The Ontario Securities Commission

OSC Bulletin

September 4, 2025

Volume 48, Issue 35

(2025), 48 OSCB

The Ontario Securities Commission carries out the powers, duties and functions given to it pursuant to the *Securities Commission Act, 2021* (S.O. 2021, c. 8, Sched. 9).

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).

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

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

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

Published under the authority of the Commission by:
Thomson Reuters
19 Duncan Street
Toronto, Ontario
M5H 3H1
416-609-3800 or 1-800-387-5164

43300770

The OSC Bulletin is published weekly by Thomson Reuters Canada, under the authority of the Ontario Securities Commission.

Thomson Reuters Canada offers every issue of the Bulletin, from 1994 onwards, fully searchable on S*ecuritiesSource*™, Canada's pre-eminent web-based securities resource. *SecuritiesSource*™ also features comprehensive securities legislation, expert analysis, precedents and a weekly Newsletter. For more information on *SecuritiesSource*™, as well as ordering information, please go to:

https://www.westlawnextcanada.com/westlaw-products/securitiessource/

or call Thomson Reuters Canada Customer Support at 1-416-609-3800 (Toronto & International) or 1-800-387-5164 (Toll Free Canada & U.S.).

Claims from *bona fide* subscribers for missing issues will be honoured by Thomson Reuters Canada up to one month from publication date.

Space is available in the Ontario Securities Commission Bulletin for advertisements. The publisher will accept advertising aimed at the securities industry or financial community in Canada. Advertisements are limited to tombstone announcements and professional business card announcements by members of, and suppliers to, the financial services industry.

Printed in the United States by Thomson Reuters.

ISSN 0226-9325

Thomson Reuters
19 Duncan Street
Toronto, ON
M5H 3H1
Canada

Customer Support
1-416-609-3800 (Toronto & International)
1-800-387-5164 (Toll Free Canada & U.S.)
Email CustomerSupport.LegalTaxCanada@TR.com

Table of Contents

A. Capital Markets Tribunal

A.1
Notices of Hearing

A.1.1 Harry Stinson et al. – s. 144.1

FILE NO.: 2025-13

HARRY STINSON,
BUFFALO GRAND HOTEL INC.,
STINSON HOSPITALITY MANAGEMENT INC.,
STINSON HOSPITALITY CORP.,
RESTORATION FUNDING CORPORATION,
BUFFALO CENTRAL LLC, AND
STEPHEN KELLEY

(Applicants)

AND

ONTARIO SECURITIES COMMISSION

(Respondents)

NOTICE OF HEARING
Section 144.1 of *Securities Act,* RSO 1990, c S.5

PROCEEDING TYPE: Application for Revocation or Variation of a Decision

HEARING DATE AND TIME: September 4, 2025, at 2:00 p.m.

LOCATION: By videoconference

PURPOSE

The purpose of this proceeding is to consider the application for a revocation or variation made by Harry Stinson and Buffalo Grand Hotel Inc. in respect of the Capital Markets Tribunal order issued on December 15, 2023, in file number 2022-3.

The hearing set for the date and time indicated above is the first case management hearing in this proceeding, as described in subsection 13(3) of the Capital Markets Tribunal *Rules of Procedure*.

REPRESENTATION

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

FAILURE TO ATTEND

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

FRENCH HEARING

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

AVIS EN FRANÇAIS

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

Dated at Toronto this 26th day of August, 2025

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

For more information

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

HARRY STINSON,
BUFFALO GRAND HOTEL INC.,
STINSON HOSPITALITY MANAGEMENT INC.,
STINSON HOSPITALITY CORP.,
RESTORATION FUNDING CORPORATION,
BUFFALO CENTRAL LLC, AND
STEPHEN KELLEY

Applicants

AND

ONTARIO SECURITIES COMMISSION

Respondent

APPLICATION OF THE RESPONDENTS, HARRY STINSON AND BUFFALO GRAND HOTEL INC.

(For a hearing on an expedited and urgent manner under Section 144.1 of the Securities Act, R.S.O. 1990, c. S.5)

For Variation of the Decision of the Capital Markets Tribunal bearing file number 2022-3, dated December 15, 2023, Under Section 144.1 of the Securities Act, R.S.O. 1990, c S.5

A. ORDER SOUGHT

The Applicants, Harry Stinson and Buffalo Grand Hotel Inc., request that the Capital Markets Tribunal make the following orders:

1. An Order varying paragraphs 91.a.v. and 91.c. of the Capital Markets Tribunal Decision, which are compromised in paragraphs 1.e and 3 of the Order bearing file number 2022-3 dated December 15, 2023 (the "Order"), such that the same are rescinded as against Harry Stinson and Buffalo Grand Hotel Inc. on the basis that any payment that is due pursuant the Order be deferred such that, upon the sale, transfer or other disposition, or re-financing, of the property at 120 Church Street, Buffalo, New York, U.S.A. or to the extent that there is any net operating revenue available for distribution, these funds shall be applied as follows:

    A. To the payment of property taxes, liens, other governmental obligations, and repayment of the first mortgage.

    B. Then, firstly, to the repayment of the Invested Amounts owing to the investors (the "Investors") other than Harry Stinson ("Stinson") or any person or entity not dealing at arms' length with Stinson, as will be secured by the Second Mortgage and in accordance with their respective Proportionate Interests;

    C. Thereafter, secondly, for repayment of the administrative penalty amount ($600,000), costs ordered ($166,000) and collections costs incurred by the Ontario Securities Commission (the "OSC") to make the OSC whole (net of any amount paid in connection with the s.144.1 application, and as evidenced by an agreement between Stinson and the OSC, but without any financial order prohibited by the Lender);

    D. Thirdly, for repayment of the Invested Amount owing to Stinson or any person or any entity not dealing at arms' length with Stinson; and

    E. Fourthly, for payment (i) 40% to Stinson, and (ii) 60% to the Investors, including Stinson and any person or entity not dealing at arms' length with Stinson, in accordance with their respective Proportionate Interests as a return on their investment.

2. An order abridging the time for service of this Application due to the urgency of the matter to ensure that the financing proceeds and thus allows the proposed payment schedule in paragraph 1 above to be carried out.

3. An Order that this the following information and particulars remain confidential;

    i) details of the mortgage, including the course, rates, and terms;

    ii) details of the brand franchise agreement; and

    iii) identity and personal information of all investors including amounts invested by each investor.

4. For such further and other Orders as the Tribunal may deem appropriate.

B. GROUNDS

The grounds for the request are:

1. As noted in the Capital Markets Tribunal reasons dated Dec. 15, 2023 (the "Order"), investors (the "Investors") invested approximately $14 million in the Buffalo Grand Hotel located at 120 Church Street, Buffalo, New York, U.S.A. ("BGH").

2. The presence of the Order and the writs that have be registered as a result of the Order are preventing the restoration and development of BGH .

3. The Respondents, Stinson and Buffalo Grand Hotel Inc., are unable to proceed with the necessary financing to restore BGH until the Order is varied.

4. The restoration and development of the BGH is necessary to provide the investors with the possibility of full recovery and being made whole.

5. Stinson has entered into a trust agreement with all Investors that have responded to him that governs the distribution of the proceeds consistently with the terms set out in paragraph 1.A. of the relief sought above. The said trust agreement also operates as an undertaking that Stinson and Buffalo Grand Hotel Inc. will also act for the benefit of those Investors that are not signatories to the said trust agreement.

6. Further to the establishment of a trust agreement, Investors will be granted a secured interest in the BGH.

7. Should there be net proceeds from a future sale of the BGH, after the secured creditors are paid, including the Investors, the OSC will be paid $600,000.00, being the equivalent of the administrative penalty amount set out in the Order, and $166,000.00, being equivalent to the costs ordered in the Decision, plus other costs of the OSC.

8. Only after such payments, will the Applicants benefit from any surplus funds.

9. There is urgency to this matter as the lender needs to close on this matter as soon as possible in order to keep their commitment. Concurrently, the City of Buffalo is monitoring the progress very carefully with a view to taking control of the BGH if restoration and development is not commenced very soon.

10. The purpose of this variation is to allow the Respondents to address the concerns raised in paragraphs 62 to76 of the Order and to allow and enable BGH to proceed with new financing. Refinancing is essential to repairing, re-opening and reactivating the building and the hotel business, and thereby facilitate repayment to the Investors through a refinancing or sale. The lender has explicitly confirmed that lifting the writs registered as a result of the OSC Order is a pre-condition of advancing financing. Concurrently BGH has largely satisfied the other loan conditions, including an appraisal, securing a hotel brand, engaging a professional hotel management group, engaging a specialized hotel construction manager, preparing detailed budgets, engaging consultants and meeting with trades. However, until the Order is varied and removed as requested, no funds will be advanced.

11. Based upon the current appraised of the property, the "as is" value of BGH is $3,000,000.00 and, at this value, there would be little, if any recovery to Investors after the payment of existing liens, taxes, arrears and sales costs. A strong majority of the Investors are aware of this and have confirmed their support for repairing and re-opening BGH.

12. There are two groups of Investors at this point, those that have supported the request to vary the Order so as to allow the BGH to re-open, and those that have simply not replied. There are no Investors that have indicated opposition to this plan. There are, however, Investors that have simply abstained from responding and commenting.

13. This matter must remain as confidential as is possible. Keeping confidential the details of the mortgage, including the course, rates, and terms, the details of the brand franchise agreement, and the identity and personal information of all investors including amounts invested by each investor will ensure that the financing that is being sought goes through and protect the identity of the investors. The main purpose of the request to vary the Order is to allow the repairing, re-opening and reactivating BGH so that the Investors have the opportunity to have their investments returned. Given the high profile nature of this matter and the desire on the part of the media to sensationalize it, confidentiality at a minimum, should be accomplished by way of the redaction of financial and personal information from the record pursuant to subrule 8(4) of the Capital Markets Tribunal Rules of Procedure, and by having a portion of the hearing held in a non-public forum pursuant to subrule 8(2) of the Capital Markets Tribunal Rules of Procedure. These accommodations are critical so as to not interfere with the Buffalo Grand Hotel process, which in the end is for the benefit of the Investors.

14. Such other grounds as counsel may advise.

C. EVIDENCE

The Applicants intend to rely on the following evidence at the hearing:

1. The affidavit of Harry Stinson, to be sworn, with all exhibits attached thereto.

2. Such other evidence as counsel may advise and the Tribunal permit.

DATED this 20 day of August 2025

WELLENREITER LLP
280 Pains Road West,
Burlington, Ontario L7T 1G4

Richard A. Wellenreiter
(LOS#37380U)
rwellenreiter@wellenreiterllp.ca

Tel: (905) 529-4520
Fax: (905) 529-7943
Lawyers for the Applicants

This page intentionally left blank

A.2
Other Notices

A.2.1 Harry Stinson et al.

FOR IMMEDIATE RELEASE
August 27, 2025

HARRY STINSON,
BUFFALO GRAND HOTEL INC.,
STINSON HOSPITALITY MANAGEMENT INC.,
STINSON HOSPITALITY CORP.,
RESTORATION FUNDING CORPORATION,
BUFFALO CENTRAL LLC, AND
STEPHEN KELLEY AND
ONTARIO SECURITIES COMMISSION,
File No. 2025-13

TORONTO – The Tribunal issued a Notice of Hearing to consider the application for a revocation or variation made by Harry Stinson and Buffalo Grand Hotel Inc. in respect of the Capital Markets Tribunal order issued on December 15, 2023, in file number 2022-3.

The hearing will be held on September 4, 2025 at 2:00 p.m. by videoconference.

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

A copy of the Notice of Hearing dated August 26, 2025 and the Application dated August 20, 2025 are available at capitalmarketstribunal.ca.

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

Subscribe to notices and other alerts from the Capital Markets Tribunal:

https://www.capitalmarketstribunal.ca/en/news/subscribe

For Media Inquiries:

media_inquiries@osc.gov.on.ca

For General Inquiries:

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

A.2.2 Jack Marks et al.

FOR IMMEDIATE RELEASE
August 28, 2025

JACK MARKS AND
CNSX MARKETS INC. AND
ONTARIO SECURITIES COMMISSION,
File No. 2025-11

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

A copy of the Order dated August 28, 2025 is available at capitalmarketstribunal.ca.

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

Subscribe to notices and other alerts from the Capital Markets Tribunal:

https://www.capitalmarketstribunal.ca/en/news/subscribe

For Media Inquiries:

media_inquiries@osc.gov.on.ca

For General Inquiries:

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

This page intentionally left blank

A.3
Orders

A.3.1 Jack Marks et al. – ss. 8, 21.7

JACK MARKS

(Applicant)

AND

CNSX MARKETS INC. AND ONTARIO SECURITIES COMMISSION

(Respondents)

File No. 2025-11

Adjudicator: Andrea Burke

August 28, 2025

ORDER

Sections 8 and 21.7 of the *Securities Act*, RSO 1990, c S.5

WHEREAS on August 28, 2025, the Capital Markets Tribunal held a hearing by videoconference regarding the application dated June 19, 2025, made by Jack Marks, to review a decision of the Panel of Board of Directors of CNSX Markets Inc. dated May 21, 2025;

ON HEARING the submissions of the representatives for Jack Marks, CNSX Markets Inc. (**CNSX**), and the Ontario Securities Commission;

IT IS ORDERED THAT:

1. CNSX shall serve and file the record of the original proceeding by no later than 4:30 p.m. EDT on September 19, 2025;

2. Jack Marks and CNSX shall each serve and file any motion record to introduce new evidence by no later than 4:30 p.m. EDT on September 26, 2025;

3. Jack Marks and CNSX shall each serve and file written submissions on any new evidence motion brought by them by no later than 4:30 p.m. EDT on October 10, 2025;

4. Jack Marks and CNSX shall each serve and file responding written submissions on any new evidence motion by no later than 4:30 p.m. EDT on October 24, 2025;

5. Jack Marks shall serve and file written submission on the merits of the application by no later than 4:30 p.m. EST on November 3, 2025;

6. CNSX shall serve and file responding written submissions on the merits of the application by no later than 4:30 p.m. EST on November 7, 2025;

7. the Ontario Securities Commission shall serve and file written submissions, if any, with respect to any new evidence motions by no later than 4:30 p.m. EDT on October 24, 2025 and with respect to the merits of the application by no later than 4:30 p.m. EST on November 7, 2025;

8. the hearing with respect to any new evidence motions and the merits of the application shall commence on November 12, 2025 at 11:00 a.m. EST, at the Capital Markets Tribunal located at 20 Queen Street West, 17th Floor, Toronto, Ontario, and shall continue on November 14, 2025, commencing at 11:00 a.m. EST, or as may be agreed to by the parties and set by the Governance and Tribunal Secretariat.

"Andrea Burke"

This page intentionally left blank

B. Ontario Securities Commission

B.1
Notices

B.1.1 Notice of Coming into Force of OSC Rule 11-502 Distribution of Amounts Received by the OSC under Disgorgement Orders and Payment of Related Administrative Costs and OSC Rule 11-503 (Commodity Futures Act) Distribution of Amounts Received by the OSC under Disgorgement Orders and Payment of Related Administrative Costs

NOTICE OF COMING INTO FORCE OF
OSC RULE 11-502
DISTRIBUTION OF AMOUNTS RECEIVED BY THE OSC
UNDER DISGORGEMENT ORDERS AND PAYMENT OF RELATED ADMINISTRATIVE COSTS
AND
OSC RULE 11-503
(COMMODITY FUTURES ACT) DISTRIBUTION OF AMOUNTS RECEIVED BY THE OSC
UNDER DISGORGEMENT ORDERS AND PAYMENT OF RELATED ADMINISTRATIVE COSTS

September 4, 2025

On September 1, 2025, the following rules came into force:

- OSC Rule 11-502 *Distribution of Amounts Received by the OSC under Disgorgement Orders and Payment of Related Administrative Costs*; and
- OSC Rule 11-503 *(Commodity Futures Act) Distribution of Amounts Received by the OSC under Disgorgement Orders and Payment of Related Administrative Costs* (together, the **Rules**).

In connection with the Rules, the Ontario Securities Commission also adopted:

- Companion Policy 11-502 *Distribution of Amounts Received by the OSC under Disgorgement Orders and Payment of Related Administrative Costs*; and
- Companion Policy 11-503 *(Commodity Futures Act) Distribution of Amounts Received by the OSC under Disgorgement Orders and Payment of Related Administrative Costs* (together, the **Companion Policies**).

The above material was published on June 12, 2025.

The Rules have been approved by the Minister of Finance.

The text of the Rules and the Companion Policies is published in Chapter 5 of this Bulletin.

Effective Date

The Rules come into force on the day on which sections 6, 7 and 10 of Schedule 1, sections 8, 9, and subsections 11(2) and (5) of Schedule 10, and section 1 of Schedule 11 of the *Building a Strong Ontario Together Act (Budget Measures), 2023* (Ontario) are proclaimed into force. The Lieutenant Governor named September 1, 2025 as the day on which sections 6, 7 and 10 of Schedule 1, sections 8, 9, and subsections 11(2) and (5) of Schedule 10, and section 1 of Schedule 11 of the *Building a Strong Ontario Together Act (Budget Measures), 2023* (Ontario) come into force.

Accordingly, the Rules and Companion Policies are effective September 1, 2025.

This page intentionally left blank

B.2
Orders

B.2.1 Ontario Securities Commission – s. 3(1) of the OSA

IN THE MATTER OF
THE *SECURITIES ACT*
RSO 1990, C S.5

AND

IN THE MATTER OF
THE DELEGATION OF
CERTAIN POWERS AND DUTIES OF
THE ONTARIO SECURITIES COMMISSION

DELEGATION
(Subsection 3(1))

WHEREAS:

A. Effective September 20, 2022, pursuant to subsection 3(1) of the *Securities Act* (the "**Act**"), the Ontario Securities Commission (the "**Commission**") issued delegation order (the "**September 20, 2022 Delegation**") delegating certain of its powers and duties under the Act to the Chief Executive Officer of the Commission and each "Director" as that term is defined in subsection 1(1) of the Act;

B. the Commission considers it desirable to amend and restate the September 20, 2022 Delegation;

NOW THEREFORE:

1. The September 20, 2022 Delegation is revoked, without prejudice to the effectiveness of any lawful exercise prior to the date of this revocation of the powers and duties assigned thereby, and is hereby replaced with the following delegation (the "**Delegation**").

2. Pursuant to subsection 3(1) of the Act, the Commission delegates to each Director, acting individually, the powers and duties vested in or imposed on the Commission by

   (a) subsections 1(10), 1(11), 127(1.1), and 127(4.1), and sections 11, 12, 20, 50, 62, 70, 73.3, 74, 80, 88, 113, 115, 117, 121, 122, 146, and 147 of the Act and National Instrument 81-105 *Mutual Fund Sales Practices*;

   (b) Parts VIII, IX and X of the Act but only in respect of matters that

      (i) do not raise significant regulatory or public interest concerns, and

      (ii) do not introduce a novel feature to the capital markets; and

   (c) section 128.1 of the Act and OSC Rule 11-502 *Distribution of Amounts Received by the OSC under Disgorgement Orders and Payment of Related Administrative Costs*;

   (d) section 144 of the Act, to revoke or vary

      (i) any decision described in paragraph (a) or (c),

      (ii) any decision described in paragraph (b), but only if the decision to revoke or vary

         1. does not raise significant regulatory or public interest concerns, and

         2. does not introduce a novel feature to the capital markets;

      (iii) any decision made by a Director under authority assigned to the Director pursuant to the May 2016 Assignment or any predecessor assignment under subsection 6(3) of the Act, and

(iv) any decision made under section 144 of the Act, but only if at the time of revoking or varying that decision, the Director would have been authorized to make the decision being varied or revoked.

3. The Chief Executive Officer of the Commission shall from time to time determine which one or more other Directors, in each case acting alone, should, as an administrative matter, exercise each of the powers or perform each of the duties delegated by the Commission in paragraph 2 above, each of which powers and duties may also be exercised and performed by the Chief Executive Officer, acting alone.

4. Pursuant to subsection 3(1) of the Act, the Commission delegates to the Chief Executive Officer of the Commission the powers and duties vested in or imposed on the Commission by

(a) subsections 20.1(3), 127(5.1), and 143.11(2), and sections 37, 126, and 140 of the Act;

(b) section 153 of the Act, to determine that information should be maintained in confidence; and

(c) section 144 of the Act, to revoke or vary

(i) any decision described in paragraph (a) or (b), and

(ii) any decision made under section 144 of the Act, but only if at the time of revoking or varying that decision, the Chief Executive Officer would have been authorized to make the decision being varied or revoked.

5. Pursuant to subsection 3(1) of the Act, the Commission delegates to the Chief Executive Officer of the Commission the powers and duties vested in or imposed on the Commission by

(a) Parts VIII, IX and X of the Act; and

(b) section 144 of the Act, to vary any decision described in paragraph (a),

but only if

(c) at the time of exercising the power or performing the duty, there are extraordinary circumstances, within the meaning of subsection 2.2(2) of the Act, that require immediate action to be taken under this section in the public interest; and

(d) any decision made under this paragraph expires no later than 10 days after the day on which it is made.

6. Pursuant to subsection 3(1) of the Act, the Commission delegates to each Executive Director of the Commission, acting individually, each of the powers and duties described in paragraphs 3, 4 and 5 above, but only if, at the time of exercising the power or performing the duty, the Chief Executive Officer is absent or unable to act.

7. The Chief Executive Officer shall notify the members of the Commission's board of directors if there are extraordinary circumstances, within the meaning of subsection 2.2(2) of the Act, that require action to be taken by the Chief Executive Officer under paragraph 5 above.

8. An Executive Director shall notify the members of the Commission's board of directors if the Chief Executive Officer is absent or unable to act and the Executive Directors are required to exercise powers or perform duties under paragraph 6 above.

9. No person or company shall be required to inquire as to the authority of a member of the staff of the Commission to sign a decision pursuant to this Delegation in the capacity of a Director, and a decision purporting to be signed pursuant to this Delegation by a member of the staff of the Commission in the capacity of a Director shall be conclusively deemed to have been signed by a Director authorized by this Delegation without proof of such authority.

10. This Delegation does not preclude the Commission from itself exercising or performing any of the delegated powers or duties.

11. This Order is effective on July 9, 2025.

Board Approved: **July 9, 2025**

B.2.2 Ontario Securities Commission – s. 2.3(1) of the CFA

IN THE MATTER OF
THE *COMMODITY FUTURES ACT*
RSO 1990, C S.20

AND

IN THE MATTER OF
THE DELEGATION OF
CERTAIN POWERS AND DUTIES OF
THE ONTARIO SECURITIES COMMISSION

DELEGATION
(Subsection 2.3(1))

WHEREAS:

A. Effective September 20, 2022, pursuant to subsection 2.3(1) of the *Commodity Futures Act* (the "**Act**"), the Ontario Securities Commission (the "**Commission**") issued a delegation order (the "**September 20, 2022 Delegation**") delegating certain of its powers and duties under the Act to the Chief Executive Officer of the Commission and each "Director" as that term is defined in subsection 1(1) of the Act;

B. the Commission considers it desirable to amend and restate the September 20, 2022 Delegation;

NOW THEREFORE:

1. The September 20, 2022 Delegation is revoked, without prejudice to the effectiveness of any lawful exercise prior to the date of this revocation of the powers and duties assigned thereby, and is hereby replaced with the following delegation (the "**Delegation**").

2. Pursuant to subsection 2.3(1) of the Act, the Commission assigns to each Director, acting individually, the powers and duties vested in or imposed on the Commission by

   (a) subsections 38(1), 46(6), 60(1.1), 79(1), and sections 7, 8, 14.1, 21.4, 24, 54, 55, and 80 of the Act;

   (b) Parts VI, VII and X of the Act but only in respect of matters that

      (i) do not raise significant regulatory or public interest concerns, and

      (ii) do not introduce a novel feature to the capital markets; and

   (c) section 60.2.1 of the Act and OSC Rule 11-503 *(Commodity Futures Act) Distribution of Amounts Received by the OSC under Disgorgement Orders and Payment of Related Administrative Costs*;

   (d) section 78 of the Act, to revoke or vary

      (ii) any decision described in paragraph (a) or (c),

      (iii) and decision described in paragraph (b), but only if the decision to revoke or vary

         1. does not raise significant regulatory or public interest concerns, and

         2. does not introduce a novel feature to the capital markets; and

      (iv) any decision made under section 78 of the Act, but only if at the time of revoking or varying that decision, the Director would have been authorized to make the decision being varied or revoked.

3. The Chief Executive Officer of the Commission shall from time to time determine which one or more other Directors, in each case acting alone, should, as an administrative matter, exercise each of the powers or perform each of the duties delegated by the Commission in paragraph 2 above, each of which powers and duties may also be exercised and performed by the Chief Executive Officer, acting alone.

4. Pursuant to subsection 2.3(1) of the Act, the Commission delegates to the Chief Executive Officer of the Commission the powers and duties vested in or imposed on the Commission by

(a) subsections 48(1), 59(1), 60(4), 60(4.1), and 75(2), and section 63 of the Act;

(b) section 85 of the Act, to determine that information should be maintained in confidence; and

(c) section 78 of the Act, to revoke or vary

(i) any decision described under paragraph (a) or (b), and

(ii) Any decision made under section 78 of the Act, but only if at the time of revoking or varying that decision, the Chief Executive Officer would have been authorized to make the decision being varied or revoked.

5. Pursuant to subsection 2.3(1) of the Act, the Commission delegates to the Chief Executive Officer of the Commission the powers and duties vested in or imposed on the Commission by

(a) Parts VI, VII and X of the Act; and

(b) section 78 of the Act, to vary any decision described in paragraph (a),

but only if

(c) at the time of exercising the power or performing the duty, there are extraordinary circumstances, within the meaning of subsection 2.2(2) of the Act, that require immediate action to be taken under this section in the public interest; and

(d) any decision made under this paragraph expires no later than 10 days after the day on which it is made.

6. Pursuant to subsection 2.3(1) of the Act, the Commission delegates to each Executive Director of the Commission, acting individually, each of the powers and duties described in paragraphs 3, 4 and 5 above, but only if, at the time of exercising the power or performing the duty, the Chief Executive Officer is absent or unable to act.

7. The Chief Executive Officer shall notify the members of the Commission's board of directors if there are extraordinary circumstances, within the meaning of subsection 2.2(2) of the Act, that require action to be taken by the Chief Executive Officer under paragraph 5 above.

8. An Executive Director shall notify the members of the Commission's board of directors if the Chief Executive Officer is absent or unable to act and the Executive Directors are required to exercise powers or perform duties under paragraph 6 above.

9. No person or company shall be required to inquire as to the authority of a member of the staff of the Commission to sign a decision pursuant to this Delegation in the capacity of a Director, and a decision purporting to be signed pursuant to this Delegation by a member of the staff of the Commission in the capacity of a Director shall be conclusively deemed to have been signed by a Director authorized by this Delegation without proof of such authority.

10. This Delegation does not preclude the Commission from itself exercising or performing any of the delegated powers or duties.

11. This Order is effective on July 9, 2025.

Board Approved: **July 9, 2025**

B.2.3 Till25 Capital Corp.

Headnote

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

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

Applicable Legislative Provisions

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

2025 BCSECCOM 383

August 27, 2025

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

AND

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

AND

IN THE MATTER OF
TILL25 CAPITAL 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 not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*;

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

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

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

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

Order

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

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

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

OSC File #: 2025/0501

B.3
Reasons and Decisions

B.3.1 JPMorgan Asset Management (Canada) Inc.

Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 81-102 Investment Funds – An investment fund seeks relief from the illiquid asset concentration limits in section 2.4 of NI 81-102 – The securities will be eligible for resale under the registration exemption in Rule 144A of the US Securities Act; the securities will not be illiquid assets under part (a) of the definition in NI 81-102; the securities will be traded on a mature and liquid market; investors will be provided with disclosure of the relief provided.

Applicable Legislative Provisions

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

2025 BCSECCOM 382

August 26, 2025

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

AND

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

AND

IN THE MATTER OF
JPMORGAN ASSET MANAGEMENT (CANADA) INC.
(the Filer)

DECISION

Background

¶ 1 The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer, on behalf of all current and future investment funds that are, or will be, managed by the Filer or an affiliate of the Filer and to which National Instrument 81-102 Investment Funds (NI 81-102) applies (each, a JPM Fund and collectively, the JPM Funds) for a decision under the securities legislation of the Jurisdiction of the principal regulator (the Legislation) for relief from the restrictions that apply to purchasing or holding illiquid assets under section 2.4 of NI 81-102 to permit:

(a) a JPM Fund to purchase fixed income securities that, at the time of purchase, qualify for, and may be traded pursuant to, the exemption from the registration requirements of the Securities Act of 1933, as amended (the US Securities Act), as set out in Rule 144A of the US Securities Act (Rule 144A) for resales of certain fixed income securities (144A Securities) to Qualified Institutional Buyers (as defined below), in excess of 10% of the JPM Fund's net asset value if the JPM Fund is a mutual fund and in excess of 20% of the JPM Fund's net asset value if the JPM Fund is a non-redeemable investment fund;

(b) a JPM Fund to hold 144A Securities for a period of 90 days or more, in excess of 15% of the JPM Fund's net asset value if the JPM Fund is a mutual fund and in excess of 25% of the JPM Fund's net asset value if the JPM Fund is a non-redeemable investment fund; and

(c) a JPM Fund to not be required to take steps to reduce the JPM Fund's holdings of 144A Securities to (i) 15% of the JPM Fund's net asset value if the JPM Fund is a mutual fund and its holdings of 144A Securities exceeds 15% of the JPM Fund's net asset value, or (ii) 25% of the JPM Fund's net asset value if the JPM Fund is a non-redeemable investment fund and its holdings of 144A Securities exceeds 25% of the JPM Fund's net asset value (collectively, the Exemption Sought).

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

(a) the British Columbia Securities Commission is the principal regulator for the 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 all of the provinces and territories of Canada other than the Jurisdictions (together with the Jurisdictions, the Applicable Jurisdictions); and

(c) the decision is the decision of the principal regulator and evidences the decision of the securities regulator in Ontario.

Interpretation

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

IRC means the applicable independent review committee of each of the JPM Funds.

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

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

Rule 144 means Rule 144 of the US Securities Act.

Representations

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

The Filer

1. The Filer is a corporation formed by amalgamation pursuant to a certificate of amalgamation, dated August 3, 2004, as amended by a certificate of amendment dated February 24, 2005, under the laws of Canada.

2. The Filer is registered in the category of investment fund manager in British Columbia, Newfoundland and Labrador, Ontario and Québec and an exempt market dealer and portfolio manager in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, the Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Québec and Saskatchewan. The head office of the Filer is in Vancouver, British Columbia.

3. The Filer, or an affiliate of the Filer is, or will be, the investment fund manager of the JPM Funds and the Filer, an affiliate of the Filer or a third-party portfolio manager retained by the Filer is, or will be, the portfolio manager of the JPM Funds.

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

The JPM Funds

5. Each JPM Fund is, or will be, an investment fund organized and governed by the laws of an Applicable Jurisdiction or the laws of Canada.

6. NI 81-102 will apply to each JPM Fund unless the JPM Fund has obtained an exemption from NI 81-102 granted by the securities regulatory authorities.

7. No existing JPM Fund is in default of securities legislation in any of the Applicable Jurisdictions.

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

8. Pursuant to section 1.1 of NI 81-102, an illiquid asset is defined as:

   (a) a portfolio asset that cannot be readily disposed of through market facilities on which public quotations in common use are widely available at an amount that at least approximates the amount at which the portfolio asset is valued in calculating the net asset value per security of the investment fund; or

   (b) a restricted security held by an investment fund.

9. Rule 144A provides an exemption from the registration requirements of the US Securities Act for resales of unregistered securities to Qualified Institutional Buyers. Rule 144A also requires that there must be adequate current public information about the issuing company before the sale can be made.

10. The definition of a Qualified Institutional Buyer under §230.144A of the US Securities Act includes entities that, in the aggregate, own and invest on a discretionary basis at least USD$100 million in securities of issuers that are not affiliated with such entity.

11. While issuers themselves cannot rely on Rule 144A, as Rule 144A provides an exemption for resales of unregistered securities, the existence of Rule 144A allows financial intermediaries to purchase unregistered securities from issuers and resell the securities to Qualified Institutional Buyers in transactions that comply with Rule 144A without registering such securities.

12. As part of such Rule 144A distributions, financial intermediaries and other holders of the securities also routinely resell the securities to purchasers outside of the United States pursuant to Rule 904 of Regulation S (Reg. S Purchasers) without registering such securities to the extent the note indenture facilitates such Regulation S sales (which is typical in the market except for some limited offerings). The securities sold under Regulation S are represented by a separate global note (the Reg. S Global Note) from the global note representing securities sold under the Rule 144A exemption (the 144A Global Note), but the securities represented by the Reg. S Global Note can be resold to Qualified Institutional Buyers in the same manner as the securities represented by the 144A Global Note. The securities represented by the Reg. S Global Note and the 144A Global Note are fungible and of equal value; at any time, any holder of such securities may transfer such securities to a U.S. Qualified Institutional Buyer or to a non-U.S. Reg. S Purchaser, and accordingly the securities have the same value and are fungible upon transfer. All such securities are referred to as 144A Securities in this decision and the Filer confirms that these 144A Securities have the same liquidity in the hands of the Fund or of any other holder regardless of whether they are represented by the Reg. S Global Note or the 144A Global Note.

13. Pursuant to the terms of the US Securities Act, public resales of 144A Securities (including securities represented by a 144A Global Note or a Reg. S Global Note) to non-Qualified Institutional Buyers must be conducted in reliance upon other available exemptions, such as Rule 144 or Regulation S. Rule 144 allows a seller to sell 144A Securities to a purchaser who does not qualify as a Qualified Institutional Buyer after a prescribed period of time (ranging from six months to one year after issuance), if certain other reporting requirements of the issuer are satisfied.

14. Despite the foregoing, 144A Securities are immediately freely tradable among Qualified Institutional Buyers in accordance with Rule 144A without any holding periods. 144A Securities may also be sold to and purchased by non-Qualified Institutional Buyers at any time after registration of the securities, or pursuant to another exemption from registration under the US Securities Act, if any exemption is available at that time.

15. Because Rule 144A restricts resale of 144A Securities to investors that are not Qualified Institutional Buyers and are also not non-U.S. persons for a period of time or until certain conditions are satisfied, they are restricted securities for the purposes of the part (b) definition of an illiquid asset under section 1.1 of NI 81-102, and each JPM Fund's holdings of 144A Securities would be subject to the limits on holdings of illiquid assets in section 2.4 of NI 81-102 (the Illiquid Asset Restrictions).

Reasons for the Exemption Sought

16. The Filer is of the view that certain 144A Securities provide an attractive investment opportunity for the JPM Funds and that, from time to time, it will be desirable for the JPM Funds to hold 144A Securities in excess of the Illiquid Asset Restrictions. As 144A Securities are illiquid assets under section 1.1 of NI 81-102, the JPM Funds are unable to pursue these investment opportunities without breaching the Illiquid Asset Restrictions.

17. The ability to freely trade 144A Securities pursuant to Rule 144A has substantially reduced the discounts and illiquidity that were present in unregistered offerings historically. The market for 144A Securities consists of a

very deep pool of Qualified Institutional Buyers (as well as to non-U.S. persons if the relevant note indenture permits sales under Regulation S).

18. The most liquid 144A Securities have traded with comparable volumes to the most liquid corporate debt registered securities over the past few years. The segment of the U.S. investment grade corporate bond market that is made up of 144A Securities has grown substantially over the past 15 years. The segment of the U.S. high-yield corporate bond market that is made up of 144A Securities has also grown significantly over the past decade.

19. Daily market quotations are obtained in the same way through fixed income market platforms for 144A Securities as they are for registered securities. Real-time price quotes and market trade data are available for 144A Securities. Many fixed income trades including 144A Securities, are reported within minutes into the Trade Reporting and Compliance Engine, a program initially developed by the National Association of Securities Dealers, Inc. (now the Financial Industry Regulatory Authority, Inc.) that provides for the reporting of over-the-counter transactions pertaining to eligible fixed income securities, including 144A Securities, thus meeting market integrity requirements.

20. A JPM Fund that purchases 144A Securities (including as a Reg. S Purchaser of a security that is represented by a Reg. S Global Note) may trade those 144A Securities to any Qualified Institutional Buyer without further restriction (i.e. not subject to any holding period). Typically, a JPM Fund would sell 144A Securities to other brokers or dealers that are Qualified Institutional Buyers themselves, who would then on-sell the securities to other Qualified Institutional Buyers.

21. A JPM Fund is not required, at any time, have or to maintain Qualified Institutional Buyer status in order to be able to resell its holdings of 144A Securities to Qualified Institutional Buyers at any time.

22. In the course of determining the potential liquidity of a security, the Filer or its sub-advisor may use several factors including, but not limited to, market volatility, trending credit quality, current valuation, maturity, size of the tranche or offering, the applicable underwriters, the status of well-covered credit or first-time issuer, index eligibility, and in the case of 144A Securities, whether the security falls under 144A for life status (i.e. an offering that is not registered with the SEC and may, therefore, be considered less liquid than a 144A offering with registration rights). As a result, the Filer is of the view that it or its sub-advisor can determine whether a given 144A Security would have sufficient liquidity and market transparency such that it would not qualify as an illiquid asset under part (a) of the section 1.1 definition.

23. The Filer is of the view that it has the tools, resources and expertise necessary to assess issuances of 144A Securities and to evaluate the creditworthiness of issuers on a per issuance basis. The Filer or its sub-advisor have the ability to conduct sufficient analysis and should have the opportunity to invest in 144A Securities.

24. The purpose of the Illiquid Asset Restrictions is to govern a core investment fund principle: investors should be able to redeem mutual fund securities and, where applicable, non-redeemable investment fund securities on demand. Considering that 144A Securities trade in an active institutional market, the Filer is of the view that 144A Securities can be liquid relative to a JPM Fund's need to satisfy redemptions. The result of the current part (b) definition of an illiquid asset in NI 81-102 is that all 144A Securities may be deemed illiquid assets, whereas 144A Securities may be more liquid than other types of securities that meet the liquidity criteria set out in NI 81-102.

25. The Filer is of the view that granting the Exemption Sought will not result in a JPM Fund being unable to satisfy redemption requests. Investing in 144A Securities may actually be more beneficial to the JPM Funds than various other securities in which the JPM Funds may invest, and the liquidity determination regarding any such 144A Securities should be made on the actual trading liquidity of the security and any restrictions on the security and not simply based on the manner in which the security was offered into the market.

26. The Filer or its sub-advisor maintains investor protection policies and procedures that address liquidity risk, and uses a combination of risk management tools, which include (i) IRC approved governance policies that have been adopted to protect investors in the JPM Funds, (ii) internal portfolio manager notification of cash flows into the JPM Funds, (iii) ongoing liquidity monitoring of each JPM Fund's portfolio, (iv) daily cash projection for the JPM Funds, and (v) the consideration of factors set out in paragraph 22 above in order to assess the potential liquidity of a security.

27. If a JPM Fund is not permitted to freely resell 144A Securities to Qualified Institutional Buyers, then the Filer will arrange to immediately restrict any further purchases of 144A Securities until such time as the JPM Fund regains its ability to freely resell 144A Securities to a Qualified Institutional Buyer.

28. If the Filer determines that a 144A Security qualifies as an illiquid asset under part (a) of the section 1.1 definition in NI 81-102, then the Filer will restrict any further purchases of illiquid assets (including such 144A Security that meets the definition under part (a) of section 1.1 definition of NI 81-102) that are in excess of the thresholds set out section 2.4 of NI 81-102.

29. The Filer is of the view that if the JPM Funds continue to be unable to trade 144A Securities that are illiquid assets under part (b) of the definition but not under part (a), the JPM Funds and their investors would lose out on potential investment opportunities in the fixed income space. The Filer is of the view that every basis point counts towards the total return opportunity of fixed income investors and investors would benefit from an expanded investment universe.

Decision

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

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

(a) the 144A Securities purchased pursuant to the Exemption Sought are not illiquid assets under part (a) of the section 1.1 definition of an illiquid asset in NI 81-102;

(b) the 144A Securities purchased pursuant to the Exemption Sought are traded on a mature and liquid market; and

(c) the prospectus of each JPM Fund relying on the Exemption Sought discloses or will disclose in the next renewal of its prospectus following the date of this decision, the fact that the Fund has obtained the Exemption Sought.

“Gordon Johnson”
Vice Chair
British Columbia Securities Commission

B.3.2 Remgro Limited

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief from prospectus requirements to allow South African company to distribute shares of another South African entity to shareholders of the company on a pro rata basis and by way of a dividend in specie – distribution not covered by legislative exemptions – company is a public company in South Africa but is not a reporting issuer in Canada – company has a de minimis presence in Canada – no investment decision required from Canadian shareholders in order to receive distributions.

Applicable Legislative Provisions

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

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
REMGRO LIMITED
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the **Legislation**) for an exemption (the **Exemption Sought**) from the prospectus requirement of section 53 of the *Securities Act* (Ontario) in connection with the proposed distribution (the **Distribution**) by the Filer of all of the N ordinary shares (the **Unbundling Shares**) in eMedia Holdings Limited (**EMH**) held by the Filer by way of a dividend in specie on a pro rata basis to all holders (the **Filer Shareholders**) of ordinary shares and Class B ordinary shares of the Filer (collectively, **Filer Shares**), which includes Filer Shareholders resident in Canada (the **Filer Canadian Shareholders**).

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

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

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

Interpretation

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

Representations

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

1. The Filer was incorporated under the laws of the Republic of South Africa on June 12, 1968. The Filer is a diversified investment holding company with investments in, amongst others, the healthcare, consumer products, insurance, industrial, infrastructure, media and sport industries. The Filer's head and registered office is located at Millennia Park, 16 Stellentia Avenue, Stellenbosch, South Africa 7600.

2. The authorized capital of the Filer consists of 1,000,000,000 ordinary shares with no par value and 100,000,000 Class B ordinary shares with no par value. As of May 30, 2025, there were 529,217,007 ordinary shares issued and outstanding and 39,056,987 Class B ordinary shares issued and outstanding. The only difference between the ordinary shares and

the Class B ordinary shares is that the Class B ordinary shares have ten (10) times the voting rights of the ordinary shares. The ordinary shares and the Class B ordinary shares rank *pari passu* in all other respects, including in respect of dividends. All of the Class B ordinary shares are held by Rupert Beleggings Proprietary Limited, a Filer Shareholder which is not a Filer Canadian Shareholder.

3. The ordinary shares of the Filer (but not the Class B ordinary shares) are listed on the Johannesburg Stock Exchange (**JSE**). Effective January 3, 2022, the Filer obtained a secondary listing on the A2X Markets Exchange (**A2X**), an alternative South African stock exchange to the JSE. Other than the foregoing listings on the JSE and A2X, no securities of the Filer are listed or posted for trading on any other exchange or market in Canada or outside of Canada. The Filer is not a reporting issuer, and has no intention of becoming a reporting issuer, in any jurisdiction of Canada. The Filer has no intention to list its securities on any stock exchange in Canada.

4. Pursuant to the listings requirements of the JSE (the **JSE Listings Requirements**), the South African Companies Act 71 of 2008 (the **Companies Act**), and the Financial Markets Act 19 of 2012 (the **Financial Markets Act**), the Filer is subject to regular filing and reporting requirements in South Africa, including the publication of interim and annual audited financial statements, the announcement of any material transactions, the announcement of dividend declarations, the announcement of changes in the Filer's board of directors and the announcement of dealing in Filer Shares by its directors. For the purposes of the Transaction (as defined below), the Filer is not required to make any additional disclosures under the listing requirements of A2X.

5. According to a geographic breakdown of shareholders prepared for the Filer by Computershare Investor Services (Proprietary) Limited (the Filer's transfer secretaries) (**Computershare**), as at May 30, 2025, there were two (2) registered Filer Canadian Shareholders and fourteen (14) beneficial Filer Canadian Shareholders holding 67,158 ordinary shares, in the aggregate representing approximately 0.01182% of the outstanding ordinary shares of the Filer (i.e. including both ordinary shares and Class B ordinary shares). The Filer does not expect these numbers to have materially changed since that date.

6. Based on the information above, the number of Filer Canadian Shareholders and the proportion of Filer Shares held by such shareholders are de minimis.

7. Subject to applicable law and certain exceptions with respect to the entitlement to fractional shares, as described below, and any jurisdictions where the distribution is illegal, the Filer proposes to distribute all of the Unbundling Shares owned by it, on a pro rata basis and by way of a special dividend in specie, to the Filer Shareholders as of a record date to be declared by the Filer's board of directors. The record date is subject to the fulfilment of various conditions precedent encapsulated in the Transaction implementation agreement. The longstop date for the conditions precedent to be met is December 5, 2025, and accordingly the implementation of the Transaction and the Distribution is expected to take place during the third quarter of 2025.

8. EMH (previously known as Seardel Investment Corporation Limited, with its name changed to eMedia Holdings Limited effective on November 30, 2015) was incorporated under the laws of the Republic of South Africa on September 25, 1968. EMH is a diversified media and broadcasting services holding company. EMH's head and registered office is located at 4 Albury Road, Dunkeld West, Randburg, Gauteng, South Africa, 2196.

9. EMH's authorized capital consists of 70,000,000 ordinary shares with no par value (the **EMH Ordinary Shares**) and 1,055,000,000 N ordinary shares with no par value (the **EMH N Shares**). As of June 23, 2025, 63,810,244 EMH Ordinary Shares and 379,058,796 EMH N Shares were issued and outstanding.

10. The EMH N Shares are listed on the JSE. Other than the foregoing listing on the JSE, no securities of EMH are listed or posted for trading on any other exchange or market in Canada or outside of Canada. EMH is not a reporting issuer, and has no intention of becoming a reporting issuer, in any jurisdiction of Canada. EMH has no intention to list its securities on any stock exchange in Canada after the completion of the Transaction.

11. EMH is subject to regular filing and reporting requirements in South Africa, as prescribed in the JSE Listings Requirements, the Companies Act and the Financial Markets Act, including the publication of interim and annual audited financial statements, the announcement of any material transactions, the announcement of dividend declarations, the announcement of changes in its board of directors and the announcement of dealing in its shares by its directors.

12. Pursuant to a sequence of transaction steps which the Filer and EMH have agreed to implement (the **Transaction**), the Filer will acquire 238,472,945 EMH N Shares, representing 38.61712% of the issued and outstanding EMH N Shares. On the final record date of the Distribution, the Filer will hold 238,472,945 EMH N Shares, representing 35.00048% of the total issued and outstanding EMH shares (i.e. including both EMH Ordinary Shares and EMH N Shares). As of the date hereof, the Filer does not directly or indirectly hold any shares in EMH and has no intention of acquiring any shares in EMH other than pursuant to the Transaction.

13. Pursuant to South African law, EMH will be required to obtain shareholder approval for certain of the steps of the Transaction, as they are material corporate actions for EMH. The Transaction is not material for the Filer (being valued at less than 1% of the Filer's market capitalization) and the Filer is therefore not required to obtain shareholder approval for the Transaction nor the Distribution, but will, pursuant to the JSE Listings Requirements, be required to publish various announcements to its shareholders (the **Filer Announcements**) in relation to the Distribution.

14. The Filer Canadian Shareholders who receive the Unbundling Shares pursuant to the Distribution will, by virtue of the Filer Announcements, receive the same information as other Filer Shareholders about the ratio the Filer will use to compute the number of Unbundling Shares distributed per Filer Share, how fractional shares will be treated and the expected tax consequences of the Distribution. The Filer Canadian Shareholders will have access to all disclosure documents of the Filer (the **Disclosure Documents**) via the Filer's website, as such documents are available to any other Filer Shareholders.

15. The Filer Canadian Shareholders who receive the Unbundling Shares pursuant to the Distribution will have the benefit of the same rights and remedies in respect of the Disclosure Documents that are available to Filer Shareholders resident in South Africa.

16. The Filer Shareholders will not be required to pay any cash, deliver any other consideration or surrender or exchange their Filer Shares, or take any other action in order to receive the Unbundling Shares in connection with the Distribution. The Distribution will not cancel or affect the number of outstanding Filer Shares and the Filer Shareholders will retain their certificates representing Filer Shares, if any. The Distribution will occur automatically and without any investment decision on the part of the Filer Shareholders.

17. No fractional Unbundling Shares will be distributed in connection with the Distribution. Instead, as soon as practicable following the Distribution, the distribution agent for the Distribution will aggregate all fractional Unbundling Shares into whole EMH N Shares, sell the whole EMH N Shares in the open market at prevailing market prices and distribute the net cash proceeds from the sales pro rata to each Filer Shareholder who otherwise would have been entitled to receive a fractional Unbundling Share in the Distribution.

18. According to a geographic breakdown of EMH shareholders prepared by Computershare, as at May 31, 2025, there was one (1) beneficial shareholder of EMH resident in Canada holding eighty-three (83) EMH N Shares and twenty-eight (28) EMH Ordinary Shares, representing approximately 0.012% of EMH shareholders worldwide, 0.00002% of the total number of issued and outstanding EMH N Shares and 0.00004% of the total number of issued and outstanding EMH Ordinary Shares.

19. After the Distribution, there will be approximately two (2) registered and fifteen (15) beneficial shareholders of EMH N Shares resident in Canada holding approximately 28,261 EMH N Shares (including the Unbundling Shares) in the aggregate, representing approximately 0.21% of the shareholders of EMH worldwide, 0.00458% of the issued and outstanding EMH N Shares and 0.00415% of all issued and outstanding shares in EMH (i.e. including both EMH Ordinary Shares and EMH N Shares).

20. Following the completion of the Distribution, Filer Canadian Shareholders who receive Unbundling Shares pursuant to the Distribution, to the extent they continue to hold such shares, will be treated as any other holder of EMH N Shares and will be concurrently sent the same disclosure materials required to be sent under applicable South African laws that EMH sends to its shareholders in South Africa.

21. There will be no active trading market for the EMH N Shares in Canada following the Distribution and none is expected to develop. Consequently, it is expected that any resale of EMH N Shares distributed in the Distribution will occur through the facilities of the JSE or any other exchange or market outside of Canada on which the EMH N Shares may be quoted or listed at the time that the trade occurs or to a person or company outside of Canada.

22. The Distribution to Filer Canadian Shareholders would be exempt from the prospectus requirement pursuant to subsection 2.31(2) of National Instrument 45-106 *Prospectus Exemptions* but for the fact that EMH is not a reporting issuer under the securities legislation in any jurisdiction of Canada.

23. Neither the Filer nor EMH is in default of any of its obligations under the securities legislation of any jurisdiction in Canada.

Decision

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

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted on the condition that the first trade in EMH N Shares acquired pursuant to the Distribution will be deemed to be a distribution unless the conditions in subsection

2.15(2) of National Instrument 45-102 *Resale of Securities*, subsection 2.8 of OSC Rule 72-503 *Distributions Outside Canada* or section 11 of ASC Rule 72-501 *Distributions to Purchasers Outside Alberta* are satisfied.

DATED at Toronto this 28th day of August 2025.

"Leslie Milroy"
Associate Vice President, Corporate Finance Division
Ontario Securities Commission

OSC File #: 2025/0430

B.3.3 Cerro de Pasco Resources Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 41-101 General Prospectus Requirements, s. 19 – National Instrument 51-102 Continuous Disclosure Obligations (NI 51-102), s. 13.1 – National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards, s. 5.1 – National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings, s. 8.6 – National Instrument 52-110 Audit Committees, s. 8.1 – National Instrument 58-101 Disclosure of Corporate Governance Practices, s. 3.1 – Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions , s. 9.1 – An issuer seeks relief from requirements applicable to a reporting issuer that does not have any of its securities listed or quoted on any of the Toronto Stock Exchange, Aequitas NEO Exchange Inc. (now Cboe Canada Inc.), a U.S. marketplace or a marketplace outside of Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc. (now the AQSE Growth Market operated by Aquis Stock Exchange Limited) – a venture issuer with common shares listed on the TSXV is listed on a foreign exchange that does not meet the requirements of the definition of a venture issuer; the foreign exchange is a junior market that has less rigorous requirements than the TSXV; the issuer must continue to have its common shares listed on the TSXV and the foreign exchange must remain a junior market; except for the issuer's listing of its common shares in a junior market on the foreign exchange, the issuer continues to satisfy the definition of “venture issuer” in NI 51-102.

Applicable Legislative Provisions

National Instrument 41-101 General Prospectus Requirements, s. 19.
National Instrument 51-102 Continuous Disclosure Obligations, s. 13.1.
National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards, s. 5.1.
National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings, s. 8.6.
National Instrument 52-110 Audit Committees, s. 8.1.
National Instrument 58-101 Disclosure of Corporate Governance Practices, s. 3.1.
Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions, s. 9.1.

[Original text in French]

SEDAR+ filing No: 06298325

August 22, 2025

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

AND

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

AND

IN THE MATTER OF
CERRO DE PASCO RESOURCES INC.
(the “Filer”)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (each a **Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) for relief from:

a) the requirements otherwise applicable to the Filer as a reporting issuer who is not a venture issuer in each of the following regulations, including the forms thereof (collectively, the **Regulations**):

(i) *Regulation 41-101 respecting General Prospectus Requirements*;

(ii) *Regulation 51-102 respecting Continuous Disclosure Obligations* (**Regulation 51-102**);

(iii) *Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards*;

(iv) *Regulation 52-109 respecting Certification of Disclosure in Issuers' Annual and Interim Filings*;

(v) *Regulation 52-110 respecting Audit Committees*; and

(vi) *Regulation 58-101 respecting Disclosure of Corporate Governance Practices*;

b) the formal valuation requirements in sections 4.3 and 5.4 of *Regulation 61-101 respecting Protection of Minority Security Holders in Special Transactions* (**Regulation 61-101**); and

c) the minority approval requirement in section 5.6 of Regulation 61-101 (the **Minority Approval Relief**)

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

The Legislation contains different obligations applicable to reporting issuers who are venture issuers and to those who are non-venture issuers. The Exemption Sought, if granted, would permit the Filer to comply with the obligations applicable to venture issuers notwithstanding that the Filer does not meet the criteria in the definition of "venture issuer" contained in Regulation 51-102.

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

a) the *Autorité des marchés financiers* (the **AMF**) is the principal regulator for this application;

b) the Filer has provided notice that section 4.7(1) of *Regulation 11-102 respecting Passport System* (**Regulation 11-102**) is intended to be relied upon in Alberta and British Columbia; and

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

Interpretation

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

In this decision, "venture issuer" means the definition of "venture issuer" contained in Regulation 51-102.

Representations

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

1. The Filer is governed by the *Canada Business Corporations Act* and its head office is located in Saint-Sauveur, Quebec.

2. The Filer is focused on the development of its principal 100% owned asset, the El Metalurgista mining concession, comprising silver-rich mineral tailings and stockpiles extracted over a century of operation from its open pit and underground mine in central Peru.

3. The Filer is a reporting issuer in Alberta, British Columbia, Ontario and Québec (the **Reporting Jurisdictions**).

4. The Filer is authorized to issue an unlimited number of common shares with no par value. As of July 25, 2025, the Filer had 526,794,083 common shares issued and outstanding.

5. The Filer's common shares are listed for trading on the TSX Venture Exchange (the **TSXV**) under the symbol "CDPR", on the Open Market (previously known as the Regulated Unofficial Market) segment of the Frankfurt Stock Exchange under the symbol "N8HP", on the OTCQB Venture Market under the symbol "GPPRF", and in the Junior II category of the Risk Capital Segment of the Lima Stock Exchange (*Segmento de Capital de Riesgo de la Bolsa de Valores de Lima*) in Peru (the **Lima Exchange**) under the symbol "CDPR".

6. The Filer's common shares were first listed for trading on the Lima Exchange on July 17, 2025. The Filer listed its common shares on the Lima Exchange primarily to expand its presence in Latin America and increase its visibility among regional investors.

7. The Filer's primary listing remains on the TSXV.

8. The Filer is not in default of any of the requirements of the Legislation.

9. In the Regulations, the definition of “venture issuer” excludes a reporting issuer who, at the relevant time, has any of its securities listed or quoted on any of the Toronto Stock Exchange, Aequitas NEO Exchange Inc. (now Cboe Canada Inc.), a U.S. marketplace or a marketplace outside of Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc. (now the AQSE Growth Market operated by Aquis Stock Exchange Limited).

10. As the Lima Exchange is a “marketplace outside of Canada and the United States of America”, the Filer does not, subsequent to July 17, 2025, meet the definition of a “venture issuer” under the Regulations.

11. The Lima Exchange has two main segments on which securities may be traded. The Filer’s common shares are listed on the Risk Capital Segment, a junior specialized market implemented by the Lima Exchange to provide junior mining companies the opportunity to obtain funding through the Peruvian capital markets. The listing of a security of an issuer on this segment is automatic if that issuer is already listed on certain stock exchanges, including the TSXV (the **Dual Listing Program**).

12. The Lima Exchange defers to the requirements of the issuer's primary stock exchange for issuers that list on the Risk Capital Segment through the Dual Listing Program. The Risk Capital Segment of the Lima Exchange is junior or equivalent to the TSXV in terms of its requirements and does not have any minimum listing, listing maintenance or continuous disclosure requirements for TSXV-listed issuers that are more onerous as compared with the TSXV as it defers to the requirements of the TSXV with respect to TSXV-listed issuers, including the Filer. For a listing application, a TSXV-listed issuer must file a sponsorship report by a local broker dealer acting as a sponsor for the listing. In addition, an issuer must file all public disclosure documents filed in its home jurisdiction with the Lima Exchange. The Lima Exchange does not have any requirements for a mining issuer to hold a significant interest in a qualifying property, expenditure requirements or work program or exploration work limits.

13. The Lima Exchange requires that any issuer comply with applicable laws and regulations in its home jurisdiction, including the policies of the TSXV. In this regard, the Filer undertakes to continue complying with Canadian securities legislation and the policies of the TSXV.

14. The information that the Filer has provided regarding the Risk Capital Segment of the Lima Exchange and its status as a junior market for the purposes of review by staff of the AMF and the Ontario Securities Commission is accurate as of the date of this decision.

15. The Filer has retained Kallpa Securities SAB (**Kallpa**) as its sponsor and advisor for the listing process (the **Peruvian Sponsor**). Kallpa is a Peruvian investment firm specializing in equity sales, research, and corporate finance. It is the exclusive sponsor for all ten junior mining companies currently listed on the TSXV and cross-listed on the Lima Exchange. The Filer monitors the requirements of the Risk Capital Segment of the Lima Exchange on an ongoing basis, through its Peruvian Sponsor. For greater certainty, the term “Peruvian Sponsor” includes the Filer’s current sponsor, Kallpa, and any future sponsors, as applicable.

16. The Peruvian Sponsor will guide and support the Filer for all regulatory and procedural requirements for the Lima Exchange listing, in addition to serving as the Filer’s representative before Peruvian authorities and the Lima Exchange and will lead the Filer’s marketing and investor outreach efforts in Peru, Chile, and Colombia following the listing.

17. The Filer acknowledges that any right of action, remedy, penalty or sanction available to any person or company or to a securities regulatory authority against the Filer from July 17, 2025 until the date of this decision are not terminated or altered as a result of this decision.

18. The granting of the Exemption Sought would not be detrimental to the protection of securities investors.

Decision

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

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

a) Except for the listing of the Filer’s common shares on the Risk Capital Segment of the Lima Exchange, the Filer continues to satisfy the definition of “venture issuer” contained in Regulation 51-102.

b) The Filer complies with the conditions and requirements of Canadian securities legislation applicable to a reporting issuer that satisfies the definition of “venture issuer”, and the rules and policies of the TSXV.

c) The representations listed in paragraphs 11 through 14 above continue to be true.

d) The Filer will monitor the representations made in paragraphs 11 through 14 above on an ongoing basis through both its Peruvian Sponsor and exchange representatives, including periodic reviews of the requirements of the Risk Capital Segment of the Lima Exchange and its status as a junior market, and inform the AMF of any material change affecting the truth of said representations.

e) The Filer will inform the AMF of any material change regarding the Risk Capital Segment of the Lima Exchange in terms of its requirements, the minimum listing requirements, the listing maintenance requirements or any other changes which relate to its status as a junior market and inform the AMF of whether any such change impacts its status as a junior market.

f) The Risk Capital Segment of the Lima Exchange is not restructured in a manner that makes it unreasonable to conclude that it is still a junior market and that the representations listed in paragraphs 11 through 14 above continue to be true.

g) The Filer continues to have its common shares listed on the TSXV.

h) The Filer does not graduate from the Risk Capital Segment of the Lima Exchange to a more senior segment of the Lima Exchange.

i) In the event an exemption under Canadian securities legislation applies to a requirement in the Regulations applicable to the Filer, and a condition to the exemption requires the issuer to be a venture issuer, the Filer may invoke the benefit of that exemption if the Filer meets the conditions required by the exemption except for the condition that the Filer be a venture issuer.

j) In the event an exemption under Canadian securities legislation applies to a requirement applicable to the Filer as a reporting issuer who is not a venture issuer in the Regulations, and a condition to the exemption requires the issuer to not be a venture issuer, the Filer does not invoke the benefit of that exemption.

k) For the purposes of the Minority Approval Relief, in addition to conditions a) through j) above, the Filer complies with the requirement to obtain minority approval in section 5.6 of Regulation 61-101, except that the Filer is entitled to rely on the exemption from the requirement to obtain minority approval set out in subsection 5.7(1)(b) of Regulation 61-101, despite subsection 5.7(1)(b)(i) of Regulation 61-101, provided that the other conditions of subsection 5.7(1)(b) of Regulation 61-101 are satisfied.

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

OSC File #: 2025/0364

This page intentionally left blank

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
Jack Nathan Medical Corp.	June 6, 2025	August 26, 2025
Diamond Estates Wines & Spirits Inc.	August 5, 2025	August 27, 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	

This page intentionally left blank

B.5
Rules and Policies

B.5.1 OSC Rule 11-502 Distribution of Amounts Received by the OSC under Disgorgement Orders and Payment of Related Administrative Costs

OSC RULE 11-502
DISTRIBUTION OF AMOUNTS RECEIVED BY THE OSC UNDER DISGORGEMENT ORDERS AND PAYMENT OF RELATED ADMINISTRATIVE COSTS

PART 1
DEFINITIONS AND INTERPRETATION

Definitions

1. In this Rule:

"administrator" means one or more persons or companies appointed by the Superior Court of Justice to administer and distribute all or any part of the disgorged amount under subsection 128.1 (4) of the *Securities Act*;

"approved claim amount" means, for each distribution, the total value of recognized direct financial losses of all persons or companies that filed claims and whose claims were approved by the Commission or the administrator, as the case may be;

"disgorgement order" means an order made under paragraph 10 of subsection 127 (1) or paragraph 15 of subsection 128 (3) of the *Securities Act*;

"eligible applicant" means a person or company that

(a) incurred direct financial losses as a result of a contravention that gave rise to a disgorgement order, and

(b) did not directly or indirectly engage in the contravention that gave rise to the disgorgement order.

PART 2
REQUIREMENT TO DISTRIBUTE

Circumstances where a distribution is required

2. (1) The distribution requirement in subsection 128.1 (2) of the *Securities Act* applies to money received by the Commission under a disgorgement order, other than in circumstances where any of the following apply:

(a) the money has been received under a disgorgement order arising from a contravention of section 76 of the *Securities Act*;

(b) in the opinion of the Commission, the costs of administering the distribution would not justify making the distribution given the value of the amount received under the disgorgement order and the number of potential eligible applicants;

(c) the decision giving rise to the disgorgement order has not been finally disposed of in accordance with subsection (5).

(2) In circumstances where the Commission has received only part of the amount payable under the disgorgement order, the Commission must hold the amount for potential distribution to eligible applicants for up to 3 years from the date of the final disposition of the decision that gave rise to the disgorgement order if sufficient additional amounts are received to justify making a distribution within that period.

(3) The Commission is not required to make a distribution if, after 3 years from the date of the final disposition of the decision that gave rise to the disgorgement order, the amount received under the disgorgement order is insufficient to justify making a distribution.

(4) Despite subsection (3), the Commission may hold amounts received for potential future distribution to eligible applicants for a longer period if the Commission is of the opinion that sufficient additional amounts may be recovered within a reasonable timeframe to justify making a distribution and if:

(a) there is an ongoing action, application or other proceeding to recover additional amounts owing under the disgorgement order, or

(b) the disgorgement order or a settlement or other agreement provides that payments under the disgorgement order may be made at a future date.

(5) The final disposition of the decision that gave rise to the disgorgement order described in subsections (1), (2) and (3) occurs on the later of

(a) the expiry of the applicable time for the filing of an appeal of the proceeding in which the disgorgement order was issued, and

(b) the exhaustion of the appeal process if an appeal is filed.

PART 3
PUBLICATION OF DISGORGEMENT AMOUNTS AND NOTICE OF CLAIMS PROCESS

Publication of money received under disgorgement orders

3. (1) If the Commission receives money under a disgorgement order, other than a disgorgement order arising from a contravention of section 76 of the *Securities Act*, it must publish the amount of money received under the disgorgement order.

(2) Information described in subsection (1) must be posted on the Commission's website and must be updated to include any additional amounts received under the disgorgement order within 30 days after the end of each calendar quarter.

Publication of notice of claims process

4. (1) If a distribution of money is required under this Rule, notice of the claims process must be posted on the Commission's website accompanied by a press release and must set out the period within which an eligible applicant may file a claim.

(2) An eligible applicant may file a claim by submitting an application in accordance with one of the following:

(a) if there is an administrator, a claims process order made by the court;

(b) if there is no administrator, Part 5 of this Rule.

PART 4
REQUIREMENT TO UPDATE CLAIMS APPLICATION

Requirement to update claims application

5. If a person or company has made an application for a payment as described in subsection 128.1 (3) of the *Securities Act*, and the information provided in the application changes in a material respect so that the information provided is now untrue or misleading or omits information that would make the information originally provided not untrue or misleading, the person or company must report the change to the Commission or the administrator promptly.

Claim denial – misleading or untrue information

6. The Commission may deny the claim for payment of a person or company if any of the following apply:

(a) the person or company fails to comply with section 5;

(b) the person or company makes a statement or provides information to the Commission in their application that, in a material respect and at the time and in the light of the circumstances under which it is made, is misleading or untrue or does not state a fact that is required to be stated or that is necessary to make the statement or information not misleading.

PART 5
CLAIMS PROCESS IF NO COURT-APPOINTED ADMINISTRATOR

Application

7. This Part applies if there is no administrator.

Content of the notice of claims process

8. If there is no administrator, the notice described in section 4 must include all of the following information:

(a) the proceeding in which the disgorgement order was made;

(b) the amount of money received under the disgorgement order;

(c) a statement that any eligible applicants are entitled to make a claim for payment from the disgorged amount;

(d) a description of how an eligible applicant can make a claim;

(e) the final day for filing a claim, which must be at least 90 days from the date of the notice posted on the Commission's website in accordance with subsection 4 (1);

(f) an address, including an electronic address, and telephone number to which inquiries about potential claims may be directed;

(g) an address, including an electronic address, where claims should be filed;

(h) a statement that a claim that does not comply with this Rule will be denied;

(i) a statement that, after the final day for filing a claim referred to in paragraph (e), the Commission may apply to the Superior Court of Justice to have an administrator appointed to distribute the disgorged amount instead of having the Commission distribute the amount in accordance with sections 10 to 13 of this Rule, in which case, any claims received by the Commission on or before the final day for filing a claim referred to in paragraph (e), will be provided to the administrator to be administered in accordance with an order made by the court under subsection 128.1(4) of the *Securities Act*;

(j) any other information that the Commission considers appropriate.

Claim requirements

9. (1) An applicant must use a claim form provided by the Commission.

(2) Unless the claim form provides otherwise, the claim must include a description of the direct financial loss incurred by the applicant and the amount claimed, supported by documentary evidence.

(3) The claim must identify any other sources from which payment for the amount claimed by the applicant under this section has been paid, is payable or may be payable to the applicant, and the amount of that payment.

(4) The claim must be filed on or before the final day for filing a claim and must be updated in accordance with section 5.

Determining eligibility and amount of payment

10. (1) After reviewing all claims filed in accordance with section 9, the Commission may make a payment to the applicant from money received under a disgorgement order if the Commission is satisfied that all of the following apply:

(a) the applicant is an eligible applicant in respect of the disgorgement order;

(b) the amount of the applicant's direct financial loss can be quantified;

(c) sufficient proof of the direct financial loss has been provided.

(2) When determining the amount to be paid to an eligible applicant, the Commission must consider all of the following:

(a) the amount of money received under the disgorgement order;

(b) the direct financial loss suffered by the eligible applicant;

(c) the direct financial losses suffered by all eligible applicants;

(d) any other information the Commission considers appropriate in the circumstances.

(3) When determining an applicant's direct financial loss for the purposes of this section, the Commission must not include any amount claimed by the applicant in respect of a loss of opportunity or interest on any loss, and must consider all of the following:

(a) whether the applicant received or is entitled to receive a payment from other sources for the direct financial loss resulting from the contravention that gave rise to the disgorgement order;

(b) whether the applicant benefitted from the contravention that gave rise to the disgorgement order.

(4) The Commission must prorate payments among eligible applicants if, having considered the matters under subsection (2), the Commission determines that the money the Commission received under the disgorgement order is insufficient to pay the approved claim amount.

(5) Even if an applicant is eligible to receive a payment in accordance with this section, the Commission may decline to make a payment to the applicant if, in the opinion of the Commission, the amount of the payment would be too small to justify the costs of paying it.

Opportunity to provide additional supporting documentation

11. (1) The Commission must not deny all or part of a claim without providing an applicant with a written notice and an opportunity to provide additional supporting documentation to substantiate their eligibility and any disputed amount, which must be filed by the applicant within 35 days from the date of the notice.

(2) The notice in subsection (1) must be provided by the Commission by registered mail, courier, or electronic or digital transmission to the applicant's last known address, including an electronic address provided in the applicant's claim form.

No payment until all claims are determined

12. (1) No payments must be made to an eligible applicant until all the claims filed in accordance with section 9 have been considered and the amount to be paid to each eligible applicant is determined by the Commission under section 10.

(2) Despite subsection (1), if an applicant has filed additional supporting documentation in respect of a disputed claim in accordance with section 11, the Commission may hold back the disputed claim amount and make payments, including partial payments, to the remaining eligible applicants.

Residual funds

13. After 180 days following the date payments are issued to eligible applicants, if the Commission is unable to distribute an amount approved for payment to an eligible applicant, then the amount belongs to the Commission in accordance with subsection 128.1 (14) of the *Securities Act* and must be dealt with in accordance with subsection 19 (2) of the *Securities Commission Act, 2021.*

Election to seek appointment of administrator following final day for filing a claim

14. Despite sections 10 to 13 and following the final day for filing a claim specified in the notice in accordance with paragraph (e) of section 8, the Commission may apply to the Superior Court of Justice for the appointment of an administrator to distribute the disgorged amount if the Commission considers that this would be appropriate given the nature or volume of claims received.

PART 6
ADMINISTRATIVE COSTS

Payment of administrative costs

15. (1) In this section:

"administrative costs" include any of the following costs referred to in subsections 128.1 (9) and (12) of the *Securities Act*:

(a) reasonable costs incurred by an administrator, before their appointment, in connection with the disgorged amount;

(b) reasonable costs incurred by an administrator in connection with court orders made under section 128.1 of the *Securities Act*;

(c) reasonable costs incurred by the Commission to obtain external advice related to a distribution of the disgorged amount under Part 5 of this Rule.

(2) The payment of administrative costs in relation to the distribution of disgorged amounts under subsection 128.1 (9) or (12) of the *Securities Act* must be made as follows:

(a) first, from any administrative penalty or settlement money received by the Commission in relation to the same proceeding that gave rise to the disgorged amount that is the subject of the distribution, if such administrative penalty or settlement money has been allocated for the purpose of paying such administrative costs under subclause 19 (2) (b) (iii) of the *Securities Commission Act, 2021*;

(b) if any administrative costs remain after the payment described in paragraph (a), then from any other money that has been allocated by the Commission for the purpose of paying administrative costs under subclause 19 (2) (b) (iii) or clause 19 (2) (c) of the *Securities Commission Act, 2021* in such an amount as the Commission considers appropriate, having regard for the factors described in subsection (3);

(c) if any administrative costs remain after the payments described in paragraphs (a) and (b), then from the disgorged amount that is the subject of the distribution.

(3) In determining the amount payable under paragraph (b) of subsection (2), the Commission must consider factors including but not limited to:

(a) the balance of any amount allocated by the Commission for the purpose of paying administrative costs under subclause 19 (2) (b) (iii) or clause 19 (2) (c) of the *Securities Commission Act, 2021* that is available for such payments;

(b) the amount of any payment already made under paragraph (a) of subsection (2);

(c) the value of the disgorged amount that is the subject of the distribution;

(d) the estimated financial losses of persons or companies that incurred direct financial losses as a result of the contravention giving rise to the payment of the disgorged amount or the value of the approved claim amount.

PART 7
REPORTING

Reporting

16. (1) The Commission must publish a report no later than 60 days after the date on which money received by the Commission under a disgorgement order is fully distributed.

(2) The report under subsection (1) must contain all of the following information:

(a) the amount of money received by the Commission under the disgorgement order that was the subject of the distribution;

(b) the method of distribution;

(c) the estimated or total number of harmed investors, if known;

(d) the total number of applicants;

(e) the total number of eligible applicants who received a payment;

(f) the total value of all approved claims;

(g) the total amount distributed to eligible applicants;

(h) the value of any administrative costs paid from the disgorged amount;

(i) the percentage of each eligible applicant's approved claim amount paid under the distribution.

PART 8
EFFECTIVE DATE

Effective Date

17. This Rule comes into force on the later of the following:

(a) August 26, 2025;

(b) the day on which sections 8, 9 and subsections 11 (2) and (5) of Schedule 10 and section 1 of Schedule 11 of the *Building a Strong Ontario Together Act (Budget Measures), 2023* (Ontario) are proclaimed into force.

B.5.2 Companion Policy 11-502 Distribution of Amounts Received by the OSC under Disgorgement Orders and Payment of Related Administrative Costs

COMPANION POLICY 11-502
DISTRIBUTION OF AMOUNTS RECEIVED BY THE OSC UNDER DISGORGEMENT ORDERS AND PAYMENT OF RELATED ADMINISTRATIVE COSTS

PART 1
GENERAL COMMENTS

Purpose of this Companion Policy

This Companion Policy sets out how the Ontario Securities Commission (the **Commission**) interprets and applies OSC Rule 11-502 *Distribution of Amounts Received by the OSC under Disgorgement Orders and Payment of Related Administrative Costs* (the **Rule**) together with related provisions of the *Securities Act* (Ontario) (the **OSA**).

The Rule establishes the framework for distribution of money received by the Commission under disgorgement orders to investors who incurred direct financial losses as a result of a contravention of Ontario securities law. This framework includes:

- the circumstances in which money received by the Commission under disgorgement orders is required to be distributed;
- the eligibility requirements for investors seeking a payment from the disgorged amounts received by the Commission;
- a process for distributing disgorged amounts to harmed investors in cases where a court-appointed administrator is not used; and
- the use of other monetary sanctions and settlement payments received by the Commission to pay certain administrative costs in relation to the distribution of disgorged amounts.

To assist harmed investors, in addition to explaining how the Commission interprets and applies the provisions of the OSA and the Rule, this Companion Policy summarizes key aspects of the legislative framework and the Rule relating to distributions. This Companion Policy should be read together with the Rule and section 128.1 of the OSA. To the extent there is any conflict between this Companion Policy, the legislation and the Rule, the legislation and the Rule prevail.

Background

The Commission works to protect investors from unfair, improper or fraudulent practices; foster fair, efficient and competitive capital markets and confidence in capital markets; foster capital formation; and contribute to the stability of the financial system and the reduction of systemic risk. This mandate is achieved by administering and enforcing compliance with Ontario securities law.

When a person or company is alleged to have contravened Ontario securities law, the Commission may bring enforcement proceedings before the Capital Markets Tribunal (the **Tribunal**) or the courts. The Tribunal and the courts can impose various monetary and non-monetary sanctions. Where the Tribunal has made a finding or the court has made a declaration that a person or company has not complied with Ontario securities law, one of the orders they may make is an order that the person or company disgorge to the Commission any amounts obtained as a result of the non-compliance.[i] The Commission, exercising its discretion, selects cases, moves forward investigations, collects evidence, and calls witnesses as needed depending on the type of case being brought forward and the regulatory message being sent. Accordingly, a disgorgement order will not be applicable in all cases.

The purpose of a disgorgement order is not to compensate investors. Instead, disgorgement orders have been made to prevent a wrong-doer from benefitting from their misconduct, deter the wrong-doer and others from engaging in similar misconduct, and restore confidence in the capital markets. Disgorgement is distinct from restitution. Restitution is a remedy that aims to restore a person to the position they would have been in if not for the improper action of another.

The Commission makes reasonable efforts to collect monetary sanctions imposed by the Tribunal or the Superior Court of Justice, including collecting on disgorgement orders. In some situations, there may be little or no money, assets or property that can be seized for collections. However, to the extent the Commission can collect money under a disgorgement order, the OSA requires the Commission to distribute the money in accordance with the Rule to persons or companies who,

- incurred direct financial losses as a result of the contravention giving rise to the payment; and
- satisfy the conditions, restrictions and requirements set out in the Rule.[ii]

The OSA provides that such distributions may be carried out in the following ways:

- by an administrator appointed by the Superior Court of Justice following a process established by the court, or
- directly by the Commission following a process set out in Part 5 of the Rule.[iii]

The distribution process set out in the OSA is a claims-based process which relies on information submitted by applicants to prove their claims. Disgorgement is a remedy that focuses on the amount obtained by the respondent as a result of the contravention. The disgorgement remedy does not focus on "who lost what". Accordingly, the Commission may not have information to substantiate financial losses incurred by specific harmed investors. Therefore, it is the applicant's responsibility to provide their best information so that the Commission or administrator can make determinations about their claim.

Method of Distribution

There are two potential methods of distribution. The first involves the Commission seeking an administrator to be appointed by the court. The second is the Commission conducting a distribution directly under Part 5 of the Rule.

The method of distribution selected by the Commission will depend on the circumstances of each case. It is anticipated that most distributions will be conducted by an administrator. The Commission will generally carry out the distribution directly under Part 5 of the Rule only if the Commission is satisfied that:

- the potential applicants can be readily identified and are small in number, and
- their financial losses can be readily quantified.

The geographic location of potential applicants may also be a relevant consideration for choosing the method of distribution.

In cases where the Commission does not have sufficient information about potential applicants and their estimated losses to evaluate the appropriate method to distribute the disgorged amount, section 14 of the Rule allows the Commission to initiate the claims process under Part 5 of the Rule and later apply to the court for the appointment of an administrator to complete the distribution. It is expected that the Commission would rely on section 14 when appropriate, based on the nature or volume of the claims received. For example, the claims submitted to the Commission may indicate that there is a high volume of claims or complex issues that are better dealt with by an administrator.

Section 1 - Definitions

Unless defined in the Rule, terms used in the Rule and in this Companion Policy have the meaning given to them in securities legislation, including, for greater certainty, in OSC Rule 14-501 *Definitions*.

Definition of Eligible Applicant

Persons or companies

Investors who are eligible for a payment from the disgorged amount received by the Commission are referred to in the Rule as eligible applicants. The definition of an eligible applicant includes any person[iv] or company[v] that incurred direct financial losses as a result of a contravention that gave rise to a disgorgement order provided that the person or company did not directly or indirectly participate in the conduct that resulted in the disgorgement order.

The definition of "person"[vi] in the OSA includes, among other things, a "trust, trustee, executor, administrator, or other legal representative." In circumstances where an investor is unable to participate in the claims process directly, a person such as a trustee, executor or other legal representative may file a claim on behalf the investor.

Eligible applicants can submit claims even if they were not identified in the course of the underlying enforcement investigation or proceeding. An eligible applicant will generally be a person or company that was harmed during the relevant time period when the contravention took place. This time period is typically defined in the relevant decision or settlement agreement accompanying the disgorgement order. All investors affected by the misconduct related to the contravention found by the Tribunal who were directly harmed by the misconduct can apply for a payment out of the disgorged funds received by the Commission.

Direct financial losses

The Rule deals with contraventions that were found in proceedings or identified in settlement agreements that gave rise to disgorgement orders. Only financial losses that were directly caused by these contraventions are eligible for payment.

What constitutes a “direct financial loss” may depend on the nature of the contravention. For example:

- in a case where the underlying contravention involved a fraudulent investment scheme, a direct financial loss might include any of the amount invested in the scheme and any related fees the investor paid to the respondent (other than amounts that were repaid to the investor by the respondent or from another source). However, indirect financial losses incurred by investors in this scheme, such as expenses incurred by withdrawing from a different investment in order to invest in the scheme, would not be eligible for payment from the disgorged amount.

- in other cases, an investor’s “direct financial loss” could be confined to a fee paid by the investor to a respondent that the investor should not have paid, or was in excess of what they should have paid, due to conduct of the respondent such as a failure to maintain proper internal controls.

Types of losses that are not eligible for payment include:

- financial losses relating to conduct that was not proven in the proceeding (for example, financial losses resulting solely from a decrease in the value of an investment that is unrelated to the respondent’s contravention),

- financial losses relating to conduct occurring outside of the relevant time period considered in the proceeding,

- financial losses relating to the loss of an opportunity,

- interest on any financial loss, and

- non-financial losses.

PART 2
REQUIREMENT TO DISTRIBUTE

Subsection 2 (1) - Circumstances where a distribution is required

The Rule provides that money received by the Commission under a disgorgement order must be distributed in circumstances other than where any of the following apply:

- the disgorgement was ordered in relation to a contravention of the prohibition against “insider trading and tipping” under section 76 of the OSA;

- the amount received is too small to justify the costs of distributing it;

- the decision giving rise to the disgorgement order has not been finally disposed of.

Money received by the Commission that fits within the first two exceptions will be dealt with in accordance with subsection 19 (2) of the *Securities Commission Act, 2021* (the **SCA**), which limits the use of these funds to specific purposes.[vii] The third exception is intended to clarify that the distribution requirement will not apply in circumstances where the deadline for filing an appeal of the decision that gave rise to the disgorgement order has not yet expired or an appeal of the decision has been filed and the appeal process is ongoing. In these circumstances, the Commission will continue to hold any funds received under the disgorgement order for potential distribution to eligible applicants until after the appeal process has been exhausted.

In circumstances where there are multiple respondents related to an alleged contravention that could give rise to a payment, the Commission will generally hold disgorged amounts received from any settling respondents for future distribution pending the conclusion of any proceeding involving the other respondent or respondents. This approach will be taken by the Commission to manage distribution costs by allowing for the potential distribution of all disgorged amounts received from all sources in relation to the same contravention in a single distribution.

Subsections 2 (2) to (5) - Partial amounts received

The Commission’s approach to dealing with partial amounts received under a disgorgement order will vary depending on the particular circumstances of a case. Whether to distribute, hold, or not distribute these funds will depend on details such as the following:

- the amount received,

- the status of any steps taken by the Commission to recover additional amounts owing under the order,

- whether the order or an agreement such as a payment plan provides that payments under the order may be made at a future date, and

- the time that has passed from either the date the disgorgement order was issued, or if the decision that gave rise to the disgorgement order has been appealed, the date the appeal process was exhausted.

The Commission makes reasonable efforts to enforce Tribunal and court orders, including collecting unpaid monetary sanctions and costs. Tribunal orders are routinely filed in the Superior Court of Justice. Under Ontario securities law, Tribunal orders then become enforceable as though they are court orders. This allows the Commission to use a range of creditor remedies to collect amounts owing, which can include garnishment, seizure and sale of property, and registering liens. It is important to note that in these circumstances the Commission becomes an ordinary creditor of the respondent. There is no guarantee that any funds, assets, or property may be realized through creditor remedies. In addition, any funds, assets or property may be shared with other creditors based on any creditor priorities.

There may be situations where the Commission has received only part of the amount payable under the disgorgement order and that amount is not sufficient to justify the costs of administering a distribution. In these cases, the Rule requires the Commission to hold the amount received for potential distribution to eligible applicants for up to 3 years from the date of the final disposition of the decision that gave rise to the disgorgement order if the Commission receives sufficient additional amounts under the disgorgement order within that period to justify the costs of a distribution. In circumstances where the decision that gave rise to the disgorgement order has been appealed, this 3-year period runs from the date the appeal process has been exhausted.

During this 3-year period, the Commission may receive a partial amount under the disgorgement order that justifies carrying out a distribution. In these cases, the Commission may consider the following factors before deciding whether to proceed with a distribution at that time or hold the funds for an additional period to allow for further amounts to be recovered:

- the status of any ongoing collection efforts,

- the timing and amount of any future payments that are anticipated to be received under the terms of the order or a payment plan, and

- the anticipated costs of carrying out one or more distributions.

Following this 3-year period, the Commission may not recover sufficient amounts under the order to justify the costs of administering a distribution. In this case, the Rule provides that the Commission is not required to distribute the disgorged amount. However, there may be situations where there is ongoing collections activity at the end of this 3-year period. For example, there may be a court proceeding to recover additional amounts owing under the order. In these cases, the Rule provides the Commission with discretion to continue to hold amounts received for potential future distribution to eligible applicants beyond the 3-year period. The Commission may do this if it is of the opinion that sufficient additional amounts may be recovered within a reasonable timeframe that would justify carrying out a distribution.

Similarly, there may be occasions where the order or a payment plan provides that payments under the order may be made at a future date beyond the 3-year period. In these situations, the Commission may decide to continue to hold the amounts received for potential future distribution to eligible applicants. The Commission may do this if it is of the opinion that sufficient additional amounts may be recovered within a reasonable timeframe that would justify carrying out a distribution.

PART 3
PUBLICATION OF DISGORGEMENT AMOUNTS AND NOTICE OF CLAIMS PROCESS

Part 3 of the Rule involves two distinct steps. The first step is the publication of disgorged amounts received by the Commission on the Commission's website. The second step is the publication of the notice of claims process on the Commission's website and the issuance of a press release.

Section 3 - Publication of money received under disgorgement orders

Except in the case of money received in relation to the insider trading and tipping prohibitions under section 76 of the OSA, for each case where disgorgement is ordered, amounts received by the Commission under that order will be published on its website and updated to include additional amounts received within 30 days after the end of each calendar quarter (March 31, June 30, September 30 and December 31). As part of these quarterly updates, additional information relevant to the distribution will be added as it becomes available. Information published on the website will generally include:

- the proceeding in which the disgorgement order was made and the respondent(s) to that proceeding who are subject to that order;

- the amount owing individually and/or jointly by the respondents under the disgorgement orders, the amount received by the Commission, and any amounts outstanding in respect of these orders; and

- any other information the Commission considers appropriate.

Section 4 - Publication of notice of claims process

The Rule requires that a notice relating to how a distribution will be carried out will be published on the Commission's website, accompanied by a press release. This notice will include information about how eligible applicants can make a claim and the deadline by which claims must be filed to be considered. In addition, the Commission may look to amplify the website posting through additional channels such as through social media channels and investor advocacy organizations.

As part of the Commission's distribution framework, the Commission is creating an online system that will enable investors to log their contact information with the Commission at the time a disgorgement order is issued if they would like to be contacted about a potential future distribution of any funds received by the Commission in relation to that order. The system will also allow investors to update their contact information if it changes. If the distribution is being carried out directly by the Commission under Part 5 of the Rule, the Commission will attempt to send the notice to the last known address (including an electronic address), if available, of any known potential eligible applicants who have logged their information on this system.

If the distribution is being carried out by an administrator, any additional notice requirements will be specified in the claims process order established by the court.

PART 4
REQUIREMENT TO UPDATE CLAIMS APPLICATION

Sections 5 and 6 - Requirement to update claims application

It is the applicant's responsibility to ensure that the Commission or the administrator has correct and up-to-date information about the claim.

Under a distribution carried out by the Commission under Part 5 of the Rule, a claim may be denied if any of the following apply:

- the person or company fails to promptly report any changes to the information provided in their application if the information changes in a material respect so that the information provided is now untrue or misleading or omits information that would make the information originally provided not untrue or misleading;

- the person or company makes a statement or provides information to the Commission in their application that, in a material respect and at the time and in the light of the circumstances under which it is made, is misleading or untrue or does not state a fact that is required to be stated or that is necessary to make the statement or information not misleading.

PART 5
CLAIMS PROCESS IF NO COURT-APPOINTED ADMINISTRATOR

Section 7 – Application

Part 5 of the Rule applies if there is no administrator.

Section 8 - Content of the notice of claims process

If the Commission elects to directly distribute money it has received under a disgorgement order using the process set out in Part 5 of the Rule, the Commission will publish a notice on its website explaining how eligible applicants can make a claim. This notice will include important information such as the name of the proceeding in which the disgorgement order was made, the amount that is being distributed, and the deadline for eligible applicants to file claims.

Applicants will generally have the option to either file claims electronically or using a paper form provided by the Commission. Applicants will have at least 90 days from the date of the notice to make a claim. Any claim filed after the final day for filing a claim specified in the notice will not be considered.

While this minimum 90-day period may allow simpler distributions to be completed relatively quickly, the Commission may set a period longer than 90 days depending on the circumstances of the case. For example, the Commission may establish a longer claims period if the Commission has limited information about potential applicants or if potential applicants are located outside of Canada.

If at the time the notice is posted, the amount received under the disgorgement order does not represent the full amount payable under the order, any additional amounts received under the order prior to the conclusion of the distribution will be included in the distribution.

Section 9 - Claim requirements

The claim form will be available on the Commission's website. Although the claim form may differ somewhat depending on the case, at a minimum, applicants can expect to provide the following information and documentary evidence to support their claim:

- applicant's name, address and contact information, and supporting identification documents;
- information about the claim, including:
    - the applicant's direct financial losses and the amount claimed;
    - how the applicant believes the contraventions that gave rise to the disgorgement order directly resulted in the financial losses claimed by the applicant;
    - any amounts received from the relevant investment (e.g., dividends, interest income, capital gains, return of capital, etc.);
    - any other sources (e.g., other litigation action) from which payment for the loss claimed has been paid, is payable or may be payable to the applicant, and the amount of that payment;
    - the applicant's involvement in the misconduct, if any;
    - whether the Commission has ever denied the applicant's claim for this or any other loss;
- documentary evidence to support the claim such as account statements, records of wire or e-transfers, investment agreements, etc.;
- applicant's certification that the information in the form and where applicable, material submitted in support of the claim, is true and correct;
- updates to the information that has been provided to the Commission if there have been any changes;
- applicant's certification that they understand that after the final day for filing a claim, the Commission may apply to the Superior Court of Justice to have an administrator appointed to distribute the disgorged amount. In this case, any claims received by the Commission on or before the final day for filing will be provided to the administrator to be administered under an order made by the court.

As noted above, it is the applicant's responsibility to provide their best information so that the Commission can make determinations about the claim. However, there may be cases where, prior to commencing a claims process, the Commission has sufficient information to assess the financial losses sustained by particular investors who were harmed by the conduct giving rise to the disgorgement order. In these cases, the claim form may invite applicants to do one of the following:

- confirm the accuracy and completeness of the claim amount assessed by the Commission, in which case no further documentary evidence will need to be submitted,
- decline to make a claim, or
- make a claim for a different amount, supported by documentation evidencing the amount claimed.

Section 10 - Determining eligibility and amount of payment

Subsections 10 (1) to (3) - Claim Determinations

After reviewing all claims filed under Part 5 of the Rule, the Commission will make claim determinations under section 10 of the Rule.

The Commission may make a payment to the applicant if the Commission is satisfied that all of the following apply:

- the applicant is an eligible applicant in respect of the disgorgement order;
- the amount of the applicant's direct financial loss can be quantified;
- sufficient proof of the direct financial loss has been provided.

When determining the amount to be paid to the eligible applicant, the Commission must consider all of the following:

- the amount of money received under the disgorgement order;
- the direct financial loss suffered by the eligible applicant;
- the direct financial losses suffered by all eligible applicants;
- any other information the Commission considers appropriate in the circumstances.

When determining an applicant's direct financial loss for the purposes of section 10, the Commission must not include any amount claimed by the applicant in respect of a loss of opportunity or interest on any loss, and must consider all of the following:

- whether the applicant received or is entitled to receive a payment from other sources for the direct financial loss resulting from the contravention that gave rise to the disgorgement order;
- whether the applicant benefitted from the contravention that gave rise the disgorgement order.

The Commission's practice will be to communicate the outcomes of its determinations to applicants in writing.

Subsection 10 (4) - Prorated payments

The Commission's practice will be to use the following formula to prorate payments under subsection 10 (4) of the Rule:

$$\frac{A \times B}{C}$$

where

A = the amount of money received by the Commission under the order less any administrative costs that have been deducted from the disgorged amount,

B = the financial loss suffered by the eligible applicant, and

C = the financial loss suffered by all eligible applicants.

Subsection 10 (5) - Exception

The Commission may decline to make a payment to an eligible applicant if, in the opinion of the Commission, the amount of the payment would be too small to justify the costs of making the payment. While the Commission has not established any specific monetary cut-off for declining payments, which may depend on the circumstances of the case, it is anticipated that payments of less than $50 will generally not be issued. In circumstances where the Commission declines to issue a payment to an eligible applicant under this subsection of the Rule, the amount that would have otherwise been payable to the applicant will be added back to the amount available for distribution to the remaining eligible applicants.

Section 11 - Opportunity to provide additional supporting documentation

Before the Commission denies all or part of a claim, the Commission will provide applicants with the opportunity to provide additional supporting documentation to substantiate their eligibility and any disputed amount. The Commission will provide the notice in writing and the applicant will have 35 days from the date of the notice to file the additional supporting documentation.

Section 12 – No payment until all claims are determined

Subsection 12 (1) of the Rule provides that no payments shall be made until all claims filed under the Rule have been considered and the amount to be paid to each applicant has been determined. However, if there are any disputed claims, subsection 12 (2) allows the Commission to make payments, including partial payments, to the remaining eligible applicants. In these cases, the Commission will hold back the disputed claim amount.

Section 13 - Residual funds

Section 13 of the Rule provides that approved claim amounts that the Commission is unable to distribute to eligible applicants after 180 days following the date payments are issued belong to the Commission and will be dealt with in accordance with subsection 19 (2) of the SCA[viii]. Subsection 19 (2) of the SCA sets out the purposes for which these funds may be used.[ix]

In practice, payments to applicants with approved claims will generally be deposited directly into the applicant's bank account, as this represents the most secure and efficient mechanism for ensuring that approved applicants receive their payments. While

cheques may be issued in exceptional circumstances, if a cheque is not cashed within 180 days following its issuance, the applicant will no longer be entitled to receive the funds.

To ensure that eligible applicants have a reasonable opportunity to receive their payments, in circumstances where payments are made by cheque, the Commission will undertake reasonable efforts to contact the eligible applicants who have not cashed their cheques within 90 days following the issuance of the cheque.

Section 14 - Election to seek appointment of administrator following final day for filing a claim

There may be cases where the Commission does not have sufficient information about potential applicants and their estimated losses to evaluate the appropriate method to distribute the disgorged amount. In these cases, the Commission may initiate the claims process under Part 5 of the Rule and later apply to the court for the appointment of an administrator to complete the distribution. The approach taken will depend on the nature or volume of the claims received by the Commission, and may take into account factors such as:

- the number of claims received,
- the volume and complexity of the documentation that must be reviewed to evaluate the claims,
- the location of the applicants,
- any special requirements of applicants (for example, language requirements), and
- the resources and expertise required to conduct the distribution.

If the Commission seeks to have an administrator appointed to complete a distribution that was initiated under Part 5 of the Rule, the distribution will be governed by the court's claims process order instead of the Rule. In these circumstances, the Commission will give the administrator any information that was received from applicants following the initiation of the claims process.

PART 6
ADMINISTRATIVE COSTS

Section 15 - Payment of administrative costs

The OSA contemplates that certain administrative costs relating to distributions are eligible to be paid from the disgorged amount that is being distributed or, in accordance with the regulations, from other sanction and settlement money held by the Commission that it has allocated for this purpose. These costs include the reasonable costs incurred by an administrator in carrying out a distribution,[x] or in the case of a distribution carried out directly by the Commission under the Rule, reasonable costs incurred by the Commission in obtaining external advice relating to the distribution[xi].

The sanction and settlement money that may be allocated by the Commission to pay these administrative costs includes administrative penalties, settlement payments, and amounts disgorged to the Commission that are not subject to the distribution requirement. These funds are held in a separate account by the Commission. The Commission's practice is to set aside funds held in this account for various purposes authorized under subsection 19 (2) of the SCA on an annual basis. In keeping with this practice, the Commission may set aside some of these funds for potential use toward the payment of eligible administrative costs relating to distributions.

The Rule provides that for each distribution, administrative costs will be paid:

(1) First, from any administrative penalty or settlement money received by the Commission in relation to the same proceeding as the disgorged amount that is the subject of the distribution.

(2) Next, from other unrelated sanction and settlement money the Commission has set aside for potential payment of such costs, as described above, and in such an amount the Commission considers appropriate after considering factors including:

- the balance of funds set aside by the Commission for the purpose of paying administrative costs that is available for such payments,
- the amount of any administrative costs that have already been paid from administrative penalty or settlement money received by the Commission in relation to the same proceeding as the disgorged amount that is the subject of the distribution,
- the value of the disgorged amount that is the subject of the distribution, and

- the estimated financial losses incurred by potential applicants as a result of the relevant contravention or the value of the approved claim amount.

(3) Finally, if any administrative costs remain, from the disgorged amount that is being distributed.

PART 7
REPORTING

Section 16 - Reporting

The Rule provides that the Commission will publish a report no later than 60 days following the conclusion of the distribution. This report will describe the results of the distribution. It will include data such as the percentage of each eligible applicant's approved claim amount paid under the distribution. The Commission's practice will be to anonymize any such data.

---

[i] The Tribunal's authority to make an order requiring a person or company to disgorge to the Commission any amounts obtained a result of non-compliance with Ontario securities law is found in paragraph 10 of subsection 127 (1) of the OSA. The authority of the Ontario Superior Court of Justice to make an order requiring a person or company to disgorge to the Commission any amounts obtained as a result of the non-compliance with Ontario securities law is found in paragraph 15 of subsection 128 (3) of the OSA.

In some cases, the Commission may lay quasi-criminal charges and prosecute alleged wrongdoers through the Ontario Court of Justice under section 122 of the OSA, which may result in a fine or imprisonment on conviction. Any such fine is not subject to the distribution framework under the Rule.

[ii] The legislative framework for distributing money disgorged to the Commission is found in section 128.1 of the OSA.

[iii] Subsections 128.1 (4) and (10) of the OSA set out the two methods of distribution.

[iv] Under the OSA, "person" means "an individual, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator, or other legal representative".

[v] Under the OSA, a "company" means "any corporation, incorporated association, incorporated syndicate or other incorporated organization".

[vi] Please refer to endnote iv.

[vii] Subsection 128.1 (15) of the OSA provides that if the regulations do not require a distribution, the disgorged amount belongs to the Commission and shall be dealt with in accordance with subsection 19 (2) of the SCA.

Subsection 19 (2) of the SCA allows the Commission to allocate this money for the following purposes:

(i) to or for the benefit of third parties,
(ii) for use by the Commission or third parties for the purpose of educating investors or promoting or otherwise enhancing knowledge and information of persons regarding the operation of the securities and financial markets,
(iii) for use to pay administrative costs in relation to the distribution of disgorged amounts in accordance with subsection 128.1 (9) or (12) of the OSA, or
(iv) for any other purpose specified in the regulations. Purposes specified in O. Reg. 28/24 include certain technology and data enhancement expenditures of the Commission and funding activities of the Commission's Office of Economic Growth and Innovation.

[viii] Subsection 128.1 (14) of the OSA provides that any disgorged amount remaining after payments are made to the applicants and towards administrative costs of the distribution belongs to the Commission and shall be dealt with in accordance with subsection 19 (2) of the SCA. See Endnote vii for information on limits to the use of funds under subsection 19 (2) of the SCA.

[ix] See endnote vii above for the purposes for which the Commission may use any residual amounts that remain in the Commission's account 180 days after the date payments are issued in a particular distribution.

[x] Subsection 128.1 (9) of the OSA describes the administrative costs that are eligible for payment from other sanction and settlement money held by the Commission and described in subclause 19 (2) (b) (iii) or clause 19 (2) (c) of the SCA where the distribution is carried out by an administrator.

[xi] Subsection 128.1 (12) of the OSA describes the administrative costs that are eligible for payment from other sanction and settlement money held by the Commission and described in subclause 19 (2) (b) (iii) or clause 19 (2) (c) of the SCA where the distribution is carried out by the Commission following the process established under the Rule.

B.5.3 OSC Rule 11-503 (Commodity Futures Act) Distribution of Amounts Received by the OSC under Disgorgement Orders and Payment of Related Administrative Costs

OSC RULE 11-503
(COMMODITY FUTURES ACT) DISTRIBUTION OF AMOUNTS RECEIVED BY THE OSC UNDER DISGORGEMENT ORDERS AND PAYMENT OF RELATED ADMINISTRATIVE COSTS

PART 1
DEFINITIONS AND INTERPRETATION

Definitions

1. In this Rule:

"administrator" means one or more persons or companies appointed by the Superior Court of Justice to administer and distribute all or any part of the disgorged amount under subsection 60.2.1(4) of the *Commodity Futures Act*;

"approved claim amount" means, for each distribution, the total value of recognized direct financial losses of all persons or companies that filed claims and whose claims were approved by the Commission or the administrator, as the case may be;

"disgorgement order" means an order made under paragraph 10 of subsection 60 (1) or paragraph 11 of subsection 60.2 (3) of the *Commodity Futures Act*;

"eligible applicant" means a person or company that

(a) incurred direct financial losses as a result of a contravention that gave rise to a disgorgement order, and

(b) did not directly or indirectly engage in the contravention that gave rise to the disgorgement order.

PART 2
REQUIREMENT TO DISTRIBUTE

Circumstances where a distribution is required

2. (1) The distribution requirement in subsection 60.2.1 (2) of the *Commodity Futures Act* applies to money received by the Commission under a disgorgement order, other than in circumstances where any of the following apply:

(a) in the opinion of the Commission, the costs of administering the distribution would not justify making the distribution given the value of the amount received under the disgorgement order and the number of potential eligible applicants;

(b) the decision giving rise to the disgorgement order has not been finally disposed of in accordance with subsection (5).

(2) In circumstances where the Commission has received only part of the amount payable under the disgorgement order, the Commission must hold the amount for potential distribution to eligible applicants for up to 3 years from the date of the final disposition of the decision that gave rise to the disgorgement order if sufficient additional amounts are received to justify making a distribution within that period.

(3) The Commission is not required to make a distribution if, after 3 years from the date of the final disposition of the decision that gave rise to the disgorgement order, the amount received under the disgorgement order is insufficient to justify making a distribution.

(4) Despite subsection (3), the Commission may hold amounts received for potential future distribution to eligible applicants for a longer period if the Commission is of the opinion that sufficient additional amounts may be recovered within a reasonable timeframe to justify making a distribution and if:

(a) there is an ongoing action, application or other proceeding to recover additional amounts owing under the disgorgement order, or

(b) the disgorgement order or a settlement or other agreement provides that payments under the disgorgement order may be made at a future date.

(5) The final disposition of the decision that gave rise to the disgorgement order described in subsections (1), (2) and (3) occurs on the later of

(a) the expiry of the applicable time for the filing of an appeal of the proceeding in which the disgorgement order was issued, and

(b) the exhaustion of the appeal process if an appeal is filed.

PART 3
PUBLICATION OF DISGORGEMENT AMOUNTS AND NOTICE OF CLAIMS PROCESS

Publication of money received under disgorgement orders

3. (1) If the Commission receives money under a disgorgement order, it must publish the amount of money received under the disgorgement order.

(2) Information described in subsection (1) must be posted on the Commission's website and must be updated to include any additional amounts received under the disgorgement order within 30 days after the end of each calendar quarter.

Publication of notice of claims process

4. (1) If a distribution of money is required under this Rule, notice of the claims process must be posted on the Commission's website accompanied by a press release and must set out the period within which an eligible applicant may file a claim.

(2) An eligible applicant may file a claim by submitting an application in accordance with one of the following:

(a) if there is an administrator, a claims process order made by the court;

(b) if there is no administrator, Part 5 of this Rule.

PART 4
REQUIREMENT TO UPDATE CLAIMS APPLICATION

Requirement to update claims application

5. If a person or company has made an application for a payment as described in subsection 60.2.1 (3) of the *Commodity Futures Act*, and the information provided in the application changes in a material respect so that the information provided is now untrue or misleading or omits information that would make the information originally provided not untrue or misleading, the person or company must report the change to the Commission or the administrator promptly.

Claim denial – misleading or untrue information

6. The Commission may deny the claim for payment of a person or company if any of the following apply:

(a) the person or company fails to comply with section 5;

(b) the person or company makes a statement or provides information to the Commission in their application that, in a material respect and at the time and in the light of the circumstances under which it is made, is misleading or untrue or does not state a fact that is required to be stated or that is necessary to make the statement or information not misleading.

PART 5
CLAIMS PROCESS IF NO COURT-APPOINTED ADMINISTRATOR

Application

7. This Part applies if there is no administrator.

Content of the notice of claims process

8. If there is no administrator, the notice described in section 4 must include all of the following information:

(a) the proceeding in which the disgorgement order was made;

(b) the amount of money received under the disgorgement order;

(c) a statement that any eligible applicants are entitled to make a claim for payment from the disgorged amount;

(d) a description of how an eligible applicant can make a claim;

(e) the final day for filing a claim, which must be at least 90 days from the date of the notice posted on the Commission's website in accordance with subsection 4 (1);

(f) an address, including an electronic address, and telephone number to which inquiries about potential claims may be directed;

(g) an address, including an electronic address, where claims should be filed;

(h) a statement that a claim that does not comply with this Rule will be denied;

(i) a statement that, after the final day for filing a claim referred to in paragraph (e), the Commission may apply to the Superior Court of Justice to have an administrator appointed to distribute the disgorged amount instead of having the Commission distribute the amount in accordance with sections 10 to 13 of this Rule, in which case, any claims received by the Commission on or before the final day for filing a claim referred to in paragraph (e), will be provided to the administrator to be administered in accordance with an order made by the court under subsection 60.2.1 (4) of the *Commodity Futures Act*;

(j) any other information that the Commission considers appropriate.

Claim requirements

9. (1) An applicant must use a claim form provided by the Commission.

(2) Unless the claim form provides otherwise, the claim must include a description of the direct financial loss incurred by the applicant and the amount claimed, supported by documentary evidence.

(3) The claim must identify any other sources from which payment for the amount claimed by the applicant under this section has been paid, is payable or may be payable to the applicant, and the amount of that payment.

(4) The claim must be filed on or before the final day for filing a claim and must be updated in accordance with section 5.

Determining eligibility and amount of payment

10. (1) After reviewing all claims filed in accordance with section 9, the Commission may make a payment to the applicant from money received under a disgorgement order if the Commission is satisfied that all of the following apply:

(a) the applicant is an eligible applicant in respect of the disgorgement order;

(b) the amount of the applicant's direct financial loss can be quantified;

(c) sufficient proof of the direct financial loss has been provided.

(2) When determining the amount to be paid to an eligible applicant, the Commission must consider all of the following:

(a) the amount of money received under the disgorgement order;

(b) the direct financial loss suffered by the eligible applicant;

(c) the direct financial losses suffered by all eligible applicants;

(d) any other information the Commission considers appropriate in the circumstances.

(3) When determining an applicant's direct financial loss for the purposes of this section, the Commission must not include any amount claimed by the applicant in respect of a loss of opportunity or interest on any loss, and must consider all of the following:

(a) whether the applicant received or is entitled to receive a payment from other sources for the direct financial loss resulting from the contravention that gave rise to the disgorgement order;

(b) whether the applicant benefitted from the contravention that gave rise to the disgorgement order.

(4) The Commission must prorate payments among eligible applicants if, having considered the matters under subsection (2), the Commission determines that the money the Commission received under the disgorgement order is insufficient to pay the approved claim amount.

(5) Even if an applicant is eligible to receive a payment in accordance with this section, the Commission may decline to make a payment to the applicant if, in the opinion of the Commission, the amount of the payment would be too small to justify the costs of paying it.

Opportunity to provide additional supporting documentation

11. (1) The Commission must not deny all or part of a claim without providing an applicant with a written notice and an opportunity to provide additional supporting documentation to substantiate their eligibility and any disputed amount, which must be filed by the applicant within 35 days from the date of the notice.

(2) The notice in subsection (1) must be provided by the Commission by registered mail, courier, or electronic or digital transmission to the applicant's last known address, including an electronic address provided in the applicant's claim form.

No payment until all claims are determined

12. (1) No payments must be made to an eligible applicant until all the claims filed in accordance with section 9 have been considered and the amount to be paid to each eligible applicant is determined by the Commission under section 10.

(2) Despite subsection (1), if an applicant has filed additional supporting documentation in respect of a disputed claim in accordance with section 11, the Commission may hold back the disputed claim amount and make payments, including partial payments, to the remaining eligible applicants.

Residual funds

13. After 180 days following the date payments are issued to eligible applicants, if the Commission is unable to distribute an amount approved for payment to an eligible applicant, then the amount belongs to the Commission in accordance with subsection 60.2.1 (14) of the *Commodity Futures Act* and must be dealt with in accordance with subsection 19 (2) of the *Securities Commission Act, 2021.*

Election to seek appointment of administrator following final day for filing a claim

14. Despite sections 10 to 13 and following the final day for filing a claim specified in the notice in accordance with paragraph (e) of section 8, the Commission may apply to the Superior Court of Justice for the appointment of an administrator to distribute the disgorged amount if the Commission considers that this would be appropriate given the nature or volume of claims received.

PART 6
ADMINISTRATIVE COSTS

Payment of administrative costs

15. (1) In this section:

"administrative costs" include any of the following costs referred to in subsections 60.2.1 (9) and (12) of the *Commodity Futures Act*:

(a) reasonable costs incurred by an administrator, before their appointment, in connection with the disgorged amount;

(b) reasonable costs incurred by an administrator in connection with court orders made under section 60.2.1 of the *Commodity Futures Act*;

(c) reasonable costs incurred by the Commission to obtain external advice related to a distribution of the disgorged amount under Part 5 of this Rule.

(2) The payment of administrative costs in relation to the distribution of disgorged amounts under subsection 60.2.1 (9) or (12) of the *Commodity Futures Act* must be made as follows:

(a) first, from any administrative penalty or settlement money received by the Commission in relation to the same proceeding that gave rise to the disgorged amount that is the subject of the distribution, if such administrative penalty or settlement money has been allocated for the purpose of paying such administrative costs under subclause 19 (2) (b) (iii) of the *Securities Commission Act, 2021*;

(b) if any administrative costs remain after the payment described in paragraph (a), then from any other money that has been allocated by the Commission for the purpose of paying administrative costs under subclause 19 (2) (b) (iii) or clause 19 (2) (c) of the *Securities Commission Act, 2021* in such an amount as the Commission considers appropriate, having regard for the factors described in subsection (3);

(c) if any administrative costs remain after the payments described in paragraphs (a) and (b), then from the disgorged amount that is the subject of the distribution.

(3) In determining the amount payable under paragraph (b) of subsection (2), the Commission must consider factors including but not limited to:

(a) the balance of any amount allocated by the Commission for the purpose of paying administrative costs under subclause 19 (2) (b) (iii) or clause 19 (2) (c) of the *Securities Commission Act, 2021* that is available for such payments;

(b) the amount of any payment already made under paragraph (a) of subsection (2);

(c) the value of the disgorged amount that is the subject of the distribution;

(d) the estimated financial losses of persons or companies that incurred direct financial losses as a result of the contravention giving rise to the payment of the disgorged amount or the value of the approved claim amount.

PART 7
REPORTING

Reporting

16. (1) The Commission must publish a report no later than 60 days after the date on which money received by the Commission under a disgorgement order is fully distributed.

(2) The report under subsection (1) must contain all of the following information:

(a) the amount of money received by the Commission under the disgorgement order that was the subject of the distribution;

(b) the method of distribution;

(c) the estimated or total number of harmed investors, if known;

(d) the total number of applicants;

(e) the total number of eligible applicants who received a payment;

(f) the total value of all approved claims;

(g) the total amount distributed to eligible applicants;

(h) the value of any administrative costs paid from the disgorged amount;

(i) the percentage of each eligible applicant's approved claim amount paid under the distribution.

PART 8
EFFECTIVE DATE

Effective Date

17. This Rule comes into force on the later of the following:

(a) August 26, 2025;

(b) the day on which sections 6, 7 and 10 of Schedule 1 and section 1 of Schedule 11 of the *Building a Strong Ontario Together Act (Budget Measures), 2023* (Ontario) are proclaimed into force.

B.5.4 Companion Policy 11-503 (Commodity Futures Act) Distribution of Amounts Received by the OSC under Disgorgement Orders and Payment of Related Administrative Costs

COMPANION POLICY 11-503
(COMMODITY FUTURES ACT) DISTRIBUTION OF AMOUNTS RECEIVED BY THE OSC UNDER DISGORGEMENT ORDERS AND PAYMENT OF RELATED ADMINISTRATIVE COSTS

PART 1
GENERAL COMMENTS

Purpose of this Companion Policy

This Companion Policy sets out how the Ontario Securities Commission (the **Commission**) interprets and applies OSC Rule 11-503 *(Commodity Futures Act) Distribution of Amounts Received by the OSC under Disgorgement Orders and Payment of Related Administrative Costs* (the **Rule**) together with related provisions of the *Commodity Futures Act* (Ontario) (the **CFA**).

The Rule establishes the framework for distribution of money received by the Commission under disgorgement orders to investors who incurred direct financial losses as a result of a contravention of Ontario commodity futures law. This framework includes:

- the circumstances in which money received by the Commission under disgorgement orders is required to be distributed;
- the eligibility requirements for investors seeking a payment from the disgorged amounts received by the Commission;
- a process for distributing disgorged amounts to harmed investors in cases where a court-appointed administrator is not used; and
- the use of other monetary sanctions and settlement payments received by the Commission to pay certain administrative costs in relation to the distribution of disgorged amounts.

To assist harmed investors, in addition to explaining how the Commission interprets and applies the provisions of the CFA and the Rule, this Companion Policy summarizes key aspects of the legislative framework and the Rule relating to distributions. This Companion Policy should be read together with the Rule and section 60.2.1 of the CFA. To the extent there is any conflict between this Companion Policy, the legislation and the Rule, the legislation and the Rule prevail.

Background

The Commission works to protect investors from unfair, improper or fraudulent practices; foster fair, efficient and competitive commodity futures markets and confidence in those markets; foster capital formation; and contribute to the stability of the financial system and the reduction of systemic risk. This mandate is achieved by administering and enforcing compliance with Ontario commodity futures law.

When a person or company is alleged to have contravened Ontario commodity futures law, the Commission may bring enforcement proceedings before the Capital Markets Tribunal (the **Tribunal**) or the courts. The Tribunal and the courts can impose various monetary and non-monetary sanctions. Where the Tribunal has made a finding or the court has made a declaration that a person or company has not complied with Ontario commodity futures law, one of the orders they may make is an order that the person or company disgorge to the Commission any amounts obtained as a result of the non-compliance.[i] The Commission, exercising its discretion, selects cases, moves forward investigations, collects evidence, and calls witnesses as needed depending on the type of case being brought forward and the regulatory message being sent. Accordingly, a disgorgement order will not be applicable in all cases.

The purpose of a disgorgement order is not to compensate investors. Instead, disgorgement orders have been made to prevent a wrong-doer from benefitting from their misconduct, deter the wrong-doer and others from engaging in similar misconduct, and restore confidence in the capital markets. Disgorgement is distinct from restitution. Restitution is a remedy that aims to restore a person to the position they would have been in if not for the improper action of another.

The Commission makes reasonable efforts to collect monetary sanctions imposed by the Tribunal or the Superior Court of Justice, including collecting on disgorgement orders. In some situations, there may be little or no money, assets or property that can be seized for collections. However, to the extent the Commission can collect money under a disgorgement order, the CFA requires the Commission to distribute the money in accordance with the Rule to persons or companies who,

- incurred direct financial losses as a result of the contravention giving rise to the payment; and
- satisfy the conditions, restrictions and requirements set out in the Rule.[ii]

The CFA provides that such distributions may be carried out in the following ways:

- by an administrator appointed by the Superior Court of Justice following a process established by the court, or
- directly by the Commission following a process set out in Part 5 of the Rule.[iii]

The distribution process set out in the CFA is a claims-based process which relies on information submitted by applicants to prove their claims. Disgorgement is a remedy that focuses on the amount obtained by the respondent as a result of the contravention. The disgorgement remedy does not focus on "who lost what". Accordingly, the Commission may not have information to substantiate financial losses incurred by specific harmed investors. Therefore, it is the applicant's responsibility to provide their best information so that the Commission or administrator can make determinations about their claim.

Method of Distribution

There are two potential methods of distribution. The first involves the Commission seeking an administrator to be appointed by the court. The second is the Commission conducting a distribution directly under Part 5 of the Rule.

The method of distribution selected by the Commission will depend on the circumstances of each case. It is anticipated that most distributions will be conducted by an administrator. The Commission will generally carry out the distribution directly under Part 5 of the Rule only if the Commission is satisfied that:

- the potential applicants can be readily identified and are small in number, and
- their financial losses can be readily quantified.

The geographic location of potential applicants may also be a relevant consideration for choosing the method of distribution.

In cases where the Commission does not have sufficient information about potential applicants and their estimated losses to evaluate the appropriate method to distribute the disgorged amount, section 14 of the Rule allows the Commission to initiate the claims process under Part 5 of the Rule and later apply to the court for the appointment of an administrator to complete the distribution. It is expected that the Commission would rely on section 14 when appropriate, based on the nature or volume of the claims received. For example, the claims submitted to the Commission may indicate that there is a high volume of claims or complex issues that are better dealt with by an administrator.

Section 1 - Definitions

Unless defined in the Rule, terms used in the Rule and in this Companion Policy have the meaning given to them in securities legislation, including, for greater certainty, in OSC Rule 14-501 *Definitions*.

Definition of Eligible Applicant

Persons or companies

Investors who are eligible for a payment from the disgorged amount received by the Commission are referred to in the Rule as eligible applicants. The definition of an eligible applicant includes any person[iv] or company[v] that incurred direct financial losses as a result of a contravention that gave rise to a disgorgement order provided that the person or company did not directly or indirectly participate in the conduct that resulted in the disgorgement order.

The definition of "person"[vi] in the CFA includes, among other things, a "trust, trustee, executor, administrator, or other legal representative." In circumstances where an investor is unable to participate in the claims process directly, a person such as a trustee, executor or other legal representative may file a claim on behalf the investor.

Eligible applicants can submit claims even if they were not identified in the course of the underlying enforcement investigation or proceeding. An eligible applicant will generally be a person or company that was harmed during the relevant time period when the contravention took place. This time period is typically defined in the relevant decision or settlement agreement accompanying the disgorgement order. All investors affected by the misconduct related to the contravention found by the Tribunal who were directly harmed by the misconduct can apply for a payment out of the disgorged funds received by the Commission.

Direct financial losses

The Rule deals with contraventions that were found in proceedings or identified in settlement agreements that gave rise to disgorgement orders. Only financial losses that were directly caused by these contraventions are eligible for payment.

What constitutes a “direct financial loss” may depend on the nature of the contravention. For example:

- in a case where the underlying contravention involved a fraudulent investment scheme, a direct financial loss might include any of the amount invested in the scheme and any related fees the investor paid to the respondent (other than amounts that were repaid to the investor by the respondent or from another source). However, indirect financial losses incurred by investors in this scheme, such as expenses incurred by withdrawing from a different investment in order to invest in the scheme, would not be eligible for payment from the disgorged amount.

- in other cases, an investor’s “direct financial loss” could be confined to a fee paid by the investor to a respondent that the investor should not have paid, or was in excess of what they should have paid, due to conduct of the respondent such as a failure to maintain proper internal controls.

Types of losses that are not eligible for payment include:

- financial losses relating to conduct that was not proven in the proceeding (for example, financial losses resulting solely from a decrease in the value of an investment that is unrelated to the respondent’s contravention),

- financial losses relating to conduct occurring outside of the relevant time period considered in the proceeding,

- financial losses relating to the loss of an opportunity,

- interest on any financial loss, and

- non-financial losses.

PART 2
REQUIREMENT TO DISTRIBUTE

Subsection 2 (1) - Circumstances where a distribution is required

The Rule provides that money received by the Commission under a disgorgement order must be distributed in circumstances other than where any of the following apply:

- the amount received is too small to justify the costs of distributing it;

- the decision giving rise to the disgorgement order has not been finally disposed of.

Money received by the Commission that fits within the first exception will be dealt with in accordance with subsection 19 (2) of the *Securities Commission Act, 2021* (the **SCA**), which limits the use of these funds to specific purposes.[vii] The second exception is intended to clarify that the distribution requirement will not apply in circumstances where the deadline for filing an appeal of the decision that gave rise to the disgorgement order has not yet expired or an appeal of the decision has been filed and the appeal process is ongoing. In these circumstances, the Commission will continue to hold any funds received under the disgorgement order for potential distribution to eligible applicants until after the appeal process has been exhausted.

In circumstances where there are multiple respondents related to an alleged contravention that could give rise to a payment, the Commission will generally hold disgorged amounts received from any settling respondents for future distribution pending the conclusion of any proceeding involving the other respondent or respondents. This approach will be taken by the Commission to manage distribution costs by allowing for the potential distribution of all disgorged amounts received from all sources in relation to the same contravention in a single distribution.

Subsections 2 (2) to (5) - Partial amounts received

The Commission’s approach to dealing with partial amounts received under a disgorgement order will vary depending on the particular circumstances of a case. Whether to distribute, hold, or not distribute these funds will depend on details such as the following:

- the amount received,

- the status of any steps taken by the Commission to recover additional amounts owing under the order,

- whether the order or an agreement such as a payment plan provides that payments under the order may be made at a future date, and

- the time that has passed from either the date the disgorgement order was issued, or if the decision that gave rise to the disgorgement order has been appealed, the date the appeal process was exhausted.

The Commission makes reasonable efforts to enforce Tribunal and court orders, including collecting unpaid monetary sanctions and costs. Tribunal orders are routinely filed in the Superior Court of Justice. Under Ontario commodity futures law, Tribunal orders then become enforceable as though they are court orders. This allows the Commission to use a range of creditor remedies to collect amounts owing, which can include garnishment, seizure and sale of property, and registering liens. It is important to note that in these circumstances the Commission becomes an ordinary creditor of the respondent. There is no guarantee that any funds, assets, or property may be realized through creditor remedies. In addition, any funds, assets or property may be shared with other creditors based on any creditor priorities.

There may be situations where the Commission has received only part of the amount payable under the disgorgement order and that amount is not sufficient to justify the costs of administering a distribution. In these cases, the Rule requires the Commission to hold the amount received for potential distribution to eligible applicants for up to 3 years from the date of the final disposition of the decision that gave rise to the disgorgement order if the Commission receives sufficient additional amounts under the disgorgement order within that period to justify the costs of a distribution. In circumstances where the decision that gave rise to the disgorgement order has been appealed, this 3-year period runs from the date the appeal process has been exhausted.

During this 3-year period, the Commission may receive a partial amount under the disgorgement order that justifies carrying out a distribution. In these cases, the Commission may consider the following factors before deciding whether to proceed with a distribution at that time or hold the funds for an additional period to allow for further amounts to be recovered:

- the status of any ongoing collection efforts,
- the timing and amount of any future payments that are anticipated to be received under the terms of the order or a payment plan, and
- the anticipated costs of carrying out one or more distributions.

Following this 3-year period, the Commission may not recover sufficient amounts under the order to justify the costs of administering a distribution. In this case, the Rule provides that the Commission is not required to distribute the disgorged amount. However, there may be situations where there is ongoing collections activity at the end of this 3-year period. For example, there may be a court proceeding to recover additional amounts owing under the order. In these cases, the Rule provides the Commission with discretion to continue to hold amounts received for potential future distribution to eligible applicants beyond the 3-year period. The Commission may do this if it is of the opinion that sufficient additional amounts may be recovered within a reasonable timeframe that would justify carrying out a distribution.

Similarly, there may be occasions where the order or a payment plan provides that payments under the order may be made at a future date beyond the 3-year period. In these situations, the Commission may decide to continue to hold the amounts received for potential future distribution to eligible applicants. The Commission may do this if it is of the opinion that sufficient additional amounts may be recovered within a reasonable timeframe that would justify carrying out a distribution.

PART 3
PUBLICATION OF DISGORGEMENT AMOUNTS AND NOTICE OF CLAIMS PROCESS

Part 3 of the Rule involves two distinct steps. The first step is the publication of disgorged amounts received by the Commission on the Commission's website. The second step is the publication of the notice of claims process on the Commission's website and the issuance of a press release.

Section 3 - Publication of money received under disgorgement orders

For each case where disgorgement is ordered, amounts received by the Commission under that order will be published on its website and updated to include additional amounts received within 30 days after the end of each calendar quarter (March 31, June 30, September 30 and December 31). As part of these quarterly updates, additional information relevant to the distribution will be added as it becomes available. Information published on the website will generally include:

- the proceeding in which the disgorgement order was made and the respondent(s) to that proceeding who are subject to that order;
- the amount owing individually and/or jointly by the respondents under the disgorgement orders, the amount received by the Commission, and any amounts outstanding in respect of these orders; and
- any other information the Commission considers appropriate.

Section 4 - Publication of notice of claims process

The Rule requires that a notice relating to how a distribution will be carried out will be published on the Commission's website, accompanied by a press release. This notice will include information about how eligible applicants can make a claim and the deadline by which claims must be filed to be considered. In addition, the Commission may look to amplify the website posting through additional channels such as through social media channels and investor advocacy organizations.

As part of the Commission's distribution framework, the Commission is creating an online system that will enable investors to log their contact information with the Commission at the time a disgorgement order is issued if they would like to be contacted about a potential future distribution of any funds received by the Commission in relation to that order. The system will also allow investors to update their contact information if it changes. If the distribution is being carried out directly by the Commission under Part 5 of the Rule, the Commission will attempt to send the notice to the last known address (including an electronic address), if available, of any known potential eligible applicants who have logged their information on this system.

If the distribution is being carried out by an administrator, any additional notice requirements will be specified in the claims process order established by the court.

PART 4
REQUIREMENT TO UPDATE CLAIMS APPLICATION

Sections 5 and 6 - Requirement to update claims application

It is the applicant's responsibility to ensure that the Commission or the administrator has correct and up-to-date information about the claim.

Under a distribution carried out by the Commission under Part 5 of the Rule, a claim may be denied if any of the following apply:

- the person or company fails to promptly report any changes to the information provided in their application if the information changes in a material respect so that the information provided is now untrue or misleading or omits information that would make the information originally provided not untrue or misleading;
- the person or company makes a statement or provides information to the Commission in their application that, in a material respect and at the time and in the light of the circumstances under which it is made, is misleading or untrue or does not state a fact that is required to be stated or that is necessary to make the statement or information not misleading.

PART 5
CLAIMS PROCESS IF NO COURT-APPOINTED ADMINISTRATOR

Section 7 – Application

Part 5 of the Rule applies if there is no administrator.

Section 8 - Content of the notice of claims process

If the Commission elects to directly distribute money it has received under a disgorgement order using the process set out in Part 5 of the Rule, the Commission will publish a notice on its website explaining how eligible applicants can make a claim. This notice will include important information such as the name of the proceeding in which the disgorgement order was made, the amount that is being distributed, and the deadline for eligible applicants to file claims.

Applicants will generally have the option to either file claims electronically or using a paper form provided by the Commission. Applicants will have at least 90 days from the date of the notice to make a claim. Any claim filed after the final day for filing a claim specified in the notice will not be considered.

While this minimum 90-day period may allow simpler distributions to be completed relatively quickly, the Commission may set a period longer than 90 days depending on the circumstances of the case. For example, the Commission may establish a longer claims period if the Commission has limited information about potential applicants or if potential applicants are located outside of Canada.

If at the time the notice is posted, the amount received under the disgorgement order does not represent the full amount payable under the order, any additional amounts received under the order prior to the conclusion of the distribution will be included in the distribution.

Section 9 - Claim requirements

The claim form will be available on the Commission's website. Although the claim form may differ somewhat depending on the case, at a minimum, applicants can expect to provide the following information and documentary evidence to support their claim:

- applicant's name, address and contact information, and supporting identification documents;
- information about the claim, including:
    - the applicant's direct financial losses and the amount claimed;
    - how the applicant believes the contraventions that gave rise to the disgorgement order directly resulted in the financial losses claimed by the applicant;
    - any amounts received from the relevant investment (e.g., dividends, interest income, capital gains, return of capital, etc.);
    - any other sources (e.g., other litigation action) from which payment for the loss claimed has been paid, is payable or may be payable to the applicant, and the amount of that payment;
    - the applicant's involvement in the misconduct, if any;
    - whether the Commission has ever denied the applicant's claim for this or any other loss;
- documentary evidence to support the claim such as account statements, records of wire or e-transfers, investment agreements, etc.;
- applicant's certification that the information in the form and where applicable, material submitted in support of the claim, is true and correct;
- updates to the information that has been provided to the Commission if there have been any changes;
- applicant's certification that they understand that after the final day for filing a claim, the Commission may apply to the Superior Court of Justice to have an administrator appointed to distribute the disgorged amount. In this case, any claims received by the Commission on or before the final day for filing will be provided to the administrator to be administered under an order made by the court.

As noted above, it is the applicant's responsibility to provide their best information so that the Commission can make determinations about the claim. However, there may be cases where, prior to commencing a claims process, the Commission has sufficient information to assess the financial losses sustained by particular investors who were harmed by the conduct giving rise to the disgorgement order. In these cases, the claim form may invite applicants to do one of the following:

- confirm the accuracy and completeness of the claim amount assessed by the Commission, in which case no further documentary evidence will need to be submitted,
- decline to make a claim, or
- make a claim for a different amount, supported by documentation evidencing the amount claimed.

Section 10 - Determining eligibility and amount of payment

Subsections 10 (1) to (3) - Claim Determinations

After reviewing all claims filed under Part 5 of the Rule, the Commission will make claim determinations under section 10 of the Rule.

The Commission may make a payment to the applicant if the Commission is satisfied that all of the following apply:

- the applicant is an eligible applicant in respect of the disgorgement order;
- the amount of the applicant's direct financial loss can be quantified;
- sufficient proof of the direct financial loss has been provided.

When determining the amount to be paid to the eligible applicant, the Commission must consider all of the following:

- the amount of money received under the disgorgement order;
- the direct financial loss suffered by the eligible applicant;
- the direct financial losses suffered by all eligible applicants;
- any other information the Commission considers appropriate in the circumstances.

When determining an applicant's direct financial loss for the purposes of section 10, the Commission must not include any amount claimed by the applicant in respect of a loss of opportunity or interest on any loss, and must consider all of the following:

- whether the applicant received or is entitled to receive a payment from other sources for the direct financial loss resulting from the contravention that gave rise to the disgorgement order;
- whether the applicant benefitted from the contravention that gave rise the disgorgement order.

The Commission's practice will be to communicate the outcomes of its determinations to applicants in writing.

Subsection 10 (4) - Prorated payments

The Commission's practice will be to use the following formula to prorate payments under subsection 10 (4) of the Rule:

$$\frac{A \times B}{C}$$

where

A = the amount of money received by the Commission under the order less any administrative costs that have been deducted from the disgorged amount,

B = the financial loss suffered by the eligible applicant, and

C = the financial loss suffered by all eligible applicants.

Subsection 10 (5) - Exception

The Commission may decline to make a payment to an eligible applicant if, in the opinion of the Commission, the amount of the payment would be too small to justify the costs of making the payment. While the Commission has not established any specific monetary cut-off for declining payments, which may depend on the circumstances of the case, it is anticipated that payments of less than $50 will generally not be issued. In circumstances where the Commission declines to issue a payment to an eligible applicant under this subsection of the Rule, the amount that would have otherwise been payable to the applicant will be added back to the amount available for distribution to the remaining eligible applicants.

Section 11 - Opportunity to provide additional supporting documentation

Before the Commission denies all or part of a claim, the Commission will provide applicants with the opportunity to provide additional supporting documentation to substantiate their eligibility and any disputed amount. The Commission will provide the notice in writing and the applicant will have 35 days from the date of the notice to file the additional supporting documentation.

Section 12 – No payment until all claims are determined

Subsection 12 (1) of the Rule provides that no payments shall be made until all claims filed under the Rule have been considered and the amount to be paid to each applicant has been determined. However, if there are any disputed claims, subsection 12 (2) allows the Commission to make payments, including partial payments, to the remaining eligible applicants. In these cases, the Commission will hold back the disputed claim amount.

Section 13 - Residual funds

Section 13 of the Rule provides that approved claim amounts that the Commission is unable to distribute to eligible applicants after 180 days following the date payments are issued belong to the Commission and will be dealt with in accordance with subsection 19 (2) of the SCA[viii]. Subsection 19 (2) of the SCA sets out the purposes for which these funds may be used.[ix]

In practice, payments to applicants with approved claims will generally be deposited directly into the applicant's bank account, as this represents the most secure and efficient mechanism for ensuring that approved applicants receive their payments. While

cheques may be issued in exceptional circumstances, if a cheque is not cashed within 180 days following its issuance, the applicant will no longer be entitled to receive the funds.

To ensure that eligible applicants have a reasonable opportunity to receive their payments, in circumstances where payments are made by cheque, the Commission will undertake reasonable efforts to contact the eligible applicants who have not cashed their cheques within 90 days following the issuance of the cheque.

Section 14 - Election to seek appointment of administrator following final day for filing a claim

There may be cases where the Commission does not have sufficient information about potential applicants and their estimated losses to evaluate the appropriate method to distribute the disgorged amount. In these cases, the Commission may initiate the claims process under Part 5 of the Rule and later apply to the court for the appointment of an administrator to complete the distribution. The approach taken will depend on the nature or volume of the claims received by the Commission, and may take into account factors such as:

- the number of claims received,
- the volume and complexity of the documentation that must be reviewed to evaluate the claims,
- the location of the applicants,
- any special requirements of applicants (for example, language requirements), and
- the resources and expertise required to conduct the distribution.

If the Commission seeks to have an administrator appointed to complete a distribution that was initiated under Part 5 of the Rule, the distribution will be governed by the court's claims process order instead of the Rule. In these circumstances, the Commission will give the administrator any information that was received from applicants following the initiation of the claims process.

PART 6
ADMINISTRATIVE COSTS

Section 15 - Payment of administrative costs

The CFA contemplates that certain administrative costs relating to distributions are eligible to be paid from the disgorged amount that is being distributed or, in accordance with the regulations, from other sanction and settlement money held by the Commission that it has allocated for this purpose. These costs include the reasonable costs incurred by an administrator in carrying out a distribution,[x] or in the case of a distribution carried out directly by the Commission under the Rule, reasonable costs incurred by the Commission in obtaining external advice relating to the distribution[xi].

The sanction and settlement money that may be allocated by the Commission to pay these administrative costs includes administrative penalties, settlement payments, and amounts disgorged to the Commission that are not subject to the distribution requirement. These funds are held in a separate account by the Commission. The Commission's practice is to set aside funds held in this account for various purposes authorized under subsection 19 (2) of the SCA on an annual basis. In keeping with this practice, the Commission may set aside some of these funds for potential use toward the payment of eligible administrative costs relating to distributions.

The Rule provides that for each distribution, administrative costs will be paid:

(1) First, from any administrative penalty or settlement money received by the Commission in relation to the same proceeding as the disgorged amount that is the subject of the distribution.

(2) Next, from other unrelated sanction and settlement money the Commission has set aside for potential payment of such costs, as described above, and in such an amount the Commission considers appropriate after considering factors including:

- the balance of funds set aside by the Commission for the purpose of paying administrative costs that is available for such payments,
- the amount of any administrative costs that have already been paid from administrative penalty or settlement money received by the Commission in relation to the same proceeding as the disgorged amount that is the subject of the distribution,
- the value of the disgorged amount that is the subject of the distribution, and

- the estimated financial losses incurred by potential applicants as a result of the relevant contravention or the value of the approved claim amount.

(3) Finally, if any administrative costs remain, from the disgorged amount that is being distributed.

PART 7
REPORTING

Section 16 - Reporting

The Rule provides that the Commission will publish a report no later than 60 days following the conclusion of the distribution. This report will describe the results of the distribution. It will include data such as the percentage of each eligible applicant's approved claim amount paid under the distribution. The Commission's practice will be to anonymize any such data.

---

[i] The Tribunal's authority to make an order requiring a person or company to disgorge to the Commission any amounts obtained a result of non-compliance with Ontario commodity futures law is found in paragraph 10 of subsection 60 (1) of the CFA. The authority of the Ontario Superior Court of Justice to make an order requiring a person or company to disgorge to the Commission any amounts obtained as a result of the non-compliance with Ontario commodity futures law is found in paragraph 11 of subsection 60.2 (3) of the CFA.

In some cases, the Commission may lay quasi-criminal charges and prosecute alleged wrongdoers through the Ontario Court of Justice under section 55 of the CFA, which may result in a fine or imprisonment on conviction. Any such fine is not subject to the distribution framework under the Rule.

[ii] The legislative framework for distributing money disgorged to the Commission is found in section 60.2.1 of the CFA.

[iii] Subsections 60.2.1 (4) and (10) of the CFA set out the two methods of distribution.

[iv] Under the CFA, "person" means "an individual, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator, or other legal representative".

[v] Under the CFA, a "company" means "any corporation, incorporated association, incorporated syndicate or other incorporated organization".

[vi] Please refer to endnote iv.

[vii] Subsection 60.2.1 (15) of the CFA provides that if the regulations do not require a distribution, the disgorged amount belongs to the Commission and shall be dealt with in accordance with subsection 19 (2) of the SCA.

Subsection 19 (2) of the SCA allows the Commission to allocate this money for the following purposes:

(i) to or for the benefit of third parties,
(ii) for use by the Commission or third parties for the purpose of educating investors or promoting or otherwise enhancing knowledge and information of persons regarding the operation of the securities and financial markets,
(iii) for use to pay administrative costs in relation to the distribution of disgorged amounts in accordance with subsection 60.2.1 (9) or (12) of the CFA, or
(iv) for any other purpose specified in the regulations. Purposes specified in O. Reg. 28/24 include certain technology and data enhancement expenditures of the Commission and funding activities of the Commission's Office of Economic Growth and Innovation.

[viii] Subsection 60.2.1 (14) of the CFA provides that any disgorged amount remaining after payments are made to the applicants and towards administrative costs of the distribution belongs to the Commission and shall be dealt with in accordance with subsection 19 (2) of the SCA. See Endnote vii for information on limits to the use of funds under subsection 19 (2) of the SCA.

[ix] See endnote vii above for the purposes for which the Commission may use any residual amounts that remain in the Commission's account 180 days after the date payments are issued in a particular distribution.

[x] Subsection 60.2.1 (9) of the CFA describes the administrative costs that are eligible for payment from other sanction and settlement money held by the Commission and described in subclause 19 (2) (b) (iii) or clause 19 (2) (c) of the SCA where the distribution is carried out by an administrator.

[xi] Subsection 60.2.1 (12) of the CFA describes the administrative costs that are eligible for payment from other sanction and settlement money held by the Commission and described in subclause 19 (2) (b) (iii) or clause 19 (2) (c) of the SCA where the distribution is carried out by the Commission following the process established under the Rule.

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:
Probity Mining 2025-II Short Duration Flow-Through Limited Partnership - National Class
Probity Mining 2025-II Short Duration Flow-Through Limited Partnership - British Columbia Class
Probity Mining 2025-II Short Duration Flow-Through Limited Partnership - Quebec Class
Principal Regulator – British Columbia
Type and Date:
Preliminary Long Form Prospectus dated Aug 28, 2025
NP 11-202 Preliminary Receipt dated Aug 28, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06330476, 06330401 and 06330514

Issuer Name:
Evolve Canadian Equity UltraYield ETF
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated Aug 29, 2025
NP 11-202 Preliminary Receipt dated Aug 29, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06331507

Issuer Name:
Davis-Rea Equity Fund
Davis-Rea Fixed Income Fund
Davis-Rea Total Return Equity Fund
Type and Date:
Final Simplified Prospectus dated Aug 28, 2025
NP 11-202 Final Receipt dated Aug 29, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06313653

Issuer Name:
TD Global Research Equity Fund
TD International Research Equity Fund
TD Options Premium Income Pool
TD U.S. Research Equity Fund
Principal Regulator – Ontario
Type and Date:
Preliminary Simplified Prospectus dated Aug 28, 2025
NP 11-202 Preliminary Receipt dated Aug 28, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06330138

Issuer Name:
Desjardins American Equity Fund
Desjardins Canadian Equity Plus Fund
Desjardins Sustainable Canadian Equity Plus Fund
Principal Regulator – Quebec
Type and Date:
Preliminary Simplified Prospectus dated Aug 29, 2025
NP 11-202 Preliminary Receipt dated Aug 29, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06332507

Issuer Name:
Purpose Bitcoin ETF
Purpose Bitcoin Yield ETF
Purpose Core Bitcoin ETF
Purpose Core Ether ETF
Purpose Credit Opportunities Fund
Purpose Diversified Real Asset Fund
Purpose Ether ETF
Purpose Ether Staking Corp. ETF
Purpose Ether Yield ETF
Purpose Multi-Strategy Market Neutral Fund
Purpose Structured Equity Growth Fund
Purpose Structured Equity Yield Plus Fund (formerly, Purpose Structured Equity Yield Plus Portfolio)
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated Aug 27, 2025
NP 11-202 Final Receipt dated Aug 28, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06313929

Issuer Name:
Maple Leaf Critical Minerals 2025-II Enhanced Flow-Through Limited Partnership - Quebec Class
Maple Leaf Critical Minerals 2025-II Enhanced Flow-Through Limited Partnership - National Class
Principal Regulator – British Columbia
Type and Date:
Preliminary Long Form Prospectus dated Aug 27, 2025
NP 11-202 Preliminary Receipt dated Aug 27, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06328714, 06328710

Issuer Name:
Global X Canadian High Dividend Index Corporate Class ETF
Global X Canadian Select Universe Bond Index Corporate Class ETF
Global X Cash Maximizer Corporate Class ETF
Global X Emerging Markets Equity Index Corporate Class ETF
Global X Equal Weight Canadian Banks Index Corporate Class ETF
Global X Equal Weight Canadian REITs Index Corporate Class ETF
Global X Europe 50 Index Corporate Class ETF
Global X Intl Developed Markets Equity Index Corporate Class ETF
Global X Laddered Canadian Preferred Share Index Corporate Class ETF
Global X Nasdaq-100 Index Corporate Class ETF
Global X S&P 500 CAD Hedged Index Corporate Class ETF
Global X S&P 500 Index Corporate Class ETF
Global X S&P/TSX 60 Index Corporate Class ETF
Global X S&P/TSX Capped Composite Index Corporate Class ETF
Global X S&P/TSX Capped Energy Index Corporate Class ETF
Global X S&P/TSX Capped Financials Index Corporate Class ETF
Global X US 7-10 Year Treasury Bond Index Corporate Class ETF
Global X US Large Cap Index Corporate Class ETF
Global X USD Cash Maximizer Corporate Class ETF
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated Aug 27, 2025
NP 11-202 Final Receipt dated Aug 28, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06313780

Issuer Name:
Fidelity Advantage Bitcoin ETF®
Fidelity Advantage Ether ETF®
Fidelity All-American Equity ETF
Fidelity All-Canadian Equity ETF
Fidelity All-in-One Balanced ETF
Fidelity All-in-One Conservative ETF
Fidelity All-in-One Conservative Income ETF
Fidelity All-in-One Equity ETF
Fidelity All-in-One Fixed Income ETF
Fidelity All-in-One Growth ETF
Fidelity All-International Equity ETF
Fidelity Canadian High Dividend ETF
Fidelity Canadian High Quality ETF
Fidelity Canadian Low Volatility ETF
Fidelity Canadian Momentum ETF
Fidelity Canadian Monthly High Income ETF
Fidelity Canadian Short Term Corporate Bond ETF
Fidelity Canadian Value ETF
Fidelity Core U.S. Bond ETF
Fidelity Equity Premium Yield ETF
Fidelity Global Core Plus Bond ETF
Fidelity Global Innovators® ETF
Fidelity Global Investment Grade Bond ETF
Fidelity Global Monthly High Income ETF
Fidelity International High Dividend ETF
Fidelity International High Quality ETF
Fidelity International Low Volatility ETF
Fidelity International Momentum ETF
Fidelity International Value ETF
Fidelity Sustainable World ETF
Fidelity Systematic Canadian Bond Index ETF
Fidelity U.S. Dividend for Rising Rates ETF
Fidelity U.S. High Dividend Currency Neutral ETF
Fidelity U.S. High Dividend ETF
Fidelity U.S. High Quality Currency Neutral ETF
Fidelity U.S. High Quality ETF
Fidelity U.S. Low Volatility ETF
Fidelity U.S. Momentum ETF
Fidelity U.S. Value Currency Neutral ETF
Fidelity U.S. Value ETF
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated Aug 25, 2025
NP 11-202 Final Receipt dated Aug 26, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06312055

Issuer Name:
Tralucent Global Alt (Long/Short) Equity Fund
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated Aug 28, 2025
NP 11-202 Final Receipt dated Aug 28, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06314812

Issuer Name:
BetaPro Canadian Gold Miners -2x Daily Bear ETF
BetaPro Canadian Gold Miners 2x Daily Bull ETF
BetaPro Crude Oil Inverse Leveraged Daily Bear ETF
BetaPro Crude Oil Leveraged Daily Bull ETF
BetaPro Equal Weight Canadian Bank -2x Daily Bear ETF
BetaPro Equal Weight Canadian Bank 2x Daily Bull ETF
BetaPro Equal Weight Canadian REIT -2x Daily Bear ETF
BetaPro Equal Weight Canadian REIT 2x Daily Bull ETF
BetaPro Gold Bullion -2x Daily Bear ETF
BetaPro Gold Bullion 2x Daily Bull ETF
BetaPro Inverse Bitcoin ETF
BetaPro Nasdaq-100 Daily Inverse ETF
BetaPro NASDAQ-100® -2x Daily Bear ETF
BetaPro NASDAQ-100® 2x Daily Bull ETF
BetaPro Natural Gas Inverse Leveraged Daily Bear ETF
BetaPro Natural Gas Leveraged Daily Bull ETF
BetaPro S&P 500 VIX Short-Term Futures™ ETF
BetaPro S&P 500® -2x Daily Bear ETF
BetaPro S&P 500® 2x Daily Bull ETF
BetaPro S&P 500® Daily Inverse ETF
BetaPro S&P/TSX 60™ -2x Daily Bear ETF
BetaPro S&P/TSX 60™ 2x Daily Bull ETF
BetaPro S&P/TSX 60™ Daily Inverse ETF
BetaPro S&P/TSX Capped Energy™ -2x Daily Bear ETF
BetaPro S&P/TSX Capped Energy™ 2x Daily Bull ETF
BetaPro S&P/TSX Capped Financials™ -2x Daily Bear ETF
BetaPro S&P/TSX Capped Financials™ 2x Daily Bull ETF
BetaPro Silver -2x Daily Bear ETF
BetaPro Silver 2x Daily Bull ETF
Global X Crude Oil ETF
Global X Gold ETF
Global X Natural Gas ETF
Global X Silver ETF
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated Aug 27, 2025
NP 11-202 Final Receipt dated Aug 28, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06314238

Issuer Name:
PICTON Balanced Fund
PICTON Global Equity Fund
PICTON Income Fund
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated Aug 25, 2025
NP 11-202 Final Receipt dated Aug 26, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06312935

Issuer Name:
Oak Hill NexPoint Global Merger Arbitrage Fund
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated Aug 25, 2025
NP 11-202 Final Receipt dated Aug 26, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06323098

Issuer Name:
Dynamic Multi-Alternative PLUS Fund
Principal Regulator – Ontario
Type and Date:
Preliminary Simplified Prospectus dated Aug 26, 2025
NP 11-202 Preliminary Receipt dated Aug 26, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06327326

Issuer Name:
Corton Enhanced Income Fund
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated Aug 22, 2025
NP 11-202 Final Receipt dated Aug 27, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06313257

Issuer Name:
Pender Alternative Select Equity Fund
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated Aug 28, 2025
NP 11-202 Final Receipt dated Aug 29, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06314830

Issuer Name:
Scotia Wealth International Equity Pool
Scotia Wealth U.S. Value Pool
Principal Regulator – Ontario
Type and Date:
Amendment No. 1 to Final Simplified Prospectus dated August 22, 2025
NP 11-202 Final Receipt dated Aug 27, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06266705

Issuer Name:
CI Galaxy Core Multi-Crypto ETF
Principal Regulator – Ontario
Type and Date:
Amendment No. 1 to Final Simplified Prospectus dated August 28, 2025
NP 11-202 Final Receipt dated Aug 29, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06297292

Issuer Name:
Purpose Global Bond Fund
Principal Regulator – Ontario
Type and Date:
Amendment No. 2 to Final Simplified Prospectus dated August 25, 2025
NP 11-202 Final Receipt dated Aug 28, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06184020

NON-INVESTMENT FUNDS

Issuer Name:
Snowline Gold Corp.
Principal Regulator – British Columbia
Type and Date:
Final Short Form Prospectus dated August 28, 2025
NP 11-202 Final Receipt dated August 29, 2025
Offering Price and Description:
$80,000,100 – 8,888,900 Common Shares
Filing # 06322253

Issuer Name:
Marshall Technologies Corp.
Principal Regulator – Alberta
Type and Date:
Preliminary Long Form Prospectus dated August 22, 2025
NP 11-202 Preliminary Receipt dated August 25, 2025
Offering Price and Description:
N/A
Filing # 06326105

Issuer Name:
Intermap Technologies Corporation
Principal Regulator – Alberta
Type and Date:
Preliminary Shelf Prospectus dated August 25, 2025
NP 11-202 Preliminary Receipt dated August 26, 2025
Offering Price and Description:
Common Shares, Preferred Shares, Debt Securities, Subscription Receipts, Warrants, Units
Filing # 06326623

Issuer Name:
Luxxfolio Holdings Inc.
Principal Regulator – British Columbia
Type and Date:
Preliminary Shelf Prospectus dated August 25, 2025
NP 11-202 Preliminary Receipt dated August 28, 2025
Offering Price and Description:
$100,000,000 – Common Shares, Preferred Shares, Warrants, Subscription Receipts, Debt Securities, Units
Filing # 06329534

Issuer Name:
Brookfield Infrastructure Partners L.P.
Principal Regulator – Ontario
Type and Date:
Final Shelf Prospectus dated August 27, 2025
NP 11-202 Final Receipt dated August 28, 2025
Offering Price and Description:
Limited Partnership Units, Class A Preferred Limited Partnership Units
Filing # 06329535

Issuer Name:
Canadian Natural Resources Limited
Principal Regulator – Alberta
Type and Date:
Final Shelf Prospectus dated August 28, 2025
NP 11-202 Final Receipt dated August 28, 2025
Offering Price and Description:
$3,000,000,000 – Medium Term Notes (unsecured)
Filing # 06331112

Issuer Name:
Ero Copper Corp.
Principal Regulator – British Columbia
Type and Date:
Final Shelf Prospectus dated August 29, 2025
NP 11-202 Final Receipt dated August 29, 2025
Offering Price and Description:
Common Shares, Debt Securities, Warrants, Units, Subscription Receipts, Share Purchase Contracts
Filing # 06333223

Issuer Name:
Fortuna Mining Corp.
Principal Regulator – British Columbia
Type and Date:
Final Shelf Prospectus dated August 29, 2025
NP 11-202 Final Receipt dated August 29, 2025
Offering Price and Description:
Common Shares, Subscription Receipts, Units, Warrants, Share Purchase Contracts, Debt Securities
Filing # 06333089

Issuer Name:
Sol Strategies Inc.
Principal Regulator – Ontario
Type and Date:
Amendment to Preliminary Shelf Prospectus dated August 25, 2025
NP 11-202 Amendment Receipt dated August 25, 2025
Offering Price and Description:
US$150,000,000 – Common Shares, Debt Securities, Subscription Receipts, Warrants, Units
Filing # 06290214

Issuer Name:
Commodore Metals Corp.
Principal Regulator – British Columbia
Type and Date:
Final Long Form Prospectus dated August 29, 2025
NP 11-202 Final Receipt dated August 29, 2025
Offering Price and Description:
6,400,000 Units Upon the Exercise of 6,400,000 Series “A” Special Warrants and 1,102,500 Common Shares Upon the Exercise of 1,102,500 Series “B” Special Warrants
Filing # 06285559

This page intentionally left blank

B.10
Registrations

B.10.1 Registrants

Type	Company	Category of Registration	Effective Date
Voluntary Surrender	DORCHESTER WEALTH MANAGEMENT COMPANY	Portfolio Manager	August 28, 2025

This page intentionally left blank

B.11
CIRO, Marketplaces, Clearing Agencies and Trade Repositories

B.11.3 Clearing Agencies

B.11.3.1 CDS Clearing and Depository Services Inc. (CDS) – Proposed Significant Changes to Discontinue the Fee Rebate Model and Reduce Certain Core Clearing and Settlement Fees; and Proposed Amendments to Eliminate Network Connectivity Fees and to Eliminate Report File Transmission Fee – Notice of Material Rule Submission

NOTICE OF MATERIAL RULE SUBMISSION

CDS CLEARING AND DEPOSITORY SERVICES INC. (CDS)

PROPOSED SIGNIFICANT CHANGES TO
DISCONTINUE THE FEE REBATE MODEL AND REDUCE CERTAIN CORE CLEARING AND SETTLEMENT FEES

AND

PROPOSED AMENDMENTS TO
ELIMINATE NETWORK CONNECTIVITY FEES AND TO ELIMINATE REPORT FILE TRANSMISSION FEES

CDS has submitted to the Commission proposed amendments consisting of two principal elements: (1) discontinuing two Participant rebates established in CDS's regulatory oversight framework; and, (2) the reduction of certain core Participant clearing and settlement fees by 35 percent. CDS also proposes to eliminate select non-core fees.

In 2019 and, subsequently, in 2021 CDS published proposals to remove the Participant rebates. CDS now presents a revised, new proposal.

The proposed significant changes and amendments have been posted for public comment on CDS's website. The comment period ends on November 3, 2025.

B.11.3.2 CDS Clearing and Depository Services Inc. (CDS) – 2021 Revised Proposal: Proposed Significant Change to Eliminate Fee Rebate Model; and Proposed Amendments to Eliminate Network Connectivity Fees and to Eliminate Report File Transmission Fees – Notice of Withdrawal

NOTICE OF WITHDRAWAL

CDS CLEARING AND DEPOSITORY SERVICES INC. (CDS)

2021 REVISED PROPOSAL: PROPOSED SIGNIFICANT CHANGE TO ELIMINATE FEE REBATE MODEL

AND

PROPOSED AMENDMENTS TO
ELIMINATE NETWORK CONNECTIVITY FEES AND TO ELIMINATE REPORT FILE TRANSMISSION FEES

In accordance with the provisions of the rule protocol between the Ontario Securities Commission ("OSC") and CDS Clearing and Depository Services Inc. ("CDS"), CDS has withdrawn its 2021 submission of the proposed significant change to eliminate CDS fee rebates and proposed amendments to eliminate network connectivity and file transmission fees. The proposed amendments were published on February 25, 2021.

CDS has concurrently filed a separate Notice and Request for Comment, for a comment period of 60 days, describing a new proposal to eliminate CDS's fee rebate model.

For further details, please see the Notice of Withdrawal posted on CDS's website.

Index