any derivatives transactions, that is approved by the derivatives risk manager for purposes of the relative VaR test, provided that the fund's securities portfolio reflects the markets or asset classes in which the fund invests (i.e., the markets or asset classes in which the fund invests directly through securities and other investments and indirectly through derivatives transactions);

"value-at-risk" or "VaR" means an estimate of potential losses on an instrument or portfolio, expressed as a percentage of the value of the portfolio's assets (or net assets when computing a fund's VaR), over a specified time horizon and at a given confidence level, provided that any VaR model used by a fund for purposes of determining the fund's compliance with the relative VaR test or the absolute VaR test must:

(1) take into account and incorporate all significant, identifiable market risk factors associated with a fund's investments, including, as applicable:

(i) equity price risk, interest rate risk, credit spread risk, foreign currency risk and commodity price risk;

(ii) material risks arising from the nonlinear price characteristics of a fund's investments, including options and positions with embedded optionality; and

(iii) the sensitivity of the market value of the fund's investments to changes in volatility;

(2) use a 99% confidence level and a time horizon of 20 trading days; and

(3) be based on at least three years of historical market data.

Conditions

1. ***Derivatives risk management program.*** The fund must adopt and implement a written derivatives risk management program (**program**), which must include policies and procedures that are reasonably designed to manage the fund's derivatives risks and to reasonably segregate the functions associated with the program from the portfolio management of the fund. The program must include the following elements:

   i. ***Risk identification and assessment.*** The program must provide for the identification and assessment of the fund's derivatives risks. This assessment must take into account the fund's derivatives transactions and other investments.

   ii. ***Risk guidelines.*** The program must provide for the establishment, maintenance, and enforcement of investment, risk management, or related guidelines that provide for quantitative or otherwise measurable criteria, metrics, or thresholds of the fund's derivatives risks. These guidelines must specify levels of the given criterion, metric, or threshold that the fund does not normally expect to exceed, and measures to be taken if they are exceeded.

   iii. ***Stress testing.*** The program must provide for stress testing to evaluate potential losses to the fund's portfolio in response to extreme but plausible market changes or changes in market risk factors that would have a significant adverse effect on the fund's portfolio, taking into account correlations of market risk factors and resulting payments to derivatives counterparties. The frequency with which the stress testing under this paragraph is conducted must take into account the fund's strategy and investments and current market conditions, provided that these stress tests must be conducted no less frequently than weekly.

   iv. **Backtesting.** The program must provide for backtesting to be conducted no less frequently than weekly, of the results of the VaR calculation model used by the fund in connection with the relative VaR test or the absolute VaR test by comparing the fund's gain or loss that occurred on each business day during the backtesting period with the corresponding VaR calculation for that day, estimated over a one-trading day time horizon, and identifying as an exception any instance in which the fund experiences a loss exceeding the corresponding VaR calculation's estimated loss.

   v. ***Internal reporting and escalation –***

      A. ***Internal reporting.*** The program must identify the circumstances under which persons responsible for portfolio management will be informed regarding the operation of the program, including exceedances of the guidelines specified in paragraph 1.ii. of these conditions and the results of the stress tests specified in paragraph 1.iii. of these conditions.

      B. ***Escalation of material risks.*** The derivatives risk manager must inform in a timely manner persons responsible for portfolio management of the fund, and also directly inform the board as appropriate, of material risks arising from the fund's derivatives transactions, including risks identified by the fund's exceedance of a criterion, metric, or threshold provided for in the fund's risk guidelines established under paragraph 1.ii. of these conditions or by the stress testing described in paragraph 1.iii. of these conditions.

   vi. ***Periodic review of the program.*** The derivatives risk manager must review the program at least annually to evaluate the program's effectiveness and to reflect changes in risk over time. The periodic review must include a review of the VaR calculation model used by the fund under condition 2 below (including the backtesting required by paragraph 1.iv. of these conditions) and any designated reference portfolio to evaluate whether it remains appropriate.

2. ***Limit on fund leverage risk.***

   i. The fund must comply with the relative VaR test unless the derivatives risk manager reasonably determines that a designated reference portfolio would not provide an appropriate reference portfolio for purposes of the relative VaR test, taking into account the fund's investments, investment objectives, and strategy. A fund that does not apply the relative VaR test must comply with the absolute VaR test.

ii. The fund must determine its compliance with the applicable VaR test at least once each business day. If the fund determines that it is not in compliance with the applicable VaR test, the fund must come back into compliance promptly after such determination, in a manner that is in the best interests of the fund and its securityholders.

iii. If the fund is not in compliance with the applicable VaR test within five business days,

A. The derivatives risk manager must provide a written report to the board and explain how and by when (i.e., number of business days) the derivatives risk manager reasonably expects that the fund will come back into compliance;

B. The derivatives risk manager must analyze the circumstances that caused the fund to be out of compliance for more than five business days and update any program elements as appropriate to address those circumstances; and

C. The derivatives risk manager must provide a written report within thirty calendar days of the exceedance to the board explaining how the fund came back into compliance and the results of the analysis and updates required under paragraph 2.iii.B. of these conditions. If the fund remains out of compliance with the applicable VaR test at that time, the derivatives risk manager's written report must update the report previously provided under paragraph 2.iii.A. of these conditions and the derivatives risk manager must update the board on the fund's progress in coming back into compliance at regularly scheduled intervals at a frequency determined by the board.

3. ***Board oversight and reporting –***

i. ***Approval of the derivatives risk manager.*** The board, including a majority of independent directors of the fund manager, if any, must approve the designation of the derivatives risk manager.

ii. ***Reporting on program implementation and effectiveness.*** On or before the implementation of the program, and at least annually thereafter, the derivatives risk manager must provide to the board a written report providing a representation that the program is reasonably designed to manage the fund's derivatives risks and to incorporate the elements provided in paragraphs 1.i. through vi. of these conditions. The representation may be based on the derivatives risk manager's reasonable belief after due inquiry. The written report must include the basis for the representation along with such information as may be reasonably necessary to evaluate the adequacy of the fund's program and, for reports following the program's initial implementation, the effectiveness of its implementation. The written report also must include, as applicable, the derivatives risk manager's basis for the approval of any designated reference portfolio or any change in the designated reference portfolio during the period covered by the report; or an explanation of the basis for the derivatives risk manager's determination that a designated reference portfolio would not provide an appropriate reference portfolio for purposes of the relative VaR test.

iii. ***Regular board reporting.*** The derivatives risk manager must provide to the board, annually or at such other frequency determined by the board, a written report regarding the derivatives risk manager's analysis of exceedances described in paragraph 1.ii. of these conditions, the results of the stress testing conducted under paragraph 1.iii of these conditions, and the results of the backtesting conducted under paragraph 1.iv of these conditions since the last report to the board. Each report under this paragraph must include such information as may be reasonably necessary for the board to evaluate the fund's response to exceedances and the results of the fund's stress testing.

4. [Not applicable]

5. [Not applicable]

6. ***Recordkeeping –***

i. **Records to be maintained.** A fund must maintain a written record documenting the following, as applicable:

A. The fund's written policies and procedures required by paragraph c.1. of these conditions, along with

1. The results of the fund's stress tests under paragraph 1.iii. of these conditions;

2. The results of the backtesting conducted under paragraph 1.iv. of these conditions;

3. Records documenting any internal reporting or escalation of material risks under paragraph 1.v.B. of these conditions; and

4. Records documenting the reviews conducted under paragraph 1.vi of these conditions.

B. Copies of any materials provided to the board in connection with its approval of the designation of the derivatives risk manager, any written reports provided to the board relating to the program, and any written reports provided to the board under paragraphs 2.iii.A. and C. of these conditions.

C. Any determination and/or action the fund made under paragraphs 2.i. and ii. of these conditions, including a fund's determination of: The VaR of its portfolio; the VaR of the fund's designated reference portfolio, as applicable; the fund's VaR ratio (the value of the VaR of the fund's portfolio divided by the VaR of the designated reference portfolio), as applicable; and any updates to any VaR calculation models used by the fund and the basis for any material changes thereto.

ii. ***Retention periods.***

A. A fund must maintain a copy of the written policies and procedures that the fund adopted under condition 1. that are in effect, or at any time within the past seven years were in effect, in an easily accessible place.

B. A fund must maintain all records and materials that paragraphs 6.i.A.1. through 4. and 6.i.B. and C. of these conditions describe for a period of not less than seven years (the first two years in an easily accessible place) following each determination, action, or review that these paragraphs describe.

B.3.3 Goodwood Inc. and Goodwood Capital Fund

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief to permit the fund subject to NI 81-102 to suspend for a period of 90 days the right of its unitholders to request that the Fund redeem their units of the fund and suspend calculation of its NAV during the period of redemption rights suspension for the purposes of processing subscriptions and redemptions.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, s. 5.5(1)(d).
National Instrument 81-106 Investment Funds Continuous Disclosure, s. 14.2(3)(a).

January 30, 2025

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
GOODWOOD INC.
(the Filer)

AND

GOODWOOD CAPITAL FUND
(the Fund)

DECISION

Background

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

(a) for approval pursuant to paragraph 5.5(1)(d) of National Instrument 81-102 *Investment Funds* (**NI 81-102**) to permit the Fund to suspend for a period of 90 days the right of its unitholders to request that the Fund redeem their units of the Fund (the **Suspension of Redemptions**); and

(b) for an exemption from the requirement in subparagraph 14.2(3)(a) of National Instrument 81-106 *Investment Funds Continuous Disclosure* (**NI 81-106**) for the Fund to calculate its net asset value once a week during the period of suspension for the purposes of processing subscriptions and redemptions (the **Suspension of NAV Calculations**);

(collectively, the **Requested Relief**).

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

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

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

Interpretation

Terms defined in MI 11-102, National Instrument 14-101 *Definitions* and NI 81-102 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:

The Filer

1. The Filer is a corporation incorporated under the laws of the Province of Ontario. The Filer's head office is located in Oakville, Ontario.

2. The Filer is registered as an investment fund manager in Ontario, Quebec and Newfoundland and Labrador and as an investment dealer in Ontario, Quebec, British Columbia, Alberta and Nova Scotia.

3. The Filer is not in default of securities legislation in any of the Jurisdictions.

4. The Filer is the investment fund manager and portfolio adviser of the Fund.

The Fund

5. The Fund is an open-end mutual fund trust established under the laws of Ontario. The Fund was created pursuant to the provisions of a declaration of trust dated December 23, 1999. This declaration of trust was amended and restated as a trust agreement on January 27, 2006, and was further amended and restated on March 9, 2010 and June 11, 2014 (as amended from time to time, the **Trust Agreement**). Computershare Trust Company of Canada Inc. acts as trustee to the Fund pursuant to the terms of the Trust Agreement.

6. The investment objective of the Fund is to achieve capital appreciation by investing primarily in equity securities of North American companies over a broad range of industry sectors.

7. As disclosed in the prospectus of the Fund dated June 2, 2024, Gajan Kulasingam, CFA, CPA, CA (**Mr. Kulasingam**) is principally responsible for the day-to-day investment management of the Fund and is responsible for investment decisions executed on behalf of the Fund and Peter H. Puccetti, CFA, Chairman and Chief Investment Officer of the Filer (**Mr. Puccetti**), has ultimate investment oversight.

8. The Fund is a reporting issuer in each of the Jurisdictions and distributes its units to the public pursuant to disclosure documents prepared and filed in accordance with National Instrument 81-101 *Mutual Fund Prospectus Disclosure.*

9. The Fund calculates its net asset value on a weekly basis in accordance with subparagraph 14.2(3)(a) of NI 81-106 and is redeemable on a weekly and monthly basis.

10. The Fund is not in default of securities legislation in any of the Jurisdictions.

The Anticipated Redemption Requests

11. Effective January 24, 2025, Mr. Kulasingam departed from the Filer and is no longer responsible for the day-to-day investment management of the Fund or the investment decisions on behalf of the Fund (the **Personnel Change**). Mr. Puccetti assumed this role.

12. The Personnel Change is not a "material change" (as such term is defined under the *Securities Act* (Ontario)), as the Personnel Change would not be considered important by a reasonable investor in determining whether to purchase or continue to hold units of the Fund. Nonetheless, the Filer anticipates that significant redemptions will be effected following the Personnel Change (the **Anticipated Redemption Requests**) of approximately 48.6% or more of the Fund's net asset value of $3,585,514 as of January 24, 2025.

13. The portfolio of the Fund (the **Portfolio**) currently includes investments (the **Illiquid Positions**) that constitute illiquid assets as such term is defined in NI 81-102, equivalent to approximately 10.8% of the net asset value of the Fund as at January 24, 2025. If the Anticipated Redemption Requests are processed, it is expected that assets in the Portfolio other than the Illiquid Positions will be liquidated, with the result that the Illiquid Positions will become equivalent to approximately 20.9% of the net asset value of the Fund.

Termination of the Fund

14. Irrespective of the Anticipated Redemption Requests, the Filer is of the opinion that it is in the best interests of unitholders of the Fund to terminate the Fund.

15. Over the last several years, the Fund has seen a significant decline in its net asset value. The Fund is no longer being marketed. There were no subscriptions in 2024 and there have been no subscriptions in 2025 year-to-date.

16. The Filer intends to commence actions to terminate the Fund. However, the Fund termination cannot be effected immediately. In order to effect an orderly wind-down of the Fund, the earliest the Filer expects to be able to terminate the Fund is the end of April 2025.

17. The Anticipated Redemption Requests as well as an announcement that the Fund will be terminated is expected to result in significant redemptions. For the remaining unitholders in the Fund, these redemptions would result in:

    (a) a proportionate increase in expenses;

    (b) the risk of reduced diversification resulting from investing a smaller amount of assets across a smaller portfolio of securities;

    (c) increased proportionate exposure to the Illiquid Positions, which cannot be immediately sold; and

    (d) a disproportionate amount of risk resulting from this increased exposure to Illiquid Positions in the Portfolio.

18. The Filer submits that suspending redemptions and proceeding with an orderly wind-up of the Fund is in the best interests of unitholders of the Fund because:

    (a) it will enable the Fund to distribute the maximum amount of assets pro rata to all its unitholders as quickly as possible in an orderly manner;

    (b) it will enable the Fund to allocate termination costs equally across the remaining investor base; and

    (c) it will ensure that all existing unitholders are treated in a similar manner in connection with the termination of the Fund, rather than providing an advantage to “first moving” unitholders who are quicker to submit their redemption requests.

Requested Relief

19. The Trust Agreement provides that the Filer may declare a suspension of the determination of net asset value of the Fund for a period not exceeding 90 days with the consent of the Ontario Securities Commission. The Trust Agreement also provides that if the determination of the net asset value of the Fund is postponed by reason of a suspension of determination of the net asset value, the right of a redeeming unitholder to have their units redeemed shall be similarly suspended. Accordingly, the Trust Agreement requires that the Requested Relief be obtained in order to suspend the determination of the net asset value of the Fund and redemptions from the Fund. The Filer intends to continue to determine the net asset value of the Fund for purposes other than processing redemptions and subscriptions.

20. Section 10.6 of NI 81-102 only permits an investment fund subject to that instrument to suspend the right of securityholders to request that the investment fund redeem its securities for the whole or any part of a period during which normal trading is suspended on a stock exchange, options exchange or futures exchange within or outside Canada on which securities are listed and posted for trading, or on which specified derivatives are traded, if those securities or specified derivatives represent more than 50% by value, or underlying market exposure, of the total assets of the investment fund without allowance for liabilities and if those securities or specified derivatives are not traded on any other exchange that represents a reasonably practical alternative for the investment fund. The present facts do not permit the Filer to suspend redemptions on this basis.

21. Pursuant to paragraph 5.5(1)(d) of NI 81-102, the approval of the securities regulatory authority is required before an investment fund suspends, other than under section 10.6 of NI 81-102, the rights of securityholders to request that the investment fund redeem their securities.

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 Requested Relief is granted, provided that:

(a) the Suspension of Redemptions may continue until, but not beyond, 90 days after date of this decision;

(b) the proceeds of the sale of all positions in the Portfolio, other than the Illiquid Positions, will be distributed to unitholders of the Fund (net of Fund expenses) as soon as commercially reasonable;

(c) during the Suspension of Redemptions, the Fund will continue to meet its continuous disclosure obligations under NI 81-106 as well as all other applicable securities law obligations (as modified by the Requested Relief);

(d) during the Suspension of NAV Calculations, the Fund will continue to meet its continuous disclosure obligations under NI 81-106 as well as all other applicable securities law obligations (as modified by the Requested Relief);

(e) the Manager will stop earning and collecting management fees from the Fund while the Suspension of Redemptions remains in effect;

(f) the Manager will stop earning and collecting management fees from the Fund while the Suspension of NAV Calculations remains in effect;

(g) the Fund will not distribute any further securities prior to its termination;

(h) the Filer will comply with section 5.8(2) of NI 81-102 with respect to providing notice to unitholders of the Fund regarding the termination of the Fund;

(i) the Filer shall promptly issue a press release announcing the Suspension of Redemptions and the reasons for the Suspension of Redemptions;

(j) the Filer will continue to determine the net asset value of the Fund for purposes other than processing redemptions and subscriptions; and

(k) the net asset value of the Fund will be provided on the Filer's designated website on a timely basis.

"Darren McKall"
Manager, Investment Management Division
Ontario Securities Commission

Application File #: 2025/0037
SEDAR+ File #: 6232109

B.3.4 Goldman Sachs Asset Management, L.P.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief from subparagraphs 13.5(2)(b)(ii) and (iii) of NI 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations to permit in-specie transfers between private funds and managed accounts and other funds, subject to conditions.

Applicable Legislative Provisions

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

February 3, 2025

**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
GOLDMAN SACHS ASSET MANAGEMENT, L.P.
(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**) granting an exemption to each Filer from the prohibitions contained in subparagraphs 13.5(2)(b)(ii) and 13.5(2)(b)(iii) of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) to permit *In Specie* Transfers (as defined below) by:

(a) a Managed Account (as defined below) in relation to a Fund (as defined below); and

(b) a Private Fund in relation to another Fund (the **Exemption Sought**).

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

(i) the Ontario Securities Commission is the principal regulator for this application, and

(ii) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of Alberta, British Columbia and Québec (together with the Jurisdiction, the **Jurisdictions**).

Interpretation

Terms defined in MI 11-102, National Instrument 14-101 *Definitions*, National Instrument 81-102 *Investment Funds* (**NI 81-102**) and NI 31-103 have the same meaning if used in this decision, unless otherwise defined. Additionally, the following terms shall have the following meanings:

"**81-102 Funds**" means collectively, the Existing 81-102 Funds and the Future 81-102 Funds (each, a "**81-102 Fund**").

"**Clients**" means individuals, private holding companies, pension plans, endowments, trusts, insurance companies, corporations, investment funds, other collective investment vehicles that are not investment funds and other entities to whom the Filer offers, or may offer, discretionary portfolio management services through a Managed Account (each, a "**Client**").

"**Discretionary Management Agreement**" means a written agreement between the Filer and a Client seeking discretionary portfolio management or related services.

"**Existing 81-102 Funds**" means any existing investment fund of which the Filer and/or a Knowledge Affiliate (as defined below) is a portfolio adviser (including a sub-advisor) and to which NI 81-102 applies.

"**Existing Private Funds**" means any existing collective investment vehicle (which may or may not be an investment fund) that:

(i) is not a reporting issuer,

(ii) the securities of which are distributed on a private placement basis pursuant to available prospectus exemptions, and

(iii) for which the Filer and/or a Knowledge Affiliate acts as a portfolio adviser (including a sub-advisor).

"**Fund Securities**" means units or shares of any of the Funds (each, a "**Fund Security**").

"**Funds**" means collectively, the Private Funds and the 81-102 Funds (each, a "**Fund**").

"**Future 81-102 Funds**" means any investment fund established in the future of which the Filer and/or a Knowledge Affiliate is a portfolio adviser (including a sub-advisor) and to which NI 81-102 applies.

"**Future Private Funds**" means any future collective investment vehicle (which may or may not be an investment fund) that:

(i) is not a reporting issuer,

(ii) the securities of which will be distributed on a private placement basis pursuant to available prospectus exemptions, and

(iii) for which the Filer and/or a Knowledge Affiliate will act as a portfolio adviser (including a sub-advisor).

"***In Specie* Transfer**" means causing (i) a Managed Account to deliver portfolio securities to a Fund in respect of the purchase of Fund Securities of such Fund, or causing a Managed Account to receive portfolio securities from the investment portfolio of a Fund in respect of a redemption of Fund Securities of such Fund or (ii) a Private Fund to deliver portfolio securities to another Fund in respect of the purchase of Fund Securities of such other Fund, or causing a Private Fund to receive portfolio securities from the investment portfolio of another Fund in respect of a redemption of Fund Securities of such other Fund.

"**Managed Account**" means an account managed by the Filer for a Client that is not a "responsible person" and over which the Filer has discretionary authority.

"**NI 81-102**" means National Instrument 81-102 *Investment Funds*.

"**NI 81-107**" means National Instrument 81-107 *Independent Review Committee for Investment Funds*.

"**Private Funds**" means collectively, the Existing Private Funds and the Future Private Funds (each, a "**Private Fund**").

Representations

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

The Filer

1. The Filer is a limited partnership governed by the laws of Delaware, USA and is headquartered in New York, New York USA. The general partner of the Filer is GSAM Holdings LLC, which is wholly owned by The Goldman Sachs Group, Inc. (**GS Group**) and the limited partner is GSAM Holdings II LLC, which is wholly owned by GSAM Holdings LLC.

2. The Filer provides investment management and advisory services for large institutional clients and primarily conducts business outside of Canada.

3. The Filer is registered in the Jurisdictions in the categories of portfolio manager, as a commodity trading manager in Ontario and as a derivatives portfolio manager in Québec. The Filer also relies upon the international investment fund manager exemption in Ontario, Québec, and Newfoundland and Labrador.

4. The Filer is an indirect wholly-owned subsidiary of GS Group, a public company listed on the New York Stock Exchange. The Filer operates a global investment management business that spans asset classes, industries and geographies. As of December 30, 2023, the Filer oversees more than $1.66 trillion in assets under supervision.

The Funds

5. Each Fund is, or will be, an investment fund under securities legislation or a collective investment vehicle that does not meet the definition of an investment fund under securities legislation.

6. Each Fund is, or will be, organized as a limited partnership, a corporation or a trust established under the laws of Canada or a Jurisdiction.

7. The securities of each 81-102 Fund are, or will be, qualified for distribution in one or more of the Jurisdictions under a prospectus prepared and filed in accordance with the securities legislation of such Jurisdictions.

8. Each 81-102 Fund is, or will be, subject to the provisions of NI 81-102.

9. Each Private Fund is not, or will not be, a reporting issuer under the laws of any Jurisdiction.

10. The Filer and/or an affiliate of the Filer is or will be the investment fund manager of the Funds that are investment funds and the manager of the Private Funds that are not investment funds.

11. The Filer, the Existing Private Funds and the Existing 81-102 Funds are not in default of securities legislation in any Jurisdiction.

12. An independent review committee (**IRC**) has been established, or will be established, for each 81-102 Fund in accordance with the requirements of NI 81-107.

The Managed Accounts

13. The Filer offers, or may in the future offer, discretionary portfolio management services to Clients seeking investment management or related services under Discretionary Management Agreements.

14. Pursuant to the Discretionary Management Agreement entered into with each Client, the Client appoints the Filer to act as portfolio adviser in connection with an investment portfolio held in a Managed Account of the Client with full discretionary authority to trade in securities for the Managed Account without obtaining the specific consent or instructions of the Client to execute the trade.

15. The Filer may, where authorized under the applicable Discretionary Management Agreement, from time to time, invest the assets in a Client's Managed Account in securities of any one or more of the Funds in order to give such Client the benefit of asset diversification and economies of scale related to the reduction of transaction costs on portfolio trades, and generally to facilitate portfolio management.

In Specie Transfers

16. The Filer may wish to deliver portfolio securities held in a Managed Account to a Fund in respect of a purchase of Fund Securities, and may wish to, or otherwise be required to, receive portfolio securities from a Fund in respect of a redemption of Fund Securities by a Managed Account.

17. The Filer may also wish to deliver portfolio securities held in a Private Fund to another Fund in respect of a purchase of Fund Securities, and may wish to, or otherwise be required to, receive portfolio securities from another Fund in respect of a redemption of Fund Securities by a Private Fund.

18. The Filer is considered a "responsible person" within the meaning of NI 31-103 for any Fund for which it is the portfolio adviser.

19. In addition, an affiliate of the Filer may have access to investment decisions made on behalf of a Client or advice to be given to a Client (each a **Knowledge Affiliate**), and thus such Knowledge Affiliate would be considered a "responsible person" within the meaning of NI 31-103.

20. The Filer and/or a Knowledge Affiliate (each a "responsible person" within the meaning of NI 31-103) is or will be a portfolio adviser of the Funds that are "investment funds" for securities law purposes. Absent the grant of the Exemption Sought, the Filer is precluded by section 13.5(2)(b)(iii) of NI 31-103 from effecting *In Specie* Transfers between (i) a Managed Account and any such Fund, or (ii) a Private Fund and any such Fund.

21. An employee or agent of the Filer, or a partner, director, officer, employee or agent of an affiliate of the Filer may have access to, or participate in formulating, an investment decision made on behalf of a Client or advice to be given to a Client (each a **Knowledge Individual**), and thus such Knowledge Individual would be considered a "responsible person" within the meaning of NI 31-103.

22. In the case of a Fund that is a trust, the Filer and/or a Knowledge Affiliate (each a "responsible person" within the meaning of NI 31-103) is or will be the trustee of a Fund, and thus that Fund may be an associate of a responsible person. Absent the grant of the Exemption Sought, the Filer is precluded by section 13.5(2)(b)(ii) of NI 31-103 from effecting *In Specie* Transfers between (i) a Managed Account and any such Fund that is a trust, or (ii) a Private Fund and any such Fund that is a trust.

23. In the case of a Fund that is a limited partnership, the Filer, a director or officer of the Filer, a Knowledge Affiliate or a Knowledge Individual (each a "responsible person" within the meaning of NI 31-103) is or may be a limited partner of a Fund and thus that Fund may be an associate of such responsible person. Absent the grant of the Exemption Sought, the Filer is precluded by section 13.5(2)(b)(ii) of NI 31-103 from effecting *In Specie* Transfers between (i) a Managed Account and any such Fund that is a limited partnership, or (ii) a Private Fund and any such Fund that is a limited partnership.

24. In the case of a Fund that is a limited partnership, the Filer or a Knowledge Affiliate (each a "responsible person" within the meaning of NI 31-103) is or may be the general partner of the Fund and thus the Fund may be an associate of such responsible person. Absent the grant of the Exemption Sought, the Filer is precluded by section 13.5(2)(b)(ii) of NI 31-103 from effecting *In Specie* Transfers between (i) a Managed Account and any such Fund that is a limited partnership, or (ii) a Private Fund and any such Fund that is a limited partnership.

25. The Filer respectfully submits that effecting the *In Specie* Transfers will allow the Filer to manage each asset class more effectively and reduce transaction costs for the Clients and the Funds. For example, *In Specie* Transfers reduce market impact costs, which can be detrimental to the Clients and/or the Funds, and may provide access to a broader range of securities. *In Specie* Transfers also allow a portfolio adviser to retain within its control institutional-size blocks of portfolio securities that otherwise would need to be broken and re-assembled. Conversely, *In Specie* Transfers may also allow a portfolio advisor to more efficiently transact in odd lots of securities, which are otherwise difficult to trade.

26. Prior to engaging in *In Specie* Transfers on behalf of a Managed Account, each Discretionary Management Agreement or other documentation will contain the authorization of the Client for the Filer, as portfolio adviser of the Managed Account, to engage in *In Specie* Transfers.

27. The only cost which may be incurred by a Managed Account or a Fund for an *In Specie* Transfer is a nominal administrative charge levied by the applicable custodian for recording the trades and any commission charged by the dealer executing the trade.

28. The securities transferred under an *In Specie* Transfer will be valued on the same valuation day on which the purchase price or redemption price of the Fund Securities is determined. With respect to the purchase of Fund Securities, the securities transferred by a Managed Account or a Private Fund to a Fund under an *In Specie* Transfer in satisfaction of the purchase price of those Fund Securities will be valued as if the securities were portfolio assets of the receiving Fund, as contemplated by section 9.4(2)(b)(iii) of NI 81-102. With respect to the redemption of Fund Securities, the securities transferred to a Managed Account or a Private Fund in satisfaction of the redemption price of those Fund Securities will have a value equal to the amount at which those securities were valued in calculating the net asset value per security used to establish the redemption price of the Fund Securities, as contemplated by section 10.4(3)(b) of NI 81-102.

29. The valuation of any illiquid securities which would be the subject of an *In Specie* Transfer will be carried out according to the Filer's policies and procedures for the fair valuation of portfolio securities, including illiquid securities. Should any *In Specie* Transfer contemplated specifically by the Exemption Sought involve the transfer of an "illiquid asset" (as defined in NI 81-102), the Filer will obtain at least one quote for the asset from an independent arm's length purchaser or seller immediately before effecting the *In Specie* Transfer, other than in the case of an illiquid asset that is a mortgage, a loan or other type of illiquid asset for which the Filer, in its reasonable discretion, determines that it is not commercially reasonable to obtain such quote for the asset from an independent arm's length purchaser or seller, in which case the Filer will obtain at least one quote from an independent valuation agent immediately before effecting the *In Specie* Transfer. If any illiquid securities are the subject of an *In Specie* Transfer, the illiquid securities transferred will not materially change the exposure to illiquid securities for the Managed Account or Fund.

30. The Filer will not cause any 81-102 Fund to engage in an *In Specie* Transfer if the applicable 81-102 Fund is not in compliance with the portfolio restrictions on the holding of illiquid assets described in section 2.4 of NI 81-102.

31. *In Specie* Transfers will be subject to (i) compliance with the written policies and procedures of the Filer respecting *In Specie* Transfers that are consistent with applicable securities legislation, and (ii) the oversight of the Filer's Chief Compliance Officer or his/her designate, to ensure that the transaction represents the business judgment of the Filer acting in its discretionary capacity with respect to the Fund and/or Managed Account, uninfluenced by considerations other than the best interests of the Fund and/or Managed Account.

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) If the transaction is the purchase of Fund Securities of a Fund by a Managed Account:

  (i) The Filer obtains the prior written consent of the Client of the Managed Account before it engages in any *In Specie* Transfer in connection with the purchase of Fund Securities of the Fund and such consent has not been revoked;

  (ii) The Fund would, at the time of payment, be permitted to purchase the portfolio securities held by the Managed Account;

  (iii) The portfolio securities are acceptable to the portfolio adviser of the Fund and consistent with the Fund's investment objectives;

  (iv) The value of the portfolio securities sold to the Fund by the Managed Account as consideration for the Fund Securities is equal to the issue price of such Fund Securities, valued as if the portfolio securities were portfolio assets of that Fund; and

  (v) The account statement next prepared for the Managed Account will include a note describing the portfolio securities delivered to the Fund and the value assigned to such securities;

(b) If the transaction is the redemption of Fund Securities of a Fund by a Managed Account:

  (i) The Filer obtains the prior written consent of the Client of the Managed Account to the payment of redemption proceeds in the form of an *In Specie* Transfer;

  (ii) The portfolio securities are acceptable to the Filer as portfolio adviser of the Managed Account and consistent with the Managed Account's investment objectives;

  (iii) The value of the portfolio securities is equal to the amount at which those securities were valued in calculating the net asset value per Fund Security used to establish the redemption price;

  (iv) The holder of the Managed Account has not provided notice to terminate its Discretionary Management Agreement with the Filer; and

  (v) The account statement next prepared for the Managed Account will include a note describing the portfolio securities delivered to the Managed Account and the value assigned to such securities;

(c) If the transaction is the purchase of Fund Securities of a Fund by a Private Fund:

  (i) The Fund would, at the time of payment, be permitted to purchase the portfolio securities held by the Private Fund;

  (ii) The portfolio securities are acceptable to the portfolio adviser of the Fund and consistent with such Fund's investment objectives; and

  (iii) The value of the portfolio securities sold to the Fund by the Private Fund as consideration for the Fund Securities is equal to the issue price of such Fund Securities, valued as if the portfolio securities were portfolio assets of that Fund;

(d) If the transaction is the redemption of Fund Securities of a Fund by a Private Fund:

  (i) The portfolio securities are acceptable to the portfolio adviser of the Private Fund receiving portfolio securities and consistent with the Private Fund's investment objectives; and

  (ii) The value of the portfolio securities is equal to the amount at which those securities were valued in calculating the net asset value per Fund Security used to establish the redemption price;

(e) In the case of an *In Specie* Transfer involving an 81-102 Fund:

(i) The IRC of the Fund has approved the *In Specie* Transfer in accordance with the terms of section 5.2 of NI 81-107; and

(ii) Section 5.4 of NI 81-107 is complied with in respect of any standing instructions the IRC provides in connection with the *In Specie* Transfer;

(f) Each Fund keeps written records of all *In Specie* Transfers in a financial year of the Fund, reflecting details of the portfolio securities delivered to and by the Fund and the value assigned to such securities, for five years after the end of the financial year with the most recent two years in a reasonably accessible place;

(g) The Filer does not receive any compensation in respect of any sale or redemption of Fund Securities of a Fund and, in respect of any delivery of portfolio securities further to an *In Specie* Transfer, the only charge paid by a Fund or Managed Account, if any, is a nominal administrative charge levied by the applicable custodian for recording the trade and any commission charged by the dealer (if any) executing the trade; and

(h) If the *In Specie* Transfer involves the transfer of an "illiquid asset" (as defined in NI 81-102), the Filer will obtain at least one quote for the asset from an independent arm's length purchaser or seller immediately before effecting the *In Specie* Transfer, other than in the case of an illiquid asset that is a mortgage, a loan or other type of illiquid asset for which the Filer, in its reasonable discretion, determines that it is not commercially reasonable to obtain such quote for the asset from an independent arm's length purchaser or seller, in which case the Filer will obtain at least one quote from an independent valuation agent immediately before effecting the *In Specie* Transfer.

"Darren McKall"
Manager, Investment Management Division
Ontario Securities Commission

Application File #: 2024/0671

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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
Bee Vectoring Technologies International Inc.	February 3, 2025	
EXI Ventures Corp.	February 3, 2025	
Cerro Grande Mining Corporation	February 3, 2025	
FuelPositive Corporation	February 3, 2025	

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

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

B.4.3 Outstanding Management & Insider Cease Trading Orders

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

Company Name	Date of Order	Date of Lapse
Agrios Global Holdings Ltd.	September 17, 2020	
Sproutly Canada, Inc.	June 30, 2022	
iMining Technologies Inc.	September 30, 2022	
Alkaline Fuel Cell Power Corp.	April 4, 2023	
mCloud Technologies Corp.	April 5, 2023	
FenixOro Gold Corp.	July 5, 2023	
HAVN Life Sciences Inc.	August 30, 2023	
Perk Labs Inc.	April 4, 2024	

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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:
Return Stacked® Global Balanced & Macro ETF
Principal Regulator – Ontario
Type and Date
Final Long Form Prospectus dated Jan 30, 2025
NP 11-202 Final Receipt dated Jan 31, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06208424

Issuer Name:
MRF 2025 Resource Limited Partnership
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated Jan 28, 2025
NP 11-202 Final Receipt dated Jan 29, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06217759

Issuer Name:
Maple Leaf Critical Minerals 2025 Enhanced Flow-Through Limited Partnership - Quebec Class
Maple Leaf Critical Minerals 2025 Enhanced Flow-Through Limited Partnership - National Class
Principal Regulator – British Columbia
Type and Date
Final Long Form Prospectus dated Jan 29, 2025
NP 11-202 Final Receipt dated Jan 29, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06220149, 06220142

Issuer Name:
AGF Enhanced U.S. Income Plus Fund
Principal Regulator – Ontario
Type and Date:
Preliminary Simplified Prospectus dated Jan 29, 2025
NP 11-202 Preliminary Receipt dated Jan 29, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06234671

Issuer Name:
3iQ Solana Staking ETF
3iQ XRP ETF
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated Jan 27, 2025
NP 11-202 Preliminary Receipt dated Jan 28, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06233029

Issuer Name:
3iQ Solana Staking ETF
3iQ XRP ETF
Principal Regulator – Ontario
Type and Date:
Amended and Restated Preliminary Long Form Prospectus dated Jan 28, 2025
NP 11-202 Preliminary Receipt dated Jan 30, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06233029

Issuer Name:
NBI Active U.S. Equity Fund
NBI Target 2030 Investment Grade Bond Fund
NBI Target 2031 Investment Grade Bond Fund
Principal Regulator – Quebec
Type and Date:
Final Simplified Prospectus dated Jan 27, 2025
NP 11-202 Final Receipt dated Jan 28, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06216520

Issuer Name:
Evolve Levered Bitcoin ETF
Evolve Levered Ether ETF
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated Jan 31, 2025
NP 11-202 Preliminary Receipt dated Jan 31, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06236554

Issuer Name:
Mackenzie Northleaf Private Credit Interval Fund
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated Jan 29, 2025
NP 11-202 Final Receipt dated Jan 30, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06210785

Issuer Name:
Purpose Ripple ETF
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated Jan 29, 2025
NP 11-202 Preliminary Receipt dated Jan 29, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06234355

Issuer Name:
Harvest Alphabet Enhanced High Income Shares ETF
Harvest AMD Enhanced High Income Shares ETF
Harvest Broadcom Enhanced High Income Shares ETF
Harvest Coinbase Enhanced High Income Shares ETF
Harvest Costco Enhanced High Income Shares ETF
Harvest MicroStrategy Enhanced High Income Shares ETF
Harvest Netflix Enhanced High Income Shares ETF
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated Jan 31, 2025
NP 11-202 Preliminary Receipt dated Feb 3, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06236703

Issuer Name:
AGF Global Sustainable Growth Equity ETF
AGF Systematic Global ESG Factors ETF
AGF Systematic Global Infrastructure ETF
AGF Systematic Global Multi-Sector Bond ETF
AGF Systematic International Equity ETF
AGF Systematic US Equity ETF
AGF US Market Neutral Anti-Beta CAD-Hedged ETF
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated Jan 31, 2025
NP 11-202 Final Receipt dated Feb 3, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06222033

Issuer Name:
Vanguard All-Equity ETF Portfolio Fund
Vanguard Balanced ETF Portfolio Fund
Vanguard Conservative ETF Portfolio Fund
Vanguard Growth ETF Portfolio Fund
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated Jan 28, 2025
NP 11-202 Final Receipt dated Jan 30, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06223264

Issuer Name:
Ninepoint 2025 Flow-Through Limited Partnership
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated Jan 30, 2025
NP 11-202 Final Receipt dated Jan 30, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06222070

Issuer Name:
Lysander-Canso Canadian Alumni Balanced Fund
Lysander-Canso Strategic Loan Fund
Lysander-Pembroke U.S. Small-Mid Cap Fund
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated Jan 31, 2025
NP 11-202 Final Receipt dated Jan 31, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06216636

Issuer Name:
CI Galaxy Solana ETF
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated Jan 31, 2025
NP 11-202 Preliminary Receipt dated Feb 3, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06236946

Issuer Name:
JC Clark High Income Opportunities Fund
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated Jan 30, 2025
NP 11-202 Final Receipt dated Jan 31, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06203828

NON-INVESTMENT FUNDS

Issuer Name:
Kits Eyecare Ltd.
Principal Regulator – British Columbia
Type and Date:
Preliminary Shelf Prospectus dated January 31, 2025
NP 11-202 Preliminary Receipt dated January 31, 2025
Offering Price and Description:
$50,000,000
Common Shares
Filing # 06236527

Issuer Name:
Lion One Metals Limited
Principal Regulator – British Columbia
Type and Date:
Final Shelf Prospectus dated January 31, 2025
NP 11-202 Final Receipt dated January 31, 2025
Offering Price and Description:
CDN$150,000,000 - Common Shares, Debt Securities, Subscription Receipts, Units, Warrants
Filing # 06205340

Issuer Name:
Alcon Silver Corp.
Principal Regulator – British Columbia
Type and Date:
Amendment to Final Shelf Prospectus dated January 27, 2025
NP 11-202 Amendment Receipt dated January 30, 2025
Offering Price and Description:
Minimum Offering: $2,100,000 or 7,000,000 Units
Maximum Offering: $4,000,000 or 13,333,333 Units
Price: $0.30 per Unit
Filing # 06130582

Issuer Name:
Conavi Medical Corp.
Principal Regulator – Ontario
Type and Date:
Preliminary Short Form Prospectus dated January 29, 2025
NP 11-202 Preliminary Receipt dated January 30, 2025
Offering Price and Description:
Minimum $2,100,000 ([*] Units)
Maximum $5,000,000 ([*] Units)
Price: $[*] per Unit
Filing # 06235324

Issuer Name:
Dynacor Group Inc.
Principal Regulator – Québec
Type and Date:
Final Shelf Prospectus dated January 28, 2025
NP 11-202 Final Receipt dated January 29, 2025
Offering Price and Description:
$100,000,000 - Common Shares, Debt Securities, Warrants, Subscription Receipts, Units
Filing # 06223504

Issuer Name:
Zedcor Inc.
Principal Regulator – Alberta
Type and Date:
Final Short Form Prospectus dated January 29, 2025
NP 11-202 Final Receipt dated January 29, 2025
Offering Price and Description:
Offering: $22,009,500 (6,570,000 Common Shares)
Price: $3.35 per Common Share
Filing # 06228680

Issuer Name:
Brookfield Infrastructure Corporation (formerly, 1505109 B.C. Ltd.)
Principal Regulator – Ontario
Type and Date:
Final Shelf Prospectus dated January 29, 2025
NP 11-202 Final Receipt dated January 29, 2025
Offering Price and Description:
US$2,500,000,000
Class A Exchangeable Subordinate Voting Shares of Brookfield Infrastructure Corporation
Filing # 06230525

Issuer Name:
Brookfield Infrastructure Partners L.P.
Principal Regulator – Ontario
Type and Date:
Final Shelf Prospectus dated January 29, 2025
NP 11-202 Final Receipt dated January 29, 2025
Offering Price and Description:
US$2,500,000,000
Limited Partnership Units of Brookfield Infrastructure Partners L.P. (issuable or deliverable upon exchange, redemption or acquisition of Class A Exchangeable Subordinate Voting Shares)
Filing # 06230513

Issuer Name:
Barranco Gold Mining Corp.
Principal Regulator – British Columbia
Type and Date:
Final Long Form Prospectus dated January 28, 2025
NP 11-202 Final Receipt dated January 28, 2025
Offering Price and Description:
No securities are being offered pursuant to this Prospectus
Filing # 06202268

Issuer Name:
Bank of Montreal
Principal Regulator – Ontario
Type and Date:
Preliminary Shelf Prospectus dated January 24, 2025
NP 11-202 Preliminary Receipt dated January 27, 2025
Offering Price and Description:
Canadian Depositary Receipts
Filing # 06231945

Issuer Name:
Bank of Montreal
Principal Regulator – Ontario
Type and Date:
Final Shelf Prospectus dated January 27, 2025
NP 11-202 Final Receipt dated January 28, 2025
Offering Price and Description:
Canadian Depositary Receipts
Filing # 06231945

Issuer Name:
Spartan Delta Corp.
Principal Regulator – Alberta
Type and Date:
Final Short Form Prospectus dated January 27, 2025
NP 11-202 Final Receipt dated January 27, 2025
Offering Price and Description:
$85,002,640
22,252,000 Common Shares
$3.82 per Common Share
Filing # 06227925

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B.10
Registrations

B.10.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Capoeira Partners Inc.	Exempt Market Dealer	January 28, 2025

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Index

Agrios Global Holdings Ltd.
Cease Trading Order 1223

Alkaline Fuel Cell Power Corp.
Cease Trading Order 1223

Bee Vectoring Technologies International Inc.
Cease Trading Order 1223

Capoeira Partners Inc.
New Registration 1303

Cerro Grande Mining Corporation
Cease Trading Order 1223

Coinfield
Notice from the Governance & Tribunal Secretariat 1179
Capital Markets Tribunal Order – ss. 127(1), 127.1 1181
Capital Markets Tribunal Reasons and Decision – ss. 127(1), 127.1 1183

EXI Ventures Corp.
Cease Trading Order 1223

FenixOro Gold Corp.
Cease Trading Order 1223

Fission Uranium Corp.
Order 1187

FuelPositive Corporation
Cease Trading Order 1223

Goldman Sachs Asset Management, L.P.
Decision 1216

Goodwood Capital Fund
Decision 1212

Goodwood Inc.
Decision 1212

HAVN Life Sciences Inc.
Cease Trading Order 1223

iMining Technologies Inc.
Cease Trading Order 1223

LongPoint Asset Management Inc.
Decision 1202

Manticore Labs Inc.
Notice from the Governance & Tribunal Secretariat 1179
Capital Markets Tribunal Order – ss. 127(1), 127.1 1181
Capital Markets Tribunal Reasons and Decision – ss. 127(1), 127.1 1183

Manticore Labs OÜ
Notice from the Governance & Tribunal Secretariat 1179
Capital Markets Tribunal Order – ss. 127(1), 127.1 1181
Capital Markets Tribunal Reasons and Decision – ss. 127(1), 127.1 1183

mCloud Technologies Corp.
Cease Trading Order 1223

Performance Sports Group Ltd.
Cease Trading Order 1223

Perk Labs Inc.
Cease Trading Order 1223

ReSolve Asset Management Inc.
Decision 1202

RIV Capital Inc.
Order – s. 1(6) of the OBCA 1189

Sproutly Canada, Inc.
Cease Trading Order 1223

VirgoCX Inc.
Decision 1191

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