The Ontario Securities Commission

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June 5, 2025

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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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FOR IMMEDIATE RELEASE
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OASIS WORLD TRADING INC.,
ZHEN (STEVEN) PANG, AND
RIKESH MODI,
File No. 2023-38

TORONTO – The merits hearing in the above-named matter on May 29, 2025, scheduled to commence at 10:00 a.m. will instead commence at 12:00 p.m.

The hearing will be held at the offices of the Tribunal at 20 Queen Street West, 17th floor, Toronto.

Members of the public may observe the hearing by videoconference, by selecting the "View by Zoom" link on the Tribunal's hearing schedule, at capitalmarketstribunal.ca/en/hearing-schedule.

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

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A.2.2 Oasis World Trading Inc. et al.

FOR IMMEDIATE RELEASE
June 2, 2025

OASIS WORLD TRADING INC.,
ZHEN (STEVEN) PANG, AND
RIKESH MODI,
File No. 2023-38

TORONTO – The previously scheduled days of June 3 and June 4, 2025 will not be used for the merits hearing in the above-named matter. The merits hearing will continue on June 5, 6, 9, 10 and 11, 2025, at 10:00 a.m. on each day.

The hearing will be held at the offices of the Tribunal at 20 Queen Street West, 17th floor, Toronto.

Members of the public may observe the hearing by videoconference, by selecting the "View by Zoom" link on the Tribunal's hearing schedule, at capitalmarketstribunal.ca/en/hearing-schedule.

Registrar, Governance & Tribunal Secretariat
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B. Ontario Securities Commission

B.2
Orders

B.2.1 Fitch Ratings Canada, Inc. and Fitch Ratings, Inc.

Headnote

NP 11-205 Process for Designation of Credit Rating Organizations in Multiple Jurisdictions – Application to be designated as a designated rating organization for the purposes of securities law – Filers have filed all documentation required under Part 2 of National Instrument 25-101 Designated Rating Organizations – Filers are in compliance in all material respects with National Instrument 25-101 Designated Rating Organizations – Upon being designated, Fitch Ratings Canada, Inc. is subject to the requirements set out in the securities legislation of the Principal Regulator and in each of the Passport Jurisdictions. The 2022 designation order for Fitch Ratings, Inc. is revoked.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5.
National Instrument 25-101 Designated Rating Organizations.

May 23, 2025

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

IN THE MATTER OF
THE PROCESS FOR DESIGNATION OF
CREDIT RATING ORGANIZATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
FITCH RATINGS CANADA, INC.
AND
FITCH RATINGS, INC.
(the Filers)

DESIGNATION ORDER

Background

The principal regulator in the Jurisdiction has received an application from Fitch Ratings Canada, Inc. (**Fitch Canada**) and Fitch Ratings, Inc. (**Fitch US,** and together, the **Filers**) for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) that:

(a) Fitch Canada be designated as a designated rating organization (**DRO**) (the **Designation Orde**r), as contemplated by National Instrument 25-101 *Designated Rating Organizations* (**NI 25-101**); and

(b) the amended and restated designation order, dated April 25, 2022, designating Fitch US as a designated rating organization, be revoked.

The principal regulator in the Jurisdiction has also received an application from the Filers for a decision under the Legislation exempting Fitch Canada from certain provisions of NI 25-101 and revoking the previous order granted to Fitch US in 2012 that exempted it from certain provisions of NI 25-101. The principal regulator in the Jurisdiction is issuing such decision concurrently.

Under National Instrument 11-205 *Process for Designation of Credit Rating Organizations in Multiple Jurisdictions* (for a passport application):

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

(b) the Filers have provided notice that Section 4B.6(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Québec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, the Northwest Territories, Yukon and Nunavut (the **Passport Jurisdictions**).

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102 or NI 25-101 have the same meanings in this decision, unless otherwise defined herein.

Representations

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

Fitch Canada

1. Fitch Canada is a corporation incorporated under the *Business Corporations Act* (British Columbia) with its head office and principal office at 22 Adelaide Street West, Suite 2810, Toronto, Ontario M5H 4E3.

2. Fitch Canada is a wholly-owned subsidiary of Fitch US, formerly known as Fitch, Inc.

3. Fitch US is a DRO in each of the Jurisdictions.

4. For operational and business reasons, Fitch US determined to incorporate Fitch Canada and to transfer to Fitch Canada the assets of its Canadian office located in Toronto, Ontario.

Fitch US

5. Fitch US is a Delaware corporation with its principal office located at 33 Whitehall Street, New York, NY 10004, USA.

6. Fitch US provides credit rating opinions, research and risk analysis to a broad range of financial institutions, corporate entities, government bodies and various structured finance product groups in North America, Europe, Africa, Australasia and South America.

7. Fitch US is a wholly-owned subsidiary of Fitch Group, Inc., a Delaware corporation that is a wholly-owned subsidiary of Hearst Ratings II, Inc.

8. Fitch US is a Nationally Recognized Statistical Rating Organization (**NRSRO**) regulated in the United States by the Securities and Exchange Commission (**SEC**), which includes related global offices that issue ratings under the Fitch Ratings global brand. As of December 31, 2023, Fitch US, together with its affiliates, rates more than 17,000 different entities that issue public or private debt.

9. Fitch US is in compliance in all material respects with U.S. federal securities law applicable to a NRSRO. For further disclosure, see Fitch US' Form NRSRO filed with the SEC for the year ended December 31, 2024 available on the Filers' website at https://www.fitchratings.com/regulatory.

Previous Order

10. On October 31, 2012, the OSC granted a designation order (the **2012 Designation Order**) which designated Fitch US as a DRO and pursuant to which certain credit rating affiliates listed in Appendix A to the 2012 Designation Order were designated as DRO affiliates.

11. On April 25, 2022, the OSC granted Fitch US an amended and restated designation order (the **2022 Designation Order**) to include Fitch Ireland as a DRO affiliate and remove certain entities as DRO affiliates.

12. Given the transfer from Fitch US to Fitch Canada of Fitch US' Canadian operations, the Filers have applied for (a) the Designation Order to designate Fitch Canada as a DRO pursuant to subsection 22(2) of the *Securities Act* (Ontario), and (b) the 2022 Designation Order to be revoked pursuant to subsection 144(1) of the *Securities Act* (Ontario).

Compliance with NI 25-101

13. Fitch US has established a board of directors (the **Board**) which, pursuant to the rules made under the *Securities Exchange Act of 1934* (the **1934 Act**), oversees the management of Fitch US, in accordance with its fiduciary responsibilities and standards established by law, including the following:

    a. the establishment, maintenance, and enforcement of policies and procedures for determining credit ratings;

    b. the establishment, maintenance, and enforcement of policies and procedures to address, manage and disclose any conflicts of interest;

    c. the effectiveness of Fitch US' internal control system with respect to policies and procedures for determining credit ratings; and

    d. the compensation and promotion policies and practices of Fitch US.

14. Section 15E of the 1934 Act establishes the regulatory framework for NRSROs. Subsection 15E(t) of the 1934 Act imposes a number of corporate governance requirements on NRSROs, including requirements that the NRSRO have a board of directors, that at least half (and no fewer than two) members meet prescribed independence criteria, that compensation for independent members satisfy certain conditions, that independent members be appointed for pre-agreed fixed and non-renewable terms not exceeding five years, and that the board fulfill certain prescribed responsibilities.

15. The Board has four members. As required by the 1934 Act, two members meet the independence criteria set out in subsection 15E(t)(2)(B) of the 1934 Act and at least one independent director is a user of ratings from an NRSRO. At least two members of the Board (including one independent member) have in-depth knowledge and experience at a senior level regarding the markets for securitized products.

16. Fitch Canada has elected to rely on the Board to satisfy the requirements and functions prescribed by Part 3 of NI 25-101 and sections 2.22 through 2.25 of Appendix A of NI 25-101. The Board will continue to oversee Fitch Canada in accordance with its global oversight role.

17. Fitch US has adopted and implemented the Fitch Code of Conduct (the **Fitch Code**), which is designed to be substantially aligned with the International Organization of Securities Commissions Code of Conduct Fundamentals for Credit Rating Agencies (the **IOSCO Code**). The Fitch Code satisfies the requirements of NI 25-101.

18. Fitch Canada has elected to rely on the Fitch Code to satisfy the requirements and functions prescribed by Part 4 of NI 25-101 and Fitch Canada will comply with the requirements of the Fitch Code.

19. Fitch US has also implemented a range of globally applicable policies, procedures, and guidelines, as well as operational and internal control infrastructures (the **Global Policies**) that are designed to achieve the objectives set out in the IOSCO Code and/or satisfy regulatory requirements that Fitch US implements globally. The Global Policies satisfy the requirements of NI 25-101.

20. Fitch US has adopted a File Maintenance and Recordkeeping Policy (the **Recordkeeping Policy**), which establishes guidelines for the management, maintenance and orderly disposition of analytical records. Pursuant to the Recordkeeping Policy, personnel located in Canada comply with the books and records requirements set out in Part 6 of NI 25-101. Fitch Canada will continue to comply with the Recordkeeping Policy and the books and records requirements set out in Part 6 of NI 25-101.

21. Fitch US has appointed a compliance officer who monitors and assesses compliance by Fitch US and its DRO employees with the Fitch Code and with applicable laws and regulations. Such compliance officer will oversee Fitch Canada and fulfill the designated compliance officer functions prescribed by Part 5 of NI 25-101.

22. The Fitch Code and the Global Policies meet in all material respects the objectives of NI 25-101 and enable the Filers to:

    a. accommodate the global nature of Fitch US' operations;

    b. implement high level principles that govern the conduct of Fitch US' credit rating activities and underlying regulatory requirements in the jurisdictions where Fitch US conducts credit rating activities; and

    c. maintain and enforce globally consistent policies, procedures and internal controls that meet specific jurisdictional requirements, in addition to those which are reflected in the Fitch Code.

23. Fitch Canada will comply with the Fitch Code and the Global Policies.

24. The Filers have filed all documentation required under Part 2 of NI 25-101.

25. Each of Fitch Canada and Fitch US is in compliance in all material respects with NI 25-101 and the securities legislation applicable to credit rating organizations in each jurisdiction of Canada and in any other jurisdiction in which Fitch US and Fitch Canada or their credit rating affiliates operate.

26. Upon being designated as a DRO, Fitch Canada will be subject to the requirements set out in the Legislation and the securities legislation in each of the Passport Jurisdictions.

Decision

The Principal Regulator is satisfied that this decision meets the test set out in the Legislation for the Principal Regulator to make this decision.

The decision of the Principal Regulator under the Legislation is that:

(a) the 2022 Designation Order is hereby revoked;

(b) Fitch Canada is designated as a designated rating organization under the Legislation; and

(c) the credit rating affiliates listed in Appendix A to this Decision are designated as DRO affiliates.

"D. Grant Vingoe"
Chief Executive Officer
Ontario Securities Commission

OSC File #: 2020/0577

APPENDIX A

Credit Rating Affiliates of Fitch Ratings Canada, Inc.

FITCH RATINGS, INC. (United States)

FITCH RATINGS LIMITED (England)

FITCH RATINGS BRASIL LTDA (Brazil)

FITCH MEXICO S.A. DE C.V. (Mexico)

FITCH AUSTRALIA PTY LIMITED (Australia)

FITCH RATINGS SINGAPORE PTE LTD (Singapore)

FITCH (HONG KONG) LIMITED (Hong Kong)

FITCH RATINGS JAPAN LIMITED (Japan)

FITCH RATINGS IRELAND LIMITED (Ireland)

B.2.2 Delta 9 Cannabis Inc.

Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – Cease to be a reporting issuer in MB – The securities of the issuer are subject to a FFCTO due to failure to file Unfiled Continuous Disclosure Documents. As part of the CCAA Proceedings the Filer now has one sole shareholder. The full FFCTO revocation will be granted. The Filer has applied to cease to be a reporting issuer in each jurisdiction where it is a reporting issuer – cease to be reporting issuer application granted.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am.

Order No. 7701

May 27, 2025

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

AND

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

AND

IN THE MATTER OF
DELTA 9 CANNABIS INC.
(the Filer)

ORDER

Background

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

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

(a) the Manitoba Securities Commission (**MSC**) 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, British Columbia, 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

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

Representations

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

1. The Filer's registered and records office is located in Manitoba.

2. The Filer is a reporting issuer in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Québec, Saskatchewan and Yukon.

3. The Filer is an issuer existing under the *Business Corporations Act* (British Columbia).

4. The Filer is subject to a failure-to-file cease trade order (**FFCTO**) issued by the MSC on October 23, 2024, and effective in each other jurisdiction in which Multilateral Instrument 11-103 *Failure-to-File Cease Trade Orders in Multiple Jurisdictions* applies and in each jurisdiction that has a statutory reciprocal order provision.

5. The FFCTO was issued as a result of the Filer's failure to file the following continuous disclosure for the interim period ended June 30, 2024 (the **Unfiled Documents**):

   a. interim financial statements;

   b. the related management's discussion and analysis; and

   c. certification of interim filings.

6. The Filer is not in default of securities legislation in any jurisdiction, other than the defaults that led to the issuance of the FFCTO, and its obligations to file continuous disclosure documents required to be filed by applicable Canadian securities laws since the date of the FFCTO, including, without limitation, its interim financial statements and related management's discussion and analysis for the nine months ended September 30, 2024 as required under National Instrument 51-102 *Continuous Disclosure Obligations* and the related certificates as required under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (together with the Unfiled Documents the **Unfiled Continuous Disclosure Documents**).

7. The Filer's failure to file the Unfiled Documents was a result of the financial distress that led to the Filer initiating the CCAA Proceedings.

8. On July 15, 2024, the Filer initiated proceedings under the *Companies' Creditors Arrangement Act* (Canada) (the CCAA and such proceedings being the **CCAA Proceedings**) and received an order for creditor protection under the CCAA from the Court of King's Bench for Alberta (the **Court**). The Issuer also entered into a term sheet with 2759054 Ontario Inc. o/a The FIKA Company (the **Purchaser**) as plan sponsor to the CCAA Proceedings whereby the Purchaser proposed to acquire the cannabis retail store business and the logistics and distribution business of the Company, while facilitating a sale and investment solicitation process for the assets of the licensed cannabis production business of Delta 9 Bio-Tech, in exchange for equity of the Purchaser and the satisfaction of certain secured debt of the Issuer.

9. On December 2, 2024, the Court approved a plan of arrangement (the **Arrangement**) under the CCAA, which contemplates, among other things, (i) the sale and issuance by the Issuer of all of its Common Shares (the **Purchased Shares**) to the Purchaser in exchange for the payment and assumption, by the Purchaser, of certain of the Delta Group's secured debt, the payment of certain amounts to certain of the Delta Group's unsecured creditors, the provision of equity in the Plan Sponsor to certain of the Delta Group's unsecured creditors, and the sale of the Purchased Bio-Tech Shares; (ii) the irrevocable discharge of certain excluded liabilities and charges of the Delta Group; and (iii) the termination and cancellation all capital shares, capital stock partnership, membership, joint venture or other ownership or equity interest, participation or securities (whether voting or non-voting, whether preferred, common or otherwise, and including share appreciation, contingent interest or similar rights) of the Issuer other than the Purchased Shares (the **Arrangement Transaction**).

10. On February 17, 2025, the Manitoba Securities Commission granted a partial revocation of the FFCTO to permit the Filer to complete the Arrangement Transaction.

11. On March 4, 2025, the Filer completed the Arrangement Transaction, which was effected in accordance with its terms and pursuant to the provisions of the Arrangement approved by the Court.

12. As a result of the Arrangement Transaction, among other things, all outstanding equity interests, including shares, convertible securities, or any other rights or interests to purchase the same, of

the Filer were deemed cancelled for no consideration.

13. The Purchaser was issued 100 shares of a new class of common shares denominated "Class A common shares" pursuant to the Transactions to become the sole securityholder of the Filer, and the Filer does not have any other securities issued and outstanding (including debt securities).

14. The common shares of the Filer were delisted from the Toronto Stock Exchange on August 22, 2024 and also removed from the Best Market of the OTC Markets Group Inc. effective as of the close of markets on April 4, 2025.

15. 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.

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

17. 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.

18. The Filer has no current intention to seek public financing by way of an offering of securities in Canada or elsewhere or to make or maintain a market in securities of the Filer.

19. 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.

20. The Filer has concurrently filed an application with the MSC under National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions* for an order pursuant to Section 147(1) of the Legislation revoking the FFCTO without requiring the Filer to file the Unfiled Continuous Disclosure Documents, to be effective on the same date as the Order Sought.

21. But for the fact that the Filer is subject to the FFCTO as a result of failing to file the Unfiled Continuous Disclosure Documents, the Filer would be eligible to use the "simplified procedure" under National Policy 11-206 Process for Cease to be a Reporting Issuer Applications.

22. Upon the granting of the Order Sought, the Filer will no longer be a reporting issuer or the equivalent in any jurisdiction in Canada.

Order

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

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

"Patrick Weeks"
Deputy Director
Manitoba Securities Commission

OSC File #: 2025/0305

B.2.3 Awakn Life Sciences Corp. (1169082 BC Ltd.)

Headnote

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

Applicable Legislative Provisions

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

May 28, 2025

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

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

AND

IN THE MATTER OF
AWAKN LIFE SCIENCES CORP.
(1169082 BC LTD.)
(the Filer)

ORDER

Background

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

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

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

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

Interpretation

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

Representations

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

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

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

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

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

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

Order

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

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

"Erin O'Donovan"
Associate Vice President, Corporate Finance
Ontario Securities Commission

OSC File #: 2025/0312

B.2.4 Gold79 Holding Two 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 except it has not filed certain continuous disclosure documents.

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – The issuer ceased to be a reporting issuer under securities legislation. The issuer was unable to rely on the "simplified" procedure due to a default.

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 239

May 26, 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
GOLD79 HOLDING TWO 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, 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 a reporting issuer under the laws of British Columbia, Ontario and Alberta;

2. the Filer was incorporated under, and is governed by, the *Business Corporations Act* (British Columbia);

3. the Filer's head office is located in Vancouver, British Columbia;

4. pursuant to an amalgamation, West Point Gold Corp. (WPG), formerly Gold79 Mines Ltd., beneficially acquired all of the issued and outstanding common shares of the Filer (the Filer Shares), all upon the terms and conditions of the amalgamation agreement dated September 3, 2024, as amended, between the Filer, WPG and 1492834 B.C. Ltd. (the Amalgamation);

5. on November 25, 2024, at the special meeting of shareholders of the Filer (the Meeting), shareholders of the Filer approved the Amalgamation by 99.99% of the votes cast by Filer shareholders present in person or represented by proxy at the Meeting;

6. pursuant to the Amalgamation which was completed on November 26, 2024, all other securities of the Filer have been exchanged for securities of WPG;

7. immediately upon the completion of the Amalgamation, the Filer amalgamated with 1492834 B.C. Ltd. and became a wholly-owned subsidiary of WPG;

8. the Filer Shares have been delisted from the TSX Venture Exchange effective as of the close of trading on November 29, 2024;

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

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

11. 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;

12. 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;

13. 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;

14. the Filer is not in default of securities legislation in any jurisdiction other than its obligation to file on or before April 30, 2025 its annual financial statements and related management's discussion and analysis for the fiscal year ended December 31, 2024, as required under National Instrument 51-102 *Continuous Disclosure Obligations* and the related certificates required under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (collectively, the Filings);

15. the requirements to file the Filings did not arise until after the completion of the Amalgamation;

16. the Filer is not eligible to use the simplified procedure under National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications* (NP 11-206) as it is in default for failure to file the Filings; and

17. except for the fact that the Filer failed to file the Filings, the Filer would be eligible for the simplified procedure under NP 11-206.

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.

"Gordon Smith"
Manager, Legal Services, Corporate Finance
British Columbia Securities Commission

OSC File #: 2025/0227

B.2.5 MacDonald Mines Exploration Ltd.

Headnote

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – Application to cease to be a reporting issuer under applicable securities laws – 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 except it has not filed certain continuous disclosure documents.

Applicable Legislative Provisions

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

May 29, 2025

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

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

AND

IN THE MATTER OF
MACDONALD MINES EXPLORATION LTD.
(the Filer)

ORDER

Background

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

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

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

(b) The Filer has provided notice subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, New Brunswick, Newfoundland and Labrador, Nova Scotia, and Quebec.

Interpretation

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

Representations

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

1. The Filer is incorporated pursuant to the *Canada Business Corporations Act* and its head office is located at 1001-145 Wellington Street West, Toronto, Ontario M5J 1H8.

2. The Filer is a reporting issuer in the provinces of British Columbia, Alberta, Saskatchewan, Ontario, Quebec, New Brunswick, Nova Scotia and Newfoundland and Labrador.

3. On May 7, 2025, the Filer completed an arrangement (**Arrangement**) and is the corporation resulting from the Arrangement between the Filer, 16712371 Canada Inc. (**Canuc Subco**) and Canuc Resources Corporation (**Canuc**).

4. The Arrangement was completed pursuant to the *Canada Business Corporations Act* pursuant to an Arrangement Agreement dated effective as of February 4, 2025, between the Filer, Canuc Subco and Canuc pursuant to which Canuc agreed to acquire all of the issued and outstanding common shares of the Filer.

5. The full details of the Arrangement and the intention of the Filer to make an application to cease to be a reporting issuer were disclosed in a management information circular of the Filer dated February 19, 2025, and supplemented by a news release of the Filer dated March 26, 2025, copies of which are available under the Filer's profile at www.sedarplus.ca.

6. The Arrangement was approved on March 31, 2025, by the Filer's shareholders at a special meeting of shareholders of the Filer.

7. Pursuant to the Arrangement, Canuc acquired all of the issued and outstanding shares of the Filer. The Arrangement resulted in Canuc acquiring 100% of the Filer's common shares and a successor entity to the Filer becoming a wholly owned subsidiary of Canuc, such that all of the assets and liabilities of the Filer are now beneficially owned by Canuc. Pursuant to the Arrangement, Canuc issued an aggregate of 73,768,343 common shares and shareholders of the Filer received 1.497 shares of Canuc for each issued and outstanding common share of the Filer, including approximately 1,796,400 Canuc shares issued as a result of the exercise of an aggregate of 1,200,000 warrants of the Filer.

8. Upon completion of the Arrangement at the close of business on May 7, 2025, Canuc was the only shareholder of the Filer, owning 100% of the outstanding shares of the Filer.

9. The common shares of the Filer were delisted from the TSX Venture Exchange at the close of business on May 6, 2025.

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

11. 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 in Canada and fewer than 51 securityholders in total worldwide.

12. 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.

13. The Filer is applying for an order that it is not a reporting issuer in all of the jurisdictions in Canada in which it is a reporting issuer.

14. The Filer has no intention to seek public financing by way of an offering of securities.

15. The Filer is not in default of securities legislation in any jurisdiction, except that the Filer has not filed its annual financial statements, accompanying management's discussion and analysis and certification of the foregoing filings for the annual period ended December 31, 2024 (collectively, the **Filings**), which were due on April 30, 2025, in accordance with National Instrument 51-102 *Continuous Disclosure Obligations*.

16. The Filer is not eligible to use the simplified procedure under National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications* (**NP 11-206**) as it is in default for failure to file the Filings.

17. The Filer had anticipated completion of the Arrangement prior to the April 30, 2025, filing deadline to file the Filings. Due to circumstances beyond the control of the Filer, the completion of the Arrangement was delayed until May 7, 2025, one week after the date the Filings were due.

18. But for the fact that the Filer is in default of securities legislation as a result of failing to file the Filings that were due prior to the completion of the Arrangement, the Filer would be eligible for the simplified procedure set out in NP 11-206.

19. Upon the granting of the Order Sought, the Filer will not be a reporting issuer or the equivalent in any jurisdiction of Canada.

Order

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

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

"David Surat"
Associate Vice President, Corporate Finance Division
Ontario Securities Commission

OSC File #: 2025/0311

B.2.6 GFI Swaps Exchange LLC et al.

Headnote

Subsection 144(1) of the Securities Act (Ontario), section 15.1 of NI 21-101, section 12.1 of NI 23-101 and section 10 of NI 23-103 – Application for: (i) an order varying the Commission's orders exempting swap execution facilities carrying on business in Ontario from the requirement to be recognized as exchanges, and (ii) an exemption from the requirements of NI 21-101, NI 23-101 and NI 23-103 in their entirety – Applicants granted registered with the United States Securities and Exchange Commission as security-based swap execution facilities – Variation required to permit the applicants to trade in security-based swaps – Exemption requested from the marketplace rules – Requested order granted.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 144(1).
National Instrument 21-101 Marketplace Operation, s. 15.1.
National Instrument 23-101 Trading Rules, s. 12.1.
National Instrument 23-103 Electronic Trading and Direct Electronic Access to Marketplaces, s. 10.

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

AND

IN THE MATTER OF
GFI SWAPS EXCHANGE LLC (GFI),
ICE SWAP TRADE, LLC (ICE Swap),
tpSEF INC. (tpSEF),
TW SEF LLC (TW SEF)

ORDER

WHEREAS each of GFI, ICE Swap, tpSEF and TW SEF (each an **Applicant**; collectively, the **Applicants**) operates a swap execution facility (**SEF**) in the United States pursuant to registration granted by the United States Commodity Futures Trading Commission (**CFTC**);

AND WHEREAS the Commission has issued orders pursuant to section 147 of the Act exempting each Applicant from the requirement to be recognized as an exchange under subsection 21(1) of the Act (each an **Exemption Order**);

AND WHEREAS each Exemption Order contains a condition in section 9 of Schedule "A" that the Applicant will not provide access to a participant in Ontario to trading in products other than swaps, as defined in section 1a(47) of the United States *Commodity Exchange Act* (and for greater certainty, excluding security-based swaps), without prior Commission approval;

AND WHEREAS each Applicant has made an application to the Commission:

(i) under subsection 144(1) of the Act, for an order varying each Applicant's Exemption Order to allow the Applicant to provide direct access to participants in Ontario to trade in security-based swaps (**SBS**), pursuant to its registration as a security-based swap execution facility (**SBSEF**) with the United States Securities and Exchange Commission (**SEC**); and

(ii) for an exemption from the requirements in National Instrument 21-101 *Marketplace Operation* (**NI 21-101**) pursuant to section 15.1(1) of NI 21-101, the requirements in National Instrument 23-101 *Trading Rules* (**NI 23-101**) pursuant to section 12.1 of NI 23-101, and the requirements in National Instrument 23-101 *Electronic Trading and Direct Electronic Access to Marketplaces* (**NI 23-103**; together with NI 21-101 and NI 23-101, the **Marketplace Rules**) pursuant to section 10 of NI 23-103;

AND WHEREAS each Applicant has represented to the Commission that:

1. The Applicant continues to comply with the ongoing requirements applicable to it as a SEF registered with the CFTC;

2. On January 29, 2025, the Applicant obtained registration with the SEC to operate a SBSEF;

3. The Applicant proposes to provide direct access to participants in Ontario to trade in SBS pursuant to its SBSEF registration with the SEC;

4. The Applicant continues to satisfy all the criteria for exemption as described in Appendix 1 to Schedule "A" of its Exemption Order;

AND WHEREAS the Commission has determined that it would not be prejudicial to the public interest to vary each Applicant's Exemption Order to permit each Applicant to provide direct access to participants in Ontario to trade in SBS pursuant to its SBSEF registration;

AND WHEREAS the Commission has determined that it would not be prejudicial to the public interest to also exempt each Applicant from the Marketplace Rules because each Applicant has been exempted from the requirement to be recognized as an exchange;

IT IS HEREBY ORDERED by the Commission that:

(i) pursuant to section 147 of the Act, each applicant continues to be exempt from recognition as an exchange under subsection 21(1) of the Act;

(ii) pursuant to section 144 of the Act, that the Exemption Order for each Applicant is varied to allow the Applicant to provide direct access to participants in Ontario to trade in SBS by:

a. replacing the words "provided that the Applicant complies with the terms and conditions contained in Schedule "A."" with "provided that the Applicant complies with the terms and conditions contained in Schedules "A" and "B."",

b. amending Schedule "A" of each Applicant's Exemption Order to add the words "(FOR TRADES IN SWAPS PURSUANT TO CFTC SEF REGISTRATION)" after "TERMS AND CONDITIONS";

c. adding the text of Appendix A of this order as Schedule "B" of each Applicant's Exemption Order, and,

(iii) pursuant to sections 15.1(1) of NI 21-101, 12.1 of NI 23-101 and 10 of NI 23-103, each Applicant is exempt from the Marketplace Rules.

DATED May 29, 2025

"Michelle Alexander"
Associate Vice President
Trading and Markets Division

APPENDIX A

SCHEDULE "B"

TERMS AND CONDITIONS

(FOR TRADES IN SBS PURSUANT TO SBSEF REGISTRATION)

Meeting Criteria for Exemption

1. The Applicant will continue to meet the criteria for exemption included in Appendix 1 to Schedule “A”.

Regulation and Oversight of the Applicant

2. The Applicant will maintain its registration as a security-based swap execution facility (**SBSEF**) with the Securities and Exchange Commission (**SEC**) and will continue to be subject to the regulatory oversight of the SEC.

3. The Applicant will continue to comply with the ongoing requirements applicable to it as a SBSEF registered with the SEC.

4. The Applicant must do everything within its control, which includes cooperating with the Commission as needed, to carry out its activities as an exchange exempted from recognition under subsection 21(1) of the Act in compliance with Ontario securities law.

Access

5. The Applicant will not provide direct access to a participant in Ontario (**Ontario User**) unless the Ontario User is appropriately registered as applicable under Ontario securities laws or is exempt from or not subject to those requirements, and qualifies as an “eligible contract participant” under the United States Securities Exchange Act of 1934, as amended (**1934 Act**).

6. For each Ontario User provided direct access to its SBSEF, the Applicant will require, as part of its application documentation or continued access to the SBSEF, the Ontario User to represent that it is appropriately registered as applicable under Ontario securities laws or is exempt from or not subject to those requirements.

7. The Applicant may reasonably rely on a written representation from the Ontario User that specifies either that it is appropriately registered as applicable under Ontario securities laws or is exempt from or not subject to those requirements, provided the Applicant notifies such Ontario User that this representation is deemed to be repeated each time it enters an order, request for quote or response to a request for quote on the Applicant.

8. The Applicant will require Ontario Users to notify the Applicant if their registration as applicable under Ontario securities laws has been revoked, suspended, or amended by the Commission or if they are no longer exempt from or become subject to those requirements and, following notice from the Ontario User and subject to applicable laws, the Applicant will promptly restrict the Ontario User's access to the Applicant if the Ontario User is no longer appropriately registered or exempt from those requirements.

Trading by Ontario Users

9. Despite section 9 of Schedule “A”, the Applicant may provide access to Ontario Users to trade in security-based swaps as defined in section 3(a)(68) of the 1934 Act.

Submission to Jurisdiction and Agent for Service

10. With respect to a proceeding brought by the Commission arising out of, related to, concerning or in any other manner connected with the Commission's regulation and oversight of the activities of the Applicant in Ontario, the Applicant will submit to the non-exclusive jurisdiction of (i) the courts and administrative tribunals of Ontario and (ii) an administrative proceeding in Ontario.

11. The Applicant will submit to the Commission a valid and binding appointment of an agent for service in Ontario upon whom the Commission may serve a notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal, penal or other proceeding arising out of, related to, concerning or in any other manner connected with the Commission's regulation and oversight of the Applicant's activities in Ontario.

Prompt Reporting

12. The Applicant will notify staff of the Commission promptly of:

(a) any authorization to carry on business granted by the SEC is revoked or suspended or made subject to terms or conditions on the Applicant’s operations;

(b) the Applicant institutes a petition for a judgment of bankruptcy or insolvency or similar relief, or to wind up or liquidate the Applicant or has a proceeding for any such petition instituted against it;

(c) a receiver is appointed for the Applicant or the Applicant makes any voluntary arrangement with creditors;

(d) the Applicant's marketplace is not in compliance with this order or with any applicable requirements, laws or regulations of the SEC where it is required to report such non-compliance to the SEC;

(e) any known investigations of, or disciplinary action against, the Applicant by the SEC or any other regulatory authority to which it is subject; and

(f) the Applicant makes any material change to the eligibility criteria for Ontario Users.

Semi-Annual Reporting

13. The Applicant will maintain the following updated information and submit such information in a manner and form acceptable to the Commission on a semi-annual basis (by July 31 for the first half of the calendar year and by January 31 of the following year for the second half), and at any time promptly upon the request of staff of the Commission:

(a) a current list of all Ontario Users and whether the Ontario User is registered under Ontario securities laws or is exempt from or not subject to registration, and, to the extent known by the Applicant, other persons or companies located in Ontario trading as customers of participants (**Other Ontario Participants**);

(b) the legal entity identifier assigned to each Ontario User, and, to the extent known by the Applicant, to Other Ontario Participants in accordance with the standards set by the Global Legal Entity Identifier System;

(c) a list of all Ontario Users against whom disciplinary action has been taken since the previous report by the Applicant or its RSP acting on its behalf, or, to the best of the Applicant's knowledge, by the SEC with respect to such Ontario Users' activities on the Applicant and the aggregate number of disciplinary actions taken against all participants since the previous report by the Applicant or its RSP acting on its behalf;

(d) a list of all active investigations since the previous report by the Applicant or its RSP acting on its behalf relating to Ontario Users and the aggregate number of active investigations since the previous report relating to all participants undertaken by the Applicant;

(e) a list of all Ontario applicants for status as a participant who were denied such status or access to the Applicant since the previous report, together with the reasons for each such denial; and

(f) for each product,

(i) the total trading volume and value originating from Ontario Users, and, to the extent known by the Applicant, from Other Ontario Participants, presented on a per Ontario User or per Other Ontario Participant basis; and

(ii) the proportion of worldwide trading volume and value on the Applicant conducted by Ontario Users, and, to the extent known by the Applicant, by Other Ontario Participants, presented in the aggregate for such Ontario Users and Other Ontario Participants;

provided in the required format.

Information Sharing

14. The Applicant will provide and, if applicable, cause its regulatory services provider (**RSP**) to provide such information as may be requested from time to time by, and otherwise cooperate with, the Commission or its staff, subject to any applicable privacy or other laws (including solicitor-client privilege) governing the sharing of information and the protection of personal information.

B.2.7 Entourage Health Corp. – 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

Business Corporations Act, R.S.O. 1990, c. B.16, 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
ENTOURAGE HEALTH CORP.
(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 250 Elm Street, Aylmer, ON N5H 2M8;

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

4. the Applicant obtained an order (the **Reporting Issuer Order**) on April 30, 2025 pursuant to subclause 1(10)(a)(ii) of the *Securities Act* (Ontario), declaring that it is not a reporting issuer in Ontario and is not a reporting issuer or the equivalent in any other jurisdiction in Canada, in accordance with the simplified procedure set out in 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 to do so would not be prejudicial to the public interest;

IT IS HEREBY ORDERED by the Commission, 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 28th day of May, 2025.

"Erin O'Donovan"
Manager, Corporate Finance Division
Ontario Securities Commission

OSC File #: 2025/0282

B.2.8 Earth Alive Clean Technologies Inc.

Headnote

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – filer became wholly-owned subsidiary of another company as a result of insolvency proceedings.

Applicable Legislative Provisions

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

[Original text in French]

May 21, 2025

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

AND

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

AND

IN THE MATTER OF
THE REVOCATION OF A FAILURE-TO-FILE CEASE TRADE ORDER

AND

IN THE MATTER OF
EARTH ALIVE CLEAN TECHNOLOGIES INC.
(the Filer)

ORDER

Background

The Filer is subject to a failure-to-file cease trade order (the **FFCTO Revocation Order**) issued by the Autorité des marchés financiers (the **Principal Regulator** or the **AMF**) September 4, 2024. The Filer has applied to the Principal Regulator for an order revoking the FFCTO under *Policy Statement 11-207 respecting Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions* (**Policy Statement 11-207**).

The Principal Regulator and the Ontario Securities Commission (the **Decision Makers**) also received an application from the Filer for an order under their securities legislation (the **Legislation**) to revoke the reporting issuer status of the Filer in all jurisdictions of Canada (the **Cease to be a Reporting Issuer Order**).

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

a) the Filer has provided notice that subsection 4C.5 of *Regulation 11-102 respecting Passport System,* CQLR, c. V-1.1, r. 1 (**Regulation 11-102**) is intended to be relied upon in the provinces of British Columbia and Alberta, and

b) this order is the order of the Principal Regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* or, in Québec, in *Regulation 14-501Q on definitions*, Regulation 11-102, *Policy Statement* 11-206 *Process for Cease to be Reporting Issuer Applications* (**Policy Statement 11-206**) and Policy Statement 11-207 have the same meaning if used in this order, unless otherwise defined.

Representations

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

1. The Filer is a corporation existing under the *Business Corporations Act* (Québec) located in the Province of Québec.

2. The Filer is a reporting issuer in British Columbia, Alberta, Ontario and Québec.

3. On September 4, 2024, the Principal Regulator issued the FFCTO as a result of the Filer's failure to file its interim financial statements and the related management's discussion and analysis for the three and six months ended June 30, 2024, and the interim certifications for the foregoing filings (collectively, the **Unfiled Documents**). The FFCTO took effect in each jurisdiction of Canada that has a statutory reciprocal order provision, subject to the terms of the local securities legislation.

4. The Filer's failure to file the Unfiled Documents was a result of the financial distress that led to the Filer initiating the NOI Proceedings (as defined below).

5. On October 22, 2024, due to persistent financial distress, the Filer filed a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act* (Canada) (**BIA**) (the **NOI Proceedings**) in the Québec Superior Court (Commercial Division) (the **Court**).

6. On January 24, 2025, the Filer sought and obtained from the Court an order under the BIA (the **Approval and Reverse Vesting Order**) pursuant to which, *inter alia*, the Court approved a subscription agreement (the **Subscription Agreement**) dated January 17, 2025 between the Filer and 9530-8086 Québec Inc. (the **Purchaser**) and the transactions contemplated thereby (collectively, the **Transactions**), including the cancellation of all existing securities in the Filer without consideration and the issuance of new equity interests in the Filer to the Purchaser in consideration for the release by the Purchaser of certain secured debt of the Filer.

7. On January 30, 2025, the Principal Regulator issued a partial revocation order in respect of the FFCTO solely for the purposes of allowing the Filer and the Purchaser to complete the Transactions.

8. On January 31, 2025, the Filer completed the Transactions in accordance with and pursuant to the terms and conditions of the Subscription Agreement and the Approval and Reverse Vesting Order granted by the Court.

9. Immediately prior to the implementation of the Transactions, the Filer had 578,355,858 issued and outstanding common shares.

10. In addition to the common shares, prior to the implementation of the Transactions, there were also outstanding, 7,021,000 options to purchase common shares pursuant to the stock option plan of the Filer, all of which were "out of the money" (**Options**), as well as 225,933,333 warrants to acquire common shares (**Warrants**).

11. As a result of the Transactions, among other things, all equity interests, including the common shares, convertible securities, or any other rights or interests to purchase the same, including the Options and the Warrants, of the Filer were cancelled for no consideration.

12. On the closing of the Transactions, the Purchaser was issued 2 425 000 shares of a new class of common shares denominated "Class A common shares" and became the sole securityholder of the Filer, and the Filer does not have any other securities issued and outstanding (including debt securities).

13. The common shares of the Filer were delisted from the NEX Board of the TSX Venture Exchange as at the close of business on February 10, 2025.

14. The Filer is not an OTC reporting issuer under *Regulation 51-105* respecting *Issuers Quoted in the U.S. Over-the-Counter Markets*.

15. 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.

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

17. The Filer is not in default of securities legislation in any jurisdiction, other than the defaults that led to the issuance of the FFCTO and the Filer's failure to file certain of its continuous disclosure documents required to be filed by applicable Canadian securities laws since the date of the FFCTO (the **Subsequent Records**).

18. The Filer is not eligible to use the simplified procedure under Policy Statement 11-206 as it is in default to file the Unfiled Documents and the Subsequent Records.

19. The Filer has no current intention to seek public financing by way of an offering of securities in Canada or elsewhere or to make or maintain a market in securities of the Filer.

20. Upon the granting of the Cease to be a Reporting Issuer Order, the Filer will no longer be a reporting issuer or the equivalent in any jurisdiction in Canada.

Order

The Principal Regulator is satisfied that the FFCTO Revocation Order of the Filer meets the test set out in the securities legislation of Québec for the Principal Regulator to make the decision.

The decision of the Principal Regulator under the securities legislation of Québec is that the FFCTO of the Filer is revoked.

The Decisions Makers are satisfied that the Cease to be a Reporting Issuer 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 Cease to be a Reporting Issuer Order is granted.

“Marie-Claude Brunet-Ladrie”
Directrice de la surveillance des émetteurs et initiés

OSC File #: 2025/0085

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B.3
Reasons and Decisions

B.3.1 Fitch Ratings Canada, Inc. and Fitch Ratings, Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Confidentiality – Application by a designated rating organization (DRO) for a decision that sections of Form 25-101F1 Designated Rating Organization Application and Annual Filing be held in confidence for an indefinite period by the Commission, to the extent permitted by law – Subject information discloses intimate financial, personal or other information and that the desirability of avoiding disclosure thereof in the interests of any person or company affected outweighs the desirability of adhering to the principle that material filed with the Commission be available to the public for inspection – Relief granted subject to conditions.

Application by a DRO for exemptive relief from section 11 of National Instrument 25-101 Designated Rating Organizations – Filer's code of conduct does not specify that the DRO must not waive provisions of its code of conduct – Filer's code of conduct, as well as the policies, procedures and internal controls, is consistent in all material respects with the objectives of NI 25-101.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 140(2).
National Instrument 25-101 Designated Rating Organizations, ss. 11, 14 and 15.

May 23, 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
FITCH RATINGS CANADA, INC.
AND
FITCH RATINGS, INC.
(the Filers)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from Fitch Ratings Canada, Inc. (**Fitch Canada**) and Fitch Ratings, Inc. (**Fitch US**, and together, the **Filers**) for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) that:

(a) pursuant to the confidentiality provisions of the Legislation (being subsection 140(2) of the *Securities Act* (Ontario)), for any filing on Form 25-101F1 *Designated Rating Organization Application and Annual Filing* (**Form 25-101F1**) by Fitch Canada,

(i) the information referred to in Item 13 of Form 25-101F1, which may be calculated at a global level for Fitch US as a whole, be held in confidence (and therefore not available to the public for inspection) for an indefinite period, to the extent permitted by law;

(ii) the information referred to in Item 14 of Form 25-101F1, which may be calculated at a global level for Fitch US as a whole, be held in confidence (and therefore not available to the public for inspection) for an indefinite period, to the extent permitted by law; and

(iii) the information referred to in Item 15 of Form 25-101F1 be held in confidence (and therefore not available to the public for inspection) for an indefinite period, to the extent permitted by law,

(collectively, the **Confidentiality Relief**);

(b) pursuant to exemption provisions of the Legislation (being section 15 of National Instrument 25-101 *Designated Rating Organizations* (**NI 25-101**)), Fitch Canada be exempted from the requirement in section 11 of NI 25-101, provided that Fitch Canada complies with the Fitch Code (as defined below) and complies with the procedures described at paragraphs 28 and 29 of this Decision Document (the **Code of Conduct Relief**); and

(c) the original code of conduct relief granted to Fitch US on October 31, 2012 be revoked.

On October 31, 2012, the principal regulator in the Jurisdiction granted a designation order (the **2012 Designation Order**) which designated Fitch US as a designated rating organization (**DRO**) and pursuant to which certain credit rating affiliates listed in Appendix A to the 2012 Designation Order were designated as DRO affiliates. The 2012 Designation Order was replaced by an amended and restated designation order dated April 25, 2022 (the **2022 Designation Order**).

In a concurrent decision issued to Fitch US on October 31, 2012, the principal regulator in the Jurisdiction issued an order that:

(a) pursuant to the confidentiality provisions of the Legislation (being subsection 140(2) of the *Securities Act* (Ontario)) for any filing on Form 25-101F1 by Fitch US,

(i) the information referred to in Item 13 of Form 25-101F1, which may be calculated at a global level for Fitch US as a whole, be held in confidence (and therefore not available to the public for inspection) for an indefinite period, to the extent permitted by law;

(ii) the information referred to in Item 14 of Form 25-101F1, which may be calculated at a global level for Fitch US as a whole, be held in confidence (and therefore not available to the public for inspection) for an indefinite period, to the extent permitted by law; and

(iii) the information referred to in Item 15 of Form 25-101F1 be held in confidence (and therefore not available to the public for inspection) for an indefinite period, to the extent permitted by law

(collectively, the **Original Confidentiality Relief**); and

(b) pursuant to section 15 of NI 25-101, Fitch US be exempted from the requirement in section 11 of NI 25-101, relating to waiving provisions of its code of conduct, subject to certain conditions described in the Original Order (**Original Code of Conduct Relief**).

For greater certainty, the Filers are only applying for a revocation of the Original Code of Conduct Relief and not the Original Confidentiality Relief.

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

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

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

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102 or NI 25-101 have the same meanings in this decision, unless otherwise defined herein.

Representations

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

Fitch Canada

1. Fitch Canada is a corporation incorporated under the *Business Corporations Act* (British Columbia) with its head office and principal office at 120 Adelaide Street West, Suite 2500, Toronto, Ontario M5H 1T1.

2. Fitch Canada is a wholly-owned subsidiary of Fitch US, formerly known as Fitch, Inc.

3. Fitch US provides credit rating opinions, research and risk analysis to a broad range of financial institutions, corporate entities, government bodies and various structured finance product groups in North America, Europe, Africa, Australasia and South America.

4. Fitch US is a Nationally Recognized Statistical Rating Organization (**NRSRO**) regulated in the United States by the Securities and Exchange Commission (**SEC**), which includes related global offices that issue ratings under the Fitch Ratings global brand. Currently, Fitch US, together with its affiliates, rates more than 11,339 different companies and single-purpose vehicles that issue commercial paper, term debt and preferred shares in the global capital markets.

5. For operational and business reasons, Fitch US has determined to incorporate the Filer and to transfer to Fitch Canada the assets of its Canadian office located in Toronto, Ontario.

6. Each of Fitch Canada and Fitch US is in compliance in all material respects with NI 25-101 and the securities legislation applicable to credit rating organizations in each jurisdiction in Canada and in any other jurisdiction in which Fitch US and Fitch Canada or their credit rating affiliates operate.

7. In a concurrent decision, the Principal Regulator designated Fitch Canada as a DRO under the Legislation and revoked the 2022 Designation Order.

The Confidentiality Relief

8. Subsection 6(1) of NI 25-101 requires a credit rating organization that applies to be a designated rating organization to file a completed Form 25-101F1. Despite subsection 6(1), a credit rating organization that is an NRSRO may file its most recent Form NRSRO.

9. In addition, for subsequent years, subsection 14(1) of NI 25-101 requires a DRO to file a completed Form 25-101F1 no later than 90 days after the end of its most recently completed financial year.

10. Item 13 of Form 25-101F1 requires a DRO to disclose information, as applicable, regarding the applicant's aggregate revenue for the most recently completed financial year including: revenue from determining and maintaining credit ratings, revenue from subscribers, revenue from granting licenses or rights to publish credit ratings, and revenue from all other services and products offered by the DRO. Item 13 of Form 25-101 also provides that the financial information on the revenue of the DRO be divided into fees from credit rating and non-credit rating activities (the **Item 13 Information**).

11. In the United States, Exhibit 12 to Form NRSRO requires NRSROs to provide "[i]nformation regarding revenues for the fiscal or calendar year ending immediately before the date of the initial application." Such information is provided for subsequent years pursuant to SEC Rule 17g-3(a)(3) under the *Securities Exchange Act of 1934* (**1934 Act**). However, NRSROs are permitted to provide this information confidentially. Likewise, Regulation (EC) No 1060/2009 of the European Parliament and of the Council, of 16 September 2009, on credit rating agencies (the **EU Regulation**) provides that such information must be provided annually to the European Securities and Markets Authority (**ESMA**) but need not be disclosed publicly.

12. Item 14 of Form 25-101F1 requires a DRO to disclose "a list of the largest users of credit rating services of the applicant by the amount of net revenue earned by the applicant attributable to the user during the most recently completed financial year". It also requires the DRO to disclose "a list of users of credit rating services whose contribution to the growth rate in the generation of revenue of the applicant in the previous fiscal year exceeded the growth rate in the applicant's total revenue in that year by a factor of more than 1.5 times" (the **Item 14 Information**).

13. In the United States, Exhibit 10 to Form NRSRO requires NRSROs to provide "[a] list of the largest users of credit rating services by the amount of net revenue earned from the user during the fiscal year ending immediately before the date of the initial application". Such information is provided for subsequent years pursuant to SEC Rule 17g-3(a)(5) under the 1934 Act. However, NRSROs are permitted to provide this information confidentially. Likewise, the EU Regulation

provides that credit rating organizations must provide certain revenue related information annually to ESMA and to the credit rating organization's home regulator but such information need not be disclosed publicly.

14. Public disclosure of the Item 13 Information and/or the Item 14 Information would make that information available to the Filers' analysts. The Filers believe that confidential treatment of the Item 13 Information and/or Item 14 Information helps to shield this information from the Filers' analysts, thereby bolstering independence in the rating process by insulating the Filers' analysts from commercial influences. In addition, some of the Item 13 Information and/or Item 14 Information is competitively sensitive information of the Filers.

15. Item 15 of Form 25-101F1 requires a DRO to attach a copy of the audited financial statements of the applicant, which must include a statement of financial position, a statement of comprehensive income, and a statement of changes in equity, for each of the three most recently completed financial years (the **Item 15 Information** and, collectively with the Item 13 Information and the Item 14 Information, the **Sensitive Information**).

16. In the United States, Exhibit 11 to Form NRSRO requires NRSROs to provide "[a]udited financial statements for each of the three fiscal calendar years ending immediately before the date of the initial application." Such information is provided for subsequent years pursuant to SEC Rule 17g-3(a)(1) under the 1934 Act. However, NRSROs are permitted to provide this information confidentially. The EU Regulation does not have a similar requirement to provide such information on a yearly basis**.**

17. Fitch Canada is a privately held company that does not publicly issue audited financial statements.

18. Consistent with the requirements applicable to NRSROs under the 1934 Act and the EU Regulation, Fitch Canada proposes to file the Sensitive Information on a confidential basis with the Principal Regulator.

19. Section (4) of the Instructions to Form 25-101F1 provides that an applicant may apply to the securities regulatory authority to hold in confidence portions of Form 25-101F1 which disclose intimate financial, personal or other information.

20. The Sensitive Information constitutes intimate financial, personal or other information related to the credit rating activities of the Filer that is not otherwise publicly available.

21. The Filers believe that none of the Sensitive Information, either individually or in the aggregate, is necessary to understand the remaining information provided in Form 25-101F1.

22. The Filers believe that: (i) the negative implications to the Filers, issuers or an investor relying on a credit rating were the Sensitive Information to be made public outweigh the desirability of adhering to the principle that material filed with the Principal Regulator be available to the public for inspection, and (ii) the disclosure of the Sensitive Information is not necessary in the public interest.

23. The Filers believe that the Sensitive Information is not material to an analyst, an issuer or an investor relying on a credit rating and, therefore, there is no prejudice or harm to the public as a result of the Sensitive Information remaining confidential.

The Code of Conduct Relief

24. Fitch US has adopted and implemented the Fitch Code of Conduct & Ethics (the **Fitch Code**), which is designed to be substantially aligned with the International Organization of Securities Commissions Code of Conduct Fundamentals for Credit Rating Agencies and includes provisions adopted to satisfy the requirements of NI 25-101.

25. Fitch Canada has elected to rely on the Fitch Code to satisfy the requirements and functions prescribed by Part 4 of NI 25-101 and the Filers, including Fitch Canada, will comply with the requirements of the Fitch Code.

26. Fitch US has also appointed a compliance officer (the **Chief Compliance Officer**) to fulfill the functions set forth in NI 25-101, including monitoring and assessing compliance by Fitch US and its DRO employees with the Fitch Code and the Legislation. Such compliance officer will cover Fitch Canada and fulfill the designated compliance officer functions prescribed by Part 5 of NI 25-101.

27. Section 11 of NI 25-101 provides that a DRO's code of conduct must specify that a DRO must not waive provisions of its code of conduct.

28. Sections 1.1 and 2.2.7 of the Fitch Code provides as follows:

> "Fitch Ratings, Inc. and each of its subsidiaries that issue ratings under the trade name Fitch Ratings ("Fitch Ratings") are committed to providing the world's securities markets with objective, timely, independent, and forward-looking credit opinions. In this respect, Fitch Ratings is dedicated to several core principles — objectivity, independence, integrity, and transparency.

> This Code of Conduct and Ethics (the "Code") is intended to provide information as to how Fitch Ratings will function in accordance with those principles and is designed to comply with applicable laws, rules, and regulations in the jurisdictions in which Fitch Ratings operates. The Code is based on the provisions of the IOSCO Code of Conduct Fundamentals for Credit Rating Agencies. The Code is supplemented by and consistent with other internal policies and procedures that govern Fitch Ratings' activities, businesses, and operations, many of which are available on Fitch Rating's free public website, www.fitchratings.com (see also Appendix A). Fitch Ratings will disclose on a timely basis any changes to this Code or to how this Code is implemented and enforced.
>
> Fitch Ratings expects its employees to act in accordance with the highest standards of personal and professional integrity and to comply with all applicable laws, rules and regulations, and all policies and procedures adopted by Fitch Ratings that govern the conduct of Fitch Ratings employees. Each employee is personally responsible for maintaining the highest levels of integrity to preserve the trust and confidence of global investors.
>
> While Fitch Ratings will need to interpret how to most effectively implement the provisions in the Code when developing its policies, procedures and controls, and while from time to time Fitch Ratings may need to deviate from certain requirements in the Code, Fitch Ratings shall at all times remain true to its core principals and the underlying principles of the IOSCO Code of Conduct Fundamentals for Credit Rating Agencies.
>
> […]
>
> Fitch Ratings' employees are not expected to be experts in the law. Nonetheless, they are expected to report to the Chief Compliance Officer, or their designee, the activities about which they have knowledge that a reasonable person would question as a potential violation of this Code or applicable law. The Chief Compliance Officer, or their designee, shall determine the merits of the situation and, if warranted, take appropriate action. Any employee who, in good faith, makes such a report shall not be retaliated against by Fitch Ratings or any other employees of Fitch Ratings. The Chief Compliance Officer has established and shall maintain procedures for employees to report any illegal, unethical, or inappropriate conduct, including, to the extent practical, through various telephonic and electronic means, on both an anonymous and a disclosed basis. Failure by any Fitch Ratings employee to comply with the provisions of this Code may result in disciplinary action being taken against the employee, up to and including the dismissal of the employee."

29. All requests for deviations from the Fitch Code are managed through Fitch US' Exception Management System (**EMS**), which requires that all deviation requests must be approved by senior managers who hold the title of managing director of a group (or higher). Such authorized individuals will typically have duties which include ensuring compliance with Fitch policies and procedures, including the Fitch Code, and are trained on compliance matters. They are responsible for reviewing the submitted deviation and making a determination on such requested deviation. Fitch US' Chief Compliance Officer and staff oversee compliance with the Fitch Code, the policies referenced in the Fitch Code and the laws, rules, and regulations governing the activities of credit rating agencies. While the Chief Compliance Officer and staff do not have the authority to grant exceptions to the Fitch Code, the Compliance Department will typically be consulted as part of any decision to grant an exception to the Fitch Code. Fitch US' Compliance Department monitors and then reports EMS deviations to senior management and the Board of Directors. Deviation related discipline is dependent on various factors such as the gravity of the deviation and is determined by Fitch's Employee Accountability Procedures. The Chief Compliance Officer also oversees the design, implementation, and performance of a periodic review and testing process through which compliance with the Fitch Code and related policies and procedures of Fitch US are thoroughly assessed.

30. The Fitch Code, as well as the policies, procedures and internal controls, is consistent in all material respects with the objectives of NI 25-101 and enables Fitch US to:

    (a) accommodate the global nature of Fitch US' operations;

    (b) implement high level principles that govern the conduct of the credit rating activities of Fitch US and its affiliates (including the Filer) and underlying regulatory requirements in the jurisdictions where Fitch US and its affiliates (including the Filer) conduct credit rating activities; and

    (c) maintain and enforce globally consistent policies, procedures and internal controls that meet specific jurisdictional requirements, in addition to those which are reflected in the Fitch Code.

31. The Chief Compliance Officer annually reviews and assesses the efficacy of the implementation and enforcement of the Fitch Code.

32. The reporting line of the Chief Compliance Officer is independent of the credit rating activities of Fitch US and its affiliates (including Fitch Canada). The Chief Compliance Officer, while serving in such capacity, may not participate in any of the following:

(a) the development of credit ratings, methodologies or models; and

(b) the establishment of compensation levels, other than for DRO employees reporting directly to the Chief Compliance Officer.

33. Within 90 days of its most recently completed financial year end, Fitch Canada will deliver on a confidential basis to the Principal Regulator a report outlining any written waiver granted under section 1.1 of the Fitch Code, including a description of the nature of the request and the relevant facts supporting the request.

34. Neither Fitch Canada nor Fitch US is in default of securities legislation in any of the Jurisdiction or the Passport Jurisdictions.

Decision

The Principal Regulator is satisfied that this decision meets the test set out in the Legislation for the Principal Regulator to make this decision.

The decision of the Principal Regulator under the Legislation is that:

(a) the Confidentiality Relief is granted provided that the Sensitive Information, which may be calculated at a global level for Fitch US as a whole, is provided to the Principal Regulator on a confidential basis concurrently with the filing of Form 25-101F1 by Fitch Canada; and

(b) the Code of Conduct Relief is granted provided that:

(i) Fitch Canada complies with the procedures regarding waivers set out in the Fitch Code and described at paragraphs 28 and 29 of this Decision Document; and

(ii) Fitch Canada complies with paragraph 33 of this Decision Document.

(c) the Original Code of Conduct Relief is revoked.

With respect to the Confidentiality Relief:

“D. Grant Vingoe”
Chief Executive Officer
Ontario Securities Commission

With respect to the Code of Conduct Relief and the revocation of the Original Code of Conduct Relief:

“Leslie Milroy”
Manager, Corporate Finance
Ontario Securities Commission

OSC File #: 2020/0578

B.3.2 FT Portfolios Canada Co. and First Trust Long/Short Equity ETF

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted to permit mutual fund to invest in related underlying U.S. ETF whose securities do not meet the definition of index participation unit in NI 81-102 – mutual fund is the Canadian version of the underlying U.S. ETF – relief is subject to certain conditions including that both funds have the same portfolio manager who is registered both under the Securities Act (Ontario) as well as with the U.S. Securities and Exchange Commission.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 2.1(1.1), 2.5(2)(a.1), 2.5(2)(c), and 19.1.

May 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
FT PORTFOLIOS CANADA CO.
(the Filer)

AND

IN THE MATTER OF
FIRST TRUST LONG/SHORT EQUITY ETF
(the Fund)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Fund, an exchange-traded alternative mutual fund subject to National Instrument 81-102 *Investment Funds* (**NI 81-102**) for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for an exemption from:

(a) subsection 2.1(1.1) of NI 81-102 to permit the Fund to purchase securities of the U.S. Underlying ETF (as defined below) even though, immediately after the transaction, more than 10% of the Fund's net asset value (**NAV**) would be invested in it;

(b) paragraph 2.5(2)(a.1) of NI 81-102 to permit the Fund to purchase securities of the U.S. Underlying ETF (as defined below) even though it is not subject to NI 81-102; and

(c) paragraph 2.5(2)(c) of NI 81-102 to permit the Fund to purchase securities of the U.S. Underlying ETF (as defined below) even though it is not a reporting issuer in a Jurisdiction,

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

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

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

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

U.S. means the United States of America.

U.S. Underlying ETF means First Trust Long/Short Equity ETF, an exchange traded mutual fund whose securities are listed on NYSE, Arca Inc. (**NYSE Arca**).

Representations

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

The Filer

1. The Filer is a corporation formed by amalgamation pursuant to a certificate of amalgamation dated November 29, 2001 under the laws of the province of Nova Scotia.

2. The Filer will be the investment fund manager of the Fund and is registered as an investment fund manager under the securities legislation in Ontario, Québec and Newfoundland and Labrador and is also registered in Ontario as a mutual fund dealer. The head office of the Filer is in Toronto, Ontario.

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

The Fund and the U.S. Underlying ETF

4. The Fund will be an exchange-traded open-ended alternative mutual fund governed by the laws of the province of Ontario.

5. The U.S. Underlying ETF is an actively managed exchange-traded fund subject to the U.S. *Investment Company Act of 1940* (the **Investment Company Act**) and is an "investment fund" within the meaning of applicable Canadian securities legislation.

6. First Trust Advisors L.P. (**FTA**), an affiliate of the Filer, acts as the portfolio advisor for the U.S. Underlying ETF and will act as the portfolio advisor for the Fund. FTA is registered under the *Securities Act* (Ontario) as a portfolio manager and is also registered with the U.S. Securities and Exchange Commission (the **SEC**) under the U.S. *Investment Advisers Act of 1940*.

7. The investment objective of the Fund will be, and the investment objective of the U.S. Underlying ETF is, to seek to provide unitholders with long-term total return.

8. Each of the Fund and the U.S. Underlying ETF will seek to achieve its investment objective by investing in both a long and short portfolio consisting of (a) at least 80% of its net asset in U.S. exchange-listed equity securities of U.S. and foreign companies such as common stocks and exchange-traded funds (**ETFs**) and (b) up to 20% of its net assets in U.S. exchange-listed equity index futures contracts. The Fund and the U.S. Underlying ETF may also invest in equity securities of master limited partnerships and real estate investment trusts.

9. Futures contracts will be used to gain long or short exposure to broad based equity indexes. Any borrowing by the Fund or the U.S. Underlying ETF will be made in accordance with the requirements of NI 81-102.

10. The Fund and the U.S. Underlying ETF may also invest in equity securities of master limited partnerships and real estate investment trusts.

11. The aggregate market value of securities sold short by the Fund and the U.S. Underlying ETF will not exceed 50% of the net assets of such fund.

12. Initially, the Fund will seek to hedge its U.S. dollar currency exposure back to the Canadian dollar but may, in the future, also offer an unhedged class of units.

13. The Fund will seek to achieve its investment objective by investing all, or substantially all, of its assets in the U.S. Underlying ETF.

14. The portfolio managers at FTA responsible for overseeing the Fund's and the U.S. Underlying ETF's portfolio and investments will be the same individuals.

15. The Fund will distribute its securities pursuant to a long form prospectus prepared pursuant to National Instrument 41-101 *General Prospectus Requirements* (**NI 41-101**) and Form 41-101F2 *Information Required in an Investment Fund Prospectus* (**Form 41-101F2**) and will be governed by the applicable provisions of NI 81-102, subject to any exemptions therefrom that may be granted by the Canadian securities regulatory authorities.

16. Securities of the U.S. Underlying ETF are offered in their primary market in a manner similar to the Fund pursuant to a prospectus filed with the SEC which discloses material facts, similar to the disclosure requirements under Form 41-101F2.

17. Units of the Fund will be, subject to receiving conditional approval and satisfying the original listing requirements of Cboe Canada Inc. or the Toronto Stock Exchange (each, an **Exchange**), as applicable, listed on the Exchange. The securities of the U.S. Underlying ETF are listed and traded on NYSE Arca (a recognized exchange in the United States). The listing requirements of NYSE Arca are consistent with the listing requirements of the Exchange in Canada.

18. The Fund will be a reporting issuer in each of the Jurisdictions.

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

20. FTA, the Fund's portfolio advisor, is responsible for the management, investment management and administration of the U.S. Underlying ETF and is also responsible for the oversight of all service providers to the U.S. Underlying ETF.

21. Each of FTA and the U.S. Underlying ETF is regulated by the SEC. The regulatory oversight of FTA and the U.S. Underlying ETF by the SEC is functionally equivalent to that of the Filer and the Fund which are, or will be, primarily regulated by the OSC.

22. The Bank of New York Mellon, a sister of CIBC Mellon Trust Company, the Fund's custodian, prime broker, fund accountant and valuation agent, acts as the administrator, custodian and fund accountant and transfer agent for the U.S. Underlying ETF.

23. As of April 22, 2025, the total value of the U.S. Underlying ETF was US$1,876,247,770, the percentage of the U.S. Underlying ETF's portfolio held in long positions was 93.22% (consisting of 247 holdings and maximum market cap of US$3.0 trillion and a minimum market cap of US$683.2 million), the percentage of the U.S. Underlying ETF's portfolio held in short positions was 36.47% (consisting of 157 holdings and maximum market cap of US$291.3 billion and a minimum market cap of US$846.9 million) with both long positions and short positions invested across 11 sectors. The average size of short and long position taken by the U.S. Underlying ETF being approximately US$7.1 million and US$4.4 million, respectively.

24. The portfolio holdings of the U.S. Underlying ETF are available on the U.S. Underlying ETF's website and are updated on a daily basis.

25. The U.S. Underlying ETF is required to prepare key investor information documents which provide disclosure that is substantially similar to the disclosure required to be included in the ETF facts document required by Form 41-101F4 *Information Required in an ETF Facts Document*.

26. The U.S. Underlying ETF is subject to continuous disclosure obligations which are substantially similar to the disclosure obligations under National Instrument 81-106 *Investment Fund Continuous Disclosure*.

27. The U.S. Underlying ETF is required to update information of material significance in its prospectus, to prepare management reports and an unaudited set of financial statements at least semi-annually, and to prepare management reports and an audited set of financial statements annually.

28. FTA is subject to a governance framework which sets out the duty of care and standard of care, which require FTA to act in the best interest of unitholders of the U.S. Underlying ETF.

29. The market for securities of the U.S. Underlying ETF is liquid because it is a large fund with approximately US$1.9 billion in assets (as at April 22, 2025) and is traded on NYSE Arca (i.e. it is more liquid because of its size and its trading volume). In addition, it is supported by authorized participants (who are U.S. broker-dealers) which make the market for the securities of the U.S. Underlying ETF and are incentivized to do so because of the arbitrage opportunities inherent in making such market. Accordingly, the Filer expects the Fund to be able to dispose of its securities of the U.S. Underlying ETF through market facilities in order to raise cash, including to fund the redemption requests of its unitholders from time to time.

General

30. Absent the Exemption Sought, an investment by the Fund of up to 100% of its NAV in securities of the U.S. Underlying ETF would be prohibited by:

    (a) subsection 2.1(1.1) of NI 81-102 because more than 10% of the Fund's NAV would be invested in securities of the U.S. Underlying ETF;

    (b) paragraph 2.5(2)(a.1) of NI 81-102 because the U.S. Underlying ETF is not subject to NI 81-102; and

    (c) paragraph 2.5(2)(c) of NI 81-102 because the U.S. Underlying ETF is not a reporting issuer in a Jurisdiction.

31. An investment by the Fund in the U.S. Underlying ETF would not qualify for the exception in (a) subsection 2.1(2) or (b) paragraph 2.5(3)(a) of NI 81-102 because the securities of the U.S. Underlying ETF are not government securities, a security issued by a clearing corporation, index participation units or an equity security where the purchase is made by a fixed portfolio investment fund in accordance with its investment objectives.

32. The Fund's investment objective and investment strategies will be substantially the same as the U.S. Underlying ETF's investment objective and investment strategies.

33. Having the ability to invest up to 100% of the Fund's NAV in securities of the U.S. Underlying ETF will provide the Fund with access to investment opportunities which, at a significantly smaller size, the Fund would have difficulty or may be unable to access and which will allow the Fund to provide its unitholders with exposure to a much more diversified portfolio.

34. An investment in securities of the U.S. Underlying ETF by the Fund is an efficient and cost effective alternative to investing in a long/short portfolio on the same basis as the U.S. Underlying ETF.

35. The investment objective, investment strategies, investment restrictions and risk factors applicable to the Fund and the U.S. Underlying ETF are, or will be, substantially the same. The Fund will essentially be the Canadian version of the U.S. Underlying ETF and will be managed by affiliates and advised by the same portfolio advisor and portfolio management team as the U.S. Underlying ETF. Accordingly, as FTA is the portfolio advisor for both funds, the Filer is in a position to ensure that the requirements of NI 81-102 are complied with.

36. The only material difference in the investment strategies utilized by the Fund and the U.S. Underlying ETF is that the Fund will seek to hedge substantially all of its U.S. dollar currency exposure back to the Canadian dollar (though the Fund may also, in the future, offer an unhedged class of units).

37. The Fund will not pay any management or incentive fees in connection with an investment in securities of the U.S. Underlying ETF which to a reasonable person would duplicate a fee payable by the U.S. Underlying ETF for the same service.

38. The management, portfolio management and administration of the U.S. Underlying ETF is substantially similar to that of the Fund given that (a) the manager of the U.S. Underlying ETF is an affiliate of the Filer, (b) FTA manages, or will manage, the investment portfolio of both funds using the same portfolio managers, (c) the custodian, prime broker, administrator, valuation agent and transfer agent of the U.S. Underlying ETF is a sister of the custodian, prime broker, administrator and valuation agent of the Fund and (d) Deloitte LLP is, will be, the auditor of both funds.

39. A summary of the key benefits to the Fund in investing up to 100% of its assets in securities of the U.S. Underlying ETF include:

    (a) the Fund would continue to have access to specialized knowledge, expertise and/or analytical resources of FTA;

    (b) it is an efficient and cost effective alternative for the Fund to invest directly in the U.S. Underlying ETF instead of mirroring the investments of the U.S. Underlying ETF by investing in a long/short equity portfolio directly;

    (c) unitholders of the Fund will have the ability to make their investments using Canadian dollars;

    (d) improved overall risk profile (given the greater liquidity of the securities of the U.S. Underlying ETF);

    (e) increased diversification and exposure to broader long and short portfolios (given the size of the U.S. Underlying ETF and the number of holdings in the fund's portfolio);

    (f) the Fund would be able to rely, indirectly, on established relationships with the U.S. Underlying ETF's prime broker which the Fund would not otherwise have access to in Canada (currently none of the existing funds managed by the Filer use leverage in order to seek to achieve their investment objectives); and

(g) the rates and streamlined borrowing program which are available to the U.S. Underlying ETF would likely not be available to the Fund and the Fund would likely be limited in its ability to execute is short selling strategy.

40. An investment in securities of the U.S. Underlying ETF by the Fund should pose limited additional investment risk to the Fund because the U.S. Underlying ETF will be subject to the Investment Company Act and oversight of the SEC and the U.S. Underlying ETF will comply with sections 2.1 (concentration restriction), 2.2 (control restrictions), 2.3 (restrictions concerning types of assets), 2.4 (restrictions concerning illiquid assets), 2.6 (restrictions on borrowing and other investment practices), 2.6(1) (restrictions regarding short sales), 2.6.2 (restrictions regarding total borrowing and short sales) and 2.9.1 (restrictions regarding aggregate exposure to borrowing, short selling and specified derivatives) of NI 81-102.

41. The amount of loss that could result from an investment by the Fund in securities of the U.S. Underlying ETF will be limited to the amount invested by the Fund in the U.S. Underlying ETF.

42. An investment by the Fund in securities of the U.S. Underlying ETF represents, or will represent, the business judgement of responsible persons uninfluenced by considerations other than the best interests of the Fund.

43. The securities of the U.S. Underlying ETF will not meet the definition of index participation unit as set out in NI 81-102 because the U.S. Underlying ETF will not:

(a) hold securities that are included in a specified widely quoted index in substantially the same proportion as those securities are reflected in that index; or

(b) invest in a manner that causes the U.S. Underlying ETF to replicate the performance of an index.

44. Granting the Exemption Sought is in the best interests of the Fund and is not prejudicial to the public interest or to unitholders of the Fund.

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 is that the Exemption Sought is granted, provided that:

(a) the investment by the Fund in securities of the U.S. Underlying ETF is made in accordance with the investment objective of the Fund;

(b) the U.S. Underlying ETF is an investment company subject to the Investment Company Act in good standing with the SEC;

(c) the aggregate amount of all borrowings and short selling strategies of the U.S. Underlying ETF does not exceed the limits appliable to an alternative mutual fund under NI 81-102, as it may be amended from time to time;

(d) the portfolio manager of the Fund and the U.S. Underlying ETF is FTA, or its successor, that is: (i) registered under the *Securities Act* (Ontario) as a portfolio manager and (ii) registered with the SEC under the U.S. Investment Advisers Act of 1940;

(e) the U.S. Underlying ETF will not, at the time securities of the U.S. Underlying ETF are acquired by the Fund, hold more than 10% of its NAV in securities of any other mutual fund; and

(f) the prospectus of the Fund will disclose in the investment strategy section, the fact that the Fund has obtained the Exemption Sought to permit investments in the U.S. Underlying ETF on the terms described in this decision.

"Darren McKall"
Associate Vice President, Investment Management Division
Ontario Securities Commission

Application File #: 2025/0279
SEDAR+ File #: 6275142

B.3.3 Fidelity Investments Canada ULC

Headnote

National Policy 11-203 Process for Exemptive Relief Application in Multiple Jurisdictions – Relief granted from the self-dealing provision in subsection 4.2(1) of NI 81-102 Investment Funds to permit inter-fund trades in debt securities between investment funds subject to NI 81-102 and Canadian pooled funds, and between investment funds subject to NI 81-102 and investment funds domiciled in Ireland, the United Kingdom, Luxembourg, and Hong Kong, managed by the same or affiliated managers – subject to conditions.

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 inter-fund trades between Canadian mutual funds, Canadian pooled funds, Canadian managed accounts, as well as investment funds domiciled in Ireland, the United Kingdom, Luxembourg, and Hong Kong, managed by the same or affiliated fund managers – trades may be executed using a third-party CIRO registered dealer in satisfaction of market integrity requirement conditions – subject to conditions.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 4.2(1), 4.3(1), 4.3(2), and 19.1.
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 13.5 and 15.1.
National Instrument 81-107 Independent Review Committee for Investment Funds, s. 6.1(2).

May 1, 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
FIDELITY INVESTMENTS CANADA ULC
(FIC)

DECISION

Background

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

(a) for an exemption from the prohibition in subsection 4.2(1) of National Instrument 81-102 *Investment Funds* (**NI 81-102**) to permit the NI 81-102 Funds (as hereinafter defined) to purchase debt securities from, or sell debt securities to an International Fund (as hereinafter defined) (the **Section 4.2(1) Relief**);

(b) for an exemption from the prohibitions in subparagraphs 13.5(2)(b)(ii) and (iii) of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) which prohibit a registered adviser from knowingly causing an investment portfolio managed by it, including an investment fund for which it acts as an adviser, to purchase or sell a security from or to the investment portfolio of an associate of a responsible person or an investment fund for which a responsible person acts as an adviser, in order to permit:

(i) a Canadian Fund (as hereinafter defined) to purchase securities from or sell securities to an International Fund (as hereinafter defined); and

(ii) a Canadian Client Account (as hereinafter defined) to purchase securities from or sell securities to an International Fund (as hereinafter defined);

(each transaction listed in (i) and (ii) above, an **International Inter-Fund Trade**, and, collectively referred to herein as the **International Inter-Fund Trading Relief**). The Section 4.2(1) Relief and the International Inter-Fund Trading Relief are collectively referred to herein as the **Relief Sought**.

Under National Policy 11-203 *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) FIC has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon by the Filer (as hereinafter defined) in each jurisdiction of Canada outside of Ontario (together with Ontario, the **Jurisdictions**).

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, NI 81-102, NI 31-103 or in MI 11-102 have the same meaning if used in this decision, unless otherwise defined. The following terms have the following meanings:

(a) **AIFMD** means Directive 2011/61/EU of the European Parliament and of the Council of the European Union of 8 June 2011 on Alternative Investment Fund Managers, as amended;

(b) **Applicable Inter-Fund Trading Policies** has the meaning given to it in Representation 26;

(c) **Canadian Client Account** means an account managed by the Filer (as hereinafter defined) that is beneficially owned by a client that is resident or domiciled in Canada and is not a responsible person, and over which the Filer (as hereinafter defined) has discretionary authority;

(d) **Canadian Clients** means, collectively, the NI 81-102 Funds (as hereinafter defined), the Canadian Pooled Funds (as hereinafter defined) and the Canadian Client Accounts;

(e) **Canadian Funds** means, collectively, the NI 81-102 Funds (as hereinafter defined) and the Canadian Pooled Funds (as hereinafter defined);

(f) **Canadian Pooled Funds** means, collectively, the Existing Canadian Pooled Funds (as hereinafter defined) and the Future Canadian Pooled Funds (as hereinafter defined);

(g) **Exchange-traded Security** has the same meaning as in section 1.1 of National Instrument 21-101 *Marketplace Operation*;

(h) **Existing Canadian Pooled Fund** means each investment fund domiciled in Canada that is not a reporting issuer, and to which NI 81-102 and NI 81-107 do not apply, for which FIC acts as the investment fund manager and the Filer (as hereinafter defined) acts as portfolio manager;

(i) **Existing International Pooled Fund** means each existing investment fund that is domiciled in the United Kingdom, Ireland, Luxembourg or Hong Kong and exempt from registration in the applicable foreign jurisdiction, for which a FIC Sub-adviser (as hereinafter defined) or an affiliate of a FIC Sub-adviser (as hereinafter defined) acts as manager and/or portfolio manager;

(j) **Existing International Retail Fund** means each existing investment fund that is domiciled in the United Kingdom, Ireland, Luxembourg or Hong Kong and offered by way of a prospectus (or similar offering document) that is filed with the applicable securities regulatory authority in the foreign jurisdiction, for which a FIC Sub-adviser (as hereinafter defined) or an affiliate of a FIC Sub-adviser (as hereinafter defined) acts as manager and/or portfolio manager;

(k) **Existing NI 81-102 Fund** means each existing investment fund that is a reporting issuer, and to which NI 81-102 and NI 81-107 apply, for which FIC acts as the investment fund manager and the Filer (as hereinafter defined) acts as portfolio manager;

(l) **FIC Sub-adviser** means those entities within the larger Fidelity enterprise which provide advice with respect to all or a portion of the investments of the Canadian Clients and **FIC Sub-adviser** shall mean any one of them;

(m) **Filer** means FIC and any affiliate of FIC that is registered as an adviser (portfolio manager) in any Jurisdiction;

(n) **Funds** means, collectively, the Canadian Funds and the International Funds (as hereinafter defined and each, a **Fund**);

(o) **Future Canadian Pooled Fund** means each investment fund, to be established in the future, that will be domiciled in Canada that will not be a reporting issuer, and to which NI 81-102 and NI 81-107 will not apply, for which FIC will act as the investment fund manager and the Filer will act as portfolio manager;

(p) **Future International Pooled Fund** means each investment fund, to be established in the future, that will be domiciled in the United Kingdom, Ireland, Luxembourg or Hong Kong and will be exempt from registration in the applicable foreign jurisdiction, for which a FIC Sub-adviser or an affiliate of a FIC Sub-adviser acts as manager and/or portfolio manager;

(q) **Future International Retail Fund** means each investment fund, to be established in the future, that will be domiciled in the United Kingdom, Ireland, Luxembourg or Hong Kong and will be offered by way of a prospectus (or similar offering document) that is filed with the applicable securities regulatory authority in the foreign jurisdiction, for which a FIC Sub-adviser or an affiliate of a FIC Sub-adviser acts as manager and/or portfolio manager;

(r) **Future NI 81-102 Fund** means each investment fund to be established in the future, that will be a reporting issuer, and to which NI 81-102 and NI 81-107 will apply, for which FIC will act as the investment fund manager and the Filer will act as portfolio manager;

(s) **Hong Kong Regulations** means, collectively, (i) the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) and its subsidiary legislation and (ii) the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), its subsidiary legislation and related Codes promulgated by the Hong Kong Securities and Futures Commission thereunder;

(t) **Inter-Fund Trades** means the International Inter-Fund Trades and, where applicable, all trades made pursuant to the Section 4.2(1) Relief;

(u) **International Funds** means, collectively, the Existing International Pooled Funds, the Future International Pooled Funds, the Existing International Retail Funds and the Future International Retail Funds;

(v) **International Pooled Funds** means, collectively, the Existing International Pooled Funds and the Future International Pooled Funds;

(w) **International Regulations** means, collectively, the UK Regulations (as hereinafter defined), the Irish Regulations (as hereinafter defined), the Luxembourg Regulations (as hereinafter defined) and the Hong Kong Regulations;

(x) **International Retail Funds** means, collectively, the Existing International Retail Funds and Future International Retail Funds;

(y) **IRC** means the independent review committee of the Canadian Funds, and for greater certainty includes the Pooled Fund IRC (as hereinafter defined);

(z) **Irish Regulations** means, collectively, (i) the AIFMD, (ii) the European Union (Alternative Investment Fund Managers) Regulations, 2013, (iii) the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019, as amended, and (iv) the UCITS Regulations (as hereinafter defined);

(aa) **Luxembourg Regulations** means, collectively, (i) the AIFMD, (ii) the Commission de Surveillance du Secteur Financial Circular 18/698 relating to authorisation of and organisation of investment fund managers incorporated under Luxembourg law, (iii) the Luxembourg Law of 13 February 2007 relating to specialised investment funds, as amended, (iv) the Luxembourg Law dated 17 December 2010 relating to undertakings for collective investment, as amended, and (v) the UCITS Regulations (as hereinafter defined);

(bb) **Marketplace** has the same meaning as in section 1.1 of National Instrument 21-101 *Marketplace Operation*;

(cc) **NI 81-102 Funds** means, collectively, the Existing NI 81-102 Funds and the Future NI 81-102 Funds;

(dd) **Pooled Fund IRC** means the IRC to be established for the Canadian Pooled Funds as contemplated in Representation 29;

(ee) **Third-Party CIRO Registered Dealer** means a dealer that is not the Filer and is registered with the Canadian Investment Regulatory Organization;

(ff) **UCITS Regulations** means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended; and

(gg) **UK Regulations** means, collectively, (i) the Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019 (UK SI 2019/328), (ii) the Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (UK SI 2019/325) and (iii) the rules and guidance made by the Financial Conduct Authority (**FCA**) pursuant to the *Financial Services and Markets Act 2000* as set forth in the FCA Handbook.

Representations

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

The Filer

1. FIC is a corporation amalgamated under the laws of Alberta, with its head office in Toronto, Ontario. FIC is registered as an adviser in the category of portfolio manager and mutual fund dealer in each of the Jurisdictions and is registered under the *Commodity Futures Act* (Ontario) (**CFA**) in the category of commodity trading manager. FIC is registered as an investment fund manager under the relevant securities legislation of the provinces of Ontario, Quebec and Newfoundland and Labrador.

2. FIC acts or will act as investment fund manager of each of the Canadian Funds.

3. FIC is or will be the portfolio manager for the Canadian Clients. FIC has entered into sub-advisory agreements with the FIC Sub-advisers to provide advice with respect to all or a portion of the investments of the Canadian Clients. The FIC Sub-advisers may change from time to time.

4. The Filer and each of the Canadian Clients are not in default of the securities legislation of any Jurisdiction.

The Canadian Clients

5. Each NI 81-102 Fund is or will be an open-end investment fund trust created under the laws of Ontario or a class of shares of a corporation incorporated under the laws of the Province of Alberta.

6. The securities of each of the NI 81-102 Funds are or will be qualified for distribution in some or all of the Jurisdictions pursuant to prospectuses prepared in accordance with applicable securities legislation and filed with and receipted by the securities regulators in each of the applicable Jurisdictions.

7. Each of the NI 81-102 Funds is or will be a reporting issuer in one or more of the Jurisdictions.

8. FIC has established the IRC in respect of the NI 81-102 Funds in accordance with NI 81-107. Any Future NI 81-102 Fund will also be within the mandate of the IRC.

9. Each Canadian Pooled Fund is or will be an open-end investment fund trust created under the laws of Ontario.

10. The securities of each of the Canadian Pooled Funds are distributed by way of an applicable prospectus exemption as permitted by National Instrument 45-106 *Prospectus Exemptions.*

11. FIC offers discretionary investment management services to institutional investors in Canada through the Canadian Client Accounts.

12. Each Canadian client wishing to receive discretionary investment management services from FIC has entered into, or will enter into, a written agreement whereby the client appoints FIC to act as portfolio manager in connection with an investment portfolio of the client with full discretionary authority to trade in securities for the Canadian Client Account without obtaining the specific consent of the client to execute the trade.

The International Funds

13. Each International Retail Fund is, or will be, established under the laws of the United Kingdom, Ireland, Luxembourg or Hong Kong and offered by way of a prospectus (or similar offering document) that is filed with the applicable securities regulatory authority in the foreign jurisdiction.

14. Each International Pooled Fund is, or will be, established under the laws of the United Kingdom, Ireland, Luxembourg or Hong Kong, and exempt from registration in the applicable foreign jurisdiction. Shares of the International Pooled Funds are, or will be, distributed on a private placement basis pursuant to exemptions from the registration requirements set forth in the International Regulations, as applicable.

The Inter-fund Trades

15. The Filer wishes to be able to permit any Canadian Client to engage in Inter-Fund Trades of portfolio securities with an International Fund.

16. NI 31-103, NI 81-102 and NI 81-107 restrict inter-fund trading. Absent the Relief Sought, none of the Canadian Clients, nor the Filer on their behalf, will be permitted to engage in Inter-Fund Trades as contemplated in this decision.

17. The Filer is a responsible person for the purpose of paragraph 13.5(2)(b) of NI 31-103 and, absent exemptive relief, is prohibited from effecting any Inter-Fund Trades between Canadian Clients and International Funds (as investment funds for which the Filer, or other responsible person, acts as an adviser).

18. Each FIC Sub-adviser which is an affiliate of the Filer and has access to, or participates in, formulating, an investment decision made on behalf of the Canadian Clients is a responsible person for the purpose of paragraph 13.5(2)(b)) of NI 31-103. As responsible persons, absent the Relief Sought, each such FIC Sub-adviser is prohibited from effecting any Inter-Fund Trades between Canadian Clients and International Funds (as investment funds for which the Filer, or other responsible person, acts as an adviser).

19. Absent exemptive relief, each NI 81-102 Fund is prohibited under subsection 4.2(1) of NI 81-102 from purchasing a security from or selling a security to an International Fund (if the International Fund is an associate or an affiliate of the Filer).

20. The exception in section 4.3(1) of NI 81-102 which permits certain inter-fund trades of securities subject to public quotations is not available for Inter-Fund Trades of debt securities because debt securities are typically not subject to public quotations.

21. The exception in section 4.3(2) which permits certain inter-fund trades of debt securities is not available for any Inter-Fund Trades of debt securities between NI 81-102 Funds and International Funds. In this instance, that exemption only applies where funds on both sides of the inter-fund trade are investment funds subject to NI 81-107. The International Funds will not be subject to NI 81-107.

22. Where a FIC Sub-adviser is a responsible person of the Canadian Clients and also acts as an adviser to an International Fund, any International Inter-Fund Trades between the Canadian Clients and the International Funds would be prohibited under subparagraphs 13.5(2)(b)(ii) or (iii) of NI 31-103. Other Fidelity entities within the Fidelity enterprise are not affiliates of the Filer and, although they may be FIC Sub-advisers and although their activities are overseen by FIC, they are not responsible persons of the Canadian Clients as contemplated by paragraph 13.5(1)(c) of NI 31-103 as they are not the adviser to the Canadian Clients. When these entities act as an adviser to an International Fund, FIC has not, to date, permitted any International Inter-Fund Trades between the Canadian Clients and the International Funds, even though these International Inter-Fund Trades are not prohibited under the applicable provisions of NI 31-103.

23. Overall, the trading conducted within the Fidelity enterprise on its various trading desks is in respect of approximately U.S. $182B of managed assets (as of December 31, 2024), of which trading for the Canadian Clients is a smaller part, being approximately CDN $8B as of that date.

24. FIC wishes to institute a program allowing for Inter-Fund Trades, so as to optimize the trading that is conducted on the various trading desks and to allow for efficiencies in carrying out this trading, all of which FIC considers to be in the best interests of the Canadian Clients.

25. Each Inter-Fund Trade will be consistent with the investment objectives of the Fund or Canadian Client Account, as applicable.

26. The Filer and each FIC Sub-adviser is subject to inter-fund trade and transfer-in-kind policies (the **Applicable Inter-Fund Trading Policies**). Such Applicable Inter-Fund Trading Policies include or will include a Canadian specific policy which ensures that Inter-Fund Trades involving a Canadian Client are conducted in accordance with the requirements of applicable securities legislation, including NI 81-102 and NI 81-107.

27. At the time of an Inter-Fund Trade, the Filer will have policies and procedures in place to enable the Canadian Clients to engage in the Inter-Fund Trades.

28. Inter-Fund Trades involving an NI 81-102 Fund will be referred to and approved by the IRC of the NI 81-102 Fund under subsection 5.2(1) of NI 81-107 and FIC, as investment fund manager of an NI 81-102 Fund, and the IRC of the NI 81-102 Fund, will comply with section 5.4 of NI 81-107 in respect of any standing instructions the IRC provides in connection with the Inter-Fund Trade. The IRC of the NI 81-102 Funds will not approve an Inter-Fund Trade involving an NI 81-102 Fund unless it has made the determination set out in subsection 5.2(2) of NI 81-107.

29. FIC, as investment fund manager of the Canadian Pooled Funds, will establish an IRC (which may also be the IRC in respect of the NI 81-102 Funds) in respect of each Canadian Pooled Fund (the **Pooled Fund IRC**). The sole mandate of the Pooled Fund IRC will be considering and, if appropriate, approving the Inter-Fund Trades made by the Canadian Pooled Funds in reliance upon the Relief Sought. Such approvals may be made by way of standing instruction in the same way as permitted under NI 81-107 for the NI 81-102 Funds.

30. The Pooled Fund IRC will be composed by FIC, as manager of a Canadian Pooled Fund, in accordance with section 3.7 of NI 81-107 and the IRC will comply with the standard of care set out in section 3.9 of NI 81-107. Further, the Pooled Fund IRC will not approve Inter-Fund Trades unless it has made the determination set out in subsection 5.2(2) of NI 81-107.

31. The investment management agreement or other documentation in respect of a Canadian Client Account will contain the authorization of the client on behalf of the Canadian Client Account to engage in Inter-Fund Trades.

32. When the Filer engages in an Inter-Fund Trade of securities between Canadian Clients and International Funds, each will comply with the following procedures:

    (a) the portfolio manager of one client (Client A) will deliver the trade instructions in respect of a purchase or a sale of a security by Client A to a trader on the trading desk of the Filer or one of the FIC Sub-advisers;

    (b) the portfolio manager of the other client (Client B) will deliver the trade instructions in respect of a purchase or a sale of a security by Client B to a trader on the trading desk of the Filer or one of the FIC Sub-advisers (this may be the same trading desk or a different trading desk than is handling the order for Client A). The portfolio manager of Client A may also be the same individual who is the portfolio manager of Client B;

    (c) the traders on the trading desk will have the discretion to execute the trade as an Inter-Fund Trade between Client A and Client B in accordance with the requirements of paragraphs (d) to (g) of subsection 6.1(2) of NI 81-107;

    (d) the policies applicable to the trading desks will require that: (i) all orders are to be executed on a timely basis, (ii) orders will be executed for no consideration other than cash payment against prompt delivery of a security, (iii) the transaction is consistent with the investment policies of each Client participating in the transaction as recited in its registration statement or offering documents, and (iv) the transaction complies with all other requirements of applicable securities law; and

    (e) the trader on each trading desk will advise the portfolio managers of Client A and Client B of the price at which the Inter-Fund Trade occurs.

33. Where an Inter-Fund Trade is executed by the Filer without the use of a Third-Party CIRO-Registered Dealer, the Filer will comply with the market integrity requirements as set out in paragraph 6.1(1)(b) of NI 81-107.

34. If the IRC of a Canadian Fund becomes aware of an instance where FIC did not comply with the terms of any decision document issued in connection with the Inter-Fund Trades, or a condition imposed by securities legislation or by the IRC in its approval, the IRC of the Canadian Fund will, as soon as practicable, notify in writing the securities regulatory authority or regulator which is the Canadian Fund's principal regulator.

Benefits of the Relief Sought

35. The Filer considers that it would be in the best interests of the Canadian Clients to receive the Relief Sought as it will result in:

    (a) cost, potential pricing and timing efficiencies in respect of the execution of transactions for the Canadian Clients; and

    (b) less complicated and more reliable compliance procedures, as well as simplified and more efficient monitoring thereof, for the Filer, in connection with the execution of transactions on behalf of the Canadian Clients and the International Funds.

36. International Funds currently conduct inter-fund trading pursuant to the Applicable Inter-Fund Trading Policies, which comply with inter-fund trading rules set forth in the International Regulations. From a procedural perspective, inter-fund trades involving International Funds are subject to oversight by the applicable sub-adviser trading oversight committee and board of the applicable International Fund and/or International Fund’s sub-adviser. In addition, in order to comply with applicable rules governing inter-fund trades and the Applicable Inter-Fund Trading Policies as noted above, it is explicitly required that no brokerage commissions, fees (except for customary transfer fees) or other remuneration be paid by the accounts in connection with such transactions. Inter-Fund Trades would be conducted on FIC’s portfolio

management system, which is monitored by an integrated compliance group including representatives of FIC and its related Fidelity enterprise entities.

37. FIC has determined that similar regulatory requirements applicable to inter-fund trading in Canada and as set forth in the applicable International Regulations, together with FIC's compliance systems, creates a framework for conducting Inter-Fund Trades in a manner which minimizes conflicts of interest and promotes best execution, fairness and transparency for all clients.

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:

1. the Section 4.2(1) Relief is granted provided that the following conditions are satisfied:

   (a) the Inter-Fund Trade is consistent with the investment objectives of each NI 81-102 Fund and each International Fund involved in the trade;

   (b) FIC, as the investment fund manager of an NI 81-102 Fund, refers the Inter-Fund Trade involving such NI 81-102 Fund to the IRC of that NI 81-102 Fund in the manner contemplated by section 5.1 of NI 81-107, and FIC and the IRC of the NI 81-102 Fund comply with section 5.4 of NI 81-107 in respect of any standing instructions the IRC provides in connection with the Inter-Fund Trade;

   (c) the IRC of the Canadian Fund involved in the trade has approved the transaction in respect of that Canadian Fund in accordance with the terms of section 5.2 of NI 81-107;

   (d) the applicable board of the International Fund, or the trust committee or equivalent of the entity acting as trustee or equivalent of the International Fund, involved as a counterparty to the trade has approved policies and procedures that permit Inter-Fund Trades that require compliance with regulatory requirements in the applicable foreign jurisdictions; and

   (e) the Inter-Fund Trade complies with paragraphs (d) to (g) of subsection 6.1(2) of NI 81-107;

2. the International Inter-Fund Trading Relief is granted provided that the following conditions are satisfied:

   (a) the Inter-Fund Trade is consistent with the investment objectives of each of the Canadian Clients and International Funds involved in the trade;

   (b) FIC, as the investment fund manager of a Canadian Fund, refers the Inter-Fund Trade involving such Canadian Fund to the IRC of that Canadian Fund in the manner contemplated by section 5.1 of NI 81-107, and FIC and the IRC of the Canadian Fund comply with section 5.4 of NI 81-107 in respect of any standing instructions the IRC provides in connection with the Inter-Fund Trade;

   (c) in the case of an Inter-Fund Trade between a Canadian Fund and an International Fund:

      (i) the IRC of the Canadian Fund has approved the Inter-Fund Trade in respect of the Canadian Fund in accordance with the terms of subsection 5.2(2) of NI 81-107;

      (ii) the applicable board of the International Fund, or the trust committee or equivalent of the entity acting as trustee or equivalent of the International Fund, involved as a counterparty to the trade has approved policies and procedures that permit International Inter-Fund Trades that require compliance with regulatory requirements in the applicable foreign jurisdictions;

      (iii) the Inter-Fund Trade complies with paragraphs (d) to (g) of subsection 6.1(2) of NI 81-107, except that the Filer may satisfy the requirements in paragraph (g) of subsection 6.1(2) by using a Third-Party CIRO Registered Dealer to execute the International Inter-Fund Trade;

   (d) in the case of an Inter-Fund Trade between a Canadian Client Account and an International Fund:

      (i) the investment management agreement or other documentation in respect of the Canadian Client Account authorizes the Inter-Fund Trade;

      (ii) the applicable board of the International Fund, or the trust committee or equivalent of the entity acting as trustee or equivalent of the International Fund, involved as a counterparty to the trade has approved

policies and procedures that permit International Inter-Fund Trades that require compliance with regulatory requirements in the applicable foreign jurisdictions;

(iii) the Inter-Fund Trade complies with paragraphs (d) to (g) of subsection 6.1(2) of NI 81-107, except that the Filer may satisfy the requirements in paragraph (g) of subsection 6.1(2) by using a Third-Party CIRO Registered Dealer to execute the International Inter-Fund Trade;

3. from the date of this decision until June 30, 2025, and for each complete six-month period that follows until the Filer is otherwise notified by the principal regulator, (each a **Reporting Period**), FIC:

(a) prepares a report (**the Report**) containing the following information for the Reporting Period:

(i) the total value traded in Exchange-traded Securities, for each of the following:

(A) Canadian Funds;

(B) Canadian Client Accounts;

(ii) the total value of Inter-Fund Trades in Exchange-traded Securities, between each of the following:

(A) Canadian Funds and International Funds domiciled in Ireland;

(B) Canadian Funds and International Funds domiciled in the United Kingdom;

(C) Canadian Funds and International Funds domiciled in Luxembourg;

(D) Canadian Funds and International Funds domiciled in Hong Kong;

(E) Canadian Client Accounts and International Funds domiciled in Ireland;

(F) Canadian Client Accounts and International Funds domiciled in the United Kingdom;

(G) Canadian Client Accounts and International Funds domiciled in Luxembourg;

(H) Canadian Client Accounts and International Funds domiciled in Hong Kong;

(iii) to the extent such information is available to the Filer in its ordinary course of business, for each of the values provided in response to subparagraph (ii), provide separately the total value of Inter-Fund Trades in Exchange-traded Securities that were not executed on a Marketplace;

(b) sends the Report, within 10 business days from the last calendar day of the Reporting Period, to:

(i) the Investment Management Division of the Ontario Securities Commission by e-mail at imdivision@osc.gov.on.ca; and

(ii) the Trading and Markets Division of the Ontario Securities Commission by e-mail at tradingandmarkets@osc.gov.on.ca.

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

Application File #: 2025/0333
SEDAR+ File #: 6289218

B.3.4 Parkland Corporation et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – issuer granted relief from the requirement to include prospectus-level disclosure, including financial statements in an information circular, for an entity for which securities are being distributed in connection with a restructuring transaction.

Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations, s. 13.1.
Form 51-102F5 Information Circular, s. 14.2.

Citation: *Re Parkland Corporation*, 2025 ABASC 79

May 26, 2025

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

AND

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

AND

IN THE MATTER OF
PARKLAND CORPORATION
(Parkland),
NUSTAR GP HOLDINGS, LLC
(SunocoCorp)
AND
SUNOCO LP
(Sunoco, and collectively with Parkland
and Sunoco Corp, the Filers)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application from the Filers for a decision under the securities legislation of the Jurisdictions (the **Legislation**) exempting the Filers from the requirement under the Legislation to provide certain prospectus-level disclosure in respect of SunocoCorp pursuant to Section 14.2 of Form NI 51-102F5 *Information Circular* (**Form 51-102F5**) in the management information circular (the **Circular**) to be sent to current holders (**Shareholders**) of common shares in the capital of Parkland (the **Common Shares**) in connection with an annual general and special meeting of the Shareholders expected to be held on June 24, 2025 to consider, among other things, the indirect acquisition by Sunoco of all of the issued and outstanding Common Shares pursuant to a plan of arrangement (the **Arrangement**) involving the Filers and 2709716 Alberta Ltd. (the **Purchaser**). In particular, the Filers seek an exemption permitting the Circular to

(a) omit historical financial statements, related management's discussion and analysis (**MD&A**) and similar disclosure with respect to SunocoCorp; and

(b) treat Parkland and Sunoco as the combined entity for purposes of the required pro forma financial statements and omit pro forma financial statements of SunocoCorp

(the **Exemption Sought**).

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

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

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

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

Interpretation

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

Representations

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

Parkland

1. Parkland is a corporation existing under the *Business Corporations Act* (Alberta) (**ABCA**) with its head office in Calgary, Alberta.

2. Parkland is a reporting issuer in each of the provinces and territories of Canada, and is not in default of the securities legislation of any of those jurisdictions.

3. Parkland's Common Shares are listed on the Toronto Stock Exchange under the symbol "PKI".

Sunoco

4. Sunoco is a Delaware master limited partnership with its head office in Dallas, Texas.

5. Sunoco's common units are listed on the New York Stock Exchange (**NYSE**) under the symbol "SUN".

6. Sunoco files continuous disclosure documents in accordance with the requirements of the SEC, including annual and quarterly reports on Forms 10-K and 10-Q respectively. Accordingly, Sunoco has an extensive public disclosure record that will form the basis for the prospectus-level disclosure concerning Sunoco in the Circular.

7. Sunoco is an "SEC issuer" within the meaning of National Instrument 51-102 *Continuous Disclosure Obligations* (**NI 51-102**), and an "SEC foreign issuer" within the meaning of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* (**NI 52-107**).

8. As a result, Sunoco will be entitled to rely on section 3.9 of NI 52-107, which provides that a foreign issuer's financial statements referred to in paragraph 2.1(2) of NI 52-107 (including in a management information circular) may be prepared in accordance with U.S. GAAP, if the issuer is an SEC foreign issuer.

SunocoCorp

9. SunocoCorp is a Delaware limited liability company and a wholly-owned subsidiary of Sunoco. It is a private holding company that does not carry on business and is not subject to independent continuous disclosure requirements in any jurisdiction.

10. The sole assets and liabilities of SunocoCorp consist of (a) limited liability company interests in NuStar GP LLC (**NuStar GP**), (b) limited partnership interests in Riverwalk Logistics, L.P. (**Riverwalk**), and (c) the common shares of the Purchaser.

11. As a wholly-owned subsidiary, SunocoCorp does not prepare standalone annual financial statements and is instead consolidated into the financial statements of Sunoco.

Purchaser

12. The Purchaser is a newly formed corporation incorporated under the ABCA. Its purpose is to effect the Arrangement. The sole shareholder of the Purchaser is SunocoCorp.

The Arrangement

13. Pursuant to the terms of the arrangement agreement dated May 4, 2025 among the Filers and the Purchaser (as amended, restated, replaced or supplemented from time to time, the **Arrangement Agreement**), the Shareholders will receive 0.295 common units representing limited liability company interests of SunocoCorp (the **SunocoCorp Units**) and C$19.80 for each Common Share. Shareholders can elect, in the alternative, to receive C$44.00 per Common Share in cash or 0.536 SunocoCorp Units for each Common Share, subject to proration to ensure that the aggregate consideration payable in connection with the transaction does not exceed C$19.80 in cash per Common Share outstanding as of immediately before closing and 0.295 SunocoCorp Units per Common Share outstanding as of immediately before closing.

14. As part of a mandatory pre-closing reorganization (the **Reorganization**), among other things:

    (a) SunocoCorp's name will be changed from "NuStar GP Holdings, LLC" to "SunocoCorp LLC" or such other name as determined by SunocoCorp;

    (b) Riverwalk will convert from a Delaware limited partnership to a Delaware limited liability company;

    (c) SunocoCorp will form a new U.S. limited liability company (**SunocoCorp Midco**) and subscribe for limited liability company interests in SunocoCorp Midco in exchange for all the equity of the Purchaser;

    (d) NuStar GP and SunocoCorp will distribute all of the equity of their subsidiaries (other than, in the case of SunocoCorp, the equity of NuStar GP) to Sunoco;

    (e) SunocoCorp will sell all of the equity of NuStar GP to Energy Transfer LP, the indirect owner of the general partner of Sunoco.

    (f) Sunoco will sell SunocoCorp to NuStar GP; and

    (g) SunocoCorp will transfer its SunocoCorp Midco shares to Sunoco Retail LLC as a capital contribution.

    The Reorganization will result in Sunoco indirectly holding all the shares of the Purchaser and SunocoCorp holding no assets immediately prior to the Arrangement.

15. Subsequently, as part of, or in connection with, the Arrangement,

    (a) SunocoCorp Units will be delivered to the former shareholders of Parkland and be publicly listed on the NYSE; and

    (b) SunocoCorp will hold a new class of common units of Sunoco representing limited partnership interests in Sunoco (the **Sunoco Class D Common Units**) that are economically equivalent to Sunoco's publicly-traded common units on the basis of one Sunoco common unit for each outstanding SunocoCorp Unit, subject to a dividend equivalence requirement whereby each time Sunoco pays a distribution on Sunoco's publicly-traded common units for a period of two years following closing of the Arrangement, SunocoCorp will declare and pay on the SunocoCorp Units a distribution equal to 100% of the distributions paid by Sunoco on each such common unit, and Sunoco will ensure that SunocoCorp has sufficient cash available necessary to pay such distributions when due.

16. Following the completion of the Arrangement, SunocoCorp's assets will be its interest in Sunoco (the Sunoco Class D Common Units), and therefore the value of SunocoCorp's equity will be directly tied to the value of Sunoco's business (i.e., following the closing, the performance of the combined business of Sunoco and the Filer, and the resulting amount of any dividends/distributions made by Sunoco during a two-year equivalency period).

17. The Arrangement constitutes a "restructuring transaction" under NI 51-102. Accordingly, prospectus-level disclosure regarding SunocoCorp is required under Item 14.2 of NI 51-102.

The Circular

18. Section 14.2 of Form 51-102F5 requires the Circular to include prospectus-level disclosure for SunocoCorp, including audited annual financial statements, unaudited interim financial statements, related MD&A, and pro forma financial statements for the combined entity (i.e., SunocoCorp and Parkland).

19. Parkland and Sunoco will include prospectus-level disclosure regarding Sunoco in the Circular, including historical financial statements and pro forma financial statements for the combined entity (i.e., Sunoco and Parkland). The Circular will also contain extensive disclosure with respect to SunocoCorp and Sunoco on a go-forward basis, including risk factors.

20. With respect to financial information specifically, Parkland and Sunoco will include in the Circular:

    (a) audited annual financial statements of Sunoco for the most two most recently completed financial years (i.e., the years ended December 31, 2024 and December 31, 2023), including:

        (i) a statement of comprehensive income, a statement of changes in equity and a statement of cash flow for each of the two most recently completed financial years;

        (ii) a statement of financial position as at the end of the two most recently completed financial years; and

        (iii) notes to the annual financial statements;

    (b) a comparative interim financial report of Sunoco for the most recently completed interim period (i.e., the three months ended March 31, 2025), including:

        (i) a statement of financial position as at the end of the interim period and a statement of financial position as at the end of the immediately preceding financial year;

        (ii) a statement of comprehensive income, a statement of changes in equity and a statement of cash flows, all for the year-to-date interim period, and comparative financial information for the corresponding interim period in the immediately preceding financial year; and

        (iii) notes to the interim financial report;

    (c) financial statements with respect to NuStar Energy L.P. (**NuStar**), which Sunoco acquired on May 3, 2024, including:

        (i) an audited statement of comprehensive income, a statement of changes in equity and a statement of cash flows of NuStar for the most recently completed financial year ended on or before the acquisition date (i.e., for the year ended December 31, 2023) and the financial year immediately preceding the most recently completed financial year (i.e., the year ended December 31, 2022);

        (ii) an audited statement of financial position of NuStar as at the end of each of the periods specified above;

        (iii) notes to the financial statements in (i) and (ii); and

        (iv) financial statements of NuStar for the most recently completed interim period or other period that started the day after the date of the statement of financial position in (ii) above and ended, (A) in the case of an interim period, before the acquisition date; or (B) in the case of a period other than an interim period, after the interim period referred to in (A) and on or before the acquisition date;

    (d) pro forma financial statements, including:

        (i) a pro forma consolidated statement of financial position of Sunoco as at the date of the most recent statement of financial position included in the Circular (i.e., March 31, 2025), that gives effect to the Arrangement as if it had taken place as at the date of the pro forma statement of financial position;

        (ii) a pro forma consolidated income statement of Sunoco that gives effect to the NuStar transaction, the Arrangement, and the sale by Sunoco of convenience stores located in West Texas, New Mexico and Oklahoma as if all had occurred at the beginning of the most recently completed financial year (i.e., January 1, 2024) for each of the following periods: (A) the most recently completed financial year included in the Circular (i.e., December 31, 2024); and (B) interim period ended immediately before the date of the Circular (i.e. March 31, 2025); and

        (iii) pro forma earnings per share based on the pro forma financial statements referred to in (i) and (ii) above; and

    (e) MD&A for each of the audited financial statements of Sunoco (i.e., for the years ended December 31, 2024 and December 31, 2023) and interim financial reports of Sunoco (i.e., for the three months ended March 31, 2025) included in the Circular.

Exemption Sought

21. Including full prospectus-level disclosure in respect of SunocoCorp will not assist the Shareholders with their assessment of the Arrangement since, following the transactions contemplated by the Arrangement Agreement, SunocoCorp will

have no assets or liabilities other than (a) the Sunoco Class D Common Units and (b) as otherwise set out in the Arrangement Agreement.

22. Including the disclosure detailed in paragraphs 19 and 20 above in the Circular will provide Shareholders with all of the material information with respect to SunocoCorp and Sunoco on a go-forward basis required to assess the Arrangement, and will ensure that Shareholders understand that following the completion of the Arrangement SunocoCorp will not have any assets or liabilities other than as set out above.

Decision

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

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted, provided that the Circular includes the disclosure set forth in paragraphs 19 and 20.

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

OSC File #: 2025/0313

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
Montfort Capital Corp.	May 7, 2025	May 28, 2025
NUINSCO RESOURCES LIMITED	May 7, 2025	May 30, 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	
Rivalry Corp.	May 1, 2025	
Pond Technologies Holdings Inc.	May 1, 2025	
Frontenac Mortgage Investment Corporation	May 9, 2025	

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B.6
Request for Comments

B.6.1 Proposed Amendments to OSC Rule 48-501 Trading During Distributions, Formal Bids and Share Exchange Transactions and Proposed Changes to Companion Policy 48-501 Trading During Distributions, Formal Bids and Share Exchange Transactions – Notice of Request for Comment

NOTICE OF REQUEST FOR COMMENT

PROPOSED AMENDMENTS TO
ONTARIO SECURITIES COMMISSION RULE 48-501
TRADING DURING DISTRIBUTIONS, FORMAL BIDS AND SHARE EXCHANGE TRANSACTIONS
AND
PROPOSED CHANGES TO
COMPANION POLICY 48-501
TRADING DURING DISTRIBUTIONS, FORMAL BIDS AND SHARE EXCHANGE TRANSACTIONS

June 5, 2025

The Ontario Securities Commission (**Commission**) is publishing proposed amendments (**Proposed Amendments**) to Ontario Securities Commission Rule 48-501 *Trading during Distributions, Formal Bids and Share Exchange Transactions* (**Rule 48-501**) and consequential changes (**Proposed Changes**) to the Companion Policy to Rule 48-501 (**48-501CP**) for a 90 day comment period.

The Proposed Amendments prohibit any person or company who made a short sale (described below) of a security during the period commencing five business days prior to pricing of a prospectus offering or private placement of the same class of securities sold short from buying securities in the offering unless an exemption is available. The purchase of securities in the offering is prohibited even if (i) the short seller had no prior knowledge of the offering, (ii) the offering did not constitute a "material fact" or "material change" (either, **material information**) concerning the issuer, and (iii) the short sales had no impact on the market price of the securities sold.

The Proposed Amendments and Proposed Changes are in Appendix A to this notice. Appendix B contains blacklines of Rule 48-501 and 48-501CP showing the Proposed Amendments and Proposed Changes. Other relevant information is in Appendices C and D and are described below. Appendix E contains a cost-benefit analysis.

The comment period ends on September 3, 2025.

Background

In recent years, there has been increased focus on the regulatory regime governing short selling in Canada. In 2021, the independent Capital Markets Modernization Taskforce (**Taskforce**), formed by the Ontario Minister of Finance, issued its Final Report (**Taskforce Report**), which contained a recommendation to prohibit short selling in connection with prospectus offerings and private placements. The Taskforce found that short selling in connection with prospectus offerings and private placements, and in particular bought deals pre-arranged with hedge funds who short the stock before the bought deal is announced, makes pricing and completion of offerings more difficult.

The Taskforce believed that a requirement that does not require regulators to prove intent, similar to the U.S. Securities and Exchange Commission (**SEC**)'s Rule 105 of Regulation M: *Short Selling in Connection with a Public Offering* (**Rule 105**),[1] is preferable in the circumstances of short selling in advance of an offering.

The Taskforce Report's recommendation is attached as Appendix C to this notice.

Substance and Purpose

The Proposed Amendments would implement the Taskforce Report's recommendation and are broadly aligned with Rule 105, however, are wider in scope in terms of the type of offering they would apply to, specifically to public offerings on a "best-efforts" basis and private placements. They also complement other initiatives to modernize short sale regulation by the Canadian Investment Regulatory Organization (**CIRO**): strengthening the obligation of CIRO dealers members entering short sell orders on

[1] 17 CFR §242.105.

a marketplace to have a reasonable expectation to settle any resulting trade at the time the order is entered,[2] and a proposed requirement for dealers to close out fail-to-deliver positions in the event of settlement failure at a clearing agency.[3]

The Proposed Amendments address two separate, but related concerns. The first is that a person or company learns of an upcoming financing by an issuer that has not been publicly announced and makes short sales in advance of the announcement intending to close out the short position by buying back securities in the financing, which will almost always be priced at a discount to the current market price, thus locking in a profit. Such short-selling activity is not driven by any fundamental views on the price of the security but rather by an opportunity to arbitrage the difference between the current market price and the offering price. The second is that the short selling itself may depress the market price, in turn lowering the price at which securities are sold in the financing.

Although there are rules, such as prohibitions on market manipulation and trading on the basis of non-public material information, that could apply to the conduct covered by the Proposed Amendments, not all conduct amounts to violations of those rules as those rules seek to address different policy concerns. For example, the financing may not be "material information" under either securities legislation or the listing exchange's timely disclosure policies, with the issuer having no requirement to publicly disclose it. Similarly, the short selling activity may not set an artificial price for the security; it may not change the market price at all. Even if these provisions are violated, there are obstacles to enforcement. Proving a violation of trading on the basis of non-public material information[4] requires, among other things, proving that: (i) the respondent had knowledge of the information, and (ii) the information was material.

Similarly, artificially moving the market price of a security down in order to lower the price of an offering is prohibited market manipulation,[5] but proving a violation requires, among other things, proving (i) the creation of a misleading appearance of trading activity or an artificial price for the security; and (ii) that the respondent knew or ought to have known that would be the result.

The Proposed Amendments would prohibit buying securities in a prospectus offering or private placement in certain circumstances where the purchaser has previously made short sales of the security sold in the prospectus offering or private placement. This would introduce a conduct rule that does not require proof of knowledge, materiality or effect on market price.

The Proposed Amendments are broadly aligned with Rule 105, which is familiar to dealers with cross-border operations, but as noted above, are wider in scope in terms of the type of offering that the Proposed Amendments would apply to.

Questions:

1. ***Will the Proposed Amendments address concerns with short selling making pricing and completion of offerings more difficult?***

2. ***Will the Proposed Amendments have any unintended consequences, such as (i) making it more difficult for certain reporting issuers to raise capital or (ii) requiring a greater price discount on offerings?***

The Proposed Amendments

Short Sales

The term "short sale" is not defined in the *Securities Act* (Ontario) (**Act**), although the Act refers to "short positions," meaning a sell order of securities the seller does not own.[6] CIRO defines "short sale" more expansively in the Universal Market Integrity Rules (**UMIR**) to mean "a sale of a security, other than a derivative instrument, which the seller does not own either directly or through an agent or trustee."[7] The definition goes on to list circumstances where a seller is considered either to own or not own the security to be sold.

The definition in the Proposed Amendments is more focused than either the Act or UMIR and is tailored to the activity the Proposed Amendments seek to prevent. For this reason, the definition in the Proposed Amendments is limited to Rule 48-501.

"Short sale" for the purposes of the Proposed Amendments is any sale of a security: (i) where the seller does not have title to the security sold; or (ii) that is settled or intended to be settled by the delivery of borrowed securities. This is similar to the definition in SEC Rule 200, which includes any sale settled with borrowed securities as a "short sale" even if the seller is otherwise deemed to own the securities sold.[8] This definition will cover sales settled with borrowed securities even if the seller otherwise has a long position in the security (for example, a long holder making a sale to be settled with borrowed securities in order to create a separate short account). The focus on settlement with borrowed securities also prevents a short seller from arguing that the securities

2 https://www.ciro.ca/newsroom/publications/amendments-respecting-reasonable-expectation-settle-short-sale.
3 https://www.ciro.ca/rules-and-enforcement/consultations/proposed-amendments-respecting-mandatory-close-out-requirements.
4 *Securities Act*, R.S.O. 1990, c. S.5 (the Act), s. 76.
5 Act, s. 126.1.
6 Act, s. 48.
7 UMIR s. 1.1 (definition of "short sale").
8 17 CFR §242.200. UMIR does not consider a sale settled by delivery of borrowed securities to be a short sale if the seller is otherwise deemed to own the securities sold.

lending agreement under which the seller acquired the securities transferred title, and therefore the seller has title to the securities sold.[9]

Questions:

3. Is the definition of "short sale" in the Proposed Amendments adequate for achieving the purposes of the Proposed Amendments?

Prohibited Conduct

No Restrictions on Short Selling

The Proposed Amendments do not prohibit or create new restrictions on short selling at any time, including periods before a corporate financing. Existing rules prohibiting manipulative or deceptive trading or trading with knowledge of undisclosed material information would continue to apply to all trading activity, including short sales. UMIR rules governing short selling and manipulative trading would also continue to apply.

Prohibition on Participation in Prospectus Offerings and Private Placements

The Proposed Amendments prohibit any person or company who made a short sale of a security during the period commencing five business days prior to pricing a prospectus offering or private placement of the same class of securities sold short from participating in the offering unless an exemption is available. The purchase of securities in the offering is prohibited even if (i) the short seller had no prior knowledge of the offering, (ii) the offering did not constitute material information concerning the issuer, and (iii) the short sales had no impact on the market price of the securities sold.

Scope of the Prohibition – Reporting Issuers

The Proposed Amendments only apply to distributions made by issuers who are reporting issuers in Ontario. Except as provided in section 4.1.2, there are no other criteria that limit the application of the Proposed Amendments, including with respect to the person or company that would otherwise be subject to section 4.1.1.

Questions:

4. Should the Proposed Amendments apply to distributions of securities of a broader or narrower group of issuers? If so, what criteria should be used to define this population?

Scope of the Prohibition – Securities Covered

The Proposed Amendments apply to distributions of equity securities other than units of an exchange-traded fund (**ETF**) where the securities are sold for cash. The Proposed Amendments are intended to apply to distributions conducted by a reporting issuer for capital raising purposes.

The Proposed Amendments prohibit the purchase of securities under an offering where securities of the same class as the purchased security were sold short during the short sale restricted period. Accordingly, in an offering of convertible or exchangeable securities, a person or company that sells short the security for which the convertible security is exchangeable or convertible into is not prohibited from purchasing the convertible securities under the offering. The Proposed Amendments apply in this manner as the pricing of a convertible security can be influenced by factors beyond the prevailing price of the underlying security. Although certain convertible or exchangeable securities may have high price correlation with the securities to which they are convertible or exchangeable for, limiting the scope of the Proposed Amendments in this manner provides greater certainty to investors seeking to participate in an offering and provides issuers with discretion to negotiate and structure their financing arrangements without the application of the Proposed Amendments.

Furthermore, the Proposed Amendments would not apply to a distribution that is exempt from the prospectus requirement pursuant to section 2.42 of National Instrument 45-106 *Prospectus Exemptions*. For example, in a distribution of units (where a unit is comprised of a common share and a warrant exercisable for a common share at a price that is determined prior to the distribution of the unit), the Proposed Amendments would not apply to the distribution of common shares upon exercise of the warrants. Due to the potential prolonged period of time between the pricing of the underlying common share and the exercise of the warrant, and that a holder may have acquired the warrant in the secondary market as opposed to the initial offering, it may be overly burdensome for holders of warrants to ensure short sales were not conducted during the short sale restricted period. As well, the absence of an exemption could deter secondary market purchases of the warrants, thereby reducing liquidity.

The Proposed Amendments also do not apply to bona fide open-market purchases of securities sold in an at-the-market distribution as the purchaser would not have knowledge of the identity of the seller. The Proposed Changes specify that trades

[9] A standard securities lending agreement contemplates that the securities lent may be resold by the borrower. The obligation of the borrower is to return the equivalent number of securities borrowed, not the exact securities.

between the issuer in an at-the-market offering and a purchaser that are arranged by a dealer and reported to a marketplace as a cross are not open-market transactions.

Questions:

5. Are the securities covered by the Proposed Amendments correctly scoped?

6. Is the prohibition on buying and selling short a security "of the same class" too narrow?

7. Is the exemption under section 4.1.2(b) of the Proposed Amendments appropriate?

8. Are there other types of distributions or securities that should exempted from the Proposed Amendments?

Scope of the Prohibition – Restricted Period

The Proposed Amendments cover short sales made in the period commencing five business days prior to pricing and ending at pricing. "Pricing" is defined as the time at which the monetary consideration for the securities to be offered is determined. The Proposed Changes clarify that agreement on a formula to determine the monetary consideration at a future time (e.g., a 10 percent discount from the closing price of the security on the listing exchange on a particular day) is not "pricing".

The restricted period ends at pricing. Therefore, a purchaser in a prospectus offering or private placement will be able to make short sales after that time and participate in the offering.

Questions:

9. The 5-day period is based on Rule 105 and is intended to ensure that, in a marketed offering, a short seller intending to participate in the offering would not have an opportunity to adversely affect the market price of the offering through short sales immediately before pricing of the offering, as any activity from before that period should no longer be reflected in the market price of the offered securities. Is this assumption correct?

10. Should the restricted period be extended for a period of time following pricing?

11. Does your answer to Question 9 depend on whether the issuer made a press release announcing the offering and when the press release was issued?

Scope of the Prohibition – Repurchases Prior to Pricing

The Proposed Amendments do not apply if the short seller makes bona fide open-market purchases of an equivalent quantity of the entire amount of the securities sold short no later than the business day prior to pricing.

Scope of the Prohibition – Application to Underwriters and Market Makers

Although the Taskforce Report suggested consideration be given to exemptions for market makers, the Proposed Amendments do not provide exemptions for underwriters of the offering or market makers. This is consistent with Rule 105.

In the case of underwriters, short sales, if any, are typically made to purchasers of the offered securities in an over-allocation after pricing, or the conclusion of the short sale restricted period. The underwriter's short position is then closed through the exercise of the over-allotment option or open-market purchases. In the case of market makers, the Commission believes the market maker will normally have an exemption for trades made through separate accounts where decisions for each account are made separately and without coordination.

Question:

12. Is the assumption that the separate account exemption will be sufficient for underwriters and market makers correct? If not, please provide specific examples of how the Proposed Amendments would adversely affect their activities.

Other Amendments

Rule 48-501 covers three separate issues concerning market activity during distributions:

- Open-market purchases by issuers, underwriters and related parties that may set an artificial price for the security being distributed in order to make a sale in a distribution, or a tender to a take-over bid or issuer bid more attractive;

- Issuance of research reports during a distribution that could be considered solicitations of purchases of the distributed security or tenders to a take-over bid or issuer bid; and

- Purchases of securities in a distribution by persons or companies who make short sales in the period immediately prior to pricing of the distribution.

Several reorganizations are made in the Proposed Amendments to make this separation of issues clearer. Purchasers by issuers and underwriters were previously covered by Parts 2 and 3 of Rule 48-501. The Proposed Amendments move former section 3.2 to Part 2 so all rules governing issuers and underwriters are found in Part 2, with Part 3 repealed. The Proposed Changes have a new Part 1.1 that explains the separate issues, and a provision formerly in Part 5 that explains that Rule 48-501 does not affect the application of anti-fraud and manipulation rules is moved to this new Part. Two exemptions for dealers involved in distributions (new sections 2.2.1 and 4.3) that were inadvertently deleted when Rule 48-501 was last amended have been restored.

Alternatives considered

No alternatives were considered.

Anticipated costs and benefits

A cost-benefit analysis is included in Appendix “E” to this Notice.

Question:

13. Are there any additional foreseeable costs if the Proposed Amendments are adopted? Can these costs be mitigated?

Unpublished Materials

In developing the Proposed Amendments and Proposed Changes, the Commission did not rely on any unpublished study, report or other written materials.

Rule-Making Authority

The Proposed Amendments are made pursuant to the rule-making authority in the following provisions of the Act: (i) paragraph 11 of subsection 143(1) authorizes the Commission to make rules regulating the trading of publicly-traded securities and (ii) paragraph 13 of subsection 143(1) authorizes the Commission to regulate trading in securities to prevent trading that is fraudulent, manipulative, deceptive or unfairly detrimental to investors.

Questions

Please direct any questions with respect to this notice, the Proposed Amendments or Proposed Changes to:

Timothy Baikie
Senior Legal Counsel, Trading and Markets
Ontario Securities Commission
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Appendix A

PROPOSED AMENDMENTS TO
ONTARIO SECURITIES COMMISSION RULE 48-501
TRADING DURING DISTRIBUTIONS, FORMAL BIDS AND SHARE EXCHANGE TRANSACTIONS

1. Ontario Securities Commission Rule 48-501 Trading during Distributions, Formal Bids and Share Exchange Transactions is amended by this Instrument.

2. Section 1.1 is amended

(a) by adding the following definitions:

""at-the-market distribution" has the meaning ascribed to that term in National Instrument 44-102 *Shelf Distributions*;***"***

""borrow" means, in respect of a security, the acquisition of the security pursuant to a securities lending arrangement and "borrow" and "borrowed" have a corresponding meaning;***"***

""exchange-traded fund" has the meaning ascribed to that term in National Instrument 23-103 *Trading Rules*;***"***

""pricing" means, in respect of a security, the time that the amount of monetary consideration for the issue of the security is determined, or if the security is a component of a unit, the time that the amount of monetary consideration for the issue of the unit is determined;***"***

""securities lending arrangement" has the meaning ascribed to it in section 5.1 of National Instrument 62-104 *Take-Over Bids and Issuer Bids*;***"***

""short sale" in this Rule means either of the following and "sold short" has a corresponding meaning:

(a) a sale of a security where the seller does not have title to the security;

(b) a sale of a security that is settled or is intended to be settled by delivery of a security borrowed by or for the account of the seller;***"***

""short sale restricted period" means, in respect of a security, the period commencing five business days before pricing and ending at pricing; and***"***

""short sale restricted security" means a security that is an equity security other than a unit of an exchange-traded fund.***"***

(b) by deleting the word "and" after the definition of "restricted private placement***".***

3. Part 2 is renamed "RESTRICTIONS ON BIDS AND PURCHASES BY DEALER-RESTRICTED PERSONS AND ISSUER-RESTRICTED PERSONS***".***

4. Part 2 is amended

(a) by replacing "section 3.2***" in Section 2.2 with "***section 2.4***"; and***

(b) by adding the following sections:

"2.2.1 Despite subsection 2.2, a dealer-restricted person that is also an issuer-restricted person may bid for or purchase a restricted security if the bid or purchase is made through the facilities of a marketplace in accordance with applicable marketplace rules.***"*** and

"**2.4 Exemptions - Issuer-restricted Persons**

Section 2.2 does not apply to an issuer-restricted person in connection with any of the following:

(a) the exercise of an option, right, warrant, or a similar contractual arrangement held or entered into by the issuer restricted person prior to the commencement of the issuer-restricted period;

(b) a bid or purchase of a restricted security pursuant to a small securityholder selling and purchase arrangement made in accordance with National Instrument 32-101 *Small Securityholder Selling and Purchase Arrangements* or similar rules applicable to any marketplace on which the bid or purchase is entered or executed;

(c) an issuer bid described in sections 4.6 and 4.7 of National Instrument 62-104 *Take-Over Bids and Issuer Bids* if the issuer did not solicit the sale of the securities sold under those clauses;

(d) the solicitation of the tender of securities to a securities exchange takeover bid or issuer bid;

(e) a subscription for or purchase of an offered security pursuant to a prospectus distribution or restricted private placement.***"***.

5. Part 3 is repealed.

6. The Instrument is amended by adding the following section:

"4.3 Where a dealer-restricted person is also an issuer-restricted person the exemptions in section 4.1 and 4.2 continue to be available to the dealer-restricted person.***"***

7. The Instrument is amended by adding the following Part:

"**Part 4.1 RESTRICTION ON PARTICIPATING IN A DISTRIBUTION WHERE SHORT SALES WERE MADE BEFORE PRICING**

4.1.1 Restriction on purchases of short sale restricted securities sold in a distribution where short sales were made before pricing

Except as provided in section 4.1.2, a person or company must not directly or indirectly purchase a short sale restricted security that is being sold in a distribution by a reporting issuer for cash if the person or company made a short sale of a security of the same class as the short sale restricted security during the short sale restricted period.

4.1.2 Exceptions

(1) A person or company may purchase the short sale restricted security described in section 4.1.1 in an open-market transaction on a marketplace in a distribution that is an at-the-market distribution.

(2) A person or company may purchase the short sale restricted security described in section 4.1.1 in a distribution that is exempt from the prospectus requirement pursuant to section 2.42 of National Instrument 45-106 *Prospectus Exemptions.*

(3) A person or company may purchase the short sale restricted security described in section 4.1.1 if the person or company made bona fide purchases of securities of the same class as the securities sold in the distribution and those purchases are

(a) at least equivalent in quantity to the entire amount of the short sale restricted securities sold short by the person or company during the short sale restricted period,

(b) made in open-market transactions on a marketplace, and

(c) made no later than the business day prior to pricing.

(4) A person or company that sold short a short sale restricted security during the short sale restricted period may purchase a short sale restricted security described in section 4.1.1 in a separate account, if decisions regarding securities transactions for each account are made separately and without coordination of trading or cooperation among or between the accounts.***"***

8. This Instrument comes into force on [•].

PROPOSED CHANGES TO
COMPANION POLICY 48-501
TRADING DURING DISTRIBUTIONS, FORMAL BIDS AND SHARE EXCHANGE TRANSACTIONS

1. Companion Policy 48-501 to Ontario Securities Commission Rule 48-501 Trading during Distributions, Formal Bids and Share Exchange Transactions is changed by this Document.

2. The Companion Policy is changed by adding the following Part:

***"*Part 1.1 — Structure of the Rule**

1.1.1 Rule 48-501 *Trading during Distributions, Formal Bids and Share Exchange Transactions* (the **Rule**) covers activities by persons and companies involved in distributions of securities. There are 3 different areas covered by the Rule:

- bids and purchases of securities of the same class as securities offered in a distribution, and solicitations of bids and purchases, other than solicitations to purchase the offered securities;
- publication of research reports by dealers involved in a distribution that cover the issuer of the offered securities; and
- restrictions on purchases of certain equity securities (other than units of exchange-traded funds) that are sold in a distribution where short sales were made in the period before pricing.

1.1.2 Fraud and Manipulation — Provisions against manipulation and fraud are found in securities legislation. Specifically, section 126.1 of the *Securities Act* (the **Act**) and Part 3 of National Instrument 23-101 *Trading Rules* (**NI 23-101**) prohibit manipulative or deceptive trading, including activities that may create misleading pricing or trading activity that is detrimental to investors and the integrity of the markets. Section 76 of the Act prohibits persons or companies in a special relationship with an issuer from trading the issuer's securities with knowledge of a material fact that has not been generally disclosed. The Rule specifically prohibits certain trading activities in circumstances where there is heightened concern over the possibility of manipulation by those with an interest in the outcome of the distribution or transaction. This rule is in addition to existing rules prohibiting market manipulation and trading on the basis of non-public material information and does not in any way interfere with those existing rules.***"***

3. Part 2 is changed by adding the following sections:

***"*2.4** Pricing of a short sale restricted security described in section 4.1.1 occurs when the sale price for the short sale restricted security is determined and finalized. An offering that will be sold at an undetermined price to be established later (e.g. a certain percentage below that day's closing price on the principal market for the security) is not priced until the closing price is known.

2.5 "Open-market transactions" in this Rule are transactions made by entry of orders on a marketplace where buyers and sellers are matched by the marketplace's trading system. Trades where a dealer matches buyers and sellers or pairs orders with contra-side orders outside a marketplace and then reports the matched or paired orders to a marketplace as a cross are not open market transactions.***"***

4. Part 5 is deleted.

5. The Companion Policy is changed by adding the following Part:

***"*Part 7 – PARTICIPATING IN A DISTRIBUTION WHERE SHORT SALES WERE MADE BEFORE PRICING**

7.1 Section 4.1.1 of the Rule restricts purchases of certain equity securities (other than units of exchange-traded funds) that are sold in a distribution where short sales of the same class of securities were made in the period before pricing. The Rule does not prohibit or restrict short selling. The definition of "short sale" is broader than the corresponding definition in the Canadian Investment Regulatory Organization's Universal Market Integrity Rules. The term covers any sale of a security that the seller does not have title to or that is settled by, or intended to be settled by, delivery of borrowed securities, even if the seller owns or is otherwise deemed to own the securities sold. Section 4.1.1 of the Rule applies even if ultimately there is no delivery obligation on the part of the dealer entering the short sell order (on its own or a client's behalf) due to netting of trades by a clearing agency. Short sales made during the short sale restricted period trigger the restrictions in the Rule even if the date for settlement of the short sales is after the date of purchases made to close the short position.

7.2 Section 4.1.1 of the Rule applies to distributions of equity securities, other than units of exchange-traded funds, sold for cash. It is intended to apply to distributions conducted by a reporting issuer for capital raising purposes, for example, where a reporting issuer raises funds through a private placement of equity securities to accredited investors.

7.3 Section 4.1.1 of the Rule restricts purchases of certain equity securities where securities of the same class as the equity securities were sold short during the short sale restricted period. Accordingly, in an offering of convertible or exchangeable securities, a person or company that sells short the security underlying the convertible or exchangeable security is not prohibited from purchasing the convertible or exchangeable security under the offering.

7.4 Section 4.1.1 of the Rule does not apply to a distribution of equity securities that is exempt from the prospectus requirement pursuant to section 2.42 of NI 45-106. For example, where a warrant is exercised to acquire equity securities for cash, the distribution of such equity securities would not be subject to section 4.1.1.

7.5 For the purposes of Part 4.1 of the Rule, a distribution of a unit is a distribution of the securities comprising that unit. Accordingly, where securities comprising a unit are equity securities, short sales of any of those equity securities will be subject to the Rule.

7.6 For the purposes of Part 4.1 of the Rule, indirect purchasing of securities under a prospectus or private placement is also prohibited. Examples of indirect purchases include the short seller entering an agreement or arrangement with a person or company that has not sold short, pursuant to which that person or company buys securities in the distribution and transfers them to the short seller.***”***

6. These changes will become effective on [•].

Appendix B

Ontario Securities Commission

Rule 48-501
Trading During Distributions,
Formal Bids and Share Exchange Transactions

PART 1 – DEFINITIONS

1.1 Definitions

In this Rule

"at-the-market distribution" has the meaning ascribed to that term in National Instrument 44-102 *Shelf Distributions;*

"borrow" means, in respect of a security, the acquisition of the security pursuant to a securities lending arrangement and "borrow" and "borrowed" have a corresponding meaning;

"connected security" means, in respect of an offered security,

(a) a security into which the offered security is immediately convertible, exchangeable or exercisable unless the security is a listed security or quoted security and the price at which the offered security is convertible, exchangeable or exercisable is greater than 110% of the best ask price of the security at the commencement of the restricted period,

(b) a security of the issuer of the offered security or another issuer that, according to the terms of the offered security, may significantly determine the value of the offered security,

(c) if the offered security is a special warrant, the security which would be issued on the exercise of the special warrant, and

(d) if the offered security is an equity security, any other equity security of the issuer,

where the security trades on a marketplace or a market where there is mandated transparency of orders or trade information;

"dealer-restricted period" means, for a dealer-restricted person, the period,

(a) in connection with a prospectus distribution or a restricted private placement of an offered security, commencing on the later of

(i) the date two trading days prior to the day the offering price of the offered security is determined, and

(ii) the date on which a dealer enters into an agreement or reaches an understanding to participate in the prospectus distribution or restricted private placement of securities, whether or not the terms and conditions of such participation have been agreed upon, and

ending on the date the selling process ends and all stabilization arrangements relating to the offered security are terminated,

(b) in connection with a securities exchange take-over bid or issuer bid, commencing on the date of dissemination of the take-over bid circular, issuer bid circular or similar document and ending with the termination of the period during which securities may be deposited under such bid, including any extension thereof, or the withdrawal of the bid, and

(c) in connection with an amalgamation, arrangement, capital reorganization or similar transaction, commencing on the date of dissemination of the information circular for such transaction and ending on the date of approval of the transaction by the security holders that will receive the offered security or the termination of the transaction by the issuer or issuers;

"dealer-restricted person" means, in respect of a particular offered security,

(a) a dealer that

(i) is an underwriter, as defined in the Act, in a prospectus distribution or a restricted private placement,

(ii) is participating, as agent but not as an underwriter, in a restricted private placement, and

(A) the number of securities to be issued under the restricted private placement would constitute more than 10% of the issued and outstanding offered securities, and

(B) the dealer has been allotted or is otherwise entitled to sell more than 25% of the securities to be issued under the restricted private placement,

(iii) has been appointed by an offeror to be the dealer-manager, manager, soliciting dealer or adviser in respect of a securities exchange take-over bid or issuer bid, or

(iv) has been appointed by an issuer to be the soliciting dealer or adviser in respect of obtaining security holder approval for an amalgamation, arrangement, capital reorganization or similar transaction that would result in the issuance of securities that would be a distribution exempt from prospectus requirements in accordance with applicable securities law, where, in each case, adviser means an adviser whose compensation depends on the outcome of the transaction,

(b) a related entity of the dealer referred to in clause (a) but does not include such related entity, or any separate and distinct department or division of a dealer referred to in clause (a) where,

(i) the dealer

(A) maintains and enforces written policies and procedures reasonably designed to prevent the flow of information regarding any prospectus distribution, private placement or transaction referred to in clause (a) to or from the related entity, department or division, and

(B) obtains an annual assessment of the operation of such policies and procedures,

(ii) the dealer has no officers or employees that solicit orders or recommend transactions in securities in common with the related entity, department or division, and

(iii) the related entity, department or division does not during the dealer-restricted period, in connection with the restricted security,

(A) act as a market maker (other than to meet its obligations under the rules of a recognized exchange),

(B) solicit orders from clients, or

(C) engage in proprietary trading,

(c) a partner, director, officer, employee or a person holding a similar position or acting in a similar capacity for the dealer referred to in clause (a) or for a related entity of the dealer referred to in clause (b), or

(d) any person or company acting jointly or in concert with a person or company described in clause (a), (b) or (c) for a particular transaction;

"exchange-traded fund" has the meaning ascribed to it in National Instrument 23-103 *Trading Rules*;

“highly-liquid security” means a listed security or quoted security that,

(a) has traded, in total, on one or more marketplaces as reported on a consolidated market display during a 60-day period ending not earlier than 10 days prior to the commencement of the restricted period,

(i) an average of at least 100 times per trading day, and

(ii) with an average trading value of at least $1,000,000 per trading day, or

(b) is subject to Regulation M under the 1934 Act and is considered to be an “actively-traded security” thereunder;

“issuer-restricted period” means, for an issuer-restricted person, the period,

(a) in connection with a prospectus distribution or a restricted private placement of an offered security, commencing on the date two trading days prior to the day the offering price of the offered security is determined, and ending on the date the selling process ends and all stabilization arrangements relating to the offered security are terminated,

(b) in connection with a securities exchange take-over bid or issuer bid, commencing on the date of the dissemination of the take-over bid circular, issuer bid circular or similar document and ending with the termination of the period during which securities may be deposited under such bid, including any extension thereof, or the withdrawal of the bid, and

(c) in connection with an amalgamation, arrangement, capital reorganization or other similar transaction, commencing on the date of dissemination of the information circular for such transaction and ending on the date of approval of the transaction by the security holders that will receive the offered security or the termination of the transaction by the issuer or issuers;

"issuer-restricted person" means, in respect of a particular offered security,

(a) the issuer of the offered security,

(b) a selling security holder of the offered security in connection with a prospectus distribution or restricted private placement,

(c) an affiliated entity of the issuer of the offered security or a selling security holder; or

(d) any person or company acting jointly or in concert with the person or company described in clause (a), (b) or (c) for a particular transaction;

"last independent sale price" means the last sale price of a trade on a market, other than a trade that a dealer-restricted person knows or ought reasonably to know was made by or on behalf of a person or company that is a dealer-restricted person or an issuer-restricted person;

"offered security" means all securities, that trade on a marketplace or a market where there is mandated transparency of orders or trade information, of the class of security that

(a) is offered pursuant to a prospectus distribution or a restricted private placement,

(b) is offered by an offeror in a securities exchange take-over bid in respect of which a take-over bid circular or similar document is required to be filed under securities legislation,

(c) is offered by an issuer in an issuer bid in respect of which an issuer bid circular or similar document is required to be filed under securities legislation, or

(d) would be issuable to a security holder pursuant to an amalgamation, arrangement, capital reorganization or similar transaction in relation to which proxies are being solicited from security holders that will receive the offered security in such circumstances that the issuance would be a distribution exempt from prospectus requirements in accordance with applicable securities legislation,

provided that, if the security referred to in clauses (a) to (d) is a unit comprised of more than one type or class, each security comprising the unit shall be considered an offered security;

"pricing" means, in respect of a security, the time that the amount of monetary consideration for the issue of the security is determined, or if the security is a component of a unit, the time that the amount of monetary consideration for the issue of the unit is determined;

"restricted private placement" means a distribution of offered securities made pursuant to sections 2.3 or 2.30 of National Instrument 45-106 *Prospectus and Registration Exemptions*;

"restricted security" means the offered security or any connected security; ~~and~~

"securities lending arrangement" has the meaning ascribed to it in section 5.1 of National Instrument 62-104 *Take-Over Bids and Issuer Bids*;

"short sale" in this Rule means either of the following and "sold short" has a corresponding meaning:

(a) a sale of a security where the seller does not have title to the security;

(b) a sale of a security that is settled or is intended to be settled by delivery of a security borrowed by or for the account of the seller;

"short sale restricted period" means, in respect of a security, the period commencing five business days before pricing and ending at pricing; and

"short sale restricted security" means a security that is an equity security other than a unit of an exchange-traded fund.

1.2 Interpretation

(1) Affiliated Entity - The term "affiliated entity" has the meaning ascribed to that term in section 1.3 of National Instrument 21-101 – *Marketplace Operation*.

(2) [Repealed].

(3) Equity Security - An equity security is any security of an issuer that carries a residual right to participate in the earnings of the issuer and, upon liquidation or winding up of the issuer, in its assets.

(4) Related Entity - In respect of a dealer, a related entity is an affiliated entity of the dealer that carries on business in Canada and is registered as a dealer or adviser in accordance with applicable securities legislation.

(5) For the purposes of the definitions of "dealer-restricted period" and "issuer-restricted period":

(a) the selling process shall be considered to end,

(i) in the case of a prospectus distribution, if a receipt has been issued for the final prospectus, the dealer has allocated all of its portion of the securities to be distributed under the prospectus and all selling efforts have ceased, and

(ii) in the case of a restricted private placement, the dealer has allocated all of its portion of the securities to be distributed under the offering; and

(b) stabilization arrangements shall be considered to have terminated in the case of a syndicate of underwriters or agents when, in accordance with the syndication agreement, the lead underwriter or agent determines that the syndication agreement has been terminated such that any purchase or sale of a restricted security by a dealer after the time of termination is not subject to the stabilization arrangements or otherwise made jointly for the dealers that were party to the stabilization arrangements.

PART 2 – RESTRICTIONS ON BIDS AND PURCHASES BY DEALER-RESTRICTED PERSONS AND ISSUER-RESTRICTED PERSONS

2.1 [Repealed]

2.2 Issuer-restricted Person

Except as permitted under section 2.4 ~~3.2~~, an issuer-restricted person shall not at any time during the issuer-restricted period,

(a) bid for or purchase a restricted security for an account of an issuer-restricted person or an account over which the issuer-restricted person exercises direction or control; or

(b) attempt to induce or cause any person or company to purchase any restricted security.

2.2.1 Despite subsection 2.2, a dealer-restricted person that is also an issuer restricted person may bid for or purchase a restricted security if the bid or purchase is made through the facilities of a marketplace in accordance with applicable marketplace rules.

2.3 Deemed Re-commencement of a Restricted Period

If a dealer appointed to be an underwriter in a prospectus distribution or a restricted private placement receives a notice or notices of the exercise of statutory rights of withdrawal or rights of rescission from purchasers of, in the aggregate, not less than 5% of the offered securities allotted to or acquired by the dealer in connection with the prospectus distribution or the restricted private placement then a dealer-restricted period and issuer-restricted period shall be deemed to have re-commenced upon receipt of such notice or notices and shall be deemed to have ended at the time the dealer has distributed its participation, including the securities that were the subject of the notice or notices of the exercise of statutory rights of withdrawal or rights of rescission.

2.4 Exemptions - Issuer-restricted Persons

Section 2.2 does not apply to an issuer-restricted person in connection with any of the following:

(a) the exercise of an option, right, warrant, or a similar contractual arrangement held or entered into by the issuer restricted person prior to the commencement of the issuer-restricted period;

(b) a bid or purchase of a restricted security pursuant to a small securityholder selling and purchase arrangement made in accordance with National Instrument 32-101 *Small Securityholder Selling and Purchase Arrangements* or similar rules applicable to any marketplace on which the bid or purchase is entered or executed;

(c) an issuer bid described in sections 4.6 and 4.7 of National Instrument 62-104 *Take-Over Bids and Issuer Bids* if the issuer did not solicit the sale of the securities sold under those clauses;

(d) the solicitation of the tender of securities to a securities exchange takeover bid or issuer bid;

(e) a subscription for or purchase of an offered security pursuant to a prospectus distribution or restricted private placement.

PART 3 - ~~PERMITTED ACTIVITIES AND EXEMPTIONS~~ [Repealed]

3.1 [Repealed]

3.2 ~~Exemptions - Issuer-restricted Persons~~ [Repealed]

~~Section 2.2 does not apply to an issuer-restricted person in connection with,~~

~~(a) the exercise of an option, right, warrant, or a similar contractual arrangement held or entered into by the issuer restricted person prior to the commencement of the issuer-restricted period;~~

~~(b) a bid or purchase of a restricted security pursuant to a Small Securityholder Selling and Purchase Arrangement made in accordance with National Instrument 32-101 or similar rules applicable to any marketplace on which the bid or purchase is entered or executed;~~

~~(c) an issuer bid described in sections 4.6 and 4.7 of National Instrument 62-104 *Take-Over Bids and Issuer Bids* if the issuer did not solicit the sale of the securities sold under those clauses;~~

~~(d) the solicitation of the tender of securities to a securities exchange take-over bid or issuer bid; or~~

~~(e) a subscription for or purchase of an offered security pursuant to a prospectus distribution or restricted private placement.~~

~~[Renumbered as section 2.4]~~

PART 4 - RESEARCH REPORTS

4.1 Compilations and Industry Research

Despite section 53 of the Act, during a dealer-restricted period, a dealer-restricted person may publish or disseminate any information, opinion, or recommendation relating to the issuer of a restricted security provided that such information, opinion or recommendation,

(a) is contained in a publication which:

(i) is disseminated with reasonable regularity in the normal course of business of the dealer-restricted person, and

(ii) includes similar coverage in the form of information, opinions or recommendations with respect to a substantial number of companies in the issuer's industry or contains a comprehensive list of securities currently recommended by the dealer-restricted person; and

(b) is given no materially greater space or prominence in such publication than that given to other securities or issuers.

4.2 Issuers of Highly-liquid Securities

Despite section 53 of the Act, during a dealer-restricted period, a dealer-restricted person may publish or disseminate any information, opinion, or recommendation relating to the issuer of a restricted security that is a highly-liquid security provided that such information, opinion, or recommendation is contained in a publication which is disseminated with reasonable regularity in the normal course of the business of the dealer-restricted person.

4.3 Where a dealer-restricted person is also an issuer-restricted person the exemptions in section 4.1 and 4.2 continue to be available to the dealer-restricted person.

Part 4.1 RESTRICTION ON PARTICIPATING IN A DISTRIBUTION WHERE SHORT SALES WERE MADE BEFORE PRICING

4.1.1 Restriction on purchases of short-sale restricted securities sold in a distribution where short sales were made before pricing

Except as provided in section 4.1.2, a person or company must not directly or indirectly purchase a short sale restricted security that is being sold in a distribution for cash if the person or company made a short sale of a security of the same class as the short-sale restricted security during the short sale restricted period.

4.1.2 Exceptions

(1) A person or company may purchase the short sale restricted security described in section 4.1.1in an open-market transaction on a marketplace in a distribution that is an at-the-market distribution.

(2) A person or company may purchase the short sale restricted security described in section 4.1.1 in a distribution that is exempt from the prospectus requirement pursuant to section 2.42 of National Instrument 45-106 *Prospectus Exemptions.*

(3) A person or company may purchase the short sale restricted security described in section 4.1.1 if the person or company made bona fide purchases of securities of the same class as the securities sold in the distribution and those purchases are:

(a) at least equivalent in quantity to the entire amount of the short-sale restricted securities sold short by the person or company during the short-sale restricted period;

(b) made in open-market transactions on a marketplace; and

(c) made no later than the business day prior to pricing.

(4) A person or company that sold short a restricted security during the short-sale restricted period may purchase a short-sale restricted security described in section 4.1.1 in a separate account, if decisions regarding securities transactions for each account are made separately and without coordination of trading or cooperation among or between the accounts.

PART 5 - EXEMPTION

5.1 Exemption

The Director may grant an exemption to this Rule, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

PART 6 [Lapsed]

Companion Policy 48-501 CP to Rule 48-501
Trading During Distributions,
Formal Bids and Share Exchange Transactions

Part 1 — [Repealed]

Part 1.1 — Structure of the Rule

1.1.1 Rule 48-501 *Trading during Distributions, Formal Bids and Share Exchange Transactions* (the **Rule**) covers activities by persons and companies involved in distributions of securities. There are 3 different areas covered by the Rule:

- bids and purchases of securities of the same class as securities offered in a distribution, and solicitations of bids and purchases, other than solicitations to purchase the offered securities;
- publication of research reports by dealers involved in a distribution that cover the issuer of the offered securities; and
- restrictions on purchases of certain equity securities (other than units of exchange-traded funds) that are sold in a distribution where short sales were made in the period before pricing.

1.1.2 Fraud and Manipulation — Provisions against manipulation and fraud are found in securities legislation. Specifically, section 126.1 of the *Securities Act* (the **Act**) and Part 3 of National Instrument 23-101 *Trading Rules* (**NI 23-101**) prohibit manipulative or deceptive trading, including activities that may create misleading pricing or trading activity that is detrimental to investors and the integrity of the markets. Section 76 of the Act prohibits persons or companies in a special relationship with an issuer from trading the issuer's securities with knowledge of a material fact that has not been generally

disclosed. The Rule specifically prohibits certain trading activities in circumstances where there is heightened concern over the possibility of manipulation by those with an interest in the outcome of the distribution or transaction. This rule is in addition to existing rules prohibiting market manipulation and trading on the basis of non-public material information and does not in any way interfere with those existing rules.

Part 2 — Definitions and Interpretations

2.1 "connected security" — The definition of "connected security" in section 1.1 of the Rule includes, among other things, a security of the issuer of the offered security or another issuer that, according to the terms of the offered security, may *significantly determine* the value of the offered security. The Commission takes the view that, absent other mitigating factors, a connected security "significantly determines" the value of the offered security, if, in whole or in part, it accounts for more than 25% of the value of the offered security.

2.2 [Repealed]

2.3 End of "dealer-restricted period" and "issuer-restricted period" — distribution of securities and exercise of over-allotment option — The definitions of "dealer-restricted period" and "issuer-restricted period", with respect to a prospectus distribution and a "restricted private placement", refer to the end of the period as the date that the selling process ends and all stabilization arrangements relating to the offered security are terminated. Paragraph (a) of subsection 1.2(5) provides interpretation as to when the selling process is considered to end. As further clarification, the selling process is considered to end for a prospectus distribution when the receipt for the prospectus has been issued, the dealer has distributed all securities allocated to it and is no longer stabilizing, all selling efforts have ceased and the syndicate is broken. Selling efforts have ceased when the dealer is no longer making efforts to sell, and there is no intention to exercise an over-allotment option other than to cover the syndicate's short position. If the dealer or syndicate subsequently exercises an over-allotment option in an amount that exceeds the syndicate short position, the selling efforts would not be considered to have ceased. Securities allocated to a dealer that are held and transferred to their inventory account at the end of the distribution are considered distributed. Subsequent sales of such securities are secondary market transactions and should occur on a marketplace subject to any applicable exemptions (unless the subsequent sale transaction is a distribution by prospectus). To provide certainty around when the distribution has ended, appropriate steps should be taken to move the securities from the syndication account to the dealer's inventory account.

2.4 Pricing of a short sale restricted security described in section 4.1.1 occurs when the sale price for the short sale restricted security is determined and finalized. An offering that will be sold at an undetermined price to be established later (e.g. a certain percentage below that day's closing price on the principal market for the security) is not priced until the closing price is known.

2.5 "Open-market transactions" in this Rule are transactions made by entry of orders on a marketplace where buyers and sellers are matched by the marketplace's trading system. Trades where a dealer matches buyers and sellers or pairs orders with contra-side orders outside a marketplace and then reports the matched or paired orders to a marketplace as a cross are not open market transactions.

Part 3 — Restricted Persons

3.1 Meaning of "acting jointly or in concert" — The definitions of "dealer — restricted person" and "issuer-restricted person" in section 1.1 of the Rule include a person or company acting jointly or in concert with a person or company that is also a dealer-restricted person or an issuer-restricted person for a particular transaction. For the purposes of the Rule, "acting jointly or in concert" has a similar meaning to that phrase as defined in section 1.9 of National Instrument 62-104 *Take-Over Bids and Issuer Bids*, with necessary modifications. In the context of this Rule only, it is a question of fact whether a person or company is acting jointly or in concert with a dealer- or issuer-restricted person and, without limiting the generality of the foregoing, every person or company who, as a result of an agreement, commitment or understanding, whether formal or informal, with a dealer-restricted person or an issuer-restricted person, bids for or purchases a restricted security will be presumed to be acting jointly or in concert with such dealer-restricted person or issuer-restricted person.

3.2 Exclusion of "related party" — The definition of "dealer-restricted person" in clause 1.1(b) excludes a related entity where certain conditions are met. Subclause (i)(B) requires the dealer to obtain an annual assessment of the operation of the policies and procedures referred to in subclause (i)(A). In the Commission's view, this assessment may be conducted as part of the annual policy and procedure review of the supervision system as required by Policy 7.1 of the Universal Market Integrity Rules.

Part 4 — [Repealed]

Part 5 — ~~Exemptions~~ [Repealed]

~~**5.1** Fraud and Manipulation — Provisions against manipulation and fraud are found in securities legislation, specifically, Part 3 of National Instrument 23-101 — *Trading Rules* (NI 23-101) and section 126.1 of the *Securities Act* (Ontario) (when that provision comes into force). NI 23-101 prohibits manipulative or deceptive trading, including activities that may create misleading pricing or trading activity that is detrimental to investors and the integrity of the markets. The Rule specifically prohibits certain trading activities in circumstances where there is heightened concern over the possibility of manipulation by those with an interest in the outcome of the distribution or transaction. The Rule also provides certain exemptions to permit purchases and bids in situations where there is no, or a very low, possibility of manipulation. However, the Commission is of the view that notwithstanding that certain trading activities are permitted under the Rule these activities continue to be subject to the general provisions relating to manipulation and fraud found in securities legislation such that any activities carried out in accordance with the Rule must still meet the spirit of the general anti-manipulation and anti-fraud provisions.~~

5.2 [Repealed]

5.2.1 [Repealed]

5.3 [Repealed]

Part 6 — Research

6.1 Section 53 of the Act — Part 4 of the Rule provides exemptions from section 53 of the Act which prohibits providing research that in the Commission's view constitutes an act, advertisement, solicitation, conduct or negotiation directly or indirectly in furtherance of a trade prior to the filing and receipt of the preliminary prospectus and prospectus. The Commission is of the view that although sections 4.1 and 4.2 do permit dealer-restricted persons to disseminate research reports, this dissemination continues to be subject to the usual restrictions applicable to dealer-restricted persons when they are in possession of material inside information regarding the issuer.

6.2 Meaning of "reasonable regularity" — Sections 4.1 and 4.2 of the Rule provides circumstances where a dealer-restricted person may publish or disseminate information, an opinion, or a recommendation relating to the issuer of a restricted security. Clause 4.1(a) and section 4.2 require that the information, opinion or recommendation is contained in a publication which is disseminated with reasonable regularity in the normal course of business of the dealer-restricted person. The Commission considers that it is a question of fact whether a publication was disseminated "with reasonable regularity" and whether it was in the "normal course of business". A research publication would not likely be considered to have been published with reasonable regularity if it had not been published within the previous twelve month period or there had been no coverage of the issuer within the previous twelve month period. The nature and extent of the published information should also be consistent with prior publications and the dealer should not undertake new initiatives in the context of the distribution. For example, the inclusion of projections of issuers' earnings and revenues would likely only be permitted if they had previously been included on a regular basis. In considering whether it was "in the normal course of business", the Commission may consider the distribution channels. The research should be distributed through the dealer-restricted person's usual research distribution channels and should not be targeted or distributed specifically to prospective investors in the distribution as part of a marketing effort. However, the research may be distributed to a prospective investor if that investor was previously on the mailing list for the research publication.

6.3 Meaning of "similar coverage" and of "substantial number of companies" — Clause 4.1(b) of the Rule requires that the information, opinion or recommendation includes similar coverage in the form of information, opinions or recommendations with respect to a substantial number of issuers in the issuer's industry. This should not be interpreted as requiring that the opinions and recommendations relating to the issuer and other issuers in the issuer's industry must be similar or the same. In this context, in determining what is a "substantial number of issuers", reference should be made to the relevant industry. Generally, the Commission would consider a minimum of six issuers to be a sufficient number. However, where there are less than six issuers in an industry, then all issuers should be included in the research report. In any event the number of issuers should not be less than three.

Part 7 – PARTICIPATING IN A DISTRIBUTION WHERE SHORT SALES WERE MADE BEFORE PRICING

7.1 Section 4.1.1 of the Rule restricts purchases of certain equity securities (other than units of exchange-traded funds) that are sold in a distribution where short sales of the same class of securities were made in the period before pricing. The Rule does not prohibit or restrict short selling. The definition of “short sale” is broader than the corresponding definition in the Canadian Investment Regulatory Organization’s Universal Market Integrity Rules. The term covers any sale of a security that the seller does not have title to or that is settled by, or intended to be settled by, delivery of borrowed securities, even if the seller owns or is otherwise deemed to own the securities sold. Section 4.1.1 of the Rule applies even if ultimately there is no delivery obligation on the part of the dealer entering the short sell order (on its own or a client’s behalf) due to netting of trades by a clearing agency. Short sales made during the short sale restricted period trigger the restrictions in the Rule even if the date for settlement of the short sales is after the date of purchases made to close the short position.

7.2 Section 4.1.1 of the Rule applies to distributions of equity securities, other than units of exchange-traded funds, sold for cash. It is intended to apply to distributions conducted by a reporting issuer for capital raising purposes, for example, where a reporting issuer raises funds through a private placement of equity securities to accredited investors.

7.3 Section 4.1.1 of the Rule restricts purchases of certain equity securities where securities of the same class as the equity securities were sold short during the short sale restricted period. Accordingly, in an offering of convertible or exchangeable securities, a person or company that sells short the security underlying the convertible or exchangeable security is not prohibited from purchasing the convertible or exchangeable security under the offering.

7.4 Section 4.1.1 of the Rule does not apply to a distribution of equity securities that is exempt from the prospectus requirement pursuant to section 2.42 of NI 45-106. For example, where a warrant is exercised to acquire equity securities for cash, the distribution of such equity securities would not be subject to section 4.1.1.

7.5 For the purposes of Part 4.1 of the Rule, a distribution of a unit is a distribution of the securities comprising that unit. Accordingly, where securities comprising a unit are equity securities, short sales of any of those equity securities will be subject to the Rule.

7.6 For the purposes of Part 4.1 of the Rule, indirect purchasing of securities under a prospectus or private placement is also prohibited. Examples of indirect purchases include the short seller entering an agreement or arrangement with a person or company that has not sold short, pursuant to which that person or company buys securities in the distribution and transfers them to the short seller.

Appendix C

Excerpt from the Ontario Capital Markets Modernization Task Force Report[10]

26. Prohibit short selling in connection with prospectus offerings and private placements

The existing prospectus system is generally working effectively for Canadian issuers. However, multiple stakeholders advised that short selling in connection with prospectus offerings and private placements is making pricing and execution of prospectus offerings more difficult. Since prospectus offerings and private placements are generally priced at a discount to the market price, market participants and investors who expect to purchase under the offering may seek to profit through aggressive short selling prior to the offering to depress the price of the offering...

In the U.S., the Securities and Exchange Commission has addressed some of these concerns through the prohibition in Rule 105 of Regulation M: Short Selling in Connection with a Public Offering... Stakeholders noted to the Taskforce that bought deals pre-arranged with hedge funds who are shorting the stock before the bought deal is announced ... harms the company, its shareholders and the uninformed investors trading against the short sellers.

Recommendation:

The Taskforce recommends that the OSC adopt a rule prohibiting market participants and investors who have previously sold short securities of the same type as offered under a prospectus or private placement, from acquiring securities under the prospectus or private placements.

There are current requirements that could potentially apply to short selling in advance of a prospectus offering or private placements, such as:

- Market participants and investors who have access to material undisclosed information concerning the offering would be precluded from short selling by the insider trading prohibition;
- The underwriter registration requirement may apply to market participants and investors who sell short in advance of an offering and fill their short position through the offering, since this is a form of indirect distribution;
- Insiders of the issuer who enter into securities lending arrangements in connection with short sales prior to an offering would be subject to reporting requirements; such transactions may also be limited by the insider trading prohibition and applicable blackout periods; and
- The prohibition on market manipulation may apply to conduct that artificially depresses the price of the securities.

These requirements, however, would require detailed and contextual analysis.

A simple requirement that does not require regulators to prove intent is preferable. This would prohibit market participants and investors who have a short position arising from a short sale in a security of the same type as offered under a prospectus or through a private placement (or fungible with such securities, such as a warrant, option or convertible or exchangeable security) from acquiring securities in an offering. It would create greater clarity for all market participants and be less complicated from both a conduct and compliance perspective. This recommendation should not apply to trading in exchange-traded funds. Exemptions for activities such as market-making by registered dealers should be considered.

[10] https://www.ontario.ca/document/capital-markets-modernization-taskforce-final-report-january-2021/22-regulation-competitive-advantage

Appendix D

The Short Selling Regulatory Regime

Currently, the bulk of short selling rules are in CIRO's UMIR. The Act does not define "short sale," however the Act references "short positions," requiring a short seller placing a sell order with an agent that is a registered dealer to inform the agent that the seller does not own the security.[11] The bulk of short selling rules were in the rulebooks of the listing exchanges, and later moved to CIRO's UMIR, where they remain.[12] Over time, restrictions on the price at which a short sale could be made[13] have been removed, although general anti-manipulation rules (both in UMIR and the Act) remain in place. CIRO rules include requirements that short sell orders be marked as such, that CIRO dealer members report trades that have not settled within 10 days following the date contemplated for settlement and that the dealers provide semi-monthly reports of short positions in each Canadian listed security. CIRO also has the ability to designate individual securities as ineligible for short sales or subject to a requirement that arrangements be made to borrow securities prior to entry of a short sell order. As noted above, CIRO has recently adopted a rule strengthening the obligation of CIRO dealer members entering short sell orders on a marketplace to have a reasonable expectation to settle any resulting trade at the time the order is entered,[14] and has proposed a requirement for dealers to close out fail-to-deliver positions in the event of settlement failure at a clearing agency.[15]

In addition, CIRO's Investment Dealer and Partially Consolidated Rules establish margin and capital requirements for short positions.

In contrast, the bulk of short sale regulation in the United States is in SEC rules.

Recent Short Selling Initiatives

In 2019, a working group of the Canadian Securities Administrators (**CSA**) began to undertake research and analysis on activist short selling. This was done in the wake of an increased number of campaigns targeting Canadian issuers and concerns raised about the potential impact of activist short selling on Canadian markets. The research considered three specific areas: (i) the nature and extent of activist short selling activity in Canada, (ii) the Canadian and international regulatory framework; and (iii) issues related to enforcement and other remedial actions. The research found that there was not a disproportionate amount of activist short selling campaigns in Canada compared to the number of public companies, and that there was little evidence of activist short sellers having a negative impact on the markets.

In 2020, the CSA issued a Consultation Paper (**Consultation Paper**) describing its research and conclusions and listed a number of questions concerning activist short selling, and asking for examples of problematic conduct and what empirical data sources the CSA should consider.[16] The CSA received a number of comments in response. None provided specific evidence of problematic activist short selling, but many expressed concerns about short selling in general and various aspects of short selling.[17]

In 2022, to address the concerns expressed in the comments on the Consultation Paper, the CSA and CIRO issued a staff notice to provide an overview of the existing regulatory landscape surrounding short selling, give an update on current related initiatives and request feedback on areas for regulatory consideration.[18] The following areas were discussed in the comment letters as possible matters for further study and analysis:

- Adopting pre-borrow or locate rules requiring dealers making or facilitating a short sale to have made arrangements to borrow the securities or to have a reasonable belief that the securities can be borrowed prior to the time of settlement;
- Shortening the timeline for reporting extended failed trades but not until the industry adjusts to T+1 settlement;
- Increasing transparency of short selling and short positions; and
- Introducing mandatory close-outs/buy-ins of short positions.

Coincident with these initiatives, the Taskforce Report was issued.

11 Act, s. 48.
12 UMIR was originally developed by CIRO's predecessors, Market Regulation Services Inc. and the Investment Industry Regulatory Organization of Canada. For simplicity, this notice uses the term "CIRO" to refer to CIRO or its predecessor organization at the relevant time.
13 The so-called "tick test" requiring short sales to be executed at or above the last sale price of the security.
14 https://www.ciro.ca/newsroom/publications/amendments-respecting-reasonable-expectation-settle-short-sale.
15 https://www.ciro.ca/rules-and-enforcement/consultations/proposed-amendments-respecting-mandatory-close-out-requirements.
16 CSA Consultation Paper 25-403 Activist Short Selling (December 3, 2020).
17 CSA Staff Notice 25-206 Activist Short Selling Update (December 8, 2022).
18 Joint CSA and IIROC Staff Notice 23-329 Short Selling Canada (December 8, 2022)

Appendix E

Cost-Benefit Analysis

I. Current regulatory framework and rationale for intervention

As outlined in Joint CSA and IIROC – Staff Notice 23-329 *Short Selling in Canada*,[19] short selling is subject to a well-developed framework comprising Canadian securities legislation and CIRO requirements. The current regulatory framework does not explicitly address the issue of closing short positions with securities issued from treasury, either in a prospectus offering or a private placement.

The Proposed Amendments are intended to address issues that have arisen in the specific context of short sales made immediately prior to pricing of a prospectus offering or private placement by persons or companies intending to purchase securities in the offering.

II. Proposed Amendments

The Proposed Amendments would prohibit anyone who sells short the same class of securities that will be issued in an offering, during the period commencing five days prior to the pricing of the offering and ending on pricing, from purchasing new issue securities in the offering, regardless of knowledge of the offering or intent with respect to the effect of the short sales on the market price of the securities. The rule is substantively similar to Rule 105 of the U.S. Securities and Exchange Commission (SEC).

The Proposed Amendments apply to distributions of equity securities for cash by reporting issuers in Ontario.

III. Stakeholders affected by the proposed Instrument/Rule

(a) *Issuers* may have fewer potential buyers of securities in a financing as some potential buyers (short sellers) will be excluded or may choose not to participate in the financing. However, the Proposed Amendments will prohibit activity that may indirectly affect the price of an offering by a listed company by lowering the market price on which the price of the offering is based. If the market price is not so lowered, the distribution may be done at a higher price which would allow the issuer to raise more capital from the offering.

(b) *Certain market participants involved in short selling* will not be able to participate in financings if they have sold short securities of the same class as those being distributed within five days of pricing, even if they were not aware of the financing at the time of the short sales, unless an exemption is available. The Proposed Amendments may make it more difficult to close short positions as there may not be sufficient stock available in the market at an acceptable price.

(c) *Other Investors.* The Proposed Amendments will prohibit activity that may indirectly affect the price of an offering by a listed company by lowering the market price on which the price of the offering is based. If the market price is not so lowered, the distribution may be done at a higher price, resulting in less dilution for existing shareholders and higher capital obtained by the issuer, but at a higher cost for investors participating in the offering.

(d) *Dealers* involved in offerings may have additional costs in monitoring participation by short sellers in offerings. Given that the rule is modeled on SEC Rule 105, the costs should be minimal for dealers that already have policies and procedures for compliance with that rule.

IV. Impact of the proposed amendments on each of the OSC mandate components

The OSC considers the impact of proposed rulemaking on the OSC's mandate to:

- provide protection to investors from unfair, improper or fraudulent practices,
- foster fair, efficient and competitive capital markets and confidence in the capital markets,
- foster capital formation, and
- contribute to the stability of the financial system and the reduction of systemic risk.

The Proposed Amendments may impact the competitive capital markets, efficiency and capital formation components of the OSC's mandate.

[19] https://www.osc.ca/sites/default/files/2022-12/csa-iiroc_20221208_23-329_short-selling.pdf

Unfair, improper or fraudulent practices – Short selling securities and purchasing securities in a public offering allows a short seller to avoid market risk and virtually guarantees profits. The proposed rule reduces the impact of short selling on the price of an equity security during a period when an issuer intends to raise capital through a prospectus offering or a private placement.

Investor protection – Short selling may affect the market price which could affect the pricing of a private placement or prospectus offering. The Proposed Amendments protect investors by reducing dilution costs that may result from low issuance prices for new equity securities due to activities by certain short sellers. They also eliminate the information asymmetries reflected in short sellers trading with knowledge of a financing that the issuer is not required to disclose and enable retail investors to manage their investment portfolios more efficiently.

The Proposed Amendments do not depend on knowledge of a financing or subjective or objective knowledge of the effects of the short sales.

Fair, efficient and competitive capital markets – Although short selling can play a role in the price discovery process which may promote market efficiency, short selling around the time of a new issue of equity securities (prospectus offering or private placement) with the intent of closing the short position with the new issue could have an effect on the price of an equity security and consequently of the financing. This rule amendment ensures that security prices are determined by the interplay of other market forces thereby promoting market efficiency.

The rule will ensure that offerings are priced based on market prices that have not been influenced by certain types of short selling, enhancing investor confidence.

Contribute to the stability of the financial system and the reduction of systemic risk– Significant levels of short selling prior to an offering can have significant impact on the market price of securities and in some instances cause offerings to be postponed temporarily, abandoned or made at significantly lower prices which do not reflect the market value of securities.[20] The proposed rule reduces the volatility in securities and increases investor confidence in the market.

V. Anticipated costs and benefits

a. Benefits to stakeholders

i. Issuers

Issuers may receive a higher issue price if the price is calculated by reference to the market price and there is no short selling in the five days before pricing by short sellers who wish to participate in an offering of the same class of securities sold short (i.e., activity that could affect the market price of the securities that will be the subject of an offering).

ii. Certain market participants involved in short selling

The Proposed Amendments provide short sellers with regulatory certainty by clarifying the OSC's expectations concerning the practice of closing short positions with securities acquired in a distribution.

iii. Investors

The Proposed Amendments will prohibit activity that may indirectly affect the price of an offering by a listed company by lowering the market price on which the price of the offering is based. If the market price is not so lowered, the distribution may be done at a higher price, resulting in less economic dilution for existing shareholders, although investors participating in the distribution may pay a higher price. Also, uninformed investors in the market will not trade against short sellers who intend to close their short positions with new issue equity securities thereby promoting fairness and a level playing field for investors.

iv. Dealers

The proposed rule provides dealers with regulatory certainty by clarifying the OSC's expectations concerning the practice of closing short positions with securities acquired in a distribution. This clarity will help dealers better meet their compliance obligations.

b. Costs to stakeholders

i. Issuers

Issuers may have fewer potential buyers of securities in a financing as some potential buyers (namely short sellers) will be excluded or may choose not to participate in the financing.

[20] Proposed Rule: Short Selling in Connection With A Public Offering; Release No. 34-54888

ii. Certain Market Participants Involved in Short Selling

Market participants making short sales during the relevant period will not be able to participate in financings, even if they were not aware of them, unless they close their short position that was opened within five days of pricing in advance of the financing as set out in the rule amendments or another exemption applies. The Proposed Amendments may make it more difficult to close short positions in the market at an acceptable price.

iii. Investors

- *Institutional investors and other traders* that engage in short selling will also need to have policies and procedures to ensure compliance with the Proposed Amendments.
- *Other investors* may experience a mixed impact. To the extent that certain short selling negatively affects the market price of the issuer's security, purchasers in an offering will pay a higher price, but existing shareholders will experience less economic dilution.

iv. Dealers

Dealers involved in offerings may have additional costs in monitoring participation by short sellers in offerings. We anticipate that these costs will not be significant. Given that the rule is modeled on SEC Rule 105, the costs should be minimal for dealers that already have policies and procedures for compliance with that rule.

VI. Summary comparison of costs and benefits

It is not possible to quantify the costs and benefits of the proposed amendments as there is not sufficient publicly available data or other data available to the Commission on participation by short sellers in distributions, also there is no requirement to keep records of this activity. In its release announcing the adoption of Rule 105 as a final rule, the SEC stated among other things, that they anticipated that Rule 105 would impose compliance costs in the form of increased surveillance for broker-dealers, but will provide a protective measure against abusive conduct that hampers the capital raising process and harms issuers.[21] The SEC found that the major costs would be borne by traders and firms that derive significant revenue from closing pre-pricing short sales with securities sold in an offering.[22] As such, staff expect that compliance costs will not be significant other than for firms engaging in the conduct prohibited by the Proposed Amendments to a significant degree.

VII. Description of alternatives considered

Staff considered maintaining the status quo. The Taskforce found that bought deals pre-arranged with short sellers who short before the bought deal is announced are problematic in Canadian markets, particularly within capital-intensive industries. This activity harms issuers, shareholders, and uninformed investors trading against short sellers. The status quo was not the preferred option.

21 SEC Release 34-50103 (July 28, 2004).
22 Ibid.

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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:
First Trust Long/Short Equity ETF
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated May 28, 2025
NP 11-202 Preliminary Receipt dated May 28, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06291694

Issuer Name:
CI Global Dividend Private Pool
CI U.S. Monthly Income Private Pool
CI U.S. Small/Mid Cap Equity Private Pool
CI Equity Premium Yield Fund
CI Alternative Credit Opportunities Fund
CI Alternative Equity Premium Yield Fund
Principal Regulator – Ontario
Type and Date:
Combined Preliminary and Pro Forma Simplified Prospectus dated May 29, 2025
NP 11-202 Preliminary Receipt dated May 30, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06293531

Issuer Name:
Desjardins American Mid Cap Equity Index ETF
Desjardins Quebec Equity ETF
Principal Regulator – Quebec
Type and Date:
Final Long Form Prospectus dated May 28, 2025
NP 11-202 Final Receipt dated May 30, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06272835

Issuer Name:
Longevity Pension Fund
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated May 28, 2025
NP 11-202 Final Receipt dated May 29, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06273913

Issuer Name:
Hazelview Alternative Real Estate Fund
Hazelview Global Real Estate Fund
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated May 30, 2025
NP 11-202 Final Receipt dated Jun 2, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06273868

Issuer Name:
FDP Balanced Growth Portfolio
FDP Balanced Income Portfolio
FDP Balanced Portfolio
FDP Canadian Bond Portfolio
FDP Canadian Dividend Equity Portfolio
FDP Canadian Equity Portfolio
FDP Emerging Markets Equity Portfolio
FDP Global Equity Portfolio
FDP Global Fixed Income Portfolio
FDP Municipal Bond Portfolio
FDP US Equity Portfolio
Principal Regulator – Quebec
Type and Date:
Final Simplified Prospectus dated May 23, 2025
NP 11-202 Final Receipt dated May 29, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06258831

Issuer Name:
YTM Capital Fixed Income Alternative Fund
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated May 29, 2025
NP 11-202 Final Receipt dated Jun 2, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06266544

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NON-INVESTMENT FUNDS

Issuer Name:
Endeavour Silver Corp.
Principal Regulator – British Columbia
Type and Date:
Final Shelf Prospectus dated May 27, 2025
NP 11-202 Preliminary Receipt dated May 27, 2025
Offering Price and Description:
Common Shares, Warrants, Subscription Receipts, Debt Securities, Units
Filing # 06290783

Issuer Name:
K-Bro Linen Inc.
Principal Regulator – Alberta
Type and Date:
Final Short Form Prospectus dated May 27, 2025
NP 11-202 Final Receipt dated May 27, 2025
Offering Price and Description:
$70,136,500 - 2,030,000 Subscription Receipts, each representing the right to receive one Common Share
Filing # 06284996

Issuer Name:
AXO COPPER CORP.
Principal Regulator – Nova Scotia
Type and Date:
Final Long Form Prospectus dated May 23, 2025
NP 11-202 Final Receipt dated May 27, 2025
Offering Price and Description:
$10,000,100 - 18,182,000 Units,
Price: $0.55 per Unit
Filing # 6263605

Issuer Name:
Standard Lithium Ltd.
Principal Regulator – British Columbia
Type and Date:
Preliminary Shelf Prospectus dated May 30, 2025
NP 11-202 Preliminary Receipt dated May 30, 2025
Offering Price and Description:
US$1,000,000,000 - Common Shares, Preferred Shares, Debt Securities, Subscription Receipts, Warrants, Units
Filing # 06294556

Issuer Name:
Avventura Resources Ltd.
Principal Regulator – British Columbia
Type and Date:
Final Long Form Prospectus dated May 27, 2025
NP 11-202 Final Receipt dated May 29, 2025
Offering Price and Description:
1,200,000 – Securities, Common shares
Filing # 06256318

Issuer Name:
Aduro Clean Technologies Inc.
Principal Regulator – Ontario
Type and Date:
Final Shelf Prospectus dated May 28, 2025
NP 11-202 Final Receipt dated May 28, 2025
Offering Price and Description:
US$20,000,000 - Common Shares, Preferred Shares, Debt Securities, Warrants, Share Purchase Contracts, Subscription Receipts, Units
Filing # 06288078

Issuer Name:
Sol Strategies Inc.
Principal Regulator – Ontario
Type and Date:
Preliminary Shelf Prospectus dated May 26, 2025
NP 11-202 Preliminary Receipt dated May 27, 2025
Offering Price and Description:
US$1,000,000,000 - Common Shares, Debt Securities, Subscription Receipts, Warrants, Units
Filing # 06290214

Issuer Name:
K92 Mining Corp.
Principal Regulator – British Columbia
Type and Date:
Preliminary Shelf Prospectus dated May 28, 2025
NP 11-202 Preliminary Receipt dated May 29, 2025
Offering Price and Description:
$300,000,000 - Common Shares, Debt Securities, Warrants, Subscription Receipts, Units
Filing # 06292259

Issuer Name:
Bank of Montreal.
Principal Regulator – Ontario
Type and Date:
Final Shelf Prospectus dated May 29, 2025
NP 11-202 Preliminary Receipt dated May 29, 2025
Offering Price and Description:
Medium-Term Notes (Principal-at-Risk Notes)
Filing # 06292585

Issuer Name:
Internet Sciences Inc.
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated May 26, 2025
NP 11-202 Preliminary Receipt dated May 27, 2025
Offering Price and Description:
No securities are being offered pursuant to this Prospectus
Filing # 06290732

Issuer Name:
NEXCEL METALS CORP.
Principal Regulator – British Columbia
Type and Date:
Final Long Form Prospectus dated May 26, 2025
NP 11-202 Final Receipt dated May 26, 2025
Offering Price and Description:
1,835,400 Units Issuable on Exercise of Outstanding Special Warrants;
$0.20 per Warrant Share
Filing # 06228526

Issuer Name:
Perimeter Medical Imaging AI, Inc.
Principal Regulator – Ontario
Type and Date:
Final Short Form Prospectus dated May 29, 2025
NP 11-202 Final Receipt dated May 29, 2025
Offering Price and Description:
Minimum: $2,500,000 (8,333,334 Units or Pre-Funded Units)
Maximum: $15,000,000 (50,000,000 Units or Pre-Funded Units)
Price: $0.30 per Unit or $0.29999 per Pre-Funded Unit
Filing # 06258809

Issuer Name:
G2 Goldfields Inc.
Principal Regulator – Ontario
Type and Date:
Preliminary Shelf Prospectus dated May 28, 2025
NP 11-202 Preliminary Receipt dated May 28, 2025
Offering Price and Description:
$100 million - Common Shares, Warrants, Subscription Receipts, Units, Debt Securities
Filing # 06291481

Issuer Name:
Giant Mining Corp. - formerly Majuba Hill Copper Corp.
Principal Regulator – British Columbia
Type and Date:
Final Shelf Form Prospectus dated May 29, 2025
NP 11-202 Final Receipt dated May 30, 2025
Offering Price and Description:
$10,000,000 Common Shares, Warrants, Subscription Receipts, Debt Securities, Units
Filing # 06254172

Issuer Name:
Avino Silver and Gold Mines Ltd.
Principal Regulator – British Columbia
Type and Date:
Final Shelf Prospectus dated May 26, 2025
NP 11-202 Final Receipt dated May 27, 2025
Offering Price and Description:
US$100,000,000 - Common Shares, Warrants, Subscription Receipts, Debt Securities, Units
Filing # 06285112

Issuer Name:
Alaris Equity Partners Income Trust.
Principal Regulator – Alberta
Type and Date:
Final Short Form Prospectus dated May 27, 2025
NP 11-202 Final Receipt dated May 27, 2025
Offering Price and Description:
$80,000,000 - 6.50% Convertible Unsecured Senior Debentures
Price: $1,000 per Debenture
Filing # 06285119

Issuer Name:
Ag Growth International Inc.
Principal Regulator – Manitoba
Type and Date:
Preliminary Short Form Prospectus dated May 28, 2025
NP 11-202 Preliminary Receipt dated May 28, 2025
Offering Price and Description:
$85,000,000 - 7.50% Senior Subordinated Unsecured Debentures
Price: $1,000 per Debenture
Filing # 06288979

Issuer Name:
Fiera Capital Corporation.
Principal Regulator – Quebec
Type and Date:
Final Short Form Prospectus dated May 28, 2025
NP 11-202 Final Receipt dated May 28, 2025
Offering Price and Description:
$70,000,000 - 7.75% Senior Subordinated Unsecured Debentures due June 30, 2030
Price: $1,000 per Debenture
Filing # 06285353

B.10
Registrations

B.10.1 Registrants

Type	Company	Category of Registration	Effective Date
Voluntary Surrender	Simply Digital Technologies Inc.	Restricted Dealer	May 23, 2025
New Registration	Aristotle Capital Boston, LLC	Portfolio Manager	May 29, 2025
Change in Registration Category	Jesselton Capital Management Inc.	From: Investment Fund Manager and Exempt Market Dealer To: Investment Fund Manager, Portfolio Manager and Exempt Market Dealer	May 30, 2025
Change in Registration Category	Palos Wealth Management Inc.	From: Portfolio Manager and Exempt Market Dealer To: Investment Fund Manager, Portfolio Manager and Exempt Market Dealer	May 30, 2025

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B.11
CIRO, Marketplaces, Clearing Agencies and Trade Repositories

B.11.2 Marketplaces

B.11.2.1 GFI Swaps Exchange LLC, ICE Swap Trade, LLC, tpSEF Inc. and TW SEF LLC – Application for Variation to Trade in Security-Based Swaps and for Exemption from the Marketplace Rules – Notice of Commission Order

NOTICE OF COMMISSION ORDER

APPLICATION BY
GFI SWAPS EXCHANGE LLC,
ICE SWAP TRADE, LLC,
tpSEF INC.
AND
TW SEF LLC
(each an "Applicant", collectively the "Applicants")

APPLICATION FOR
VARIATION TO TRADE IN SECURITY-BASED SWAPS AND
FOR EXEMPTION FROM THE MARKETPLACE RULES

The Commission previously issued orders pursuant to section 147 of the *Securities Act* (Ontario) (the **Act**) exempting each Applicant from the requirement to be recognized as an exchange under subsection 21(1) of the Act (each an **Exemption Order**; and collectively, the **Exemption Orders**) in relation to each Applicant's operation of a swap execution facility (**SEF**) which is subject to the supervision of the United States Commodity Futures Trading Commission (**CFTC**).

On January 29, 2025, each Applicant obtained registration with the United States Securities and Exchange Commission (**SEC**) to operate a security-based swap execution facilities (**SBSEF**), following which each Applicant proposes to provide direct access to participants in Ontario to trade in security-based swaps (**SBS**), pursuant to its SBSEF registration with the SEC.

On May 29, 2025, the Commission issued an order (the **Order**) varying each Applicant's Exemption Order that allows each Applicant to provide direct access to participants in Ontario to trade in SBS, subject to additional terms and conditions under a new Schedule "B". These terms and conditions will enable Staff of the Commission to oversee each Applicant's SBS-related activities under its SBSEF registration with the SEC. These terms and conditions are similar to those in Schedule "A" of each Applicant's Exemption Order, which currently govern swap trades under its SEF registration with the CFTC.

A copy of the Order is published in Chapter B.2 of the OSC Bulletin published on June 5, 2025.

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