The Ontario Securities Commission

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Commodity Futures Act of Ontario (R.S.O. 1990, c. C.20)

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

416-593-8314 or Toll Free 1-877-785-1555

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416-609-3800 or 1-800-387-5164

Contact Centre – Inquiries, Complaints:
Fax: 416-593-8122
TTY: 1-866-827-1295

Office of the Secretary:
Fax: 416-593-2318

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Table of Contents

Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Notice of Correction – MRS Sciences Inc. (formerly Morningside Capital Corp.) et al.

NOTICE OF CORRECTION

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
MRS SCIENCES INC. (FORMERLY MORNINGSIDE CAPITAL CORP.),
AMERICO DEROSA, RONALD SHERMAN, EDWARD EMMONS, IVAN CAVRIC
AND PRIMEQUEST CAPITAL CORPORATION

(2014), 37 O.S.C.B. 5611. The typographical errors are corrected as follows:

1. Paragraph 93 third line: the number “1995” is replaced with “2005”.
2. Paragraph 94 first line: the number “1996” is replaced with “2006”.
3. Paragraph 155 table: the amount of “$30,821.25” is replaced with “$39,821.25”.
4. Paragraph 165 second line: the amount of “$126,216.04” is replaced with “$117,216.04”.
5. Paragraph 167 second line: the amount of “$30,821.25” is replaced with “$39,821.25”.
6. Paragraph 169 second line: the amount of “$126,216.04” is replaced with “$117,216.04”.
7. Paragraphs 171(1)(g), (2)(g), (3)(g) and (4)(g): the amount of “$126,216.04” is replaced with “$117,216.04”.

1.4 Notices from the Office of the Secretary

1.4.1 Children's Education Funds Inc.

FOR IMMEDIATE RELEASE
June 3, 2015

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
CHILDREN'S EDUCATION FUNDS INC.

TORONTO – The Commission issued an Order in the above named matter which provides that the time for the delivery of the Report set out in the Order dated April 7, 2014 be extended to July 3, 2015.

A copy of the Order dated June 2, 2015 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
SECRETARY

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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1.4.2 Quadrexx Hedge Capital Management Ltd.

FOR IMMEDIATE RELEASE
June 4, 2015

IN THE MATTER OF
THE SECURITIES ACT.
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
QUADREXX HEDGE CAPITAL MANAGEMENT LTD.,
QUADREXX SECURED ASSETS INC.,
MIKLOS NAGY and TONY SANFELICE

TORONTO – The Commission issued an Order in the above named matter which provides that the hearing on the merits in this matter shall continue on September 21, 23, 24 (for the morning only), 25, 28, 29 and 30, on October 1, 2, 5 and 9 and on November 16, 18, 19, 20, 23, 24 and 25, 2015, each day commencing at 10:00 a.m.

A copy of the Order dated June 3, 2015 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
SECRETARY

For media inquiries:

media_inquiries@osc.gov.on.ca

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1.4.3 MRS Sciences Inc. (formerly Morningside Capital Corp.) et al.

FOR IMMEDIATE RELEASE
June 4, 2015

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
MRS SCIENCES INC.
(FORMERLY MORNINGSIDE CAPITAL CORP.),
AMERICO DEROSA, RONALD SHERMAN,
EDWARD EMMONS, IVAN CAVRIC AND
PRIMEQUEST CAPITAL CORPORATION

TORONTO – The Commission issued an Amended Order on Sanctions and Costs in the above named matter.

A copy of the Notice of Correction and Amended Order on Sanctions and Costs dated June 4, 2015 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
SECRETARY

For media inquiries:

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1.4.4 David M. O'Brien

FOR IMMEDIATE RELEASE
June 4, 2015

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

AND

IN THE MATTER OF
DAVID M. O'BRIEN

TORONTO – The Commission issued an Order in the above named matter which provides that the date of June 16, 2015 at 3:00 p.m. set for a confidential pre-hearing conference be vacated, and this matter shall be continued to a date to be agreed to by the parties and set by the Office of the Secretary.

A copy of the Order dated June 4, 2015 is available at www.osc.gov.on.ca.

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JOSÉE TURCOTTE
SECRETARY

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1.4.5 7997698 Canada Inc., carrying on business as International Legal and Accounting Services Inc. et al.

FOR IMMEDIATE RELEASE
June 5, 2015

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
7997698 CANADA INC., carrying on business as INTERNATIONAL LEGAL AND ACCOUNTING SERVICES INC., WORLD INCUBATION CENTRE, or WIC (ON), JOHN LEE also known as CHIN LEE, and MARY HUANG also known as NING-SHENG MARY HUANG

TORONTO – The Commission issued an Order in the above named matter which provides that:

1. the Temporary Order is extended until July 29, 2015; and specifically:
   a. that all trading in any securities by the Respondents shall cease; and
   b. that the exemptions contained in Ontario securities law do not apply to any of the Respondents;
2. any person or company affected by this Order may apply to the Commission for an order revoking or varying this Order pursuant to s. 144 of the Act upon seven days written notice to Staff of the Commission; and
3. the hearing is adjourned until Wednesday July 22, 2015 at 10:00 a.m.

A copy of the Order dated May 27, 2015 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
SECRETARY

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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416-593-8314
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1.4.6 International Strategic Investments et al.

FOR IMMEDIATE RELEASE
June 9, 2015

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
INTERNATIONAL STRATEGIC INVESTMENTS, INTERNATIONAL STRATEGIC INVESTMENTS INC., SOMIN HOLDINGS INC., AND NAZIM GILLANI AND RYAN J. DRISCOLL

TORONTO – Following the hearing on Sanctions and Costs in the above named matter, the Commission issued its Reasons and Decision.

A copy of the Reasons and Decision on Sanctions and Costs dated June 8, 2015 and the Order dated June 8, 2015 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
SECRETARY

For media inquiries:

media_inquiries@osc.gov.on.ca

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416-593-8314
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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Hart Stores Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Issuer deemed to no longer be a reporting issuer under securities legislation.

Applicable Legislative Provisions

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

May 4, 2015

[Translation]

IN THE MATTER OF
THE SECURITIES LEGISLATION OF ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, QUÉBEC, NEW BRUNSWICK, NOVA SCOTIA, PRINCE EDWARD ISLAND AND NEWFOUNDLAND AND LABRADOR
(the "Jurisdictions")

AND

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

AND

IN THE MATTER OF
HART STORES INC.
(the "Filer")

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the "**Decision Maker**") has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") that the Filer is not a reporting issuer (the "**Requested Exemptive Relief**").

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

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

(b) the decision is the decision of the principal regulator and evidences the decision of each other Decision Maker.

Interpretation

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

Representations

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

1. The Filer results from an amalgamation under the *Canada Business Corporations Act* that took effect on February 6, 2015 pursuant to which Hart Stores Inc. (the "**Predecessor**") and 9102221 Canada Inc. ("**9102221**") amalgamated to form the Filer (the "**Amalgamation**").

2. The Filer is a reporting issuer in each of Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador.

3. The Filer's head office and principal place of business is located at 900 Place Paul-Kane, Laval, Québec H7C 2T2.

4. The authorized share capital of the Filer consists of an unlimited number of Common Shares and Preferred Shares, of which 100 Common Shares are issued and outstanding as of the date hereof.

5. The Common Shares were delisted from the TSX Venture Exchange at the close of business on February 19, 2015.

6. Pursuant to the Amalgamation, all of the issued and outstanding common shares of the Predecessor were cancelled for a consideration of $0.20 per share and the shares of 9102221 were converted into shares of the Filer on a one-for-one basis.

7. As a result of the Amalgamation, all of the issued and outstanding shares of the Filer are indirectly held by Mr. Paul Nassar, through Literies Universelles Paga inc.; Mr. Nassar is the sole director and President of the Filer.

8. All the issued and outstanding securities of the Filer, including debt securities, are beneficially owned, indirectly, by one securityholder.

9. No securities of the Filer, including debt securities, are traded, in Canada or any other 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.

10. The Filer has no current intention to seek public financing by way of an offering of securities in Canada.

11. The Filer applied for a decision that it is not a reporting issuer in all of the jurisdictions of Canada where it is currently a reporting issuer.

12. The Filer voluntarily surrendered its status as a reporting issuer in British Columbia on March 3, 2015 pursuant to BC Instrument 11-502 – *Voluntary Surrender of Reporting Issuer Status*.

13. All continuous disclosure documents required to be filed pursuant to National Instrument 51-102 – *Continuous Disclosure Obligations* ("**NI 51-102**") were filed by the Filer with the securities regulatory authorities. However, the auditors' reports included in the audited annual financial statements for the years ended January 29, 2012, February 3, 2013 and February 2, 2014 contained a modified opinion of the auditors (the "**Defaults**").

14. Except for the Defaults, the Filer is not in default of its obligations under the Legislation. As a result of the Defaults, the cease trade orders issued, respectively by the AMF on August 6, 2012, British Columbia Securities Commission ("**BCSC**") on August 7, 2012, Ontario Securities Commission ("**OSC**") on August 22, 2012, Manitoba Securities Commission ("**MSC**") on September 19, 2012 and Alberta Securities Commission ("**ASC**") on November 20, 2012 with regards to the Predecessor for failure to file the required filings under the Legislation, have not been revoked.

15. On December 19, 2014, the Predecessor sought and received partial revocation of the cease trade orders from the AMF, BCSC, OSC, MSC and ASC to permit trades or acts in furtherance of trades in connection with its acquisition by an arm's-length third party purchaser ("the "**Acquisition**").

16. The Acquisition was effected by way of the Amalgamation on February 6, 2015.

17. As a result of the Defaults, the Filer is not eligible to use the simplified procedure under CSA Staff Notice 12-307 - Applications for a Decision that an Issuer is not a Reporting Issuer.

18. The Filer has applied for full revocations of the cease trade orders in Québec, Alberta, Manitoba and Ontario and expects to be granted concurrently with this Decision.

19. The Filer expects to be granted, immediately after this Decision, full revocation of the cease trade order in British Columbia.

20. The Filer, upon the receipt of the decision, will no longer be a reporting issuer, or the equivalent, in any jurisdiction in Canada.

Decision

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

The decision of the Decision Makers under the Legislation is that the Requested Exemptive Relief is granted:

"Martin Latulippe"
Director, Continuous Disclosure
Autorité des marchés financiers

2.1.2 Rusoro Mining Ltd.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 51-102, s. 13.1 Continuous Disclosure Obligations – Material contract – An issuer requires relief from the requirement to file a material contract – The issuer entered into an agreement to fund litigation related to the loss of its only material property; the funding agreement contains commercially sensitive and confidential information, and may be subject to privilege in connection with the litigation; the issuer determined that disclosure of the funding agreement, even in a redacted form, would be seriously prejudicial to the issuer; the issuer has filed a material change report that contains sufficient alternative information about the material contract.

Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations, ss. 12.2, 13.1.

March 5, 2015

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
RUSORO MINING LTD.
(the Filer)

DECISION

Background

1 The securities regulatory authority or regulator in each of the Jurisdictions (the Decision Maker) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) that the Filer be exempt from the requirement to file a litigation funding agreement as a material contract (the Exemptive Relief 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 this application;

b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in Alberta and Quebec; 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

2 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

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

1. the Filer's head office is located at Suite 3123 – 595 Burrard Street, Vancouver, British Columbia;

2. the Filer is a reporting issuer in British Columbia, Alberta, Ontario and Quebec; the Filer's common shares are listed on the TSX Venture Exchange under the symbol "RML";

3. the Filer's principal business activities were the acquisition, exploration, development and operation of gold mineral properties; until March 14, 2012, the Filer held interests in certain mines in Venezuela, which the Filer operated jointly with the Venezuelan government;

4. in September 2011, the Venezuelan government enacted a decree mandating the return of all gold reserves under foreign control, including the Filer's gold mining assets; the Filer and the Venezuelan government never reached agreement on the terms for migration of the Filer's mining assets to the Venezuelan government; in March 2012, the Filer's mining concessions officially expired and all of the Filer's mining assets and operations reverted to the Venezuelan government;

5. the Filer's Venezuelan mining assets were its only material assets; the Filer has no other mineral properties or projects and currently has no active cash-flow generating business;

6. the Filer's sole recourse to seek compensation from the Venezuelan government following nationalization is international arbitration before the World Bank's International Centre for Settlement of Investment Disputes, in accordance with the provisions of the Canada-Venezuela Bilateral Investment Treaty;

7. on June 15, 2012, the Filer entered into a litigation funding agreement (the Litigation Funding Agreement) with Frentorn Limited (the Funder) to finance the Filer's costs in connection with the international arbitration on a non-recourse basis; the Funder is a subsidiary of a fund advised by Calunius Capital LLP, which is based in London, England and specializes in funding commercial litigation and international arbitration claims;

8. under section 12.2 of National Instrument 51-102 *Continuous Disclosure Obligations*, the Filer is required to file the Litigation Funding Agreement as a material contract;

9. the entering into of the Litigation Funding Agreement was publically disclosed in a news release filed on June 15, 2012; the Filer's periodic financial disclosure also discloses expenses that qualify for recovery under the Litigation Funding Agreement;

10. on November 6, 2014, the Filer issued and filed a material change report (the Material Change Report) disclosing the Filer's entry into the Litigation Funding Agreement, providing background on the Funder, and describing the key terms of the Litigation Funding Agreement that are not commercially sensitive;

11. the Litigation Funding Agreement may be subject to privilege in connection with the Filer's ongoing litigation involving the Venezuelan government, and any public disclosure of its substantive terms (beyond that contained in the Material Change Report), even in a redacted form, would run the risk of waiving the privilege in the course of its ongoing litigation, which would be seriously prejudicial to the Filer's interests;

12. disclosure of the Litigation Funding Agreement would also place the Filer in violation of confidentiality provisions in the Litigation Funding Agreement and would compromise the Filer's ongoing relationship with the Funder;

13. the Material Change Report discloses the key terms of the Litigation Funding Agreement; disclosure of the Litigation Funding Agreement in a redacted form would not provide additional information that would be material to an investor for purposes of making an investment decision; and

14. the Filer is not in default of any requirement of securities legislation in any jurisdiction of Canada, except that it has not filed the Litigation Funding Agreement as a material contract.

Decision

4 Each of the Decision Makers 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 Makers under the Legislation is that the Exemptive Relief Sought is granted.

"Brenda M. Leong"
Chair
British Columbia Securities Commission

2.1.3 JT International SA et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Application for relief from the registration requirement for certain trades made in connection with an employee share offering by a Japanese issuer – The offering involves the use of a subsidiary company – The filers cannot rely on the plan administrator exemption in section 8.16 of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations as the shares are not being offered to Canadian employees directly by the issuer but through the subsidiary company – Canadian employees will receive disclosure documents.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25, 53, 74(1).
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, s. 8.16.
National Instrument 45-102 Resale of Securities, s. 2.14.
National Instrument 45-106 Prospectus and Registration Exemptions, s. 2.24.

June 2, 2015

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
JT INTERNATIONAL SA
(JTI SA)

AND

JAPAN TOBACCO INC.
(the Issuer)

AND

JTI-MACDONALD CORP.
(the Canadian Affiliate) (JTI SA, the Issuer and the Canadian Affiliate, the Filers)

DECISION

Background

The principal regulator in the Jurisdiction has received an application (the **Application**) from the Filers for a decision under the securities legislation of the Jurisdiction (the **Legislation**) for an exemption from the dealer registration requirements of the Legislation so that those requirements do not apply to the Filers (and successor parties involved in the Employee Share Offering (as defined below)) in respect of trades in common shares (the **Shares**) of the Issuer made under the Employee Share Offering to, on behalf of or with Qualifying Employees (as defined below) employed in the Jurisdiction or in the provinces of Alberta, British Columbia, Saskatchewan, Manitoba, Quebec, New Brunswick, Newfoundland and Labrador, and Nova Scotia (the **Other Jurisdictions**) who elect to participate in the Employee Share Offering (the **Canadian Participants**) (the **Registration Relief**).

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

(a) the Ontario Securities Commission is the principal regulator for the Application, and

(b) the Filers have provided notice that section 4.7(1) of Multilateral Instrument 11-102 – *Passport System* (**MI 11-102**) is intended to be relied upon in Alberta, British Columbia, Saskatchewan, Manitoba, Quebec, New Brunswick, Newfoundland and Labrador, and Nova Scotia (together with Ontario, the **Passport Jurisdictions**).

Interpretation

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

Representations

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

1. JTI SA is a company organized under the laws of Switzerland.

2. The Issuer is a joint stock corporation under the *Companies Act* of Japan, under the *Japan Tobacco Inc. Act*, whose authorized share capital consists of 8,000,000,000 Shares. As at December 31, 2014, the Issuer had 182,443,388 Shares issued and outstanding. The Issuer is not in default under the Legislation or the securities legislation of the Other Jurisdictions.

3. The Shares are listed and trading on the Tokyo Stock Exchange (the **Open Market**) and are subject to the rules and regulations of this foreign exchange. The Shares trade under the symbol

"TSE: 2914". The Shares are not currently listed for trading on any stock exchange in Canada and there is no intention to have the Shares so listed.

4. The Issuer indirectly carries on business in Canada through the Canadian Affiliate (the **Canadian Affiliate**, together with the Issuer, JTI SA, JT International Group Holding B.V. (**JTI Holding BV**), a company organized under the laws of The Netherlands, and any company other than JTI SA in which JTI Holding BV holds a majority interest, the **JTI Group**).

5. JTI SA and the Canadian Affiliate are, directly or indirectly, controlled subsidiaries of the Issuer. They are not, and have no current intention of becoming, a reporting issuer (or equivalent) under the Legislation or the securities legislation of the Other Jurisdictions. JTI SA and the Canadian Affiliate are not in default under the Legislation or the securities legislation of the Other Jurisdictions.

6. JTI SA has established a global employee share purchase plan for employees of the JTI Group (the **ESPP**).

7. The ESPP is administered by the board of directors of JTI SA or committee(s) duly appointed by the board of JTI SA (the **Administrator**).

8. Under the ESPP, only persons who are employees of a member of the JTI Group during the subscription/revocation period for the ESPP and who meet other employment criteria (the **Qualifying Employees**) will be allowed to enroll and participate (**Participants**) in the ESPP. The ESPP gives them the opportunity to acquire Shares of the Issuer that are already trading on the Open Market (the **Acquisition of Shares**).

9. The Acquisition of Shares is not a distribution under the Legislation.

10. Approximately 508 employees are resident in Canada and are eligible to participate in the ESPP, of which approximately 161 are resident in Ontario, 22 are resident in British Columbia, 14 are resident in Alberta, 3 are resident in Saskatchewan, 4 are resident in Manitoba, 293 are resident in Quebec, 4 are resident in New Brunswick, 5 are resident in Nova Scotia and 3 are resident in Newfoundland and Labrador. Together, they represent in the aggregate less than 2% of the number of employees in the JTI Group worldwide.

11. The Acquisition of Shares will be effected by the Administrator, on behalf of the Canadian Participants in accordance with the ESPP, and will be paid for by (i) the Canadian Participants (the **Participants' Contribution**) and (ii) the Canadian Affiliate on behalf of the Canadian Participants as a matching contribution of the Canadian Participants (the **Matching Contribution**) (Participants' Contribution and Matching Contribution collectively the **Employee Share Offering**).

12. The Issuer is not a reporting issuer under the Legislation. The Issuer has no current intention of becoming a reporting issuer in any Canadian jurisdiction.

13. Under applicable Japanese legislation, all Shares acquired in the Employee Share Offering will be subject to a hold period of twelve months (the **Sale Restriction Period**), subject to certain exceptions prescribed in the ESPP (such as a corporate reorganization event and release on death or termination of employment).

14. The Administrator has appointed Equatex AG (the **Custodian**) to temporarily hold for a few days the cash amounts received by JTI SA for the benefit of the Canadian Participants until the Shares are acquired by the Canadian Participants under the Employee Share Offering. The Custodian is a securities dealer governed by the laws of Switzerland. The Custodian is registered with the Swiss Financial Market Supervisory Authority FINMA as a securities dealer and complies with, among others, the rules of the *Swiss Stock Exchange Act*, the *Financial Market Supervision Act* and the *Capital Adequacy Ordinance and the Collective Investment Schemes Act*. To the best of the Filers' knowledge, the Custodian is not, and has no current intention of becoming, a reporting issuer under the securities legislation of the Passport Jurisdictions.

15. JTI SA's and the Administrator's trading and portfolio management activities in connection with the Employee Share Offering are limited to administering Shares and selling Shares as necessary in order to fund redemption requests and investing available cash in Shares on behalf of Canadian Participants.

16. The Custodian's activities in relation to the Employee Share Offering do not meet the business trigger for trading securities under the Legislation and therefore dealer registration is not required.

17. Participation in the Employee Share Offering is voluntary, and the Canadian resident Qualifying Employees will not be induced to participate in the Employee Share Offering by expectation of employment or continued employment.

18. The total amount invested by a Canadian Participant in the Employee Share Offering cannot exceed 15% of his or her estimated gross annual remuneration per calendar year.

19. None of the Filers or any of their employees, agents or representatives will provide investment advice to the Canadian Participants with respect to an investment in the Shares.

20. The Shares are not currently listed for trading on any stock exchange in Canada and there is no intention to have the Shares so listed. As there is no market for the Shares in Canada, and as none is expected to develop, first trades of Shares by Canadian Participants will be effected through the facilities of, and in accordance with, the rules and regulations of the Tokyo Stock Exchange.

21. Canadian Participants will receive an information package in the French or English language, as applicable, which will include a summary of the terms of the Employee Share Offering and a tax notice containing a description of Canadian income tax consequences of subscribing to and holding the Shares at the end of the Sale Restriction Period.

22. Canadian Participants will have access to copies of the continuous disclosure materials in the French or English language, as applicable, relating to the Issuer that are furnished to the Issuer's shareholders generally.

23. Canadian Participants will have access to annual statements in the French or English language, as applicable, with respect to their shareholding of Shares.

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 Registration Relief is granted.

"Christopher Portner"
Commissioner
Ontario Securities Commission

"Anne Marie Ryan"
Commissioner
Ontario Securities Commission

2.1.4 Jaguar Mining Inc.

Headnote

Related party transaction – issuer issued senior secured convertible debentures to a related party pursuant to a private placement – the subscription by the related party is a "related party transaction" under MI 61-101 and is subject to minority approval requirements – disinterested shareholders who are not "interested parties" will provide written consent to the proposed related party transaction, representing approximately 54.05% of the common shares held by all minority shareholders – disinterested shareholders are all accredited investors – approval of the transaction by majority of minority shareholders at a shareholders' meeting would be foregone conclusion – issuer will provide disinterested shareholders with a copy of the disclosure document considering the transaction and will send a copy to any shareholder who requests it – issuer will disclose details of the transaction in a material change report and in a disclosure document filed on SEDAR no less than 10 days prior to the closing of the proposed transaction – exemption from holding shareholders' meeting and formal delivery of information circular granted.

Applicable Legislative Provisions

Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions, ss. 5.6, 8.1, 9.1.
Companion Policy 61-101CP to Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions, s. 3.1.

June 3, 2015

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
JAGUAR MINING INC.
(the Issuer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Issuer for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that the Issuer be granted an exemption pursuant to section 9.1 of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (**MI 61-101**) from the requirements in MI 61-101 that the Issuer call a shareholders' meeting to consider a proposed related party transaction (the Proposed Transaction, as defined below) and send an information circular to shareholders in connection with such meeting (the **Requested Relief**).

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

(a) the Ontario Securities Commission (the **Decision Maker**) is the principal regulator for this application, and

(b) the Issuer 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 Québec.

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102 and MI 61-101 have the same meaning if used in this decision, unless otherwise defined.

Representations

The decision is based on the following facts represented by the Issuer:

1. The Issuer is a corporation existing under the laws of the Province of Ontario. The principal executive office of the Issuer is located at 67 Yonge Street, Suite 1203, Toronto, Ontario M5E 1J8.

2. The Issuer is a reporting issuer in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, PEI and Newfoundland, and is not in default of securities legislation in any such jurisdiction.

3. The Issuer's authorized capital consists of an unlimited number of common shares (the **Common Shares**). Each Common Share carries the right to one vote at all meetings of shareholders of the Issuer. As of the date hereof, the Issuer's issued and outstanding share capital consists of 111,111,038 Common Shares.

4. The Issuer's Common Shares are listed on the TSX Venture Exchange under the symbol “JAG”.

5. The Issuer intends to issue approximately US$16,000,000 principal amount of senior secured convertible debentures (the **Debentures**) on a non-brokered private placement basis (the **Offering**). Subject to obtaining requisite approvals, including approval of the board of directors of the Issuer (the **Board**), the Issuer may increase the size of the Offering up to US$20,000,000.

6. The Offering was disclosed in a press release dated February 27, 2015, and revised terms of the Offering were disclosed in a press release dated May 4, 2015.

7. The net proceeds of the Offering are intended to be used by the Issuer to repay the US$9.4 million outstanding under the credit facility (the **Renvest Credit Facility**) held by Renvest Global Resource Fund c/o Renvest Mercantile Bancorp Inc. and for general corporate purposes.

8. An insider of the Issuer, Outrider Management, LLC (**Outrider Management**), which holds 36,045,291 Common Shares (representing approximately 32.4% of the issued and outstanding Common Shares) through a fund it manages, Outrider Master Fund, L.P., intends to subscribe for 5,000 Debentures for an aggregate subscription amount of US$5,000,000 in order to maintain its *pro-rata* interest in the Issuer (the **Proposed Transaction**). The Proposed Transaction forms part of, and shall be on the same terms as the Offering.

9. In December 2014, a special committee comprised of four directors of the Issuer (the **Special Committee**) was established to initiate a strategic review process to explore alternatives for the enhancement of shareholder value. The completion of the Offering is subject to the Special Committee's final approval and recommendation of the Offering (including the Proposed Transaction) to the Board, and the Board's subsequent approval of the Offering (including the Proposed Transaction), which is expected to occur on or about June 8, 2015.

10. Mr. Stephen Hope, a director of the Issuer and member of the Special Committee, is not considered to be an “independent director” (as defined in MI 61-101) as it relates to the Proposed Transaction, as he is a principal and therefore, an “issuer insider” (as defined in MI 61-101) of Outrider Management. Mr. Hope has, and will continue to, recuse himself from deliberations by the Special Committee and the Board relating to the Proposed Transaction.

11. The remaining three members of the Special Committee are “independent directors” (as defined in MI 61-101) as it relates to the Proposed Transaction.

12. Following the completion of the Proposed Transaction, assuming the conversion of the 5,000 Debentures purchased by Outrider Management under the Offering, the holdings of Outrider Management would increase by 24,900,000 Common Shares,[1] representing a change from approximately 32.4% of the issued and outstanding Common Shares to (i) approximately 44.8% of all issued and outstanding Common Shares on a partially-diluted basis (i.e., giving effect only to the conversion of the 5,000 Debentures held by Outrider Management following the Offering), and (ii) approximately 31.9% of all issued and outstanding common shares on a fully-diluted basis (i.e., giving effect to the conversion of 16,000 Debentures, which would represent all of the Debentures following the closing of the Offering, assuming that the size of the Offering is not increased).

13. Since each of Outrider Management and Mr. Hope are a “related party” of the Issuer as at the date that the Proposed Transaction was agreed to, the Proposed Transaction will constitute a “related party transaction” within the meaning of

[1] Based on a conversion rate of 4,980 Common Shares per $1,000 principal amount of Debentures, based on the Canadian dollar to U.S. dollar exchange rate of 0.8030 on May 29, 2015.

MI 61-101 and, consequently, MI 61-101 requires that the Issuer obtain a formal valuation for, and minority approval of, the Proposed Transaction, in the absence of exemptions therefrom.

14. Implementation of the Proposed Transaction is exempt from the formal valuation requirement of MI 61-101 pursuant to section 5.5(b) of MI 61-101. However, there are no available exemptions from the minority approval requirements of MI 61-101 for the Proposed Transaction.

15. To effect the Proposed Transaction, the Issuer will be required to obtain "minority approval" (as defined in MI 61-101) (**Minority Approval**), calculated in accordance with the terms of Part 8 of MI 61-101. Subject to obtaining the exemptive relief requested herein, the Issuer intends to obtain such Minority Approval by way of written consent.

16. As of the date hereof, 75,065,747 Common Shares, or approximately 67.6% of the Common Shares, are held by shareholders of the Issuer who are not "interested parties" to the Proposed Transaction.

17. The Issuer anticipates that certain disinterested minority shareholders will consent (collectively, the **Consenting Parties** and each, individually, is a **Consenting Party**) in writing to the Proposed Transaction. The Issuer understands that such Consenting Parties hold Common Shares representing, in the aggregate, approximately 35.6% of the issued and outstanding Common Shares and approximately 54.04% of the total number of issued and outstanding Common Shares held by disinterested minority shareholders. Such approval is in excess of the simple majority requirement in MI 61-101 for purposes of obtaining Minority Approval.

18. Each of the Consenting Parties are sophisticated investors and satisfy the "accredited investor" requirements set forth in section 1.1 of National Instrument 45-106 *Prospectus Exemptions*.

19. While certain of the Consenting Parties are participating in the Offering, no Consenting Party is: (i) an "interested party" (as such term is defined in MI 61-101), (ii) a related party of an interested party, unless the related party meets that description solely in its capacity as a director or senior officer of one or more entities that are neither interested parties nor issuer insiders of the Issuer, or (iii) a joint actor with a person or company referred to in (i) or (ii) with respect to the Proposed Transaction.

20. Another insider of the Issuer, Dupont Capital Management Corp. (**Dupont Capital**), which holds 12,037,763 Common Shares (representing approximately 10.83% of the issued and outstanding Common Shares) through a fund it manages, intends to subscribe for 1,500 Debentures for an aggregate subscription amount of US$1,500,000 (the **Dupont Subscription**).

21. Although the Dupont Subscription constitutes a "related party transaction" under MI 61-101, implementation of the Dupont Subscription is exempt from (i) the formal valuation requirement of MI 61-101 pursuant to section 5.5(b) of MI 61-101, and (ii) the "minority approval" requirement of MI 61-101 pursuant to section 5.7(b) of MI 61-101.

22. While the Dupont Subscription and the Proposed Transaction may technically be considered "connected transactions" under MI 61-101, the Issuer concluded that it is not required to exclude the votes attached to the Common Shares held by Dupont Capital on the basis that, in addition to satisfying the criteria set forth in paragraph 19 above, the Dupont Subscription and the Proposed Transaction are separate transactions that have been entered into with the Issuer at arm's length, and neither subscription is conditional on the completion of the other.

23. The Consenting Parties from whom written consent for the Proposed Transaction is sought will be provided with a disclosure document pertaining to the Proposed Transaction (the **Disclosure Document**), the contents of which comply with the disclosure requirements set out in section 5.3(3) of MI 61-101, along with a form of written consent (the **Consent**) seeking their approval of the Proposed Transaction, prior to providing their Consent. The Disclosure Document and Consent will provide the relevant details of the Proposed Transaction and include an acknowledgement that the Disclosure Document describes the Proposed Transaction in sufficient detail to allow shareholders to make an informed decision regarding approval of the Proposed Transaction.

24. The Disclosure Document and Consent was publicly filed on SEDAR on June 2, 2015.

25. A material change report pertaining to the Proposed Transaction, the contents of which shall comply with the disclosure requirements contained in section 5.2 of MI 61-101 ("**Material Change Report**"), was publicly filed on SEDAR on June 2, 2015, at the same time as the Disclosure Document and the Consent.

26. The Proposed Transaction and the Offering shall close not less than 10 days following the filing of the Disclosure Document, Consent and Material Change Report on SEDAR.

27. A copy of the Disclosure Document will be sent to any shareholder who requests a copy.

28. The Proposed Transaction and the Offering are currently expected to close on or about June 12, 2015.

29. A Consenting Party may revoke its Consent until the period of 10 days has elapsed from the date the Disclosure Document is posted on SEDAR, and will be notified of its revocation right by the Issuer.

Decision

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

The decision of the Decision Maker is that the Requested Relief is granted provided that:

(a) Minority Approval shall have been obtained by written consent;

(b) the Proposed Transaction and the Offering will have been approved by the Special Committee and Board of the Issuer;

(c) each Consenting Party receives a copy of the Consent and Disclosure Document;

(d) the Disclosure Document discloses that:

  (i) Minority Approval will be obtained by way of written consent;

  (ii) written consent will be obtained from the Consenting Parties; and

  (iii) the Issuer has applied for the Requested Relief;

(e) the Disclosure Document, the Consent, the Material Change Report and any other required disclosure documents are filed on SEDAR no less than 10 prior to the closing of the Offering and Proposed Transaction;

(f) a Consenting Party may revoke its Consent until the period of 10 days has elapsed from the date the Disclosure Document is posted on SEDAR, and will be notified of its revocation right by the Issuer; and

(g) each Consenting Party receives a copy of this decision.

“Naizam Kanji”
Director, Office of Mergers & Acquisitions
Ontario Securities Commission

2.1.5 GoldPoint Partners Canada III GenPar Inc. et al.

Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief from the formal take-over bid requirements in connection with purchases made by an arm's length third party pursuant to a liquidity option offered to security holders at the time of subscription – there is no published market for the securities and the issuer is not a reporting issuer but there is no restriction on the number of security holders so the third party liquidity provider may not be able to rely on the non-reporting issuer exemption set out in the Act – the terms of the liquidity option are fully disclosed to all potential investors in the private placement memorandum of the issuer – liquidity option offered to all potential investors on equal terms – requested relief granted, subject to conditions.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 93 to 99.1, 104(2)(c).

June 5, 2015

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
GOLDPOINT PARTNERS CANADA III GENPAR INC.
(the GP)

AND

NEWBURY EQUITY PARTNERS III HOLDINGS L.P.
(NEP and together with the GP, the Filers)

AND

IN THE MATTER OF
GOLDPOINT PARTNERS SELECT MANAGER CANADA FUND III, L.P.
(the Fund)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filers for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) exempting NEP from the requirements of sections 93 through 99.1, inclusive (the **Take-Over Bid Provisions**), of the *Securities Act* (Ontario) (the **Act**) in connection with purchases of limited partnership units (the **Units**) of the Fund by NEP pursuant to the proposed Liquidity Option (as defined below) (the **Exemption Sought**).

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

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

(b) the Filers have provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, the Northwest Territories, the Yukon Territory and Nunavut (the **Non-Principal Jurisdictions**) for relief from Parts 2 and 3 of Multilateral

Instrument 62-104 *Takeover Bids and Issuer Bids*, being the equivalent of the Take-Over Bid Provisions in the securities legislation of the Non-Principal Jurisdictions.

Interpretation

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

Representations

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

1. The Fund is a limited partnership formed under the laws of the Province of Ontario, and is an "investment fund" for the purposes of the Act. The Fund's head office is located in the State of New York, United States of America (**U.S.**).

2. The Fund is not, and does not anticipate becoming, a reporting issuer (or the equivalent thereof) in any jurisdiction.

3. The GP, the general partner of the Fund, is a corporation incorporated under the *Business Corporations Act* (New Brunswick). The GP's head office is located in the State of New York, U.S.

4. The investment fund manager functions of the Fund have been delegated by the GP to its affiliate, GoldPoint Partners Canada GenPar Inc. (the **Fund Manager**), pursuant to a management agreement between the GP and the Fund Manager. The Fund Manager directs all of the business, operations and affairs of the Fund. The Fund Manager is a corporation formed under the laws of the Province of New Brunswick, and is a registered "investment fund manager" in Ontario, Quebec, and Newfoundland and Labrador. The head office of the Fund Manager is located in the State of New York, U.S.

5. The investment objective of the Fund is to invest, directly or indirectly, as a limited partner in GoldPoint Partners Select Manager Fund III, L.P. (the **Bottom Fund**), a foreign-based private equity fund of funds.

6. The Fund is authorized to issue, *inter alia*, an unlimited number of Units. The Fund will be offering Units pursuant to one or more private placements to "accredited investors" (as such term is defined in National Instrument 45-106 *Prospectus Exemptions* (**NI 45-106**)) across Canada. There will be no published market for the Units.

7. Each Unit issued will represent a capital commitment of U.S.$1,000 in the Fund. Each holder of Units (each, a **Limited Partner**) is required to make a minimum aggregate investment in the Fund of U.S.$250,000 (or 250 Units), which full amount is to be paid as and when called for by the GP, as the general partner of the Fund.

8. As an added benefit for Limited Partners, whose Units will otherwise be highly illiquid, restricted securities, Limited Partners will be provided with a liquidity option (the **Liquidity Option**) pursuant to a liquidity agreement (the **Liquidity Agreement**) among NEP, the GP and GoldPoint Partners LLC, the investment fund manager of the Bottom Fund (the **Bottom Fund Manager**). Under the Liquidity Agreement, NEP will agree to purchase all, but not less than all, of a Limited Partner's Units starting on the date of the final closing of the Fund (the **Final Closing**), which is anticipated to occur in the spring of 2017, and continuing for approximately twelve years, subject to extension by agreement of NEP, the GP and the Bottom Fund Manager.

9. NEP is a limited partnership formed under the laws of Delaware. NEP acquires, primarily through secondary transactions, limited partnership interests in established leveraged buyout, venture capital and mezzanine funds. NEP is not in the business of creating a market for restricted securities and is not in the business of dealing in securities. NEP's head office is located in the State of Connecticut, U.S.

10. The existence and terms of the Liquidity Option will be set out in the private placement memorandum of the Fund (the **PPM**) provided to potential investors in the Fund.

11. The entitlement to participate in the Liquidity Option will be offered on equal terms to all Limited Partners whose subscriptions are accepted at the initial closing of the Fund. Limited Partners wishing to have the benefit of the Liquidity Option will be required to "opt in" to the Liquidity Option by checking the appropriate box on their subscription agreement (such Limited Partners so electing and whose participation is accepted, the **Participating Limited Partners**) and paying the Liquidity Fee (as defined below). Any Limited Partner that does not elect to participate in the Liquidity Option at the time of the closing at which such Limited Partner is subscribing for Units will not have the opportunity thereafter to so participate without obtaining the consent of NEP, the GP, and the Bottom Fund Manager.

12. The principal terms of the Liquidity Option are as follows:

Fee:

(a) In consideration for providing the Liquidity Option, each Participating Limited Partner will be required to pay to the Fund, which in turn, will pay to NEP, an annual fee (the **Liquidity Fee**) equal to the product of (x) such Participating Limited Partner's commitment, subject to reduction of the portion of the commitment to be applied in the calculation as set out below, and (y) 0.10%. The aggregate annual Liquidity Fee payable by the Fund to NEP is the aggregate of such annual Liquidity Fees payable by all Participating Limited Partners. Once a Participating Limited Partner sells its Units to NEP, or defaults in its obligation to pay the Liquidity Fee, its investment will no longer be included in calculating the aggregate annual Liquidity Fee payable by the Fund. The obligation of a Participating Limited Partner to pay the Liquidity Fee is an additional obligation of the Participating Limited Partner, who will also be obligated to pay the full amount of the Participating Limited Partner's capital commitment.

(b) The Liquidity Fee will be payable commencing on the date that a subscriber becomes a Limited Partner in the Fund, and shall be calculated and payable on such date and each one-year anniversary thereafter.

(c) The Liquidity Fee will be reduced as follows: (i) by an amount equal to 10% of the commitment of such Participating Limited Partner on the fifth anniversary of the Final Closing; and (ii) by an amount equal to 10% of the commitment of such Participating Limited Partner on each anniversary thereafter, up to and including the eleventh anniversary of the Final Closing.

(d) Any Participating Limited Partner that defaults in paying the Liquidity Fee when due in a timely manner will automatically lose its right to sell its Units to NEP pursuant to the Liquidity Option and surrender any amounts already paid by it with respect to the Liquidity Fee.

Term:

(e) A Participating Limited Partner may require NEP to purchase such Participating Limited Partner's Units at any time commencing on the earlier of (i) the date of the Final Closing and (ii) any such time when the purchase price is greater than zero. The obligation of NEP to make such purchase(s) will terminate on the earlier of the twelfth anniversary of the Final Closing and January 1, 2028.

Purchase Price:

(f) At the request of any Participating Limited Partner, NEP will provide a written offer to purchase such Participating Limited Partner's Units at a U.S. dollar price equal to the net asset value (**NAV**) of the Participating Limited Partner's Units multiplied by a total of the Discount Factor multiplied by the Participating Limited Partner's Exposure, less the Participating Limited Partners' Remaining Commitment, all divided by the NAV of the Participating Limited Partner's Units. "**Discount Factor**" means, for the first through fifth years following the date of the Final Closing, 90%, and, for the sixth, seventh, eighth, ninth, tenth, eleventh and twelfth years following the date of the Final Closing: 87.5%, 85%, 82.5%, 80%, 77.5%, 75% and 70%, respectively. "**Exposure**" means, in respect of a Unit, the NAV of the Unit plus such Participating Limited Partner's Remaining Commitment. "**Remaining Commitment**" means the Participating Limited Partner's original capital commitment to the Fund less capital contributions drawn down by the Fund. The purchase price paid for the Units will be adjusted upward on a dollar-for-dollar basis to account for any capital contributions made by the selling Participating Limited Partner between the signing of the Liquidity Sale Agreement and the closing of the sale, and reduced downward on a dollar-for-dollar basis for any distributions made by the Fund to the selling Participating Limited Partner between the signing of the Liquidity Sale Agreement and the closing of the sale.

Obligation to Purchase:

(g) NEP's obligation to purchase Units of the Fund will be capped at an aggregate purchase price of U.S.$50 million. To reduce the likelihood that the Units subject to the Liquidity Option will exceed NEP's obligation to purchase Units, the Fund will not accept elections to participate in the Liquidity Option for more Units than the number of Units having an aggregate NAV of U.S.$50 million.

(h) In the event that the aggregate NAV of the Units that Limited Partners, who elect to participate in the Liquidity Option, wish to subscribe for is greater than U.S.$50 million, a prorated fraction of the Units of each such Limited Partner will be accepted into the Liquidity Option at the initial closing of the Fund, such that the aggregate NAV of the Units subject to the Liquidity Option will initially equal U.S.$50 million. If at the initial

closing of the Fund the aggregate NAV of the Units that Limited Partners, who elect to participate in the Liquidity Option, wish to subscribe for is less than U.S.$50 million and one or more subsequent closings of the Fund occurs, Limited Partners who subscribe for Units at a subsequent closing of the Fund may elect in their subscription documents to participate in the Liquidity Option to the extent that the aggregate NAV of Units subject to the Liquidity Option is less than U.S.$50 million, and participation in the Liquidity Option at any subsequent closing of the Fund will be prorated as to that remaining availability only among those Limited Partners whose subscriptions are accepted at that particular subsequent closing. Notwithstanding any pro rata entitlement to exercise under the Liquidity Option, NEP's obligation will only be to purchase Units having an aggregate purchase price of U.S.$50 million, which may affect the number of Units that NEP is obligated to purchase depending on any increase or decrease in NAV of the Units.

(i) The Fund will notify NEP if the aggregate NAV of the Units that Limited Partners, who elect to participate in the Liquidity Option, wish to subscribe for is greater than U.S.$50 million, with a view to the possibility of the Liquidity Option being extended by NEP above an aggregate purchase price of U.S.$50 million, but there is no assurance that there will be any such extension.

(j) The Liquidity Option is the obligation of NEP. Neither the Fund, the GP, nor any person, other than NEP, is under any obligation in connection with the Liquidity Option and none of them is responsible for, or has any obligations to the Participating Limited Partners in the event of the failure of NEP to provide such liquidity. Neither the Fund, the GP, nor any other person makes any representation or warranty with respect to the creditworthiness of NEP and/or NEP's ability to fulfill its obligations to provide such liquidity to the Participating Limited Partners.

Expenses:

(k) A Participating Limited Partner will be responsible for its own expenses incurred in connection with a sale to NEP pursuant to the Liquidity Option.

Timing:

(l) A Participating Limited Partner wishing to require NEP to purchase its Units will sign and deliver a copy of the definitive purchase and sale agreement to which NEP is the counterparty (the **Liquidity Sale Agreement**) to NEP. The form of the Liquidity Sale Agreement has been approved by the GP and NEP and is attached as an exhibit to the subscription agreement.

(m) The closing of the sale of Units on the exercise of the Liquidity Option will not occur until NAV is finally determined, which could be as long as 190 days following the execution of the Liquidity Sale Agreement, and requires, among other things, the consent of the GP to the transfer of the Units to NEP and the admission of NEP as a Limited Partner, which consent the Participating Limited Partner and the NEP have agreed to use commercially reasonable efforts to take all necessary actions to obtain.

13. Participation in the Liquidity Option is voluntary. As the Liquidity Option is of limited size, the availability of the entitlement to participate in the Liquidity Option for Limited Partners whose subscriptions are accepted at closings subsequent to the initial closing of the Fund will depend on the extent of the participation of Participating Limited Partners at prior closings of the Fund; however, the then-remaining availability of the Liquidity Option will be offered to all Limited Partners whose subscriptions are accepted at a subsequent closing of the Fund on equal terms.

14. When the amount of capacity remaining for purchase under the Liquidity Option first becomes equal to or less than 25% of the aggregate purchase price of U.S.$50 million (or such greater extended aggregate purchase price amount), the GP will deliver a notice to each Participating Limited Partner setting out the NAV of the Units and the amount of capacity remaining for purchase under the Liquidity Option.

15. In the event of more than one closing in respect of the sale of Units of the Fund, potential investors in the Fund will be provided with notice of the NAV of the Units and the amount of capacity remaining for purchase under the Liquidity Option as at the time of each subsequent closing. In addition, in the event of more than one closing in respect of the sale of the Units of the Fund, the PPM will be supplemented with disclosure outlining the availability of the Liquidity Option as at the latest practicable date prior to the distribution of the PPM to potential investors in the Fund.

16. NEP has indicated that it intends to hold any Units purchased pursuant to the Liquidity Option until the dissolution of the Fund. Consequently, as a result of such purchase, NEP will be obligated as a Limited Partner to make capital contributions to, and be entitled to receive distributions from, the Fund with respect to such purchased Units.

17. While there is no direct relationship between NEP and the Fund, an affiliate of the Bottom Fund Manager is an investor in NEP. Notwithstanding this relationship, the terms of the Liquidity Option reflect arm's length negotiations and *bona fide* terms and conditions.

18. The exercise of the Liquidity Option by a number of Participating Limited Partners could result in NEP acquiring 20% or more of the outstanding Units of the Fund and, as a result, the operation of the Liquidity Option would be a take-over bid for the purposes of the Take-Over Bid Provisions.

19. Legislation in the Jurisdiction provides an exemption from the Take-Over Bid Provisions with respect to non-reporting issuers if (the **Non-Reporting Issuer Exemption**):

    (a) the offeree issuer is not a reporting issuer;

    (b) there is not a published market in respect of the securities that are the subject of the bid; and

    (c) the number of holders of securities of that class is not more than fifty, exclusive of holders who are in the employment of the offeree issuer or any affiliate of the offeree issuer, and exclusive of holders who were formerly in the employment of the offeree issuer or an affiliate of the offeree issuer and who while in employment were, and have continued after that employment to be, security holders of the offeree issuer.

20. While the Fund will not be a reporting issuer and there will be no published market in respect of the Units, as there is no restriction on the number of Limited Partners that the Fund may have, there is no assurance that the Fund will have fewer than fifty Limited Partners, and for this reason, the Non-Reporting Issuer Exemption will likely not be available in respect of the Liquidity Option.

21. The Filers and the Fund are not in default of securities legislation in any jurisdiction.

Decision

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

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

    (a) the principal terms of the Liquidity Option are as described above and such terms are not amended or extended other than as contemplated in paragraph 8 and clause 12(i) above;

    (b) the features of the Liquidity Option will be fully disclosed in the PPM of the Fund;

    (c) there continues to be no published market for the Units;

    (d) the Fund is not, and does not become, a reporting issuer; and

    (e) each Limited Partner is an "accredited investor" (as defined in NI 45-106) at the time such Limited Partner purchases Units.

"Mary Condon"
Vice Chair
Ontario Securities Commission

"Janet Leiper"
Commissioner
Ontario Securities Commission

2.1.6 AlphaPro Management Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief to permit a senior loan exchange-traded fund to borrow cash up to an amount equal to 10% of NAV as a temporary measure to accommodate requests for the redemption of units of the fund – relief needed due to longer settlement times of senior loans – relief subject to numerous conditions – National Instrument 81-102 Investment Funds.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 2.6(a)(i), 19.1.

May 29, 2015

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
ALPHAPRO MANAGEMENT INC.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction (the **Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for an exemption, pursuant to Section 19.1 of National Instrument 81-102 *Investment Funds* (**NI 81-102**), from subparagraph 2.6(a)(i) of NI 81-102 to permit the Horizons Active Floating Rate Senior Loan ETF (**HSL**) to borrow cash in an amount that does not exceed 10% of its net asset value, as a temporary measure to accommodate requests for a redemption of a Prescribed Number of Units (as defined below) of HSL (the **Exemption Sought**).

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

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

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each jurisdiction of Canada outside of Ontario (together with Ontario, the **Jurisdictions**).

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 herein.

The following terms shall also have the following meanings:

(a) **Authorized Dealer** means a registered dealer that has entered, or intends to enter, into an agreement with the Filer authorizing the dealer to subscribe for, purchase and redeem a Prescribed Number of Units from HSL on a continuous basis from time to time.

(b) **Designated Broker** means a registered dealer that has entered, or intends to enter, into an agreement with the Filer to perform certain duties in relation to HSL, including posting a liquid two-way market for the trading of Units on the TSX or another marketplace.

(c) **Designated Counterparty** means a person or company, or the direct or indirect parent company of such person or company, whose securities have a "designated rating", as defined in National Instrument 44-101 Short Form Prospectus Distributions.

(d) **Prescribed Number of Units** means, in relation to HSL, the number of Units determined by the Filer from time to time for the purpose of subscription orders, exchanges, redemptions or for other purposes.

(e) **TSX** means the Toronto Stock Exchange.

(f) **Unitholder** means a beneficial and registered holder of a Unit.

(g) **Units** means the class E units and advisor class units of HSL, and Unit means one of them.

Representations

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

1. The Filer, a corporation incorporated under the laws of Canada, which has its head office in Toronto, is and will be the manager and trustee of HSL.

2. The Filer has retained its affiliate, Horizons ETFs Management (Canada) Inc. (**Horizons**), to act as the portfolio manager of HSL.

3. Horizons has retained the services of AlphaFixe Capital Inc. (**AlphaFixe**) to act as the sub-advisor of HSL.

4. HSL is a mutual fund trust governed by the laws of Ontario and is a reporting issuer under the laws of all of the Jurisdictions.

5. HSL is subject to NI 81-102, subject to any exemptions therefrom that have been, or may be, granted by the applicable securities regulatory authorities.

6. HSL is an exchange-traded fund whose securities are primarily traded on the TSX.

7. Units of HSL are qualified for distribution in each of the Jurisdictions pursuant to a long form prospectus dated January 29, 2015 (the **Prospectus**).

8. Except in respect of Horizon's late filing of an application to add additional jurisdictions to its category of registration, none of Horizons, the Filer or HSL is in default of securities legislation in any of the Jurisdictions.

9. The investment objective of HSL is to seek to provide Unitholders with a high level of current income by investing primarily in a diversified portfolio of U.S. senior secured floating rate loans and debt securities, with capital appreciation as a secondary objective. HSL may also invest in exchange-traded funds that provide exposure to senior loans. HSL will, to the best of its ability, seek to hedge its non-Canadian dollar currency exposure to the Canadian dollar at all times.

10. HSL has text box disclosure in the Prospectus and in its summary disclosure document stating that (i) HSL invests primarily in senior secured loans, which are generally rated below investment grade debt, (ii) settlement periods for senior secured loans may be longer than for other types of debt securities, such as corporate bonds, and (iii) HSL is not a substitute for holding cash or money market securities.

11. HSL has also disclosed in the Prospectus that (i) HSL will generally not invest more than 5% of its assets in a single senior loan issue, (ii) HSL will generally maintain an average rating for the senior loan portfolio of BB-/B+ rating and will not invest in securities of issuers rated below B- or in unrated securities, and (iii) HSL will primarily invest in issues with a minimum tranche size of USD 400 million and will not invest in any issues where the tranche is less than USD 100 million.

12. Throughout the day, AlphaFixe has access to quotations with bid-ask spreads from the major broker-dealers active in the senior loan market. This information enables AlphaFixe to monitor and assess the liquidity of the portfolio assets and the market as a whole. AlphaFixe actively monitors earnings reports, price movements and bid-ask spreads of

HSL's portfolio as part of its active management, and monitors compliance to the investment strategy in real-time. HSL's portfolio of senior loans is actively monitored by AlphaFixe, and AlphaFixe processes all information available to it as part of its daily portfolio management activities.

13. In addition to the ongoing monitoring of the markets and the HSL portfolio assets described above, each individual investment goes through a fundamental credit analysis (qualitative and quantitative), which includes stress tests, before the actual investment. These stress tests will include, amongst other things:

    (a) revenue/EBITDA projections and sensitivity analysis including break-even point;

    (b) margin projections and sensitivity analysis;

    (c) impact of interest rates on cash flows;

    (d) free cash flow analysis; and

    (e) any other specific analysis appropriate for a particular sector and/or investment.

14. Senior loans, compared to equivalently rated unsecured high yield bonds, typically offer a higher recovery rate because of the protection offered by their secured nature and their priority claim relative to other debt instruments. This security is generally achieved by liens on physical or non-physical assets and, even if not realized through liquidation, can greatly increase recovery in a reorganisation scenario.

15. The sale of a senior loan between HSL and a Designated Counterparty will always be subject to the standard terms and conditions for par / near par trade confirmations published by the Loan Syndications and Trading Association (the **Terms**), which Terms are binding on the parties to the transaction and do not contain any "outs" for force majeure or the stress or dislocation of the senior loan market.

16. The purchaser that will be interacting with HSL with respect to a senior loan will always be a dealer that is a Designated Counterparty that is subject to the Terms.

17. AlphaFixe will seek to maintain borrower and industry diversification among HSL's senior loan portfolio. When selecting senior loans, AlphaFixe will seek to implement a fundamental analysis approach of risk/return characteristics. Senior loans may be purchased by AlphaFixe in the primary and secondary markets as the opportunities for investment present themselves. Senior loans may be sold in the secondary market if, in the opinion of AlphaFixe, the risk-return profile deteriorates or to pursue a more attractive investment.

18. HSL may invest up to 20% of its net assets in cash, cash equivalents and/or other floating rate debt instruments. HSL may also invest up to 20% of its net assets in investment grade corporate bonds and 20% of its net assets in high yield debt securities. HSL may make these investments by investing in exchange traded funds that provide exposure to the applicable asset classes. At all times, subject to the Cash Conditions (as defined below), at least 10% of HSL's portfolio will be comprised of cash and/or securities that settle within three business days. HSL will, to the best of its ability, seek to hedge its non-Canadian dollar currency exposure to the Canadian dollar at all times.

19. Units may generally only be subscribed for or purchased directly from HSL by Authorized Dealers or Designated Brokers in an amount equal to a Prescribed Number of Units (or multiple thereof) on any day when there is a trading session on the TSX or another recognized stock exchange in Canada.

20. The net asset value per Unit of each class of HSL is calculated and published daily in the financial press and on the Filer's website at www.horizonsetfs.com.

21. Designated Brokers perform certain other functions, which include standing in the market with a bid and ask price for Units for the purpose of maintaining liquidity for the Units.

22. Except for Authorized Dealer and Designated Broker subscriptions for a Prescribed Number of Units, as described above, and other distributions that are exempt from the prospectus delivery requirement under the Legislation, Units generally may not be purchased directly from HSL. Investors are generally expected to purchase and sell Units, directly or indirectly, through dealers executing trades through the facilities of the TSX or another marketplace in Canada. Units may also be issued directly to HSL's investors upon the reinvestment of distributions of income or capital gains.

23. Unitholders of HSL that wish to dispose of their Units may generally do so by selling their Units on the TSX, through a registered broker or dealer, subject only to customary brokerage commissions. Unitholders of HSL may also redeem their Units for cash at a redemption price equal to 95% of the closing price of the Units on the TSX on the effective date

of redemption. A Unitholder that holds a Prescribed Number of Units or an integral multiple thereof may also exchange such Units for cash based on the net asset value of such Units.

24. The Filer believes that the U.S. senior loans that will be held by HSL can be liquidated in an orderly fashion given the size and depth of the overall U.S. senior loan market. However, as the time it will take HSL to settle a senior loan's disposition is typically longer than that of equity securities, and notwithstanding the fact that HSL will always maintain at least 10% of its assets in cash and other liquid investments, the Filer has determined that it would be prudent for HSL to have the ability to use a temporary overdraft facility from time to time with a value of up to 10% of its net asset value to assist, if necessary, in meeting redemption requests, and it is for this reason that the Filer has applied for the Exemption Sought.

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) if trading of the Units on the TSX is suspended for a period exceeding 30 days, HSL will begin taking all necessary steps to ensure that all amounts borrowed under the overdraft facility are fully repaid as soon as commercially reasonable, but no later than 90 days from the date of suspension, provided that such repayment need not be completed if the suspension is lifted within 90 days from the date of the suspension;

(b) HSL does not make a distribution to Unitholders where that distribution would impair the ability of HSL to repay the funds borrowed under the overdraft facility;

(c) HSL's next renewal prospectus or amendment to prospectus to be filed in connection with the continuous distribution of Units discloses the maximum percentage of assets of HSL that the borrowing may represent, HSL's intended use of the amounts borrowed under the overdraft facility, the material terms of the overdraft facility and the risks arising from the borrowing under the overdraft facility; and

(d) HSL may only borrow cash in excess of 5% of net asset value if all of the following conditions are satisfied:

    (i) after giving effect to the borrowing, the outstanding amount of all borrowings of HSL does not exceed 10% of the net asset value of HSL;

    (ii) HSL has entered into a fully binding agreement with a Designated Counterparty(s) to sell a senior loan(s) in order to satisfy redemption requests, but the settlement period on the senior loan(s) exceeds three days;

    (iii) the amount of cash that HSL borrows does not exceed the amount of cash that it will receive in respect of the sale of the senior loan(s) referred to in paragraph (d)(ii) above; and

    (iv) HSL has sold all of the securities in its portfolio, other than senior loans, and has used all of its available cash in order to satisfy redemption requests

    (collectively, the **Cash Conditions**).

The Exemption Sought expires on a date that is 18 months after the date of this decision.

"Raymond Chan"
Manager, Investment Funds and Structured Products
Ontario Securities Commission

2.1.7 Purpose Investments Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted from subsection 2.1(1) and paragraphs 2.2(1)(a), 2.5(2)(a) and 2.5(2)(e) of National Instrument 81-102 – Investment Funds to allow exchange-traded commodity pools to invest in other exchange-traded commodity pools under common management or managed by an affiliate, and to allow the top commodity pools to pay brokerage commissions for the purchase and sale of the securities of the underlying commodity pools – Commodity pools are subject to NI 81-102 and National Instrument 81-104 – Commodity Pools – Relief subject to terms and conditions based on investment restrictions of NI 81-102 and NI 81-104 such that top commodity pools cannot do indirectly via investment in underlying commodity pool what they cannot do directly under NI 81-102 and NI 81-104.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 2.1(1), 2.2(1)(a), 2.5(2)(a), 2.5(2)(e).

June 3, 2015

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
PURPOSE INVESTMENTS INC.
(the Filer)

AND

IN THE MATTER OF
THE TOP FUNDS
(defined below)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the **Legislation**) granting an exemption to the existing commodity pools (as defined by National Instrument 81-104 – *Commodity Pools* (**NI 81-104**)) listed at Schedule "A" (the **Existing Top Funds**) and such commodity pools that may be managed by the Filer or its affiliates in the future (the **Future Top Funds**, and together with the Existing Top Funds, the **Top Funds** and individually, a **Top Fund**) that are subject to National Instrument 81-102 – *Investment Funds* (**NI 81-102**) and NI 81-104 from the following prohibitions in NI 81-102 (the **Requested Relief**):

(a) subsection 2.1(1) of NI 81-102 (the **Concentration Restriction**), to permit each Top Fund to purchase a security of an Underlying ETF (as defined below) or enter into a specified derivatives transaction with respect to an Underlying ETF even though, immediately after the transaction, more than 10% of the net asset value of the Top Fund would be invested, directly or indirectly, in the securities of the Underlying ETF;

(b) paragraph 2.2(1)(a) of NI 81-102 to permit each Top Fund to purchase securities of an Underlying ETF such that, after the purchase, the Top Fund would hold securities representing more than 10% of:

(i) the votes attaching to the outstanding voting securities of the Underlying ETF; or

(ii) the outstanding equity securities of the Underlying ETF;

(c) paragraph 2.5(2)(a) of NI 81-102, to permit each Top Fund to invest in securities of an Underlying ETF; and

(d) paragraph 2.5(2)(e) of NI 81-102, to permit each Top Fund to pay brokerage commissions in relation to its purchase and sale on a recognized exchange (as defined in the *Securities Act* (Ontario)) in Canada of securities of an Underlying ETF.

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 paragraph 4.7(1)(c) of Multilateral Instrument 11-102 – *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon, Northwest Territories and Nunavut.

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

The Filer

1. The Filer is a corporation incorporated under the laws of the Province of Ontario. The Filer is registered as an investment fund manager, portfolio manager and an exempt market dealer under the *Securities Act* (Ontario). The head office of the Filer is located at 130 Adelaide Street West, Suite 1700, Toronto, Ontario, M5H 3P5.

2. The Filer or an affiliate of the Filer acts or will act as the investment fund manager of the Top Funds.

3. None of the Filer, the existing Top Funds or the Existing Underlying ETFs (as defined below), is in default of any of its obligations under the securities legislation of any of the provinces and territories of Canada.

The Top Funds

4. The Top Funds are, or will be, exchange traded open-ended mutual funds organized and governed by the laws of a jurisdiction of Canada.

5. Each of the Top Funds is, or will be, a "commodity pool" for purposes of National Instrument 81-104 – *Commodity Pools* (**NI 81-104**) and its securities are, or will be, governed by the provisions of NI 81-102 and NI 81-104, subject to any exemptions therefrom that have been, or may in the future be, granted by the securities regulatory authorities.

6. Each Top Fund has distributed, distributes, or will distribute, its securities pursuant to a long form prospectus prepared pursuant to National Instrument 41-101 – *General Prospectus Requirements* (**NI 41-101**) and Form 41-101F2 – *Information Required in an Investment Fund Prospectus* (**Form 41-101F2**) and are, or will be, governed by the applicable provisions of NI 81-102 and NI 81-104, subject to any exemptions therefrom that have been, or may in the future be, granted by the securities regulatory authorities.

7. The Top Funds are, or will be, reporting issuers in the provinces and territories of Canada in which their securities are distributed.

8. Each Top Fund wishes to have the ability to invest up to 100% of its net asset value in any one or more of the exchange traded mutual funds (the **Existing Underlying ETFs**) listed in Schedule "B" each of which is a commodity pool and such other similar exchange traded mutual funds as may be established and managed by the Filer or an affiliate of the Filer in the future (the **Future Underlying ETFs** and, together with the Existing Underlying ETFs, the **Underlying ETFs** or individually, an **Underlying ETF**).

9. Each investment by a Top Fund in securities of an Underlying ETF will be made in accordance with the investment objectives and investment restrictions of the Top Fund and will represent the business judgment of responsible persons uninfluenced by considerations other than the best interests of the Top Fund.

10. The prospectus of each Top Fund discloses, or will disclose the next time it is renewed after the date of this decision, that the fund will or may obtain exposure to securities of an Underlying ETF and the risks associated with such an investment.

The Underlying ETFs

11. The Filer, or an affiliate of the Filer acts or will act, as the investment fund manager of the Underlying ETFs.

12. Each Underlying ETF is, or will be:

    (a) a commodity pool, as defined by NI 81-104,;

    (b) a reporting issuer in the provinces and territories of Canada in which its securities are distributed; and

    (c) listed on the Toronto Stock Exchange (the **TSX**) or another "recognized exchange" in Canada as that term is defined in securities legislation.

13. Each Underlying ETF distributes, or will distribute, its securities pursuant to a long form prospectus prepared pursuant to NI 41-101 and Form 41-101F2.

14. No Underlying ETF holds, or will hold more than 10% of its net asset value in securities of other investment funds unless the securities of the other investment funds are securities of a money market fund, as defined in NI 81-102, or index participation units (**IPUs**), as defined in NI 81-102, issued by an investment fund.

15. The securities of the Underlying ETFs do not, or will not, constitute IPUs.

16. Each Underlying ETF does not, or will not, pay management or incentive fees which to a reasonable person would duplicate a fee payable by the Top Fund for the same service.

17. If the investment fund manager of a Top Fund (the **Top Fund Manager**) determines that the management fees and incentive fees payable by an Underlying ETF to its investment fund manager (the **Underlying ETF Manager**) would duplicate a fee payable by the Top Fund for the same service, the Underlying ETF Manager will pay a management fee rebate to the Top Fund that will not exceed the management fee payable by the Top Fund to the Top Fund Manager in respect of the Top Fund's investment in the Underlying ETF.

18. No Top Fund that holds securities of an Underlying ETF will vote any of those securities.

19. Holders of securities of an Underlying ETF may:

    (a) sell such securities on the TSX or other recognized exchange in Canada on which the securities are listed for trading;

    (b) redeem such securities in any number for cash at a redemption price equal to 95% of the market price of the security on the applicable exchange on the effective day of redemption; or

    (c) exchange a prescribed number of securities (a PNU) (or an integral multiple thereof) of the Underlying ETF for cash and/or securities at an exchange price equal to the net asset value of the securities of the Underlying ETF tendered for exchange on the effective day of the exchange request.

20. Each Underlying ETF primarily achieves, or primarily will achieve, its investment objectives through direct holdings of cash and securities and, in some circumstances, through investments in specified derivatives for hedging and non-hedging purposes, in each case in accordance with its investment objectives and strategies and in compliance with NI 81-102 and NI 81-104.

21. All brokerage costs related to trades in securities of the Underlying ETFs will be borne by the Top Funds in the same manner as any other portfolio transactions made on an exchange.

22. Each Top Fund is, or will be, subject to National Instrument 81-107 – *Independent Review Committee for Investment Funds* (**NI 81-107**) generally and including in respect of conflicts of interest matters arising from trades in securities of an Underlying ETF. If a Top Fund makes a trade in securities of an Underlying ETF with or through an affiliate or associate of the Filer acting as dealer, the Filer will comply with its obligations under NI 81-107 in respect of any proposed related party transactions and all such related party transactions will be disclosed to securityholders of such Top Fund in the applicable management report of fund performance for such Top Fund.

23. The securities of each Underlying ETF are, or will be, highly liquid, as designated brokers act as intermediaries between investors and each Underlying ETF, standing in the market with bid and ask prices for such securities to maintain a liquid market for them.

Reasons for the Requested Relief

24. An investment in an Underlying ETF by a Top Fund is an efficient and cost effective alternative to administering one or more investment strategies directly.

25. Absent the Requested Relief, a Top Fund that is a mutual fund would be prohibited by subsection 2.1(1) of NI 81-102 from investing more than 10% of its net asset value in the securities of an Underlying ETF. The Requested Relief would only grant each Top Fund relief from the Concentration Restriction in respect of the Top Fund's direct or indirect holdings of the securities issued by an Underlying ETF. The Requested Relief would not relieve a Top Fund from the application of the Concentration Restriction in respect of the Top Fund's indirect holdings held by an Underlying ETF and each Top Fund will comply with the Concentration Restriction in respect of such Top Fund's indirect holdings in securities held by an Underlying ETF and will apply subsections 2.1(3) and 2.1(4) of NI 81-102 in connection therewith.

26. Due to the potential size disparity between the Top Funds and the Underlying ETFs, it is possible that a relatively small investment, on a percentage of net asset value basis, by a relatively larger Top Fund in an Underlying ETF could result in such Top Fund holding securities representing more than 10% of: (i) the votes attaching to the outstanding voting securities of such Underlying ETF; or (ii) the outstanding equity securities of that Underlying ETF, contrary to the restrictions in paragraph 2.2(1)(a) of NI 81-102.

27. Absent the Requested Relief, an investment by a Top Fund in securities of an Underlying ETF would not qualify for the exemptions in:

    (a) paragraph 2.1(2)(d) of NI 81-102 from paragraph 2.1(1) of NI 81-102;

    (b) paragraph 2.2(1.1)(b) of NI 81-102 from paragraph 2.2(1)(a) of NI-81-102; and

    (c) subsection 2.5(3) of NI 81-102 from paragraph 2.5(2)(a) of NI 81-102;

    because the securities of the Underlying ETF would not be index participation units.

28. The only material difference between an Underlying ETF and a mutual fund governed by NI 81-102 and NI 81-104 is the method of acquisition and disposition of its units. If the Requested Relief is granted, the Top Funds will be permitted to purchase securities of a mutual fund that are listed on the TSX (or another recognized exchange in Canada) in the same manner that they are permitted to invest in a mutual fund that is not listed on a recognized exchange (i.e., a mutual fund governed by NI 81-102 and NI 81-104).

29. An investment by a Top Fund in an Underlying ETF would not qualify for the exemption in paragraph 2.5(3) of NI 81-102 from paragraph 2.5(2) of NI 81-102 because the Underlying ETF does not issue IPUs.

30. It is anticipated that many of the trades conducted by the Top Funds would not be of the size necessary for a Top Fund to be eligible to purchase or redeem a PNU directly from the Underlying ETF. As a result, it is anticipated that the majority of trading in respect of securities of the Underlying ETFs will be conducted in the secondary market using the facilities of the TSX or other recognized exchange in Canada.

31. An investment by a Top Fund in an Underlying ETF would not qualify for the exemption in subsection 2.5(5) of NI 81-102 from paragraph 2.5(2)(e) of NI 81-102 because the Underlying ETF does not issue IPUs. As such, absent the Requested Relief, when a Top Fund trades securities of an Underlying ETF on the TSX or other recognized exchange in Canada, paragraph 2.5(2)(e) would not permit the Top Fund to pay any brokerage fees incurred in connection with the trade.

Decision

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

The decision of the principal regulator under the Legislation is that the Requested Relief is granted, provided that:

    (a) each Top Fund and Underlying ETF is a commodity pool subject to NI 81-102 and NI 81-104;

(b) the investment by a Top Fund in securities of an Underlying ETF is in accordance with the investment objectives of the Top Fund;

(c) an Underlying ETF does not rely on exemptive relief that would allow a Top Fund, through their investment in the Underlying ETF, to do indirectly what it cannot do directly under NI 81-102 and NI 81-104;

(d) a Top Fund does not sell securities of an Underlying ETF short;

(e) in connection with the Requested Relief from subsection 2.1(1) of NI 81-102 under this decision allowing a Top Fund to invest more than 10% of its net asset value in the securities of an Underlying ETF, the Top Fund shall, for each investment it makes in the securities of an Underlying ETF, apply subsections 2.1(3) and 2.1(4) of NI 81-102 as if those provisions applied to a Top Fund's investments in securities of an Underlying ETF, and accordingly limit a Top Fund's indirect holdings in securities of an issuer held by one or more Underlying ETFs to no more than 10% of the Top Fund's net asset value;

(f) the investment by a Top Fund in securities of an Underlying ETF is made in compliance with section 2.5 of NI 81-102, with the exception of paragraph 2.5(2)(a) and, in respect only of brokerage fees incurred for the purchase and sale of Underlying ETFs by the Top Funds, paragraph 2.5(2)(e); and

(g) the prospectus of each Top Fund discloses, or will disclose the next time it is renewed after the date of this decision, that (i) the Top Funds have obtained the Requested Relief to permit the relevant transactions on the terms described in this decision and (ii) the Top Funds will or may obtain exposure to securities of an Underlying ETF and the risks associated with such an investment.

"Raymond Chan"
Manager, Investment Funds and Structured Products Branch
Ontario Securities Commission

SCHEDULE "A"

EXISTING TOP FUNDS

Purpose Diversified Real Asset Fund
Purpose Enhanced US Equity Fund
Purpose Multi-Strategy Market Neutral Fund

SCHEDULE "B"

EXISTING UNDERLYING ETFS

Purpose Diversified Real Asset Fund
Purpose Multi-Strategy Market Neutral Fund

2.1.8 PIMCO Canada Corp.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief from certain specified derivatives and custodial requirements to permit mutual funds to enter into swap transactions that are cleared through a clearing corporation – relief required because of new U.S. and European requirements to clear over-the-counter derivatives including swaps – decision treats cleared swaps similar to other cleared derivatives – National Instrument 81-102 Investment Funds.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 2.7(1) and (4), 6.8(1), 19.1.

June 5, 2015

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
PIMCO CANADA CORP.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**), pursuant to section 19.1 of National Instrument 81-102 *Investment Funds* (**NI 81-102**), exempting each Existing PIMCO Fund (as defined below) and all current and future mutual funds managed by the Filer that enter into Swaps (as defined below) in the future (each, a **Future PIMCO Fund** and, together with the Existing PIMCO Funds, each, a **PIMCO Fund** and, collectively, the **PIMCO Funds**):

(i) from the requirement in subsection 2.7(1) of NI 81-102 that a mutual fund must not purchase an option or a debt-like security or enter into a swap or a forward contract unless, at the time of the transaction, the option, debt-like security, swap or contract has a designated rating or the equivalent debt of the counterparty, or of a person or company that has fully and unconditionally guaranteed the obligations of the counterparty in respect of the option, debt-like security, swap or contract, has a designated rating;

(ii) from the limitation in subsection 2.7(4) of NI 81-102 that the mark-to-market value of the exposure of a mutual fund under its specified derivatives positions with any one counterparty other than an acceptable clearing corporation or a clearing corporation that settles transactions made on a futures exchange listed in Appendix A to NI 81-102 shall not exceed, for a period of 30 days or more, 10 percent of the net asset value of the mutual fund; and

(iii) from the requirement in subsection 6.1(1) of NI 81-102 to hold all portfolio assets of an investment fund under the custodianship of one custodian in order to permit each PIMCO Fund to deposit cash and portfolio assets directly with a Futures Commission Merchant (as defined below) and indirectly with a Clearing Corporation (as defined below) as margin,

in each case, with respect to cleared Swaps (the **Requested Relief**).

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

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

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

Interpretation

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

CFTC means the U.S. Commodity Futures Trading Commission

Clearing Corporation means any clearing organization registered with the CFTC or central counterparty authorized by ESMA, as the case may be, that, in either case, is also permitted to operate in the Jurisdiction or the Other Jurisdiction, as the case may be, where the PIMCO Fund is located

Dodd-Frank means the Dodd-Frank Wall Street Reform and Consumer Protection Act

EMIR means the European Market Infrastructure Regulation

ESMA means the European Securities and Markets Authority

European Economic Area means all of the European Union countries and also Iceland, Liechtenstein and Norway

Existing PIMCO Funds means each mutual fund managed by PIMCO that is relying on the Previous Relief on the date of this decision

Futures Commission Merchant means any futures commission merchant that is registered with the CFTC and/or clearing member for purposes of EMIR, as applicable, and is a member of a Clearing Corporation

OTC means over-the-counter

PIMCO means the global PIMCO group of companies, including the Filer, Allianz Asset Management of America L.P., Pacific Investment Management Company LLC, PIMCO Europe Ltd. and their affiliates

Swaps means the swaps that are, or will become, subject to a clearing determination or a clearing obligation issued by the CFTC or ESMA, as the case may be, including fixed-to-floating interest rate swaps, basis swaps, forward rate agreements in U.S. dollars, the Euro, Pounds Sterling or the Japanese Yen, overnight index swaps in U.S. dollars, the Euro and Pounds Sterling and untranched credit default swaps on certain North American indices (CDX.NA.IG and CDX.NA.HY) and European indices (iTraxx Europe, iTraxx Europe Crossover and iTraxx Europe HiVol) at various tenors

U.S. Person has the meaning attributed thereto by the CFTC

Representations

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

The Filer and the PIMCO Funds

1. The Filer is, or will be, the investment fund manager of each PIMCO Fund. The Filer is registered as an investment fund manager in the Provinces of Ontario, Québec and Newfoundland and Labrador and is registered as a portfolio manager and exempt market dealer in the Provinces of Ontario, Alberta, British Columbia, Manitoba, Nova Scotia, Québec and Saskatchewan. The Filer is also registered under the *Commodity Futures Act* (Ontario) in the category of commodity trading manager in the Province of Ontario, as a derivatives portfolio manager in the Province of Québec and as an adviser in the Province of Manitoba. The head office of the Filer is in Toronto, Ontario.

2. The Filer is, or will be, the portfolio manager to the PIMCO Funds and one of the PIMCO companies, each of which is an affiliate of the Filer, is, or will be, the sub-advisor to the PIMCO Funds.

3. Each PIMCO Fund is, or will be, a mutual fund created under the laws of the Province of Ontario and is, or will be, subject to the provisions of NI 81-102.

4. Neither the Filer nor the PIMCO Funds are, or will be, in default of securities legislation in any Jurisdiction.

5. The securities of each PIMCO Fund are, or will be, qualified for distribution pursuant to a prospectus that was, or will be, prepared and filed in accordance with the securities legislation of the Jurisdictions. Accordingly, each PIMCO Fund is, or will be, a reporting issuer or the equivalent in each Jurisdiction.

The Previous Cleared Swaps Relief

6. In a decision document dated June 7, 2013, the PIMCO Funds were granted relief from the requirements in subsections 2.7(1), 2.7(4) and 6.1(1) to permit the PIMCO Funds to enter into cleared swaps that are, or will be, subject to a clearing determination issued by the CFTC (the "**Previous Relief**"). The Previous Relief, in accordance with its terms, terminates on June 7, 2015.

7. The Filer is seeking the Requested Relief in this new decision to extend the term of the Previous Relief and to vary the Previous Relief by permitting the PIMCO Funds to also enter into cleared swaps that become subject to a clearing obligation under EMIR.

Cleared Swaps

8. The investment objective and investment strategies of each PIMCO Fund permit, or will permit, the PIMCO Fund to enter into derivative transactions, including Swaps. The portfolio management team of the Existing PIMCO Funds consider Swaps to be an important investment tool that is available to it to properly manage each PIMCO Fund's portfolio.

9. Dodd-Frank requires that certain OTC derivatives be cleared through a Futures Commission Merchant at a Clearing Corporation. Generally, where one party to a Swap is a U.S. Person, that Swap must be cleared, absent an available exception.

10. EMIR will also require that certain OTC derivatives be cleared through a central counterparty authorized to provide clearing services for purposes of EMIR. Generally, where one party to a Swap is a financial counterparty or a non-financial counterparty whose OTC derivative trading activity exceeds a certain threshold, in each case established in a state that is a participant in the European Economic Area, that Swap will be required to be cleared. As at the date of this decision, no clearing obligation has been issued under EMIR; the first clearing directive is expected to be issued in the third quarter of 2015 and will be phased-in based on the category of both parties to the trade.

11. In order to benefit from both the pricing benefits and reduced trading costs that PIMCO is often able to achieve through its trade execution practices for its managed investments funds and from the reduced costs associated with cleared OTC derivatives as compared to other OTC trades, PIMCO wishes to enter into cleared Swaps on behalf of the PIMCO Funds.

12. In the absence of the Requested Relief, PIMCO may need to structure certain Swaps entered into by the PIMCO Funds so as to avoid the clearing requirements of the CFTC and under EMIR, as applicable. The Filer respectfully submits that this would not be in the best interests of the PIMCO Funds and their investors for a number of reasons, as set out below.

13. The Filer strongly believes that it is in the best interests of the PIMCO Funds and their investors to continue to execute OTC derivatives with global counterparties, including U.S. and European swap dealers.

14. In its role as a fiduciary for the PIMCO Funds, the Filer has determined that central clearing represents the best choice for the investors in the PIMCO Funds to mitigate the legal, operational and back office risks faced by investors in the global swap markets.

15. PIMCO currently uses the same trade execution practices for all of its managed funds, including the PIMCO Funds. An example of these trade execution practices is block trading, where large number of securities are purchased or sold or large derivative trades are entered into on behalf of a number of investment funds advised by PIMCO. These practices include the use of cleared Swaps. If the PIMCO Funds are unable to employ these trade execution practices, then PIMCO will have to create separate trade execution practices only for the PIMCO Funds and will have to execute trades for the PIMCO Funds on a separate basis. This will increase the operational risk for the PIMCO Funds, as separate execution procedures will need to be established and followed only for the PIMCO Funds. In addition, the PIMCO Funds may no longer be able to enjoy the possible price benefits and reduction in trading costs that PIMCO may be able to achieve through a common practice for its family of investment funds. In PIMCO's opinion, best execution and maximum certainty can best be achieved through common trade execution practices, which, in the case of OTC derivatives, involve the execution of Swaps on a cleared basis.

16. As a member of the G20 and a participant in the September 2009 commitment of G20 nations to improve transparency and mitigate risk in derivatives markets, Canada has expressly recognized the systemic benefits that clearing OTC derivatives offers to market participants, such as the PIMCO Funds. The Filer respectfully submits that the PIMCO Funds should be encouraged to comply with the robust clearing requirements established by the CFTC and under EMIR by granting them the Requested Relief.

17. The Requested Relief is analogous to the treatment currently afforded under NI 81-102 to other types of derivatives that are cleared, such as clearing corporation options, options on futures and standardized futures. This demonstrates that, from a policy perspective, the Requested Relief is consistent with the views of the Canadian securities authorities in respect of cleared derivative trades.

18. For the reasons provided above, the Filer submits that it would not be prejudicial to the public interest to grant the Requested Relief.

Decision

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

The decision of the principal regulator under the Legislation is that the Requested Relief is granted provided that when any rules applicable to customer clearing of OTC derivatives enter into force, the Clearing Corporation is permitted to offer customer clearing of OTC derivatives in the Jurisdiction or the Other Jurisdiction, as the case may be, where the PIMCO Fund is located and provided further that, in respect of the deposit of cash and portfolio assets as margin:

(a) in Canada,

  (i) the Futures Commission Merchant is a member of a SRO that is a participating member of CIPF; and

  (ii) the amount of margin deposited and maintained with the Futures Commission Merchant does not, when aggregated with the amount of margin already held by the Futures Commission Merchant, exceed 10 percent of the net asset value of the PIMCO Fund as at the time of deposit; and

(b) outside of Canada,

  (i) the Futures Commission Merchant is a member of a Clearing Corporation and, as a result, is subject to a regulatory audit;

  (ii) the Futures Commission Merchant has a net worth, determined from its most recent audited financial statements that have been made public or from other publicly available financial information, in excess of the equivalent of $50 million; and

  (iii) the amount of margin deposited and maintained with the Futures Commission Merchant does not, when aggregated with the amount of margin already held by the Futures Commission Merchant, exceed 10 percent of the net asset value of the PIMCO Fund as at the time of deposit.

This decision will terminate on the coming into force of any revisions to the provisions of NI 81-102 that address the clearing of OTC derivatives.

“Darren McKall”
Manager
Investment Funds and Structured Products Branch
Ontario Securities Commission

2.2 Orders

2.2.1 Children's Education Funds Inc.

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
CHILDREN'S EDUCATION FUNDS INC.

ORDER

WHEREAS on March 31, 2014, the Ontario Securities Commission (the **Commission**) issued a Notice of Hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the **Act**) in relation to the Statement of Allegations filed by Staff of the Commission (**Staff**) on March 31, 2014 with respect to Children's Education Funds Inc. (**CEFI**);

AND WHEREAS CEFI entered into a Settlement Agreement dated March 31, 2014 (the **Settlement Agreement**) in relation to certain of the matters set out in the Statement of Allegations;

AND WHEREAS the Settlement Agreement, as amended, was approved by Order of the Commission dated April 14, 2014 (the **Order**);

AND WHEREAS the Order required that an independent consultant retained by CEFI (the **Consultant**) deliver a report (the **Report**) to a manager of the Compliance and Registrant Regulation Branch of the Commission (the **OSC Manager**) regarding CEFI's revised policies and procedures and internal controls by June 3, 2015;

AND WHEREAS the Consultant, the OSC Manager and CEFI have agreed upon and implemented a work plan in respect of the Report and the Consultant is in the process of preparing the Report;

AND WHEREAS CEFI has requested a 30 day extension of time beyond the June 3, 2015 deadline for the delivery of the Report;

AND WHEREAS Staff of the Commission consents to the requested extension of time;

AND UPON reviewing the Notice of Motion, the Affidavit of Allison Haid Caughey sworn June 1, 2015 and the consent of Staff of the Commission;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this Order;

IT IS HEREBY ORDERED that the time for the delivery of the Report set out in the Order dated April 7, 2014 be extended to July 3, 2015.

DATED at Toronto this 2nd day of June, 2015.

"Christopher Portner"

2.2.2 Hart Stores Inc. – s. 144

Headnote

Section 144 – Application for revocation of cease trade order – issuer subject to cease trade order as a result of failure to file financial statements – issuer has made a separate application to not be a reporting issuer in all of the jurisdictions in which it is currently a reporting issuer – full revocation granted effective as of the date the issuer is determined to not be a reporting issuer.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c.,S.5, as am., ss. 127, 144.

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

AND

IN THE MATTER OF
HART STORES INC.

FULL REVOCATION ORDER
(Section 144)

WHEREAS the securities of Hart Stores Inc. ("**Hart Stores**" or the "**Applicant**") are subject to a cease trade order issued by a Director of the Ontario Securities Commission (the "**Commission**") on August 22, 2012 (the "**Ontario Cease Trade Order**");

AND WHEREAS the Ontario Cease Trade Order was made on the basis that the Applicant was in default of certain filing requirements under Ontario securities laws as described in the Cease Trade Order;

AND WHEREAS Hart Stores is also subject to cease trade orders issued by the Autorité des marchés financiers (the "**AMF**") on August 6, 2012, British Columbia Securities Commission ("**BCSC**") on August 7, 2012, The Manitoba Securities Commission ("**MSC**") on September 19, 2012 and Alberta Securities Commission ("**ASC**") on November 20, 2012;

AND WHEREAS on December 19, 2014, the Commission issued an order for the partial revocation of the Ontario Cease Trade Order (the "**Partial Revocation Order**") to permit trades or acts or furtherance of trades in connection with the acquisition of Hart Stores by an arm's length third party purchaser (the "**Acquisition**");

AND WHEREAS pursuant to the Partial Revocation Order, the Applicant represented that following the Acquisition, it or the amalgamated corporation, would file an application to cease to be a reporting issuer in each of the provinces of Canada and an application for a full revocation of the Ontario Cease Trade Order;

AND WHEREAS the Applicant has represented to the Commission that:

1. Hart Stores is a corporation incorporated under the *Canada Business Corporations Act* ("**CBCA**") and operates a network of 61 mid-sized department stores located in eastern Canada. The head office of Hart Stores is at 900 Place Paul-Kane, Laval, Québec H7C 2T2.

2. Hart Stores is a reporting issuer or the equivalent in each of the provinces of Canada (the "**Reporting Jurisdictions**"). The AMF is the principal regulator with respect to Hart Stores in accordance with section 4.2 of Multilateral Instrument 11-102 – *Passport System*.

3. On December 19, 2014, the Commission issued an order for the partial revocation of the Ontario Cease Trade Order to permit trades or acts or furtherance of trades in connection with the Acquisition.

4. On February 6, 2015, pursuant to section 185 of the CBCA, the shareholders of Hart Stores approved the amalgamation between Hart Stores and 9102221 Canada Inc. ("**910221**"), a private issuer indirectly wholly-owned by Mr. Paul Nassar, an "accredited investor" as defined in National Instrument 45-106 *Prospectus and Registration Exemptions*.

5. On February 6, 2015, all of issued and outstanding common shares of Hart Stores were cancelled for a consideration of $0.20 per share, pursuant to the amalgamation between Hart Stores and 9102221, and the shares of 9102221 were converted into shares of the amalgamated corporation, being Hart Stores Inc./ Magasins Hart Inc. ("**Amalco**"), on a one-for-one basis.

6. As a result, all of the issued and outstanding shares of Amalco are indirectly held by Mr. Paul Nassar, and Mr. Nassar is the sole director and the President of Amalco.

7. The shares of the Applicant, formerly listed on the TSX Venture Exchange under the symbol "HIS", were delisted on February 19, 2015.

8. The Applicant has concurrently applied to the Commission, the AMF, the MSC and the ASC for a revocation of the cease trade orders issued in each such jurisdiction;

9. The BCSC confirmed that the Applicant did not have to apply for revocation of the cease trade order issued by the BCSC and that the BCSC would lift its cease trade order and revoke the reporting issuer status of Hart Stores after Quebec lifts its cease trade order;

10. On March 11, 2015, the Applicant applied to the securities regulatory authority or regulator in each of the Reporting Jurisdictions for a decision under the securities legislation of such jurisdiction to cease to be a reporting issuer under such securities legislation (the "**Reporting Issuer Exemptive Relief Sought**").

11. If the Reporting Issuer Exemptive Relief Sought is granted, the Applicant will no longer be a reporting issuer in any jurisdiction in Canada.

12. The Applicant has paid all outstanding participation fees and filing fees owing to the Commission.

13. The Applicant is not considering, nor is it involved in any discussion relating to, a reverse take-over, amalgamation, merger or other form of combination or transaction similar to the foregoing.

14. The Applicant has not previously been the subject of a cease trade order other than those referred to in this Order.

AND WHEREAS considering the application and the recommendation of the staff of the Commission;

AND WHEREAS the Director being satisfied that it would not be prejudicial to the public interest to grant the revocation of the Ontario Cease Trade Order;

IT IS ORDERED pursuant to section 144 of the Act, that the Ontario Cease Trade Order is revoked as of the date on which the Applicant ceases to be a reporting issuer under the Act.

DATED this 5th day of May, 2015.

"Kathryn Daniels"
Deputy Director, Corporate Finance Branch
Ontario Securities Commission

2.2.3 Quadrexx Hedge Capital Management Ltd.

IN THE MATTER OF
THE SECURITIES ACT.
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
QUADREXX HEDGE CAPITAL MANAGEMENT LTD.,
QUADREXX SECURED ASSETS INC.,
MIKLOS NAGY and TONY SANFELICE

ORDER

WHEREAS:

1. On January 31, 2014, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing dated January 31, 2014 (the "Notice of Hearing") pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") accompanied by a Statement of Allegations dated January 30, 2014 (the "Statement of Allegations") with respect to Quadrexx Hedge Capital Management Ltd. ("QHCM"), Quadrexx Secured Assets Inc. ("QSA"), Miklos Nagy ("Nagy") and Tony Sanfelice ("Sanfelice") (collectively, the "Respondents");

2. On February 20, 2014, Staff of the Commission ("Staff") filed an affidavit of Sharon Nicolaides sworn February 19, 2014 setting out Staff's service of the Notice of Hearing and the Statement of Allegations on counsel for the Respondents;

3. On February 20, 2014, Staff advised that Staff had sent out the initial electronic disclosure of approximately 14,000 documents to counsel for the Respondents;

4. On February 20, 2014, the Commission ordered that the hearing be adjourned to April 17, 2014 at 9:30 a.m. for the purpose of scheduling a date for a confidential pre-hearing conference as may be appropriate;

5. On April 17, 2014, Staff, counsel for QHCM, QSA and Nagy and counsel for Sanfelice attended before the Commission;

6. On April 17, 2014, Staff advised the Commission of a correction to be made regarding the initial electronic disclosure made on February 20, 2014, in that disclosure was made of approximately 14,000 pages of documents rather than of approximately 14,000 documents;

7. On April 17, 2014, Staff further advised the Commission that it had recently sent out electronic disclosure of a further 6,800 pages of documents and advised that disclosure by Staff was not yet complete;

8. On April 17, 2014, the Commission ordered that the hearing be adjourned to a confidential pre-hearing conference to be held on September 5, 2014 at 10:00 a.m;

9. On August 20, 2014, Nagy's counsel advised the Commission that Nagy was no longer available to attend the pre-hearing conference scheduled for September 5, 2014 as he would be out of the country until September 19, 2014 because of the ailing health of a family member living abroad and that Nagy's counsel was not available thereafter until the week of October 13, 2014;

10. On August 20, 2014, on the consent of the Respondents and Staff, the Commission ordered that the confidential pre-hearing conference scheduled for September 5, 2014 be adjourned to October 15, 2014 at 9:00 a.m;

11. On October 15, 2014, the parties attended a confidential pre-hearing conference in this matter;

12. On October 15, 2014, the Commission ordered that:

    a. this matter be adjourned to a further confidential pre-hearing conference to be held on February 26, 2015 at 10:00 a.m; and

    b. the hearing on the merits in this matter shall commence on April 20, 2015 at 10:00 a.m. and shall continue on April 22, 23, 24, 27, 28, 29, 30 and May 1, 4, 6, 7, 8, 11, 12, 13, 14 and 15, 2015, each day commencing at 10:00 a.m;

13. The hearing on the merits in this matter took place on April 22, 23, 24, 27, 28, 29, 30 and on May 1, 4, 6, 7, 8, 11, 12, 13, 14 and 15, 2015 and it was determined on the final day of the hearing that additional hearing dates would be required;

14. On May 28, 2015, the parties attended a case conference in this matter to schedule additional hearing dates to complete the hearing on the merits; and

15. The Commission is of the opinion that it is in the public interest to make this Order;

IT IS ORDERED that the hearing on the merits in this matter shall continue on September 21, 23, 24 (for the morning only), 25, 28, 29 and 30, on October 1, 2, 5 and 9 and on November 16, 18, 19, 20, 23, 24 and 25, 2015, each day commencing at 10:00 a.m.

DATED at Toronto this 3rd day of June, 2015.

"Christopher Portner"

2.2.4 MRS Sciences Inc. (formerly Morningside Capital Corp.) et al.

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
MRS SCIENCES INC. (FORMERLY MORNINGSIDE CAPITAL CORP.),
AMERICO DEROSA, RONALD SHERMAN, EDWARD EMMONS, IVAN CAVRIC
AND PRIMEQUEST CAPITAL CORPORATION

AMENDED ORDER

WHEREAS on November 30, 2007, a Notice of Hearing was issued by the Ontario Securities Commission (the "Commission") pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") with respect to a Statement of Allegations issued by Staff of the Ontario Securities Commission ('Staff") on November 29, 2007, to consider whether MRS Sciences Inc. (formerly Morningside Capital Corp.) ("MRS"), Americo DeRosa ("DeRosa"), Ronald Sherman ("Sherman"), Edward Emmons ("Emmons"), Ivan Cavric ("Cavric") and Primequest Capital Corporation (collectively, the "Respondents") breached the Act and acted contrary to the public interest;

AND WHEREAS on March 25, 2008, an Amended Statement of Allegations was issued by Staff, and on April 14, 2009, an Amended Amended Statement of Allegations was issued by Staff;

AND WHEREAS the Commission conducted the hearing on the merits in this matter on May 7, 8, 11, 13, June 10, 11, 12, 22, 26, September 3, 4 and October 7, 2009 (the "Merits Hearing");

AND WHEREAS the Commission issued its Reasons and Decision on the merits in this matter on February 2, 2011 (the "Merits Decision");

AND WHEREAS the Commission conducted a motion hearing on November 2, 2011 which addressed the issue of the composition of the Sanctions and Costs Hearing Panel (the "Motion");

AND WHEREAS the Commission issued its Reasons and Decision on the Motion on December 6, 2011 (the "Motion Decision");

AND WHEREAS on January 3, 2012, the Respondents filed a Notice of Appeal with respect to the Motion Decision, and on February 24, 2012, the Respondents filed an Application to Divisional Court for Judicial Review of the Motion Decision;

AND WHEREAS on December 17, 2012, the Divisional Court heard the Application for Judicial Review and rendered its decision that the Application for Judicial Review was premature;

AND WHEREAS on September 5 and 13, 2013, October 17, 2013 and November 7 and 20, 2013, confidential pre-hearing conferences were held before the Commission;

AND WHEREAS on September 24, 2013, the Commission ordered that the Sanctions and Costs Hearing in this matter would commence on November 28, 2013 at 10:00 a.m. and, if necessary, continue on November 29, 2013 at 10:00 a.m.;

AND WHEREAS the Sanctions and Costs Hearing took place on November 28 and 29, 2013, December 18, 2013 and February 11, 2014;

AND WHEREAS on June 4, 2014, the Commission issued its Reasons and Decision on Sanctions and Costs (the "Sanctions and Costs Reasons") and the Sanctions and Costs Order in this matter (the "Sanctions and Costs Order') which ordered the following:

1. With respect to DeRosa:

   (a) pursuant to clause 2 of subsection 127(1) of the Act, DeRosa shall cease trading in securities for a period of 10 years;

   (b) pursuant to clause 3 of subsection 127(1) of the Act, exemptions contained in Ontario securities law shall not apply to DeRosa for a period of 10 years;

(c) pursuant to clause 6 of subsection 127(1) of the Act, DeRosa is reprimanded;

(d) pursuant to clause 7 of subsection 127(1) of the Act, DeRosa shall resign from all positions that he may hold as a director or officer of an issuer;

(e) pursuant to clause 8 of subsection 127(1) of the Act, DeRosa is prohibited from becoming or acting as a director or officer of any issuer for a period of 10 years;

(f) pursuant to clause 9 of subsection 127(1) of the Act, DeRosa shall pay an administrative penalty of $200,000 for his failure to comply with Ontario securities law, which amount is designated for allocation or use by the Commission pursuant to subsections 3.4(2)(b)(i) or (ii) of the Act;

(g) pursuant to section 127.1 of the Act, DeRosa shall pay costs in the amount of $126,216.04, jointly and severally with Sherman, Emmons and Cavric.

2. With respect to Cavric:

(a) pursuant to clause 2 of subsection 127(1) of the Act, Cavric shall cease trading in securities for a period of 10 years;

(b) pursuant to clause 3 of subsection 127(1) of the Act, exemptions contained in Ontario securities law shall not apply to Cavric for a period of 10 years;

(c) pursuant to clause 6 of subsection 127(1) of the Act, Cavric is reprimanded;

(d) pursuant to clause 7 of subsection 127(1) of the Act, Cavric shall resign from all positions that he may hold as a director or officer of an issuer;

(e) pursuant to clause 8 of subsection 127(1) of the Act, Cavric is prohibited from becoming or acting as a director or officer of any issuer for a period of 10 years;

(f) pursuant to clause 9 of subsection 127(1) of the Act, Cavric shall pay an administrative penalty of $200,000 for his failure to comply with Ontario securities law, which amount is designated for allocation or use by the Commission pursuant to subsections 3.4(2)(b)(i) or (ii) of the Act;

(g) pursuant to section 127.1 of the Act, Cavric shall pay costs in the amount of $126,216.04, jointly and severally with DeRosa, Emmons and Sherman.

3. With respect to Emmons:

(a) pursuant to clause 2 of subsection 127(1) of the Act, Emmons shall cease trading in securities for a period of 10 years;

(b) pursuant to clause 3 of subsection 127(1) of the Act, an order that any exemptions contained in Ontario securities law shall not apply to Emmons for a period of 10 years;

(c) pursuant to clause 6 of subsection 127(1) of the Act, Emmons is reprimanded;

(d) pursuant to clause 7 of subsection 127(1) of the Act, Emmons shall resign from all positions that he may hold as a director or officer of an issuer;

(e) pursuant to clause 8 of subsection 127(1) of the Act, Emmons is prohibited for a period of 10 years from becoming or acting as a director or officer of any issuer;

(f) pursuant to clause 9 of subsection 127(1) of the Act, Emmons shall pay an administrative penalty of $30,000, which amount is designated for allocation or use by the Commission pursuant to subsections 3.4(2)(b)(i) or (ii) of the Act;

(g) pursuant to section 127.1 of the Act, Emmons shall pay costs in the amount of $126,216.04, jointly and severally with DeRosa, Cavric and Sherman.

4. With respect to Sherman:

   (a) pursuant to clause 2 of subsection 127(1) of the Act, Sherman shall cease trading in securities for a period of 10 years;

   (b) pursuant to clause 3 of subsection 127(1) of the Act, exemptions contained in Ontario securities law shall not apply to Sherman for a period of 10 years;

   (c) pursuant to clause 6 of subsection 127(1) of the Act, Sherman is reprimanded;

   (d) pursuant to clause 7 of subsection 127(1) of the Act, Sherman shall resign from all positions that he may hold as a director or officer of an issuer;

   (e) pursuant to clause 8 of subsection 127(1) of the Act, Sherman is prohibited from becoming or acting as a director or officer of any issuer for a period of 10 years;

   (f) pursuant to clause 9 of subsection 127(1) of the Act, Sherman shall pay an administrative penalty of $150,000, which amount is designated for allocation or use by the Commission pursuant to subsections 3.4(2)(b)(i) or (ii) of the Act;

   (g) pursuant to section 127.1 of the Act, Sherman shall pay costs in the amount of $126,216.04, jointly and severally with DeRosa, Cavric and Emmons.

5. With respect to MRS:

   (a) pursuant to clause 2 of subsection 127(1) of the Act, MRS shall cease trading in securities permanently; and

   (b) pursuant to clause 3 of subsection 127(1) of the Act, exemptions contained in Ontario securities law shall not apply to MRS permanently.

AND WHEREAS on June 1, 2015, the Commission was informed by the parties that the Sanctions and Costs Reasons included an error in the calculation of the costs and the parties requested that the error be corrected;

AND WHEREAS the Commission is of the view that it is in the public interest to issue a Notice of Correction dated June 4, 2015 to correct paragraphs 93, 94, 155, 165, 167, 169 and subparagraphs (1)(g), (2)(g), (3)(g) and (4)(g) of paragraph 171 of the Sanctions and Costs Reasons and to vary the amount ordered in costs herein;

IT IS ORDERED that:

1. With respect to DeRosa, pursuant to section 127.1 of the Act, DeRosa shall pay costs in the amount of $117,216.04, jointly and severally with Sherman, Emmons and Cavric;

2. With respect to Cavric, pursuant to section 127.1 of the Act, Cavric shall pay costs in the amount of $117,216.04, jointly and severally with DeRosa, Emmons and Sherman;

3. With respect to Emmons, pursuant to clause 2 of subsection 127(1) of the Act, pursuant to section 127.1 of the Act, Emmons shall pay costs in the amount of $117,216.04, jointly and severally with DeRosa, Cavric and Sherman; and

4. With respect to Sherman, pursuant to section 127.1 of the Act, Sherman shall pay costs in the amount of $117,216.04, jointly and severally with DeRosa, Cavric and Emmons.

DATED at Toronto this 4th day of June, 2015.

“Mary G. Condon”

“Christopher Portner”

2.2.5 David M. O'Brien – s. 9(1) of the SPPA and Rules 5.2(1) and 8.1 of the OSC Rules of Procedure

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5 AS AMENDED

AND

IN THE MATTER OF
DAVID M. O'BRIEN

ORDER
(Subsection 9(1) of the *Statutory Powers Procedure Act*,
R.S.O. 1990, c. S.22, as amended and Rule 8.1 and subrule 5.2(1)
of the Commission's *Rules of Procedure* (2012), 35 O.S.C.B. 10071)

WHEREAS on December 8, 2010, the Secretary of the Ontario Securities Commission (the "Commission") issued a Notice of Hearing, pursuant to sections 37, 127 and 127.1 of the Ontario *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), for a hearing to commence at the offices of the Commission on December 20, 2010 at 10:30 a.m., or as soon thereafter as the hearing could be held;

AND WHEREAS the Notice of Hearing provided for the Commission to consider, among other things, whether, in the opinion of the Commission, it is in the public interest, pursuant to section 127 of the Act, to issue temporary orders against O'Brien, as follows:

(a) O'Brien shall cease trading in any securities for a prescribed period or until the conclusion of the hearing on the merits in this matter;

(b) O'Brien is prohibited from acquiring securities for a prescribed period or until the conclusion of the hearing on the merits in this matter; and

(c) Any exemptions contained in Ontario securities law do not apply to O'Brien for a prescribed period or until the conclusion of the hearing on the merits in this matter;

AND WHEREAS on December 20, 2010, the hearing with respect to the issuance of the temporary orders was adjourned until December 23, 2010 at 12:30 p.m.;

AND WHEREAS on December 23, 2010, a hearing with respect to the issuance of the temporary orders was held and the panel of the Commission considered the affidavit of Lori Toledano, a member of Staff of the Commission ("Staff"), the cross-examination of Toledano and the submissions made by Staff and O'Brien;

AND WHEREAS on December 23, 2010, the Commission issued a temporary cease trade order pursuant to section 127 of the Act ordering that:

a. O'Brien shall cease trading in securities;

b. O'Brien is prohibited from acquiring securities; and

c. Any exemptions contained in Ontario securities law do not apply to O'Brien (the "Temporary Cease Trade Order");

AND WHEREAS on December 23, 2010, the Commission ordered that the Temporary Cease Trade Order shall expire on April 1, 2011;

AND WHEREAS a confidential pre-hearing conference was scheduled for February 24, 2011;

AND WHEREAS at the confidential pre-hearing conference on February 24, 2011, Staff and O'Brien appeared and made submissions regarding the disclosure made by Staff, and Staff requested an extension of the Temporary Cease Trade Order;

AND WHEREAS on February 24, 2011, the Commission ordered that:

a. a hearing to extend the Temporary Cease Trade Order shall take place on March 30, 2011 at 11:30 a.m.;

b. a motion regarding disclosure shall take place on April 21, 2011 at 10:00 a.m., and in accordance with rule 3.2 of the Commission *Rules of Procedure* (2010), 33 OSCB 8017 (the "*Rules of Procedure*"), O'Brien shall serve and file a motion record, including any affidavits to be relied upon, by April 11, 2011 at 4:30 p.m.; and

c. a further confidential pre-hearing conference shall take place on May 30, 2011 at 10:00 a.m.;

AND WHEREAS on March 30, 2011, a hearing with respect to the extension of the Temporary Cease Trade Order was held, and the panel of the Commission considered the evidence filed and the submissions made by Staff and O'Brien, and the Commission ordered that:

a. the Temporary Cease Trade Order shall be extended to April 26, 2011; and

b. a further hearing to extend the Temporary Cease Trade Order shall take place on April 21, 2011 at 10:00 a.m.;

AND WHEREAS on April 21, 2011, a hearing with respect to the extension of the Temporary Cease Trade Order was held, and the panel of the Commission considered the evidence filed and the submissions made by Staff and O'Brien;

AND WHEREAS on April 21, 2011, the Commission ordered that:

a. the Temporary Cease Trade Order shall be extended until the conclusion of the hearing of the merits of this matter; and

b. O'Brien may, if he wishes to do so, apply to the Commission for an order revoking or varying this Order pursuant to section 144 of the Act;

AND WHEREAS also on April 21, 2011, O'Brien brought a motion regarding disclosure, wherein he sought an order from the Commission requiring Staff to provide him with all additional disclosure materials without requiring him to execute a further undertaking, and the panel of the Commission considered the evidence filed and the submissions made by Staff and O'Brien;

AND WHEREAS on April 21, 2011, the Commission ordered that Staff shall provide further disclosure materials to O'Brien without requiring the signing by him of an undertaking as to the confidentiality of that disclosure. The Commission further ordered that:

1. all disclosure materials provided to O'Brien are confidential and may be used by him only for the purpose of making full answer and defence in this proceeding. The use of disclosure materials for any other purpose is strictly prohibited. All disclosure materials provided to O'Brien are subject to the strict confidentiality restrictions imposed by section 16 of the Act;

2. O'Brien is also subject to the implied undertaking that all disclosure materials provided to him are subject to the restrictions on use referred to in paragraph (1);

3. the Previous Undertaking signed by O'Brien is binding upon him and applies by its terms to all of the disclosure materials provided by Staff to O'Brien, including all disclosure materials provided by Staff to O'Brien in the future; if O'Brien wishes to challenge the validity of the Previous Undertaking he is entitled to bring a motion before the Commission to do so; and

4. if O'Brien wishes to use the disclosure materials provided by Staff to him for any purpose other than as provided in paragraph (1), he must make an application to the Commission under section 17 of the Act for an order of the Commission consenting to that use;

AND WHEREAS at the confidential pre-hearing conference on May 30, 2011, Staff and O'Brien appeared and Staff sought to set dates for a hearing on the merits, while O'Brien advised the Commission that he was opposed to Staff's request. The Commission adjourned the hearing to June 20, 2011 at 10:00 a.m., for the purpose of setting the dates for the hearing on the merits;

AND WHEREAS at the confidential pre-hearing conference on June 20, 2011, Staff and O'Brien appeared and scheduling of the hearing on the merits was discussed and the Commission ordered that:

1. the hearing on the merits is to commence on March 12, 2012 at 10:00 a.m. at the offices of the Commission, and shall continue on March 14, 15, 16, 19, 20, 21, 22, 23, 26, and 28, 2012, or such further or other dates as may be agreed upon by the parties and fixed by the Office of the Secretary; and

2. a further confidential pre-hearing conference shall take place on January 11, 2012 at 10:00 a.m.;

AND WHEREAS at the confidential pre-hearing conference on January 11, 2012, Staff appeared and Counsel on behalf of O'Brien appeared, who advised the Commission that he had just been appointed to represent O'Brien in this matter and he requested that the pre-hearing conference be continued in a few weeks time to permit him to address certain matters that had just been brought to his attention. The Commission ordered that a further confidential pre-hearing conference take place on January 31, 2012 at 3:30 p.m.;

AND WHEREAS at the confidential pre-hearing conference on January 31, 2012, Staff and Counsel for O'Brien appeared and Counsel for O'Brien requested an adjournment of the hearing on the merits to permit interim issues to be raised before the Commission. Counsel for O'Brien also requested that the records from both the January 11 and 31, 2012 confidential pre-hearing conferences be sealed and treated as confidential. The Commission ordered that the hearing dates of March 12, 14, 15, 16, 19, 20, 21, 22, 23, 26 and 28, 2012 be vacated, a further confidential pre-hearing conference take place on March 12, 2012 at 10:00 a.m., and that the records from both the January 11 and 31, 2012 confidential pre-hearing conferences be sealed and treated as confidential pursuant to subsection 9(1) of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22, as amended (the "SPPA") and rule 8.1 and subrule 5.2(1) of the *Rules of Procedure*;

AND WHEREAS at the confidential pre-hearing conference on March 12, 2012, Staff and Counsel for O'Brien appeared and Counsel for O'Brien requested a confidential motion be scheduled to seek an adjournment of the hearing dates. The Commission ordered that a confidential motion take place on April 18, 2012 at 10:00 a.m., for which O'Brien shall serve and file a motion record, including any affidavits to be relied upon, by April 5, 2012 at 4:30 p.m., Staff shall serve and file any responding materials by April 12, 2012, O'Brien shall serve and file a factum by April 13, 2012, and Staff shall file its factum by April 16, 2012, and that the records from the March 12, 2012 confidential pre-hearing conference and from the April 18, 2012 confidential motion shall be sealed and treated as confidential pursuant to subsection 9(1) of the SPPA and rule 8.1 and subrule 5.2(1) of the *Rules of Procedure*;

AND WHEREAS at the confidential motion on April 18, 2012, Staff and Counsel for O'Brien appeared and Counsel for O'Brien presented evidence and requested an adjournment of any hearing dates and that a further confidential pre-hearing conference be scheduled. Staff did not oppose the adjournment request and agreed to the scheduling of a further pre-hearing conference. The Commission ordered that a confidential pre-hearing conference shall take place on July 19, 2012 at 10:00 a.m., for which O'Brien shall deliver any materials relevant to the pre-hearing conference by July 9, 2012, and that the records from the July 19, 2012 confidential pre-hearing conference shall be sealed and treated as confidential pursuant to subsection 9(1) of the SPPA and rule 8.1 and subrule 5.2(1) of the *Rules of Procedure*;

AND WHEREAS confidential pre-hearing conferences took place on July 19, 2012, September 28, 2012, October 25, 2012, March 11, 2013, July 18, 2013, September 30, 2013, and December 11, 2013, at which Staff and Counsel for O'Brien appeared, and the Commission ordered that the records from those confidential pre-hearing conferences be sealed and treated as confidential pursuant to subsection 9(1) of the SPPA and rule 8.1 and subrule 5.2(1) of the *Rules of Procedure*;

AND WHEREAS on December 11, 2013, the Commission ordered that a confidential pre-hearing conference take place on March 6, 2014 at 10:00 a.m.;

AND WHEREAS at the confidential pre-hearing conference on March 6, 2014, Staff appeared, and no one appeared for O'Brien. Staff made submissions and requested that a further confidential pre-hearing conference be scheduled, and the Commission ordered that a confidential pre-hearing conference take place on May 8, 2014 at 10:00 a.m.;

AND WHEREAS at the confidential pre-hearing conference on May 8, 2014, Staff and Counsel for O'Brien appeared, presented evidence, made submissions and requested that a further confidential pre-hearing conference be scheduled. The Commission ordered that a confidential pre-hearing conference shall take place on September 15, 2014 at 9:00 a.m., O'Brien shall file and serve any materials on which he intends to rely at the pre-hearing conference by September 8, 2014, and the records from the May 8, 2014 and September 15, 2014 confidential pre-hearing conferences shall be sealed and treated as confidential pursuant to subsection 9(1) of the SPPA and rule 8.1 and subrule 5.2(1) of the *Rules of Procedure*;

AND WHEREAS at the confidential pre-hearing conference on September 15, 2014, Staff and Counsel for O'Brien appeared, presented evidence, made submissions and requested that a further confidential pre-hearing conference be scheduled. The Commission ordered that a confidential pre-hearing conference shall take place on January 12, 2015 at 9:00 a.m, O'Brien shall file and serve any materials on which he intends to rely at the pre-hearing conference by January 8, 2015, and the records from the September 15, 2014 and January 12, 2015 confidential pre-hearing conferences shall be sealed and treated as confidential pursuant to subsection 9(1) of the SPPA and rule 8.1 and subrule 5.2(1) of the *Rules of Procedure*;

AND WHEREAS at the confidential pre-hearing conference on January 12, 2015, Staff and Counsel for O'Brien appeared, presented evidence, made submissions and requested that a further confidential pre-hearing conference be scheduled. The Commission ordered that a confidential pre-hearing conference shall take place on June 16, 2015 at 3:00 p.m, and the records from the January 12, 2015 confidential pre-hearing conference shall be sealed and treated as confidential pursuant to subsection 9(1) of the SPPA and rule 8.1 and subrule 5.2(1) of the *Rules of Procedure*.

AND WHEREAS the parties have requested that the confidential pre-hearing conference scheduled for June 16, 2015 be vacated;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this order;

IT IS HEREBY ORDERED THAT the date of June 16, 2015 at 3:00 p.m. set for a confidential pre-hearing conference be vacated, and this matter shall be continued to a date to be agreed to by the parties and set by the Office of the Secretary.

DATED at Toronto this 4th day of June, 2015.

"Mary G. Condon"

2.2.6 Primaria Capital (Canada) Ltd. – s. 144

Headnote

Application by an issuer for a full revocation of a cease trade order issued by the Commission – cease trade order issued because the issuer had failed to file certain continuous disclosure materials required by Ontario securities law – defaults subsequently remedied by bringing continuous disclosure filings up-to-date – cease trade order revoked.

Applicable Legislative Provisions

Securities Act , R.S.O. 1990, c. S.5, as am., ss. 127, 144.

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

AND

IN THE MATTER OF
PRIMARIA CAPITAL (CANADA) LTD.

ORDER
(SECTION 144 OF THE ACT)

WHEREAS the securities of Primaria Capital (Canada) Ltd. (the "**Applicant**") are subject to a cease trade order dated June 30, 2014 issued by the Director of the Ontario Securities Commission (the "Commission") pursuant to paragraph 2 of subsection 127(1) of the Act (the "**Ontario Cease Trade Order**") directing that all trading in the securities of the Applicant, whether direct or indirect, cease until the Ontario Cease Trade Order is revoked by the Director;

AND WHEREAS the Ontario Cease Trade Order was made on the basis that the Applicant was in default of certain filing requirements under Ontario securities law as described in the Ontario Cease Trade Order;

AND WHEREAS the Applicant has applied to the Commission pursuant to section 144 of the Act to revoke the Ontario Cease Trade Order;

AND UPON the Applicant having represented to the Commission as follows:

1. The Applicant is a British Columbia incorporated company. The Applicant's registered office is located at 85 Richmond Street West, Suite 702, Toronto, Ontario M5H 3K6.

2. As at the date hereof, the authorized capital of the Applicant consists of an unlimited number of common shares (the "**Common Shares**") of which 48,838,667 are issued and outstanding. Other than the Common Shares, the Applicant has no securities (including debt securities) issued and outstanding.

3. The Applicant is a reporting issuer in the provinces of Alberta, British Columbia, and Ontario. The Applicant is not a reporting issuer or the equivalent in any other jurisdiction in Canada.

4. The Applicant's Common Shares are currently listed on the Canadian Securities Exchange (the "**Exchange**"). Effective December 18, 2013, trading in the Common Shares on the Exchange was halted pursuant to CNSX Policy 3 for failing to file monthly activity reports and paying associated filing fees.

5. The Ontario Cease Trade Order was issued as a result of the Applicant's failure to file, in accordance with the requirements of securities law, interim financial statements and the related management's discussion and analysis for the period ended March 31, 2014 and certification of the foregoing filings as required by National Instrument 52-109, *Certification of Disclosures in Issuers' Annual and Interim Filings*, (collectively, the "**2014 Interim Statements**").

6. In addition to the Ontario Cease Trade Order, the Applicant is subject to the following cease trade orders:

   a) an order issued by the Alberta Securities Commission on August 7, 2014 for failure to file the 2014 Interim Statements;

   b) an order issued by the British Columbia Securities Commission on March 10, 2014 for failure to file interim financial statements and the related management's discussion and analysis for the period ended December 31, 2013 and certification of the foregoing filings as required by National Instrument 52-109, *Certification of Disclosures in Issuers' Annual and Interim Filings*,

   (collectively, the "**Other Cease Trade Orders**").

7. The Applicant has concurrently applied for revocations of the Other Cease Trade Orders.

8. The Applicant has filed all outstanding continuous disclosure documents that are required to be filed under securities law. Specifically, the Applicant has filed the following documents on SEDAR:

   a) Amended management discussion and analysis for the three-month period ended December 31, 2013 and re-filed CEO and CFO certificates;

   c) Interim financial statements for the six-month period ended March 31, 2014 together with the related management discussion and analysis, and CEO and CFO certificates;

d) Interim financial statements for the nine-month period ended June 30, 2014 together with the related management discussion and analysis, and CEO and CFO certificates;

9. The Applicant (i) is up-to-date with all of its continuous disclosure obligations; (ii) is not in default of any of its obligations under the Ontario Cease Trade Order; and (iii) is not in default of any requirements under the Act or the rules and regulations made pursuant thereto, other than the existence of the Ontario Cease Trade Order.

10. The Applicant has paid all outstanding activity, participation and late filing fees that are required to be paid.

11. The Applicant's SEDAR profile and SEDI issuer profile supplement are current and accurate.

12. The Applicant intends to hold an annual meeting of shareholders within 90 days of the revocation of the Ontario Cease Trade Order.

13. The Applicant has given the Commission a written undertaking that it will not complete a restructuring transaction or significant acquisition involving, or complete a reverse take-over with a reverse takeover acquirer that has, directly or indirectly, a material underlying business which is not located in Canada without providing the Commission with notice of such transaction by filing and obtaining a receipt for a prospectus.

14. Upon the issuance of this revocation order, the Applicant will issue a news release announcing the revocation of the Ontario Cease Trade Order. The Applicant will concurrently file the news release and a material change report on SEDAR regarding the revocation of the Ontario Cease Trade Order.

AND UPON considering the application and the recommendation of the staff of the Commission;

AND UPON the Director being satisfied that it would not be prejudicial to the public interest to revoke the Ontario Cease Trade Order;

IT IS ORDERED pursuant to section 144 of the Act that the Ontario Cease Trade Order is revoked.

DATED at Toronto, Ontario on this 18th day of December, 2014.

“Kathryn Daniels”
Deputy Director, Corporate Finance
Ontario Securities Commission

2.2.7 7997698 Canada Inc., carrying on business as International Legal and Accounting Services Inc. et al. – s. 127(8)

**IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED**

AND

**IN THE MATTER OF
7997698 CANADA INC.,
carrying on business as INTERNATIONAL LEGAL AND ACCOUNTING SERVICES INC.,
WORLD INCUBATION CENTRE, or WIC (ON), JOHN LEE also known as CHIN LEE,
and MARY HUANG also known as NING-SHENG MARY HUANG**

**TEMPORARY ORDER
(Subsection 127(8))**

WHEREAS:

1. on November 21, 2014, the Ontario Securities Commission (the "Commission") issued a temporary order, pursuant to subsections 127(1) and (5) of the *Securities Act*, R.S.O. 1990, c. S.5., as amended (the "Act"), ordering:

    1. that all trading in any securities by 7997698 Canada Inc., carrying on business as International Legal and Accounting Services Inc., World Incubation Centre, or WIC (ON) ("7997698"), John Lee also known as Chin Lee ("Lee"), and Mary Huang also known as Ning-Sheng Mary Huang ("Huang") (collectively, the "Respondents") shall cease; and

    2. that the exemptions contained in Ontario securities law do not apply to any of the Respondents;

    (the "Temporary Order")

2. on November 21, 2014, the Commission ordered that the Temporary Order shall expire on the 15th day after its making unless extended by order of the Commission;

3. on November 24, 2014, the Commission issued a Notice of Hearing to consider, among other things, the extension of the Temporary Order, to be held on Wednesday December 3, 2014 at 10:00 a.m. (the "Notice of Hearing");

4. the Notice of Hearing set out that the hearing was to consider, among other things, whether, in the opinion of the Commission, it was in the public interest, pursuant to subsections 127(7) and (8) of the Act, to extend the Temporary Order until the conclusion of the hearing or until such further time as considered necessary by the Commission;

5. Staff of the Commission ("Staff") served the Respondents with copies of the Temporary Order, the Notice of Hearing, the Hearing Brief, the Supplementary Hearing Brief, and Staff's Written Submissions and Brief of Authorities as evidenced by the Affidavits of Service sworn by Steve Carpenter on December 1, 2014 and December 2, 2014, and filed with the Commission;

6. on December 3, 2014 the Commission held a hearing at which Lee attended but Huang did not attend although properly served, at which hearing, the Commission heard submissions from counsel for Staff and from Lee on his own behalf and on behalf of 7997698 and Huang, and the Commission ordered that the Temporary Order be extended to June 3, 2015 and that the hearing be adjourned until Wednesday, May 27, 2015, at 10:00 a.m.

7. Staff served the Respondents with copies of a Further Supplementary Hearing Brief (two volumes), Supplemental Staff Written Submissions, and a Supplemental Brief of Authorities as evidenced by the Affidavits of Service sworn by Dale Victoria Grybauskas on May 15, 2015, and filed with the Commission.

8. on May 27, 2015, the Commission held a hearing at which counsel for Staff attended but no one attended for the Respondents and the Commission heard submissions from counsel for Staff, the Commission was advised that the Respondents sought an adjournment of the hearing and counsel for Staff filed a consent of the Respondents, signed on their behalf by their counsel, to an order to be made by the Commission providing that:

    1. the Temporary Order is extended until July 29, 2015; and specifically:

i. that all trading in any securities by the Respondents shall cease; and

ii. that the exemptions contained in Ontario securities law do not apply to any of the Respondents;

2. any person or company affected by this Order may apply to the Commission for an order revoking or varying this Order pursuant to s. 144 of the Act upon seven days written notice to Staff of the Commission; and

3. the hearing is adjourned until Wednesday July 22, 2015 at 10:00 a.m.; and

9. the Commission is of the opinion that it is in the public interest to make this order.

IT IS ORDERED that:

1. the Temporary Order is extended until July 29, 2015; and specifically:

a) that all trading in any securities by the Respondents shall cease; and

b) that the exemptions contained in Ontario securities law do not apply to any of the Respondents;

2. any person or company affected by this Order may apply to the Commission for an order revoking or varying this Order pursuant to s. 144 of the Act upon seven days written notice to Staff of the Commission; and

3. the hearing is adjourned until Wednesday July 22, 2015 at 10:00 a.m.

DATED at Toronto this 27th day of May, 2015.

"Mary G. Condon"

"Timothy Moseley"

2.2.8 International Strategic Investments et al. – ss. 127(1), 127.1

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
INTERNATIONAL STRATEGIC INVESTMENTS,
INTERNATIONAL STRATEGIC INVESTMENTS INC.,
SOMIN HOLDINGS INC., AND NAZIM GILLANI
AND RYAN J. DRISCOLL

ORDER
(Sections 127(1) and 127.1)

WHEREAS:

1. On March 6, 2012, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "*Act*"), in connection with a Statement of Allegations filed by Staff of the Commission ("Staff") on March 5, 2012, in respect of International Strategic Investments, International Strategic Investments Inc., (together "ISI"), Somin Holdings Inc. ("Somin") (collectively, the "Corporate Respondents"), Nazim Gillani ("Gillani") and Ryan J. Driscoll ("Driscoll") (collectively, the "Respondents");

2. On December 12, 2013, the Commission converted this matter to a hearing in writing;

3. The parties made themselves available for cross-examinations, which occurred over the course of three hearing days;

4. On March 6, 2015, the Commission issued its Reasons and Decision on the merits in this matter (*Re International Strategic Investments et al.* (2015), 38 O.S.C.B. 2354);

5. On May 15, 2015, the Commission held a hearing to determine sanctions and costs against the Respondents (the "Sanctions Hearing");

6. At the Sanctions Hearing, Gillani appeared by way of telephone but chose not to make submissions, and counsel for Driscoll appeared and made submissions on behalf of Driscoll;

7. The Commission is of the opinion that it is in the public interest to make this order;

IT IS ORDERED THAT:

Regarding Gillani and the Corporate Respondents:

1. Pursuant to paragraph 2 of subsection 127(1) of the *Act*, trading in any securities by Gillani and the Corporate Respondents shall cease permanently;

2. Pursuant to paragraph 2.1 of subsection 127(1) of the *Act*, the acquisition of any securities by Gillani and the Corporate Respondents is prohibited permanently;

3. Pursuant to paragraph 3 of subsection 127(1) of the *Act*, any exemptions contained in Ontario securities law do not apply to Gillani and the Corporate Respondents permanently;

4. Pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the *Act*, Gillani shall resign any positions he holds as a director or officer of an issuer, registrant or investment fund manager;

5. Pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the *Act*, Gillani is prohibited permanently from becoming or acting as a director or officer of an issuer, registrant or investment fund manager;

6. Pursuant to paragraph 8.5 of subsection 127(1) of the *Act*, Gillani is permanently prohibited from becoming or acting as a registrant, investment fund manager or promoter;

7. Pursuant to paragraph 10 of subsection 127(1) of the *Act*, Gillani and the Corporate Respondents shall jointly and severally disgorge to the Commission $719,000, and the disgorged amount shall be designated for allocation or for use by the Commission in accordance with subsections 3.4(2)(b) of the *Act*;

8. Pursuant to paragraph 9 of subsection 127(1) of the *Act*, Gillani and the Corporate Respondents shall jointly and severally pay an administrative penalty of $1 million for their multiple failures to comply with Ontario securities law, and the administrative penalty shall be designated for allocation or for use by the Commission in accordance with subsections 3.4(2)(b) of the *Act*;

9. Pursuant to subsections 127.1(1) and (2) of the *Act*, Gillani and the Corporate Respondents shall jointly and severally pay investigation and hearing costs to the Commission in the amount of $200,000;

Regarding Driscoll:

10. After the payments set out in paragraphs (13), (14), and (15) are made in full, pursuant to paragraph 2 of subsection 127(1) of the *Act*, trading in any securities by Driscoll shall cease for a period of 2 years;

11. After the payments set out in paragraphs (13), (14), and (15) are made in full, pursuant to paragraph 2.1 of subsection 127(1) of the *Act*, the acquisition of any securities by Driscoll is prohibited for a period of 2 years;

12. After the payments set out in paragraphs (13), (14), and (15) are made in full, pursuant to paragraph 3 of subsection 127(1) of the *Act*, any exemptions contained in Ontario securities law do not apply to Driscoll for a period of 2 years;

13. Pursuant to paragraph 10 of subsection 127(1) of the *Act*, Driscoll shall disgorge to the Commission $66,000, and the disgorged amount shall be designated for allocation or for use by the Commission in accordance with subsections 3.4(2)(b) of the *Act*;

14. Pursuant to paragraph 9 of subsection 127(1) of the *Act*, Driscoll shall pay an administrative penalty in the amount of $30,000, and the administrative penalty shall be designated for allocation or for use by the Commission in accordance with subsections 3.4(2)(b) of the *Act*; and

15. Pursuant to subsections 127.1(1) and (2) of the *Act*, Driscoll shall pay investigation and hearing costs to the Commission in the amount of $15,000.

DATED at Toronto this 8th day of June, 2015.

"Alan J. Lenczner"

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions, Orders and Rulings

3.1.1 International Strategic Investments et al. – ss. 127(1), 127.1

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
INTERNATIONAL STRATEGIC INVESTMENTS,
INTERNATIONAL STRATEGIC INVESTMENTS INC., SOMIN HOLDINGS INC.,
NAZIM GILLANI AND RYAN J. DRISCOLL

REASONS AND DECISION ON SANCTIONS AND COSTS
(Sections 127(1) and 127.1)

Hearing:	May 15, 2015		
Decision:	June 8, 2015		
Panel:	Alan Lenczner, Q.C.	–	Commissioner and Chair of the Panel
Appearances:	Cameron Watson	–	For the Ontario Securities Commission
	Nazim Gillani	–	For himself
	David Sischy	–	For Ryan J. Driscoll

TABLE OF CONTENTS

I. INTRODUCTION

[1] The hearing on sanctions and costs took place on May 15, 2015, before the Ontario Securities Commission (the "Commission") pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "*Act*"), following the Reasons and Decision of March 6, 2015, regarding International Strategic Investments, International Strategic Investments Inc. (together, "ISI"), Somin Holdings Inc. ("Somin") (collectively, the "Corporate Respondents"), Mr. Nazim Gillani ("Gillani") and Mr. Ryan J. Driscoll ("Driscoll") (collectively, the "Respondents"). Staff, counsel for Driscoll and Driscoll attended in person. Gillani attended by phone from Vancouver.

[2] Staff and Driscoll filed written submissions and made oral submissions as to the appropriate sanctions. Gillani did not file written submissions, and when asked by me whether he wished to make oral submissions, he stated categorically that he did not.

[3] After the merits hearing, Gillani and the Corporate Respondents were found to have breached sections 25 and 126.1 of the *Act* in that, *inter alia*, they advised and engaged in the business of advising members of the public with respect to trading in securities without being registered to do so, traded in securities without being registered to do so and conducted themselves in a fraudulent manner in respect of securities.

[4] Gillani was further found to have breached section 38(3) of the *Act*, having made misleading oral and written representations when the Director had not provided written permission to Gillani to make those representations.

[5] Driscoll was found to have acted in furtherance of a trade without being registered to do so, contrary to section 25 of the *Act*.

[6] The Respondents' conduct was found to be contrary to the public interest and harmful to the integrity of the Ontario capital markets.

II. SANCTIONS

[7] The purpose of sanctions is to support the animating principles of the *Act*, namely the protection of the investing public and the integrity of the capital markets.[1]

[8] Sanctions are not intended to be either remedial or punitive.[2] Sanctions, for the most part, are forward looking. The Commission's role is to examine respondents' past conduct to determine whether it is more probable than not that it will occur again, and as a result of this analysis, put in place the restrictions it deems necessary to protect the investing public.[3] As well, one element, but not an overriding element, of the consideration of sanctions is general deterrence,[4] the sending of a message from the regulator that there will be consequences for the type of breach or misconduct found in the particular case.

[9] There are various types of sanctions that can be imposed, such as removal of the individual permanently, or for a number of years, from the capital markets, prohibition of the individual from being an officer or director of an issuer, disgorgement of unlawfully obtained monies from investors, an administrative penalty and payment of costs. Each type of sanction must be separately considered against its need to correct past injury and to restrain future conduct. The character of the respondent, the degree of culpability, and his or her expressions of remorse, if any, are factors, among others, to be weighed.[5]

A. GILLANI AND THE CORPORATE RESPONDENTS

[10] During the Material Time, Gillani carried the title of Chief Executive Officer of ISI, which, although represented by Gillani to investors as a corporation, was never incorporated. Gillani was not a director of Somin; however, he relied on nominee directors while he in fact controlled Somin and its banking.

[11] Gillani and the Corporate Respondents were found to have breached fundamental sections of the *Act* and to have committed fraud on a number of investors. These contraventions were intentional and part of a sophisticated scheme set up to derive the most benefit to Gillani and his co-conspirators.

[12] Gillani made no response to Staff's written or oral submissions on sanctions and costs. He never showed any remorse for his conduct. At the merits hearing, it was proven that Gillani had no bank account, no credit card and a peripatetic address.

[13] I have no hesitation in determining that Gillani is an opportunist who will likely abuse the capital markets in the future and harm investors unless restrained. I see no reason to depart from Staff's submissions and find that the appropriate sanctions against him and the Corporate Respondents are:

(a) a permanent trading ban;

(b) that they jointly and severally disgorge $719,000, being the amount they wrongfully received from investors;

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1 *Securities Act*, R.S.O. 1990, c. S.5, s. 1.1.

2 *Committee for the Equal Treatment of Asbestos Minority Shareholders*, 2001 S.C.C. 37 at para. 42.

3 *Mithras Management Ltd. (Re)* (1990), 13 O.S.C.B. 1600 at p. 5.

4 *Cartaway Resources Corp. (Re)*, [2004] 1 S.C.R. 672 at paras. 61 and 64.

5 *M.C.J.C. Holdings Inc., (Re)* (2002), 25 O.S.C.B. 1133 at paras. 10, 16-19 and 26.

(c) that they jointly and severally pay an administrative penalty of $1 million for their several breaches of the *Act*;

(d) that Gillani be permanently banned from being a director or officer of an issuer, registrant or investment fund manager; and

(e) that Gillani be permanently prohibited from becoming or acting as a registrant, investment fund manager or a promoter.

[14] Gillani and the Corporate Respondents should jointly and severally pay the costs of the lengthy, complex investigation and of the oral hearing, a hearing that they requested, in an amount of $200,000.

B. DRISCOLL

[15] Driscoll brought investors to presentations hosted by Gillani, the objective of which was to have them sign subscription agreements to invest in HD Retail Solutions Inc. ("HDRS"). Driscoll neither set up the investment scheme nor was he involved in any way in HDRS. He did not pressure the investors. Two investors, Burke and Campanile, gave affidavits stating that they did not rely on Driscoll to make their investments. Driscoll was found liable for a breach of section 25, in that he acted in furtherance of a trade by failing to take any steps to ensure that Gillani and Somin were registered with the Commission and facilitated, through his conduct, unlawful purchases of securities by 19 investors who, in the aggregate, lost $500,000.

[16] In the range of misconduct harmful to investors and the capital markets, Gillani stands at the high end and Driscoll at the lower end. The sanctions appropriate to Driscoll should reflect this reality.

1. DISGORGEMENT

[17] Driscoll acknowledged that he received $66,000 as commission by cheques and cash for his recruitment of investors, mostly friends and family. Staff claims that he benefitted to the extent of $98,000. It was Staff's burden to prove, on a balance of probabilities, that Driscoll did benefit in an amount of $98,000.[6] The evidence in that regard, a $40,000 payment to Peninsula Rentals and Leasing, was equivocal and unclear. I find that only an amount of $66,000 was clearly established as being received by Driscoll. I order that he disgorge $66,000.

2. MARKET BANS

[18] Driscoll's activity in recruiting investors to Gillani's scheme could have been avoided had he taken the simple expediency of checking the OSC website to determine if Gillani was registered with the Commission as he claimed to Driscoll he was. Had he done so, I am persuaded he would not have brought the 19 people to the investor presentations. Staff seeks a 15-year trading and director and officer ban. I think that such a sanction overreaches the likelihood that Driscoll will transgress the *Act* again. Most Canadians need access to the capital markets to build wealth for their retirements. A 15-year ban for Driscoll would be punitive rather than protective. In the circumstances of this case, a ban of two years from the time Driscoll pays the disgorgement of $66,000, as well as the administrative penalty and costs, assessed later in these reasons, would be appropriate.

[19] None of Driscoll's conduct involved him in the role of an officer or a director. There is no evidence that he occupied or occupies any such position. As a consequence, I see no justification for imposing any officer or director ban.

3. ADMINISTRATIVE PENALTY

[20] The statutorily permitted administrative penalty of up to $1 million per breach of the *Act* serves as a personal and general deterrent to restrain Driscoll and others from conducting themselves contrary to the provisions of the *Act*. An administrative penalty, if applicable, serves to ensure that unlawfully obtained money does not act as an interest-free loan and that sanctions amount to more than the mere cost of doing business,[7] but it cannot be so excessive that it is vengeful retribution. In this case, an administrative penalty of $30,000 meets that balance.

III. COSTS

[21] Costs are a recoverable item under the *Act*. It is quite usual in circumstances where there are Settlement Agreements that Staff does not seek costs even though Staff has conducted the necessary investigation, which may be long, involved and complex. The reasoning behind this must be that the respondent is being given credit for his or her cooperation in settling the allegations by admitting guilt at an early stage, thus avoiding the tribunal's adjudicative process. Where no settlement is achieved, it seems right that costs of the adjudicative process should, *prima facie*, be recoverable. Whether or not the full

6 *Re Limelight Entertainment Inc. et al.* (2008) 31 O.S.C.B. 12030 at para. 53.

7 *Al-Tar Energy Corp. (Re)* (2011), 43 O.S.C.B. 447 at para. 47.

investigative costs that preceded the Notice of Hearing and Statement of Allegations should also be ordered is debatable and will depend on the circumstances, including how cooperative the respondent is in facilitating the adjudicative process while maintaining his right to vigorously oppose the allegations. In this case, Driscoll cooperated throughout and, indeed, was prepared to allow the proceedings to be by way of a written hearing. He was not cross-examined by Staff. His submissions, through his counsel, were brief, to the point and helpful. An award of costs of $15,000 is appropriate and recognizes the minimal amount of investigative and adjudicative process occupied by Driscoll as contrasted with Gillani.

IV. DECISION

[22] I will issue an order giving effect to my decision on sanctions and costs as follows:

Regarding Gillani and the Corporate Respondents:

(a) Pursuant to paragraph 2 of subsection 127(1) of the *Act*, trading in any securities by Gillani and the Corporate Respondents shall cease permanently;

(b) Pursuant to paragraph 2.1 of subsection 127(1) of the *Act*, the acquisition of any securities by Gillani and the Corporate Respondents is prohibited permanently;

(c) Pursuant to paragraph 3 of subsection 127(1) of the *Act*, any exemptions contained in Ontario securities law do not apply to Gillani and the Corporate Respondents permanently;

(d) Pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the *Act*, Gillani shall resign any positions he holds as a director or officer of an issuer, registrant or investment fund manager;

(e) Pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the *Act*, Gillani is prohibited permanently from becoming or acting as a director or officer of an issuer, registrant or investment fund manager;

(f) Pursuant to paragraph 8.5 of subsection 127(1) of the *Act*, Gillani is permanently prohibited from becoming or acting as a registrant, investment fund manager or promoter;

(g) Pursuant to paragraph 10 of subsection 127(1) of the *Act*, Gillani and the Corporate Respondents shall jointly and severally disgorge to the Commission $719,000, and the disgorged amount shall be designated for allocation or for use by the Commission in accordance with subsections 3.4(2)(b) of the *Act*;

(h) Pursuant to paragraph 9 of subsection 127(1) of the *Act*, Gillani and the Corporate Respondents shall jointly and severally pay an administrative penalty of $1 million for their multiple failures to comply with Ontario securities law, and the administrative penalty shall be designated for allocation or for use by the Commission in accordance with subsections 3.4(2)(b) of the *Act*;

(i) Pursuant to subsections 127.1(1) and (2) of the *Act*, Gillani and the Corporate Respondents shall jointly and severally pay investigation and hearing costs to the Commission in the amount of $200,000;

Regarding Driscoll:

(j) After the payments set out in subparagraphs 22(m), (n), and (o) are made in full, pursuant to paragraph 2 of subsection 127(1) of the *Act*, trading in any securities by Driscoll shall cease for a period of 2 years;

(k) After the payments set out in subparagraphs 22(m), (n), and (o) are made in full, pursuant to paragraph 2.1 of subsection 127(1) of the *Act*, the acquisition of any securities by Driscoll is prohibited for a period of 2 years;

(l) After the payments set out in subparagraphs 22(m), (n), and (o) are made in full, pursuant to paragraph 3 of subsection 127(1) of the *Act*, any exemptions contained in Ontario securities law do not apply to Driscoll for a period of 2 years;

(m) Pursuant to paragraph 10 of subsection 127(1) of the *Act*, Driscoll shall disgorge to the Commission $66,000, and the disgorged amount shall be designated for allocation or for use by the Commission in accordance with subsections 3.4(2)(b) of the *Act*;

(n) Pursuant to paragraph 9 of subsection 127(1) of the *Act*, Driscoll shall pay an administrative penalty in the amount of $30,000, and the administrative penalty shall be designated for allocation or for use by the Commission in accordance with subsections 3.4(2)(b) of the *Act*; and

(o) Pursuant to subsections 127.1(1) and (2) of the *Act*, Driscoll shall pay investigation and hearing costs to the Commission in the amount of $15,000.

Dated at Toronto this 8th day of June, 2015.

"Alan J. Lenczner"

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Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke
GAR Limited	9-June-15	22-June-15		
Northland Resources SE	9-June-15	22-June-15		
IMRIS Inc.	9-June-15	22-June-15		
Green Standard Vanadium Resources Corp.	25-May-15	5-June-15	5-June-15	
Josephine Mining Corp.	26-May-15	8-June-15	8-June-15	
GeoPetro Resources Company	26-May-15	8-June-15	8-June-15	
Shoreline Energy Corp.	28-May-15	8-June-15		
MagIndustries Corp.	2-June-15	15-June-15		
Changfeng Energy Inc.	7-May-15*	5-June-15		2-June-15

4.2.1 Temporary, Permanent & Rescinding Management 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
Matica Enterprises Inc.	4-May-15	15-May-15	15-May-15	8-June-15	
San Gold Corporation	June 5, 2015	June 17, 2015			
Trident Gold Corp.	8-May-15	20-May-15	20-May-15	5-June-15	

4.2.2 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
Atlanta Gold Inc.	08-May-15	20-May-15	20-May-15	3-June-15	
dynaCERT Inc.	15-May-15	25-May-15	25-May-15	3-June-15	
Jourdan Resources Inc.	12-May-15	25-May-15	25-May-15		
Loyalist Group Limited	08-May-15	20-May-15	20-May-15		
Pacific Coal Resources Ltd.	08-May-15	20-May-15	20-May-15		
Tawsho Mining Inc.	4-May-15	15-May-15	15-May-15		
Viking Gold Exploration Inc.	12-May-15	25-May-15	25-May-15		

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Chapter 7

Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as as in Carswell's internet service SecuritiesSource (see www.carswell.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).

Chapter 8

Notice of Exempt Financings

REPORT OF TRADES ON FORM 45-106F1 AND 45-501F1

There are no Reports of Exempt Distribution on Forms 45-106F1 or 45-501F1 (Reports) in this Bulletin.

Reports filed on or after February 19, 2014 must be filed electronically.

As a result of the transition to mandated electronic filings, the OSC is considering the most effective manner to make data about filed Reports available to the public, including whether and how this information should be reflected in the Bulletin. In the meantime, Reports filed with the Commission continue to be available for public inspection during normal business hours.

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Black Creek Global Balanced Corporate Class
Black Creek Global Balanced Fund
Black Creek Global Leaders Corporate Class
Black Creek Global Leaders Fund
Black Creek International Equity Corporate Class
Black Creek International Equity Fund
Cambridge American Equity Corporate Class
Cambridge American Equity Fund
Cambridge Canadian Asset Allocation Corporate Class
Cambridge Canadian Equity Corporate Class
Cambridge Global Dividend Corporate Class
Cambridge Global Dividend Fund
Cambridge Global Equity Corporate Class
Cambridge Growth Companies Corporate Class
Cambridge Pure Canadian Equity Fund
Cambridge U.S. Dividend Registered Fund
CI American Managers Corporate Class
CI American Small Companies Corporate Class
CI American Small Companies Fund
CI American Value Corporate Class
CI American Value Fund
CI Can-Am Small Cap Corporate Class
CI Canadian Dividend Fund
CI Canadian Investment Corporate Class
CI Canadian Investment Fund
CI Canadian Small/Mid Cap Fund
CI Global Corporate Class
CI Global Fund
CI Global Health Sciences Corporate Class
CI Global Managers Corporate Class
CI Global Small Companies Corporate Class
CI Global Small Companies Fund
CI Global Value Corporate Class
CI Global Value Fund
CI Income Fund
CI International Value Corporate Class
CI International Value Fund
CI Investment Grade Bond Fund
CI Money Market Fund
CI Pacific Corporate Class
CI Pacific Fund
CI U.S. Income US$ Pool
Harbour Corporate Class
Harbour Fund
Harbour Global Equity Corporate Class
Harbour Global Growth & Income Corporate Class
Harbour Growth & Income Corporate Class
Harbour Growth & Income Fund
Harbour Voyageur Corporate Class
Lawrence Park Strategic Income Fund
Marret High Yield Bond Fund
Marret Short Duration High Yield Fund
Marret Strategic Yield Fund
Portfolio Series Balanced Fund
Portfolio Series Balanced Growth Fund
Portfolio Series Conservative Balanced Fund
Portfolio Series Conservative Fund
Portfolio Series Growth Fund
Portfolio Series Income Fund
Portfolio Series Maximum Growth Fund
Select 100e Managed Portfolio Corporate Class
Select 20i80e Managed Portfolio Corporate Class
Select 30i70e Managed Portfolio Corporate Class
Select 40i60e Managed Portfolio Corporate Class
Select 50i50e Managed Portfolio Corporate Class
Select 60i40e Managed Portfolio Corporate Class
Select 70i30e Managed Portfolio Corporate Class
Select 80i20e Managed Portfolio Corporate Class
Signature Canadian Balanced Fund
Signature Canadian Bond Corporate Class
Signature Corporate Bond Corporate Class
Signature Dividend Corporate Class
Signature Dividend Fund
Signature Emerging Markets Corporate Class
Signature Emerging Markets Fund
Signature Global Resource Corporate Class
Signature Global Resource Fund
Signature Global Bond Corporate Class
Signature Global Bond Fund
Signature Global Dividend Corporate Class
Signature Global Dividend Fund
Signature Global Energy Corporate Class
Signature Global Income & Growth Corporate Class
Signature Global Science & Technology Corporate Class
Signature Gold Corporate Class
Signature High Yield Bond II Fund
Signature Income & Growth Corporate Class
Signature International Corporate Class
Signature International Fund (formerly CI International Fund)
Signature Real Estate Pool
Signature Select Canadian Corporate Class
Signature Select Canadian Fund
Signature Select Global Corporate Class
Signature Select Global Fund
Signature Short-Term Bond Fund
Synergy American Corporate Class
Synergy American Fund
Synergy Canadian Corporate Class
Synergy Global Corporate Class
Synergy Tactical Asset Allocation Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated May 27, 2015
NP 11-202 Receipt dated June 3, 2015
Offering Price and Description:
Class A, E, F, EF, ET5, ET8, EFT5, EFT8, I, O, OT5 and OT8 Units
AT5, E, EF, EFT4, ET5, EFT5, ET8, EFT8, O, OT5 and OT8 Shares
Underwriter(s) or Distributor(s):

Promoter(s):
CI Investments Inc.
Project #2359507

Issuer Name:
Boralex Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated June 8, 2015
NP 11-202 Receipt dated June 8, 2015
Offering Price and Description:
$125,000,000.00 - 4.5% Convertible Unsecured Subordinated Debentures
Price: $1,000 per Debenture
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
TD Securities Inc.
Desjardins Securites Inc.
Scotia Capital Inc.
Cormark Securities Inc.
Promoter(s):
-
Project #2360942

Issuer Name:
Crown Capital Partners Inc.
Principal Regulator - Alberta
Type and Date:
Amended and Restated Preliminary Long Form Prospectus dated June 8, 2015
NP 11-202 Receipt dated June 8, 2015
Offering Price and Description:
$ * - * Common Shares
Price: $ * per Offered Share
Underwriter(s) or Distributor(s):
Cormark Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Canaccord Genuity Corp.
Raymond James Ltd.
AltaCorp. Capital Inc.
Mackie Research Capital Corporation
Promoter(s):
-
Project #2353840

Issuer Name:
First Asset Canadian REIT ETF
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated June 3, 2015
NP 11-202 Receipt dated June 3, 2015
Offering Price and Description:
Common Units and Advisor Class Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
First Asset Investment Management Inc.
Project #2361172

Issuer Name:
Front Street MLP Balanced Income Class
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated June 1, 2015
NP 11-202 Receipt dated June 3, 2015
Offering Price and Description:
Series A, Series B, Series F, Series I and Series X Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
Front Street Capital 2004
Project #2360821

Issuer Name:
Mandalay Resources Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated June 5, 2015
NP 11-202 Receipt dated June 8, 2015
Offering Price and Description:
$18,400,000.00 - 20,000,000 Common Shares
Price: $0.92 per Offered Share
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
Promoter(s):
-
Project #2359995

Issuer Name:

Manulife Canadian Growth and Income Private Trust
Manulife Strategic Dividend Bundle
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated June 5, 2015
NP 11-202 Receipt dated June 5, 2015
Offering Price and Description:
Advisors Series, Series C, Series CT6, Series F, Series FT6, Series I, Series L, Series LT6 and Series T6 Securities
Underwriter(s) or Distributor(s):
Manulife Asset Management Investments Inc.
Manulife Asset Management Limited
Promoter(s):
Manulife Asset Management Limited
Project #2361808

Issuer Name:
McEwen Mining Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary MJDS Prospectus dated June 3, 2015
NP 11-202 Receipt dated June 4, 2015
Offering Price and Description:
US$200,000,000.00
Debt Securities (which may be guaranteed by one or more of our Co-Registrants)
Common Stock
Warrants
Subscription Rights
Subscription Receipts
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2361235

Issuer Name:
Mogo Finance Technology Inc.
Principal Regulator - British Columbia
Type and Date:
Amended and Restated Preliminary Long Form Prospectus dated June 2, 2015
NP 11-202 Receipt dated June 2, 2015
Offering Price and Description:
$ * - * Common Shares
Price: $ * per Common Share
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
Cormark Securities Inc.
Canaccord Genuity Corp.
CIBC World Markets Inc.
National Bank Financial Inc.
Promoter(s):
-
Project #2352536

Issuer Name:
Poydras Gaming Finance Corp.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated June 1, 2015
NP 11-202 Receipt dated June 2, 2015
Offering Price and Description:
Maximum Offering: $7,000,000.00 - * Subscription Receipts
Minimum Offering: $6,500,000.00 - * Subscription Receipts
Price: $□ per Subscription Receipt
Underwriter(s) or Distributor(s):
Dundee Securities Ltd.
Mackie Research Capital Corporation
Global Securities Corporation
Promoter(s):
-
Project #2360597

Issuer Name:
Sama Resources Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated June 8, 2015
NP 11-202 Receipt dated June 8, 2015
Offering Price and Description:
Minimum Offering: $2,000,000 or * Common Shares
Maximum Offering: $5,000,000 or * Common Shares
Price: $0.* per Offered Share
Underwriter(s) or Distributor(s):
Paradigm Capital Inc.
Richardson GMP Limited
Promoter(s):
-
Project #2362210

Issuer Name:
Sleep Country Canada Holdings Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated June 5, 2015
NP 11-202 Receipt dated June 8, 2015
Offering Price and Description:
$ * - Common Shares
Price: $ * per Offered Share
Underwriter(s) or Distributor(s):
TD Securities Inc.
BMO Nesbitt Burns Inc.
Promoter(s):
-
Project #2361973

Issuer Name:
SoMedia Networks Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated June 3, 2015
NP 11-202 Receipt dated June 4, 2015
Offering Price and Description:
$* - (1) 3,440,000 Common Shares and 1,720,000 Warrants Issuable on Exercise of 3,440,000 Special Warrants
Price: $0.25 per Special Warrant;
(2) 1,577,000 Common Shares and 788,500 Warrants Issuable on Exercise of 1,577,000 Special Warrants
Price: $0.26 per Special Warrant and
(3) $* - Units)
Price: $* per Unit
Underwriter(s) or Distributor(s):
Euro Pacific Canada Inc.
Maison Placements Canada Inc.
Promoter(s):
George Fleming
Project #2361341

Issuer Name:
Tourmaline Oil Corp.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated June 5, 2015
NP 11-202 Receipt dated June 5, 2015
Offering Price and Description:
$167,875,000.00 - 4,250,000 Common Shares
Price: $39.50 per Common Share
Underwriter(s) or Distributor(s):
Peters & Co. Limited
Firstenergy Capital Corp.
Scotia Capital Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
TD Securities Inc.
RBC Dominion Securities Inc.
Raymond James Ltd.
Promoter(s):
-
Project #2360347

Issuer Name:
Vogogo Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated June 2, 2015
NP 11-202 Receipt dated June 2, 2015
Offering Price and Description:
$10,890,000.00 - 4,840,000 Common Shares
Price: $2.25 per Common Share
Underwriter(s) or Distributor(s):
Salman Partners Inc.
Clarus Securities Inc.
Beacon Securities Limited
Promoter(s):
-
Project #2356348

Issuer Name:
Brompton Dividend & Income Class
Brompton Resource Class
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated May 29, 2015
NP 11-202 Receipt dated June 8, 2015
Offering Price and Description:
Series A, Series B and Series F shares @ Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2339291

Issuer Name:
Brookfield Asset Management Inc.
Brookfield Finance Inc.
Principal Regulator - Ontario
Type and Date:
Final Base Shelf Prospectus dated June 5, 2015
NP 11-202 Receipt dated June 8, 2015
Offering Price and Description:
US$2,500,000,000.00
(1) Debt Securities
Class A Preference Shares
Class A Limited Voting Shares
and
(2) Debt Securities
Unconditionally guaranteed as to payment of principal, premium,
if any, and interest by Brookfield Asset Management Inc.
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2359324; 2359331

Issuer Name:
Dynamic Money Market Fund (Series A and F Units)
Dynamic Money Market Class (Series C and F Shares)
Dynamic Dollar-Cost Averaging Fund (Series A and F Units)
Principal Regulator - Ontario
Type and Date:
Amendment #4 dated June 1, 2015 to the Simplified Prospectuses and Annual Information Form dated November 18, 2014
NP 11-202 Receipt dated June 8, 2015
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
1832 Asset Management L.P.
GCIC Ltd.
1832 Asset Management L. P.
1832 Asset Management L.P.
Promoter(s):
1832 Asset Management L.P.
Project #2267257

Issuer Name:
First Trust Short Duration High Yield Bond ETF
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated June 4, 2015
NP 11-202 Receipt dated June 5, 2015
Offering Price and Description:
Common units and Advisor Class units
Underwriter(s) or Distributor(s):
-
Promoter(s):
FT Portfolios Canada Co.
Project #2351718

Issuer Name:
North American Financial 15 Split Corp.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated June 4, 2015
NP 11-202 Receipt dated June 5, 2015
Offering Price and Description:
1,380,000 Preferred Shares and 1,380,000 Class A Shares @ $10.00/Preferred Shares and $8.65/Class A Shares
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
GMP Securities L.P.
Canaccord Genuity Corp.
Dundee Securities Ltd.
Raymond James Ltd.
Desjardins Securities Inc.
Mackie Research Capital Corporation
Manulife Securities Incorporated
Promoter(s):
-
Project #2356251

Issuer Name:
PowerShares Low Volatility Portfolio ETF
PowerShares Tactical Bond ETF
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated May 27, 2015 to the Long Form Prospectus dated April 17, 2015
NP 11-202 Receipt dated June 8, 2015
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
INVESCO CANADA LTD.
Project #2309137

Issuer Name:
Pro Real Estate Investment Trust
Principal Regulator - Quebec
Type and Date:
Final Short Form Prospectus dated June 3, 2015
NP 11-202 Receipt dated June 3, 2015
Offering Price and Description:
$17,537,500.00 - 7,625,000 Trust Units
Price: $2.30 Per Trust Unit
Underwriter(s) or Distributor(s):
Canaccord Genuity Corp.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
Haywood Securities Inc.
Industrial Alliance Securities Inc.
Promoter(s):
-
Project #2352538

Issuer Name:
RESAAS Services Inc.
Principal Regulator - British Columbia
Type and Date:
Final Base Shelf Prospectus dated June 2, 2015
NP 11-202 Receipt dated June 3, 2015
Offering Price and Description:
US$50,000,000.00
Common Shares
Warrants
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2350822

Issuer Name:
RG One Corp.
Type and Date:
Amended and Restated CPC Prospectus May 21, 2015 to thel CPC Prospectus dated February 17, 2015
Receipted on June 2, 2015
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
M Partners Inc.
Promoter(s):
-
Project #2294938

Issuer Name:
Slate Office REIT
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated June 3, 2015
NP 11-202 Receipt dated June 3, 2015
Offering Price and Description:
$80,068,000.00 - 10,820,000 Subscription Receipts each representing the right to receive one Unit
Price $7.40 per Subscription Receipt

Underwriter(s) or Distributor(s):
TD Securities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
GMP Securities L.P.
RBC Dominion Securities Inc.
National Bank Financial Inc.
Scotia Capital Inc.
Canaccord Genuity Corp.
Desjardins Securities Inc.
Raymond James Ltd.
Promoter(s):
HUNTINGDON CAPITAL CORP.
Project #2353616

Issuer Name:
Spectra7 Microsystems Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated June 4, 2015
NP 11-202 Receipt dated June 4, 2015
Offering Price and Description:
$8,746,335.50 - 12,494,765 Common Shares and 6,247,383 Common Share Purchase Warrants Issuable on Exercise of Outstanding Special Warrants
Underwriter(s) or Distributor(s):
Mackie Research Capital Corporation
PI Financial Corp.
Global Maxfin Capital Inc.
Promoter(s):
-
Project #2352261

Issuer Name:
Storm Resources Ltd.
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated June 1, 2015
NP 11-202 Receipt dated June 2, 2015
Offering Price and Description:
$36,400,000.00 - 8,000,000 Common Shares
Price: $4.55 per Common Share
Underwriter(s) or Distributor(s):
Firstenergy Capital Corp.
GMP Securities L.P.
RBC Dominion Securities Inc.
Peters & Co. Limited
National Bank Financial Inc.
Raymond James Ltd.
Promoter(s):
-
Project #2352551

Issuer Name:
TeraGo Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated June 4, 2015
NP 11-202 Receipt dated June 4, 2015
Offering Price and Description:
$10,003,500.00 - 1,755,000 Common Shares
$5.70 per Common Share
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
TD Securities Inc.
Cormark Securities Inc.
PI Financial Corp.
RBC Dominion Securities Inc.
Promoter(s):
-
Project #2354625

Issuer Name:
Trevali Mining Corporation
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated June 3, 2015
NP 11-202 Receipt dated June 3, 2015
Offering Price and Description:
$30,600,000.00 - 30,000,000 Common Shares
Price: $1.02 per Common Share
Underwriter(s) or Distributor(s):
Dundee Securities Ltd.
Raymond James Ltd.
GMP Securities L.P.
Scotia Capital Inc.
Haywood Securities Inc.
M Partners Inc.
MacKie Research Capital Corporation
Paradigm Capital Inc.
Promoter(s):
-
Project #2354692

Issuer Name:
Trillium Therapeutics Inc.
Principal Regulator - Ontario
Type and Date:
Final Base Shelf Prospectus dated June 4, 2015
NP 11-202 Receipt dated June 5, 2015
Offering Price and Description:
US$100,000,000.00
Common Shares
First Preferred Shares
Warrants
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2357400

Issuer Name:
Wajax Corporation
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated June 5, 2015
NP 11-202 Receipt dated June 5, 2015
Offering Price and Description:
$65,052,000.00 - 2,780,000 Common Shares
Price: $23.40 per Offered Share
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
TD Securities Inc.
Desjardins Securities Inc.
Raymond James Ltd.
RBC Dominion Securities Inc.
Promoter(s):
-
Project #2354849

Issuer Name:
Western Lithium USA Corporation
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated June 2, 2015
NP 11-202 Receipt dated June 2, 2015
Offering Price and Description:
$6,947,500.00 - 9,925,000 Units
Price: $0.70 per Unit
Underwriter(s) or Distributor(s):
Dundee Securities Ltd.
Haywood Securities Inc.
Promoter(s):
-
Project #2354325

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Voluntary Surrender	KCS Fund Strategies Inc.	Investment Fund Manager, Portfolio Manager, Exempt Market Dealer	May 27, 2015
Voluntary Surrender	Dorchester Investment Management	Investment Fund ManagerPortfolio Manager	May 28, 2015
New Registration	Garibaldi Capital Advisors Ltd.	Exempt Market Dealer	May 28, 2015
Voluntary Surrender	Ten Star Financial Inc.	Mutual Fund DealerExempt Market Dealer	May 29. 2015
Name Change	From: Northwood Private Counsel Inc. To: Northwood Family Office Ltd.	Portfolio ManagerExempt Market Dealer	June 2, 2015
Amalgamation	Sterling Mutuals Inc. and Armstrong & Quaile Associates Inc. To form: Sterling Mutuals Inc.	Mutual Fund DealerExempt Market Dealer	June 2, 2015
Voluntary Surrender	Western Asset Management Company	Commodity Trading Manager	June 2, 2015

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Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.1 SROs

13.1.1 IIROC – Client Relationship Model – Phase 2 Housekeeping Changes to Dealer Member Rule 200 and Changes to Effective Dates for Amendments to Dealer Member Rule 200 and to Dealer Member Form 1 Relating to the Implementation of CRM2 – OSC Staff Notice of Commission Approval

OSC STAFF NOTICE OF COMMISSION APPROVAL

INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA (IIROC)

CLIENT RELATIONSHIP MODEL – PHASE 2 HOUSEKEEPING CHANGES TO DEALER MEMBER RULE 200 AND CHANGES TO EFFECTIVE DATES FOR AMENDMENTS TO DEALER MEMBER RULE 200 AND TO DEALER MEMBER FORM 1 RELATING TO THE IMPLEMENTATION OF CRM2

The Ontario Securities Commission approved proposed amendments to IIROC Dealer Member Rule 200 and to IIROC Dealer Member Form 1 that are scheduled to come into effect in 2015 and 2016. The amendments are housekeeping in nature and were necessary to ensure that certain Canadian Securities Administrator decisions with regard to the implementation of Client Relationship Model – Phase 2 were adopted by IIROC.

In addition, the Alberta Securities Commission, the Autorité des marchés financiers, the British Columbia Securities Commission, the Financial and Consumer Affairs Authority of Saskatchewan, the Financial and Consumer Services Commission of New Brunswick, the Manitoba Securities Commission, the Newfoundland and Labrador Office of the Superintendent of Securities Services, the Nova Scotia Securities Commission, and the Prince Edward Island Office of the Superintendent of Securities did not object to or approved the amendments.

A copy of IIROC's Notice of Approval/Implementation, which includes a clean and blackline copy of IIROC Dealer Member Rule 200, and a copy of the resolution adopted by IIROC's Board of Directors, can be found at http://www.osc.gov.on.ca.

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Chapter 25

Other Information

25.1 Approvals

25.1.1 Mahogany Asset Management Inc. – s. 213(3)(b) of the LTCA

Headnote

Clause 213(3)(b) of the Loan and Trust Corporations Act – application by manager for approval to act as trustee of pooled funds and future pooled funds to be established and managed by the applicant and offered pursuant to a prospectus exemption(s).

Statutes Cited

Loan and Trust Corporations Act, R.S.O. 1990, c. L. 25, as am., clause 213(3)(b).

June 2, 2015

AUM Law Professional Corporation
175 Bloor St E., Suite 303, South Tower
Toronto, Ontario M4W 3R8

Attention: Melissa Reiter

Dear Sirs/Mesdames:

Re: Mahogany Asset Management Inc. (the "Applicant")

Application under paragraph 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario) for approval to act as trustee

Application #2015/0303

Further to your application dated May 4, 2015 (the "Application") filed on behalf of the Applicant, and based on the facts set out in the Application and the representation by the Applicant that assets of Mahogany Growth Fund (the "Original Fund") and any other mutual fund trusts that the Applicant may establish and manage in the future, the securities of which will be offered pursuant to prospectus exemptions (collectively, the "Funds") will be held in the custody of a trust company incorporated and licensed or registered under the laws of Canada or a jurisdiction, or a bank listed in Schedule I, II or III of the *Bank Act* (Canada), or a qualified affiliate of such bank or trust company, the Ontario Securities Commission (the "Commission") makes the following order:

Pursuant to the authority conferred on the Commission in clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario), the Commission approves the proposal that the Applicant act as trustee of the Original Fund and any other future mutual fund trusts which may be established and managed by the Applicant from time to time, the securities of which will be offered pursuant to a prospectus exemption.

Yours truly,

"Christopher Portner"
Commissioner
Ontario Securities Commission

"Anne Marie Ryan"
Commissioner
Ontario Securities Commission

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Index

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