The Ontario Securities Commission

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Securities Act of Ontario (R.S.O. 1990, c. S.5) and the
Commodity Futures Act of Ontario (R.S.O. 1990, c. C.20)

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Table of Contents

Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Authorization Order – s. 3.5(3)

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

AND

IN THE MATTER OF
AN AUTHORIZATION PURSUANT TO
SUBSECTION 3.5(3) OF THE ACT

AUTHORIZATION ORDER
(Subsection 3.5(3))

WHEREAS a quorum of the Ontario Securities Commission (the "Commission") may, pursuant to subsection 3.5(3) of the Act, in writing authorize any member of the Commission to exercise any of the powers and perform any of the duties of the Commission, including the power to conduct contested hearings on the merits.

AND WHEREAS, by an authorization order made on August 21, 2015, pursuant to subsection 3.5(3) of the Act ("Authorization"), the Commission authorized each of HOWARD I. WETSTON, MONICA KOWAL, D. GRANT VINGOE, MARY G. CONDON, EDWARD P. KERWIN, JANET LEIPER, ALAN J. LENCZNER, TIMOTHY MOSELEY, and CHRISTOPHER PORTNER acting alone, to exercise, subject to subsection 3.5(4) of the Act, the powers of the Commission to grant adjournments and set dates for hearings, to hear and determine procedural matters, and to make and give any orders, directions, appointments, applications and consents under sections 5, 11, 12, 17, 19, 20, 122, 126, 127, 128, 129, 144, 146 and 152 of the Act that the Commission is authorized to make and give, including the power to conduct contested hearings on the merits.

NOW, THEREFORE, IT IS ORDERED that the Authorization is hereby revoked;

THE COMMISSION HEREBY AUTHORIZES, pursuant to subsection 3.5(3) of the Act, each of MONICA KOWAL, D. GRANT VINGOE, MARY G. CONDON, EDWARD P. KERWIN, JANET LEIPER, ALAN J. LENCZNER, TIMOTHY MOSELEY, and CHRISTOPHER PORTNER acting alone, to exercise, subject to subsection 3.5(4) of the Act, the powers of the Commission to grant adjournments and set dates for hearings, to hear and determine procedural matters, and to make and give any orders, directions, appointments, applications and consents under sections 5, 11, 12, 17, 19, 20, 122, 126, 127, 128, 129, 144, 146 and 152 of the Act that the Commission is authorized to make and give, including the power to conduct contested hearings on the merits; and

THE COMMISSION FURTHER ORDERS that this Authorization Order shall have full force and effect until revoked or such further amendment may be made.

DATED at Toronto, this 17th day of November, 2015.

"Christopher Portner"
Christopher Portner, Commissioner

"Timothy Moseley"
Timothy Moseley, Commissioner

1.1.2 CSA Staff Notice 31-343 – Conflicts of interest in distributing securities of related or connected issuers

CSA Staff Notice 31-343

Conflicts of interest in distributing securities of related or connected issuers

November 19, 2015

Purpose

Staff of the Canadian Securities Administrators (**CSA staff** or **we**) consider the identification of, and response to, conflicts of interest to be fundamental regulatory obligations. A registrant must manage conflicts that arise whenever it trades in or advises on securities issued by *related or connected issuers* (as defined in National Instrument 33-105 *Underwriting Conflicts*). Firms registered solely as exempt market dealers, that distribute securities of related or connected issuers with common mind and management (**captive dealers**) raise serious concerns in terms of how they respond to these conflicts of interest.

We consider a conflict of interest to be any circumstance where the interests of different parties, such as the interests of a client and those of a registrant, are inconsistent, competing or divergent. The inherent conflict of interest in the captive dealer business model may affect a registrant's ability to meet its know-your-client (**KYC**), know-your-product (**KYP**) and suitability obligations, and its duty to act fairly, honestly and in good faith with clients (**fair dealing duty**). National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) and its companion policy (**Companion Policy**) provide a principles-based framework that requires registrants to identify and respond to material conflicts of interest.

We think additional guidance (including "acceptable practices" and "unacceptable practices") will help captive dealers meet their regulatory obligations. Although we intend this notice (**Notice**) to provide guidance to captive dealers, it may be useful to other registrants too. In this Notice, unless the context otherwise requires, a reference to registrants includes both firms and their registered individuals.

We intend this Notice to:

- set out our concerns with the conflicts of interest that arise from the captive dealer business model to help captive dealers decide how to respond to conflicts of interest by avoiding, or controlling and disclosing them
- suggest acceptable practices and unacceptable practices for addressing conflicts of interest
- outline what firms proposing to be captive dealers can expect when applying for registration
- outline what captive dealers can expect when CSA staff perform compliance reviews

Registrant obligations

Conflicts of interest

Registrants must comply with Part 13, Division 2 *Conflicts of Interest* of NI 31-103, which requires them to take reasonable steps to:

- identify existing material conflicts of interest and those that the firm reasonably expects to arise between the firm and a client, and
- respond appropriately to existing or potential conflicts of interest

The Companion Policy outlines three methods to respond to conflicts of interest: avoidance, control and disclosure. It also describes specific examples of conflicts of interest and gives guidance on how registrants can avoid, control and/or disclose them.

KYC, KYP and suitability

Many prospectus exemptions allow issuers to raise capital from persons who can assess the merits of the investment without a prospectus. Certain of these investments are higher risk and often illiquid, and the information available to investors at the time of investment – and, in many cases, after investment – will be more limited. Any offering document used will not undergo prior review by the regulators, and the extensive continuous disclosure obligations on reporting issuers may not apply. Registrants play a critical role in ensuring that investors understand the risks associated with their investments and that the investments are suitable.

The KYC, KYP and suitability obligations and the fair dealing duty apply to all registered dealers and advisers, and apply to trades made under prospectus exemptions. CSA Staff Notice 31-336 *Guidance for Portfolio Managers, Exempt Market Dealers and Other Registrants on the Know-Your-Client, Know-Your-Product and Suitability Obligations* gives additional guidance on the applicable securities legislation requirements relating to KYC, KYP and suitability.

Concerns with captive dealers

The captive dealer business model creates a material conflict of interest between the captive dealer's financial incentive to sell its related or connected issuer's securities, and its regulatory obligations, including KYC, KYP, suitability, and its fair dealing duty.

We have identified captive dealers who did not recognize that investors were their clients, instead treating them as clients of their related or connected issuers. A registrant's primary obligation is to ensure that the securities it recommends to investors are suitable for them.

The material conflict of interest inherent in the captive dealer business model gives rise to inconsistent, competing or divergent interests, which make it difficult for a captive dealer to fulfil its duties to investors objectively. We have identified the following problems among captive dealers:

- failing in their suitability obligations to investors because the registrant has poor product knowledge
- failing to disclose or providing inadequate disclosure to investors about related or connected issuers in cases where there is negative information (for example, where the issuer is experiencing financial difficulty), resulting in investors taking on more risk than they could bear or more risk than they wish to bear
- relying on related or connected issuers' product reviews and assessments to satisfy their KYP obligation, instead of providing a review or assessment independent of the related or connected issuer
- financial dependence on related or connected issuers, creating an incentive to distribute unsuitable products
- inadequate disclosure of significant fees and charges paid to related or connected issuers, in some instances for little or no apparent services performed, resulting in investors not understanding the costs associated with their investment
- related or connected issuers using the proceeds raised from their distributions for purposes other than those stated in their offering or marketing materials

CSA staff have identified the inability of captive dealers to identify and address conflicts of interest and the delegation of the suitability obligation as significant compliance deficiencies. We have taken regulatory action against registrants and issuers as needed, including suspension and referrals to enforcement.

Responding to conflicts of interest

Captive dealers should avoid material conflicts of interest that they cannot address through controls and/or disclosure. Avoidance includes ceasing to provide a service, or dealing with a client, or not trading in a particular product or products. Captive dealers that solely or primarily trade in related or connected issuer securities are most at risk of being unable to address conflicts of interest through controls and/or disclosure. In this Notice, we provide suggestions to address conflicts of interest.

When we review captive dealer businesses, we will assess each business in relation to its related or connected issuers and their investment products, to assess the nature and severity of the existing conflicts of interest. In compliance reviews, we have seen instances where captive dealers could not demonstrate that they had met their conflicts of interest obligations under Part 13 of NI 31-103, because they did not:

- understand when, as a result of material negative changes to their business (for example, significant financial losses of a related issuer), they could no longer manage their conflicts of interest, and therefore should respond by avoiding them

- identify and document that they identified and responded to conflicts of interest, and why their response was appropriate
- assess each related or connected issuer product they sell in relation to each trade; instead they assumed that the suitability of one related or connected issuer product makes all of their related or connected issuer products suitable for an investor
- consider the concentration of related or connected issuer products in an investor's investment portfolio

We encourage captive dealers to:

- separate decision-making roles in related or connected issuer and dealer businesses
- establish policies and procedures that require an ongoing assessment of their captive dealer business models and the products they trade
- establish an independent review committee to conduct product due diligence and to consider on an ongoing basis whether to avoid, control, or disclose conflicts of interest
- consider offering securities of third-party issuers in addition to those of related or connected issuers, and ensure that dealing representatives are aware and understand that the firm offers a diversified product shelf
- provide balanced product training to sales staff by someone other than the issuer
- provide balanced training to sales staff outlining their responsibility to meet their KYP, KYC and suitability obligations

Captive dealers' registrant obligations

Captive dealers that do not avoid conflicts of interest should demonstrate instead that they are controlling and/or disclosing them appropriately.

In our experience, captive dealers that do not appropriately control and/or disclose material conflicts of interest that result from their relationships with related or connected issuers will also fail to conduct KYC, KYP and suitability assessments properly.

Below are some effective practices for controlling and/or disclosing conflicts of interest. In our compliance reviews, we will focus closely on whether captive dealers have implemented any of these practices. We will expect captive dealers that have not done so to explain what alternative or additional methods they have in place.

Acceptable practices[1]

- Develop policies and procedures that describe how you will identify and respond to conflicts of interest.
- Document your independent KYP assessment, for instance by keeping a due diligence checklist and documents that demonstrate your review of key documents such as offering documents, business plans and financial statements.
- Have an independent review committee:
    - review policies and procedures to ensure they address conflicts of interest, KYC, KYP, suitability, and the fair dealing duty
    - conduct initial due diligence on related or connected issuer products, including an assessment of the accuracy and reliability of materials provided by the related or connected issuers
    - identify those products that pose too severe a conflict of interest to be distributed generally and consider whether trades in such products should be restricted to certain investors or classes of investors only

  The independent review committee's review and approval of any product for distribution does not relieve the captive dealer of its obligation to ensure the product is suitable for each client.
- Provide clients with meaningful disclosure, including:
    - the issuer's audited financial statements

[1] This is not an exhaustive list, and the adoption of one or more of these suggestions will not ensure compliance.

- a simplified document, similar to a mutual fund fact sheet, with appropriate highlights and risk disclosures about the investment, including clear disclosure of the conflicts of interest and the concerns it raises
- other relevant information, in plain language

- Assign a responsible individual (such as the chief compliance officer or ultimate designated person), who has not been directly involved in any way with the trade in question, to ensure that investors understand:
  - the relationship between the captive dealer and the related or connected issuer
  - the key features of the investment (e.g. that the security is sold under a prospectus exemption and therefore may be illiquid, the risks of the investment and the compensation received by the captive dealer for the trade)
  - the concentration risks associated with investing in a limited number of related or connected issuers
- Provide training to ensure that registered individuals and other relevant staff understand the nature of the material conflicts of interest inherent in the business model and the importance of avoiding, managing and/or disclosing them.
- Have unrelated dealers distribute the securities of your related or connected issuers, demonstrating to CSA staff that a third party has reviewed the products and found them suitable for distribution.
- Sell products other than those of related or connected issuers; product diversification is an important factor to help reduce financial dependence of the dealer on an issuer.

Unacceptable practices

- Fail to identify and document your assessment and response to the conflicts of interest inherent in your captive dealer structure.
- Assume that disclosing a conflict of interest alone is sufficient to respond to it.
- Inadequate policies and procedures to identify, determine the risk of, and respond appropriately to conflicts of interest.
- Assume that the related or connected issuer has complied with KYC, KYP or suitability requirements. Each captive dealer has an independent obligation to comply with these requirements and to keep compliance records. You cannot delegate the KYC, KYP and suitability processes.
- Present conflicts of interest disclosure in an obscure or confusing manner, such as in lengthy and complex documents. This disclosure should be in plain language, and easily understood by a reasonable person.
- Ask a client to waive conflicts of interest disclosure and/or a suitability assessment. Permitted clients may waive their right to a suitability review in writing.

Registration applications from firms proposing to be captive dealers

In assessing new registration applications, CSA staff will consider applications by captive dealers on a case-by-case basis. The likelihood of harm to investors and to the capital markets will be the main factors in our determination. For example, we may not grant registration where the applicant proposes to distribute securities of a related or connected issuer whose financial statements raise concerns about its financial viability. We would be concerned in this circumstance, since the captive dealer may be financially dependent on the issuer and would therefore have an added incentive to distribute unsuitable securities in an attempt to improve the issuer's financial condition.

Our review of registration applications will include an assessment of the captive dealer's business plan, both in the short term and in the longer term. We will also assess the firm's policies and procedures manual to test if it has an adequate compliance system in place to control and/or disclose conflicts of interest. Depending on our assessment, we may advise the applicant that without changes, we may recommend a refusal of registration. We expect captive dealer applicants to be forthright in disclosing conflicts of interest to CSA staff reviewing the registration application. Failure to disclose conflicts of interest to CSA staff may result in a recommendation of refusal of registration.

Compliance reviews of captive dealers

During our compliance reviews of captive dealers, we will, among other things, discuss with them why they did or did not adopt some or all of the effective practices in this Notice and assess whether the practices they have adopted are sufficient to address conflicts of interest in the captive dealer business model.

If we encounter conflicts of interest that captive dealers did not appropriately resolve, resulting in unsuitable sales, we will consider both the failure to resolve the conflict of interest and the suitability failure as significant deficiencies. Staff will closely monitor registrants' compliance with conflicts of interest, KYC, KYP and suitability requirements, and will take appropriate regulatory action to ensure compliance with securities legislation.

Reminder about changes in business models

We expect all registrants to report changes in business models using Form 33-109F5 *Change of Registration Information* (**Form F5**). Changes in business models can significantly affect the compliance risk of a firm, for instance by introducing material conflicts of interest. Registrants must file a Form F5, if they change their business structure to a captive dealer business model. Firms should assess their business models on an ongoing basis to comply with their obligations under securities legislation.

Questions

If you have questions regarding this Notice, please refer them to any of the following:

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1.5 Notices from the Office of the Secretary

1.5.1 Daveed Zarr

FOR IMMEDIATE RELEASE
October 9, 2015

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

AND

IN THE MATTER OF
DAVEED ZARR

TORONTO – The Commission issued its Reasons and Decision and an Order pursuant to Subsections 127(1) and 127(10) of the *Securities Act* in the above noted matter.

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

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
SECRETARY

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media_inquiries@osc.gov.on.ca

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OSC Contact Centre
416-593-8314
1-877-785-1555 (Toll Free)

1.5.2 Trustees of Central GoldTrust et al.

FOR IMMEDIATE RELEASE
November 19, 2015

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

AND

IN THE MATTER OF
AN APPLICATION BY THE TRUSTEES OF
CENTRAL GOLDTRUST and
SILVER BULLION TRUST

AND

IN THE MATTER OF
SPROTT ASSET MANAGEMENT GOLD BID LP,
SPROTT ASSET MANAGEMENT SILVER BID LP,
SPROTT ASSET MANAGEMENT LP,
SPROTT PHYSICAL GOLD TRUST and
SPROTT PHYSICAL SILVER TRUST

TORONTO – The Commission issued an Order in the above named matter following a hearing held on November 18, 2015.

A copy of the Order dated November 19, 2015 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
SECRETARY

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1-877-785-1555 (Toll Free)

1.5.3 Ground Wealth Inc. et al.

FOR IMMEDIATE RELEASE
November 19, 2015

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

AND

IN THE MATTER OF
GROUND WEALTH INC., MICHELLE DUNK,
ADRION SMITH, JOEL WEBSTER,
DOUGLAS DEBOER, ARMADILLO ENERGY INC.,
ARMADILLO ENERGY, INC., and
ARMADILLO ENERGY, LLC
(aka ARMADILLO ENERGY LLC)

TORONTO – The Commission issued its Reasons and Decision on Sanctions and Costs and an Order in the above noted matter.

A copy of the Reasons and Decision on Sanctions and Costs and the Order dated November 18, 2015 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
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1.5.4 Lance Kotton and Titan Equity Group Ltd.

FOR IMMEDIATE RELEASE
November 19, 2015

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

AND

IN THE MATTER OF
LANCE KOTTON and
TITAN EQUITY GROUP LTD.

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

1. the Temporary Order is extended until December 17, 2015 or until further order of the Commission without prejudice to the right of Staff or the Respondents to seek to vary the Temporary Order on application to the Commission; and

2. the hearing of this matter is adjourned until December 16, 2015 at 11:30 a.m., or on such other date and time as provided by the Office of the Secretary and agreed to by the parties.

A copy of the Order dated November 19, 2015 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
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1.5.5 Majestic Supply Co. Inc. et al.

FOR IMMEDIATE RELEASE
November 24, 2015

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

AND

IN THE MATTER OF
MAJESTIC SUPPLY CO. INC.,
SUNCASTLE DEVELOPMENTS CORPORATION,
HERBERT ADAMS, STEVE BISHOP,
MARY KRICFALUSI, KEVIN LOMAN AND
CBK ENTERPRISES INC.

TORONTO – The Commission issued an Order in the above named matter which provides that the date of November 24, 2015 at 1:30 p.m., which had been scheduled for the Hearing, is vacated and the Hearing is adjourned to such date as may be agreed to by the parties and set by the Office of the Secretary.

A copy of the Order dated November 24, 2015 is available at www.osc.gov.on.ca.

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Aston Hill Asset Management Inc. and Aston Hill Global Resource & Infrastructure Fund

Headnote

NP 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Approval of mutual fund reorganization – Approval required because merger does not meet the criteria for pre-approval – merger conducted on a taxable basis – Securityholders provided with timely and adequate disclosure regarding the merger.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds,
ss. 5.5(1)(b), 19.1.

October 30, 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
ASTON HILL ASSET MANAGEMENT INC.
(the Filer)

AND

ASTON HILL GLOBAL RESOURCE &
INFRASTRUCTURE FUND
(the Terminating Fund)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Terminating Fund for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for approval under paragraph 5.5(1)(b) of National Instrument 81-102 *Investment Funds* (**NI 81-102**) in connection with the proposed merger (the Merger) of the Terminating Fund into Aston Hill Global Resource Fund (the **Continuing Fund**, and together with the Terminating Fund, the **Funds**) (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 (**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 provinces and territories of Canada.

Interpretation

Defined terms contained in NI 81-102, National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning in this decision unless they are defined in this decision.

Representations

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

The Filer

1. The Filer is a corporation governed by the laws of Ontario with its head office in Toronto, Ontario.

2. The Filer is registered under National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* as a portfolio manager and an exempt market dealer in Alberta, British Columbia, Manitoba, New Brunswick and Nova Scotia and an investment fund manager, a portfolio manager and an exempt market dealer in Newfoundland and Labrador, Ontario and Québec.

3. The Filer is the manager of the Funds.

4. The Filer is not in default of securities legislation in any province or territory of Canada.

The Continuing Fund

5. The Continuing Fund is an open-end mutual fund trust established under the laws of the Province of Ontario by a master declaration of trust dated June 30, 2011, as amended.

6. The Continuing Fund is a reporting issuer under the applicable securities legislation of each province and territory of Canada. The Continuing

Fund is not in default of securities legislation in any province or territory of Canada.

The Terminating Fund

7. The Terminating Fund is an open-end mutual fund trust established under the laws of the Province of Ontario by a master trust agreement dated June 30, 2011, as amended.

8. Units of the Terminating Fund are currently offered for sale under a simplified prospectus and annual information form dated May 12, 2015 in all of the provinces and territories of Canada.

9. The Terminating Fund is not in default of securities legislation in any province or territory of Canada.

The Merger

10. Approval of the Merger is required because the Merger does not satisfy all of the criteria for pre-approved reorganizations and transfers as set out in section 5.6 of NI 81-102, namely because the Merger will not be a tax-deferred transaction as described in paragraph 5.6(1)(b) of NI 81-102. Except for this reason, the Merger will otherwise comply with all of the other criteria for pre-approved reorganizations and transfers set out in section 5.6 of NI 81-102.

11. The Filer has determined that it would not be appropriate to effect the Merger as a "qualifying exchange" within the meaning of section 132.2 of the *Income Tax Act* (Canada) (the Tax Act) or as a tax-deferred transaction for the following reasons:

    (a) to the extent that unitholders in the Terminating Fund have an accrued capital loss on their units in a non-registered account, effecting the Merger on a taxable basis will afford the unitholders of the Terminating Fund the opportunity to realize that loss and use it against current and future capital gains or even carry the capital loss back as permitted under the Tax Act;

    (b) effecting the Merger on a taxable basis would preserve the net losses and loss carry-forwards in the Continuing Fund; and

    (c) effecting the Merger on a taxable basis will have no tax impact on the Continuing Fund.

12. As required by National Instrument 81-107 *Independent Review Committee for Investment Funds*, the Filer presented the terms of the Merger to the Funds' Independent Review Committee (**IRC**) on June 19, 2015 for its review and recommendation. The IRC reviewed the potential conflict of interest matters related to the proposed Merger and has determined that the proposed Merger, if implemented, would achieve a fair and reasonable result for each of the Funds.

13. A press release and material change report in respect of the proposed Merger were filed on the system for electronic disclosure and retrieval (**SEDAR**) on June 25, 2015.

14. A notice of meeting, a management information circular (the **Circular**) and proxies in connection with the Merger were mailed to unitholders of the Terminating Fund on July 13, 2015 and were subsequently filed on SEDAR.

15. The Circular provided unitholders of the Terminating Fund with information about the differences between the Terminating Fund and Continuing Fund, the management fees of the Continuing Fund and the tax consequences of the Merger.

16. On August 10, 2015, unitholders of the Terminating Fund approved the resolutions set out in the Circular to merge the Terminating Fund into the Continuing Fund. If the Requested Relief is obtained, it is anticipated that the Merger will be implemented on or about November 2, 2015 (the **Effective Date**).

17. The Terminating Fund and the Continuing Fund have the same valuation procedures.

18. The Filer is of the view that the investment objective of the Terminating Fund is the same as the investment objective of the Continuing Fund.

19. The risk profile of the Continuing Fund is the same as that of the Terminating Fund.

20. The Filer has determined that the Merger is not a material change for the Continuing Fund.

21. The Continuing Fund will offer the same series of units as the Terminating Fund. Holders of series X, Y, A, F and I units of the Terminating Fund will become unitholders of the corresponding series of units of the Terminating Fund.

22. The portfolios and other assets of the Terminating Fund are or will be acceptable to the portfolio advisors of the Continuing Fund prior to the Effective Date and will also be consistent with the investment objectives of the Continuing Fund.

23. The Terminating Fund and the Continuing Fund are, and are expected to continue to be at all material times, mutual fund trusts under the Tax Act and, accordingly, units of both Funds are "qualified investments" under the Tax Act for registered retirement savings plans, registered retirement income funds, deferred profit sharing

plans, registered education savings plans, registered disability savings plans and tax free savings accounts.

24. The Filer will pay all costs and expenses relating to the Merger, including any brokerage fees.

25. The Filer will not receive any compensation in respect of the acquisition, sale or redemptions of the units of the Fund delivered upon terminations.

26. Unitholders of the Terminating Fund will continue to have the right to redeem securities of the Terminating Fund for cash at any time up to the close of business on the Effective Date. The Circular disclosed that securities of a Continuing Fund acquired by unitholders upon the proposed Merger are subject to the same redemption charges to which their securities of the Terminating Fund were subject prior to the Merger.

27. If the necessary approvals are obtained, the following steps will be carried out to effect the Merger:

    (a) the Terminating Fund will transfer all of its assets and liabilities to the Continuing Fund for an amount equal to the net value of the assets transferred;

    (b) the Continuing Fund will issue securities of the Continuing Fund to the Terminating Fund having a net asset value equal to the net value of the assets transferred by the Terminating Fund; and

    (c) the Terminating Fund will redeem its outstanding securities and pay the redemption price for these securities by distributing securities of the Continuing Fund to the Terminating Fund's unitholders. Securities of the Continuing Fund received by the unitholders of the Terminating Fund will have an aggregate net asset value equal to the aggregate net asset value of the securities of the Terminating Fund which are being redeemed.

28. Any cash acquired by the Continuing Fund in connection with the Merger will be invested in accordance with the investment objectives, strategies, and restrictions of the Continuing Fund and NI 81-102.

29. Following the Merger, units of the Continuing Fund received by unitholders in the Terminating Fund as a result of the Merger will have the same sales charge option and, for units purchased under the deferred sales charge option or the volume sales charge option, as described in the Terminating Fund's simplified prospectus, the same remaining deferred sales charge schedule as their units in the Terminating Fund.

30. Following the Merger, all pre-authorized chequing plans and systematic withdrawal plans of unitholders of the Terminating Fund will be re-established in the Continuing Fund on the same terms.

31. The Filer believes that the Merger will be beneficial to unitholders of the Funds for the following reasons:

    (a) upon completion of the Merger, the Continuing Fund will have a greater level of assets resulting in economies of scale for operating expenses as part of a larger combined fund;

    (b) the annual management fees payable by unitholders of Continuing Fund will be the same as or lower than the current annual management fees of the Terminating Fund; and

    (c) the Merger will result in the unitholders of the Terminating Fund owning units of the Continuing Fund which has a substantial amount of tax loss carry-forwards.

32. The foregoing reasons for the Mergers were set out in the Circular along with certain prospectus-level disclosure concerning the Continuing Funds, including information regarding fees, expenses, investment objectives, valuation procedures, the manager, the portfolio advisor (or sub-advisor, as applicable), income tax considerations and net asset value. The Circular has provided sufficient information about each Merger to permit unitholders to make an informed decision about the Merger. The Circular also disclosed that unitholders can obtain the simplified prospectus, annual information form, fund facts, the most recent financial statements, and the most recent management report of fund performance of the Continuing Fund that have been made public, from the Filer upon request, on the Filer's website or on SEDAR at www.sedar.com.

33. Following the Merger, the Continuing Fund will continue as a publicly offered open-end mutual fund and the Terminating Fund will be wound up as soon as reasonably practicable.

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.

"Darren McKall"
Manager,
Investment Funds and Structured Products Branch
Ontario Securities Commission

2.1.2 Salix Pharmaceuticals, Ltd.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Application for an order that the issuer is not a reporting issuer under applicable securities laws.

Applicable Legislative Provisions

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

November 16, 2015

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO, ALBERTA, SASKATCHEWAN, MANITOBA,
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
SALIX PHARMACEUTICALS, LTD.
(THE APPLICANT)

DECISION

Background

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

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

a) the Ontario Securities Commission 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 Applicant:

1. The Applicant was organized under the laws of the State of Delaware in 2001. Its head office is located in Raleigh, North Carolina.

2. Salix Holdings, Ltd., a predecessor entity to the Applicant incorporated in the British Virgin Islands in December 1993 and with its head office in Palo Alto, California, closed the initial public offering of its common shares in Canada in May 1996, at which time such shares became listed on The Toronto Stock Exchange.

3. In March 1998, Salix Holdings, Ltd. changed its name to Salix Pharmaceuticals, Ltd. (being the Applicant's current name).

4. In November 2000, the Applicant received approval to list its securities on the Nasdaq SmallCap Market and also de-listed from the Toronto Stock Exchange.

5. The Applicant is a reporting issuer in each of the Jurisdictions and in British Columbia.

6. On February 20, 2015, Sun Merger Sub, Inc. (**Purchaser**), Valeant Pharmaceuticals International (**VPI**), the Applicant and Valeant Pharmaceuticals International, Inc. (**Valeant**), entered into an Agreement and Plan of Merger (as amended, the **Merger Agreement**). Pursuant to the Merger Agreement, Purchaser commenced a tender offer (the **Offer**) for all of the issued and outstanding shares of common stock (the **Shares**), at a purchase price of US$173.00 per Share, net to the holder in cash (the **Offer Price**), without interest, less any applicable withholding taxes and subject to reduction if the conditions to the Offer were not satisfied.

7. The Offer expired at 12:00 midnight, Eastern time, on April 1, 2015. Purchaser accepted for payment all Shares that were validly tendered and not withdrawn.

8. Also, on April 1, 2015, Purchaser merged with and into the Applicant, with the Applicant surviving as a wholly owned subsidiary of VPI (the **Merger**). The Merger was governed by Section 251(h) of the General Corporation Law of the State of Delaware, with no stockholder vote required to consummate the Merger. At the effective time of the Merger, each Share then outstanding was converted into the right to receive US$173.00 in cash, without interest, less any applicable withholding taxes, except for:

   (a) Shares then owned by Valeant, VPI or Purchaser or any of their respective wholly owned subsidiaries, and

   (b) Shares held in treasury of the Applicant or by any of its wholly owned subsidiaries,

   which Shares were cancelled and retired and ceased to exist, and no consideration was delivered in exchange therefor.

9. As of October 27, 2015, sufficient cash remained in a trust account of the depositary for the Offer, Computershare Trust Company, N.A., to satisfy the right of remaining former beneficial holders of Shares to receive cash in respect of such Shares.

10. The Shares were suspended from trading on Nasdaq Global Select Market on April 1, 2015 and subsequently delisted on April 1, 2015.

11. The Applicant ceased being subject to the reporting requirements in the United States (**U.S.**) under the Securities Exchange Act of 1934 (the **Exchange Act**) shortly following completion of the Merger, as a result of it being eligible to de-register under the Exchange Act upon having fewer than 300 holders of record of the relevant classes of securities.

12. All of the Shares of the Applicant are held by VPI. VPI is a wholly-owned subsidiary of Valeant.

13. The Applicant has US$118,000 principal amount of 1.5% Convertible Senior Notes due 2019 (the **Notes**) outstanding. The Notes were issued pursuant to an indenture dated as of March 16, 2012 (the **Indenture**), between the Applicant and U.S. Bank National Association, as trustee (the **Trustee**).

14. The Notes were offered and sold in 2012 in the U.S. in an offering under Rule 144A of the U.S. Securities Act of 1933, as amended (the **1933 Act**), which in the U.S. was restricted to qualified institutional buyers as defined in Rule 144A. As the Notes were neither registered under the Exchange Act in connection with a listing on a U.S. securities exchange nor sold in a public offering registered under the 1933 Act, the offering of the Notes by itself did not give rise to a reporting obligation on the part of the Applicant under section 13 or section 15(d) of the Exchange Act.

15. In connection with the completion of the Merger, the Applicant and the Trustee entered into a supplemental indenture (the **Supplemental Indenture**) to the Indenture on April 1, 2015, providing that, at and after the effective time of the Merger, the right to convert each $1,000 principal amount of any Notes into cash, Shares or a combination

of cash and Shares at the Applicant's election, as set forth in Section 15.02 of the Indenture, had been changed to a right to convert each $1,000 principal amount of such Notes into the cash value of the Merger consideration. The Notes are not otherwise convertible into equity or voting securities of any entity, including the Applicant.

16. Pursuant to the terms of the Indenture, as a result of the Merger, for a period of time following the effective date of the Merger (defined under the terms of the Indenture as the **Make-Whole Fundamental Change Period**), the beneficial holders of the Notes (the **Noteholders**) were entitled to surrender their Notes to the Applicant for conversion at an adjusted rate that included an incremental modest premium to the as-converted cash value (defined under the terms of the Indenture as the **Make-Whole Conversion Rate Adjustment**). The Make-Whole Fundamental Change Period, during which this Make-Whole Conversion Rate Adjustment was available, ran from April 1, 2015 (the effective date of the Merger) to April 29, 2015. Following the end of the Make-Whole Fundamental Change Period, the Make-Whole Conversion Rate Adjustment was no longer available to Noteholders.

17. On April 1, 2015, the Applicant distributed a notice to Noteholders informing them of the Make-Whole Conversion Rate Adjustment, Make-Whole Fundamental Change Period and the process for surrendering their Notes for conversion during this period. A significant majority of Noteholders surrendered their notes for conversion during this Make-Whole Fundamental Change Period, thereby significantly reducing the number of Notes and Noteholders outstanding. Since the end of the Make-Whole Fundamental Change Period, the Applicant has received a surrender of Notes from only three additional Noteholders (one on April 30, 2015, one on May 8, 2015 and one on October 8, 2015). Notwithstanding the Make-Whole Conversion Rate Adjustment, following the Make-Whole Fundamental Change Period, a small amount of Notes remained outstanding.

18. Promptly following the end of the Make-Whole Fundamental Change Period, an initial request for information regarding the Noteholders was made by the Applicant of the Trustee under the Indenture. On May 4, 2015, the Trustee provided a list of brokerages with accounts holding Notes. Further requests for information regarding the number and residency of the Noteholders were made, initially to the Trustee on May 13, 2015, and subsequently to each of the brokerages. On October 26, 2015, the Applicant made a further attempt to contact the brokerages that had not previously responded to the Applicant's inquiries.

19. The Notes are held through fourteen U.S. brokerages, of which twelve brokerages (representing US$114,000 principal amount of the Notes) have provided responses to the Applicant. Based on such responses, the Applicant has confirmed that US$114,000 principal amount of the Notes are held by twenty-seven Noteholders as of October 26, 2015, of which none are resident in Canada. The Applicant has been unable to determine the number or residency of the Noteholders holding the remaining US$4,000 principal amount of the Notes, despite its best efforts to do so, though the Applicant can confirm that:

    (a) it has no reason to believe that any of the Noteholders holding the remaining US$4,000 principal amount of the Notes are resident Canadians;

    (b) all such Noteholders are holding their Notes through U.S. brokerage accounts; and

    (c) the Notes must be held in minimum denominations of $1,000, with the result being that there are at most four beneficial Noteholders holding the remaining US$4,000 principal amount of the Notes.

20. The Applicant does not have any securities issued or outstanding other than the Shares and the Notes.

21. The Applicant is not in default of securities legislation in any jurisdiction, except for failure to file its interim financial statements and interim management's discussion and analysis for the periods ended March 31, 2015 and June 30, 2015 as required by National Instrument 51-102 *Continuous Disclosure Obligations* and the related interim certificates as required by National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (collectively, the **Defaults**).

22. As a result of the Defaults, the Applicant is currently subject to Cease Trade Orders in British Columbia, Manitoba, Ontario and Québec. The Applicant has applied for and expects to be granted full revocation of the Cease Trade Orders on the same date as this decision.

23. The outstanding securities of the Applicant, including debt securities, were beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide as of the end of the Make-Whole Fundamental Change Period, which ended prior to the Defaults.

24. The outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 security-

holders in each of the jurisdictions in Canada and fewer than 51 securityholders in total worldwide, as of the date of this decision.

25. No securities of the Applicant, 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 bring together buyers and sellers of securities where trading data is publicly reported.

26. The Applicant applied for a decision to cease to be a reporting issuer in each of the Jurisdictions. On November 3, 2015, the Applicant filed a notice in accordance with BC Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status* and expects to cease to be a reporting issuer in British Columbia on the same date as this decision.

27. The Applicant has currently no intention to seek financing by way of a private or public offering of securities in Canada.

28. The Applicant 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* because it is a reporting issuer in British Columbia and because of the Defaults.

29. Upon the grant of the Exemptive Relief Sought and ceasing to be a reporting issuer in British Columbia, the Applicant will not be a reporting issuer in any jurisdiction of 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 Exemptive Relief Sought is granted.

"Edward P. Kerwin"
Commissioner
Ontario Securities Commission

"Sarah B. Kavanagh"
Commissioner
Ontario Securities Commission

2.1.3 Kettle River Resources Ltd. – s. 1(10)(a)(ii)

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).

Citation: Re Kettle River Resources Ltd., 2015 ABASC 942

November 17, 2015

Fang and Associates
Suite 1780 – 400 Burrard Street
Vancouver, BC V6C 3A6
Attention: Paul M. Fang

Dear Sir:

Re: Kettle River Resources Ltd. (the Applicant) – Application for a decision under the securities legislation of Alberta and Ontario (the Jurisdictions) that the Applicant is not a reporting issuer

The Applicant has applied to the local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions for a decision under the securities legislation (the **Legislation**) of the Jurisdictions that the Applicant is not a reporting issuer.

In this decision, "securityholder" means, for a security, the beneficial owner of the security.

The Applicant has represented to the Decision Makers that:

(a) the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;

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

(c) the Applicant is applying for a decision that it is not a reporting issuer in all of the jurisdictions of Canada in which it is currently a reporting issuer; and

(d) the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer.

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met and orders that the Applicant is deemed to have ceased to be a reporting issuer.

"Denise Weeres"
Manager, Legal
Corporate Finance

2.1.4 Harvest Portfolios Group Inc. and Global Advantaged Telecom & Utilities Income Fund

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – investment fund manager obtaining relief from the requirement to obtain the approval of securityholders before changing the fundamental investment objective of a non-redeemable investment fund – relief required as a result of changes to tax law eliminating certain tax benefits associated with character conversion transactions – manager required to send written notice at least 30 days before the effective date of the change to the investment objective of the funds setting out the change, the reasons for such change and a statement that the funds will no longer distribute gains under forward contracts that are treated as capital gains for tax purposes – National Instrument 81-102 Investment Funds.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds,
ss. 5.1(1)(c), 19.1.

November 9, 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
HARVEST PORTFOLIOS GROUP INC.
(the Filer)

AND

GLOBAL ADVANTAGED TELECOM &
UTILITIES INCOME FUND
(the Fund)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the **Legislation**) for an exemption relieving the Fund from the requirement in subsection 5.1(1)(c) of NI 81-102 – *Investment Funds* (**NI 81-102**), which requires prior approval of the security holders of an investment fund before the fundamental

objectives of the investment fund are changed (the **Requested Relief**).

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

1. the Ontario Securities Commission is the principal regulator for this application, and

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

Interpretation

Unless otherwise defined herein, terms defined in National Instrument 14-101 – *Definitions*, MI 11-102 and NI 81-102 have the same meaning in this decision.

Representations

1. The Filer is a corporation governed by the laws of the Province of Ontario and is registered as a Portfolio Manager and Investment Fund Manager in Ontario and an Investment Fund Manager in Quebec and Newfoundland and Labrador. The head office of the Filer is located in Oakville, Ontario.

2. The Filer acts as manager and trustee of the Fund. The Filer retained Avenue Investment Management Inc. (the **Investment Advisor**) as the investment advisor for both the Fund and GTU Portfolio Trust, another investment fund.

3. The Fund is a non-redeemable investment fund. The Fund was established as an investment trust under the laws of the Province of Ontario pursuant to a declaration of trust dated February 25, 2011, as amended and restated as of March 22, 2011, and as further amended and restated as of September 22, 2014 (the **Declaration of Trust**).

4. Units of the Fund were qualified for distribution pursuant to a prospectus dated February 25, 2011 that was prepared and filed in accordance with the securities legislation of all the provinces and territories of Canada. Accordingly, the Fund is a reporting issuer or the equivalent in each province and territory of Canada. Units of the Fund are listed and traded on the Toronto Stock Exchange under the symbol HGI.UN.

5. Neither the Filer nor the Fund is in default of securities legislation in any Jurisdiction.

6. Under its current investment objectives and strategies, the Fund may enter into character conversion transactions. The Fund is a party to a forward purchase and sale agreement (the **Forward Agreement)** with a counterparty. The Forward Agreement provides the Fund with exposure to the returns of the securities of the GTU Portfolio Trust.

7. The current investment objectives of the Fund are to provide unitholders of the Fund (the **Unitholders**) with: (i) tax-advantaged monthly distributions; and (ii) capital appreciation. The prospectus of the Fund indicates that the Fund will obtain exposure through the Forward Agreement to a portfolio comprised primarily of equity securities of global telecom issuers and global utilities issuers.

8. The fundamental investment objective of the GTU Portfolio Trust is to provide its unitholders with capital appreciation. The portfolio of the GTU Portfolio Trust is comprised primarily of equity securities of global telecom issuers and global utilities issuers.

9. Through the use of the Forward Agreement, the Fund currently provides tax-advantaged distributions to its security holders because the Fund realizes capital gains (or capital losses) on the disposition of securities acquired under the Forward Agreement, rather than ordinary income. Ordinary income is subject to tax at a higher rate in Canada than capital gains.

10. The Forward Agreement is expected to terminate on or about March 23, 2016 in accordance with its terms (the **Termination Date**).

11. The *Income Tax Act* (Canada) (the **Tax Act**) was amended in December, 2013. The amendments implemented proposals first announced in the March 21, 2013 federal budget regarding the income tax treatment of character conversion transactions. Under these changes, the favourable tax treatment of character conversion transactions will be eliminated after prescribed dates, which for the Fund, will be the Termination Date.

12. As a result of these tax changes, it is anticipated that the Fund will no longer be able, after the Forward Agreement matures, to provide the same material tax efficiency to the security holders of the Fund. The Filer has determined that it will be more efficient and less costly for the Fund to terminate the Forward Agreement and seek to achieve its fundamental investment objectives by investing its assets using the same, or substantially the same, investment strategies as those currently employed by the GTU Portfolio Trust. The Filer has also determined that the Fund should own its portfolio of investments directly rather than through the GTU Portfolio Trust and that the GTU Portfolio Trust should be wound up. The Filer expects to effect an inter-fund transfer of

the portfolio assets of the Reference Funds to the Funds in accordance with applicable securities laws.

13. The Declaration of Trust currently contemplates the Fund may invest directly in the GTU Portfolio Trust, equity securities of global telecom issuers, global utilities issuers and other issuers, and invest in securities that are not equity securities.

14. The Filer wishes to amend the investment objectives of the Fund to delete the references to "tax-advantaged" and delete the reference that the Fund will obtain exposure through the Forward Agreement to a portfolio comprised primarily of equity securities of global telecom issuers and global utilities issuers.

15. Following such amendment, the revised investment objectives of the Fund will be to provide Unitholders with: (i) monthly distributions; and (ii) capital appreciation.

16. The Filer has complied with the material change report requirements set out in Part 11 of National Instrument 81-106 *Investment Fund Continuous Disclosure* in connection with the Filer's decision to make the changes to the investment objectives of the Fund set out above.

17. The Filer expects the proposed changes to take effect on or about December 15, 2015 (the **Effective Date**).

18. The Filer has determined that it would be in the best interests of the Fund and not prejudicial to the public interest to receive 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, at least 30 days before the effective date of the change in the investment objectives of the Fund, the Filer will send to each security holder of the Fund a written notice that sets out the change to the investment objectives, the reasons for such change and a statement that the Fund will no longer distribute gains under forward contracts that are treated as capital gains for tax purposes.

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

2.1.5 Lissom Investment Management Inc. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief granted from the investment fund self-dealing restrictions in the Securities Act (Ontario) to allow pooled funds to invest in securities of underlying funds under common management – relief subject to certain conditions.

Applicable Legislative Provisions

Securities Act (Ontario), R.S.O. 1990, c. S.5, as am., ss. 111(2)(b), 111(2)(c), 111(3), 111(4), 113.

November 18, 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
LISSOM INVESTMENT MANAGEMENT INC.
(the Filer)

AND

OWNERS FUND,
OWNERS RRSP FUND
(the Initial Top Funds)

AND

OWNERS OPPORTUNITIES FUND
(the Initial Underlying Fund)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Filer, its affiliates, the Initial Top Funds and any other investment fund that is not a reporting issuer in any jurisdiction of Canada that may be advised or managed by the Filer or its affiliate in the future (the "**Future Top Funds**" and, together with the Initial Top Fund, the "**Top Funds**") for a decision under the securities legislation of the Jurisdiction of the principal regulator (the "**Legislation**") exempting the Filer, its affiliates and the Top Funds, as applicable, in respect of the Top Funds' investment in the Initial Underlying Fund or any other investment fund that is not a reporting issuer in any jurisdiction of Canada that may be advised or managed by the Filer or its affiliate in the future (the "**Future Underlying Funds**" and, together with the Initial Underlying Fund, the "**Underlying Funds**") from:

(a) the restriction in securities legislation that prohibits an investment fund from knowingly making an investment in a person or company in which the investment fund, alone or together with one or more related investment funds, is a substantial securityholder;

(b) the restriction in securities legislation that prohibits an investment fund from knowingly making an investment in an issuer in which:

(i) any officer or director of the investment fund, its management company or distribution company or an associate of any of them, or

(ii) any person or company who is a substantial securityholder of the investment fund, its management company or its distribution company,

has a significant interest; and

(c) the restriction in securities legislation that prohibits an investment fund, its management company or its distribution company, from knowingly holding an investment described in paragraph (a) or (b) above (the "**Exemption Sought**").

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

1. the Ontario Securities Commission is the principal regulator for this application; and

2. 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 respect of the Exemption Sought in Alberta.

Interpretation

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

Representations

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

The Filer

1. The Filer is a corporation incorporated under the *Business Corporations Act* (Ontario) on August 25, 2004 and has its head office in Toronto, Ontario.

2. The Filer is registered as an adviser in the category of portfolio manager and as an investment fund manager in Ontario.

3. The Filer is also registered as a dealer in the category of exempt market dealer under the applicable securities legislation in the provinces of British Columbia and Ontario.

4. The Filer is not a reporting issuer in any jurisdiction of Canada.

5. The Filer has acted, and may in the future act, as distributor of securities of the Top Funds and Underlying Funds (each, a "**Fund**" and collectively, the "**Funds**") not otherwise sold through another registered dealer.

6. The Filer is the investment fund manager and portfolio adviser of the Initial Top Funds and the Initial Underlying Fund. The Filer, or an affiliate of the Filer, will be the investment fund manager and portfolio adviser of the Future Top Funds and the Future Underlying Funds. The Filer, or an affiliate of the Filer, acts or will act as trustee of any Top Fund and/or Underlying Fund, provided however that any Fund may appoint a third party trustee that is registered under applicable laws to carry on the business of a trust company or be permitted by law to act as a trustee of such Fund.

7. Mr. Irwin Rotenberg, an officer and director of the Filer, is a substantial securityholder of the Filer and previously held a significant interest in the Initial Underlying Fund.

8. In the future, Mr. Rotenberg and other officers and/or directors of the Filer may also be substantial securityholders of the Filer and have a significant interest in a Fund. In addition, officers and/or directors of the Filer may, in the future, be substantial securityholders of a Fund.

Top Funds

9. Each of the Top Funds is or will be an "investment fund" fund for the purposes of the Legislation.

10. Each Initial Top Fund is an investment trust established under the laws of Ontario on February 16, 2005 and is governed by a master declaration of trust dated February 16, 2005, as amended (the "**Declaration of Trust**").

11. Any Future Top Funds will be structured as trusts under the laws of Ontario.

12. In Canada, securities of the Initial Top Funds are, and securities of the Future Top Funds will be, sold to investors solely on a private placement basis pursuant to available prospectus exemptions in accordance with the Legislation.

13. The investment objective of each Initial Top Fund is to maximize the long term growth of capital.

14. Pursuant to the Declaration of Trust, the Filer is the trustee, manager and investment adviser of each Initial Top Fund. The Filer, or an affiliate of the Filer, will be the manager and investment adviser of the Future Top Funds and is, or will be, responsible for managing the assets of the Top Funds and has, or will have, complete discretion to invest and reinvest the Top Funds' assets, and is, or will be, responsible for overseeing all portfolio transactions in respect of the Top Funds.

15. None of the Top Funds are or will be reporting issuers in any jurisdiction in Canada.

Underlying Funds

16. The Initial Underlying Fund is, and each of the Future Underlying Funds will be, an investment fund for the purposes of the Legislation.

17. The Initial Underlying Fund is an investment trust established under the laws of Ontario on January 3, 2012 and is governed by the Declaration of Trust.

18. Any Future Underlying Funds will be structured as trusts under the laws of Ontario.

19. The Initial Underlying Fund is not, and Future Underlying Funds will not be reporting issuers in any jurisdiction in Canada.

20. In Canada, securities of the Initial Underlying Fund are, and securities of the Future Underlying Funds will be, sold to investors solely on a private placement basis pursuant to available prospectus exemptions in accordance with the Legislation.

21. The Initial Underlying Fund has, and the Future Underlying Funds will have, separate investment objectives, strategies and/or restrictions.

22. The investment objective of the Initial Underlying Fund is to maximize the long term growth of capital.

23. Pursuant to the Declaration of Trust, the Filer is the trustee, manager and investment adviser of the Initial Underlying Fund. The Filer, or an affiliate of the Filer, will be the manager and investment adviser of the Future Underlying Funds and is, or will be, responsible for managing the assets of the Underlying Funds and has, or will have, complete discretion to invest and reinvest the Underlying Funds' assets, and is, or will be, responsible for overseeing all portfolio transactions in respect of the Underlying Funds.

24. The Filer, or its affiliate, manages or will manage, the portfolios of each Underlying Fund to ensure there is sufficient liquidity to provide for redemptions of securities by securityholders of the Top Funds.

25. The Initial Underlying Fund and its investments are considered liquid. To the extent illiquid assets (as defined in National Instrument 81-102 *Investment Funds* ("**NI 81-102**")) are held by an Underlying Fund, such illiquid assets are expected to only comprise an immaterial portion of the applicable Underlying Fund.

26. The portfolio of the Initial Underlying Fund consists, and the portfolio of each Underlying Fund will consist, primarily of publicly traded securities. An investment by a Top Fund in an Underlying Fund will be effected at an objective price. For this purpose, an objective price shall be the net asset value of the Underlying Fund, which is calculated using the fair value of an investment fund's assets and liabilities within the meaning of the term "fair value" in section 14.2(1.2) of National Instrument 81-106 – *Investment Fund Continuous Disclosure*.

27. Notwithstanding that the Underlying Funds are not subject to NI 81-102, were such Funds subject to NI 81-102, investments by the Underlying Funds would have complied, and will comply, with the requirements pertaining to investments in "illiquid assets" (as defined in NI 81-102) as set out in section 2.4 of NI 81-102.

Fund-on-Fund Structure

28. Top Funds, including the Initial Top Funds, created by the Filer permit investors in the Top Funds to, among other things, obtain exposure to the investment portfolio of the Underlying Funds and their investment strategies through direct investments by the Top Funds in securities of the Underlying Funds (the "**Fund-on-Fund Structure**").

29. An investment by a Top Fund in an Underlying Fund is, and will, be compatible with the investment objectives of the Top Fund. Any investment made by a Top Fund in an Underlying Fund complies and aligns, and will comply and be aligned, with the investment objectives, investment strategy, risk profile and other principal terms of the Top Fund.

30. To achieve their respective investment objectives in a cost efficient manner, the investment portfolio of each of the Initial Top Funds includes securities of the Initial Underlying Fund. Rather than operating each of the Initial Top Funds' and the Initial Underlying Fund's investment portfolios as separate pools investing directly in securities of the asset class in which the Initial Underlying Fund invests, the Filer determined that it was in the best interest of securityholders of the Initial Top Funds to make use of economies of scale by managing one investment pool of that asset class in the Underlying Fund. Through investing in the Underlying Funds, the Top Funds are, and will be, able to achieve greater diversification at a lower cost than investing directly in the securities held by the applicable Underlying Fund.

31. Investing in the Underlying Funds will allow the Top Funds to achieve their investment objectives in a cost efficient manner and will not be detrimental to the interests of other securityholders of the Underlying Funds.

32. The Fund-on-Fund Structure involving Future Top Funds and Future Underlying Funds will be structured similarly to that of the Initial Top Funds and the Initial Underlying Fund.

33. The Filer, or its affiliate, has ensured and will continue to ensure that no management fees or incentive fees are payable by a Top Fund that, to a reasonable person, would duplicate a fee payable by an Underlying Fund for the same service.

34. No sales fees or redemption fees are or will be payable by a Top Fund in relation to its purchases or redemptions of securities of an Underlying Fund.

35. The Filer, or its affiliate, have not, and will not, cause the securities of an Underlying Fund held by a Top Fund to be voted at any meeting of the securityholders of any Underlying Fund, except that the Filer, or its affiliate, may arrange for the securities of the Underlying Fund held by a Top Fund to be voted by the beneficial holders of securities of the Top Fund.

36. No Top Fund will purchase or hold securities of an Underlying Fund unless, at the time of the purchase of securities of the Underlying Fund, the Underlying Fund holds no more than 10% of its net assets in securities of other investment funds unless the Underlying Fund (a) is a "clone fund" (as defined by NI 81-102); (b) purchases or holds securities of a "money market fund" (as defined by NI 81-102) or (c) purchases or holds securities that are "index participation units" (as defined by NI 81-102) issued by an investment fund.

37. Prior to the time of their initial purchase of securities of a Top Fund, an investor will be provided with disclosure by the Top Fund about the relationships and potential conflicts of interest between the Top Fund and the Underlying Funds, and that describes:

    (a) that the Top Fund may purchase securities of the Underlying Funds;

    (b) the fact that the Filer, or its affiliate, is the investment fund manager and portfolio manager of both the Top Funds and the Underlying Funds;

    (c) the approximate or maximum percentage of net assets of the Top Fund that the Top Fund intends to invest in securities of the Underlying Funds; and

    (d) the process or criteria used to select the Underlying Funds.

38. Prior to the time of their initial purchase of securities of a Top Fund, an investor has been, and will be, provided with disclosure by the Top Fund of (i) with respect to each officer, director, and/or substantial securityholder of the Filer and/or the Top Fund that has a significant interest in an Underlying Fund and the approximate amount of the significant interest they hold, on an aggregate basis, expressed as a percentage of net asset value (**NAV**) of the Underlying Fund and (ii) the potential conflicts of interest which may arise from such relationships. The foregoing disclosure has been, and will be, contained documentation provided in connection with a distribution of securities of the Top Fund.

39. Each of the Top Funds and the Underlying Funds prepares, or will prepare, annual audited financial statements and interim unaudited financial statements in accordance with National Instrument 81-106 *Investment Fund Continuous Disclosure* ("**NI 81-106**") and otherwise complies, or will otherwise comply, with the requirements of NI 81-106, as applicable.

40. The securityholders of a Top Fund have received, and will continue to receive, on request and free of charge, a copy of such Top Fund's annual audited and interim unaudited financial statements. The financial statements of each Top Fund disclose, and will continue to disclose, its holdings of securities of the applicable Underlying Funds.

41. The securityholders of a Top Fund will receive, on request and free of charge, a copy of any then current disclosure document of any Underlying Fund in which the Top Fund invests, if available, and a copy of the annual audited financial statements and interim financial statements of the Underlying Fund in which the Top Fund invests.

42. The Initial Top Funds and the Initial Underlying Fund have matching valuation dates. The Initial Top Fund and the Initial Underlying Fund are valued monthly.

43. An Underlying Fund and its securities will be valued no less frequently than a Top Fund and its securities.

44. No Underlying Fund will be a Top Fund.

45. Through inadvertence, each of the Initial Top Funds currently is, alone or together with the other Initial Top Fund, a substantial securityholder of the Initial Underlying Fund contrary to the Legislation. As such, the Filer is seeking the Exemption Sought to be able to maintain the Fund-on-Fund Structure on a going forward basis, and has strengthened its internal control systems to ensure future compliance with applicable laws and regulations.

46. The amount invested in the Initial Underlying Fund by the Initial Top Funds exceeds 20% of the outstanding voting securities of the Underlying Fund. The amounts invested from time to time in a Future Underlying Fund by a Future Top Fund may exceed 20% of the outstanding voting securities of the Future Underlying Fund. As a result, each Top Fund is or could become, either alone or together with other Top Funds, a substantial securityholder of an Underlying Fund. The Top Funds are, or will be, related mutual funds by virtue of the common management by the Filer or its affiliate.

47. The assets of the Funds are, or 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 affiliated of such bank or trust company.

48. Notwithstanding that the Initial Top Funds and the Initial Underlying Fund are not subject to NI 81-102, were such Funds subject to NI 81-102, investments by an Initial Top Fund in the Initial Underlying Fund would have complied with the substantive requirements pertaining to investments in other investment funds set out in section 2.5 of NI 81-102, namely sections 2.5(2)(b), 2.5(2) (d), 2.5(2) (e), 2.5(2)(f), and 2.5(6), subject to, where applicable, the exception in section 2.5(4).

Generally

49. As noted above, each of the Initial Top Funds currently is, alone or together with the other Initial Top Fund, a substantial securityholder of the Initial Underlying Fund.

50. Persons or companies who are officers or directors of the Filer or substantial securityholders of the Filer or the Top Funds may acquire and hold a significant interest in one or more Underlying Funds from time to time. The significant interest in the Underlying Funds may arise as a result of the direct or indirect investment in securities of the Underlying Fund by such persons or companies.

51. The Fund-on-Fund Structure may result in a Top Fund investing in an Underlying Fund in which an officer, director or substantial securityholder of the Filer or the Top Fund has a significant interest.

52. Since the Top Funds and the Underlying Funds are not subject to NI 81-102, the Top Funds and the Underlying Funds are unable to rely upon the exception in subsection 2.5(7) of NI 81-102.

53. In the absence of the Exemption Sought, a Top Fund would be precluded from purchasing and holding securities of an Underlying Fund due to the investment restrictions contained in the Legislation.

54. A Top Fund's investments in the Underlying Funds has represented and in the future will represent the business judgement of responsible persons uninfluenced by considerations other than the best interests of the Top Fund.

Decision

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

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

(a) to the extent sold in Canada, securities of the Top Funds and Underlying Funds are distributed solely on a private placement basis pursuant to available prospectus exemptions in accordance with the Legislation;

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

(c) no Top Fund will purchase or hold securities of an Underlying Fund unless, at the time of the purchase of securities of the Underlying Fund, the Underlying Fund holds no more than 10% of its net assets in securities of other investment funds unless the Underlying Fund:

(i) is a clone fund (as defined by NI 81-102),

(ii) purchases or holds securities of a "money market fund" (as defined by NI 81-102), or

(iii) purchases or holds securities that are "index participation units" (as defined by NI 81-102) issued by an investment fund;

(d) no management fees or incentive fees are payable by a Top Fund that, to a reasonable person, would duplicate a fee payable by an Underlying Fund for the same service;

(e) no sales fees or redemption fees are payable by a Top Fund in relation to its purchases or redemptions of securities of an Underlying Fund;

(f) the Filer, or its affiliate, does not cause the securities of an Underlying Fund held by a Top Fund to be voted at any meeting of holders of such securities, except that the Filer, or its affiliate, may arrange for the securities the Top Fund holds of the Underlying Fund to be voted by the beneficial holders of securities of the Top Fund;

(g) documentation provided to investors in a Top Fund in connection with a distribution of securities of the Top Fund and will disclose (the "**Fund-on-Fund Disclosure**"):

(i) that the Top Fund may purchase securities of the Underlying Funds;

(ii) the fact that the Filer, or its affiliate, is the investment fund manager and portfolio adviser of both the Top Funds and the Underlying Funds;

(iii) the approximate or maximum percentage of net assets of the Top Fund that the Top Fund intends to invest in securities of the Underlying Funds;

(iv) each officer, director or substantial securityholder of the Filer, or its affiliate, or of a Top Fund that also has a significant interest in the Underlying Fund, the approximate amount of the significant interest they hold, on an aggregate basis, expressed as a percentage of the NAV of the Underlying Fund, and the potential conflicts of interest which may arise from such relationships;

(v) the fees and expenses payable by the Underlying Fund that the Top Fund invests in, including the incentive fees;

(vi) that investors are entitled to receive from the Filer, or its affiliate, on request and free of charge, a copy of any current disclosure document of any Underlying Fund in which the Top Fund invests;

(vii) that investors are entitled to receive from the Filer a copy of the annual audited financial statements and interim financial statements of the Underlying Fund in which the Top Fund invests; and

(viii) the process or criteria used to select the Underlying Funds; and

(h) each existing unitholder of the Initial Top Funds receives, on or before December 31, 2015, in writing, the current Fund-on-Fund Disclosure.

"Christopher Portner"
Commissioner
Ontario Securities Commission

"Timothy Moseley"
Commissioner
Ontario Securities Commission

2.1.6 Brandes Investment Partners & Co.

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 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.

November 18, 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
BRANDES INVESTMENT PARTNERS & CO.
(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 Bridgehouse 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 Bridgehouse Fund** and, together with the Existing Bridgehouse Funds, each, a **Bridgehouse Fund** and, collectively, the **Bridgehouse 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 Bridgehouse Fund to deposit cash and other 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** and collectively with Ontario, the **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 Bridgehouse Fund is located

Dodd-Frank Act 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 Bridgehouse Fund means each mutual fund managed by the Filer 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

Portfolio Advisor means each of the Filer, each affiliate of the Filer and each third party portfolio manager retained from time to time by the Filer as portfolio sub-advisor to manage all or a portion of the investment portfolio of one or more Bridgehouse Funds

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 Bridgehouse Funds

1. The Filer is, or will be, the investment fund manager of each Bridgehouse Fund. The Filer is registered as an investment fund manager, a portfolio manager, an exempt market dealer and a mutual fund dealer in each of the Provinces of Ontario and Newfoundland and Labrador. The Filer is also registered as a portfolio manager and an exempt market dealer in all of the other Jurisdictions, as a mutual fund dealer in all of the other Jurisdictions except the Province of Québec and as an investment fund manager in the Province of Québec. The head office of the Filer is in Toronto, Ontario.

2. The Filer is, or will be, the portfolio manager to the Bridgehouse Funds. Either an affiliate of the Filer or a third party portfolio manager is, or will be, the portfolio sub-advisor to some or all of the Bridgehouse Funds.

3. Each Bridgehouse 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 Bridgehouse Funds are in default of securities legislation in any Jurisdiction.

5. The securities of each Bridgehouse 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 Bridgehouse 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 December 17, 2013, the Bridgehouse Funds were granted relief from the requirements in subsections 2.7(1), 2.7(4) and 6.1(1) to permit the Bridgehouse Funds to enter into cleared Swaps that are, or will be, subject to a clearing determination issued by the CFTC (the **Previous Relief**).

7. The Previous Relief, in accordance with its terms, terminates on December 17, 2015. Accordingly, the Filer is seeking the Requested Relief on substantially the same terms as the Previous Relief, except that the Requested Relief also permits the Bridgehouse Funds to enter into cleared Swaps that become subject to a clearing obligation under EMIR.

Cleared Swaps

8. The investment strategies of each Bridgehouse Fund permit, or will permit, the Bridgehouse Fund to enter into derivative transactions, including Swaps. Each Portfolio Advisor for the Existing Bridgehouse Funds considers Swaps to be an important investment tool that is available to it to manage each Bridgehouse Fund's portfolio.

9. The Dodd-Frank Act requires that certain OTC derivatives be cleared through a Futures Commission Merchant at a clearing organization recognized by the CFTC. Generally, where one party to a Swap is a U.S. Person, that Swap must be cleared.

10. EMIR also requires 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. The first clearing directive has been issued in respect of certain interest rate swaps 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 a Portfolio Advisor may be able to achieve through its trade execution practices for its advised investment funds and other accounts and from the reduced costs associated with cleared OTC derivatives as compared to other OTC trades, the Filer wishes to have the Bridgehouse Funds enter into cleared Swaps.

12. In the absence of the Requested Relief, each Portfolio Advisor will need to structure the Swaps entered into by the Bridgehouse 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 Bridgehouse 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 Bridgehouse Funds and their investors to continue to be able to execute OTC derivatives with global counterparties, including U.S. and European swap dealers.

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

15. Each Portfolio Advisor may use the same trade execution practices for all of its advised funds and other accounts, including the Bridgehouse 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 and other accounts advised by one Portfolio Advisor. These practices include the use of cleared Swaps. If the Bridgehouse Funds are unable to employ these trade execution practices, then each affected Portfolio Advisor will have to create separate trade execution practices only for the Bridgehouse Funds and will have to execute trades for the Bridgehouse Funds on a separate basis. This will increase the operational risk for the Bridgehouse Funds, as separate execution procedures will need to be established and followed only for the Bridgehouse Funds. In addition, the Bridgehouse Funds will no longer be able to enjoy the possible price benefits and reduction in trading costs that a Portfolio Advisor may be able to achieve through a common practice for its advised funds and other accounts. In the

Filer'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 Bridgehouse Funds. The Filer respectfully submits that the Bridgehouse 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 Bridgehouse Fund is located and provided further that, in respect of the deposit of cash and other 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 Bridgehouse 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 Bridgehouse 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.

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

2.1.7 Purpose Investments Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief granted to a non-redeemable investment fund from take-over bid requirements for normal course purchases of units of any class of securities of the fund on the Toronto Stock Exchange or other secondary market.

Applicable Legislative Provisions

Securities Act (Ontario), R.S.O. 1990, c. S.5, as am., ss. 89-100, 104(2)(c).

November 17, 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)

DECISION

Background

The principal regulator has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the **Legislation**) exempting a purchaser of units of Investment Grade Managed Duration Income Fund (the **Fund**) from the Take-over Bid Requirements (as defined below) as they relate to an offer to acquire class A units (the **Class A Units**) or class T units (the **Class T Units**) of the Fund, as applicable (the **Exemption Sought**).

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

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

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

Interpretation

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

Take-over Bid Requirements means the requirements of the Legislation relating to take-over bids including the requirement to file a report of a take-over bid and to pay the accompanying fee in each of the Jurisdictions.

Unitholder means a beneficial holder of Class A Units or Class T Units of the Fund.

Representations

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

1. The Filer is a corporation incorporated under the laws of Ontario.

2. The Filer's registered office is located at 130 Adelaide Street, Suite 1700, Toronto, Ontario.

3. The Filer is registered as a portfolio manager, exempt market dealer and investment fund manager in Ontario and is the investment fund manager of the Fund and the investment advisor in respect of the Canadian portion of the Fund's portfolio

4. Nuveen Asset Management, LLC is the investment advisor in respect of the non-Canadian portion of the Fund's portfolio.

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

6. The Fund is a non-redeemable investment fund established as a mutual fund trust governed by the laws of Ontario and is a reporting issuer under the laws of each of the Jurisdictions. The Fund is authorized to issue an unlimited number of Class A Units and an unlimited number of Class T Units.

7. On July 30, 2015, a final long form prospectus was filed with the securities regulatory authorities in each of the Jurisdictions to qualify the issuance of the Class A Units and Class T Units of the Fund in the Jurisdictions. The Class A Units and Class T Units are Canadian dollar denominated. Distributions and redemption proceeds are payable in Canadian dollars on such units.

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

9. As at August 30, 2015, there were 1,787,914 Class A Units (which amounts to 57.99% of the total number of units of all classes outstanding) and 1,295,374 Class T Units (which amounts to 42.01% of the total number of units of all classes outstanding) issued and outstanding.

10. The Class T Units of the Fund are listed on the TSX under the symbol PFU.UN. The Class A Units of the Fund are not listed on any stock exchange.

11. The net asset value per Class A Unit and Class T Unit of the Fund is calculated and published on every business day and is made available daily at www.purposeinvest.com.

12. The holders of Class A Units and Class T Units each have the right to vote at a meeting of Unitholders on matters in respect of which they are entitled to vote at law or under the Declaration of Trust.

13. Class A Units were designed for investors who intend to hold their Class A Units for at least thirty-two months following the initial public offering of the Fund. Class A Units purchased at the closing of the Fund's initial public offering will be automatically converted into Class T Units on April 21, 2018 (the **Automatic Conversion Date**). Under the offering, a smaller number of Class T Units were issued as compared to Class A Units.

14. Holders of Class A Units are entitled to convert their Class A Units into Class T Units on a weekly basis. Holders who convert their Class A Units receive for each Class A Unit converted, that number of Class T Units into which such units are being converted, equal to the NAV per Class T Unit divided by the NAV per Class A Unit as of the close of trading on the date of conversion, less an early exchange fee per Class A Unit converted equal to 3.00% for the first three-months and, thereafter, 3.00% minus incremental decreases of 0.25% per three-month period for a 32-month period.

15. Holders of Class T Units may not convert their units into Class A Units.

16. Except as noted above, the Class A Units and Class T Units have the same rights and attributes and are the same in all respects.

17. Although the acquisition of Class A Units and/or Class T Units in the secondary market can be subject to the Take-over Bid Requirements:

    (a) given the size of the Fund and rights of the Filer as manager of the Fund to operate the Fund, the risk that one or more unitholders may exercise control or direction over the Fund is remote; and

    (b) it may be difficult for purchasers of Class A Units and Class T Units to monitor compliance with Take-over Bid Requirements because the number of outstanding units will be in flux as a result of the redemption and conversion rights of the units.

18. The application of the Take-over Bid Requirements to the Class A Units and Class T Units of the Fund could have an adverse impact upon unit liquidity because they could cause a large unitholder not to acquire or to cease acquiring units of a class of the Fund due to concerns about inadvertently triggering the Take-over Bid Requirements.

Decision

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

The decision of the principal regulator is that the Exemption Sought is granted so long as a purchaser making an offer to acquire Class A Units or Class T Units of the Fund, as the case may be, either alone or acting jointly and in concert with any other person, will not beneficially own or have control or direction over 20% or more of the total number of outstanding units of all classes of units of the Fund as a result of such purchase.

This decision will terminate on the Automatic Conversion Date.

"Timothy Moseley"
Commissioner
Ontario Securities Commission

"Christopher Portner"
Commissioner
Ontario Securities Commission

2.1.8 Troy Resources Limited

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Subsection 1(10) of the Securities Act – Cease to be a reporting issuer – The issuer's securities are traded only on a market or exchange outside of Canada – Canadian residents own less than 2% of the issuer's securities and represent less than 2% of the issuer's total number of security holders; the issuer does not intend to do a public offering of its securities to Canadian residents, will not be a reporting issuer in any Canadian jurisdiction, is subject to reporting requirements of foreign securities law, and all shareholders receive or have access, in accordance with foreign securities laws, to the same disclosure.

Applicable Legislative Provisions

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

November 20, 2015

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA,
ONTARIO, QUEBEC, 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
TROY RESOURCES LIMITED
(THE FILER)

DECISION

Background

1 The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer under section 3.4 of National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions*, for a decision under the securities legislation of the Jurisdictions (the Legislation) that the Filer is not a reporting issuer (the Exemptive Relief Sought).

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

(a) the British Columbia Securities Commission 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

2 Terms defined in National Instrument 14-101 – *Definitions* 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 was incorporated under the laws of Australia on February 28, 1984;

2. the registered and head office of the Filer is located at Suite 2, Level 1, 254 Rokeby Road, Subiaco WA 6008, Australia;

3. the Filer does not have operations in Canada;

4. the Filer is authorized to issue an unlimited number of ordinary shares (Ordinary Shares); as of May 15, 2015 (the effective date of the analysis referred to in paragraph 17, below) there were 214,265,161 Ordinary Shares issued and outstanding; subsequent to May 15, 2015, the Filer issued 75,831,250 Ordinary Shares pursuant to a placement and concurrent share purchase plan; none of these securities were issued to Canadian residents; consequently, there are currently 290,096,411 Ordinary Shares issued and outstanding;

5. as of September 9, 2015 12,000 Employee Performance Rights, 1,679,000 Share Appreciation Rights (SARs) and 470,000 Employee Options, were held by a small number of employees of the Filer, each of whom is well-known to the Filer; if the Employee Options and SARs held by Canadian resident employees are converted to Ordinary Shares (and none held by non-Canadians are converted), this would have no material effect on the percentage of Canadian resident shareholders or percentage of shares beneficially held by Canadian residents, as set out in paragraph 16, below, each of which would continue to be below 2%;

6. as of May 15, 2015 there were also 10,000,000 Options held by Investec Bank Plc, which is not a Canadian resident;

7. the Filer has no securities outstanding other than the Ordinary Shares, Employee Performance Rights, SARs, Employee Options and Options listed in paragraphs 4, 5 and 6, above;

8. the Filer is a reporting issuer in the Jurisdictions;

9. the Ordinary Shares are listed on the Australian Securities Exchange (the ASX) (having been listed on the ASX since March 1987) and trade under the symbol “TRY”;

10. the Filer is not a reporting issuer, or its equivalent, in any jurisdiction outside of Canada, other than Australia;

11. the Ordinary Shares were previously listed on the Toronto Stock Exchange (TSX) but, at the request of the Filer, were voluntarily delisted from the TSX effective at the close of business on April 22, 2015; following delisting from the TSX, the Filer closed its Canadian share register;

12. none of the Filer’s securities are listed, traded or quoted on a marketplace in Canada (as that term is defined in National Instrument 21-101 *Marketplace Operation*) and the Filer does not intend to have its securities listed, traded or quoted on such a marketplace in Canada;

13. the Filer will not be a reporting issuer or the equivalent in any jurisdiction in Canada immediately following a decision from the Decision Maker granting the Exemptive Relief Sought;

14. in the last twelve months, the Filer has not conducted any offerings, whether by way of a prospectus offering or private placement, of its securities in Canada, nor does the Filer currently intend to conduct any offerings, whether by prospectus offering or private placement, of its securities in Canada; the Filer has not taken any steps to indicate that there is a market for its securities in Canada since its Ordinary Shares were delisted from the TSX; the Filer has only ever attracted a de minimus number of Canadian investors and the daily average volume of trading of the Ordinary Shares in the 12 months prior to delisting from the TSX was approximately 10,400 Ordinary Shares, which accounted for less than 1% of the Filer’s worldwide daily trading volumes. In contrast, the daily average volume of trading on the ASX for the same period represented approximately 1,100,000 Ordinary Shares;

15. the Filer is not in default of any of the requirements of:

    (a) securities legislation in any jurisdiction in Canada, with the exception of the requirement to file its audited financial statements for its financial year ended 30 June 2015 as required under National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Filers* (NI 71-102) pursuant to its status as a Designated Foreign Issuer under NI 71-102 described in paragraph 0 below;

    (b) the Australian Reporting Requirements (as defined below); or

    (c) any other securities or corporate legislation to which it is subject;

16. as at May 15, 2015, the Filer had 8,850 registered shareholders and, based on the diligent inquiries described in paragraph 17, below, to the best of the Filer's information, knowledge and belief:

    (a) the Filer had 9,403 beneficial shareholders worldwide;

    (b) 1,457,687 Ordinary Shares were beneficially held by Canadian residents, representing 0.68% of the total number of outstanding Ordinary Shares;

    (c) the Filer had 173 Canadian resident beneficial shareholders, representing approximately 1.84% of the total number of beneficial holders of Ordinary Shares worldwide; and

    (d) accordingly, as at May 15, 2015 and assuming the conversion of Employee Options and SARs held by Canadian resident employees to Ordinary Shares (and that none held by non-Canadians are converted), residents in Canada:

        (i) did not directly or indirectly beneficially own more than 2% of each class or series of issued and outstanding securities of the Filer worldwide; and

        (ii) did not directly or indirectly comprise more than 2% of the total number of holders of issued and outstanding securities of the Filer worldwide;

17. in support of the representations in paragraph 16, above, the Filer engaged the services of Orient Capital Pty Ltd (Orient), who made due diligence inquiries:

    (a) Orient conducted an analysis of the entire register of members of the Filer dated May 15, 2015;

    (b) as a result of this process, both direct and indirect Canadian-resident shareholders were identified for a Canadian holder report, which illustrated the beneficial owners or investment managers domiciled in Canada;

    (c) the Filer's Company Secretary also reviewed the Filer's entire register of shareholders to satisfy herself that Orient's determination as to the representation of Canadian resident beneficial holders on the Filer's share register was reasonable;

    (d) the Filer believes that these inquiries, and the conclusions reached, are reasonable in the circumstances;

18. the Filer is subject to the reporting requirements of the ASX and the Australian *Corporations Act, 2001 (Cth)* (together, the Australian Reporting Requirements); the Australian Reporting Requirements are similar in nature and scope to the reporting requirements under National Instrument 51-102 *Continuous Disclosure Obligations*; during the time the Filer has been a reporting issuer in the Jurisdictions, the Filer has been a designated foreign issuer pursuant to, and has complied with, NI 71-102;

19. the Filer provided advance notice to Canadian resident securityholders in a news release dated April 13, 2015 that it has applied to securities regulatory authorities for a decision that it is not a reporting issuer in Canada and, if that decision is made, the Filer will no longer be a reporting issuer in any jurisdiction of Canada; the Filer has received no response from its securityholders in response to the news release dated April 13, 2015;

20. the Filer undertakes that Canadian resident shareholders will continue to receive disclosure material as required by Australian Reporting Requirements; disclosure material is also available under the Filer's profile on the ASX website at www.asx.com.au;

21. the Filer is not eligible for the simplified procedure set out in CSA Staff Notice 12-307 *Applications for a Decision that an Issuer is not a Reporting Issuer* because its outstanding securities, including debt securities, are beneficially owned, directly or indirectly, by more than 50 securityholders in total worldwide; and

22. the Filer is not eligible to surrender its status as a reporting issuer in British Columbia under British Columbia Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status* because it is not a "closely held reporting issuer" within the meaning of that instrument, because its outstanding securities are beneficially owned, directly or indirectly, by more than 50 persons and its securities are traded through or quoted on an exchange, namely, the ASX.

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.

"Peter J. Brady"
Director, Corporate Finance
British Columbia Securities Commission

2.1.9 Brookfield Infrastructure Partners L.P. and Asciano Limited

Headnote

Application under Section 104(2)(c) of the Securities Act (Ontario) and Part 9 of Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions – exemption from sections 93-99.1 of Securities Act (Ontario) and Part 2 of MI 61-101 – take-over bid for foreign issuer that is not a reporting issuer in any Canadian jurisdiction – offeror to acquire all outstanding ordinary shares of target that it does not already own – target has 3 registered holders in Canada – registered and beneficial holders in Canada hold less than 1.9% of the outstanding target securities – as a result of bidder's management structure a Canadian entity is deemed to own the bidder's interest in the target resulting in foreign bid take-over bid exemption being technically unavailable – offer subject to laws of Australia – securityholders in Canada to receive same information and participate on same terms as all other holders of target securities.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 93-99, 104(2)(c).
OSC Rule 62-504 Take-over Bids and Issuer Bids.
Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions.

November 20, 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
BROOKFIELD INFRASTRUCTURE PARTNERS L.P.
(the Filer)

AND

ASCIANO LIMITED

DECISION

Background

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

A. for exemptive relief from the requirements of Sections 93 to 99.1 of the *Securities Act* (Ontario) (the **Act**) as they might otherwise apply to a proposed offer to acquire all of the ordinary shares (the **Shares**) of Asciano Limited (**Asciano**) not already owned by the Filer (the **Offer**) (the **Formal Bid Exemption**); and

B. for exemptive relief from Part 2 of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (**MI 61-101**) as it might otherwise apply to the Offer (the **61-101 Exemption**).

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

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

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

Interpretation

The 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.

Representations

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

1. The Filer is a Bermuda exempted limited partnership that was established on May 21, 2007.

2. Brookfield Infrastructure Partners Limited, which serves as the general partner of the Filer (the **General Partner**), holds the general partner interest in the Filer.

3. The affairs of the Filer are carried on by the General Partner. The General Partner is an indirect wholly-owned subsidiary of Brookfield Asset Management Inc. (**Brookfield**), a Canadian company, and therefore Brookfield is deemed to beneficially own the Filer's interest in Asciano under the Act. The Filer entered into a master services agreement with Brookfield related entities to provide the Filer and its subsidiary entities with management and other services.

4. The Filer is a reporting issuer or has equivalent status in all provinces and territories of Canada and is an SEC foreign issuer within the meaning of section 1.1 of National Instrument 71-102 – *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers*.

5. The limited partnership units of the Filer (the **LP Units**) are listed on the New York Stock Exchange and the Toronto Stock Exchange under the symbols "BIP" and "BIP.UN", respectively.

6. The Filer is not in default of any requirement of Canadian securities laws.

7. Asciano is the issuer of the Shares and has its registered addresses in Melbourne, Australia.

8. The Shares are listed on the Australian Securities Exchange (**ASX**) under the symbol "AIO".

9. To the best knowledge of the Filer, as of November 16, 2015, Asciano had an outstanding share capital of 975,385,664 Shares.

10. Asciano is not a reporting issuer in any province or territory of Canada and the Shares are not listed on any securities exchange in Canada.

11. The Filer beneficially owns 146,210,311 Shares representing 14.99% of the outstanding Shares (the **BIP Securities**), together with an economic interest in a further 4.3% of the Shares. In addition to the BIP Securities, other members of the Brookfield Consortium (as defined below) own Shares but those Shares are held behind information barriers and are therefore not treated as part of the Shares owned by the Brookfield Consortium.

12. On August 17, 2015, the Filer and Asciano announced that they entered into a binding agreement (the **Implementation Deed**) for the Filer, together with its institutional partners (the **Brookfield Consortium**), to acquire the entire issued capital of Asciano. The transaction received the unanimous support of the Asciano board of directors and was to be implemented by a scheme of arrangement (the **Scheme**) under Australian law, which would see Asciano shareholders receive, subject to the "mix-and-match" mechanism, for each Share held: A$6.94 in cash (reduced by the cash value of any special dividend paid); and 0.0387 CHESS depositary instruments representing a beneficial interest in the Filer's limited partnership units) (**BIP CDIs**) (the **Standard Consideration**).

13. At the time the Implementation Deed was entered into, the Filer did not own any Shares.

14. At the time of announcement of the entering into of the Implementation Deed, the implied value of the Standard Consideration (which is the consideration available under the Offer) was A$9.15076, a premium of 39% to the undisturbed three month VWAP. The "undisturbed three month VWAP" is A$6.58, being the volume weighted trading price of the Shares over the three months up to and including June 30, 2015, the date preceding the date on which Asciano publicly announced that it had received a non-binding indication of interest from the Filer. As at September 23, 2015, the last practicable trading day prior to the date of the Scheme booklet, the implied value of the Offer was approximately A$9.0732 per Asciano Share, representing a premium of over 37% over the undisturbed three month VWAP of the Shares.

15. The meeting of Asciano shareholders to vote on the Scheme was scheduled for November 10, 2015.

16. On October 30, 2015, Qube Holdings Limited (**Qube**), with the support of two co-investors Global Infrastructure Partners (**GIP**) and Canada Pension Plan Investment Board (**CPPIB**) (together, the **Qube Consortium**), announced that they acquired an aggregate interest representing 19.99% of the Shares and intended to vote against the Scheme. In public filings in Australia, the Qube Consortium have disclosed their interests in the Shares acquired by them. Based on that disclosure, it appears to the Filer that CPPIB has beneficial ownership of 1,547,348 Shares, representing approximately 0.16% of the Shares, and is otherwise participating as a financier in relation to the Competing Bid. The members of the Qube Consortium other than CPPIB are not Canadians. Except for the Shares beneficially owned by CPPIB, the Filer has not included the ownership of the Qube Consortium in calculating the number of Shares beneficially owned in Canada.

17. On November 10, 2015, the Qube Consortium submitted to Asciano a written proposal in relation to the acquisition of all the Shares (the **Competing Bid**) for cash and stock of Qube.

18. In response to the acquisition by the Qube Consortium of the Shares described above, on November 5, 2015, the Filer acquired the BIP Securities, together with an economic interest in a further 4.3% of the Shares, and announced its intention to make the Offer. The Filer also requested that Asciano defer the vote on the Scheme.

19. The Brookfield Consortium and Asciano agreed on November 9, 2015 to amend the Implementation Deed to contemplate the Offer.

20. The Offer price is the Standard Consideration under the existing Scheme, being A$6.94 cash (reduced by the cash value of any special dividend paid) and 0.0387 BIP CDIs. On November 9, 2015, the date on which the Filer and Asciano announced that the Implementation Deed had been amended, the implied value of the consideration under the Offer was A$9.21 a premium of 40% to the undisturbed three month VWAP.

21. If a Scheme meeting is held at a subsequent date, Asciano shareholders who have accepted the Offer will still be entitled to vote their Shares at that Scheme meeting. In the event that the Scheme is approved by the requisite majorities of Asciano shareholders, the Scheme will be implemented and the Offer will not proceed. The Offer is subject to the condition that tenders to the bid result in the Filer owning a minimum of 50.1% of the Shares.

22. A subsidiary of the Filer will, in a timely manner, mail an offer document, which will comply with all relevant Australian requirements, to all holders of Shares. The offer document will include a full description of the Offer, including relevant information as to (i) the Filer, (ii) Asciano, (iii) the background for the Offer, and (iv) the terms and conditions of the Offer. The Offer will be open for acceptance for a period of not less than one month following the mailing of the offer document to holders of Shares.

23. The Offer is governed by Australian law and is subject to all legal and regulatory requirements, including the Australian Corporations Act 2001, the ASX Listing Rules and any other legally binding requirements of the Australian Securities and Investment Commission (**ASIC**) and the ASX.

24. The Offer constitutes a “take-over bid” according to the definition of such term in the Legislation as there are holders of Shares that are resident in Canada. The Offer is therefore subject to the formal bid requirements set out in the Legislation (the **Take-Over Bid Requirements**) unless otherwise exempted.

25. An offeror may use the exemption prescribed by the Legislation (the **Foreign Take-Over Bid Exemption**) to be relieved from the Take-Over Bid Requirements. The Foreign Take-Over Bid Exemption is available upon satisfaction of certain conditions, including that security holders whose last address as shown on the books of the offeree issuer is in Canada hold less than 10% of the outstanding securities of the class subject to the bid at the commencement of the bid.

26. A take-over bid that is subject to the Take-Over Bid Requirements and that is made by a person that has beneficial ownership of, or control or direction over, directly or indirectly, securities of the offeree issuer carrying more than 10% of the voting rights attached to all of the offeree issuer’s outstanding voting securities is also subject to the requirements applicable to an “insider bid” pursuant to Part 2 of MI 61-101, including the requirement to obtain a formal valuation.

27. The Asciano register shows approximately 32,000 registered holders, of which only three (3) are in Canada (one in Ontario, one in Saskatchewan and one in British Columbia) and such holders hold only 856 Shares (or approximately 0.00009% of the Shares).

28. The Filer has also obtained from Asciano an analysis of its share register that includes the largest beneficial holders owning in aggregate approximately 89.45% of the issued and outstanding Shares.

29. The geographic analysis of institutional holders of Shares disclosed 701,794 Shares (2 holders) in British Columbia, 4,199,540 Shares (10 holders) in Ontario, 4,544,865 Shares (7 holders) in Quebec and 37,827 shares, (1 holder) in New Brunswick. In addition, one additional non-institutional beneficial holder in Alberta, holding 275,000 Shares (1 holder) is listed in the report. These holders in aggregate own approximately 1% of the Shares as at November 3, 2015.

30. The analysis of holders of Shares also included a list of beneficial holders and a list of investors by size. These lists are not organized by geography. However, based on the Filer's review of these lists, it appears that there are approximately 48 additional beneficial holders in Canada holding an aggregate of approximately 9,034,539 Shares, representing less than 1% of the Shares as at November 3, 2015. The Filer has not attempted to position these holders within Canada, as the information provided does not include an address in Canada.

31. Based on this information, to the best of the Filer's knowledge, other than the Canadian holders referred to in paragraphs 27, 29 and 30, there are no other registered or beneficial holders of Shares resident in Canada.

32. Based on this information, to the Filer's best knowledge, Canadian registered and beneficial holders of Shares, excluding the BIP Securities, hold in the aggregate, approximately 18,794,421 Shares representing approximately 1.9% of the Shares (or, including the BIP Securities, 165,004,732 Shares representing approximately 16.9% of the Shares), as at November 3, 2015.

33. To the Filer's knowledge, the only published market on which the Shares have traded during the last 12 months is the ASX. The Shares have not traded on a published market in Canada. As such, the published market on which the greatest dollar volume of trading in the Shares that occurred during the 12 months immediately preceding the commencement of the bid was not in Canada.

34. At the time the Implementation Deed was entered into with Asciano, the Filer did not own any Shares, and it was only in response to the Competing Bid that the Filer acquired Shares, concurrently with announcing an intention to make the Offer as an alternative to pursuing the Scheme.

Decisions

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 Formal Bid Exemption is granted provided that:

(i) the Offer and any amendments to the Offer are made in compliance with the laws of Australia, including the Australian Corporations Act 2001, the ASX Listing Rules and any other legally binding requirements of the ASIC and ASX;

(ii) the offer document and all other documentation made available to holders of Shares resident in Australia are concurrently sent by the Filer to all holders of Shares in Canada and filed by the Filer with the applicable securities regulatory authorities in Canada; and

(iii) Canadian holders of Shares are entitled to participate in the Offer at the same price and on the same terms and conditions that apply to the general body of holders of Shares.

"William Furlong"
Commissioner
Ontario Securities Commission

"Deborah Leckman"
Commissioner
Ontario Securities Commission

The further decision of the principal regulator under the Legislation is that the 61-101 Exemption is granted provided that:

(i) the Offer and any amendments to the Offer are made in compliance with the laws of Australia, including the Australian Corporations Act 2001, the ASX Listing Rules and any other legally binding requirements of the ASIC and ASX;

(ii) the offer document and all other documentation made available to holders of Shares resident in Australia are concurrently sent by the Filer to all holders of Shares in Canada and filed by the Filer with the applicable securities regulatory authorities in Canada; and

(iii) Canadian holders of Shares are entitled to participate in the Offer at the same price and on the same terms and conditions that apply to the general body of holders of Shares.

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

2.2 Orders

2.2.1 Daveed Zarr (formerly known as Asi Lalky) – s. 127(1)

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

AND

IN THE MATTER OF
DAVEED ZARR (formerly known as ASI LALKY)

ORDER
(Subsection 127(1) of the Securities Act)

WHEREAS:

1. on July 2, 2015, the Commission issued a Notice of Hearing in this matter, in respect of a Statement of Allegations filed by Enforcement staff ("Staff") of the Ontario Securities Commission (the "Commission") on June 30, 2015, in which Staff requested that the Commission make an order against Daveed Zarr, formerly known as Asi Lalky, ("Zarr") pursuant to subsection 127(1) of the Ontario *Securities Act* (the "Act");

2. Staff based its request on:

   a. an August 25, 2014, decision of the British Columbia Securities Commission (the "BCSC"), in which the BCSC found that Zarr had engaged in an illegal distribution, had traded without proper registration, and had made misrepresentations to potential investors, all contrary to British Columbia's *Securities Act*, RSBC 1996, c 418;

   b. a resulting order of the BCSC, issued on October 31, 2014, imposing various sanctions against Zarr; and

   c. subsection 127(10) of the Act; and

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

IT IS HEREBY ORDERED THAT:

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

(b) effective until the later of October 31, 2018, and the date upon which Zarr makes the payment required by the BC Order:

   (i) pursuant to paragraphs 2 and 2.1 of subsection 127(1) of the Act, trading in or acquisition of any securities by Zarr shall cease, except that he may trade or acquire securities for his own account through a registrant if, prior to such trade or acquisition, he gives the registrant a copy of the BC Order and a copy of the order resulting from this decision;

   (ii) pursuant to paragraph 3 of subsection 127(1) of the Act, none of the exemptions contained in Ontario securities law shall apply to Zarr;

   (iii) pursuant to paragraphs 8 and 8.2 of subsection 127(1) of the Act, Zarr is prohibited from becoming or acting as an officer or director of any issuer or registrant; and

   (iv) pursuant to paragraph 8.5 of subsection 127(1) of the Act, Zarr is prohibited from becoming or acting as a registrant or promoter.

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

"Timothy Moseley"

2.2.2 Trustees of Central GoldTrust et al. – ss. 127(1)5, 127(2)

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

AND

IN THE MATTER OF
AN APPLICATION BY THE TRUSTEES OF
CENTRAL GOLDTRUST and
SILVER BULLION TRUST

AND

IN THE MATTER OF
SPROTT ASSET MANAGEMENT GOLD BID LP,
SPROTT ASSET MANAGEMENT SILVER BID LP,
SPROTT ASSET MANAGEMENT LP,
SPROTT PHYSICAL GOLD TRUST and
SPROTT PHYSICAL SILVER TRUST

ORDER
(Subsections 127(1)5 and 127(2))

WHEREAS:

1. The trustees of Central GoldTrust ("**CGT**") and Silver Bullion Trust ("**SBT**") (together, the "**Applicants**") filed an application dated November 10, 2015 (the "**Application**") in connection with:

   (a) The unsolicited take-over bid by Sprott Asset Management Gold Bid LP, Sprott Asset Management LP and Sprott Physical Gold Trust ("**SPG**") (collectively "**Sprott Gold**") to acquire all of the outstanding units of CGT in exchange for units of SPG (the "**Sprott Gold Bid**"); and

   (b) The unsolicited take-over bid by Sprott Asset Management Silver Bid LP, Sprott Asset Management LP and Sprott Physical Silver Trust ("**SPS**") (collectively, "**Sprott Silver**", and together with Sprott Gold, "**Sprott**" or the "**Respondents**") to acquire all of the units of SBT in exchange for units of SPS (the "**Sprott Silver Bid**", or together with the Sprott Gold Bid, the "**Sprott Bids**");

2. The Applicants seek the following relief:

   (a) An order permitting the Application to be heard;

   (b) A permanent order pursuant to section 127(1)2 of the *Securities Act*, R.S.O., c. S.5, as amended (the "**Act**") that:

      (i) Trading by Sprott cease in securities of CGT and SBT tendered to the Sprott Bids; and

      (ii) Trading cease in the units of SPG and SPS issued as consideration pursuant to the Sprott Bids;

   (c) An order pursuant to section 127(1)5 of the Act that Sprott immediately disseminate to the public a news release advising CGT and SBT unitholders that:

      (i) As a result of the Commission's orders, Sprott cannot acquire CGT and SBT units or issue the consideration pursuant to the Sprott Bids in payment for tendered CGT and SBT units;

      (ii) Withdrawal rights are exercisable and continue to be exercisable; and

      (iii) Summarizes how CGT and SBT unitholders can exercise their rights of withdrawal;

   (d) An order pursuant to section 127(1)5 of the Act that Sprott, within 10 days, deliver to every CGT and SBT unitholder a notice containing the information regarding withdrawal rights described in paragraph 2(c);

(e) An order pursuant to section 104(1)(c) of the Act that Sprott honour any valid notice of withdrawal made by or on behalf of CGT and SBT unitholders;

(f) An order pursuant to section 104(1)(e) of the Act that the directors, trustees and senior officers of Sprott cause Sprott to honour any valid notice of withdrawal made by or on behalf of CGT and SBT unitholders;

(g) An order pursuant to section 127(1)2 of the Act that Sprott cease trading in CGT and SBT units unless and until Sprott satisfies the Commission that the provisions above have been complied with and that all of the CGT and SBT units tendered to the Sprott Bids have been returned to CGT and SBT unitholders;

(h) A permanent order pursuant to section 127(1) of the Act that trading by Sprott cease in securities of CGT and SBT in the event Sprott uses or purports to use any power of attorney or proxy granted pursuant to a letter of transmittal delivered in connection with the Sprott Bids ("**Letters of Transmittal**") before the units represented by such Letters of Transmittal are withdrawn by or on behalf of the CGT or SBT unitholder; and

(i) Such alternative or further and other relief as counsel may request and that the Commission may order;

3. On November 16, 2015, a Notice of Hearing was issued with respect to the Application setting down a hearing for November 18, 2015;

4. The history of the matter is as follows:

(a) On April 23, 2015, Sprott issued a press release announcing its intention to make the Sprott Bids to acquire all of the outstanding units of CGT and SBT;

(b) On May 27, 2015 the Sprott Bids were formally commenced pursuant to an offer to purchase and take-over bid circular of Sprott Gold and to an offer to purchase and take-over bid circular of Sprott Silver;

(c) The Sprott Bids are structured so that tendering unitholders are required to make one of two elections: (i) the Exchange Offer Election; or (ii) the Merger Election. Unitholders that make the Exchange Offer Election will have their units taken up under the Sprott Bids and exchanged for units of SPG or SPS, as applicable. Unitholders that make the Merger Election will receive units of SPG or SPS, as applicable, upon the compulsory redemption of their units as part of the proposed merger transactions between SPG and CGT and between SPS and SBT (collectively, the "**Merger Transactions**");

(d) The Merger Transactions contemplated the following steps:

(i) CGT and SBT units subject to the Exchange Offer Election would be taken up and purchased by Sprott;

(ii) Sprott would exercise certain powers of attorney contained within the Letters of Transmittal to execute Special Resolutions that give effect to the Merger Transactions, and to elect new boards of trustees for each of CGT and SBT;

(iii) Sprott would cause CGT and SBT to implement the Merger Transactions pursuant to which CGT would transfer its assets to SPG in return for units of SPG and the assumption of CGT's liabilities, and SBT would transfer its assets to SPS in return for units of SPS and the assumption of SBT's liabilities, in each case exclusive of the administration agreement pertaining to the applicable trust; and

(iv) The boards of trustees of CGT and SBT, would cause CGT and SBT to amend the compulsory acquisition provisions contained in section 13.6 of the "**Declarations of Trust**" to permit a compulsory acquisition of the units of CGT and SBT upon deposit of more than 66 2/3% of the outstanding units of CGT and SBT pursuant to the Sprott Bids and to redeem all of the units of CGT and SBT (subject to retention of one unit of CGT and SBT by SPG and by SPS) in exchange for a distribution to the unitholders of the units of SPG and SPS;

(e) The Sprott Bids have been amended by a Notice of Extension and Variation dated as of June 22, 2015, a Notice of Extension and Variation dated as of July 7, 2015, a Notice of Extension and Variation dated as of August 4, 2015, a Notice of Change dated as of August 18, 2015, a Notice of Change dated as of August 28, 2015, a Notice of Variation dated as of September 4, 2015, a Notice of Extension dated as of September 18, 2015, a Notice of Extension and Variation dated as of October 9, 2015, a Notice of Extension dated as of November 2, 2015 and a Notice of Variation dated as of November 4, 2015 (the "**November 4th Variation**");

(f) On June 24, 2015, CGT and SBT commenced an application to the Ontario Superior Court of Justice (the "**Court**") seeking declaratory relief with respect to the Sprott Bids, following which Sprott commenced a counter-application seeking a declaration that amendments to the CGT and SBT Declarations of Trust were improper defensive tactics;

(g) On July 31, 2015, Justice Wilton-Siegel issued his decision in both the Court application and the counter-application. He denied the declaratory and injunctive relief sought by the trustees of CGT and SBT, and required Sprott to amend the Letters of Transmittal to ensure that the powers of attorney would terminate in the event that tendered units were not paid for by Sprott within three business days of such units having been taken up and the unitholder had withdrawn such units. He also found that the amendments to the Declarations of Trust of CGT and SBT were invalid;

(h) On August 31, 2015, the trustees of CGT and SBT filed a Notice of Appeal from the decision of Justice Wilton-Siegel. The appeal was not perfected and it was dismissed for delay by the Court of Appeal on November 2, 2015;

(i) The November 4th Variation stated that the Letters of Transmittal were amended to allow Sprott to execute and deliver written resolutions removing and replacing the trustees of CGT and SBT effective on or after 5:00 p.m. (Toronto time) on November 19, 2015 if 50.1% or more of the outstanding CGT and SBT units, as applicable, were tendered to the Sprott Bids. Sprott also announced in a press release dated November 4, 2015 that it intended to convene unitholder meetings to put the Merger Transactions to a vote; and

(j) On November 17, 2015, the trustees of CGT and SBT each announced that they were entering into a letter of intent with Purpose Investments Inc., proposing the conversion of each of CGT and SBT into exchange-traded funds of gold and silver bullion;

5. At the hearing on November 18, 2015, the Commission heard testimony from Bruce D. Heagle and John Wilson, and oral submissions from the Applicants, the Respondents and Staff of the Commission ("**Staff**") and reviewed the materials submitted by the parties. The letters of intent referred to in paragraph 4(j) above were not tendered as evidence at the hearing. Evidence was presented to the Hearing Panel that the proposed transactions with Purpose Investments Inc. are subject to continuing negotiation; and

6. Having considered the grounds of relief requested by the Applicants and the submissions made by all the parties, including the Respondents' submission that we should not entertain the Application, we are of the view that it is in the public interest to make this order, with reasons to follow.

IT IS HEREBY ORDERED that:

1. If Sprott wishes to proceed with the Sprott Gold Bid or Sprott Silver Bid it shall issue a notice of change in information providing clear and complete disclosure to unitholders of CGT and SBT concerning the effect of the November 4th Variation on the removal and replacement of the boards of trustees of CGT and SBT, unitholder withdrawal rights, the implementation of the Merger Transactions, and the attendant risks for unitholders of these matters;

2. For greater clarity, the disclosure should include:

(a) The effect of the amendments to the powers of attorney granted to Sprott and their intended use by Sprott;

(b) The process by which the new trustees will effect the Merger Transactions, including the increased time period between their appointment and the implementation of the Merger Transactions, and associated risks and uncertainties;

(c) The change in the required unitholder approval of the Merger Transactions as a result of the November 4th Variation from that contemplated by the Special Resolutions;

(d) The duties of the Sprott nominees proposed to be appointed as the trustees of CGT and SBT, and specifically including the undertaking provided to the Commission at the November 18, 2015 hearing that they would resign if the Merger Transactions are not effected;

(e) The consequences to unitholders if the Merger Transactions fail to obtain the necessary approvals; and

(f) A description of the withdrawal rights available to unitholders both before and after the appointment of the new trustees;

3. Before dissemination of the notice(s) of change in information to unitholders, Sprott shall deliver them to Staff for its review and comment; and

4. Sprott shall not exercise any rights in relation to the Letters of Transmittal before the expiration of 15 days from the date on which Sprott issues the notice(s) of change in information required by this Order.

DATED at Toronto this 19th day of November, 2015.

"Mary G. Condon"

"D. Grant Vingoe"

"Judith N. Robertson"

2.2.3 Ground Wealth Inc. et al.

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

AND

**IN THE MATTER OF
GROUND WEALTH INC., MICHELLE DUNK,
ADRION SMITH, JOEL WEBSTER, DOUGLAS DEBOER,
ARMADILLO ENERGY INC.,
ARMADILLO ENERGY, INC., and
ARMADILLO ENERGY, LLC
(aka ARMADILLO ENERGY LLC)**

ORDER

WHEREAS:

1. On February 1, 2013, 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 relation to the Statement of Allegations, dated February 1, 2013, filed by Staff of the Commission ("**Staff**"), naming as respondents Ground Wealth Inc. ("**GWI**"), Michelle Dunk ("**Dunk**"), Adrion Smith ("**Smith**"), Joel Webster ("**Webster**"), Douglas DeBoer ("**DeBoer**"), Armadillo Energy Inc. ("**Armadillo Texas**"), Armadillo Energy, Inc. ("**Armadillo Nevada**") and Armadillo Energy, LLC ("**Armadillo Oklahoma**");

2. On October 31, 2013, the Commission issued an Amended Notice of Hearing in relation to an Amended Statement of Allegations, dated October 31, 2013, filed by Staff, which amended the title of this proceeding by substituting the name "Armadillo Energy, LLC (aka Armadillo Energy LLC)" for the name "Armadillo Energy LLC";

3. On January 6, 2015, the Commission approved a settlement agreement among the Enforcement Branch of the Commission and GWI, Deboer, Dunk and Webster, dated January 5, 2015;

4. On January 23, 2015, the Commission approved a settlement agreement between the Enforcement Branch of the Commission and Smith, dated January 22, 2015;

5. The hearing on the merits in this proceeding against Armadillo Texas, Armadillo Nevada and Armadillo Oklahoma (collectively, the "**Armadillo Respondents**") was heard in writing;

6. On August 24, 2015, the Commission issued its Reasons and Decision with respect to the merits in this matter (the "**Merits Decision**");

7. The Commission determined that the Armadillo Respondents had not complied with Ontario securities law and had acted contrary to the public interest, as described in the Merits Decision;

8. The hearing with respect to the sanctions and costs to be imposed in this matter was heard in writing;

9. On November 18, 2015, the Commission released its Reasons and Decision on Sanctions and Costs in this matter; and

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

IT IS HEREBY ORDERED that:

1. Pursuant to clause 2 of subsection 127(1) of the Act, trading in any securities by the Armadillo Respondents shall cease permanently;

2. Pursuant to clause 2.1 of subsection 127(1) of the Act, the acquisition of any securities by the Armadillo Respondents shall cease permanently;

3. Pursuant to clause 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to the Armadillo Respondents permanently;

4. Pursuant to clause 9 of subsection 127(1) of the Act, each of the Armadillo Respondents shall pay an administrative penalty of $300,000, to be allocated to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the Act;

5. Pursuant to clause 10 of subsection 127(1) of the Act, the Armadillo Respondents shall jointly and severally disgorge to the Commission a total of $2,761,979 and US$319,597, to be designated for allocation to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the Act; and

6. Pursuant to section 127.1 of the Act, the Armadillo Respondents shall jointly and severally pay the investigation and hearing costs incurred in this matter in the amount of $363,146.87.

DATED at Toronto this 18th day of November, 2015.

"Christopher Portner"

2.2.4 Lance Kotton and Titan Equity Group Ltd. – s. 127(8)

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

AND

IN THE MATTER OF
LANCE KOTTON and
TITAN EQUITY GROUP LTD.

TEMPORARY ORDER
(Subsection 127(8))

WHEREAS:

1. on November 6, 2015, the Ontario Securities Commission (the "Commission") ordered pursuant to subsections 127(1) and (5) of the *Securities Act*, R.S.O. 1990, c. S.5., as amended (the "Act"), that:

   a. pursuant to clause 2 of subsection 127(1), trading in any securities by Lance Kotton ("Kotton") and Titan Equity Group Ltd. ("TEG") (together "the Respondents") shall cease; and

   b. pursuant to clause 3 of subsection 127(1), any exemptions contained in Ontario securities law do not apply to the Respondents (the "Temporary Order");

2. the Commission further ordered that the Temporary Order shall take effect immediately and shall expire on the 15th day after its making unless extended by order of the Commission;

3. on November 9, 2015, the Commission issued a Notice of Hearing providing notice that it will hold a hearing on November 19, 2015, to consider whether, pursuant to subsections 127(7) and 127(8) of the Act, it is in the public interest for the Commission to extend the Temporary Order until the conclusion of the hearing or until such further time as considered necessary by the Commission, and to make such further orders as the Commission considers appropriate;

4. on November 16, 2015, upon application by the Commission pursuant to section 129 of the Act, the Ontario Superior Court of Justice (Commercial List) made an order (the "Appointment Order") appointing Grant Thornton Limited as receiver and manager (the "Receiver") without security, of all of the assets, undertakings and properties of Lance Kotton, TEG and other related entities;

5. the Appointment Order empowers and authorizes, but does not obligate, the Receiver to, among other things, defend all proceedings now pending with respect to Kotton and TEG and other related entities referred to in the Appointment Order;

6. the Receiver, through its counsel, advised that it does not propose to defend the within proceeding against the Respondents;

7. the Respondents, through their own counsel, consent to an extension of the Temporary Order until December 17, 2015, and without prejudice to any position that might be advanced by Kotton or TEG in the future with respect to the Temporary Order or the matters raised in the Notice of Hearing; and

8. 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 December 17, 2015 or until further order of the Commission without prejudice to the right of Staff or the Respondents to seek to vary the Temporary Order on application to the Commission; and

2. the hearing of this matter is adjourned until December 16, 2015 at 11:30 a.m., or on such other date and time as provided by the Office of the Secretary and agreed to by the parties.

DATED at Toronto, this 19th day of November, 2015.

"Timothy Moseley"

2.2.5 Loblaw Companies Limited – s. 104(2)(c)

Headnote

Subsection 104(2)(c) of the Act – Issuer bid – relief from issuer bid requirements in sections 94 to 94.8 and 97 to 98.7 of the Act – Issuer proposes to purchase, at a discounted purchase price, up to (a) 2,937,000 of its common shares, and (b) 1,700,000 of its common shares, as applicable, from two of its shareholders – due to the discounted purchase price, proposed purchases cannot be made through the TSX trading system – but for the fact that the proposed purchases cannot be made through the TSX trading system, the Issuer could otherwise acquire the subject shares in reliance upon the issuer bid exemption available under section 101.2 of the Act and in accordance with the TSX rules governing normal course issuer bid purchases – the selling shareholder did not purchase the subject shares in anticipation or contemplation of resale to the Issuer and has not, for a minimum of 30 days prior to the date of the application seeking the requested relief, purchased common shares of the Issuer in anticipation or contemplation of a sale of common shares to the Issuer – no adverse economic impact on, or prejudice to, the Issuer or public shareholders – proposed purchases exempt from the issuer bid requirements in sections 94 to 94.8 and 97 to 98.7 of the Act, subject to conditions, including that the Issuer not purchase, in the aggregate, more than one-third of the maximum number of shares to be purchased under its normal course issuer bid by way of off-exchange block purchases, and that the Issuer not make any proposed purchase unless it has first obtained written confirmation from the selling shareholder that between the date of the order and the date on which the proposed purchase is completed, the selling shareholder has not purchased, had purchased on its behalf, or otherwise accumulated, any common shares of the Issuer to re-establish its holdings of common shares which will have been reduced as a result of the sale of the subject shares pursuant to the proposed purchases.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 94 to 94.8, 97 to 98.7, 104(2)(c).

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

AND

IN THE MATTER OF
LOBLAW COMPANIES LIMITED

ORDER
(Clause 104(2)(c))

UPON the application (the "**Application**") of Loblaw Companies Limited (the "**Issuer**") to the Ontario Securities Commission (the "**Commission**") for an order of the Commission pursuant to clause 104(2)(c) of the *Securities Act* (Ontario) exempting the Issuer from the requirements of sections 94 to 94.8, inclusive, and 97 to 98.7, inclusive, of the Act (the "**Issuer Bid Requirements**") in connection with the proposed purchases by the Issuer of up to 2,937,000 of the Issuer's common shares (collectively, the "**Subject Shares**") in one or more trades with Canadian Imperial Bank of Commerce (the "**Selling Shareholder**");

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

AND UPON the Issuer (and the Selling Shareholder in respect of paragraphs 5, 6, 7, 8, 9, 10, 12, 23 and 24 as they relate to the Selling Shareholder) having represented to the Commission that:

1. The Issuer is a corporation governed by the *Canada Business Corporations Act*.

2. The registered office of the Issuer is located at 22 St. Clair Avenue East, Toronto, Ontario M4T 2S7 and its national head office is located at 1 President's Choice Circle, Brampton, Ontario L6Y 5S5.

3. The Issuer is a reporting issuer in each of the provinces and territories of Canada and the common shares of the Issuer (the "**Shares**") are listed for trading on the Toronto Stock Exchange (the "**TSX**") under the symbol "L". The Issuer is not in default of any requirement of the securities legislation in the jurisdictions in which it is a reporting issuer.

4. The Issuer's authorized share capital consists of an unlimited number of Shares, 1,000,000 First Preferred Shares, issuable in series, and an unlimited number of Second Preferred Shares, issuable in series, of which 412,410,033 Shares, no First Preferred Shares and 9,000,000 Second Preferred Shares, Series B were issued and outstanding as of October 26, 2015.

5. The corporate headquarters of the Selling Shareholder is located in the Province of Ontario.

6. The Selling Shareholder does not, directly or indirectly, own more than 5% of the issued and outstanding Shares.

7. The Selling Shareholder is the beneficial owner of at least 2,937,000 Shares. None of the Subject Shares were acquired by, or on behalf of, the Selling Shareholder in anticipation or contemplation of resale to the Issuer.

8. The Subject Shares are held by the Selling Shareholder in connection with arrangements to hedge client transactions in respect of the Shares. Between the date of this Order and the date on which a Proposed Purchase (as defined below) is to be completed, the Selling Shareholder will not purchase, have purchased on its behalf, or

otherwise accumulate, any Shares to re-establish its holdings of Shares which will have been reduced as a result of the sale of the Subject Shares pursuant to the Proposed Purchases.

9. No Shares were purchased by, or on behalf of, the Selling Shareholder on or after September 27, 2015, being the date that was 30 days prior to the date of the Application, in anticipation or contemplation of a sale of Shares to the Issuer.

10. The Selling Shareholder is at arm's length to the Issuer and is not an "insider" of the Issuer, an "associate" of an "insider" of the Issuer, or an "associate" or "affiliate" of the Issuer, as such terms are defined in the Act. In addition, the Selling Shareholder is an "accredited investor" within the meaning of National Instrument 45-106 *Prospectus Exemptions*.

11. Pursuant to a "Notice of Intention to Make a Normal Course Issuer Bid" filed with, and accepted by, the TSX, dated April 23, 2015 (the "**Notice**"), the Issuer is permitted to make purchases pursuant to a normal course issuer bid (the "**Normal Course Issuer Bid**") during the 12-month period beginning on April 28, 2015 and ending on April 27, 2016 to a maximum of 21,931,288 Shares, representing approximately 10% of the public float, calculated in accordance with the rules of the TSX, as at the date specified in the Notice. The Issuer may make purchases under the Normal Course Issuer Bid through the facilities of the TSX or through alternative trading systems, if eligible, or by such other means as may be permitted by the TSX or under applicable law by a registered investment dealer (or an affiliate of the dealer) in accordance with sections 628 to 629.3 of Part VI of the TSX Company Manual (the "**TSX NCIB Rules**"), including private agreements under an issuer bid exemption order issued by a securities regulatory authority (each, an "**Off-Exchange Block Purchase**"). The TSX has indicated that it will not object to Off-Exchange Block Purchases being completed pursuant to the Normal Course Issuer Bid.

12. The Issuer and the Selling Shareholder intend to enter into one or more agreements of purchase and sale (each, an "**Agreement**"), pursuant to which the Issuer will agree to acquire some or all of the Subject Shares from the Selling Shareholder by way of one or more purchases, each occurring before April 27, 2016 (each such purchase, a "**Proposed Purchase**") for a purchase price (each such price, a "**Purchase Price**" in respect of such Proposed Purchase) that will be negotiated at arm's length between the Issuer and the Selling Shareholder. The Purchase Price, in each case, will be at a discount to the prevailing market price and below the prevailing bid-ask price for the Shares on the TSX at the time of each Proposed Purchase.

13. The Subject Shares acquired under each Proposed Purchase will constitute a "block" as that term is defined in section 628 of the TSX NCIB Rules.

14. The purchase of any of the Subject Shares by the Issuer pursuant to an Agreement will constitute an "issuer bid" for the purposes of the Act to which the Issuer Bid Requirements would apply.

15. Because the Purchase Price will, in each case, be at a discount to the prevailing market price and below the prevailing bid-ask price for the Shares on the TSX at the time of each Proposed Purchase, none of the Proposed Purchases can be made through the TSX trading system and therefore, will not occur "through the facilities" of the TSX. As a result, the Issuer will be unable to acquire Subject Shares from the Selling Shareholder in reliance upon the exemption from the Issuer Bid Requirements that is available pursuant to subsection 101.2(1) of the Act.

16. But for the fact that the Purchase Price will be at a discount to the prevailing market price and below the prevailing bid-ask price for the Shares on the TSX at the time of each Proposed Purchase, the Issuer could otherwise acquire the applicable Subject Shares through the facilities of the TSX as a "block purchase" (a "**Block Purchase**") in accordance with the block purchase exception in clause 629(l)7 of the TSX NCIB Rules and the exemption from the Issuer Bid Requirements that is available pursuant to subsection 101.2(1) of the Act.

17. The sale of any of the Subject Shares to the Issuer will not be a "distribution" (as defined in the Act).

18. For each Proposed Purchase, the Issuer will be able to acquire the applicable Subject Shares from the Selling Shareholder without the Issuer being subject to the dealer registration requirements of the Act.

19. Management of the Issuer is of the view that: (a) the Issuer will be able to purchase the Subject Shares at a lower price than the price at which the Issuer would otherwise be able to purchase Shares under the Normal Course Issuer Bid in accordance with the TSX NCIB Rules and the exemption from the Issuer Bid Requirements available pursuant to subsection 101.2(1) of the Act; and (b) the Proposed Purchases are an appropriate use of the Issuer's funds.

20. The purchase of Subject Shares will not adversely affect the Issuer or the rights of any of the Issuer's security holders and it will not materially affect control of the Issuer. To the knowledge of the Issuer, the Proposed Purchases will not prejudice the ability of other security holders of the Issuer to

otherwise sell Shares in the open market at the then-prevailing market price. The Proposed Purchases will be carried out at minimal cost to the Issuer.

21. To the best of the Issuer's knowledge, as of October 26, 2015, the "public float" for the Shares represented approximately 53% of all issued and outstanding Shares for the purposes of the TSX NCIB Rules.

22. The Shares are "highly-liquid securities" within the meaning of section 1.1 of OSC Rule 48-501 *Trading during Distributions, Formal Bids and Share Exchange Transactions* and section 1.1 of the Universal Market Integrity Rules.

23. Other than the Purchase Price, no fee or other consideration will be paid in connection with the Proposed Purchases.

24. At the time that each Agreement is entered into by the Issuer and the Selling Shareholder and at the time of each Proposed Purchase, neither the Issuer, nor any member of the Equity Derivatives Trading Group, nor any Selling Shareholder, nor any personnel of the Selling Shareholder that negotiated the Agreement or made, participated in the making of, or provided any advice in connection with, the decision to enter into the Agreement and sell the Subject Shares, will be aware of any "material change" or "material fact" (each as defined in the Act) in respect of the Issuer that has not been generally disclosed.

25. The Issuer will not make any Proposed Purchase unless it has first obtained confirmation in writing from the Selling Shareholder that, between the date of the Order and the date on which a Proposed Purchase is to be completed, the Selling Shareholder has not purchased, had purchased on its behalf, or otherwise accumulated any Shares to re-establish its holdings of Shares which will have been reduced as a result of the sale of the Subject Shares pursuant to the Proposed Purchases.

26. The Issuer has made one other application to the Commission for exemptive relief from the Issuer Bid Requirements in connection with the proposed purchase by the Issuer of up to 1,700,000 Shares from The Bank of Nova Scotia, pursuant to one or more private agreements (the "**Concurrent Application**").

27. The Issuer will not purchase, pursuant to Off-Exchange Block Purchases, in aggregate, more than one-third of the maximum number of Shares that the Issuer can purchase under its Normal Course Issuer Bid, such one-third being equal to 7,310,429 Shares as of the date of the Order, taking into account, for greater certainty, the Subject Shares and Shares which are the subject of the Concurrent Application.

28. In accordance with the Notice, the Issuer may establish a form of automatic share repurchase plan (a "**Plan**") that would permit the Issuer to make purchases under its Normal Course Issuer Bid during internal trading blackout periods including regularly scheduled quarterly blackout periods, when the Issuer would not be permitted to trade in its Shares. There is no Plan in place as of the date of this Order. The form of any Plan will be preapproved by the TSX and comply with the TSX NCIB Rules, applicable securities laws and this Order. If the Issuer implements a Plan, the terms of such Plan will provide that the Issuer may, but will not be required to, instruct its designated broker to make purchases under the Normal Course Issuer Bid in accordance with the terms of the Plan at times when the Issuer is not subject to blackout restrictions. Such purchases under the Plan will be determined by the designated broker in its sole discretion based on parameters established by the Issuer prior to any blackout period in accordance with the TSX NCIB Rules, applicable securities laws (including this Order) and the terms of the agreement between the designated broker and the Issuer. In the event the Issuer implements a Plan prior to completing the Proposed Purchases, the Issuer will ensure that such Plan contains provisions restricting the Issuer from conducting any Block Purchases during any calendar week in which the Issuer completes a Proposed Purchase. No Subject Shares will be acquired under a Plan or otherwise during designated blackout periods administered in accordance with the Issuer's corporate policies.

29. Assuming completion of the purchase of the maximum number of Subject Shares, being 2,937,000 Shares, and the maximum number of Shares that are the subject of the Concurrent Application, being 1,700,000 Shares, the Issuer will have purchased under the Normal Course Issuer Bid an aggregate of 4,637,000 Shares pursuant to Off-Exchange Block Purchases, representing approximately 21% of the maximum of 21,931,288 Shares authorized to be purchased under the Normal Course Issuer Bid.

AND UPON the Commission being satisfied that to do so would not be prejudicial to the public interest;

IT IS ORDERED pursuant to clause 104(2)(c) of the Act that the Issuer be exempt from the Issuer Bid Requirements in connection with the Proposed Purchases, provided that:

(a) the Proposed Purchases will be taken into account by the Issuer when calculating the maximum annual aggregate limit that is imposed upon the Issuer's

Normal Course Issuer Bid in accordance with the TSX NCIB Rules;

(b) the Issuer will refrain from conducting either a Block Purchase in accordance with the TSX NCIB Rules, or another Off-Exchange Block Purchase, during the calendar week in which it completes a Proposed Purchase and will not make any further purchases under the Normal Course Issuer Bid for the remainder of the calendar day on which it completes a Proposed Purchase;

(c) the Purchase Price in respect of each Proposed Purchase will be at a discount to the last "independent trade" (as that term is used in paragraph 629(l)1 of the TSX NCIB Rules) of a board lot of Shares immediately prior to the execution of such Proposed Purchase;

(d) the Issuer will otherwise acquire any additional Shares pursuant to the Normal Course Issuer Bid in accordance with the Notice and the TSX NCIB Rules, and subject to condition (i) below, by Off-Exchange Block Purchases;

(e) immediately following each Proposed Purchase of Subject Shares from the Selling Shareholder, the Issuer will report the purchase of such Subject Shares to the TSX;

(f) at the time that each Agreement is entered into by the Issuer and the Selling Shareholder and at the time of each Proposed Purchase, neither the Issuer, nor any member of the Equity Derivatives Trading Group of the Selling Shareholder, nor any personnel of the Selling Shareholder that negotiated the Agreement or made, participated in the making of, or provided any advice in connection with, the decision to enter into the Agreement and sell the Subject Shares, will be aware of any "material change" or "material fact" (each as defined in the Act) in respect of the Issuer that has not been generally disclosed;

(g) in advance of the first Proposed Purchase, the Issuer will issue a press release disclosing (i) its intention to make the Proposed Purchases, and (ii) that information regarding each Proposed Purchase, including the number of Subject Shares purchased and the aggregate Purchase Price, will be available on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") following the completion of each such Proposed Purchase;

(h) the Issuer will report information regarding each Proposed Purchase, including the number of Subject Shares purchased and the aggregate Purchase Price, on SEDAR before 5:00 p.m. (Toronto time) on the business day following such purchase;

(i) the Issuer does not purchase, pursuant to Off-Exchange Block Purchases, in the aggregate, more than one-third of the maximum number of Shares the Issuer can purchase under the Normal Course Issuer Bid, such one-third being equal to, as of the date of this Order, 7,310,429 Shares; and

(j) the Issuer will not make any Proposed Purchase unless it has first obtained confirmation in writing from the Selling Shareholder that, between the date of this Order and the date on which a Proposed Purchase is to be completed, the Selling Shareholder has not purchased, had purchased on its behalf, or otherwise accumulated, any Shares to re-establish its holdings of Shares which will have been reduced as a result of the sale of the Subject Shares pursuant to the Proposed Purchases.

DATED at Toronto this 20th day of November, 2015.

"William Furlong"
Commissioner
Ontario Securities Commission

"Grant Vingoe"
Commissioner
Ontario Securities Commission

2.2.6 Loblaw Companies Limited – s. 104(2)(c)

Headnote

Subsection 104(2)(c) of the Act – Issuer bid – relief from issuer bid requirements in sections 94 to 94.8 and 97 to 98.7 of the Act – Issuer proposes to purchase, at a discounted purchase price, up to (a) 2,937,000 of its common shares, and (b) 1,700,000 of its common shares, as applicable, from two of its shareholders – due to the discounted purchase price, proposed purchases cannot be made through the TSX trading system – but for the fact that the proposed purchases cannot be made through the TSX trading system, the Issuer could otherwise acquire the subject shares in reliance upon the issuer bid exemption available under section 101.2 of the Act and in accordance with the TSX rules governing normal course issuer bid purchases – the selling shareholder did not purchase the subject shares in anticipation or contemplation of resale to the Issuer and has not, for a minimum of 30 days prior to the date of the application seeking the requested relief, purchased common shares of the Issuer in anticipation or contemplation of a sale of common shares to the Issuer – no adverse economic impact on, or prejudice to, the Issuer or public shareholders – proposed purchases exempt from the issuer bid requirements in sections 94 to 94.8 and 97 to 98.7 of the Act, subject to conditions, including that the Issuer not purchase, in the aggregate, more than one-third of the maximum number of shares to be purchased under its normal course issuer bid by way of off-exchange block purchases, and that the Issuer not make any proposed purchase unless it has first obtained written confirmation from the selling shareholder that between the date of the order and the date on which the proposed purchase is completed, the selling shareholder has not purchased, had purchased on its behalf, or otherwise accumulated, any common shares of the Issuer to re-establish its holdings of common shares which will have been reduced as a result of the sale of the subject shares pursuant to the proposed purchases.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 94 to 94.8, 97 to 98.7, 104(2)(c).

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

AND

IN THE MATTER OF
LOBLAW COMPANIES LIMITED

ORDER
(Clause 104(2)(c))

UPON the application (the "**Application**") of Loblaw Companies Limited (the "**Issuer**") to the Ontario Securities Commission (the "**Commission**") for an order of the Commission pursuant to clause 104(2)(c) of the *Securities Act* (Ontario) exempting the Issuer from the requirements of sections 94 to 94.8, inclusive, and 97 to 98.7, inclusive, of the Act (the "**Issuer Bid Requirements**") in connection with the proposed purchases by the Issuer of up to 1,700,000 of the Issuer's common shares (collectively, the "**Subject Shares**") in one or more trades with The Bank of Nova Scotia (the "**Selling Shareholder**");

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

AND UPON the Issuer (and the Selling Shareholder in respect of paragraphs 5, 6, 7, 8, 9, 10, 12, 23 and 24 as they relate to the Selling Shareholder) having represented to the Commission that:

1. The Issuer is a corporation governed by the *Canada Business Corporations Act*.

2. The registered office of the Issuer is located at 22 St. Clair Avenue East, Toronto, Ontario M4T 2S7 and its national head office is located at 1 President's Choice Circle, Brampton, Ontario L6Y 5S5.

3. The Issuer is a reporting issuer in each of the provinces and territories of Canada and the common shares of the Issuer (the "**Shares**") are listed for trading on the Toronto Stock Exchange (the "**TSX**") under the symbol "L". The Issuer is not in default of any requirement of the securities legislation in the jurisdictions in which it is a reporting issuer.

4. The Issuer's authorized share capital consists of an unlimited number of Shares, 1,000,000 First Preferred Shares, issuable in series, and an unlimited number of Second Preferred Shares, issuable in series, of which 412,410,033 Shares, no First Preferred Shares and 9,000,000 Second Preferred Shares, Series B were issued and outstanding as of October 26, 2015.

5. The corporate headquarters of the Selling Shareholder is located in the Province of Ontario.

6. The Selling Shareholder does not, directly or indirectly, own more than 5% of the issued and outstanding Shares.

7. The Selling Shareholder is the beneficial owner of at least 1,700,000 Shares. None of the Subject Shares were acquired by, or on behalf of, the Selling Shareholder in anticipation or contemplation of resale to the Issuer.

8. The Subject Shares are held by the Selling Shareholder in connection with arrangements to hedge client transactions in respect of the Shares. Between the date of this Order and the date on which a Proposed Purchase (as defined below) is to be completed, the Selling Shareholder will not purchase, have purchased on its behalf, or otherwise accumulate, any Shares to re-establish

its holdings of Shares which will have been reduced as a result of the sale of the Subject Shares pursuant to the Proposed Purchases.

9. No Shares were purchased by, or on behalf of, the Selling Shareholder on or after September 27, 2015, being the date that was 30 days prior to the date of the Application, in anticipation or contemplation of a sale of Shares to the Issuer.

10. The Selling Shareholder is at arm's length to the Issuer and is not an "insider" of the Issuer, an "associate" of an "insider" of the Issuer, or an "associate" or "affiliate" of the Issuer, as such terms are defined in the Act. In addition, the Selling Shareholder is an "accredited investor" within the meaning of National Instrument 45-106 *Prospectus Exemptions*.

11. Pursuant to a "Notice of Intention to Make a Normal Course Issuer Bid" filed with, and accepted by, the TSX, dated April 23, 2015 (the "**Notice**"), the Issuer is permitted to make purchases pursuant to a normal course issuer bid (the "**Normal Course Issuer Bid**") during the 12-month period beginning on April 28, 2015 and ending on April 27, 2016 to a maximum of 21,931,288 Shares, representing approximately 10% of the public float, calculated in accordance with the rules of the TSX, as at the date specified in the Notice. The Issuer may make purchases under the Normal Course Issuer Bid through the facilities of the TSX or through alternative trading systems, if eligible, or by such other means as may be permitted by the TSX or under applicable law by a registered investment dealer (or an affiliate of the dealer) in accordance with sections 628 to 629.3 of Part VI of the TSX Company Manual (the "**TSX NCIB Rules**"), including private agreements under an issuer bid exemption order issued by a securities regulatory authority (each, an "**Off-Exchange Block Purchase**"). The TSX has indicated that it will not object to Off-Exchange Block Purchases being completed pursuant to the Normal Course Issuer Bid.

12. The Issuer and the Selling Shareholder intend to enter into one or more agreements of purchase and sale (each, an "**Agreement**"), pursuant to which the Issuer will agree to acquire some or all of the Subject Shares from the Selling Shareholder by way of one or more purchases, each occurring before April 27, 2016 (each such purchase, a "**Proposed Purchase**") for a purchase price (each such price, a "**Purchase Price**" in respect of such Proposed Purchase) that will be negotiated at arm's length between the Issuer and the Selling Shareholder. The Purchase Price, in each case, will be at a discount to the prevailing market price and below the prevailing bid-ask price for the Shares on the TSX at the time of each Proposed Purchase.

13. The Subject Shares acquired under each Proposed Purchase will constitute a "block" as that term is defined in section 628 of the TSX NCIB Rules.

14. The purchase of any of the Subject Shares by the Issuer pursuant to an Agreement will constitute an "issuer bid" for the purposes of the Act to which the Issuer Bid Requirements would apply.

15. Because the Purchase Price will, in each case, be at a discount to the prevailing market price and below the prevailing bid-ask price for the Shares on the TSX at the time of each Proposed Purchase, none of the Proposed Purchases can be made through the TSX trading system and therefore, will not occur "through the facilities" of the TSX. As a result, the Issuer will be unable to acquire Subject Shares from the Selling Shareholder in reliance upon the exemption from the Issuer Bid Requirements that is available pursuant to subsection 101.2(1) of the Act.

16. But for the fact that the Purchase Price will be at a discount to the prevailing market price and below the prevailing bid-ask price for the Shares on the TSX at the time of each Proposed Purchase, the Issuer could otherwise acquire the applicable Subject Shares through the facilities of the TSX as a "block purchase" (a "**Block Purchase**") in accordance with the block purchase exception in clause 629(l)7 of the TSX NCIB Rules and the exemption from the Issuer Bid Requirements that is available pursuant to subsection 101.2(1) of the Act.

17. The sale of any of the Subject Shares to the Issuer will not be a "distribution" (as defined in the Act).

18. For each Proposed Purchase, the Issuer will be able to acquire the applicable Subject Shares from the Selling Shareholder without the Issuer being subject to the dealer registration requirements of the Act.

19. Management of the Issuer is of the view that: (a) the Issuer will be able to purchase the Subject Shares at a lower price than the price at which the Issuer would otherwise be able to purchase Shares under the Normal Course Issuer Bid in accordance with the TSX NCIB Rules and the exemption from the Issuer Bid Requirements available pursuant to subsection 101.2(1) of the Act; and (b) the Proposed Purchases are an appropriate use of the Issuer's funds.

20. The purchase of Subject Shares will not adversely affect the Issuer or the rights of any of the Issuer's security holders and it will not materially affect control of the Issuer. To the knowledge of the Issuer, the Proposed Purchases will not prejudice the ability of other security holders of the Issuer to

otherwise sell Shares in the open market at the then-prevailing market price. The Proposed Purchases will be carried out at minimal cost to the Issuer.

21. To the best of the Issuer's knowledge, as of October 26, 2015, the "public float" for the Shares represented approximately 53% of all issued and outstanding Shares for the purposes of the TSX NCIB Rules.

22. The Shares are "highly-liquid securities" within the meaning of section 1.1 of OSC Rule 48-501 *Trading during Distributions, Formal Bids and Share Exchange Transactions* and section 1.1 of the Universal Market Integrity Rules.

23. Other than the Purchase Price, no fee or other consideration will be paid in connection with the Proposed Purchases.

24. At the time that each Agreement is entered into by the Issuer and the Selling Shareholder and at the time of each Proposed Purchase, neither the Issuer, nor any member of the Global Equity Derivatives and Investor Solutions group, nor any Selling Shareholder, nor any personnel of the Selling Shareholder that negotiated the Agreement or made, participated in the making of, or provided any advice in connection with, the decision to enter into the Agreement and sell the Subject Shares, will be aware of any "material change" or "material fact" (each as defined in the Act) in respect of the Issuer that has not been generally disclosed.

25. The Issuer will not make any Proposed Purchase unless it has first obtained confirmation in writing from the Selling Shareholder that, between the date of the Order and the date on which a Proposed Purchase is to be completed, the Selling Shareholder has not purchased, had purchased on its behalf, or otherwise accumulated any Shares to re-establish its holdings of Shares which will have been reduced as a result of the sale of the Subject Shares pursuant to the Proposed Purchases.

26. The Issuer has made one other application to the Commission for exemptive relief from the Issuer Bid Requirements in connection with the proposed purchase by the Issuer of up to 2,937,000 Shares from Canadian Imperial Bank of Commerce, pursuant to one or more private agreements (the "**Concurrent Application**").

27. The Issuer will not purchase, pursuant to Off-Exchange Block Purchases, in aggregate, more than one-third of the maximum number of Shares that the Issuer can purchase under its Normal Course Issuer Bid, such one-third being equal to 7,310,429 Shares as of the date of the Order, taking into account, for greater certainty, the Subject Shares and Shares which are the subject of the Concurrent Application.

28. In accordance with the Notice, the Issuer may establish a form of automatic share repurchase plan (a "**Plan**") that would permit the Issuer to make purchases under its Normal Course Issuer Bid during internal trading blackout periods including regularly scheduled quarterly blackout periods, when the Issuer would not be permitted to trade in its Shares. There is no Plan in place as of the date of this Order. The form of any Plan will be preapproved by the TSX and comply with the TSX NCIB Rules, applicable securities laws and this Order. If the Issuer implements a Plan, the terms of such Plan will provide that the Issuer may, but will not be required to, instruct its designated broker to make purchases under the Normal Course Issuer Bid in accordance with the terms of the Plan at times when the Issuer is not subject to blackout restrictions. Such purchases under the Plan will be determined by the designated broker in its sole discretion based on parameters established by the Issuer prior to any blackout period in accordance with the TSX NCIB Rules, applicable securities laws (including this Order) and the terms of the agreement between the designated broker and the Issuer. In the event the Issuer implements a Plan prior to completing the Proposed Purchases, the Issuer will ensure that such Plan contains provisions restricting the Issuer from conducting any Block Purchases during any calendar week in which the Issuer completes a Proposed Purchase. No Subject Shares will be acquired under a Plan or otherwise during designated blackout periods administered in accordance with the Issuer's corporate policies.

29. Assuming completion of the purchase of the maximum number of Subject Shares, being 1,700,000 Shares, and the maximum number of Shares that are the subject of the Concurrent Application, being 2,937,000 Shares, the Issuer will have purchased under the Normal Course Issuer Bid an aggregate of 4,637,000 Shares pursuant to Off-Exchange Block Purchases, representing approximately 21% of the maximum of 21,931,288 Shares authorized to be purchased under the Normal Course Issuer Bid.

AND UPON the Commission being satisfied that to do so would not be prejudicial to the public interest;

IT IS ORDERED pursuant to clause 104(2)(c) of the Act that the Issuer be exempt from the Issuer Bid Requirements in connection with the Proposed Purchases, provided that:

(a) the Proposed Purchases will be taken into account by the Issuer when calculating the maximum annual aggregate limit that is imposed upon the Issuer's

Normal Course Issuer Bid in accordance with the TSX NCIB Rules;

(b) the Issuer will refrain from conducting either a Block Purchase in accordance with the TSX NCIB Rules, or another Off-Exchange Block Purchase, during the calendar week in which it completes a Proposed Purchase and will not make any further purchases under the Normal Course Issuer Bid for the remainder of the calendar day on which it completes a Proposed Purchase;

(c) the Purchase Price in respect of each Proposed Purchase will be at a discount to the last "independent trade" (as that term is used in paragraph 629(l)1 of the TSX NCIB Rules) of a board lot of Shares immediately prior to the execution of such Proposed Purchase;

(d) the Issuer will otherwise acquire any additional Shares pursuant to the Normal Course Issuer Bid in accordance with the Notice and the TSX NCIB Rules, and subject to condition (i) below, by Off-Exchange Block Purchases;

(e) immediately following each Proposed Purchase of Subject Shares from the Selling Shareholder, the Issuer will report the purchase of such Subject Shares to the TSX;

(f) at the time that each Agreement is entered into by the Issuer and the Selling Shareholder and at the time of each Proposed Purchase, neither the Issuer, nor any member of the Global Equity Derivatives and Investor Solutions group of the Selling Shareholder, nor any personnel of the Selling Shareholder that negotiated the Agreement or made, participated in the making of, or provided any advice in connection with, the decision to enter into the Agreement and sell the Subject Shares, will be aware of any "material change" or "material fact" (each as defined in the Act) in respect of the Issuer that has not been generally disclosed;

(g) in advance of the first Proposed Purchase, the Issuer will issue a press release disclosing (i) its intention to make the Proposed Purchases, and (ii) that information regarding each Proposed Purchase, including the number of Subject Shares purchased and the aggregate Purchase Price, will be available on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") following the completion of each such Proposed Purchase;

(h) the Issuer will report information regarding each Proposed Purchase, including the number of Subject Shares purchased and the aggregate Purchase Price, on SEDAR before 5:00 p.m. (Toronto time) on the business day following such purchase;

(i) the Issuer does not purchase, pursuant to Off-Exchange Block Purchases, in the aggregate, more than one-third of the maximum number of Shares the Issuer can purchase under the Normal Course Issuer Bid, such one-third being equal to, as of the date of this Order, 7,310,429 Shares; and

(j) the Issuer will not make any Proposed Purchase unless it has first obtained confirmation in writing from the Selling Shareholder that, between the date of this Order and the date on which a Proposed Purchase is to be completed, the Selling Shareholder has not purchased, had purchased on its behalf, or otherwise accumulated, any Shares to re-establish its holdings of Shares which will have been reduced as a result of the sale of the Subject Shares pursuant to the Proposed Purchases.

DATED at Toronto this 20th day of November, 2015.

"William Furlong"
Commissioner
Ontario Securities Commission

"Grant Vingoe"
Commissioner
Ontario Securities Commission

2.2.7 Majestic Supply Co. Inc. et al. – Rule 9 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
MAJESTIC SUPPLY CO. INC.,
SUNCASTLE DEVELOPMENTS CORPORATION,
HERBERT ADAMS, STEVE BISHOP,
MARY KRICFALUSI, KEVIN LOMAN AND
CBK ENTERPRISES INC.

ORDER
(Rule 9 of the Commission's Rules of Procedure,
(2014) 37 OSCB 4168)

WHEREAS:

1. on February 21, 2013, the Ontario Securities Commission ("Commission") issued its Reasons and Decision with respect to the merits (the "Merits Decision"), which found that Kevin Loman ("Loman") and others engaged in conduct in breach of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (*Re Majestic Supply Co. Inc. et al.* (2013), 36 O.S.C.B. 2104);

2. on November 29, 2013, the Commission issued its Reasons and Decision with respect to sanctions and costs (the "Sanctions Decision") and ordered sanctions and costs against Loman and others (*Re Majestic Supply Co. Inc. et al.* (2013), 36 O.S.C.B. 11642);

3. Loman appealed the Merits Decision and the Sanctions Decision to the Divisional Court;

4. on June 25, 2015, the Divisional Court dismissed the appeal in respect of the Merits Decision but allowed the appeal with respect to certain of the sanctions imposed against Loman, which sanctions were remitted back to the Commission for a fresh determination (*Loman v. Ontario Securities Commission*, 2015 ONSC 4083);

5. on September 15, 2015, the Commission issued a Notice of Hearing notifying that a hearing would proceed at the offices of the Commission on October 30, 2015, or as soon thereafter as the hearing could be held, for a fresh determination of certain sanctions ordered against Loman (the "Hearing");

6. on August 25 and October 5, 2015, the parties exchanged and filed written sanctions submissions in respect of the Hearing;

7. on October 30, 2015, the parties appeared before the Commission, made oral submissions regarding the appropriateness of certain sanctions to be ordered against Loman and took differing views on which of the sanctions were remitted back to the Commission by the Divisional Court;

8. on October 30, 2015, the parties requested a short adjournment of this matter in order to permit the parties to seek clarification from the Divisional Court with respect to the scope of the sanctions remitted for a fresh determination by the Commission;

9. on October 30, 2015, the Commission ordered that the Hearing is adjourned to November 24, 2015 at 1:30 p.m., or to such other date as directed by the Office of the Secretary;

10. on November 2, 2015, the parties sent a letter to the Registrar of the Divisional Court seeking clarification from the Divisional Court as to whether the Commission was being directed to reconsider certain sanctions;

11. on November 23, 2015, the parties advised the Commission that they had not received a response to their letter, neither had any further oral submissions at this time and that the parties planned to file any response received from the Divisional Court Registrar and the formal order on the appeal;

12. the Commission has concluded it is in the public interest to make this order;

IT IS HEREBY ORDERED that the date of November 24, 2015 at 1:30 p.m., which had been scheduled for the Hearing, is vacated and the Hearing is adjourned to such date as may be agreed to by the parties and set by the Office of the Secretary.

DATED at Toronto this 24th day of November, 2015.

"Edward P. Kerwin"

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Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Reasons

3.1.1 Daveed Zarr (formerly known as Asi Lalky)

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

AND

IN THE MATTER OF
DAVEED ZARR (formerly known as ASI LALKY)

REASONS AND DECISION

Hearing:	In writing		
Decision:	October 8, 2015		
Panel:	Timothy Moseley	–	Commissioner
Submissions by:	Clare Devlin Naila Ruba	–	For Staff of the Commission

TABLE OF CONTENTS

REASONS AND DECISION

I. OVERVIEW

[1] On August 25, 2014, the British Columbia Securities Commission (the "**BCSC**") issued a decision[1] in which it found that Daveed Zarr ("**Zarr**") had engaged in an illegal distribution, had traded without proper registration, and had made misrepresentations to potential investors, all contrary to British Columbia's *Securities Act*[2] (the "**BC Act**").

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1 *Re Daveed Zarr (formerly known as Asi Lalky) and Zarr Energy Corporation*, 2014 BCSECCOM 317 ("**BC Merits Decision**").

2 RSBC 1996, c 418.

[2] As a result, on October 31, 2014, the BCSC issued an order imposing various sanctions against Zarr (the "**BC Order**").[3] The BCSC ordered that Zarr resign any positions he held as director or officer of an issuer or registrant, and that he pay a $20,000 administrative penalty. In addition, it restricted his access to and participation in the British Columbia capital markets until the later of October 31, 2018, or the date upon which he paid the administrative penalty.

[3] Enforcement staff ("**Staff**") of the Ontario Securities Commission (the "**Commission**") seeks an order pursuant to subsection 127(1) of the Ontario *Securities Act* (the "**Act**")[4] that mirrors most of the terms of the BC Order. Staff relies upon subsection 127(10) of the Act, which provides that this Commission may make an order against a person under subsection 127(1) if that person is subject to an order made by a securities regulatory authority in another jurisdiction.

[4] Specifically, Staff asks the Commission to order that Zarr resign any positions he holds as director or officer of any issuer or registrant, and that until the later of October 31, 2018, or the date upon which he pays the administrative penalty ordered by the BCSC:

a. trading in, or acquisition of, any securities by Zarr cease, except that he may trade or acquire securities for his own account through a registrant if, prior to any such trade or acquisition, he gives the registrant a copy of the BC Order and a copy of the Ontario order, if granted;

b. none of the exemptions contained in Ontario securities law shall apply to Zarr; and

c. Zarr be prohibited from becoming or acting as a registrant or promoter, or an officer or director of any issuer or registrant.

[5] For the reasons that follow, I find that it is in the public interest to issue the order requested by Staff.

II. THE BCSC PROCEEDING

[6] In its decision, the BCSC found the following facts:

a. at all relevant times, Zarr was a resident of British Columbia;

b. Zarr had never been registered under the BC Act;

c. Zarr was the sole director and officer of Zarr Energy Corporation ("**Zarr Energy**");

d. Zarr Energy had never filed a prospectus under the BC Act;

e. Zarr sought investors to purchase shares in Zarr Energy by, among other methods, creating a website for Zarr Energy, and publishing online advertisements through Craigslist and Alibaba.com;

f. Zarr published an advertisement through Craigslist, offering foreign exchange trading investments, which advertisement contained false or misleading representations; and

g. Zarr corresponded with a BCSC investigator posing as an investor, to whom Zarr made false or misleading representations regarding his qualifications and regarding the expected return on the investments being offered.[5]

[7] Those factual findings led the BCSC to conclude that:

a. by offering shares in Zarr Energy, Zarr engaged in an illegal distribution and thereby contravened subsection 61(1) of the BC Act;

b. by soliciting investment in foreign exchange trading, Zarr engaged in unregistered trading and thereby contravened paragraph 34(a) of the BC Act; and

c. by making false or misleading statements, Zarr contravened paragraph 50(1)(d) of the BC Act.[6]

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3 *Re Daveed Zarr (formerly known as Asi Lalky) and Zarr Energy Corporation*, 2014 BCSECCOM 454 ("**BC Sanctions Decision**").

4 RSO 1990, c S.5.

5 BC Merits Decision at paras 6-18, 48, 53 and 58.

6 BC Merits Decision at para 59.

[8] The BCSC ordered that:

a. Zarr pay to the BCSC an administrative penalty of $20,000;

b. Zarr resign any position he held as a director or officer of an issuer or registrant; and

c. until the later of the date upon which Zarr pays that administrative penalty, and October 31, 2018:

i. Zarr be prohibited from trading in, or purchasing, any securities or exchange contracts, except that he would be permitted to trade and purchase securities for his own account through a registrant if, prior to such trade or purchase, he gives the registrant a copy of the BC Order;

ii. none of the exemptions set out in the BC Act or regulations made under that Act applies to Zarr;

iii. Zarr be prohibited from becoming or acting as a director or officer of any issuer or registrant;

iv. Zarr be prohibited from becoming or acting as a registrant or promoter;

v. Zarr be prohibited from acting in a management or consultative capacity in connection with activities in the securities market; and

vi. Zarr be prohibited from engaging in investor relations activities.[7]

III. PRELIMINARY MATTERS

A. Notice to Zarr

[9] The Notice of Hearing commencing this proceeding specified that the initial hearing would take place on July 22, 2015.

[10] At the hearing on that date, Zarr did not appear, and no one appeared on his behalf. Staff tendered an affidavit of Lee Crann, sworn July 20, 2015, which described steps taken by Staff to serve Zarr with the Notice of Hearing, the Statement of Allegations, and disclosure.[8]

[11] I requested additional information regarding service upon Zarr and adjourned the proceeding to a hearing on July 24, 2015, to allow Staff an opportunity to prepare a supplementary affidavit.

[12] At the hearing on July 24, Zarr did not appear, and no one appeared on his behalf. Staff tendered an affidavit of Lee Crann, sworn July 23, 2015, which provided additional information regarding the steps previously taken by Staff to serve Zarr.[9] Based upon that affidavit, I was satisfied that Zarr had been properly served with the Notice of Hearing and other materials.

[13] Subsection 7(1) of the *Statutory Powers Procedure Act*[10] (the "**SPPA**") and Rule 7.1 of the Commission's *Rules of Procedure*[11] (the "**OSC Rules**") provide that where notice of the hearing has been given to a party, but the party fails to appear, the tribunal may proceed in the absence of the party and the party is not entitled to further notice in the proceeding.

B. Written Hearing

[14] The Notice of Hearing includes a notification that at the initial oral hearing, Staff would bring an application to continue the proceeding by way of written hearing, as provided for in section 5.1 of the SPPA and Rule 11.5 of the OSC Rules.

[15] As noted above, on July 22, I adjourned the proceeding to an oral hearing on July 24. At the July 22 hearing, I deferred consideration of Staff's application to proceed in writing until the July 24 hearing.

[16] At the July 24 hearing, I granted Staff's application to proceed in writing. I ordered that Staff serve and file its materials by July 31, and that Zarr serve and file any responding materials by August 28.

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7 BC Sanctions Decision at para 35.

8 Marked as Exhibit 1 at the oral hearing on July 22.

9 Marked as Exhibit 2 at the oral hearing on July 24.

10 RSO 1990, c S.22.

11 (2014), 37 OSCB 4168.

[17] Staff served on Zarr[12] and filed a hearing brief[13] containing the BC Merits Decision and the BC Sanctions Decision, along with written submissions and a brief of authorities. No materials were received from Zarr.

IV. ISSUES

[18] This proceeding presents three principal issues:

1. Is the test prescribed by subsection 127(10) of the Act met?

2. If so, is it in the public interest to make an order in Ontario?

3. If so, what is the appropriate order?

V. ANALYSIS

A. Is the test prescribed by subsection 127(10) of the Act met?

[19] In seeking an order under subsection 127(1) of the Act, Staff relies upon subsection 127(10), which provides, in part:

> … an order may be made under subsection (1) … in respect of a person … if any of the following circumstances exist:
>
> …
>
> 4. The person or company is subject to an order made by a securities regulatory authority … in any jurisdiction, that imposes sanctions, conditions, restrictions or requirements on the person or company.

[20] The BC Order is an order of the BCSC, which is a securities regulatory authority in another jurisdiction.

[21] The BC Order imposes sanctions, restrictions and requirements upon Zarr.

[22] The BC Order therefore meets the test prescribed by subsection 127(10) of the Act, and the Commission may make an order under subsection 127(1) if it is in the public interest to do so.[14]

B. Is it in the public interest to make an order in Ontario?

1. Introduction

[23] The conclusion that the BC Order meets the test in subsection 127(10) of the Act does not necessarily lead to the conclusion that an order of this Commission should be made under subsection 127(1) of the Act. Any such order must still be "in the public interest" in the context of the Ontario capital markets.[15]

2. Inter-jurisdictional co-operation

[24] In determining what order would be in the public interest, I must be guided by the objective of co-operation among securities regulators, as set out in section 2.1 of the Act:

> In pursuing the purposes of this Act, the Commission shall have regard to the following fundamental principles:
>
> […]
>
> 5. The integration of capital markets is supported and promoted by the sound and responsible harmonization and co-ordination of securities regulation regimes.

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12 Affidavit of service of Naila Ruba sworn August 14, 2015, marked as Exhibit 4 in this proceeding.

13 Marked as Exhibit 5 in this proceeding.

14 *Re Euston Capital Corp* (2009), 32 OSCB 6313 at para 46.

15 *Re Elliott* (2009), 32 OSCB 6931 at para 27.

[25] By explicitly referring to orders made by securities regulatory authorities in other jurisdictions, subsection 127(10) of the Act clearly promotes this legislative objective. This goal is also well recognized in decisions of the Supreme Court of Canada[16] and of this Commission.[17]

[26] As this Commission has previously held, "[t]he decision of a foreign jurisdiction stands as a determination of fact for the purpose of the Commission's considerations under subsection 127(10) of the Act."[18]

[27] In this case, the findings of the BCSC with respect to Zarr's conduct are compelling reasons to conclude that it is in the public interest to restrict his participation in Ontario's capital markets. Had Zarr engaged in the same conduct in Ontario, it is almost certain that he would have contravened corresponding provisions of Ontario securities law.

3. Nexus to Ontario

[28] A factual nexus to Ontario is not a necessary pre-condition to an order under subsection 127(1) of the Act. However, any such nexus may be considered.[19]

[29] In this case, there is such a nexus. Zarr placed an advertisement on Craigslist in Ottawa, which the BCSC described as follows:

> The Ottawa ad was headed: "**250,000$ High return investment**" and the body of the ad read in part: "Do you want to make 30-50% on your money this year? I can grow your account by 30-50% a year … I also invite people to bet against me; If I don't make you 30-50% on your money in a clander [*sic*] year I will give you 10,000$ ... Yes, I'm that sure … [20]

[30] Zarr's solicitation of potential Ontario investors in this way reinforces the conclusion that it would be in the public interest to make an order against him under subsection 127(1) of the Act.

C. What is the appropriate order?

[31] As noted above in paragraph [27], Zarr's conduct, had it occurred in Ontario, would likely have attracted consequences similar to those ordered by the BCSC. Zarr's misconduct was serious.

[32] The BCSC found that he engaged in an illegal distribution and in unregistered trading, and that he "repeatedly published significant misrepresentations that were blatant and egregious lies".[21] The BCSC also found that Zarr "displayed wanton disregard for the need for securities regulatory compliance" and that he was unwilling to take responsibility for the potential harm to investors.[22]

[33] The BCSC concluded that Zarr "poses an ongoing and substantial risk to investors and to the capital markets" and found no mitigating factors.[23]

[34] In determining what order would be in the public interest in Ontario, I must consider the purposes of the Act set out in section 1.1, including the protection of investors from unfair, improper or fraudulent practices, and the promotion of confidence in the capital markets.[24]

[35] As the Supreme Court of Canada has held, it is also appropriate to consider general deterrence in making an order under subsection 127(1) of the Act.[25]

[36] The BCSC ordered Zarr to pay an administrative penalty of $20,000, ordered him to resign any positions as director or officer of a registrant, and restricted Zarr's access to and participation in the capital markets of British Columbia for a period of four years, or longer if he fails to pay the administrative penalty.

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16 *McLean v British Columbia (Securities Commission)*, 2013 SCC 67 at para 51; *Global Securities Corp. v. British Columbia (Securities Commission)*, 2000 SCC 21 at para 27.

17 *Re JV Raleigh Superior Holdings Inc.* (2013), 36 OSCB 4639 at para 21; *New Futures Trading International Corp. (Re)* (2013), 36 OSCB 5713 at para 27.

18 *Re JV Raleigh Superior Holdings Inc.*, *supra* note 17 at para 16.

19 *Re Marlatt* (2014), 37 OSCB 5428 at para 25; *Re Biller* (2005), 28 OSCB 10131 at para 35.

20 BC Merits Decision at para 14.

21 BC Sanctions Decision at para 14.

22 Ibid at para 13.

23 Ibid at paras 19-20.

24 *Committee for Equal Treatment of Asbestos Minority Shareholders v. Ontario (Securities Commission)* 2001 SCC 37 at para 45.

25 *Cartaway Resources Corp.*, 2004 SCC 26 at para 60.

[37] Appropriately, Staff does not seek an order in Ontario that would require Zarr to pay an additional administrative penalty. The order that Staff seeks would restrict Zarr's access to and participation in Ontario's capital markets in the same way that was done in British Columbia.

[38] In my view, the order requested by Staff is proportionate to the conduct as found by the BCSC, would serve to protect Ontario's investors and capital markets, would further the objective of inter-jurisdictional co-operation, and would have an appropriate general deterrence effect in Ontario.

VI. CONCLUSION

[39] For the reasons set out above, I find that it is in the public interest to impose the sanctions requested by Staff.

[40] I will therefore issue an order, pursuant to paragraphs 7 and 8.1 of subsection 127(1) of the Act, that Zarr resign any positions that he holds as director or officer of any issuer or registrant.

[41] The order will contain the following additional provisions, each of which is effective until the later of October 31, 2018, and the date upon which Zarr makes the payment required by the BC Order:

a. pursuant to paragraphs 2 and 2.1 of subsection 127(1) of the Act, trading in or acquisition of any securities by Zarr shall cease, except that he may trade or acquire securities for his own account through a registrant if, prior to such trade or acquisition, he gives the registrant a copy of the BC Order and a copy of the order resulting from this decision;

b. pursuant to paragraph 3 of subsection 127(1) of the Act, none of the exemptions contained in Ontario securities law shall apply to Zarr;

c. pursuant to paragraphs 8 and 8.2 of subsection 127(1) of the Act, Zarr is prohibited from becoming or acting as an officer or director of any issuer or registrant; and

d. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Zarr is prohibited from becoming or acting as a registrant or promoter.

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

"Timothy Moseley"

3.1.2 Ground Wealth Inc. et al. – ss. 127, 127.1

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

AND

IN THE MATTER OF
GROUND WEALTH INC., MICHELLE DUNK,
ADRION SMITH, JOEL WEBSTER, DOUGLAS DEBOER,
ARMADILLO ENERGY INC., ARMADILLO ENERGY, INC. AND
ARMADILLO ENERGY, LLC (aka ARMADILLO ENERGY LLC)

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

Hearing:	In writing		
Decision:	November 18, 2015		
Panel:	Christopher Portner	–	Commissioner
Submissions:	Jonathon T. Feasby Malinda N. Norman	–	For Staff of the Commission

TABLE OF CONTENTS

REASONS AND DECISION

I. OVERVIEW

[1] This was a hearing (the "**Sanctions and Costs Hearing**") 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**") to determine whether it is in the public interest to issue an order with respect to sanctions and costs against Armadillo Energy Inc. ("**Armadillo Texas**"), Armadillo Energy, Inc. ("**Armadillo Nevada**") and Armadillo Energy, LLC, also known as Armadillo Energy LLC ("**Armadillo Oklahoma**" and, collectively with Armadillo Texas and Armadillo Nevada, the "**Respondents**").

[2] The proceeding arose from a Notice of Hearing issued by the Commission on February 1, 2013, as amended on October 31, 2013, and a Statement of Allegations filed by Staff of the Commission ("**Staff**") on February 1, 2013, as amended on October 31, 2013 (the "**Amended Statement of Allegations**").

[3] In the Amended Statement of Allegations, Staff alleged that, from October 2010 through April 2011 (the "**Material Time**"), the Respondents, together with Ground Wealth Inc. ("**GWI**"), Michelle Dunk, Adrion Smith, Joel Webster and

Douglas DeBoer (collectively, the "**Settling Respondents**") traded securities without being registered to do so and illegally distributed securities to Ontario investors. The securities entitled investors to the proceeds derived from the extraction and sale of oil that was subject to oil leases located in the State of Oklahoma in the United States of America (the "**Armadillo Securities**"). Approximately $5,061,979[1] and US$319,567 was raised from distributing the Armadillo Securities to more than 130 Canadian investors. Of the foregoing amounts, approximately $2.8 million was raised from 68 investors who were Ontario residents.

[4] All of the Settling Respondents entered into settlement agreements which have been approved by the Commission and, as a result, they are no longer parties to this proceeding.

[5] The hearing on the merits in this proceeding was converted to a hearing in writing by Order of the Commission dated January 7, 2015. I issued reasons and a decision on the merits on August 24, 2015, *Re Ground Wealth et al.* (2015) 38 O.S.C.B. 7377 (the "**Merits Decision**"). In the Merits Decision, I found that:

(a) The Respondents had engaged in unlawful trading contrary to subsection 25(1) of the Act; and

(b) The Respondents illegally distributed securities contrary to subsection 53(1) of the Act.

[6] The Respondents have not appeared or made submissions and have not objected to the Sanctions and Costs Hearing being determined on the basis of the written record.

[7] Pursuant to subsection 7(2) of the *Statutory Powers Procedure Act,* R.S.O. c. S. 22, the Commission has jurisdiction to proceed with a hearing in the absence of the Respondents when they have been given notice but have not appeared. I am satisfied that the Respondents have either been given notice or, in the case of Armadillo Oklahoma, that notice was waived by Order of the Commission dated June 2, 2014.

II. SANCTIONS ANALYSIS

A. Sanctions Requested By Staff

[8] Staff submits that, given the findings in the Merits Decision, the following sanctions are appropriate and in the public interest:

(a) An order pursuant to clause 2 of subsection 127(1) of the Act that trading in any securities by the Respondents cease permanently;

(b) An order pursuant to clause 2.1 of subsection 127(1) of the Act that the acquisition of any securities by the Respondents cease permanently;

(c) An order pursuant to clause 3 of subsection 127(1) of the Act that any exemptions contained in Ontario securities law do not apply to the Respondents permanently;

(d) An order pursuant to clause 9 of subsection 127(1) of the Act that each of the Respondents pay an administrative penalty of $300,000, to be allocated to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the Act;

(e) An order pursuant to clause 10 of subsection 127(1) of the Act that the Respondents jointly and severally disgorge to the Commission a total of $2,761,979 and US$319,597, to be designated for allocation to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the Act; and

(f) An order pursuant to section 127.1 of the Act that the Respondents pay, jointly and severally, investigation and hearing costs incurred in this matter in the amount of $363,146.87.

[9] Staff submits that the Respondents' conduct involved breaches of securities law which caused significant harm to investors in Ontario, and that the proposed sanctions are proportionate to the seriousness of the Respondents' misconduct and will serve as a specific and general deterrent. The breaches included unlawful trading, the illegal distribution of securities and conduct contrary to the public interest. Staff further submits that the Respondents' breached securities laws in multiple jurisdictions and failed to call any evidence suggesting they had a business purpose that did not involve breaking securities laws.

[1] Unless otherwise indicated, all currency amounts referred to in these reasons are stated in Canadian Dollars.

III. THE LAW

[10] When exercising its public interest jurisdiction under section 127 of the Act, the Commission must consider the purposes of the Act which, as set out in section 1.1 of the Act, are to (i) provide protection to investors from unfair, improper or fraudulent practices; and (ii) foster fair and efficient capital markets and confidence in the capital markets.

[11] In pursuing the purposes of the Act, subsection 2.1(2) of the Act requires that the Commission have regard to a number of fundamental principles including the following primary means for achieving the purposes of the Act:

i. requirements for timely, accurate and efficient disclosure of information,

ii. restrictions on fraudulent and unfair market practices and procedures, and

iii. requirements for the maintenance of high standards of fitness and business conduct to ensure honest and responsible conduct by market participants.

[12] The sanctions imposed by the Commission must be protective and preventive to maintain high standards of behavior and to preserve the integrity of Ontario's capital markets. The role of the Commission is to impose sanctions that will protect investors and the capital markets from exposure to similar conduct in the future. As stated by the Commission in *Re Mithras Management Inc.*, (1990), 13 O.S.C.B. 1600 ("***Mithras***"):

> … the role of this Commission is to protect the public interest by removing from the capital markets – wholly or partially, permanently or temporarily, as the circumstances may warrant – those whose conduct in the past leads us to conclude that their conduct in the future may well be detrimental to the integrity of those capital markets. We are not here to punish past conduct; that is the role of the courts, particularly under section 118 [now 122] of the Act. We are here to restrain, as best we can, future conduct that is likely to be prejudicial to the public interest in having capital markets that are both fair and efficient. In so doing we must, of necessity, look to past conduct as a guide to what we believe a person's future conduct might reasonably be expected to be; we are not prescient, after all.[2] [Emphasis added.]

[13] As stated by the Supreme Court of Canada in *Committee for Equal Treatment of Asbestos Minority Shareholders v. Ontario Securities Commission*, [2001] 2 S.C.R. 132 ("***Asbestos***"), the Commission's public interest mandate is neither remedial nor punitive; instead, it is protective and preventive, and it is intended to prevent future harm to Ontario's capital markets.[3] More specifically, the Court stated that "[t]he role of the OSC under s. 127 is to protect the public interest by removing from the capital markets those whose past conduct is so abusive as to warrant apprehension of future conduct detrimental to the integrity of the capital markets."[4]

[14] The sanctions imposed must be appropriate and proportionate to the circumstances of the case and the conduct of the Respondents. The Commission has enumerated a number of factors that it considers in determining sanctions including the seriousness of the allegations, recognition of the seriousness of the improprieties, deterrence and whether there are any mitigating factors present in the case.[5] In exercising its discretion, the Commission should consider the protection of investors and the efficiency of, and public confidence in, capital markets generally.

A. Application of the Factors

[15] Having regard to the factors referred to in paragraph [14] above, I consider the following to be of particular relevance to the Respondents:

1. The Seriousness of the Conduct

[16] The registration requirements found at section 25 of the Act are an essential element of the regulatory framework and serve as an important gate-keeping function to ensure that only properly qualified and suitable individuals are permitted to be registrants and to trade with or on behalf of the public.[6] The Respondents failed to comply with this fundamental requirement of Ontario securities law, thereby bypassing a crucial means by which investors in Ontario are protected.

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2 *Mithras*, *supra* at paras. 1610 and 1611.

3 *Asbestos*, *supra* at para. 42.

4 *Asbestos*, *supra* at para. 43.

5 For a non-exhaustive list of sanctioning factors that the Commission may consider, see *Re Belteco Holdings Inc. (*1998), 21 O.S.C.B. 7743 at 7746; *Re M.C.J.C. Holdings Inc.* (2002), 25 O.S.C.B. 1133 at 1136.

6 *Re Limelight Entertainment Inc.* (2008), 31 O.S.C.B. 1727 at para. 135.

[17] The delivery of a prospectus, as required by section 53 of the Act, ensures that prospective investors have sufficient information to ascertain the risk level of their investment and to make informed investment decisions. In failing to provide investors and potential investors with a prospectus and the information that such a prospectus would have included, the Respondents deprived investors of a critical source of information about the nature of the investment being made, the risk involved and a thorough explanation of the manner in which investor funds would be employed.

2. Respondents' Experience in the Marketplace

[18] None of the Respondents was registered with the Commission during the material time and there is no evidence that the Respondents engaged in any legitimate market activity. On the contrary, the Respondents' experience appears to be limited to activities of the type found to have breached the Act in this matter.

3. Mitigating Factors

[19] The Respondents did not participate in the Sanctions and Costs Hearing and, as a result, the Commission was not presented with any evidence of mitigating factors.

4. General and Specific Deterrence

[20] The Supreme Court of Canada has held that general and specific deterrence are appropriate considerations when determining orders that are prospective in nature (*Re Cartaway Resources Corp.*, [2004] 1 S.C.R. 672). General deterrence requires the imposition of sanctions that will send a strong message to other individuals inclined to engage in similar conduct, that this type of behaviour will result in serious consequences. Specific deterrence requires the imposition of sanctions that will discourage the Respondents from engaging in further misconduct.

[21] The conduct engaged in by the Respondents involved serious breaches of fundamental provisions of the Act. It is, therefore, the Commission's responsibility to sanction the Respondents in such a manner that carries out the purposes of the Act and the goals of both general and specific deterrence.

B. Previous Sanctions Decisions

[22] Staff refers to a number of previous Commission decisions that Staff submits provide guidance as to the appropriate sanctions in this matter. Staff further submits that the previous decisions of the Commission support that the Respondents' misconduct warrants severe sanctions.

[23] In *Re Majestic Supply Co.* (2013), 36 O.S.C.B. 11642 ("***Majestic***"), the Commission held that permanent cease trade orders are warranted for parties involved in repeated illegal distributions over a prolonged period of time without being registered as such parties cannot be trusted to participate in the capital markets.

[24] Staff submits that *Re Al-Tar Energy Corp.* (2011), 34 O.S.C.B. 447 and *Re Richvale Resource Corp.* (2012), 35 O.S.C.B. 10699 should also be considered in light of the serious misconduct in this matter and that there is serious risk to the capital markets if the Respondents are not subjected to a permanent prohibition.

[25] Staff submits that the conduct of the Respondents was consistent with the factors that justify the imposition of administrative penalties established by the Commission in *Re Limelight Entertainment Inc.* (2008), 31 O.S.C.B. 12030 ("***Limelight***") and *Re Rowan* (2010), 33 O.S.C.B. 91 ("***Rowan***").

[26] Staff also submits that the Respondents' conduct also meets the test laid out by the Commission in *Limelight* for determining whether a disgorgement order is warranted.

[27] In *Limelight*, the Commission also enumerated the following non-exhaustive list of factors that should be considered when determining whether an order for disgorgement is appropriate:

(a) Whether an amount was obtained by a respondent as a result of non-compliance with the Act;

(b) The seriousness of the misconduct and the breaches of the Act and whether investors were seriously harmed;

(c) Whether the amount that a respondent obtained as a result of non-compliance with the Act is reasonably ascertainable;

(d) Whether the individuals who suffered losses are likely to be able to obtain redress; and

(e) The deterrent effect of a disgorgement order on the respondents and other market participants.

(*Limelight* at para 52.)

[28] *Limelight* goes on to state that, once Staff has proven on a balance of probabilities the amount illegally obtained by a respondent, the risk of uncertainty in calculating disgorgement should fall on the wrongdoer whose non-compliance with the Act gave rise to the uncertainty.

C. Analysis and Findings

[29] I find that the market bans requested by Staff are reasonable and appropriate in the circumstances. The Respondents breached multiple provisions of the Act designed to protect investors and provide them with confidence when investing in Ontario's capital markets and have failed to appear or make submissions with respect to their actions. As a result, in order to protect investors in Ontario, they must be banned permanently from trading in Ontario.

[30] Staff submits that the test for the imposition of administrative penalties against the Respondents has been met. In *Limelight* and *Rowan*, the Commission enumerated a number of factors that may be considered in determining an appropriate administrative penalty, including, the scope and seriousness of a respondent's misconduct, whether there were multiple and/or repeated breaches of the Act, whether the respondent realized any profit as a result of his or her misconduct, the amounts raised from investors, the harm caused to investors and the level of administrative penalties imposed in other cases.

[31] The evidence relating to the Respondents' conduct in relation to the foregoing factors leads me to conclude that an administrative penalty should form part of the sanctions in this matter.

[32] Staff requests that each of the Respondents pay an administrative penalty of $300,000. I find that such an amount is consistent with previous decisions of the Commission (see *Majestic*; *Re Ciccone* (2014), 37 O.S.C.B. 150; *Re Innovative Gifting Inc.* (2014), 37 O.S.C.B. 1461; and *Re M P Global Financial* (2011), 34 O.S.C.B. 8897) and will issue an order accordingly.

[33] Pursuant to clause 10 of subsection 127(1) of the Act, the Commission has the power to order the disgorgement of any amounts obtained as the result of non-compliance with the Act. Applying the factors described above in paragraph [27] and having regard to the fact that:

(a) All of the investor funds were raised as a result of the Respondents' unregistered trading and illegal distribution of securities;

(b) The Respondents' conduct was egregious and harmed investors;

(c) The Respondents obtained $5,061,979 and US$319,597, which Staff submits should be reduced by the amount the Respondents have already returned to investors in the form of production payments, namely, $1,000,000, and by the $1,300,000 amount that GWI has already been ordered to disgorge, for a total of $2,761,979 and US$319,597, respectively;

(d) Investors are unlikely to obtain redress for amounts invested and not already returned; and

(e) A disgorgement order against the Respondents would have a significant specific and general deterrent effect;

I find that it is appropriate to order that the Respondents disgorge a total of $2,761,979 and US$319,597 on a joint and several basis.

IV. COSTS

[34] Staff requests that the Respondents pay $363,146.87, on a joint and several basis, towards the costs of the hearing and the investigation. Staff filed a Bill of Costs that establishes that the total cost of the hearing and the investigation to be in excess of $700,000. Staff submits that the amount requested represents 50% of the costs incurred prior to the settlements with the Settling Respondents, and 100% of the costs accrued after the Settling Respondents settled.

[35] Section 127.1 of the Act gives the Commission the power to order a respondent to pay the costs of an investigation and hearing if it is satisfied that the person has breached the Act or has acted contrary to the public interest. A costs order is not a sanction but rather a means by which the Commission can recoup some of the costs expended during the hearing and investigation stages of a matter.

[36] Section 18.2 of the Commission's *Rules of Procedure* set out the factors the Commission may consider with respect to costs, including, the complexity of the proceedings, the importance of the issues and whether the Respondents participated in the proceeding.

[37] Staff submits that its approach to costs represents a conservative approach and that the amounts requested are fair and reasonable in the circumstances. I agree with Staff's submissions on costs and order the Respondents to pay the amounts sought by Staff.

V. CONCLUSION

[38] For the foregoing reasons, I will issue an order as follows:

(a) Pursuant to clause 2 of subsection 127(1) of the Act, trading in any securities by the Respondents shall cease permanently;

(b) Pursuant to clause 2.1 of subsection 127(1) of the Act, the acquisition of any securities by the Respondents shall cease permanently;

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

(d) Pursuant to clause 9 of subsection 127(1) of the Act, each of the Respondents shall pay an administrative penalty of $300,000, to be allocated to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the Act;

(e) Pursuant to clause 10 of subsection 127(1) of the Act, the Respondents shall jointly and severally disgorge to the Commission a total of $2,761,979 and US$319,597, to be designated for allocation to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the Act; and

(f) Pursuant to section 127.1 of the Act, the Respondents shall jointly and severally pay the investigation and hearing costs incurred in this matter in the amount of $363,146.87.

Dated at Toronto this 18th day of November, 2015.

"Christopher Portner"

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
Azabache Energy Inc.	9 November 2015	20 November 2015	20 November 2015	
EmberClear Corp.	6 November 2015	18 November 2015	18 November 2015	
La Jolla Capital Inc.	9 November 2015	20 November 2015	20 November 2015	
Medipure Holdings Inc.	9 November 2015	20 November 2015	20 November 2015	

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
Nobilis Health Corp.	23 November 2015	4 December 2015			

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
BitRush Corp.	13 November 2015	25 November 2015			
Boyuan Construction Group, Inc.	02 October 2015	14 October 2015	14 October 2015		
Enerdynamic Hybrid Technologies Corp.	4 November 2015	16 November 2015	16 November 2015		
Enerdynamic Hybrid Technologies Corp.	22 October 2015	4 November 2015	4 November 2015		
Enerdynamic Hybrid Technologies Corp.	15 October 2015	28 October 2015	28 October 2015		
Nobilis Health Corp.	23 November 2015	4 December 2015			

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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 11

IPOs, New Issues and Secondary Financings

Issuer Name:
BTB Real Estate Investment Trust
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated November 20, 2015
NP 11-202 Receipt dated November 20, 2015
Offering Price and Description:
$25,000,000.00 Aggregate Principal Amount - SERIES F7.15% CONVERTIBLE UNSECURED SUBORDINATED DEBENTURES
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
Dundee Securities Ltd.
Laurentian Bank Securities Inc.
Raymond James Ltd.
Laurentian Bank Securities Inc.
Raymond James Ltd.
TD Securities Inc.
Euro Pacific Canada Inc.
GMP Securities L.P.
Scotia Capital Inc.
Promoter(s):
-
Project #2417097

Issuer Name:
EPCOR Utilities Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Base Shelf Prospectus dated November 20, 2015
NP 11-202 Receipt dated November 20, 2015
Offering Price and Description:
$1,000,000,000.00
Medium Term Note Debentures
(unsecured)
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
HSBC Securities (Canada) Inc.
Merrill Lynch Canada Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
Promoter(s):
-
Project #2419095

Issuer Name:
Financial 15 Split Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated November 19, 2015
NP 11-202 Receipt dated November 19, 2015
Offering Price and Description:
* Preferred Shares and * Class A Shares
Prices: $* per Preferred Share and $* per Class A Share
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 #2418589

Issuer Name:
Financial 15 Split Corp.
Principal Regulator - Ontario
Type and Date:
Amended and Restated Preliminary Short Form Prospectus dated November 20, 2015
NP 11-202 Receipt dated November 20, 2015
Offering Price and Description:
Offering: $58,131,470 - 3,335,474 Preferred Shares and 2,502,700 Class A Shares
Prices: $10.00 per Preferred Share and $9.90 per Class A Share
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 #2418589

Issuer Name:
Franco-Nevada Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Base Shelf Prospectus dated November 16, 2015
NP 11-202 Receipt dated November 17, 2015
Offering Price and Description:
US$1,000,000,000.00
Common Shares
Preferred Shares
Debt Securities
Warrants
Subscription Receipts
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2417208

Issuer Name:
RBC 1-5 Year Laddered Canadian Bond ETF
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated November 19, 2015
NP 11-202 Receipt dated November 20, 2015
Offering Price and Description:
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
RBC Global Asset Management Inc.
Project #2418800

Issuer Name:
RBC Global Growth & Income Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated November 19, 2015
NP 11-202 Receipt dated November 20, 2015
Offering Price and Description:
Series A, Advisor Series, Advisor T5 Series, Series T5, Series F, Series FT5 and Series O Units
Underwriter(s) or Distributor(s):
RBC Global Asset Management Inc.
Royal Mutual Funds Inc.
RBC Global Asset Management Inc.
Promoter(s):
RBC Global Asset Management Inc.
Project #2419123

Issuer Name:
RBC Strategic Global Dividend Leaders ETF
RBC Strategic Global Equity Leaders ETF
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated November 19, 2015
NP 11-202 Receipt dated November 20, 2015
Offering Price and Description:
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
RBC Global Asset Management Inc.
Project #2418851

Issuer Name:
TransCanada PipeLines Limited
Principal Regulator - Alberta
Type and Date:
Preliminary Base Shelf Prospectus dated November 19, 2015
NP 11-202 Receipt dated November 19, 2015
Offering Price and Description:
$2,000,000,000.00 - Medium Term Note Debentures (Unsecured)
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Desjardins Securities Inc.
HSBC Securities (Canada) Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
Promoter(s):
-
Project #2418746

Issuer Name:
Cara Operations Limited
Principal Regulator - Ontario
Type and Date:
Final Base Shelf Prospectus dated November 18, 2015
NP 11-202 Receipt dated November 19, 2015
Offering Price and Description:
$1,500,000,000.00
Subordinate Voting Shares
Preference Shares
Subscription Receipts
Debt Securities
Warrants
Share Purchase Contracts
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2415050

Issuer Name:
Next Edge AHL Fund
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated November 17, 2015
NP 11-202 Receipt dated November 18, 2015
Offering Price and Description:
Class A Units, Class F Units, Class H Units, Class J Units, Class K Units, Class L Units and Class M Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
Next Edge Capital Corp.
Project #2407690

Issuer Name:
Scotia Money Market Fund (Series M units)
Scotia Canadian Income Fund (Series M units)
Scotia Private Canadian Corporate Bond Pool (Series I and Series M units)
Scotia Private Short-Mid Government Bond Pool (Series I and Series M units)
Scotia Short Term Bond Fund (Series I and Series M units)
Scotia Floating Rate Income Fund (Series I and Series M units)
Scotia Mortgage Income Fund (Series M units)
Scotia Income Advantage Fund (Series M units)
Scotia Private Canadian Preferred Share Pool (Series I and Series M units)
Scotia Canadian Dividend Fund (Series M units)
Scotia Private Canadian Equity Pool (Series I and Series M units)
Scotia Canadian Small Cap Fund (Series M units)
Scotia Private North American Dividend Pool (Series M units)
Scotia Private U.S. Dividend Pool (Series I and Series M units)
Scotia Private U.S. Equity Pool (Series I and Series M units)
Scotia Private Real Estate Income Pool (Series I and Series M units)
Scotia Private International Core Equity Pool (Series I and Series M units)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated November 12, 2015
NP 11-202 Receipt dated November 20, 2015
Offering Price and Description:
Series I and Series M
Underwriter(s) or Distributor(s):
Scotia Securities Inc.
Promoter(s):
-
Project #2398786

Issuer Name:
Scotia Private Short Term Income Pool (Pinnacle Series and Series F units)
Scotia Private Income Pool (Pinnacle Series, Series F and Series I units)
Scotia Private High Yield Income Pool (Pinnacle Series, Series F, Series I and Series M units)
Scotia Private American Core-Plus Bond Pool (Pinnacle Series, Series F and Series I units)
Scotia Private Strategic Balanced Pool (Pinnacle Series and Series F units)
Scotia Private Canadian Value Pool (Pinnacle Series, Series F and Series I units)
Scotia Private Canadian Mid Cap Pool (Pinnacle Series, Series F and Series I units)
Scotia Private Canadian Growth Pool (Pinnacle Series, Series F and Series I units)
Scotia Private Canadian Small Cap Pool (Pinnacle Series, Series F and Series I units)
Scotia Private U.S. Value Pool (Pinnacle Series, Series F and Series I units)
Scotia Private U.S. Large Cap Growth Pool (Pinnacle Series, Series F and Series I units)
Scotia Private U.S. Mid Cap Value Pool (Pinnacle Series, Series F, Series I and Series M units)
Scotia Private U.S. Mid Cap Growth Pool (Pinnacle Series, Series F, Series I and Series M units)
Scotia Private International Equity Pool (Pinnacle Series, Series F and Series I units)
Scotia Private International Small to Mid Cap Value Pool (Pinnacle Series, Series F and Series I units)
Scotia Private Emerging Markets Pool (Pinnacle Series, Series I and Series M units)
Scotia Private Global Equity Pool (Pinnacle Series, Series F and Series I units)
Scotia Private Global Real Estate Pool (Pinnacle Series, Series F and Series I units)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated November 12, 2015
NP 11-202 Receipt dated November 17, 2015
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Scotia Capital Inc.(for Pinnacle Class and Class F units only)
Scotia Capital Inc. (for Pinnacle Class and Class F units only)
Scotia Capital Inc. (for Pinnacle Class and Class F units only)
Scotia Capital Inc. (for Pinnacle Class only)
Scotia Capital Inc. (for Pinnacle Class and Class F units)
Scotia Captial Inc. (for Pinnacle Class and Class F units only)
Scotia Capital Inc. (for Class A and F units only)
Promoter(s):
-
Project #2398761

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Suspended (Regulatory Action)	Cornerstone Asset Management L.P.	Exempt Market Dealer	November 6, 2015
Change in Registration Category	Strathy Investment Management Limited	From: Investment Fund Manager, Exempt Market Dealer, Portfolio Manager and Commodity Trading Manager To: Portfolio Manager	November 20, 2015
New Registration	Grayhawk Investment Strategies Inc.	Exempt Market Dealer, Investment Fund Manager and Portfolio Manager	November 20, 2015
Voluntary Surrender	RBS Capital Markets (Canada) Limited	Investment Dealer	November 20, 2015
Voluntary Surrender	Toronto Research & Trading Ltd.	Commodity Trading Manager	November 20, 2015

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Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.1 SROs

13.1.1 IIROC – Amendments to Dealer Member Rule 100.2(a)(ii) – Margin requirements for debt security obligations of supranational entities – OSC Staff Notice of Withdrawal

OSC STAFF NOTICE OF WITHDRAWAL

THE INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA (IIROC)

AMENDMENTS TO DEALER MEMBER RULE 100.2(A)(II)

IIROC has published a Notice withdrawing a proposed rule amendment concerning margin requirements for debt security obligations of supranational entities. The proposed rule was published for comment on June 12, 2014. See *IIROC Rules Notice – Request for Comments – Margin requirements for debt security obligations of supranational entities – Amendments to Dealer Member Rule 100.2(a)(ii)* (2014), 37 OSCB 5769.

A copy of the IIROC Notice stating the reasons for the withdrawal is published on our website at www.osc.gov.on.ca.

13.1.2 IIROC – Proposed Amendments Relating to the Cross-Guarantee Requirement – Notice of Withdrawal

THE INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA (IIROC)

AMENDMENTS RELATING TO THE CROSS-GUARANTEE REQUIREMENT

NOTICE OF WITHDRAWAL

IIROC is publishing a Notice withdrawing proposed amendments to Dealer Member Rule section 6.6 and corollary amendments to section 1.1 and subsection 16.2(iv) relating to the cross-guarantee requirement ("proposed amendments"). The proposed amendments were published for public comment on November 6, 2014. See *IIROC Rules Notice – Request for Comments – Proposed Amendments Relating to the Cross-Guarantee Requirement* (2014), 37 OSCB 9876.

A copy of the IIROC Notice stating the reasons for the withdrawal is published on our website at http://www.osc.gov.on.ca.

Index

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