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

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

Contact Centre – Inquiries, Complaints:

Fax: 416-593-8122
TTY: 1-866-827-1295

Office of the Secretary:

Fax: 416-593-2318

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One Corporate Plaza
2075 Kennedy Road
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M1T 3V4

Customer Support
1-416-609-3800 (Toronto & International)
1-800-387-5164 (Toll Free Canada & U.S.)
Fax 1-416-298-5082 (Toronto)
Fax 1-877-750-9041 (Toll Free Canada Only)
Email CustomerSupport.LegalTaxCanada@TR.com

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Chapter 1

Notices / News Releases

1.5 Notices from the Office of the Secretary

1.5.1 Home Capital Group Inc et al.

FOR IMMEDIATE RELEASE
August 9, 2017

IN THE MATTER OF
HOME CAPITAL GROUP INC.,
GERALD SOLOWAY,
ROBERT MORTON and
MARTIN REID

TORONTO – Following a hearing held today, the Commission issued an Order in the above named matter approving the Settlement Agreement reached between Staff of the Commission and Home Capital Group Inc., Gerald Soloway, Robert Morton and Martin Reid.

A copy of the Order dated August 9, 2017, Settlement Agreement dated June 14, 2017 and Reasons and Decision dated August 9, 2017 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

1.5.2 Global 8 Environmental Technologies, Inc. et al.

FOR IMMEDIATE RELEASE
August 10, 2017

IN THE MATTER OF
GLOBAL 8 ENVIRONMENTAL TECHNOLOGIES, INC.,
HALO PROPERTY SERVICES INC.,
CANADIAN ALTERNATIVE RESOURCES INC.,
RENÉ JOSEPH BRANCONNIER and
CHAD DELBERT BURBACK

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 August 9, 2017 are available at www.osc.gov.on.ca.

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Industrial Alliance Securities Inc. and Scotia Capital Inc.

Headnote

Multilateral Instrument 11-102 Passport System – National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 33-109 Registration Information (NI 33-109) and Derivatives Regulation (Québec) – relief from certain filing requirements of NI 33-109 and Derivatives Regulation (Québec) in connection with a bulk transfer of business locations and registered individuals pursuant to an asset purchase in accordance with section 3.4 of Companion Policy 33-109CP to NI 33-109.

Applicable Legislative Provisions

Multilateral Instrument 11-102 Passport System.
National Instrument 33-109 Registration Information, ss. 2.2, 2.5, 3.2, 4.1 and 5.2.
Companion Policy 33-109CP Registration Information, s. 3.4 and Appendix C.
National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions.
Derivatives Act (Québec).
Derivatives Regulation (Québec).

August 1, 2017

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
QUÉBEC AND ONTARIO

AND

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

AND

IN THE MATTER OF
THE DERIVATIVES LEGISLATION OF
QUÉBEC

AND

IN THE MATTER OF
INDUSTRIAL ALLIANCE SECURITIES INC.
(IAS)
AND
SCOTIA CAPITAL INC.
(SCI, and collectively with IAS, the Filers)

DECISION

Background

The securities regulatory authority in Québec (the **Principal Decision Maker**) and the regulator in Ontario (the **Ontario Decision Maker**) have received an application (the **33-109 Application**) from the Filers for a decision under the securities legislation of each of Québec and Ontario (the **Legislation**) providing exemptions from the requirements contained in sections 2.2, 2.3 2.5, 3.2 and 4.2 of National Instrument 33-109 *Registration Information* (**NI 33-109**) pursuant to section 7.1 of NI 33-109 to allow the bulk transfer (the **Bulk Transfer**) of certain dealing representatives and business locations from SCI to IAS, on the Completion Date (as defined below), in accordance with section 3.4 of the Companion Policy to NI 33-109 (the **Exemption Sought**).

The Principal Decision Maker has also received an application (the **Derivatives Legislation Application**) from the Filers for a decision under the derivatives legislation of Québec for relief from section 11.1 of the *Derivatives Regulation* (Québec) pursuant to section 86 of the *Derivatives Act* (Québec) to allow the Bulk Transfer of certain individuals registered under Québec derivatives legislation and business locations from SCI to IAS, on the Completion Date (as defined below), in accordance with section 3.4 of the Companion Policy to NI 33-109 (the **Derivatives Exemption Sought**).

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

(a) the Principal Decision Maker is the principal regulator for the 33-109 Application,

(b) for the decision of the Principal Decision Maker in respect of the Exemption Sought, the Filers have provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each jurisdiction of Canada outside of Québec and Ontario (together with Québec and Ontario, the **Jurisdictions** and each a **Jurisdiction**),

(c) the decision with respect to the Exemption Sought is the decision of the Principal Decision Maker and evidences the decision of the Ontario Decision Maker (the Principal Decision Maker and the Ontario Decision Maker are collectively referred to as the **Dual Decision Makers**), and

(d) the decision with respect to the Derivatives Exemption Sought is the decision of the Principal Decision Maker.

Interpretation

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

Representations

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

SCI

1. SCI is a corporation existing under the laws of Ontario, and is wholly-owned, indirectly, by The Bank of Nova Scotia (**BNS**).

2. SCI's head office is located in Toronto, Ontario.

3. SCI is registered as:

   (a) an investment dealer in each Jurisdiction;

   (b) a dealer (Futures Commission Merchant) in Manitoba and in Ontario; and

   (c) a derivatives dealer in Québec.

4. SCI is a dealer member of the Investment Industry Regulatory Organization of Canada (**IIROC**).

5. SCI carries on Canadian investment dealer business through three distinct lines of securities business, each a substantial business operation for SCI (all numbers are as at October 31, 2016, the financial year end for BNS):

   (a) HollisWealth comprises the full service retail brokerage business conducted by 652 registered individual agents of SCI from 267 offices across Canada (the **HollisWealth Division**);

   (b) ScotiaMcLeod comprises the full service retail brokerage business and the Scotia iTrade discount online brokerage business conducted by 1,532 registered individual employees of SCI from 109 offices across Canada (the **Scotia-McLeod Division**); and

   (c) Global Banking and Markets comprises the corporate, institutional and government business conducted by 182 registered individual employees of SCI from 4 offices across Canada (the **Global Banking and Markets Division**).

6. Although each above mentioned division is part of the same corporate entity, namely SCI, each division functions as a stand-alone, substantial business operation within SCI based on the nature of the clients, the types of securities products and services which are provided by them, and whether dealing representatives are agents or employees of SCI.

7. For greater certainty, following the completion of the Transaction (as defined below), SCI will continue to carry on registerable activities in the Jurisdictions via the ScotiaMcLeod Division and the Global Banking and Markets Division.

8. Upon the completion of the Transaction (as defined below), SCI will have sold the HollisWealth Division to IAS.

9. As at October 31, 2016, the assets of SCI amounted to approximately $91 billion, of which approximately $810 million (1%) were derived from the HollisWealth Division, and the revenues of SCI amounted to approximately $2.1 billion, of which approximately $220 million (11%) were derived from the HollisWealth Division.

10. SCI is not in default of securities legislation in any Jurisdiction.

IAS

11. IAS is a corporation existing under the laws of Canada.

12. IAS's head office is located in Montréal, Québec.

13. As at the date hereof, IAS is registered as an investment dealer in each Jurisdiction, and as a derivatives dealer in Québec.

14. IAS is a dealer member of IIROC.

15. IAS has two wholly-owned subsidiaries: IA Securities (USA) Inc. and FIN-XO Securities Inc. IA Securities (USA) Inc. is a registered broker dealer with the Financial Industry Regulatory Authority (USA) dealing with valid institutional clients in the United States and has a separate regulatory structure. FIN-XO Securities is a dealer member of IIROC without any dealing representative.

16. Industrial Alliance Insurance and Financial Services Inc. (**IAIFS**) owns, directly, all of the issued and outstanding shares of IAS.

17. IAS offers brokerage services. It offers financial products such as stocks, bonds and mutual funds for retail and institutional clients.

18. IAS is not in default of securities legislation in any Jurisdiction.

The Purchase Agreement

19. Pursuant to a purchase agreement dated as of December 5, 2016, as amended (the **Purchase Agreement**), IAS will purchase the HollisWealth Division from SCI for cash consideration (the **Transaction**).

20. It is anticipated that the Transaction will be completed as soon as practicable after August 4, 2017 (the **Completion Date**), provided that, among other things, all necessary regulatory notices, non-objections, and approvals have been given and, explicitly or implicitly, received.

21. As part of the Transaction, 652 registered representatives of SCI (the **Transferred Representatives**), and 267 business locations of SCI (the **Transferred Business Locations**), will be transferred from SCI to IAS. All numbers are as at October 31, 2016.

Additional Representations

22. It is anticipated that the Transaction will not disrupt the HollisWealth Division's business and will not affect the retail brokerage business clients.

23. Subject to obtaining the Exemption Sought and the Derivatives Exemption Sought, no disruption in the services provided by the Transferred Representatives to clients of SCI is anticipated as a result of the Transaction and it is anticipated that the completion of the Transaction will not result in any substantive changes for the transferred clients of the HollisWealth Division; they will continue to deal with the same registered representatives, and will receive the same or substantially similar financial services, as they did prior to the Completion Date.

24. HollisWealth Division clients have been made aware of the Transaction via a press release dated December 5, 2016.

25. To supplement the press release, SCI and IAS will engage in a comprehensive joint communication process that will provide registered representatives that are proposed to be transferred from SCI to IAS with prior notice of the Transaction, thereby ensuring that they are fully informed about the Transaction and its consequences in advance of the Completion Date.

26. To supplement the press release and to avoid client confusion, SCI will deliver a letter prior to the Completion Date that will inform clients that are proposed to be transferred from SCI to IAS about the Transaction and its implications, including that their accounts and related documentation will be transferred to IAS effective as of the Completion Date, subject to their rights to have such accounts and documentation transferred (free of charge) to another investment dealer/IIROC dealer member in lieu of IAS, or to have their assets returned to them and their accounts with SCI subsequently closed (the **Client Account Letter**), in either case, upon client instruction to SCI on or before the prescribed date. If such instructions are not received by SCI on or before the prescribed date, SCI will process any such instructions on a best efforts basis. Otherwise, such accounts and documentation will be transferred to IAS effective as of the Completion Date, subject to IAS's overriding obligation to transfer out the client accounts after the Completion Date upon client request.

27. In addition, the Client Account Letter will inform the clients having registered accounts and not being opposed to the transfer of their accounts that the trustee of their Registered Retirement Savings Plans, Life Income Funds, Locked-in Retirement Accounts, or Registered Retirement Income Funds, will be changed to Industrial Alliance Trust Inc., or to Natcan Trust Company if their accounts are Registered Education Savings Plans or Registered Disability Savings Plans.

28. Neither the Exemption Sought nor the Derivatives Exemption Sought will have any negative consequences on the ability of SCI or IAS to comply with any applicable regulatory requirements or their ability to satisfy any obligations in respect of their clients.

29. At the time of the Bulk Transfer, all of the Transferred Representatives will be the only dealing representatives of the HollisWealth Division and the Transferred Business Locations will be the only branches and sub-branches of the HollisWealth Division. Accordingly, the transfer of the Transferred Registered Representatives and Transferred Business Locations on the Completion Date by means of the Bulk Transfer can be implemented without any significant disruption to the activities of the Transferred Representatives, the Transferred Business Locations, or the Filers.

30. Given the number of Transferred Representatives and Transferred Business Locations to be transferred from SCI to IAS on the Completion Date, it would be unduly time consuming and difficult to transfer each of the Transferred Representatives and Transferred Business Locations through the National Registration Database in accordance with the requirements of NI 33-109 if the Exemption Sought and the Derivatives Exemption Sought is not granted.

31. IAS and SCI are each registered as investment dealers in each Jurisdiction. This will allow the

transfer of all of the HollisWealth Division clients to IAS, and will afford the opportunity to seamlessly transfer the Transferred Representatives and Transferred Business Locations to IAS, on the Completion Date by way of a Bulk Transfer while at the same time ensuring that there is no interruption in registration.

32. Allowing the Bulk Transfer of the Transferred Representatives and Transferred Business Locations to occur on the Completion Date will benefit (and is anticipated to have no detrimental impact on) the clients of the Filers by facilitating seamless service on the part of the Transferred Representatives and the Filers.

33. The HollisWealth Division and IAS will continue to comply with all applicable Legislation and Québec derivatives legislation.

34. The Transaction will not proceed without the prior non-objection or approval of the Principal Decision Maker, the Ontario Decision Maker, and IIROC.

35. As mentioned above, the HollisWealth Division clients have been, or will be, made aware of the Transaction via: (i) a press release; and (ii) their receipt of the notice required under Section 14.11 of NI 31-103 and IIROC's client account bulk transfer protocols.

36. The Exemption Sought and the Derivatives Exemption Sought comply with the requirements of, and the reasons for, a bulk transfer as set out in Section 3.4 of the Companion Policy to NI 33-109 and Appendix C thereto.

Decision

Each of the Dual Decision Makers is satisfied that the following decisions meet the tests set out in the Legislation and the *Derivatives Act* (Québec), as applicable, for each of them to make the following decisions.

The decision of the Dual Decision Makers under the Legislation is that the Exemption Sought is granted provided that the Filers make acceptable arrangements with CGI Information Systems and Management Consultants Inc. in respect of the Bulk Transfer and that the Filers make these arrangements in advance of the Bulk Transfer.

The decision of the Principal Decision Maker under the *Derivatives Act* (Québec) is that the Derivatives Exemption Sought is granted provided that the Filers make acceptable arrangements with CGI Information Systems and Management Consultants Inc. in respect of the Bulk Transfer and that the Filers make these arrangements in advance of the Bulk Transfer.

"Eric Stevenson"
Superintendent, Client Services and Distribution Oversight

2.1.2 Holliswealth Advisory Services Inc. and Investia Financial Services Inc.

Headnote

Multilateral Instrument 11-102 Passport System – National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 33-109 Registration Information (NI 33-109) – relief from certain filing requirements of NI 33-109 in connection with a bulk transfer of business locations and registered individuals pursuant to an amalgamation in accordance with section 3.4 of Companion Policy 33-109CP to NI 33-109.

Applicable Legislative Provisions

Multilateral Instrument 11-102 Passport System.
National Instrument 33-109 Registration Information, ss. 2.2, 2.5, 3.2, 4.1 and 5.2.
Companion Policy 33-109CP Registration Information, s. 3.4 and Appendix C.
National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions.

August 1, 2017

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
QUÉBEC AND ONTARIO

AND

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

AND

IN THE MATTER OF
HOLLISWEALTH ADVISORY SERVICES INC.
(HWASI)
AND
INVESTIA FINANCIAL SERVICES INC.
(Investia, and together with HWASI, the Filers)

DECISION

Background

The securities regulatory authority in Québec (the **Principal Decision Maker**) and the regulator in Ontario (the **Ontario Decision Maker**) have received an application from the Filers, on behalf of HWASI and the continuing corporation (the **Amalgamated Corporation**) resulting from the proposed amalgamation (the **Amalgamation**) of Investia and HWASI, for a decision under the securities legislation of each of Québec and Ontario (the **Legislation**) providing exemptions from the requirements contained in sections 2.2, 2.3 2.5, 3.2 and 4.2 of National Instrument 33-109 *Registration Information* (**NI 33-109**) pursuant to section 7.1 of NI 33-109 to allow the bulk transfer (the **Bulk Transfer**) of registered individuals and all business locations from HWASI to Investia, on the

Completion Date (as defined below), in accordance with section 3.4 of the Companion Policy to NI 33-109 (the **Exemption Sought**).

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

(a) the Principal Decision Maker is the principal regulator for this application,

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

(c) the decision is the decision of the Principal Decision Maker and evidences the decision of the Ontario Decision Maker (the Principal Decision Maker and the Ontario Decision Maker are collectively referred to as the **Dual Decision Makers**).

Interpretation

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

Representations

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

HWASI

1. HWASI is a corporation existing under the laws of Ontario, and is wholly-owned, indirectly, by The Bank of Nova Scotia (**BNS**). BNS is a publicly-held Canadian chartered bank whose shares trade on the Toronto Stock Exchange (**TSX**) and the New York Stock Exchange (**NYSE**), respectively, under the symbol "BNS". You may obtain further information about BNS from its continuous disclosure documents on SEDAR at www.sedar.com.

2. HWASI's head office is located in Toronto, Ontario.

3. HWASI is registered as:

   (a) a mutual fund dealer in each Jurisdiction; and

   (b) an exempt market dealer in each Jurisdiction.

4. HWASI is a member of the Mutual Fund Dealers Association of Canada (**MFDA**).

5. HWASI provides mutual fund and related services to its clients.

6. HWASI has 346 representatives registered with the Canadian Securities Administrators (**Registered Representatives**). HWASI has 38 business branches and 144 sub-branches (**Business Locations**).

7. HWASI is not in default of securities legislation in any Jurisdiction.

Investia

8. Investia is a corporation existing under the terms of the *Canada Business Corporations Act* (**CBCA**), and is wholly-owned by Industrial Alliance Insurance and Financial Services Inc. (**IAIFS**).

9. Investia's National Registration Database (NRD) number is 8490.

10. Investia's head office is located in Québec City, Québec.

11. Investia is registered in Québec as a firm in the following categories: exempt market dealer, financial planning, insurance of persons, mutual fund dealer, restricted dealer and scholarship plan dealer. In the other Jurisdictions Investia is registered as an exempt market dealer and a mutual fund dealer. In addition, Investia is a level 4 member of the MFDA.

12. Investia is not in default of securities legislation in any Jurisdiction.

The Proposed Transaction

13. Pursuant to a purchase agreement dated as of December 5, 2016, as amended (the **Purchase Agreement**), all of the issued and outstanding shares of HWASI will be sold, for cash consideration, to IAIFS (the **Acquisition**).

14. Immediately after the Acquisition, HWASI and Investia will amalgamate (the Amalgamation, and collectively with the Acquisition, the **Transaction**).

15. It is anticipated that the Transaction will be completed as soon as practicable after August 4, 2017 (the **Completion Date**), provided that, among other things, all necessary regulatory notices, non-objections, and approvals have been given and, explicitly or implicitly, received.

16. Given HWASI will have been continued under the CBCA prior to the Amalgamation on the Completion Date, the Amalgamation will be completed through a horizontal short-form amalgamation under the terms of the CBCA.

17. Investia and HWASI, as the Amalgamated Corporation, will continue as one legal entity. The name of that entity will be Investia Financial Services Inc.

18. All registrable activities currently conducted by HWASI will be conducted through the Amalgamated Corporation in accordance with the rules, procedures and compliance systems that are currently in place for Investia.

19. Upon completion of the Amalgamation, HWASI will no longer exist and will not have its own separate legal existence. Consequently,

    (a) HWASI's chief compliance officer and ultimate designated person will no longer act in such capacity as Investia already has its own chief compliance officer and ultimate designated person. However, as the chief compliance officer is also a registered individual, she will continue to be a registered individual with Investia;

    (b) any and all litigation procedures, complaints or other regulatory matters involving HWASI will continue with the Amalgamated Corporation. Therefore, no claimants will be affected by the Amalgamation;

    (c) as a result of the Amalgamation, the Amalgamated Corporation shall continue using Investia's NRD Number i.e., 8490. As such, HWASI will surrender its registration with the Canadian Securities Administrators.

20. The shareholders, directors and officers of the Amalgamated Corporation will be the same as Investia's, including the chief compliance officer which will remain Investia's current chief compliance.

21. The constating documents, by-laws, policies, rules and procedures of the Amalgamated Corporation will be the same as those of Investia.

22. The head office of the Amalgamated Corporation will be located at Investia's current head office in Québec City, Québec.

23. As a result of the Amalgamation, the operations of HWASI will be fully integrated with Investia's operations.

24. Upon completion of the Amalgamation, the Registered Representatives will be transferred to Investia (the **Transferred Representatives**) and the Business Locations will become sub-branches and branches of Investia (the **Transferred Business Locations**).

25. Following the Amalgamation, HWASI will surrender its registration in the Jurisdictions and its membership with the MFDA.

Additional Representations

26. The Transaction will allow Investia to improve its national wealth management platform and will create new growth opportunities and allow for continued investment and innovation in client solutions.

27. The Transaction will also allow HWASI's clients to benefit from Investia's client-focused advice, as well as the depth and backing of a large financial institution, while preserving the entrepreneurial spirit and service orientation of a local advisor.

28. The integration of HWASI's business into Investia's existing business should translate in an increase in gross revenue for Investia with very little additional operational costs given the compliance, operational and overhead structures already in place at Investia.

29. The Registered Representatives will be supervised pursuant to Investia's supervision model. Only Investia's policies and procedures manual will apply to the Amalgamated Corporation. No changes are expected to be required to Investia's policies and procedures manual.

30. Subject to obtaining the Exemption Sought, no disruption in the services provided by the Transferred Representatives to clients of HWASI is anticipated as a result of the Transaction.

31. The Exemption Sought will not impact the ability of HWASI, Investia or the Amalgamated Corporation to comply with any applicable regulatory requirements or their ability to satisfy any obligations in respect of their clients.

32. At the time of the Bulk Transfer, all of the Registered Representatives will only be registered individuals of HWASI and the Business Locations will be the only branches and sub-branches of HWASI. Accordingly, the transfer of the Registered Representatives and Business Locations on the Completion Date by means of the Bulk Transfer can be implemented without any significant disruption to the activities of the Registered Representatives, the Business Locations, HWASI, Investia or the Amalgamated Corporation.

33. Given the number of Registered Representatives and Business Locations to be transferred from HWASI to Investia on the Completion Date, it would be unduly time consuming and difficult to transfer each of the Transferred Representatives and Transferred Business Locations through NRD

in accordance with the requirements of NI 33-109 if the Exemption Sought is not granted.

34. Both Filers are registered as mutual fund dealers and exempt market dealers in the same jurisdictions, thereby affording the opportunity to seamlessly transfer the Transferred Representatives and Transferred Business Locations to the Amalgamated Corporation on the Completion Date by way of Bulk Transfer while at the same time ensuring that there is no interruption in registration.

35. Allowing the Bulk Transfer of the Registered Representatives and Business Locations to occur on the Completion Date will benefit (and is expected to have no detrimental impact on) the clients of the Filers by facilitating seamless service on the part of the Registered Representatives and the Filers.

36. Each Registered Representative will review Investia's policies and procedures manual and agree to comply with Investia's policies and procedures.

37. Training of the Registered Representatives as to how to use Investia's systems as well as to the specificities of Investia's compliance system will take place.

38. Investia will ensure that all additional filings required to be made under NI 33-109 will made on time.

39. Upon completion of the Amalgamation all activities currently conducted by HWASI will be under the responsibility of Investia. However, the brand name "HollisWeath" may be used in the future by Investia.

40. There will not be any changes in the registration categories of Investia following the Amalgamation.

41. The Exemption Sought complies with the requirements of, and the reasons for, a bulk transfer as set out in Section 3.4 of the Companion Policy to NI 33-109 and Appendix C thereto.

42. HWASI's clients have been made aware of the Acquisition via a press release dated December 5, 2016.

43. In accordance with its obligations under NI 31-103, Investia will remit to HWASI's clients all information about Investia that is required.

Decision

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

The decision of the Dual Decision Makers under the Legislation is that the Exemption Sought is granted provided that the Filers make acceptable arrangements with CGI Information Systems and Management Consultants Inc. in respect of the Bulk Transfer and that the Filers make these arrangements in advance of the Bulk Transfer.

"Eric Stevenson"
Superintendent, Client Services and Distribution Oversight

2.1.3 Solium Capital Inc

Headnote

National Policy 11-203 Process for Exemptive Relief in Multiple Jurisdictions – Plan Sponsors, CAP members, and named service provider exempted from the dealer registration and prospectus requirements in the Legislation in respect of trades in securities of mutual funds to tax-assisted and non-tax assisted savings plans (which act as "overflow" savings plans connected to tax-assisted capital accumulation plans serviced by the same provider), subject to certain terms and conditions – contributions to non-tax assisted savings plans limited by reference to specified limits in the Income Tax Act (Canada).

Applicable Alberta Statutory Provisions

Securities Act, R.S.A. 2000, c. S-4, s. 144.

July 25, 2017

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

AND

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

AND

IN THE MATTER OF
SOLIUM CAPITAL INC.
(the Filer)

DECISION

Background

Revocation of Prior Relief

The securities regulatory authority or regulator in Ontario has received an application from the Filer on behalf of the Filer (including its respective directors, officers, representatives and employees acting on its behalf), any Plan Sponsor (as defined herein) and any Fund (as defined herein), under the securities legislation of the Applicable Jurisdictions (as defined herein) for a ruling that the Prior Relief (as defined herein) be revoked (the **Revocation Relief**).

Dealer Registration and Prospectus Relief

The securities regulatory authority or regulator in each of the Jurisdictions (the **Dual Exemption Decision Makers**) has received an application from the Filer for a decision, on behalf of the Filer (including its respective directors, officers, representatives and employees acting on its behalf), any Plan Sponsor (as defined herein) and any Fund (as defined herein), under the securities legislation of the Jurisdictions (the **Legislation**) that:

(a) the dealer registration requirements contained in the Legislation shall not apply to the Filer (including its directors, officers, representatives and employees acting on its behalf) or any Plan Sponsor of a CAP (as defined herein) or a Non-Tax-Assisted Plan (as defined herein) that uses the services of the Filer in respect of its CAP or Non-Tax-Assisted Plan for trades in the securities of the Funds to a CAP or a Non-Tax-Assisted Plan sponsored by a Plan Sponsor, subject to certain terms and conditions (the **Dealer Registration Relief**); and

(b) the prospectus requirements contained in the Legislation shall not apply in respect of the distribution of securities of Funds to CAPs or Non-Tax-Assisted Plans sponsored by the Plan Sponsor for which the Filer provides services (the **Prospectus Relief**, and together with the Dealer Registration Relief, the **Dual Exemptive Relief**).

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

(a) the Ontario Securities Commission is the principal regulator in respect of the Revocation Relief;

(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 jurisdictions of Ontario, Québec, Newfoundland and Labrador, the Yukon Territory and Nunavut (the **Applicable Jurisdictions**) in respect of the Revocation Relief;

(c) the Alberta Securities Commission is the principal regulator in respect of the Dual Exemptive Relief;

(d) the Filer has provided notice that subsection 4.7(1) of MI 11-102 is intended to be relied upon in (i) each of the Applicable Jurisdictions in respect of CAPs; and (ii) each of the provinces and territories of Canada in respect of Non-Tax-Assisted Plans;

(e) the decision in respect of the Revocation Relief is the decision of the securities regulatory authority or regulator in Ontario; and

(f) the decision in respect of the Dual Exemptive Relief is the decision of the Alberta Securities Commission and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

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

In this decision:

(a) **CAP** has the meaning given to the term "capital accumulation plan" in section 1.1 of the CAP Guidelines, namely, a tax-assisted investment or savings plan that permits the members of the plan to make investment decisions among two or more options offered within the plan. The term CAP includes a defined contribution registered pension plan (**DCPP**), a group registered retirement savings plan (**RRSP**), a group registered education savings plan, a group tax-free savings plan, and a deferred profit sharing plan (**DPSP**), and in Québec and Manitoba, includes a simplified pension plan;

(b) **CAP Guidelines** means the *Guidelines for Capital Accumulation Plans* published in May 2004 by the Joint Forum of Financial Market Regulators;

(c) **Fund** means a mutual fund as defined in section 1(jj) of the *Securities Act* (Alberta), whether offered by prospectus or pursuant to prospectus exemptions in the Legislation, and which in both cases comply with Part 2 of National Instrument 81-102 *Investment Funds* (**NI 81-102**) and which, for greater certainty, includes an exchange-traded fund that is a reporting issuer;

(d) **Member** means a current or former employee of an employer, or a person who belongs, or did belong, to a trade union or association, or

(i) his or her spouse;

(ii) a trustee, custodian or administrator who is acting on his or her behalf, or for his or her benefit, or on behalf of, or for the benefit of, his or her spouse; or

(iii) his or her holding entity, or a holding entity of his or her spouse

that has assets in a CAP or Non-Tax-Assisted Plan, and includes a person that is eligible to participate in a CAP or Non-Tax-Assisted Plan;

(e) **Non-Tax-Assisted Plan** means an investment or savings plan that meets the definition of CAP in the CAP Guidelines and that is administered in accordance with the CAP Guidelines, but for the fact that it is an investment or savings plan that is non-tax-assisted;

(f) **Plan** means, depending on the context in which it is used, a CAP, a Non-Tax-Assisted Plan, or both; and

(g) **Plan Sponsor** means any employer, trustee, trade union or association or a combination of them that establishes a Plan and uses the services of the Filer in respect of such Plan, and includes the Filer to the extent that the Plan Sponsor has delegated some or all of its responsibilities to the Filer.

Representations

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

1. The Filer was incorporated under the laws of Alberta.

2. The head and principal office of the Filer is located in Calgary, Alberta.

3. The Filer is a reporting issuer in each province of Canada, except Québec, and is listed on the Toronto Stock Exchange with the trading symbol “SUM”.

4. The Filer is not in default of securities legislation in any jurisdiction of Canada.

5. The Filer's principal business is acting as a service provider providing web-based recordkeeping and administrative services to issuers in connection with equity-based incentive plans sponsored by such issuers. The Filer administers the following equity- based incentive plans:

   (a) grant-based plans, such as employee stock option plans, performance share plans, restricted share unit plans and other types of grant-based plans;

   (b) tax-assisted investment or savings plans, such as employee profit sharing plans, RRSPs, DPSPs, non-registered savings plans and employee benefit plans; and

   (c) other types of non-tax-assisted contributory savings plans that enable employees and other plan participants to allocate a portion of their income into the issuer's sponsored plan, whereby the issuer at its discretion, and guided by the terms and conditions of the plan text, may match a portion of the employee's or the other plan participant's contribution based on a defined formula.

6. The Filer assists Plan Sponsors in initial Plan design and implementation. The investment choices for the Members of the Plans may include Funds. The investment choices for the Plans may also be segregated funds managed by insurance companies. Where the investment choices are Funds, the Funds will comply with Part 2 of NI 81-102 in respect of their investment restrictions and practices.

7. The services that the Filer provides to Plan Sponsors include recordkeeping of Member data, transaction processing in respect of Member accounts, provision of Member statements as required under pension standards legislation, and the applicable recordkeeping agreement and processing changes to Member accounts such as termination, death, retirement or a change in marital status. The Filer allows Members to call for information about a Plan through its call centre and facilitates access to a variety of self-help tools that allow Members to make investment decisions regarding their investments held through the Plans.

8. The Filer does not engage in discretionary decision-making with respect to any Plan or Member account and does not select investments for the Plans or provide investment advice to Members. The Filer does not manage or administer any of the Funds, nor does it provide custodial services for the Plans or the Funds.

9. Members make initial investment decisions to invest in Funds chosen by the Plan Sponsor and subsequent changes to those investment decisions, with or without the assistance of a registrant selected by the Member. The Plan Sponsor may establish a default option if the Member fails to make an investment decision. Plan Sponsors may facilitate access to a registrant for advice to Members. Member instructions are transmitted to the Filer either online through the Filer's proprietary “Shareworks” platform or by telephone through the Filer's call centre. The Filer processes the trades in the Funds as instructed and establishes and maintains the records reflecting the interest of each Member or Plan Sponsor, as the case may be, in each Fund and for each Plan.

10. The Filer, the Plan Sponsors and the Funds trade or will trade with the Plans or the Members in accordance with the conditions set out in proposed amendments to National Instrument 45-106 *Prospectus Exemptions* related to CAPs, which were published by the Canadian Securities Administrators on October 21, 2005 (the **Proposed CAP Exemption**) and adopted in the form of a blanket exemption in all jurisdictions of Canada, other than in the Applicable Jurisdictions (the **CAP Blanket Exemption**). The Proposed CAP Exemption and the CAP Blanket Exemption contemplate both dealer registration and prospectus exemptions, where required.

11. The Filer previously obtained discretionary exemptive relief (the **Prior Relief**) on June 29, 2010 with respect to CAPs from the Applicable Jurisdictions on terms that are similar to the CAP Blanket Exemption. The Filer has applied to the securities regulatory authority or regulator in Ontario as principal regulator on behalf of the Applicable Jurisdictions that the Prior Relief be revoked and new Dealer Registration Relief and Prospectus Relief be granted which include Non-Tax-Assisted Plans.

12. As Plan Sponsors will typically approach consultants, such as the Filer, for assistance with respect to securities regulatory issues (when the investment choices are Funds), the Filer is seeking an exemption on behalf of itself, the Plan Sponsors and the Funds, as applicable, from the dealer registration and prospectus requirements, including the obligation to deliver a prospectus, fund facts document, summary disclosure document, or ETF facts document, where required, provided the conditions as described in this decision are met.

13. The Filer may be requested by a Plan Sponsor to provide services to a Non-Tax-Assisted Plan established by the Plan Sponsor for the benefit of Members. These Non-Tax-Assisted Plans are not CAPs as defined in the CAP Guidelines, the Proposed CAP Exemption, the CAP Blanket Exemption or the Prior Relief, since they are not “tax-assisted” under applicable legislation. Non-Tax-Assisted Plans are intended as non-registered employee savings plans to which excess contributions of Members that cannot be invested in a CAP because of legislative limits for such CAP investments will be invested on behalf of the Members.

14. Non-Tax-Assisted Plans are established in conjunction with CAPs because Canadian tax legislation imposes a limit on the amounts that may be contributed to a CAP. The benefit formula under a Plan Sponsor's benefit program sometimes results in contributions that exceed that tax limit. A Plan Sponsor may establish a Non-Tax-Assisted Plan to allow for those excess contributions to be invested in the same manner as the tax-assisted contributions. These excess contributions to Non-Tax-Assisted Plans are not expected to be significant.

15. Non-Tax-Assisted Plans will operate in the same manner as CAPs in terms of the relationship between Members and Plan Sponsors, and the duties, rights and responsibilities of Members and Plan Sponsors. The only significant difference between the two types of Plans is the tax-assisted nature of one and not the other.

16. Each Member of a Plan Sponsor's Non-Tax-Assisted Plan that is administered by the Filer will also be a member of the Plan Sponsor's CAP.

17. The Filer will administer the Non-Tax-Assisted Plans in accordance with the CAP Guidelines and in a similar manner to the related CAPs for the applicable Members. The Filer will administer only those Non-Tax-Assisted Plans which originate out of a Plan Sponsor's CAPs for which the Filer provides services.

Decision

The securities regulatory authority or regulator in each of the Jurisdictions is satisfied that the decision meets the test set out in the Legislation for the relevant securities regulatory authority or regulator to make the decision.

Revocation Relief

The decision of the securities regulatory authority or regulator in Ontario under the Legislation is that the Revocation Relief is granted.

Dealer Registration and Prospectus Relief

The decision of the Dual Exemption Decision Makers under the Legislation is set out below.

1. The Dealer Registration Relief is granted provided that:

    (a) the Plan Sponsor, other than the Filer, selects the Funds that Members will be able to invest in under the Plans;

    (b) the Plan Sponsor establishes a policy, and provides Members with a copy of the policy and any amendments to it, describing what happens if a Member does not select a Fund;

    (c) in addition to any other information that the Plan Sponsor believes is reasonably necessary for a Member to make an investment decision within the Plan, and unless that information has previously been provided, the Plan Sponsor provides the Member with the following information about each Fund the Member may invest in:

        (i) the name of the Fund;

(ii) the name of the manager of the Fund and its portfolio adviser;

(iii) the fundamental investment objective of the Fund;

(iv) the investment strategies of the Fund or the types of investments the Fund may hold;

(v) a description of the risks associated with investing in the Fund;

(vi) where a Member can obtain more information about each Fund's portfolio holdings; and

(vii) where a Member can obtain more information generally about each Fund, including any continuous disclosure;

(d) the Plan Sponsor provides Members with a description and amount of any fees, expenses and penalties relating to the Plan, as the case may be, that are borne by Members, including:

(i) any costs that must be paid when a Fund is bought or sold;

(ii) costs associated with accessing or using any of the investment information, decision-making tools or investment advice provided by the Plan Sponsor;

(iii) the management fees paid by the Funds;

(iv) the operating expenses paid by the Funds;

(v) recordkeeping fees;

(vi) any costs for transferring among investment options, including penalties, book and market value adjustments, and tax consequences;

(vii) account fees; and

(viii) fees for services provided by the Filer,

which fees, expenses and penalties may be disclosed on an aggregate basis, if the Plan Sponsor discloses the nature of the fees, expenses and penalties, and the aggregated fees do not include fees that arise because of a choice that is specific to a particular Member;

(e) the Plan Sponsor has, within the past year, provided the Members with performance information about each Fund the Members may invest in, including:

(i) the name of the Fund for which the performance is being reported;

(ii) the performance of the Fund, including historical performance for one, three, five and ten years if available;

(iii) a performance calculation that is net of investment management fees and Fund expenses;

(iv) the method used to calculate the Fund's performance return calculation, and information about where a Member could obtain a more detailed explanation of that method;

(v) the name and description of a broad-based securities market index, selected in accordance with National Instrument 81-106 Investment Fund Continuous Disclosure, for the Fund, and corresponding performance information for that index; and

(vi) a statement that past performance of the Fund is not necessarily an indication of future performance;

(f) the Plan Sponsor has, within the past year, informed Members if there were any changes in the choice of Funds that Members could invest in and where there was a change, provided information about what Members needed to do to change their investment decision or make a new investment;

(g) the Plan Sponsor provides Members with investment decision-making tools that the Plan Sponsor reasonably believes are sufficient to assist them in making an investment decision within the Plan;

(h) the Plan Sponsor must provide the information required by paragraphs (b), (c), (d) and (g) prior to the Member making an investment decision under the Plan;

(i) if the Plan Sponsor makes investment advice from a registrant available to Members, the Plan Sponsor must provide Members with information about how they can contact the registrant;

(j) the maximum amount that may be contributed in respect of a Member to a Non-Tax-Assisted Plan in a given year is limited to any positive difference between:

(i) the maximum amount contributable for that year to the applicable CAP under its terms; and

(ii) the maximum dollar limit provided in the Income Tax Act (Canada) (the ITA) for the applicable CAP,

provided that this maximum amount that may be contributed in respect of a Member to the Non-Tax-Assisted Plan in a given year shall not exceed an amount equal to the "money purchase limit", as defined in the ITA, for the year.

In this paragraph (j), the amount determined under subparagraph (i) shall be no more than 18% of the Member's "earned income" as defined in the ITA.

In this paragraph (j), the "maximum dollar limit" means each of the following:

A. the "money purchase limit" as defined in the ITA (in the case where the applicable CAP is a DCPP);

B. the "RRSP dollar limit" as defined in the ITA (in the case where the applicable CAP is an RRSP);

C. one-half of the "money purchase limit" (in the case where the applicable CAP is a DPSP); and

D. any applicable maximum fixed dollar contribution prescribed under the ITA (in the case of any other type of CAP).

2. The Prospectus Relief is granted provided that:

(a) the conditions set forth in paragraph 1 above are met;

(b) each of the Funds complies with Part 2 of NI 81-102; and

(c) where a Member chooses to invest in a Fund offered by prospectus selected by the Plan Sponsor as an investment option for a Non-Tax-Assisted Plan, one or more of the following, as applicable, will be made available upon demand to the Member:

(i) the current prospectus of the Fund;

(ii) fund facts document; or

(iii) a summary disclosure document or ETF facts document for an exchange-traded mutual fund.

3. Before a Fund first relies on this decision, the Fund must file a notice in the form found in Appendix C of the Proposed CAP Exemption in each jurisdiction in which the Fund expects to distribute its securities.

4. This decision, as it relates to the Dealer Registration Relief, will terminate upon the earlier of the coming into force in securities legislation of a registration exemption for trades in a security of a mutual fund to a CAP and 90 days after a Dual Exemption Decision Maker publishes notice to the effect that it does not propose to create such an exemption.

5. This decision, as it relates to the Prospectus Relief, will terminate upon the earlier of the coming into force in securities legislation of a prospectus exemption for the distribution of a security of a mutual fund to a CAP and 90 days after a Dual Exemption Decision Maker publishes notice to the effect that it does not propose to create such an exemption.

Dealer Registration and Prospectus Relief

"Stan Magidson"
Chair & CEO
Alberta Securities Commission

"Tom Cotter"
Vice Chair
Alberta Securities Commission

Revocation Relief

"William Furlong"
Commissioner
Ontario Securities Commission

"Mark Sandler"
Commissioner
Ontario Securities Commission

2.1.4 Vertex One Asset Management Inc.

Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions.

National Instrument 81-102, s. 19.1, 4.2 Investment Funds (NI 81-102) – A group of mutual funds seeks relief from the self-dealing restrictions in section 4.2 of NI 81-102 in order to conduct inter-fund trades in debt securities – The inter-fund trade is consistent with the objectives of the fund; the manager refers the trade to the independent review committee (IRC) and the manager and IRC comply with any standing instructions; each IRC approves the trade in accordance with section 5.2(2) of NI 81-107; the inter-fund trade complies with paragraphs (c) to (g) of section 6.1(2) of NI 81-107.

National Instrument 31-103, ss. 15.1, 13.5(2)(b) Registration Requirements, Exemptions and Ongoing Obligations:

Inter-Fund Trades

An investment fund manager, portfolio manager and/or dealer wants relief from self-dealing restrictions in section13.5(2)(b) of NI 31-103 for trades in portfolio securities between and among investment funds managed by the Filer, pooled funds managed by the Filer, and discretionary accounts managed by the Filer (not for trades among managed accounts) and for those trades to occur at the current market price or the last sale price – Inter-fund trades are consistent with the investment objective of the fund or the managed account; funds without an IRC have constituted an equivalent entity; trades are referred to and approved by the fund's IRC or equivalent and comply with any standing instructions; the managed account has authorization for inter-fund trades; the trade will occur at the last sale price or the current market price and complies with paragraphs (c), (d), (f) and (g) of section 6.1(2) of NI 81-107.

Managed Account In Specie Transactions

A portfolio manager wants relief from self-dealing restrictions in section 13.5(2)(b) of NI 31-103 to permit purchases and redemptions of units or shares using portfolio securities between managed accounts, pooled funds and reporting mutual funds – The managed account client has authorized in specie transactions; where applicable, the IRC of the fund has approved the transaction and any standing instructions have been complied with; the next account statement for the managed account describes the portfolio securities and their value; the fund will keep written records of the transaction; the filer does not receive compensation - For an acquisition by a managed account: the fund is permitted to purchase the portfolio securities; the portfolio securities are acceptable to the portfolio manager of the fund and meet the investment criteria; the value of the portfolio securities is equal to the issue price of units in the fund – For a redemption by a managed account: the portfolio securities meet the investment criteria of the managed account and are acceptable to the filer; the value of the portfolio securities is equal to the net asset valuation calculation.

Pooled Fund and Mutual Fund In Specie Transactions

A portfolio manager wants relief from self-dealing restrictions in section 13.5(2)(b) of NI 31-103 to permit purchases and redemptions of units or shares using portfolio securities between and among pooled funds and mutual funds – Where applicable, the IRC of the fund has approved the transaction and any standing instructions have been complied with; the fund will keep written records of the transaction; the filer does not receive compensation. For an acquisition: the fund is permitted to purchase the portfolio securities; the portfolio securities are acceptable to the portfolio manager of the acquiring fund and meet the investment criteria; the value of the portfolio securities is equal to the issue price of units in the fund – For a redemption: the portfolio securities meet the investment criteria of the acquiring fund and are acceptable to the filer; the value of the portfolio securities is equal to the net asset valuation calculation.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 4.2, 19.1 (NI 81-102).
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 15.1, 13.5(2)(b).

July 28, 2017

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

AND

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

AND

IN THE MATTER OF
VERTEX ONE ASSET MANAGEMENT INC.
(THE FILER)

DECISION

Background

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

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

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

(i) a Pooled Fund (as defined below) to purchase securities from or sell securities to a Fund (as defined below) or a Managed Account (as defined below);

(ii) a Managed Account to purchase securities from or sell securities to a Fund;

(iii) an NI 81-102 Fund to purchase securities from or sell securities to a Fund;

(iv) the transactions listed in (i) to (iii) (each an Inter-Fund Trade) to be executed at the last sale price, as defined in the Universal Market Integrity Rules of the Investment Industry Regulatory Organization of Canada, prior to the execution of the trade (the Last Sale Price) in lieu of the closing sale price (the Closing Sale Price) contemplated by the definition of "current market price of the security" in section 6.1(1)(a)(i) of National Instrument 81-107 *Independent Review Committee for Investment Funds* (NI 81-107) on that trading day, where the securities involved in the Inter-Fund Trade are exchange-traded securities (which term shall include Canadian and foreign-exchange securities) ((i), (ii), (iii), and (iv) are collectively, the Inter-Fund Trading Relief); and

(v) in-specie subscriptions and redemptions by (each subscription or redemption, an In-Specie Transfer):

a. Managed Accounts in the Funds; and

b. Pooled Funds in the Funds

(together, the In-Specie Transfer Relief)

(the Section 4.2(1) Relief, Inter-Fund Trading Relief and In-Specie Transfer Relief are, collectively, the Exemption Sought).

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

(a) the British Columbia Securities Commission is the principal regulator for this Application;

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

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

Interpretation

2 Terms defined in MI 11-102, National Instrument 14-101 *Definitions*, NI 81-102, NI 81-107 and NI 31-103 have the same meaning if used in this decision, unless otherwise defined. The following terms have the following meanings:

1. Clients means individuals, institutions and other entities to whom the Filer offers, or may offer, discretionary portfolio management services through a Managed Account (as defined below);

2. Discretionary Management Agreement means a written agreement between the Filer and a Client seeking wealth management or related services;

3. Existing NI 81-102 Funds means each existing mutual fund, as defined in the Legislation, that is a reporting issuer and subject to NI 81-102, of which the Filer acts as the manager and portfolio manager;

4. Existing Pooled Funds means each existing open-ended investment fund that is not a reporting issuer, securities of which are sold solely to investors in Canada pursuant to exemptions from the prospectus requirement, of which the Filer acts as the manager and portfolio manager;

5. Funds means collectively, the NI 81-102 Funds and the Pooled Funds;

6. Future NI 81-102 Funds means each mutual fund, as defined in the Legislation, that is a reporting issuer and subject to NI 81-102, for which the Filer may act as manager and portfolio manager in the future;

7. Future Pooled Funds means each open-ended investment fund that is not a reporting issuer, securities of which are sold solely to investors in Canada pursuant to exemptions from the prospectus requirement, for which the Filer may act as manager and portfolio manager in the future;

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

9. NI 81-102 Funds means collectively, the Existing NI 81-102 Funds and the Future NI 81-102 Funds; and

10. Pooled Funds means collectively, the Existing Pooled Funds and the Future Pooled Funds.

Representations

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

1. the Filer is a corporation incorporated under the laws of Canada with its head office in Vancouver, British Columbia;

2. the Filer is registered as: (i) an investment fund manager in each of the provinces and territories of Canada; (ii) a portfolio manager in each of the provinces and territories of Canada, other than Newfoundland and Labrador and Québec; and (iii) an exempt market dealer in each of the provinces and territories of Canada, other than Québec;

3. the Filer is, or will be, the manager and portfolio manager of each of the Funds; the Filer may appoint third party sub-advisers to the Funds;

4. each of the NI 81-102 Funds is, or will be, established under the laws of British Columbia or another province or territory in Canada as a mutual fund that is an open-end investment fund, and is or will be a reporting issuer in one or more of the provinces and territories of Canada;

5. the securities of each Existing NI 81-102 Fund are qualified for distribution pursuant to simplified prospectuses and annual information forms that have been prepared and filed in accordance with NI 81-101 *Mutual Fund Prospectus Disclosure* and the securities of each Future NI 81-102 Fund will be qualified for distribution under a prospectus; each NI 81-102 Fund is, or will, be, subject to the provisions of NI 81-102; each Future NI 81-102 Fund will be a mutual fund that is a reporting issuer and subject to NI 81-102;

6. each of the Pooled Funds is, or will be, an investment fund established as a trust, partnership or corporation under the laws of British Columbia, Canada or another province or territory in Canada and is not, or will not be in the case of a Future Pooled Fund, a reporting issuer in any of the provinces and territories of Canada;

7. the securities of the Existing Pooled Funds are distributed on a private placement basis pursuant to available prospectus exemptions; each Existing Pooled Fund is not subject to NI 81-102;

8. the Filer, the Existing NI 81-102 Funds and the Existing Pooled Funds are not in default of securities legislation in any of the provinces and territories of Canada;

9. the Filer offers discretionary portfolio management services to Clients seeking wealth management or related services under Discretionary Management Agreements in connection with the Managed Account of the Client with the Filer;

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

11. the portfolio management services provided by the Filer to each Client consist, or will consist, of the following:

    (a) Client executes a Discretionary Management Agreement whereby the Client authorizes the Filer to supervise, manage and direct purchases and sales in the Client's Managed Account, at the Filer's full discretion on a continuing basis;

    (b) qualified employees of the Filer perform investment research, securities selection and portfolio management functions with respect to all securities, investments, cash and cash equivalents and other assets in the Managed Account;

    (c) each Managed Account holds securities and other investments as selected by the Filer in its sole discretion; and

    (d) the Filer retains overall responsibility for the advice provided to its Clients and has a designated senior officer to oversee and supervise the Managed Accounts;

Inter-Fund Trades

12. the Filer wishes to be able to permit Inter-Fund Trades of portfolio securities between:

    (a) a NI 81-102 Fund and another NI 81-102 Fund, a Pooled Fund or a Managed Account;

    (b) a Pooled Fund and another Pooled Fund, a NI 81-102 Fund or a Managed Account; and

    (c) a Managed Account and a Pooled Fund or a NI 81-102 Fund;

13. different sections of NI 31-103, NI 81-102 and NI 81-107 impose different prohibitions and exceptions on different types of Funds with respect to Inter-Fund Trades;

14. an exception from the inter-fund trading prohibition in section 4.2(1) of NI 81-102 currently exists in section 4.3(1) of NI 81-102 which permits the NI 81-102 Funds to inter-fund trade listed equity securities with the Pooled Funds; the NI 81-102 Funds are, however, unable to rely on the exception in section 4.3(1) of NI 81-102 to inter-fund trade debt securities because debt securities are typically not subject to public quotations as required by section 4.3(1) of NI 81-102; the NI 81-102 Funds are further unable to rely on the exception in

section 4.3(2) to inter-fund trade debt securities with the Pooled Funds because that exception only applies where funds on both sides of the inter-fund trade are investment funds governed by NI 81-107; the Pooled Funds will not be subject to NI 81-107;

15. the Filer considers that because of the various investment objectives and investment strategies utilized by the Funds and Managed Accounts, it may be appropriate for different investment portfolios to acquire or dispose of the same securities directly, rather than with a third party; authorizing the Inter-Fund Trades may result in such benefits as lower trading costs and quicker execution;

16. the Filer has determined that it would be in the best interests of the Funds and Managed Accounts to receive the Inter-Fund Trading Relief because making the Funds and Managed Accounts subject to the same set of rules governing the execution of Inter-Fund Trades will result in:

    (a) cost and timing efficiencies in respect of the execution of Inter-Fund Trades; and

    (b) simplified and more efficient monitoring thereof, for the Filer in connection with the execution of Inter-Fund Trades;

17. each Inter-Fund Trade will be consistent with the investment objectives of the relevant Fund or Managed Account, as applicable;

18. at the time of an Inter-Fund Trade, the Filer will have policies and procedures in place to enable the applicable Funds and Managed Accounts to engage in Inter-Fund Trades;

19. the Filer, as manager of each NI 81-102 Fund, has established, or will establish, an independent review committee (IRC) in respect of each NI 81-102 Fund in accordance with the requirements of NI 81-107;

20. the Filer, as manager of each Pooled Fund, will establish an IRC in respect of each Pooled Fund to review and provide its approval for any proposed Inter-Fund Trades between a Pooled Fund and another Fund or a Managed Account;

21. the IRC of the Pooled Funds will be composed by the manager of the Pooled Funds in accordance with section 3.7 of NI 81-107 and the IRC will be expected to comply with the standard of care set out in section 3.9 of NI 81-107; the IRC of the Pooled Funds will not approve an Inter-Fund Trade involving a Pooled Fund unless it has made the determination set out in subsection 5.2(2) of NI 81-107;

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

23. prior to engaging in Inter-Fund Trades on behalf of a Managed Account, each Discretionary Management Agreement or other documentation will contain the authorization of the Client for the portfolio manager of the Managed Account to engage in Inter-Fund Trades;

24. the Filer cannot rely on the exemption from the trading prohibition and the investment counsel prohibition codified under subsection 6.1(4) of NI 81-107 unless each party to the transaction is a reporting issuer and the Inter-Fund Trade occurs at the “current market price of the security” which, in the case of exchange-traded securities, includes the Closing Sale Price but not the Last Sale Price;

25. the Filer considers that it would be in the best interests of the Funds and Managed Accounts, as applicable, if an Inter-Fund Trade could be made at the Last Sale Price prior to the execution of the trade, in lieu of the Closing Sale Price, as this will result in the trade being done at the price which is closest to the price at the time the decision to make the trade is made;

26. when the Filer engages in an Inter-Fund Trade of securities between Funds or between a Managed Account and a Fund, it will follow policies and procedures established by the Filer as applicable; currently, these policies and procedures apply to both the Filer and any sub-adviser to the Fund, as appropriate, and contemplate the following general steps:

(a) the portfolio manager (or sub-adviser, as applicable) of the Filer will request the approval of the Chief Compliance Officer of the Filer or his or her designated alternate to execute a purchase or sale of a security by a Fund or a Managed Account as an Inter-Fund Trade;

(b) upon receipt of the required approval, the portfolio manager (or sub-adviser, as applicable) of the Filer will deliver the trading instructions to a trader on a trading desk of the Filer;

(c) upon receipt of the trade instructions and the required approval, the trader on the trading desk will execute the trade as an Inter-Fund Trade in accordance with the requirements of paragraphs (c) to (g) of subsection 6.1(2) of NI 81-107 provided that, for exchange-traded securities, the Inter-Fund Trade may be executed at the Last Sale Price of the security in lieu of the Closing Sale Price; and

(d) the policies applicable to the trading desk of the Filer will require that all orders are to be executed on a timely basis;

27. if the IRC of a Fund becomes aware of an instance where the Filer did not comply with the terms of this Decision, or a condition imposed by securities legislation or the IRC in its approval, the IRC of the Fund will, as soon as practicable, notify in writing the securities regulatory authority or regulator in the jurisdiction which is the Fund's principal regulator;

In-Specie Transfers

28. investments in individual securities may not be appropriate in certain circumstances for a Client; consequently, the Filer may, where authorized under the applicable Discretionary Management Agreement, from time to time, invest the assets in a Client's Managed Account in securities of any one or more of the Funds in order to give such Client the benefit of asset diversification and lower commission charges and generally to facilitate portfolio management;

29. the Filer may wish, or otherwise be required, to deliver portfolio securities held in a Managed Account or Pooled Fund to a Fund in respect of a purchase of units or shares of the Fund (Fund Securities), and may wish, or otherwise be required, to receive portfolio securities from a Fund in respect of a redemption of Fund Securities by a Managed Account or Pooled Fund; as the Filer is, or will be, the portfolio manager of the Funds and is, or will be, the portfolio manager of the Managed Accounts, the Filer would be considered a 'responsible person' within the meaning of NI 31-103;

30. as the Filer is, or may be in the future, the trustee of a Fund which is organized as a trust, each such Fund may be an 'associate' of the Filer, and accordingly, absent the grant of the In-Specie Transfer Relief, the Filer would be precluded by the provisions of section 13.5(2)(b)(ii) of NI 31-103 from effecting the In-Specie Transfers in such circumstances; as the Filer is, or will be, a registered adviser, and is or will be the manager and/or portfolio manager of the Funds and is, or will be, the portfolio manager of the Managed Accounts, absent the grant of the In-Specie Transfer Relief, the Filer would be precluded by section 13.5(2)(b)(iii) of NI 31-103 from effecting the In-Specie Transfers;

31. each Discretionary Management Agreement or other documentation will contain the authorization of the Client for the Filer to engage in In-Specie Transfers on behalf of the Managed Account;

32. the only cost which will be incurred by a Managed Account or a Fund for an In-Specie Transfer is a nominal administrative charge levied by the custodian of the relevant Fund in recording the trades, and any commission charged by the dealer executing the trade;

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

34. should any In-Specie Transfer contemplated specifically by the Exemption Sought, involve the transfer of an "illiquid asset" (as defined in NI 81-102), the Filer will obtain at least one quote for the asset from an independent arm's length purchaser or seller, immediately before effecting the In-Specie Transfer;

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

36. the Filer has determined that it will be in the best interests of the Funds and the Managed Accounts to obtain the Exemption Sought; and

37. absent the Exemption Sought, neither the Funds, Managed Accounts, nor the Filer, on their behalf, will be permitted to engage in Inter-Fund Trades or In-Specie Transfers.

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:

(a) the Section 4.2(1) Relief is granted provided that:

(i) the transaction is consistent with the investment objectives of each of the Funds involved in the trade;

(ii) the IRC of each Fund involved in the trade has approved the transaction in respect of that Fund in accordance with the terms of subsection 5.2(2) of NI 81-107; and

(iii) the transaction complies with paragraphs (c) to (g) of subsection 6.1(2) of NI 81-107;

(b) the Inter-Fund Trading Relief is granted provided that:

(i) the Inter-Fund Trade is consistent with the investment objectives of the Fund or Managed Account, as applicable;

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

(iii) in the case of an Inter-Fund Trade between Funds:

a. the IRC of each Fund has approved the Inter-Fund Trade in respect of the Fund in accordance with the terms of subsection 5.2(2) of NI 81-107; and

b. the Inter-Fund Trade complies with paragraphs (c) to (g) of subsection 6.1(2) of NI 81-107 except that for purposes of paragraph (e) of subsection 6.1(2) of NI 81-107 in respect of exchange-traded securities, the current market price of the securities may be the Last Sale Price; and

(iv) in the case of an Inter-Fund Trade between a Managed Account and a Fund:

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

b. the Discretionary Management Agreement or other documentation in respect of the Managed Account authorizes the Inter-Fund Trade; and

c. the Inter-Fund Trade complies with paragraphs (c) to (g) of subsection 6.1(2) of NI 81-107 except that for purposes of paragraph (e) of subsection 6.1(2) of NI 81-107 in respect of exchange-traded securities, the current market price of the securities may be the Last Sale Price;

(c) the In-Specie Transfer Relief is granted provided that:

(i) if the transaction is the purchase of Fund Securities of a Fund by a Managed Account;

a. in respect of the In-Specie Transfer Relief as it applies to purchases of Fund Securities of an NI 81-102 Fund by a Managed Account:

I. the Filer as manager of the NI 81-102 Fund, obtains the approval of the IRC of the NI 81-102 Fund in respect of an In-Specie Transfer in accordance with the terms of subsection 5.2(2) of NI 81-107; and

II. the Filer as manager of the NI 81-102 Fund, and the IRC, comply with the requirements of section 5.4 of NI 81-107 for any standing instructions the IRC provides in respect of an In-Specie Transfer;

b. the Filer obtains the prior written consent of the Client of the Managed Account before it engages in any In-Specie Transfer in connection with the purchase of Fund Securities of the Fund;

c. the Fund would, at the time of payment, be permitted to purchase the portfolio securities held by the Managed Account;

d. the portfolio securities are acceptable to the Filer, as portfolio manager of the Fund and consistent with the Fund's investment objectives;

e. the value of the portfolio securities sold to the Fund by the Managed Account is equal to the issue price of the Fund Securities of the Fund for which they are used as payment, valued as if the securities were portfolio assets of that Fund;

f. the account statement next prepared for the Managed Account will include a note describing the portfolio securities delivered to the Fund and the value assigned to such securities; and

g. the Fund keeps written records of all In-Specie Transfers during the financial year of the Fund, reflecting details of the portfolio securities delivered to the Fund and the value assigned to such securities, for five years after the end of the financial year, the most recent two years in a reasonably accessible place;

(ii) if the transaction is the redemption of Fund Securities of a Fund by a Managed Account:

a. in respect of the In-Specie Transfer Relief as it applies to redemptions of Fund Securities of an NI 81-102 Fund by a Managed Account:

I. the Filer, as manager of the NI 81-102 Fund, obtains the approval of the IRC of the NI 81-102 Fund in respect of an In-Specie Transfer in accordance with the terms of subsection 5.2(2) of NI 81-107; and

II. the Filer, as manager of the NI 81-102 Fund, and the IRC of the NI 81-102 Fund, comply with the requirements of section 5.4 of NI 81-107 for any standing instructions the IRC provides in respect of an In-Specie Transfer;

b. the Filer obtains the prior written consent of the Client of the Managed Account to the payment of redemption proceeds in the form of an In-Specie Transfer and such consent has not been revoked;

c. the portfolio securities are acceptable to the Filer as portfolio manager of the Managed Account and consistent with the Managed Account's investment objectives;

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

e. the holder of the Managed Account has not provided notice to terminate its Discretionary Management Agreement with the Filer;

f. the account statement next prepared for the Managed Account will include a note describing the portfolio securities delivered to the Managed Account and the value assigned to such securities;

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

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

(iii) if the transaction is the purchase of Fund Securities of an NI 81-102 Fund by a Pooled Fund:

a. the Filer, as manager of the NI 81-102 Fund, obtains the approval of the IRC of the NI 81-102 Fund in respect of an In-Specie Transfer in accordance with the terms of subsection 5.2(2) of NI 81-107;

b. the Filer, as manager of the NI 81-102 Fund, and the IRC of the NI 81-102 Fund, comply with the requirements of section 5.4 of NI 81-107 for any standing instructions the IRC provides in respect of an In-Specie Transfer;

c. the Fund would, at the time of payment, be permitted to purchase the portfolio securities;

d. the portfolio securities are acceptable to the Filer as portfolio manager of the Fund and consistent with such Fund's investment objectives;

e. the value of the portfolio securities is equal to the issue price of the Fund Securities of the NI 81-102 Fund for which they are payment, valued as if the securities were portfolio assets of that NI 81-102 Fund; and

f. each of the Funds keeps written records of all In-Specie Transfers in a financial year of the Fund, reflecting details of the portfolio securities delivered by the Pooled Fund to the NI 81-102 Fund, and the value assigned to such securities, for five years after the end of the financial year, the most recent two years in a reasonably accessible place;

(iv) if the transaction is the redemption of Fund Securities of an NI 81-102 Fund by a Pooled Fund:

a. the Filer, as manager of the NI 81-102 Fund, obtains the approval of the IRC of the NI 81-102 Fund in respect of the In-Specie Transfer in accordance with the terms of subsection 5.2(2) of NI 81-107; and

b. the Filer, as manager of the NI 81-102 Fund, and the IRC of the NI 81-102 Fund, comply with the requirements of section 5.4 of NI 81-107 for any standing instructions the IRC provides in respect of an In-Specie Transfer;

c. the portfolio securities are acceptable to the Filer as portfolio manager of the Pooled Fund and consistent with the Pooled Fund's investment objectives;

d. the value of the portfolio securities is equal to the amount at which those securities were valued in calculating the net asset value per Fund Security used to establish the redemption price of the NI 81-102 Fund; and

e. each of the Funds keeps written records of all In-Specie Transfers in a financial year of the Fund, reflecting details of the portfolio securities delivered to the Pooled Fund and the value assigned to such securities, for five years after the end of the financial year, the most recent two years in a reasonably accessible place;

(v) if the transaction is the purchase of Fund Securities of a Pooled Fund by a Pooled Fund:

a. the Pooled Fund would at the time of payment be permitted to purchase the portfolio securities;

b. the portfolio securities are acceptable to the Filer as portfolio manager of the Pooled Fund, and consistent with the Pooled Fund's investment objectives;

c. the value of the portfolio securities is equal to the issue price of the Fund Securities of the Pooled Fund for which they are payment, valued as if the securities were portfolio assets of that Pooled Fund; and

d. each Pooled Fund keeps written records of all In-Specie Transfers in a financial year of a Pooled Fund, reflecting details of the portfolio securities delivered to the Pooled Fund, and the value assigned to such securities, for five years after the end of the financial year, the most recent two years in a reasonably accessible place;

(vi) if the transaction is the redemption of Fund Securities of a Pooled Fund by a Pooled Fund:

a. the portfolio securities are acceptable to the Filer as portfolio manager of the Pooled Fund, and consistent with the investment objectives of the Pooled Fund;

b. the value of the portfolio securities is equal to the amount at which those securities were valued in calculating the net asset value per Fund Securities used to establish the redemption price of the Pooled Fund; and

c. each Pooled Fund keeps written records of all In-Specie Transfers in a financial year of the Pooled Fund, reflecting details of the portfolio securities delivered by the Pooled Fund and the value assigned to such securities, for five years after the end of the financial year, the most recent two years in a reasonably accessible place; and

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

"John Hinze"
Director, Corporate Finance
British Columbia Securities Commission

2.1.5 Bioamber Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – exemption from the prospectus requirement for certain marketing activities not expressly permitted by National Instrument 71-101 The Multijurisdictional Disclosure System so that investment dealers acting as underwriters or selling group members of an issuer are permitted to use standard term sheets and marketing materials and conduct road shows (each as defined under National Instrument 41-101 General Prospectus Requirements) in connection with future offerings under an MJDS base shelf prospectus – NI 71-101 does not contain equivalent provisions to Part 9A of National Instrument 44-102 Shelf Distributions – relief granted, provided that any road shows, standard term sheets and marketing materials would comply with the approval, content, use and other conditions and requirements of Part 9A of NI 44-102, as applicable.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 53, 74(1)2.
National Instrument 71-101 The Multijurisdictional Disclosure System, s. 11.3.

August 1, 2017

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
BIOAMBER INC.
(THE FILER)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the **Legislation**), pursuant to paragraph 74(1)2 of the *Securities Act* (Ontario), for an exemption from the prospectus requirement for certain marketing activities not expressly permitted by National Instrument 71-101 – *The Multijurisdictional Disclosure System* (**NI 71-101**) so that investment dealers acting as underwriters (as defined in the Legislation) or selling group members of (a) the Filer, or (b) a selling securityholder of the Filer are permitted to (i) use Standard Term Sheets (as defined below) and Marketing Materials (as defined below), and (ii) conduct Road Shows (as defined below) in connection with future offerings under a Final Canadian MJDS Shelf Prospectus (as defined below) to be filed by the Filer in each of the provinces of Canada other than the Province of Québec (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 subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador (together with the Jurisdiction, the **Jurisdictions**).

Interpretation

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

Representations

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

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

2. The head office of the Filer is located at 1000 Westgate Drive, Suite 115, St. Paul, Minnesota, USA 55114.

3. As of the date hereof, the Filer is a reporting issuer in British Columbia and Ontario and will become a reporting issuer in the other Jurisdictions upon a receipt being issued for its Final Canadian MJDS Shelf Prospectus (as defined below). The Filer is an "SEC foreign issuer" as defined under National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers*. The Filer is not in default of securities legislation in any of the Jurisdictions.

4. The Filer has filed a registration statement on Form S-3 with the U.S. Securities and Exchange Commission (the **Registration Statement**). The Registration Statement was declared effective on January 12, 2017. The Registration Statement contains a shelf prospectus (the **U.S. Shelf Prospectus**) that registers for sale in the United States, from time to time, in one or more offerings and pursuant to one or more prospectus supplements, shares of the Filer's common stock, shares of the Filer's preferred stock, debt securities, warrants and units.

5. The Filer also has filed a preliminary MJDS prospectus, and intends to file a final MJDS prospectus (**Final Canadian MJDS Shelf Prospectus**), in the Jurisdictions pursuant to NI 71-101 which includes or will include, respectively, the U.S. Shelf Prospectus which will qualify the distribution in the Jurisdictions, from time to time, in one or more offerings and pursuant to one or more prospectus supplements, shares of the Filer's common stock, shares of the Filer's preferred stock, debt securities, warrants and units.

6. National Instrument 44-102 – *Shelf Distributions* (**NI 44-102**) sets out the requirements for a distribution under a (non-MJDS) shelf prospectus in Canada, including requirements with respect to advertising and marketing activities. In particular, Part 9A of NI 44-102 permits the conduct of "road shows" and the use of "standard term sheets" and "marketing materials" (as such terms are defined in National Instrument 41-101 *General Prospectus Requirements* (**NI 41-101**)) following the issuance of a receipt for a final base shelf prospectus provided the approval, content, use and other applicable conditions and requirements of Part 9A are complied with. NI 71-101 does not contain provisions that are equivalent to those of Part 9A of NI 44-102.

7. In connection with marketing an offering in Canada under the Final Canadian MJDS Shelf Prospectus, investment dealers acting as underwriters or selling group members of (a) the Filer, or (b) a selling securityholder of the Filer may wish to conduct road shows (**Road Shows**) and utilize one or more standard term sheets (**Standard Term Sheets**) and marketing materials (**Marketing Materials**), as such terms are defined in NI 41-101. Any such Road Shows, Standard Term Sheets and Marketing Materials would comply with the approval, content, use and other conditions and requirements of Part 9A of NI 44-102, as applicable.

8. Canadian purchasers, if any, of securities offered under the Final Canadian MJDS Shelf Prospectus will only be able to purchase those securities through an investment dealer registered in the jurisdiction of residence of the purchaser.

Decision

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

The decision of the principal regulator is that the Exemption Sought is granted, provided that the conditions and requirements set out in Part 9A of NI 44-102 for Standard Term Sheets, Marketing Materials and Road Shows are complied with for any future offering under the Final Canadian MJDS Shelf Prospectus in the manner in which those conditions and requirements would apply if the Final Canadian MJDS Shelf Prospectus were a final base shelf prospectus under NI 44-102.

"Deborah Leckman"
Ontario Securities Commission

"Robert P. Hutchison"
Ontario Securities Commission

2.1.6 PIMCO Canada Corp.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief granted to exchange-traded series of conventional mutual funds for continuous distribution of securities – relief to permit funds' prospectus to include a modified statement of investor rights – relief to permit funds' prospectus to not include an underwriter's certificate – relief from take-over bid requirements for normal course purchases of securities on the TSX – prospectus form and underwriting certificate relief granted subject to manager filing a prescribed summary document for each fund on SEDAR and other terms and conditions set out in decision document and subject to sunset clause tied to the implementation of rule amendments to create new ETF Facts document to replace summary document – relief granted to facilitate the offering of exchange-traded series and conventional mutual fund series within same fund structure – relief granted from the requirement in NI 41-101 to prepare and file a long form prospectus for exchange-traded series provided that a simplified prospectus is prepared and filed in accordance with NI 81-101 – exchange-traded series and mutual fund series referable to same portfolio and have substantially identical disclosure – relief permitting all series of funds to be disclosed in same prospectus – disclosure required by NI 41-101 for exchange-traded series and not contemplated by NI 81-101 will be disclosed in prospectus under relevant headings.

Applicable Legislative Provisions

Securities Act (Ontario), R.S.O. 1990, c. S.5, as am., ss. 59(1), 147.
National Instrument 41-101 General Prospectus Requirements, s. 19.1.
Form 41-101F2 Information Required in an Investment Fund Prospectus, Item 36.2.
National Instrument 62-104 Take-Over Bids and Issuer Bids, Part 2 and s. 6.1.

August 4, 2017

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

AND

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

AND

IN THE MATTER OF
PIMCO CANADA CORP.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of PIMCO Monthly Income Fund (Canada) and PIMCO Investment Grade Credit Fund (Canada) (collectively, the **Proposed ETF Funds**), each Proposed ETF Fund being an exchange traded series of a mutual fund, and such other exchange traded series mutual funds as are managed or may be managed by the Filer now or in the future and that are structured in the same manner as the Proposed ETF Funds (the **Other Funds** and together with the Proposed ETF Funds, the **Funds** and each individually, a **Fund**) for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that:

(a) exempts the Filer and each Fund from the requirement to prepare and file a long form prospectus for the ETF Securities (as defined below) in the form prescribed by Form 41-101F2 *Information Required in an Investment Fund Prospectus* (**Form 41-101F2**), subject to the terms of this decision and provided that the Filer files a prospectus for the ETF Securities in accordance with the provisions of National Instrument 81-101 *Mutual Fund Prospectus Disclosure* (**NI 81-101**), other than the requirements pertaining to the filing of a fund facts document (the **ETF Prospectus Form Requirement**);

(b) exempts the Filer and each Fund from the requirement to include a certificate of an underwriter in a Fund's prospectus (the **Underwriter's Certificate Requirement**);

(c) exempts the Filer and each Fund from the requirement to include in a Fund's prospectus the statement respecting purchasers' statutory rights of withdrawal and remedies of rescission or damages in substantially the form prescribed in item 11 of Part A of Form 81-101F1 *Contents of Simplified Prospectus* (**Form 81-101F1**) or item 36.2 of Form 41-101F2 (the **Prospectus Form Requirement**); and

(d) exempts a person or company purchasing ETF Securities (as defined below) in the normal course through the facilities of the TSX or another Marketplace (as defined below) from the Take-over Bid Requirements (as defined below).

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

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

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

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

Interpretation

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

Affiliate Dealer means a registered dealer that is an affiliate of an Authorized Dealer or Designated Broker and that participates in the re-sale of Creation Units (as defined below) from time to time.

Authorized Dealer means a registered dealer that has entered, or intends to enter, into an agreement with the manager of a Fund authorizing the dealer to subscribe for, purchase and redeem Creation Units from one or more Funds on a continuous basis from time to time.

Basket of Securities means, in relation to the ETF Securities of a Fund, a group of securities or assets representing the constituents of the Fund.

Designated Broker means a registered dealer that has entered, or intends to enter, into an agreement with the Filer or an affiliate of the Filer on behalf of a Fund to perform certain duties in relation to the ETF Securities of the Fund, including the posting of a liquid two-way market for the trading of the Fund's ETF Securities on the TSX or another Marketplace.

ETF Facts means a prescribed summary disclosure document required pursuant to amendments to the Legislation effective after the date of this decision document, in respect of one or more classes or series of ETF Securities being distributed under a prospectus.

ETF Securities means securities of an exchange-traded series of a Fund that are listed or will be listed on the TSX or another Marketplace and that will be distributed pursuant to a simplified prospectus prepared in accordance with NI 81-101 and Form 81-101F1.

Form 81-101F2 means Form 81-101F2 *Contents of Annual Information Form*.

Marketplace means a "marketplace" as defined in National Instrument 21-101 *Marketplace Operations* that is located in Canada.

Mutual Fund Securities means securities of a non-exchange-traded series of a Fund that are or will be distributed pursuant to a simplified prospectus prepared in accordance with NI 81-101 and Form 81-101F1.

Other Dealer means a registered dealer that acts as authorized dealer or designated broker to exchange-traded funds that are not managed by the Filer and that has received relief under a Prospectus Delivery Decision.

Prescribed Number of ETF Securities means, in relation to a Fund, the number of ETF Securities of the Fund determined by the Filer from time to time for the purpose of subscription orders, exchanges, redemptions or for other purposes.

Prospectus Delivery Decision means a decision granting relief from the Prospectus Delivery Requirement to an Affiliate Dealer, Authorized Dealer, Designated Broker or Other Dealer dated August 24, 2015 and any subsequent decision granted to an Affiliate Dealer, Authorized Dealer, Designated Broker or Other Dealer that grants similar relief.

Prospectus Delivery Requirement means the requirement that a dealer, not acting as agent of the purchaser, who receives an order or subscription for a security offered in a distribution to which the prospectus requirement of the Legislation applies, send or deliver to the purchaser or its agent, unless the dealer has previously done so, the latest prospectus and any amendment either before entering into an agreement of purchase and sale resulting from the order or subscription, or not later than midnight on the second business day after entering into that agreement.

Securityholders means beneficial or registered holders of ETF Securities or Mutual Fund Securities of a Fund, as applicable.

Summary Document means a document, in respect of one or more classes or series of ETF Securities being distributed under a prospectus, prepared in accordance with the requirements set out by securities regulators as set out in Appendix A to the applicable draft decision document or the requirements set out by securities regulators in any rule or instrument that supersedes such Appendix A.

Take-over Bid Requirements means the requirements of NI 62-104 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 Jurisdiction.

TSX means the Toronto Stock Exchange.

Representations

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

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

2. The head office of the Filer is located at Commerce Court West, 199 Bay Street, Suite 2050, Toronto, Ontario M5L 1G2.

3. The Filer is registered as an investment fund manager in Ontario, Quebec and Newfoundland and Labrador, a portfolio manager and an exempt market dealer in each of the provinces of Canada, a commodity trading manager in Ontario and an adviser in Manitoba.

4. The Filer is, or will be, the investment fund manager of each Fund, and the Filer or an affiliate of the Filer is, or will be, the portfolio manager of each Fund.

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

6. Each Proposed ETF Fund is established under the laws of Ontario as an investment fund that is an open-ended mutual fund trust. The Funds will be either trusts or corporations or classes thereof governed by the laws of the Jurisdiction. Each Fund is, or will be, a reporting issuer in the Jurisdictions in which its securities are distributed. Each Fund offers, or will offer, ETF Securities and Mutual Fund Securities.

7. Subject to any exemptions therefrom that have been, or may be, granted by the applicable securities regulatory authorities, each Fund is, or will be, subject to NI 81-102 and Securityholders will have the right to vote at a meeting of Securityholders in respect of matters prescribed by NI 81-102.

8. The Proposed ETF Funds currently offer Series A, Series A (US$), Series F, Series F(US$), Series I, Series I(US$), Series M, Series M(US$), Series O and Series O(US$) units and PIMCO Monthly Income Fund (Canada) also currently offers Series H units. These Mutual Fund Securities are currently distributed under a simplified prospectus dated July 28, 2016.

9. On or about June 28, 2017, a preliminary and pro forma prospectus in respect of the Mutual Fund Securities and ETF Securities of the Proposed ETF Funds will be filed with the securities regulatory authorities in each of the Jurisdictions.

10. The Filer will apply to list any ETF Securities of the Funds on the TSX or another Marketplace. The Filer will not file a final prospectus for any of the Funds in respect of the ETF Securities until the TSX or other applicable Marketplace has conditionally approved the listing of the ETF Securities.

11. Mutual Fund Securities may be subscribed for or purchased directly from a Fund through qualified financial advisors or brokers.

12. ETF Securities will be distributed on a continuous basis in one or more of the Jurisdictions under a prospectus. ETF Securities may generally only be subscribed for or purchased directly from the Funds (**Creation Units**) by Authorized Dealers or Designated Brokers. Generally, subscriptions or purchases may only be placed for a Prescribed Number of

ETF Securities (or a multiple thereof) on any day when there is a trading session on the TSX or other Marketplace. Authorized Dealers or Designated Brokers subscribe for Creation Units for the purpose of facilitating investor purchases of ETF Securities on the TSX or another Marketplace.

13. In addition to subscribing for and re-selling Creation Units, Authorized Dealers, Designated Brokers and Affiliate Dealers will also generally be engaged in purchasing and selling ETF Securities of the same class or series as the Creation Units in the secondary market. Other Dealers may also be engaged in purchasing and selling ETF Securities of the same class or series as the Creation Units in the secondary market despite not being an Authorized Dealer, Designated Broker or Affiliate Dealer.

14. Each Designated Broker or Authorized Dealer that subscribes for Creation Units must deliver, in respect of each Prescribed Number of ETF Securities to be issued, a Basket of Securities and/or cash in an amount sufficient so that the value of the Basket of Securities and/or cash delivered is equal to the net asset value of the ETF Securities subscribed for next determined following the receipt of the subscription order. In the discretion of the Filer, the Funds may also accept subscriptions for Creation Units in cash only, in securities other than Baskets of Securities and/or in a combination of cash and securities other than Baskets of Securities, in an amount equal to the net asset value of the ETF Securities subscribed for next determined following the receipt of the subscription order.

15. The Designated Brokers and Authorized Dealers will not receive any fees or commissions in connection with the issuance of Creation Units to them. On the issuance of Creation Units, the Filer or the Fund may, in the Filer's discretion, charge a fee to a Designated Broker or an Authorized Dealer to offset the expenses incurred in issuing the Creation Units.

16. Each Fund will appoint a Designated Broker to perform certain other functions, which include standing in the market with a bid and ask price for ETF Securities for the purpose of maintaining liquidity for the ETF Securities.

17. Except for Authorized Dealer and Designated Broker subscriptions for Creation Units, as described above, and other distributions that are exempt from the Prospectus Delivery Requirement under the Legislation, ETF Securities generally will not be able to be purchased directly from a Fund. Investors are generally expected to purchase and sell ETF Securities, directly or indirectly, through dealers executing trades through the facilities of the TSX or another Marketplace. ETF Securities may also be issued directly to Securityholders upon a reinvestment of distributions of income or capital gains.

18. Securityholders that are not Designated Brokers or Authorized Dealers that wish to dispose of their ETF Securities may generally do so by selling their ETF Securities on the TSX or other Marketplace, through a registered dealer, subject only to customary brokerage commissions. A Securityholder that holds a Prescribed Number of ETF Securities or multiple thereof may exchange such ETF Securities for Baskets of Securities and/or cash in the discretion of the Filer. Securityholders may also redeem ETF Securities for cash at a redemption price equal to 95% of the closing price of the ETF Securities on the TSX or other Marketplace on the date of redemption, subject to a maximum redemption price of the applicable net asset value per ETF Security.

ETF Prospectus Form Requirement

19. The Filer believes it is more efficient and expedient to include all of the series of each Fund in one prospectus form instead of two different prospectus forms and that this presentation will assist in providing full, true and plain disclosure of all material facts relating to the securities of the Funds by permitting disclosure relating to all series of securities to be included in one prospectus.

20. The Filer will ensure that any additional disclosure included in the simplified prospectus and annual information form relating to the ETF Securities will not interfere with an investor's ability to differentiate between the Mutual Fund Securities and the ETF Securities and their respective attributes.

21. The Funds will comply with the provisions of NI 81-101 when filing any amendment or prospectus.

Underwriter's Certificate Requirement

22. Authorized Dealers and Designated Brokers will not provide the same services in connection with a distribution of Creation Units as would typically be provided by an underwriter in a conventional underwriting.

23. The Filer will generally conduct its own marketing, advertising and promotion of the Funds to the extent permitted by its registrations.

24. Authorized Dealers and Designated Brokers will not be involved in the preparation of a Fund's prospectus, will not perform any review or any independent due diligence to the content of a Fund's prospectus, and will not incur any marketing costs or receive any underwriting fees or commissions from the Funds or the Filer in connection with the distribution of ETF Securities. The Authorized Dealers and Designated Brokers generally seek to profit from their ability to create and redeem ETF Securities by engaging in arbitrage trading to capture spreads between the trading prices of ETF Securities and their underlying securities and by making markets for their clients to facilitate client trading in ETF Securities.

Prospectus Form Requirement

25. Securities regulatory authorities have advised that they take the view that the first re-sale of a Creation Unit on the TSX or another Marketplace will generally constitute a distribution of Creation Units under the Legislation and that the Authorized Dealers, Designated Brokers and Affiliate Dealers are subject to the Prospectus Delivery Requirement in connection with such re-sales. Re-sales of ETF Securities in the secondary market that are not Creation Units would not ordinarily constitute a distribution of such ETF Securities.

26. According to Authorized Dealers and Designated Brokers, Creation Units will generally be commingled with other ETF Securities purchased by the Authorized Dealers, Designated Brokers and Affiliate Dealers in the secondary market. As such, it is not practicable for the Authorized Dealers, Designated Brokers or Affiliate Dealers to determine whether a particular re-sale of ETF Securities involves Creation Units or ETF Securities purchased in the secondary market.

27. Under the applicable Prospectus Delivery Decision, Authorized Dealers, Designated Brokers and Affiliate Dealers are exempt from the Prospectus Delivery Requirement in connection with the re-sale of Creation Units to investors on the TSX or another Marketplace. Under a Prospectus Delivery Decision, Other Dealers are also exempt from the Prospectus Delivery Requirement in connection with the re-sale of creation units of other exchange-traded funds that are either not managed by the Filer or that are managed by the Filer but are not structured as a separate series of a mutual fund.

28. Each Prospectus Delivery Decision includes a condition that the Authorized Dealer, Designated Broker, Affiliate Dealer or Other Dealer undertakes that it will, unless it has previously done so, send or deliver to each purchaser of an ETF Security who is a customer of the Authorized Dealer, Designated Broker, Affiliate Dealer or Other Dealer and to whom a trade confirmation is required under the Legislation to be sent or delivered by the Authorized Dealer, Designated Broker, Affiliate Dealer or Other Dealer in connection with the purchase, the latest Summary Document filed in respect of the ETF Security not later than midnight on the second day, exclusive of Saturdays, Sundays and holidays, after the purchase of the ETF Security.

29. The Filer will prepare and file with the applicable Jurisdictions on the System for Electronic Document Analysis and Retrieval (**SEDAR**) a Summary Document for each class or series of ETF Securities and will make available to the applicable Authorized Dealers, Designated Brokers, Affiliate Dealers and Other Dealers the requisite number of copies of the Summary Document for the purpose of facilitating their compliance with the Prospectus Delivery Decision within the timeframe necessary to allow Authorized Dealers, Designated Brokers, Affiliate Dealers and Other Dealers to effect delivery of the Summary Document as contemplated in the Prospectus Delivery Decision.

30. The Exemption Sought from the Prospectus Form Requirement is required to reflect the relief provided in the Prospectus Delivery Decision. Accordingly, the Filer will include language in each Fund's prospectus explaining the impact on a purchaser's statutory rights as a result of the Prospectus Delivery Decision in replacement of the language prescribed by the Prospectus Form Requirement, in addition to the disclosure required by item 11 of Part A of Form 81-101F1, subject to any exemptions granted by the applicable securities regulatory authorities.

Take-over Bid Requirements

31. As equity securities that will trade on the TSX or another Marketplace, it is possible for a person or company to acquire such number of ETF Securities so as to trigger the application of the Take-over Bid Requirements. However,

    a. it will not be possible for one or more Securityholders to exercise control or direction over a Fund as the constating documents of each Fund provide that there can be no changes made to such Fund which do not have the support of the Filer;

    b. it will be difficult for the purchasers of ETF Securities or a Fund to monitor compliance with the Take-over Bid Requirements because the number of outstanding ETF Securities will always be in flux as a result of the ongoing issuance and redemption of ETF Securities by each Fund; and

c. the way in which ETF Securities will be priced deters anyone from either seeking to acquire control, or offering to pay a control premium for outstanding ETF Securities because pricing for each ETF Security will generally reflect the net asset value of the ETF Securities.

32. The application of the Take-over Bid Requirements to the Funds would have an adverse impact on the liquidity of the ETF Securities because they could cause the Designated Brokers and other large Securityholders to cease trading ETF Securities once the Securityholder has reached the prescribed threshold at which the Take-over Bid Requirements would apply. This, in turn, could serve to provide conventional mutual funds with a competitive advantage over the Funds.

Generally

33. Rule amendments with an effective date of September 1, 2017 will require the Filer to file an ETF Facts, in respect of each class or series of ETF Securities of a Fund in connection with the filing of a prospectus. Upon the expiry of the transition period, the requirement for the Filer to file an ETF Facts will supersede the requirement for the Filer to file a Summary Document under this decision. Since the introduction of the ETF Facts is subject to a transition period, there may be a period of time where some Funds have an ETF Facts while other Funds have a Summary Document. If the Filer files an ETF Facts with respect to a class or series of ETF Securities, the Filer will use such ETF Facts instead of a Summary Document to satisfy its obligations under this decision with respect to any purchase of such class or series of ETF Securities that occurs after the filing of such ETF Facts.

Decision

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

1. The decision of the principal regulator is that the exemption sought from the ETF Prospectus Form Requirement is granted, provided that the Filer will be in compliance with the following conditions:

   (a) the Filer files a simplified prospectus and annual information form in respect of the ETF Securities in accordance with the requirements of NI 81-101, NI 81-101F1 and Form 81-101F2, other than the requirements pertaining to the filing of a fund facts document;

   (b) the Filer includes disclosure required pursuant to Form 41-101F2 (that is not contemplated by Form 81-101F1 or Form 81-101F2) in respect of the ETF Securities, in each Fund's simplified prospectus and/or annual information form, as applicable; and

   (c) the Filer includes disclosure regarding this decision under the heading "Additional Information" and "Exemptions and Approvals" in each Fund's simplified prospectus and annual information form, respectively.

2. The decision of the principal regulator is that the exemption sought in respect of the Underwriter's Certificate Requirement and the Prospectus Form Requirement are granted, provided that the Filer will be in compliance with the following conditions:

   (a) the Filer files with the applicable Jurisdictions on SEDAR the Summary Document for each class or series of ETF Securities concurrently with the filing of the final prospectus for that Fund;

   (b) the Filer displays on its website in a manner that would be considered prominent to a reasonable investor the Summary Document for each class or series of ETF Securities for each Fund;

   (c) the Filer amends the Summary Document at the same time it files any amendments to the Fund's prospectus that affect the disclosure in the Summary Document and files the amended Summary Document with the applicable Jurisdictions on SEDAR and makes it available on its website in a manner that would be considered prominent to a reasonable investor;

   (d) the Filer provides or makes available to each Authorized Dealer, Designated Broker, Affiliate Dealer or Other Dealer, the number of copies of the Summary Document of each ETF Security that the Authorized Dealer, Designated Broker, Affiliate Dealer or Other Dealer reasonably requests in support of compliance with its respective Prospectus Delivery Decision;

   (e) each Fund's prospectus, as the same may be amended from time to time, will:

      (i) incorporate the relevant Summary Document by reference;

(ii) contain the disclosure referred to in paragraph 30 above; and

(iii) disclose both the relief granted pursuant to the Exemption Sought and the Prospectus Delivery Decision under Item 23 of Form 81-101F2 or Item 34.1 of Form 41-101F2 *Information Required in an Investment Fund Prospectus*, as applicable;

(f) the Filer obtains an executed acknowledgement from each Authorized Dealer, Designated Broker and Affiliate Dealer, and uses its best efforts to obtain an acknowledgment from each Other Dealer:

(i) indicating each dealer's election, in connection with the re-sale of Creation Units on the TSX or another Marketplace, to send or deliver the Summary Document in accordance with a Prospectus Delivery Decision or, alternatively, to comply with the Prospectus Delivery Requirement; and

(ii) if the Authorized Dealer, Designated Broker, Affiliate Dealer or Other Dealer agrees to deliver the Summary Document in accordance with a Prospectus Delivery Decision:

(A) an undertaking that the Authorized Dealer, Designated Broker, Affiliate Dealer or Other Dealer will attach or bind one Fund's Summary Document with another Fund's Summary Document only if the documents are being sent or delivered under the Prospectus Delivery Decision at the same time to an investor purchasing ETF Securities of each such Fund; and

(B) confirming that the Authorized Dealer, Designated Broker, Affiliate Dealer or Other Dealer has in place written policies and procedures to ensure that it is in compliance with the conditions of the Prospectus Delivery Decision;

(g) the Filer will keep records of which Authorized Dealers, Designated Brokers, Affiliate Dealers and Other Dealers have provided it with an acknowledgement under a Prospectus Delivery Decision, and which intend to rely on and comply with the Prospectus Delivery Decision or intend to comply with the Prospectus Delivery Requirement;

(h) the Filer files with its principal regulator, to the attention of the Director, Investment Funds and Structured Products Branch, on or before January 31st in each calendar year, a certificate signed by its ultimate designated person certifying that, to the best of the knowledge of such person, after making due inquiry, the Filer has complied with the terms and conditions of this decision during the previous calendar year;

(i) if the Filer files an ETF Facts instead of a Summary Document with respect to a class or series of ETF Securities, the latest ETF Facts filed in respect of such class or series of ETF Securities must be substituted for a Summary Document in order to satisfy the foregoing conditions with respect to any purchase of such class or series of ETF Securities that occurs after the date of filing such ETF Facts;

(j) conditions (a), (b), (c) and (e)(i) above do not apply to the Exemption Sought with respect to a class or series of an ETF Security if the Filer files an ETF Facts for such class or series of the ETF Security; and

(k) conditions (d), (e)(ii), (e)(iii), (f), (g) and (h) above do not apply to the Exemption Sought after any new legislation or rule dealing with the Prospectus Delivery Decision takes effect and any applicable transition period has expired.

3. The Exemption Sought from the Prospectus Form Requirement, as it relates to one or more of the Jurisdictions, will terminate on the latest of: (i) the coming into force of any legislation or rule dealing with the Exemption Sought from the Prospectus Form Requirement, or (ii) the end date of any applicable transition period for any legislation or rule dealing with the Exemption Sought from the Prospectus Form Requirement.

4. The decision of the principal regulator is that the Exemption Sought from the Take-over Bid Requirements is granted.

As to the Exemption Sought from the Underwriter's Certificate Requirement:

"Deborah Leckman"
Commissioner
Ontario Securities Commission

"Mark Sandler"
Commissioner
Ontario Securities Commission

As to the Exemption Sought from the ETF Prospectus Form Requirement, the Prospectus Form Requirement and the Take-over Bid Requirements:

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

APPENDIX A

CONTENTS OF SUMMARY DOCUMENT

General Instructions

1. *Items 1 to 10 represent the minimum disclosure required in a Summary Document for a fund. The inclusion of additional information is not precluded so long as the Summary Document does not exceed a total of four pages in length (two pages double-sided).*

2. *Terms defined in National Instrument 81-102 Investment Funds, National Instrument 81-105 Mutual Fund Sales Practices or National Instrument 81-106 Investment Fund Continuous Disclosure and used in this Summary Document have the meanings that they have in those national instruments.*

3. *Information in the Summary Document must be clear and concise and presented in plain language.*

4. *The format and presentation of information in the Summary Document is not prescribed but the information must be presented in a manner that assists in readability and comprehension.*

5. *The order of the Items outlined below is not prescribed, except for Items 1 and 2, which must be presented as the first 2 items in the Summary Document.*

6. *Each reference to a fund in this Appendix A refers to an ETF as defined in the decision above.*

Item 1 – Introduction

Include at the top of the first page a heading consisting of:

(a) the title “Summary Document”;

(b) the name of the manager of the fund;

(c) the name of the fund to which the Summary Document pertains; and

(d) the date of the document.

Item 2 – Cautionary Language

Include a statement in italics in substantially the following form:

> *“The following is a summary of the principal features of this fund. You can find more detailed information about the fund in the prospectus. The prospectus is available on [insert name of the manager of the fund] website at [insert manager of the fund website], or by contacting [insert name of the manager of the fund] at [insert manager of the fund’s email address], or by calling [insert telephone number of the manager of the fund].”*

Item 3 – Fund Details

Include the following disclosure:

(a) ticker symbol;

(b) fund identification code(s);

(c) index ticker (as applicable);

(d) exchange;

(e) currency;

(f) inception date;

(g) RSP eligibility;

(h) DRIP eligibility;

(i) expected frequency and timing of distributions, and if applicable, the targeted amount for distributions;

(j) management expense ratio, if available; and

(k) portfolio manager, when the fund is actively managed.

Item 4 – Investment Objectives

Include a description of the fundamental nature of the fund, or the fundamental features of the fund that distinguishes it from other funds.

INSTRUCTIONS:

Include a description of what the fund primarily invests in, or intends to primarily invest in, such as:

(a) a description of the fund, including what the fund invests in, and if it is trying to replicate an index, the name of the index, and an overview of the nature of securities covered by the index or the purpose of the index; and

(b) the key investment strategies of the fund.

Item 5 – Investments of the Fund

1. Include a table disclosing:

(a) the top 10 positions held by the fund; and

(b) the percentage of net asset value of the fund represented by the top 10 positions.

2. Include at least one, and up to two, charts or tables that illustrate the investment mix of the fund's investment portfolio.

INSTRUCTIONS:

(a) The information required under this Item is intended to give a snapshot of the composition of the fund's investment portfolio. The information required to be disclosed under this Item must be as at a date within 60 days before the date of the Summary Document.

(b) The information required under Item 5(2) must show a breakdown of the fund's investment portfolio into appropriate subgroups and the percentage of the aggregate net asset value of the fund constituted by each subgroup. The names of the subgroups are not prescribed and can include security type, industry segment or geographic location. The fund should use the most appropriate categories given the nature of the fund. The choices made must be consistent with disclosure provided under "Summary of Investment Portfolio" in the fund's MRFP.

(c) For new funds where the information required to be disclosed under this Item is not available, provide a brief statement explaining why the required information is not available.

Item 6 – Risk

1. Include a statement in italics in substantially the following form:

"All investments involve risk. When you invest in the fund the value of your investment can go down as well as up. For a description of the specific risks of this fund, see the fund's prospectus."

2. If the cover page of the fund's prospectus contains text box risk disclosure, also include a description of those risk factors in the Summary Document.

Item 7 – Fund Expenses

1. Include an introduction using wording similar to the following:

"You don't pay these expenses directly. They affect you because they reduce the fund's returns."

2. Provide information about the expenses of the fund in the form of the following table:

	Annual rate ***(as a % of the fund's value)***
Management expense ratio (MER) This is the total of the fund's management fee and operating expenses.	_____
Trading expense ratio (TER) These are the fund's trading costs.	_____
Fund expenses The amount included for fund expenses is the amount arrived at by adding the MER and the TER.	_____

3. If the information in (2) is unavailable because the fund is new including wording similar to the following:

> *"The fund's expenses are made up of the management fee, operating expenses and trading costs. The fund's annual management fee is [●]% of the fund's value. Because this fund is new, its operating expenses and trading costs are not yet available."*

INSTRUCTIONS:

Use a bold font or other formatting to indicate that fund expenses is the total of all ongoing expenses set out in the chart and is not a separate expense charged to the fund.

Item 8 – Trailing Commissions

1. If the manager of the fund or another member of the fund's organization pays trailing commissions, include a brief description of these commissions.

2. The description of any trailing commission must include a statement in substantially the following words:

> *"The trailing commission is paid out of the management fee. The trailing commission is paid for as long as you own the fund."*

Item 9 – Other Fees

1. Provide information about the amount of fees payable by an investor, other than those already described or payable by designated brokers and underwriters.

2. Include a statement using wording similar to the following:

> *"You may pay brokerage fees to your dealer when you purchase and sell units of the fund."*

INSTRUCTIONS:

(a) Examples include any redemption charges, sales charges or other fees, if any, associated with buying and selling securities of the fund.

(b) Provide a brief description of each fee disclosing the amount to be paid as a percentage (or, if applicable, a fixed dollar amount) and state who charges the fee.

Item 10 – Statement of Rights

State in substantially the following words:

> *Under securities law in some provinces and territories, you have:*
>
> > *the right to cancel your purchase within 48 hours after you receive confirmation of the purchase, or*

other rights and remedies if this document or the fund's prospectus contains a misrepresentation. You must act within the time limit set by the securities law in your province or territory.

For more information, see the securities law of your province or territory or ask a lawyer.

Item 11 – Past Performance

If the fund includes past performance:

1. Include an introduction using wording similar to the following:

   This section tells you how the fund has performed over the past [insert the lesser of 10 years or the number of completed calendar years] years. Returns are after expenses have been deducted. These expenses reduce the fund's returns.

   It's important to note that this doesn't tell you how the fund will perform in the future as past performance may not be repeated. Also, your actual after-tax return will depend on your personal tax situation.

2. Show the annual total return of the fund, in chronological order for the lesser of:

   (a) each of the 10 most recently completed calendar years; and

   (b) each of the completed calendar years in which the fund has been in existence and which the fund was a reporting issuer.

3. Show the:

   (a) final value, of a hypothetical $1,000 investment in the fund as at the end of the period that ends within 60 days before the date of the Summary Document and consists of the lesser of:

      (i) 10 years, or

      (ii) the time since inception of the fund,

      and

   (b) the annual compounded rate of return that would equate the initial $1,000 investment to the final value.

INSTRUCTIONS:

In responding to the requirements of this Item, a fund must comply with the relevant sections of Part 15 of National Instrument 81-102 Investment Funds as if those sections applied to a Summary Document.

Item 12 – Benchmark Information

If the Summary Document includes benchmark information, ensure this information is consistent with the fund's MRFP and presented in the same format as Item 11.

2.1.7 PIMCO Canada Corp.

Headnote

National Policy 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions – Technical relief granted to mutual funds from Parts 9, 10 and 14 of NI 81-102 to facilitate the offering of exchange-traded series and conventional mutual fund series within same fund structure – Relief permitting funds to treat exchange-traded series in a manner consistent with treatment of other ETF securities in continuous distribution in connection with their compliance with Parts 9, 10 and 14 of NI 81-102 – Relief permitting funds to treat mutual fund series in a manner consistent with treatment of other conventional mutual fund securities in connection with their compliance with Parts 9, 10 and 14 of NI 81-102 – National Instrument 81-102 Investment Funds – relief granted from certain mutual fund requirements and restrictions on borrowing from custodian and, if necessary, provision of a security interest to the custodian to fund distributions payable under the fund's distribution policy.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 2.6(a), 9.1, 9.2, 9.3, 9.4, 10.1, 10.2, 10.3, 10.4, 10.5, 10.6, 14.1, 19.1.

August 4, 2017

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

AND

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

AND

IN THE MATTER OF
PIMCO CANADA CORP.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of PIMCO Monthly Income Fund (Canada) and PIMCO Investment Grade Credit Fund (Canada) (collectively, the **Proposed Funds**), each Proposed Fund having exchange traded series and mutual fund series of a mutual fund, and such other mutual funds as are managed and may be managed by the Filer now or in the future and that are structured in the same manner as the Proposed Funds (the **Other Funds** and together with the Proposed Funds, the **Funds** and each individually, a **Fund**) for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that grants exemptive relief to the Filer and each Fund as set forth below:

(a) an exemption from section 2.6(a)(i) of National Instrument 81-102 *Investment Funds* (**NI 81-102**) to permit each Fund to borrow cash from the custodian of the Fund (the **Custodian**) and, if required by the Custodian, to provide a security interest over any of its portfolio assets as a temporary measure to fund the portion of any distribution payable to Securityholders (as defined below) that represents, in the aggregate, amounts that are owing to, but not yet been received by, the Fund (the **Borrowing Requirement**); and

(b) an exemption to permit the Filer and each Fund to treat the ETF Securities and the Mutual Fund Securities (as defined below) as if such securities were separate funds in connection with their compliance with the provisions of Parts 9, 10 and 14 of NI 81-102 (the **Sales and Redemptions Requirements**),

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

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

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

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

Interpretation

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

Affiliate Dealer means a registered dealer that is an affiliate of an Authorized Dealer or Designated Broker and that participates in the re-sale of Creation Units (as defined below) from time to time.

Authorized Dealer means a registered dealer that has entered, or intends to enter, into an agreement with the manager of a Fund authorizing the dealer to subscribe for, purchase and redeem Creation Units from one or more Funds on a continuous basis from time to time.

Basket of Securities means, in relation to the ETF Securities of a Fund, a group of securities or assets representing the constituents of the Fund.

Designated Broker means a registered dealer that has entered, or intends to enter, into an agreement with the Filer or an affiliate of the Filer on behalf of a Fund to perform certain duties in relation to the ETF Securities of the Fund, including the posting of a liquid two-way market for the trading of the Fund's ETF Securities on the TSX or another Marketplace.

ETF Securities means securities of an exchange-traded series of a Fund that are listed or will be listed on the TSX or another Marketplace and that will be distributed pursuant to a simplified prospectus prepared in accordance with NI 81-101 and Form 81-101F1.

Form 81-101F1 means Form 81-101F1 *Contents of Simplified Prospectus*.

Marketplace means a "marketplace" as defined in National Instrument 21-101 *Marketplace Operations* that is located in Canada.

Mutual Fund Securities means securities of a non-exchange-traded series of a Fund that are or will be distributed pursuant to a simplified prospectus prepared in accordance with NI 81-101 and Form 81-101F1.

NI 81-101 means National Instrument 81-101 *Mutual Fund Prospectus Disclosure*.

Other Dealer means a registered dealer that acts as authorized dealer or designated broker to exchange-traded funds that are not managed by the Filer and that has received relief under a Prospectus Delivery Decision.

Prescribed Number of ETF Securities means, in relation to a Fund, the number of ETF Securities of the Fund determined by the Filer from time to time for the purpose of subscription orders, exchanges, redemptions or for other purposes.

Prospectus Delivery Decision means a decision granting relief from the Prospectus Delivery Requirement to an Affiliate Dealer, Authorized Dealer, Designated Broker or Other Dealer dated August 24, 2015 and any subsequent decision granted to an Affiliate Dealer, Authorized Dealer, Designated Broker or Other Dealer that grants similar relief.

Prospectus Delivery Requirement means the requirement that a dealer, not acting as agent of the purchaser, who receives an order or subscription for a security offered in a distribution to which the prospectus requirement of the Legislation applies, send or deliver to the purchaser or its agent, unless the dealer has previously done so, the latest prospectus and any amendment either before entering into an agreement of purchase and sale resulting from the order or subscription, or not later than midnight on the second business day after entering into that agreement.

Securityholders means beneficial or registered holders of ETF Securities or Mutual Fund Securities of a Fund, as applicable.

TSX means the Toronto Stock Exchange.

Representations

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

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

2. The head office of the Filer is located at Commerce Court West, 199 Bay Street, Suite 2050, Toronto, Ontario M5L 1G2.

3. The Filer is registered as an investment fund manager in Ontario, Quebec and Newfoundland and Labrador, a portfolio manager and an exempt market dealer in each of the provinces of Canada, a commodity trading manager in Ontario and an adviser in Manitoba.

4. The Filer is, or will be, the investment fund manager of each Fund, and the Filer or an affiliate of the Filer is, or will be, the portfolio manager of each Fund.

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

6. Each Proposed Fund is established under the laws of Ontario as an investment fund that is an open-ended mutual fund trust. The Funds will be either trusts or corporations or classes thereof governed by the laws of the Jurisdiction. Each Fund is, or will be, a reporting issuer in the Jurisdictions in which its securities are distributed. Each Fund offers or will offer ETF Securities and Mutual Fund Securities.

7. Subject to any exemptions therefrom that have been, or may be, granted by the applicable securities regulatory authorities, each Fund is, or will be, subject to NI 81-102 and Securityholders will have the right to vote at a meeting of Securityholders in respect of matters prescribed by NI 81-102.

8. The Proposed Funds currently offer Series A, Series A (US$), Series F, Series F(US$), Series I, Series I(US$), Series M, Series M(US$), Series O and Series O(US$) units and PIMCO Monthly Income Fund (Canada) also currently offers Series H units. These Mutual Fund Securities are currently distributed under a simplified prospectus dated July 27, 2017.

9. On or about August 24, 2017, a preliminary prospectus in respect of the ETF Securities or an amended and restated prospectus in respect of the Mutual Fund Securities and ETF Securities of the Proposed Funds will be filed with the securities regulatory authorities in each of the Jurisdictions.

10. The Filer will apply to list any ETF Securities of the Funds on the TSX or another Marketplace. The ETF Securities will not be made publicly available until the TSX or other applicable Marketplace has conditionally approved the listing of the ETF Securities.

11. Mutual Fund Securities may be subscribed for or purchased directly from a Fund through qualified financial advisors or brokers.

12. ETF Securities will be distributed on a continuous basis in one or more of the Jurisdictions under a prospectus. ETF Securities may generally only be subscribed for or purchased directly from the Funds (**Creation Units**) by Authorized Dealers or Designated Brokers. Generally, subscriptions or purchases may only be placed for a Prescribed Number of ETF Securities (or a multiple thereof) on any day when there is a trading session on the TSX or other Marketplace. Authorized Dealers or Designated Brokers subscribe for Creation Units for the purpose of facilitating investor purchases of ETF Securities on the TSX or another Marketplace.

13. In addition to subscribing for and re-selling Creation Units, Authorized Dealers, Designated Brokers and Affiliate Dealers will also generally be engaged in purchasing and selling ETF Securities of the same class or series as the Creation Units in the secondary market. Other Dealers may also be engaged in purchasing and selling ETF Securities of the same class or series as the Creation Units in the secondary market despite not being an Authorized Dealer, Designated Broker or Affiliate Dealer.

14. Each Designated Broker or Authorized Dealer that subscribes for Creation Units must deliver, in respect of each Prescribed Number of ETF Securities to be issued, a Basket of Securities and/or cash in an amount sufficient so that the value of the Basket of Securities and/or cash delivered is equal to the net asset value of the ETF Securities subscribed for next determined following the receipt of the subscription order. In the discretion of the Filer, the Funds may also accept subscriptions for Creation Units in cash only, in securities other than Baskets of Securities and/or in a combination of cash and securities other than Baskets of Securities, in an amount equal to the net asset value of the ETF Securities subscribed for next determined following the receipt of the subscription order.

15. The Designated Brokers and Authorized Dealers will not receive any fees or commissions in connection with the issuance of Creation Units to them. On the issuance of Creation Units, the Filer or the Fund may, in the Filer's discretion, charge a fee to a Designated Broker or an Authorized Dealer to offset the expenses incurred in issuing the Creation Units.

16. Each Fund will appoint a Designated Broker to perform certain other functions, which include standing in the market with a bid and ask price for ETF Securities for the purpose of maintaining liquidity for the ETF Securities.

17. Except for Authorized Dealer and Designated Broker subscriptions for Creation Units, as described above, and other distributions that are exempt from the Prospectus Delivery Requirement under the Legislation, ETF Securities generally will not be able to be purchased directly from a Fund. Investors are generally expected to purchase and sell ETF Securities, directly or indirectly, through dealers executing trades through the facilities of the TSX or another Marketplace. ETF Securities may also be issued directly to Securityholders upon a reinvestment of distributions of income or capital gains.

18. Securityholders that are not Designated Brokers or Authorized Dealers that wish to dispose of their ETF Securities may generally do so by selling their ETF Securities on the TSX or other Marketplace, through a registered dealer, subject only to customary brokerage commissions. A Securityholder that holds a Prescribed Number of ETF Securities or multiple thereof may exchange such ETF Securities for Baskets of Securities and/or cash in the discretion of the Filer. Securityholders may also redeem ETF Securities for cash at a redemption price equal to 95% of the closing price of the ETF Securities on the TSX or other Marketplace on the date of redemption, subject to a maximum redemption price of the applicable net asset value per ETF Security.

Borrowing Requirement

19. Section 2.6(a)(i) of NI 81-102 prevents a mutual fund from borrowing cash or providing a security interest over its portfolio assets unless the transaction is a temporary measure to accommodate redemption requests or to settle portfolio transactions and does not exceed five percent of the net assets of the mutual fund. As a result, a Fund is not permitted under section 2.6(a)(i) to borrow from the Custodian to fund distributions under the Distribution Policy.

20. Each Fund will make distributions on a monthly or quarterly basis or at such frequency as the Filer may, in its discretion, determine appropriate, may make additional distributions and, in each taxation year, will distribute sufficient net income and net realized capital gains so that it will not be liable to pay income tax under Part I of the *Income Tax Act* (Canada) (collectively, the **Distribution Policy**).

21. Amounts included in the calculation of net income and net realized capital gains of a Fund for a taxation year that must be distributed in accordance with the Distribution Policy sometimes include amounts that are owing to but have not actually been received by the Fund from the issuers of securities held in the Fund's portfolio (**Issuers**).

22. While it is possible for a Fund to maintain a portion of its assets in cash or to dispose of securities in order to obtain any cash necessary to make a distribution in accordance with the Distribution Policy, maintaining such a cash position or making such a disposition (which would generally be followed, when the cash is actually received from the Issuers, by an acquisition of the same securities) impacts the Fund's performance. Maintaining assets in cash or disposing of securities means that a portion of the net asset value of the Fund is not invested in accordance with its investment objective.

23. The Filer is of the view that it is in the interests of a Fund to have the ability to borrow cash from the Custodian and, if required by the Custodian, to provide a security interest over its portfolio assets as a temporary measure to fund the portion of any distribution payable to Securityholders that represents, in the aggregate, amounts that are owing to, but have not yet been received by, the Fund from the Issuers. While such borrowing will have a cost, the Filer expects that such costs will be less than the reduction in the Fund's performance if the Fund had to hold cash instead of securities in order to fund the distribution.

Sales and Redemptions Requirements

24. Parts 9, 10 and 14 of NI 81-102 do not contemplate both Mutual Fund Securities and ETF Securities being offered in a single fund structure. Accordingly, without the Exemption Sought, the Filer and the Funds would not be able to technically comply with those parts of the Instrument.

25. The Exemption Sought will permit the Filer and the Funds to treat the ETF Securities and the Mutual Fund Securities as if such securities were separate funds in connection with their compliance with Parts 9, 10 and 14 of NI 81-102. The Exemption Sought will enable each of the ETF Securities and Mutual Fund Securities to comply with Parts 9, 10 and 14 of NI 81-102 as appropriate for the type of security being offered.

Decision

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

1. The decision of the principal regulator under the Legislation is that the Exemption Sought from the Borrowing Requirement is granted, provided that the Filer will be in compliance with the following conditions:

    a. the borrowing by the Fund in respect of a distribution does not exceed the portion of the distribution that represents, in the aggregate, amounts that are payable to the Fund but have not been received by the Fund from the Issuers and, in any event, does not exceed five percent of the net assets of the Fund;

    b. the borrowing is not for a period longer than 45 days;

    c. any security interest in respect of the borrowing is consistent with industry practice for the type of borrowing and is only in respect of amounts owing as a result of the borrowing;

    d. the Fund does not make any distribution to Securityholders where the distribution would impair the Fund's ability to repay any borrowing to fund distributions; and

    e. the final prospectus of the Fund discloses the potential borrowing, the purpose of the borrowing and the risks associated with the borrowing.

2. The decision of the principal regulator under the Legislation is that the Exemption Sought from the Sales and Redemptions Requirements is granted, provided that the Filer will be in compliance with the following conditions:

    a. with respect to its Mutual Fund Securities, each Fund complies with the provisions of Parts 9, 10 and 14 of NI 81-102 that apply to mutual funds that are not exchange-traded mutual funds; and

    b. with respect to its ETF Securities, each Fund complies with the provisions of Parts 9 and 10 of NI 81-102 that apply to exchange-traded mutual funds.

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

2.2 Orders

2.2.1 Twin Butte Energy Ltd. and BBS Securities Inc. – s. 144

Headnote

Section 144 – application for partial revocation of cease trade order – issuer cease traded due to failure to file interim financial statements, management's discussion and analysis and certifications of the foregoing filings – applicant has applied for a partial revocation of the cease trade order to permit the transfer of debentures of the issuer to an affiliated company in order to create a tax loss – partial revocation granted subject to conditions.

Applicable Legislative Provisions

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

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

AND

IN THE MATTER OF
TWIN BUTTE ENERGY LTD. AND
BBS SECURITIES INC.

ORDER
(Section 144 of the Act)

WHEREAS Twin Butte Energy Ltd. (the **Issuer**) is subject to a dual failure-to-file cease trade order (the **Cease Trade Order**) dated November 18, 2016 issued by the Executive Director of the Alberta Securities Commission and the Director (the **Director**) of the Ontario Securities Commission (the **Commission**) ordering that trading and purchasing cease in respect of each security of the Issuer;

AND WHEREAS BBS Securities Inc. (the **Filer**), the beneficial owner of 600 debentures (the Debentures) issued by the Issuer, has applied to the Commission pursuant to section 144 of the Act for a partial revocation of the Cease Trade Order to allow the transfer (the Transfer) of the Debentures by the Filer to its affiliate, Ziaian Holdings Inc. (the **Purchaser**), solely for the purpose of establishing a tax loss (the **Requested Relief**);

AND WHEREAS notwithstanding the Cease Trade Order also having effect in all jurisdiction of Canada that have adopted MI 11-103 *Failure-to-File Cease Trade Orders in Multiple Jurisdictions* or have a statutory reciprocal order provision, the Filer has applied only to the Commission for a partial revocation of the Cease Trade Order;

AND UPON the Filer having represented to the Commission that:

1. The Cease Trade Order was issued as a result of the Issuer's failure to file interim unaudited financial reports, interim management's discussion and analysis, and certification of interim filings for the interim period ended September 30, 2016.

2. The Cease Trade Order prohibits all trading and purchasing in the securities of the Issuer in Ontario, other than a sale made through both an investment dealer registered in a jurisdiction of Canada and a foreign organized regulated market.

3. The Issuer issued $85 million of 6.25% Convertible Unsecured Subordinated Debentures at a purchase price of $1,000 per debenture pursuant to a prospectus dated December 6, 2013. The offering closed on December 13, 2014. The debentures mature on December 31, 2018. Each debenture is convertible into common shares of the Issuer at the option of the holder at any time prior to 5:00 p.m. (Calgary time) on the earliest of (1) the maturity date and (2) the last business day following the redemption date (as defined in the prospectus), at a conversion price of $3.05 per debenture, being an effective conversion rate of 327.8689 common shares per $1,000 principal amount of debentures.

4. On September 1, 2016 FTI Consulting Canada Inc. was appointed as receiver (the **Receiver**) pursuant to an order of the Court of Queen's Bench of Alberta of all the assets, undertakings and properties of the Issuer.

5. The Filer is the owner of the Debentures purchased in the open market from July 4, 2016 to August 10, 2016 at prices ranging from $13.75 to $14.25 per debenture.

6. The Filer is an investment dealer registered under applicable securities legislation in all provinces and territories of Canada and is a member of the Investment Industry Regulatory Organization of Canada.

7. The Filer is subject to extensive regulatory requirements in its capacity as an investment dealer, including, without limitation, requirements as to regulatory capital.

8. The Debentures are held in the name of the Filer and in the inventory account of the Filer. The value of the Debentures is impaired.

9. The risk of further impairment of the value of the Debentures as the Issuer goes through a liquidation process has broad implications for the Filer in its capacity as a registered dealer.

10. The Filer wishes to transfer the Debentures for value to the Purchaser, an affiliate of the Filer, in order to eliminate the risk and to crystalize a tax loss.

11. Both the Filer and the Purchaser are under the common indirect control and beneficial ownership of Bardya Ziaian (the **Controlling Owner**).

12. As both the Filer and the Purchaser are indirectly owned and controlled by the Controlling Owner, the Transfer will not result in a change in the indirect beneficial ownership or control of the Debentures. There is no other benefit of the Requested Relief to the Filer, the Purchaser, the Issuer, or any other securityholder of the Issuer.

13. The Purchaser will purchase the Debentures currently held by the Filer for a purchase price of $00.1225 per $100 of principal amount of each debenture, being the last public trading price of the debentures published before the Cease Trade Order was imposed.

14. The Filer and the Purchaser are both residents of Ontario. The Transfer will take place in Ontario.

15. The Filer believes that the partial revocation of the Cease Trade Order is not prejudicial to the public interest.

16. The trustee of the Issuer, Computershare Limited (the **Trustee**), has been informed of the Requested Relief by the Filer and has not raised any objections to the Requested Relief.

17. The Filer acknowledges that, following the Transfer, any trade in the securities of the Issuer held by the Purchaser is prohibited by the Cease Trade Order.

18. The Purchaser acknowledges that the securities of the Issuer acquired by the Purchaser will remain subject to the Cease Trade Order until a full revocation order is granted, the issuance of which is not certain.

19. The Filer will provide a copy of the Cease Trade Order and the partial revocation order to all participants in the proposed trades.

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

AND UPON the Director being satisfied that it is not prejudicial to the public interest to make an order for the partial revocation of the Cease Trade Order under section 144 of the Act;

IT IS HEREBY ORDERED pursuant to section 144 of the Act, that the Cease Trade Order be and is hereby revoked solely to permit the Transfer and acts in furtherance of the Transfer that are necessary for and are in connection with the Transfer and all other acts in furtherance of the Transfer that may be considered to fall within the definition of “trade” within the meaning of the Act, provided that prior to the completion of the Transfer, the Filer will provide to the Commission a signed and dated acknowledgment, on its own behalf and on behalf of the Purchaser, clearly stating that the issuance of a partial revocation order does not guarantee the issuance of a full revocation order in the future.

DATED at Toronto on this 2nd day of August, 2017.

“Michael Balter”
Manager, Corporate Finance
Ontario Securities Commission

2.2.2 Global 8 Environmental Technologies, Inc. et al – ss. 127(1), 127(10)

IN THE MATTER OF
GLOBAL 8 ENVIRONMENTAL TECHNOLOGIES, INC.,
HALO PROPERTY SERVICES INC.,
CANADIAN ALTERNATIVE RESOURCES INC.,
RENÉ JOSEPH BRANCONNIER and
CHAD DELBERT BURBACK

Mark J. Sandler, Chair of the Panel

August 9, 2017

ORDER
(Subsections 127(1) and 127(10) of the Securities Act, RSO 1990, c. S.5)

WHEREAS the Ontario Securities Commission held a hearing in writing, in relation to an application by Staff of the Commission (**Staff**) for an order imposing sanctions pursuant to subsections 127(1) and 127(10) of the *Securities Act*, RSO 1990, c S.5 (the **Act**);

ON READING the materials filed by the representatives of Staff and of René Joseph Branconnier (**Branconnier**), no one participating for Global 8 Environmental Technologies, Inc. (**Global**) Halo Property Services Inc. (**Halo**), Canadian Alternative Resources Inc. (**CAR**) and Chad Delbert Burback (**Burback**);

IT IS ORDERED:

1. Against Branconnier that:

   a. Pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities or derivatives by Branconnier cease until the later of (i) February 2, 2036 and (ii) the date on which all monetary orders in the Order for which Branconnier is responsible have been paid in full to the ASC, except he is not precluded from trading in securities through a registrant (who has first been given a copy of the Order and a copy of the order in this proceeding) in:

      i. registered retirement savings plans, registered retirement income funds, registered education savings plans or tax-free savings accounts (as defined in the Income Tax Act (Canada)) or locked-in retirement accounts for the benefit of one or more of Branconnier, his spouse and his dependent children;

      ii. one other account for Branconnier's benefit; or

      iii. both;

   b. Pursuant to paragraph 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Branconnier cease until the later of (i) February 2, 2036 and (ii) the date on which all monetary orders in the Order for which Branconnier is responsible have been paid in full to the ASC, except he is not precluded from purchasing securities through a registrant (who has first been given a copy of the Order and a copy of the order in this proceeding) in:

      i. registered retirement savings plans, registered retirement income funds, registered education savings plans or tax-free savings accounts (as defined in the Income Tax Act (Canada)) or locked-in retirement accounts for the benefit of one or more of Branconnier, his spouse and his dependent children;

      ii. one other account for Branconnier's benefit; or

      iii. both;

   c. Pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Branconnier until the later of (i) February 2, 2036 and (ii) the date on which all monetary orders in the Order for which Branconnier is responsible have been paid in full to the ASC;

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

e. Pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act, Branconnier be prohibited from becoming or acting as a director or officer of any issuer, registrant or investment fund manager until the later of (i) February 2, 2036 and (ii) the date on which all monetary orders in the Order for which Branconnier is responsible have been paid in full to the ASC;

2. Against Burback that:

a. Pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities or derivatives by Burback cease until the later of (i) February 2, 2028 and (ii) the date on which all monetary orders in the Order for which Burback is responsible have been paid in full to the ASC, except he is not precluded from trading in securities through a registrant (who has first been given a copy of the Order and a copy of the order in this proceeding) in:

i. registered retirement savings plans, registered retirement income funds, registered education savings plans or tax-free savings accounts (as defined in the Income Tax Act (Canada)) or locked-in retirement accounts for the benefit of one or more of Burback, his spouse and his dependent children;

ii. one other account for Burback's benefit; or

iii. both;

b. Pursuant to paragraph 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Burback cease until the later of (i) February 2, 2028 and (ii) the date on which all monetary orders in the Order for which Burback is responsible have been paid in full to the ASC, except he is not precluded from purchasing securities through a registrant (who has first been given a copy of the Order and a copy of the order in this proceeding) in:

i. registered retirement savings plans, registered retirement income funds; registered education savings plans or tax-free savings accounts (as defined in the Income Tax Act (Canada)) or locked-in retirement accounts for the benefit of one or more of Burback, his spouse and his dependent children;

ii. one other account for Burback's benefit; or

iii. both;

c. Pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Burback until the later of (i) February 2, 2028 and (ii) the date on which all monetary orders in the Order for which Burback is responsible have been paid in full to the ASC;

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

e. Pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act, Burback be prohibited from becoming or acting as a director or officer of any issuer, registrant or investment fund manager until the later of (i) February 2, 2028 and (ii) the date on which all monetary orders in the Order for which Burback is responsible have been paid in full to the ASC;

3. Against Global that:

a. Pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities of Global be prohibited permanently;

b. Pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities or derivatives by Global cease permanently, except that Global be permitted to trade securities of Global for which a filed (final) prospectus has been receipted by the Director of the Commission;

c. Pursuant to paragraph 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Global be prohibited permanently, except that Global be permitted to acquire securities of Global for which a filed (final) prospectus has been receipted by the Director of the Commission;

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

4. Against Halo that:

a. Pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities of Halo be prohibited permanently;

b. Pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities or derivatives by Halo be prohibited permanently;

c. Pursuant to paragraph 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Halo be prohibited permanently; and

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

5. Against CAR that:

a. Pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities of CAR be prohibited permanently;

b. Pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities or derivatives by CAR be prohibited permanently;

c. Pursuant to paragraph 2.1 of subsection 127(1) of the Act, the acquisition of any securities by CAR be prohibited permanently; and

d. Pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to CAR permanently.

“Mark J. Sandler”

2.2.3 SEI Investments Canada Company and SEI Investments Management Corporation – ss. 78(1), 80 of the CFA

Headnote

Subsection 78(1) of the Commodity Futures Act (Ontario) – Order to revoke previous relief from paragraph 22(1)(b) of the CFA granted to sub-adviser headquartered in a foreign jurisdiction in respect of advice regarding trades in commodity futures contracts and commodity futures options, subject to certain terms and conditions.

Section 80 of the Commodity Futures Act (Ontario) – Relief from the adviser registration requirement of paragraph 22(1)(b) of the CFA granted to sub-adviser headquartered in a foreign jurisdiction in respect of advice regarding trades in commodity futures contracts and commodity futures options, subject to certain terms and conditions – Relief mirrors exemption available in section 8.26.1 of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations made under the Securities Act (Ontario) – Relief is subject to a sunset clause.

Applicable Legislative Provisions

Commodity Futures Act, R.S.O. 1990, c. C.20, as am., ss. 1(1), 22(1)(b), 78(1), 80.
Securities Act, R.S.O. 1990, c. S.5, as am., s. 25(3).
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, s. 8.26.1.
Ontario Securities Commission Rule 35-502 Non-Resident Advisers, s. 7.11.

Applicable Orders

In the Matter of SEI Investments Canada Company and SEI Investments Management Corporation, dated August 7, 2012, (2012) 35 OSCB 7628.

IN THE MATTER OF
THE COMMODITY FUTURES ACT,
R.S.O. 1990, CHAPTER C.20, AS AMENDED (the CFA)

AND

IN THE MATTER OF
SEI INVESTMENTS CANADA COMPANY AND
SEI INVESTMENTS MANAGEMENT CORPORATION

ORDER
(Subsection 78(1) and Section 80 of the CFA)

UPON the application (the **Application**) of SEI Investments Canada Company (the **Principal Adviser**) and SEI Investments Management Corporation (the **Sub-Adviser**) to the Ontario Securities Commission (the **Commission**) for an order (a) pursuant to subsection 78(1) of the CFA, revoking the exemption order granted by the Commission to the Sub-Adviser on August 7, 2012 (the **Previous Order**) and (b) pursuant to section 80 of the CFA, that the Sub-Adviser and any individuals engaging in, or holding themselves out as engaging in, the business of advising others when acting on behalf of the Sub-Adviser in respect of the Sub-Advisory Services (as defined below) (the **Representatives**) be exempt, for a specified period of time, from the adviser registration requirements of paragraph 22(1)(b) of the CFA when acting as a sub-adviser to the Principal Adviser in respect of the Clients (as defined below) in respect of commodity futures contracts and commodity futures options (collectively, the **Contracts**) traded on commodity futures exchanges and cleared through clearing corporations;

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

AND UPON the Principal Adviser having represented to the Commission that:

1. The Principal Adviser is an unlimited liability company organized under the laws of the Province of Nova Scotia, having its head office in Ontario.

2. The Principal Adviser is registered as an adviser in the category of portfolio manager and as a dealer in the category of exempt market dealer under the securities legislation of each province of Canada and the Yukon, and is also registered as an investment fund manager in Ontario, Newfoundland and Labrador and Québec. The Principal Adviser is also registered under the CFA as an adviser in the category of commodity trading manager.

3. The Principal Adviser is, or will be, the investment manager of and/or provides, or will provide, discretionary portfolio management services in Ontario to (i) investment funds, the securities of which are qualified by prospectus for distribution to the public in Ontario and the other provinces and territories of Canada (the **Investment Funds**); (ii) pooled funds, the securities of which are sold on a private placement basis in Ontario and certain other provinces and territories of Canada pursuant to prospectus exemptions contained in National Instrument 45-106 *Prospectus Exemptions* (the **Pooled Funds**); (iii) managed accounts of clients which have entered into investment management agreements with the Principal Adviser (the **Managed Accounts**); and (iv) other Investment Funds, Pooled Funds and Managed Accounts that may be established in the future in respect of which the Principal Adviser engages the Sub-Adviser to provide portfolio advisory services (the **Future Clients**) (each of the Investment Funds, Pooled Funds, Managed Accounts and Future Clients being referred to individually as a **Client** and collectively as the **Clients**).

4. Certain of the Clients may, as part of their investment program, invest in Contracts. The Principal Adviser acts, or will act, as a commodity trading manager in respect of such Clients.

AND UPON the Sub-Adviser having represented to the Commission that:

5. The Sub-Adviser is a company incorporated under the laws of the State of Delaware. The head office of the Sub-Adviser is located in Oaks, Pennsylvania.

6. The Sub-Adviser and the Principal Adviser are affiliates and are each indirect wholly-owned subsidiaries of SEI Investments Company, a Pennsylvania corporation, the shares of which are listed on the Nasdaq Stock Market under the symbol “SEIC”.

7. The Sub-Adviser is registered in the United States as an investment adviser with the U.S. Securities and Exchange Commission under the *Investment Advisers Act of 1940* and as a commodity pool operator with the U.S. Commodity Futures Trading Commission under the *Commodity Exchange Act*.

8. The Sub-Adviser is not resident in any province or territory of Canada.

9. The Sub-Adviser is not registered in any capacity under the CFA or the *Securities Act* (Ontario) (the **OSA**) or under the securities or derivatives legislation of any other Canadian jurisdiction.

10. The Sub-Adviser is registered in a category of registration under the commodities futures or other applicable legislation of the United States, that permits it to carry on the activities in that jurisdiction that registration as a commodity trading manager under the CFA would permit it to carry on in Ontario.

11. The Sub-Adviser engages in the business of an adviser in respect of Contracts in the United States.

12. The Sub-Adviser is not in default of any requirement of securities legislation, commodity futures legislation or derivatives legislation of any jurisdiction of Canada and is in compliance in all material respects with securities laws, commodity futures laws and derivatives laws of the United States.

13. In connection with the Principal Adviser acting as an adviser to Clients in respect of the purchase or sale of Contracts, the Principal Adviser, pursuant to a written agreement made between the Principal Adviser and the Sub-Adviser, has retained, or will retain, the Sub-Adviser to act as a sub-adviser to the Principal Adviser in respect of Contracts in which the Sub-Adviser has experience and expertise by exercising discretionary authority on behalf of the Principal Adviser, in respect of all or a portion of the assets of the investment portfolio of the respective Client, including discretionary authority to buy or sell Contracts for the Client (the **Sub-Advisory Services**), provided that:

    (a) in each case, the Contracts must be cleared through an “acceptable clearing corporation” (as defined in National Instrument 81-102 *Investment Funds*, or any successor thereto (**NI 81-102**)) or a clearing corporation that clears and settles transactions made on a futures exchange listed in Appendix A of NI 81-102; and

    (b) such investments are consistent with the investment objectives and strategies of the applicable Client.

AND UPON the Principal Adviser and the Sub-Adviser having represented to the Commission that:

14. The written agreement between the Principal Adviser and the Sub-Adviser sets out the obligations and duties of each party in connection with the Sub-Advisory Services and permits the Principal Adviser to exercise the degree of supervision and control it is required to exercise over the Sub-Adviser in respect of the Sub-Advisory Services.

15. The relationship among the Principal Adviser, the Sub-Adviser and any Client will be consistent with the requirements of section 8.26.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**).

16. The Sub-Adviser will only provide the Sub-Advisory Services as long as the Principal Adviser is, and remains, registered under the CFA as an adviser in the category of commodity trading manager.

17. Paragraph 22(1)(b) of the CFA prohibits a person or company from acting as an adviser unless the person or company is registered as an adviser under the CFA, or is registered as a representative or as partner or an officer of a registered adviser and is acting on behalf of a registered adviser.

18. By providing the Sub-Advisory Services, the Sub-Adviser and its Representatives will be engaging in, or holding himself, herself or itself out as engaging in, the business of advising others in respect of Contracts and, in the absence of being granted the requested relief, would be required to register as an adviser under the CFA.

19. There is currently no rule or regulation under the CFA that provides an exemption from the adviser registration requirement in paragraph 22(1)(b) of the CFA that is similar to the exemption from the adviser registration requirement in subsection 25(3) of the OSA that is provided under section 8.26.1 of NI 31-103.

AND UPON the Principal Adviser having further represented to the Commission that:

20. The Principal Adviser will deliver to the Clients all applicable reports and statements required under applicable securities, commodity futures and derivatives legislation.

21. As would be required under section 8.26.1 of NI 31-103,

    (a) the obligations and duties of the Sub-Adviser in connection with the Sub-Advisory Services are set out in a written agreement with the Principal Adviser; and

    (b) the Principal Adviser has and will enter into a written agreement with each Client, agreeing to be responsible for any loss that arises out of the failure of the Sub-Adviser:

        (i) to exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the Principal Adviser and each Client; or

        (ii) to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances (this obligation, together with the obligation in subparagraph (i), the **Assumed Obligations**).

22. The prospectus or other offering document (in either case, the **Offering Document**), if any, for each Client for which the Principal Adviser engages the Sub-Adviser to provide the Sub-Advisory Services will include the following disclosure (the **Required Disclosure**):

    (a) a statement that the Principal Adviser is responsible for any loss that arises out of the failure of the Sub-Adviser to meet the Assumed Obligations; and

    (b) a statement that there may be difficulty in enforcing any legal rights against the Sub-Adviser (or any of its Representatives) because the Sub-Adviser is resident outside of Canada and all or substantially all of its assets are situated outside of Canada.

23. In circumstances where a Client for which the Principal Adviser engages the Sub-Adviser to provide the Sub-Advisory Services is an Investment Fund or a Pooled Fund, all investors of the Client who are Ontario residents will receive the Required Disclosure in writing prior to the purchasing of any Contracts for such Client (which may be in the form of an Offering Document).

24. Each Client that is a Managed Account Client for which the Principal Adviser engages the Sub-Adviser to provide the Sub-Advisory Services will receive, or has received, the Required Disclosure in writing prior to the purchasing of any Contracts for such Client.

25. The Principal Adviser and the Sub-Adviser obtained substantially similar relief in the Previous Order, pursuant to which the Sub-Adviser provided Sub-Advisory Services to the Principal Adviser in respect of the Clients.

26. Pursuant to the conditions contained in the Previous Relief, the Sub-Adviser entered into a sub-advisory agreement with the Principal Adviser whereby the Sub-Adviser acts as a sub-adviser to the Principal Adviser and provides advice to the Principal Adviser on behalf of the Clients with respect to Contracts.

27. The anticipated expiry of the five-year period set out in sunset clause of the Previous Order has triggered the requested relief, since the Sub-Adviser wants to continue to provide sub-advisory services to the Principal Adviser with respect to Contracts and the Principal Adviser wants to continue to receive such sub-advisory services from the Sub-Adviser on behalf of the Clients.

28. Except in respect of any deficiencies noted in past compliance reviews of the Principal Adviser by the Commission and the Québec *Autorité des marchés financiers* that are still undergoing remediation and the late filing by the Principal Adviser of an application to register an advising representative in respect of its registration under the CFA as a commodity trading manager, the Principal Adviser is not in default of any requirement of securities legislation, commodity futures legislation or derivatives legislation of any jurisdiction of Canada.

AND UPON being satisfied that it would not be prejudicial to the public interest for the Commission to grant the relief requested;

IT IS ORDERED, pursuant to subsection 78(1) of the CFA, that the Previous Order is revoked;

IT IS ORDERED, pursuant to section 80 of the CFA, that the Sub-Adviser and its Representatives are exempt from the adviser registration requirements of paragraph 22(1)(b) of the CFA when acting as a sub-adviser to the Principal Adviser in respect of the Clients in respect of the Sub-Advisory Services, provided that at the relevant time that such activities are engaged in:

(a) the Principal Adviser is registered under the CFA as an adviser in the category of commodity trading manager;

(b) the Sub-Adviser's head office or principal place of business is in a jurisdiction outside of Canada;

(c) the Sub-Adviser is registered in a category of registration, or operates under an exemption from registration, under the commodity futures or other applicable legislation of the foreign jurisdiction in which its head office or principal place of business is located, that permits it to carry on the activities in that jurisdiction that registration as an adviser under the CFA would permit it to carry on in Ontario;

(d) the Sub-Adviser engages in the business of an adviser in respect of Contracts in the foreign jurisdiction in which its head office or principal place of business is located;

(e) the obligations and duties of the Sub-Adviser are set out in a written agreement with the Principal Adviser;

(f) the Principal Adviser has entered into a written agreement with each Client, agreeing to be responsible for any loss that arises out of any failure of the Sub-Adviser to meet the Assumed Obligations;

(g) the Offering Document for each Client that is an Investment Fund or a Pooled Fund and for which the Principal Adviser engages the Sub-Adviser to provide Sub-Advisory Services will include the Required Disclosure;

(h) prior to purchasing any securities of one or more of the Clients that is an Investment Fund or a Pooled Fund directly from the Principal Adviser, all investors in these Clients who are Ontario residents will receive, or have received, the Required Disclosure in writing; and

(i) each Client that is a Managed Account Client for which the Principal Adviser engages the Sub-Adviser to provide the Sub-Advisory Services will receive, or has received, the Required Disclosure in writing prior to the purchasing of any Contracts for such Client; and

IT IS FURTHER ORDERED that this Order will terminate on the earliest of:

(a) the expiry of any transition period as may be provided by law, after the effective date of the repeal of the CFA;

(b) six months, or such other transition period as may be provided by law, after the coming into force of any amendment to Ontario commodity futures law (as defined in the CFA) or Ontario securities law (as defined in the OSA) that affects the ability of the Sub-Adviser to act as a sub-adviser to the Principal Adviser in respect of the Sub-Advisory Services; and

(c) five years after the date of this Order.

DATED at Toronto, Ontario, this 1st day of August, 2017.

"Deborah Leckman"
Commissioner
Ontario Securities Commission

"Robert P. Hutchison"
Commissioner
Ontario Securities Commission

2.2.4 Stonegate Agricom Ltd. – s. 1(6) of the OBCA

Headnote

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

Applicable Legislative Provisions

Business Corporations Act, R.S.O. 1990, c. B.16 as am., s. 1(6).

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

AND

IN THE MATTER OF
STONEGATE AGRICOM LTD.
(the Applicant)

ORDER
(Subsection 1(6) of the OBCA)

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

AND UPON the Applicant representing to the Commission that:

1. The Applicant is an "offering corporation" as that term is defined in subsection 1(1) of the OBCA, and has an authorized capital consisting of an unlimited number of common shares (the **Shares**). The Applicant has 575,672,704 issued and outstanding Shares as of the date hereof.

2. The Applicant's registered and head office is located at 20 Adelaide Street East, Suite 1300, Toronto, Ontario, Canada M5C 2T6.

3. On July 13, 2017, shareholders of the Applicant (**Stonegate Shareholders**) approved by special resolution a plan of arrangement pursuant to section 182 of the OBCA (the **Arrangement**).

4. On July 17, 2017 a final court order of the Superior Court of Justice (Ontario) (Commercial List) was granted approving the Arrangement (Court File No: CV-17-11831-00CL).

5. Pursuant to articles of arrangement dated July 18, 2017 (the **Effective Date**), the Arrangement became effective as of 12:01 a.m. on the Effective Date (the **Effective Time**) which, among other things, resulted in the following:

   (a) Itafos, a Cayman Islands company, acquired all of the issued and outstanding Shares not already owned directly or indirectly by it;

   (b) An aggregate of approximately 2,985,777 ordinary shares of Itafos (each an **Itafos Share**) were issued to Stonegate Shareholders at an exchange ratio of 0.008 of an Itafos Share for each outstanding Share; and

   (c) All outstanding options of the Applicant were cancelled and 100,000,000 outstanding common share purchase warrants of the Applicant were exchanged for replacement warrants of Itafos exercisable to acquire that number of Itafos Shares as is equal to 0.008 multiplied by the number of Shares that the holders of the warrants so transferred and assigned would have acquired if such holders had exercised such warrants immediately prior to the Effective Time.

6. The Shares were delisted from the Toronto Stock Exchange effective as of close of trading on July 21, 2017.

7. The Applicant has no outstanding securities, including debt securities, other than the outstanding Shares.

8. As of the date of this decision, all outstanding Shares are beneficially owned, directly or indirectly, by Itafos.

9. The Applicant has no intention to seek public financing by way of an offering of securities.

10. On August 1, 2017, the Applicant was granted an order that it is not a reporting issuer in Ontario pursuant to subclause 1(10)(a)(ii) of the Securities Act (Ontario), and is not a reporting issuer or the equivalent in any other jurisdiction of Canada in accordance with the simplified procedure set out in National Policy 11-206 Process for Cease to be a Reporting Issuer Applications.

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

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

DATED at Ontario this 8th day of August, 2017.

"Mark J. Sandler"
Commissioner
Ontario Securities Commission

"Peter W. Currie"
Commissioner
Ontario Securities Commission

2.2.5 Exeter Resource Corporation

Headnote

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

Applicable Legislative Provisions

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

August 10, 2017

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

AND

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

AND

IN THE MATTER OF
EXETER RESOURCE CORPORATION
(the Filer)

ORDER

Background

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

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

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

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

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

Interpretation

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

Representations

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

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

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

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

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

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

Order

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

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

"Carla-Marie Hait"
Acting Director, Corporate Finance
British Columbia Securities Commission

2.2.6 WesternZagros Resources ULC

Headnote

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

Applicable Legislative Provisions

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

Citation: Re WesternZagros Resources ULC, 2017 ABASC 140

August 11, 2017

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

AND

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

AND

IN THE MATTER OF
WESTERNZAGROS RESOURCES ULC
(the Filer)

ORDER

Background

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

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

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

(b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador; and

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

Interpretation

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

Representations

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

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

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

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

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

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

Order

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

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

"Denise Weeres"
Manager, Legal
Corporate Finance

2.2.7 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 March 24, 2017, pursuant to subsection 3.5(3) of the Act ("Authorization"), the Commission authorized each of MAUREEN JENSEN, MONICA KOWAL, D. GRANT VINGOE, PHILIP ANISMAN, ROBERT P. HUTCHISON, JANET LEIPER, TIMOTHY MOSELEY and MARK J. SANDLER 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, 140, 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.

IT IS ORDERED that the Authorization is hereby revoked;

THE COMMISSION HEREBY AUTHORIZES, pursuant to subsection 3.5(3) of the Act, each of MAUREEN JENSEN, D. GRANT VINGOE, PHILIP ANISMAN, ROBERT P. HUTCHISON, JANET LEIPER, TIMOTHY MOSELEY and MARK J. SANDLER 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, 140, 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 11th day of August, 2017.

"William J. Furlong"
Commissioner

"Philip Anisman"
Commissioner

2.2.8 Zazu Metals Corporation

Headnote

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

Applicable Legislative Provisions

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

August 11, 2017

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

AND

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

AND

IN THE MATTER OF
ZAZU METALS CORPORATION
(the Filer)

ORDER

Background

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

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

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

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

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

Interpretation

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

Representations

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

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

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

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

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

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

Order

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

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

"Carla-Marie Hait"
Acting Director, Corporate Finance
British Columbia Securities Commission

2.2.9 AQR Capital Management, LLC – s. 80 of the CFA

Headnote

Foreign adviser exempted from the adviser registration requirement in section 22(1)(b) of the Commodity Futures Act (Ontario) in order to act as:

(1) an adviser in respect of commodity futures contracts or commodity futures options for certain institutional investors in Ontario – Clients meet the definition of "permitted client" in NI 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations – Contracts and options are primarily traded on commodity futures exchanges outside of Canada and primarily cleared outside of Canada; and

(2) a sub-adviser in respect of commodity futures contracts and commodity futures options for principal advisers registered under the Commodity Futures Act (Ontario).

Terms and conditions on exemption correspond to the relevant terms and conditions on the comparable exemption from the adviser registration requirement available to:

(1) international advisers in respect of securities set out in section 8.26 of NI 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations

(2) sub-advisers with a head office or principal place of business in a foreign jurisdiction in respect of securities set out in section 8.26.1 of NI 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations

Exemption also subject to a five-year "sunset clause" condition.

Applicable Legislative Provisions

Commodity Futures Act, R.S.O. 1990, c. C.20. as am., ss. 1(1), 22(1)(b), 78(1), 80.
Securities Act, R.S.O. 1990, c. S.5, as am.
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 1.1, 8.26, 8.26.1.

IN THE MATTER OF
THE COMMODITY FUTURES ACT,
R.S.O. 1990, CHAPTER C.20, AS AMENDED
(the CFA)

AND

IN THE MATTER OF
AQR CAPITAL MANAGEMENT, LLC

ORDER
(SECTION 80 OF THE CFA)

UPON the application (the **Application**) of AQR Capital Management, LLC (the **Applicant**) to the Ontario Securities Commission (the **Commission**) for an order (a) pursuant to subsection 78(1) of the CFA, revoking the exemption order granted by the Commission to the Applicant on August 28, 2012 (the **Existing Order**) and, (b) pursuant to section 80 of the CFA, that the Applicant and any individuals engaging in, or holding themselves out as engaging in, the business of advising others as to trading in Contracts (as defined below) on the Applicant's behalf (the **Representatives**) be exempt, for a period of five years, from the adviser registration requirement in paragraph 22(1)(b) of the CFA, subject to certain terms and conditions;

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

AND WHEREAS for the purposes of this order (the **Order**):

(i) **"CFA Adviser Registration Requirement"** means the provisions in the CFA that prohibit a person or company from acting as an adviser unless the person or company is registered in the appropriate category of registration under the CFA;

"CFTC" means the United States Commodity Futures Trading Commission;

"Contract" has the meaning ascribed to that term in subsection 1(1) of the CFA;

"Foreign Contract" means a Contract that is primarily traded on one or more organized exchanges that are located outside of Canada and primarily cleared through one or more clearing corporations that are located outside of Canada;

"International Adviser Exemption" means the exemption from the OSA Adviser Registration Requirement set out in section 8.26 of NI 31-103;

"International Sub-Adviser Exemption" means the exemption from the OSA Adviser Registration Requirement set out in Section 8.26.1 of NI 31-103;

"NFA" means the United States National Futures Association;

"NI 31-103" means National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* as amended from time to time;

"OSA" means the *Securities Act*, R.S.O. 1990, c. S.5, as amended;

"OSA Adviser Registration Requirement" means the provisions in the OSA that prohibit a person or company from engaging in the business of, or holding himself, herself or itself out as engaging in the business of, advising anyone with respect to investing in, buying or selling securities in Ontario unless the person or company is registered in the appropriate category of registration under the OSA;

"Permitted Client" means a client in Ontario that is a "permitted client" as that term is defined in section 1.1 of NI 31-103, except that for the purposes of this Order such definition shall exclude a person or company registered under the securities or commodities legislation of a jurisdiction of Canada as an adviser or dealer;

"SEC" means the United States Securities and Exchange Commission; and

"specified affiliate" has the meaning ascribed to that term in Form 33-109F6 to National Instrument 33-109 *Registration Information*.

"U.S. Advisers Act" means the *Investment Advisers Act of 1940* of the United States, as amended from time to time; and

(ii) terms used in this Order that are defined in NI 31-103, and not otherwise defined in this Order, shall have the same meaning as in NI 31-103, unless the context otherwise requires;

AND UPON the Applicant having represented to the Commission that:

1. The Applicant is a limited liability company organized under the laws of the State of Delaware with its principal place of business located at Two Greenwich Plaza, 3rd Floor, Greenwich, CT, United States of America 06830.

2. The Applicant is a specialized portfolio manager that manages investments for investment companies and institutional investors across multiple strategies and financial instruments. As at February 28, 2017, the Applicant had over US$187 billion in assets under management.

3. The Applicant is currently registered with the SEC as an investment adviser under the U.S. Advisers Act, registered with the CFTC as a commodity pool operator and commodity trading advisor and is an approved member of the NFA. As such, the Applicant is permitted to carry on Advisory Services (defined below) and Sub-Advisory Services (defined below) in the U.S.

4. The Applicant and the Representatives are registered in a category of registration, or operate under an exemption from registration, under the commodities futures or other applicable legislation of the United States, that permit them to carry on the activities in that jurisdiction that registration as an adviser and sub-adviser under the CFA would permit them to carry on in Ontario.

5. The Applicant is not resident in any province or territory of Canada.

6. The Applicant is not registered in any capacity under the OSA or CFA or under the securities legislation of any other jurisdiction of Canada.

7. From July 7, 2011 to January 3, 2017 the Applicant was registered as an exempt market dealer in Alberta, British Columbia, Manitoba, Nova Scotia, Ontario, Quebec and Saskatchewan (the **Jurisdictions**). On January 3, 2017 the Applicant ceased to be registered as an exempt market dealer in the Jurisdictions, and at the same time registered its wholly-owned subsidiary, AQR Capital Management Canada, LLC (**AQR Canada**) as an exempt market dealer in the Jurisdictions. In February 2017, AQR Canada registered as an exempt market dealer in Newfoundland and Labrador. The Applicant established and registered AQR Canada in order to transfer its EMD business to a separate legal entity which is focused solely on Canadian marketing and distribution activities related to exempt securities.

8. The Applicant has complied with all the terms and conditions of the Existing Order, including the conditions applicable to its ceasing to be a registrant in the Jurisdictions.

9. The Applicant currently relies on the International Advisor Exemption in Ontario, Alberta, British Columbia, Quebec, Saskatchewan, Manitoba and Nova Scotia and relies on the exemption from the requirement to register as an investment fund manager in Multilateral Instrument 32-102 *Registration Exemptions for Non-Resident Investment Fund Managers* in Ontario, Quebec and Newfoundland, in order to provide portfolio advisory and investment fund management services in respect of securities to Permitted Clients in these jurisdictions.

10. The Applicant currently relies on the Existing Order to provide the Advisory Services and Sub-Advisory Services (each as defined below) to Permitted Clients and Principal Advisers (as defined below) in Ontario. The Existing Order is dated August 28, 2012 and expires 5 years from the date of the order, which is August 28, 2017 (the **Expiration Date**).

11. The Applicant is not in default of securities legislation, commodity futures legislation or derivatives legislation in any jurisdiction of Canada. The Applicant is in compliance in all material respects with securities laws, commodity futures laws and derivatives laws of the United States.

12. The Applicant currently acts as a discretionary investment manager on behalf of institutional investors in Ontario that are Permitted Clients who engage the Applicant as a discretionary investment manager for purposes of implementing certain specialized investment strategies employing primarily Foreign Contracts (the **Advisory Services**).

13. Persons or companies that are registered under the CFA as an adviser in the category of commodity trading manager (**Principal Advisers**) retain the Applicant to act as a sub-adviser for purposes of providing, on a discretionary basis, certain specialized investment strategies employing primarily Foreign Contracts, (the **Sub-Advisory Services**) to the Principal Adviser's clients on whose behalf investment advice is, or portfolio management services are, to be provided.

14. Pursuant to the Existing Order, the Applicant currently provides Sub-Advisory Services to one Principal Adviser in Ontario. The Principal Adviser is not an affiliate of the Applicant. The Applicant may provide Sub-Advisory Services to additional Principal Advisers in the future.

15. The Principal Adviser(s) is, or will be, the investment fund manager of and/or provides, or will provide, discretionary portfolio management services in Ontario to: (i) investment funds, the securities of which will be qualified by prospectus for distribution to the public in Ontario and the other provinces and territories of Canada (the **Investment Funds**); (ii) investment funds, the securities of which will be sold on a private placement basis in Ontario and certain other provinces and territories of Canada pursuant to prospectus exemptions contained in National Instrument 45-106 *Prospectus and Registration Exemptions* (the **Pooled Funds**); and (iii) managed accounts of clients who have entered into investment management agreements with the Principal Adviser (the **Managed Accounts**) (each of the Investment Funds, Pooled Funds and Managed Accounts being referred to individually as a **Sub-Advisory Client** and collectively as the **Sub-Advisory Clients**).

16. The discretionary portfolio management services provided by the Principal Adviser to its Sub-Advisory Clients include acting as an adviser with respect to both securities and Contracts where such investments are part of the investment program of such Sub-Advisory Clients. The Principal Adviser acts as a commodity trading manager in respect of such Sub-Advisory Clients.

17. The Advisory Services and the Sub-Advisory Services include the use of specialized investment strategies employing Foreign Contracts, and the Applicant does not advise in Ontario on Contracts that are not Foreign Contracts, unless providing such advice is incidental to its providing advice on Foreign Contracts.

18. In connection with the Principal Adviser acting as an adviser to Sub-Advisory Clients in respect of the purchase or sale of Contracts, the Principal Adviser, pursuant to a written agreement made between the Principal Adviser and the Applicant, has retained, or will retain, the Applicant to provide the Sub-Advisory Services in respect of all or a portion of the assets of the investment portfolio of the respective Sub-Advisory Client, provided that:

(a) In each case, the Contracts must be cleared through an "acceptable clearing corporation" (as defined in National Instrument 81-102 *Investment Funds* or any successor thereto (**NI 81-102**)) or a clearing corporation that clears and settles transactions made on a futures exchange listed in Appendix A of NI 81-102; and

(b) Such investments are consistent with the investment objectives and strategies of the applicable Sub-Advisory Client.

19. The Applicant and its Representatives will only provide the Sub-Advisory Services as long as the Principal Adviser is, and remains, registered under the CFA as an adviser in the category of commodity trading manager.

20. The relationship among the Principal Adviser, the Applicant and any Sub-Advisory Client is or will be consistent with the requirements of section 8.26.1 of NI 31-103.

21. As would be required under section 8.26.1 of NI 31-103:

(a) the obligations and duties of the Applicant are set out in a written agreement with the Principal Adviser;

(b) the Principal Adviser has entered, or will enter, into a written agreement with each Sub-Advisory Client, agreeing to be responsible for any loss that arises out of the failure of the Applicant:

(i) to exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the Principal Adviser and each Sub-Advisory Client; or

(ii) to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances (together with (i), the **Assumed Obligations**).

22. The written agreement between the Principal Adviser and the Applicant sets out the obligations and duties of each party in connection with the Sub-Advisory Services and permits the Principal Adviser to exercise the degree of supervision and control it is required to exercise over the Applicant in respect of the Sub-Advisory Services.

23. The Applicant shall ensure that each Principal Adviser delivers to the Sub-Advisory Clients all required reports and statements under applicable securities, commodity futures and derivatives legislation.

24. The prospectus or other offering document (in either case, the **Offering Document**) of each Sub-Advisory Client that is an Investment Fund or Pooled Fund and for which a Principal Adviser engages the Applicant to provide Sub-Advisory Services includes, or will include, the following disclosure (the **Required Disclosure**):

(a) A statement that the Principal Adviser is responsible for any loss that arises out of the failure of the Applicant to meet the Assumed Obligations; and

(b) A statement that there may be difficulty in enforcing any legal rights against the Applicant (or any of its Representatives) because the Applicant is resident outside of Canada and all or substantially all of its assets are situated outside of Canada.

25. Prior to purchasing any securities of one or more of the Sub-Advisory Clients that are Investment Funds or Pooled Funds directly from the Principal Adviser, all investors in these Investment Funds or Pooled Funds who are Ontario residents will receive, or have received, the Required Disclosure in writing (which may be in the form of an Offering Document).

26. Each Client that is a Managed Account for which a Principal Adviser engages the Applicant to provide Sub-Advisory Services will receive, or has received, the Required Disclosure in writing prior to the purchasing of any Contracts for such Sub-Advisory Client.

27. Paragraph 22(1)(b) of the CFA prohibits a person or company from acting as an adviser unless the person or company is registered as an adviser under the CFA, or is registered as a representative or as a partner or an officer of a registered adviser and is acting on behalf of such registered adviser.

28. By providing the Advisory Services and the Sub-Advisory Services, the Applicant and its Representatives will be engaging in, or holding himself, herself or itself out as engaging in, the business of advising others in respect of Contracts and, in the absence of being granted the requested relief, would be required to register as an adviser under the CFA.

29. There is presently no rule or regulation made under the CFA that provides an exemption from the adviser registration requirement in paragraph 22(1)(b) of the CFA that is similar to the exemption from the adviser registration requirement in subsection 25(3) of the OSA, provided in either section 8.26 or 8.26.1 of NI 31-103.

30. The Applicant obtained substantially similar relief in the Existing Order, pursuant to which the Applicant provides Advisory Services to Permitted Clients in Ontario and Sub-Advisory Services to Principal Advisers in respect of Sub-Advisory Clients.

31. The anticipated expiry of the five-year period set out in the sunset clause of the Existing Order has triggered the requested relief.

32. The Applicant confirms that there are currently no regulatory actions of the type contemplated by the Notice of Regulatory Action attached as Appendix B.

AND UPON being satisfied that it would not be prejudicial to the public interest for the Commission to make the Order;

IT IS ORDERED, pursuant to subsection 78(1) of the CFA, that the Existing Order is revoked;

IT IS ORDERED, pursuant to Section 80 of the CFA, that the Applicant and its Representatives are exempt from the CFA Adviser Registration Requirement in respect of providing advice to Permitted Clients as to, and acting as a sub-advisor to Principal Advisers in respect of, trading in Contracts provided that:

1. the Applicant provides advice only as to trading in Foreign Contracts and does not provide advice as to trading in Contracts that are not Foreign Contracts, unless providing such advice is incidental to its providing advice on Foreign Contracts;

2. the Applicant's head office or principal place of business remains in the United States;

3. the Applicant remains: (i) registered with the SEC as an investment adviser under the U.S. Advisers Act, (ii) registered with the CFTC as a commodity pool operator and commodity trading advisor, and (iii) an approved member of the NFA on a basis which permits it to carry on the activities in the United States that registration under the CFA as an adviser in the category of commodity trading manager would permit it to carry on in Ontario;

4. the Applicant continues to engage in the United States in the business of an adviser, as defined in the CFA;

5. (a) in respect of providing advice to Permitted Clients:

    (i) as at the end of the Applicant's most recently completed financial year, not more than 10% of the aggregate consolidated gross revenue of the Applicant, its affiliates and its affiliated partnerships (excluding the gross revenue of an affiliate or affiliated partnership of the Applicant that is registered under securities legislation, commodities legislation or derivatives legislation in a jurisdiction of Canada) was derived from the portfolio management activities of the Applicant, its affiliates and its affiliated partnerships in Canada (which, for greater certainty, includes both securities-related and commodity futures-related activities);

    (ii) before advising a Permitted Client, the Applicant notifies the Permitted Client of all of the following:

        (A) the Applicant is not registered in Ontario to provide the advice described under paragraph 1 of this Order;

        (B) the foreign jurisdiction in which the Applicant's head office or principal place of business is located;

        (C) all or substantially all of the Applicant's assets may be situated outside of Canada;

        (D) there may be difficulty enforcing legal rights against the Applicant because it is resident outside Canada and all or substantially all of its assets may be situated outside of Canada; and

        (E) the name and address of the Applicant's agent for service of process in Ontario;

    (iii) the Applicant has submitted to the Commission a completed *Submission to Jurisdiction* in the form attached as Appendix "A";

(iv) the Applicant has submitted to the Commission a completed *Notice of Regulatory Action* in the form attached as Appendix "B" and shall notify the Commission of any regulatory action initiated after the date that the most recent Regulatory Action Form is filed in respect of the Applicant, or any predecessors or specified affiliates of the Applicant, by completing and filing Appendix "B" within 10 days of the commencement of such action;

(v) If the Applicant is not registered under the OSA and does not rely on the International Adviser Exemption, by December 31st of each year, the Applicant pays a participation fee based on its specified Ontario revenues for its previous financial year in compliance with the requirements of Part 3 and section 6.4 of Ontario Securities Commission Rule 13-502 *Fees* as if the Applicant relied on the International Adviser Exemption; and

(vi) By December 1 of each year, the Applicant notifies the Commission of its continued reliance on the exemption from registration granted pursuant to this Order;

(b) in respect of acting as a sub-adviser to a Principal Adviser:

(i) the Principal Adviser is registered under the CFA as an adviser in the category of commodity trading manager;

(ii) the Applicant's head office or principal place of business is in a foreign jurisdiction;

(iii) the Applicant and the Representatives are registered in a category of registration, or operate under an exemption from registration, under the commodities futures or other applicable legislation of the foreign jurisdiction in which its head office or principal place of business is located, that permits them to carry on the activities in that jurisdiction that registration as an adviser under the CFA would permit them to carry on in Ontario;

(iv) the Applicant engages in the business of an adviser in respect of Contracts in the foreign jurisdiction in which its head office or principal place of business is located;

(v) the obligations and duties of the Applicant are set out in a written agreement with the Principal Adviser;

(vi) the Applicant shall not act as a sub-adviser to a Principal Adviser unless the Principal Adviser has contractually agreed with the Sub-Advisory Clients to be responsible for any loss that arises out of any failure of the Applicant to meet the Assumed Obligations;

(vii) the Offering Document of each Sub-Advisory Client that is an Investment Fund or Pooled Fund and for which the Principal Adviser engages the Applicant to provide Sub-Advisory Services will include the Required Disclosure;

(viii) prior to purchasing any securities of one or more of the Sub-Advisory Clients that are Investment Funds directly from the Principal Adviser, all investors in these Investment Funds or Pooled Funds who are Ontario residents will receive, or have received, the Required Disclosure in writing (which may be in the form of an Offering Document);

(ix) each Sub-Advisory Client that is a Managed Account for which the Principal Adviser engages the Applicant to provide the Sub-Advisory Services will receive, or has received, the Required Disclosure in writing prior to purchasing any Contracts for such Sub-Advisory Client; and

6. **IT IS FURTHER ORDERED** that this Order will terminate on the earliest of:

(a) the expiry of any transition period as may be provided by law, after the effective date of the repeal of the CFA;

(b) six months, or such other transition period as may be provided by law, after the coming into force of any amendment to Ontario commodity futures law (as defined in the CFA) or Ontario securities law (as defined in the OSA) that affects the ability of the Applicant to act as a sub-adviser to the Principal Adviser in respect of the Sub-Advisory Services or to provide Advisory Services to Permitted Clients; and

(c) five years after the date of this Order.

DATED at Toronto, Ontario, this 14th day of August, 2017.

"Philip Anisman"
Commissioner
Ontario Securities Commission

"William Furlong"
Commissioner
Ontario Securities Commission

APPENDIX "A"

SUBMISSION TO JURISDICTION AND APPOINTMENT OF AGENT FOR SERVICE

INTERNATIONAL DEALER OR INTERNATIONAL ADVISER EXEMPTED FROM REGISTRATION UNDER THE COMMODITY FUTURES ACT, ONTARIO

1. Name of person or company ("**International Firm**"):

2. If the International Firm was previously assigned an NRD number as a registered firm or an unregistered exempt international firm, provide the NRD number of the firm:

3. Jurisdiction of incorporation of the International Firm:

4. Head office address of the International Firm:

5. The name, e-mail address, phone number and fax number of the International Firm's individual(s) responsible for the supervisory procedure of the International Firm, its chief compliance officer, or equivalent.

   Name:
   E-mail address:
   Phone:
   Fax:

6. The International Firm is relying on an exemption order under section 38 or section 80 of the *Commodity Futures Act* (Ontario) that is similar to the following exemption in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (the "**Relief Order**"):

   ☐ Section 8.18 [*international dealer*]

   ☐ Section 8.26 [*international adviser*]

   ☐ Other [specify]:

7. Name of agent for service of process (the "**Agent for Service**"):

8. Address for service of process on the Agent for Service:

9. The International Firm designates and appoints the Agent for Service at the address stated above as its agent upon whom may be served a notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal or other proceeding (a "**Proceeding**") arising out of or relating to or concerning the International Firm's activities in the local jurisdiction and irrevocably waives any right to raise as a defence in any such proceeding any alleged lack of jurisdiction to bring such Proceeding.

10. The International Firm irrevocably and unconditionally submits to the non-exclusive jurisdiction of the judicial, quasi-judicial and administrative tribunals of the local jurisdiction in any Proceeding arising out of or related to or concerning the International Firm's activities in the local jurisdiction.

11. Until 6 years after the International Firm ceases to rely on the Relief Order, the International Firm must submit to the regulator

    a. a new Submission to Jurisdiction and Appointment of Agent for Service in this form no later than the 30th day before the date this Submission to Jurisdiction and Appointment of Agent for Service is terminated;

    b. an amended Submission to Jurisdiction and Appointment of Agent for Service no later than the 30th day before any change in the name or above address of the Agent for Service;

    c. a notice detailing a change to any information submitted in this form, other than the name or above address of the Agent for Service, no later than the 30th day after the change.

12. This Submission to Jurisdiction and Appointment of Agent for Service is governed by and construed in accordance with the laws of the local jurisdiction.

Dated: _____

_____
(Signature of the International Firm or authorized signatory)

_____
(Name of signatory)

_____
(Title of signatory)

Acceptance

The undersigned accepts the appointment as Agent for Service of _____ [*Insert name of International Firm*] under the terms and conditions of the foregoing Submission to Jurisdiction and Appointment of Agent for Service.

Dated: _____

_____
(Signature of the Agent for Service or authorized signatory)

_____
(Name of signatory)

_____
(Title of signatory)

This form, and notice of a change to any information submitted in this form, is to be submitted through the Ontario Securities Commission's Electronic Filing Portal:

https://www.osc.gov.on.ca/filings

APPENDIX "B"

NOTICE OF REGULATORY ACTION

1. Has the firm, or any predecessors or specified affiliates[1] of the firm entered into a settlement agreement with any financial services regulator, securities or derivatives exchange, SRO or similar agreement with any financial services regulator, securities or derivatives exchange, SRO or similar organization?

   Yes _____ No _____

   If yes, provide the following information for each settlement agreement:

Name of entity
Regulator/organization
Date of settlement (yyyy/mm/dd)
Details of settlement
Jurisdiction

2. Has any financial services regulator, securities or derivatives exchange, SRO or similar organization:

		Yes	No
a)	Determined that the firm, or any predecessors or specified affiliates of the firm violated any securities regulations or any rules of a securities or derivatives exchange, SRO or similar organization?	___	___
(b)	Determined that the firm, or any predecessors or specified affiliates of the firm made a false statement or omission?	___	___
(c)	Issued a warning or requested an undertaking by the firm, or any predecessors or specified affiliates of the firm?	___	___
(d)	Suspended or terminated any registration, licensing or membership of the firm, or any predecessors or specified affiliates of the firm?	___	___
(e)	Imposed terms or conditions on any registration or membership of the firm, or predecessors or specified affiliates of the firm?	___	___
(f)	Conducted a proceeding or investigation involving the firm, or any predecessors or specified affiliates of the firm?	___	___
(g)	Issued an order (other than an exemption order) or a sanction to the firm, or any predecessors or specified affiliates of the firm for securities or derivatives-related activity (e.g. cease trade order)?	___	___

   If yes, provide the following information for each action:

Name of entity	
Type of action	
Regulator/organization	
Date of action (yyyy/mm/dd)	Reason for action
Jurisdiction	

[1] In this Appendix, the term "specified affiliate" has the meaning ascribed to that term in Form 33-109F6 to National Instrument 33-109 *Registration Information*.

3. Is the firm aware of any ongoing investigation of which the firm or any of its specified affiliates is the subject?

Yes _____ No _____

If yes, provide the following information for each investigation:

Name of entity
Reason or purpose of investigation
Regulator/organization
Date investigation commenced (yyyy/mm/dd)
Jurisdiction

Name of firm:
Name of firm's authorized signing officer or partner
Title of firm's authorized signing officer or partner
Signature
Date (yyyy/mm/dd)

Witness

The witness must be a lawyer, notary public or commissioner of oaths.

Name of witness
Title of witness
Signature
Date (yyyy/mm/dd)

This form is to be submitted through the Ontario Securities Commission's Electronic Filing Portal:

https://www.osc.gov.on.ca/filings

2.2.10 Lonestar West Inc.

Headnote

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

Applicable Legislative Provisions

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

Citation: Re Lonestar West Inc., 2017 ABASC 135

August 8, 2017

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

AND

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

AND

IN THE MATTER OF
LONESTAR WEST INC.
(the Filer)

ORDER

Background

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

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

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

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

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

Interpretation

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

Representations

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

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

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

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

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

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

Order

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

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

"Denise Weeres"
Manager, Legal
Corporate Finance

2.2.11 ViXS Systems Inc.

Headnote

Application for an order that the issuer is not a reporting issuer under applicable securities laws – requested relief granted.

Applicable Legislative Provisions

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

August 15, 2017

ViXS Systems Inc.
1210 Sheppard Ave. E., Suite 800
Toronto (Ontario)
M2K 1E3

Dear Sirs/Mesdames:

Re: ViXS Systems Inc. (the "Applicant") – application for an order under subclause 1(10)(a)(ii) of the Securities Act (Ontario) (the "Act") that the Applicant is not a reporting issuer.

The Applicant has applied to the Ontario Securities Commission for an order under subclause 1(10)(a)(ii) of the Act that the Applicant is not a reporting issuer.

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

The Applicant has represented to the Commission that:

a) the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in Ontario 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 not in default of securities legislation in any jurisdiction; and

d) the Applicant will not be a reporting issuer in any jurisdiction of Canada immediately following the Director granting the relief requested.

The Director is satisfied that it would not be prejudicial to the public interest to grant the requested relief and orders that the Applicant is not a reporting issuer.

"Winnie Sanjoto"
Manager, Corporate Finance
Ontario Securities Commission

2.3 Orders with Related Settlement Agreements

2.3.1 Home Capital Group Inc. et al. – ss. 127, 127.1

IN THE MATTER OF
HOME CAPITAL GROUP INC.,
GERALD SOLOWAY,
ROBERT MORTON and
MARTIN REID

D. Grant Vingoe, Vice-Chair and Chair of the Panel
Timothy Moseley, Commissioner
Garnet Fenn, Commissioner

August 9, 2017

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

WHEREAS on August 9, 2017 the Ontario Securities Commission held a hearing at the offices of the Commission, located at 20 Queen Street West, 17th Floor, Toronto, Ontario, to consider an application made jointly by Home Capital Group Inc. ("**HCG**"), Gerald Soloway ("**Soloway**"), Robert Morton ("**Morton**") and Martin Reid ("**Reid**") (collectively, the "**Respondents**") and Staff of the Commission ("**Staff**") for approval of a settlement agreement dated June 14, 2017 (the "**Settlement Agreement**");

ON READING the Statement of Allegations dated April 19, 2017, and the Settlement Agreement and on hearing the submissions of representatives of each of the parties, and on considering the Undertaking of HCG dated June 14, 2017 to make a payment of $10,000,000 to Stikeman Elliott LLP in trust for the benefit of the proposed class, other than Excluded Persons[1] (the "**Class**") in the putative class action commenced on February 13, 2017 as London, Ontario Court File No. 349/17CP and certified as a class proceeding for settlement purposes only on June 28, 2017 (the "**Class Action**") and on considering the acknowledgement of the parties that Staff will recommend to the Commission that the $2,000,000 paid pursuant to the Settlement Agreement and designated for allocation or use under subsection 3.4(2)(b)(i) or (ii) of the *Securities Act*, RSO 1990, c S.5 (the "**Act**") be allocated or used as follows: (a) $1,000,000 for the benefit of HCG investors who comprise the Class in accordance with subsection 3.4(2)(b)(i) of the Act, which funds upon the issuance of this Order and upon the decision by the Commission to allocate $1,000,000 for the benefit of HCG investors who comprise the Class, shall be paid to Stikeman Elliott LLP in trust to be held in accordance with the Settlement Agreement in the Class Action; and (b) the remaining $1,000,000 for use by the Commission in accordance with subsection 3.4(2)(b)(i) or (ii) of the Act;

IT IS ORDERED THAT:

1. The Settlement Agreement is approved.

2. HCG shall:

   i. within one year of the effective date of this Order, conduct a review of and deliver a report to the Board of Directors and Staff on its continuous disclosure practices and any changes proposed and/or implemented as a result of its review, pursuant to subsection 127(2) of the Act; and

   ii. pay costs in the amount of $500,000 by wire transfer to the Commission, pursuant to section 127.1 of the Act.

3. Soloway shall:

   i. be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act;

   ii. resign any position that he holds as a director or officer of a reporting issuer, pursuant to paragraph 7 of subsection 127(1) of the Act immediately upon this Order becoming effective;

[1] "Excluded Persons" means HCG, the individual defendants in the Class Action (the "**Individual Defendants**"), and the past or present subsidiaries or affiliates, officers, directors, partners, legal representatives, consultants, agents, successors and assigns of HCG, and any member of each of the Individual Defendants' families, their heirs, successors or assigns.

iii. be prohibited from becoming or acting as a director or officer of any reporting issuer for a period of four years commencing on the effective date of this Order, pursuant to paragraph 8 of subsection 127(1) of the Act; and

iv. pay an administrative penalty in the amount of $1,000,000 by wire transfer to the Commission, pursuant to paragraph 9 of subsection 127(1) of the Act, which amount is designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b)(i) or (ii) of the Act.

4. Morton shall:

i. be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act;

ii. resign any position that he holds as a director or officer of a reporting issuer, pursuant to paragraph 7 of subsection 127(1) of the Act immediately upon this Order becoming effective;

iii. be prohibited from becoming or acting as a director or officer of any reporting issuer for a period of two years commencing on the effective date of this Order, pursuant to paragraph 8 of subsection 127(1) of the Act; and

iv. pay an administrative penalty in the amount of $500,000 by wire transfer to the Commission, pursuant to paragraph 9 of subsection 127(1) of the Act, which amount is designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b)(i) or (ii) of the Act.

5. Reid shall:

i. be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act;

ii. resign any position that he holds as a director or officer of a reporting issuer, pursuant to paragraph 7 of subsection 127(1) of the Act immediately upon this Order becoming effective;

iii. be prohibited from becoming or acting as a director or officer of any reporting issuer for a period of two years commencing on the effective date of this Order, pursuant to paragraph 8 of subsection 127(1) of the Act; and

iv. pay an administrative penalty in the amount of $500,000 by wire transfer to the Commission, pursuant to paragraph 9 of subsection 127(1) of the Act, which amount is designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b)(i) or (ii) of the Act.

6. This Order shall be effective and binding upon the issuance of a final order by the Superior Court of Justice approving the settlement in the Class Action. If the Superior Court of Justice does not make an order approving the settlement in the Class Action, this Order is null and void.

“D. Grant Vingoe”

“Timothy Moseley”

“Garnet Fenn”

IN THE MATTER OF
HOME CAPITAL GROUP INC.,
GERALD SOLOWAY,
ROBERT MORTON AND
MARTIN REID

SETTLEMENT AGREEMENT

PART I – INTRODUCTION

1. Disclosure is a cornerstone principle of securities regulation. Everyone investing in securities should have equal access to information that may affect their investment decisions. From May 2015 until July 2015 (the "Material Time"), the Respondents engaged in the conduct described below, including failing to provide information to investors.

2. The Ontario Securities Commission (the "Commission") will issue a Notice of Hearing (the "Notice of Hearing") to announce that it will hold a hearing ("Settlement Hearing") to consider whether, pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), it is in the public interest for the Commission to make certain orders against Home Capital Group Inc. ("HCG"), Gerald Soloway ("Soloway"), Robert Morton ("Morton") and Martin Reid ("Reid") (collectively, the "Respondents") in respect of the conduct described herein.

PART II – JOINT SETTLEMENT RECOMMENDATION

3. Staff of the Commission ("Staff") recommend settlement of the proceeding (the "Proceeding") against the Respondents commenced by the Notice of Hearing dated April 19, 2017, in accordance with the terms and conditions set out in Part V of this Settlement Agreement. The Respondents consent to the making of an order (the "Order") in the form attached as Schedule "A" to this Settlement Agreement based on the facts set out herein.

4. For the purposes of the Proceeding, and any other regulatory proceeding commenced by a securities regulatory authority, the Respondents agree with the facts set out in Part III of this Settlement Agreement and the conclusion in Part IV of this Settlement Agreement.

PART III – AGREED FACTS

A. OVERVIEW

5. On July 10, 2015, HCG announced that an ongoing review of its business partners had led it to terminate certain brokerages and brokers, causing an immediate drop in the number of new mortgages originated ("Originations"). The next trading day, HCG's stock price fell 18.9%.

6. Prior to this announcement, from May 2015 until July 2015, HCG misled its shareholders as to the immediate and ongoing causes of the decline in Originations. Internally, HCG knew it had terminated three underwriters, two brokerages and thirty brokers because it had discovered falsified loan applications in its broker channels. The terminated brokerages and brokers had a cumulative total of $881.4 million in Originations in 2014, representing approximately 10% of HCG's total 2014 Originations. The termination of brokerages and brokers caused an immediate drop in Originations because certain of these brokers had historically referred significant volumes of business to HCG.

7. HCG also knew that additional changes to its internal control structure would be required largely because falsified loan applications had been discovered. By December 2014, HCG knew that the resulting changes that were being implemented led to some brokers moving their business to other lenders because of increased processing times at HCG. As of May 2015, Reid and Morton both stated in internal documents that the brokerage and broker terminations and remedial process changes had a negative effect on Q1 2015 Originations. Instead of including this material information in its Q1 2015 interim management discussion and analysis ("MD&A") (together with the Q1 2015 interim financial statements, the "Q1 2015 Interim Filing"), HCG made materially misleading statements by attributing the decline in Originations to other factors such as seasonality, harsh winter, macroeconomic conditions and an "on-going review of its business partners ensuring that quality is within the Company's risk appetite."

8. HCG also made materially misleading statements concerning the causes of the drop in Originations on its May 7, 2015 earnings call, again attributing the drop to other factors that affected Originations such as cold weather, macroeconomic conditions and a cautious approach to lending.

9. In July 2015, HCG disclosed additional reasons for the drop in Originations, by way of a news release issued on July 10, 2015 (the "July 10th NR") and material change report filed on July 17, 2015 (the "July 17th MCR"). Many of the facts disclosed in the July 10th NR were known to HCG by May 6, 2015. HCG had also been aware by May 6, 2015 that significant

changes to its internal control structure were required and were being implemented. All of the foregoing constituted a material change in the business or operations of HCG. HCG failed to issue a news release forthwith and a material change report within 10 days of the material change, contrary to subsections 75(1) and (2) of the Act and Part 7 of National Instrument 51-102 – *Continuous Disclosure Obligations* ("NI 51-102").

10. The disclosures made in the July 10th NR and July 17th MCR were not sufficient to enable a reader to fully appreciate the significance and impact of the material change and therefore did not comply with Form 51-102F3 *Material Change Report* ("51-102F3") of NI 51-102.

B. BACKGROUND

The Respondents

11. HCG is a reporting issuer in the province of Ontario, as well as all of the other provinces in Canada. Its registered and principal office is located in Toronto, Ontario. The common shares of HCG are listed on the Toronto Stock Exchange. HCG is a holding company the principal business of which is conducted through its wholly owned subsidiary, Home Trust Company, a federally regulated financial institution.

12. Soloway is the founder of HCG and is 79 years old. During the Material Time, Soloway was the Chief Executive Officer ("CEO") and a director of HCG. Morton was HCG's Chief Financial Officer ("CFO") during the Material Time and is 57 years old. Reid was HCG's President during the Material Time and is 57 years old.

C. DETAILED FACTS

The Importance of Originations to the Business of HCG

13. HCG is in the residential and commercial lending business. HCG's residential mortgage portfolio constitutes approximately 90% of HCG's business. HCG's residential mortgage business consists predominantly of two portfolios: (a) lower margin, prime mortgages ("Accelerator"), which are mostly insured by Canada Mortgage and Housing Corporation; and (b) higher margin, non-prime mortgages ("Classic"), which are not insured. As a lending business whose primary product is non-prime residential mortgages, HCG's growth and performance are measured in part by the number of Originations in any given quarter.

14. HCG had traditionally positioned itself as a growth company and continued to do so through 2014 and into 2015. Analysts and investors considered the number of Originations to be a material metric of HCG's continued growth. HCG itself normally reported on Originations each quarter. In HCG's 2014 Annual Report, Originations are specifically highlighted under the heading "Growing Our Core Business", and again under "Building Our Asset Base" where HCG stated:

> Over the course of 2014, we renewed focus on Accelerator, our insured residential mortgage product. As a result of our efforts, originations for this component of our portfolio increased by 76.4% in 2014. This business segment continues to be one of our key offerings and helps to fulfill our mandate to offer a full line of products that meets the needs of borrowers and brokers.

15. Analysts consistently asked questions about Originations and HCG's disclosure regarding Originations on earnings calls.

16. HCG sources borrowers for its lending products through its broker channels and referral channels. HCG's relationships with brokers are integral to Originations and to HCG's business.

Project Trillium and HCG's Internal Understanding of the Findings

17. In June 2014, HCG became aware of irregularities associated with Accelerator applications handled by one of its underwriters. As a result, in August 2014, HCG launched an internal investigation known as Project Trillium to determine the scope, extent and cause of the issue. HCG discovered that members of its Accelerator underwriting team, including one of its highest volume underwriters, were falsely documenting that they had completed income verification steps when they had not actually done so ("Phantom Ticking") for a large proportion of mortgages underwritten by those underwriters, and further that employment/income information used to support the mortgage applications had been falsified.

18. Project Trillium revealed that HCG's lines of defence had failed to detect that its underwriting department was processing fraudulent documentation. It further revealed that HCG's underwriting policy was being circumvented because of the practice of Phantom Ticking, which was a "learned" or systemic practice by certain members of HCG's Accelerator underwriting group.

19. As a result of interim findings of Project Trillium, in mid-November 2014, HCG terminated three underwriters and another underwriter resigned.

20. HCG also terminated its relationship with certain brokers and brokerages, which occurred mainly from November 2014 through January 2015. By February 10, 2015, HCG had terminated brokers and brokerages that had generated a cumulative total of $881.4 million in Originations in 2014, representing approximately 10% of HCG's total 2014 Originations. The termination of brokerages and brokers caused an immediate drop in Originations because certain of those brokerages and brokers had historically referred significant volumes of business to HCG. Remediation of internal controls also had a negative effect on Originations as they caused HCG's processing time for mortgage applications to increase, resulting in some brokers sending applications to other lenders. In January 2015, management reported to the Board of Directors ("Board") that, effective January 1, 2015, insured Originations would undergo a reduction in volume targets of $100 million per month during the period of remediation of lines of defence (a 50% reduction of original targets). Further, in a presentation by Reid entitled *Project Trillium: Management Remediation Planning*, management of HCG confirmed its understanding of the way ahead by writing, "slower business growth over the next quarter will give us the opportunity to develop and implement fundamental strategic changes to the business."

21. By February 2015, the following investigative findings, remediation planning and action from Project Trillium were known by the Respondents:

- The Accelerator business was down by 32.5% compared to Q3 2014;
- Effective January 1, 2015, Accelerator volume targets had been temporarily reduced by 50% to $100 million per month;
- HCG had terminated three underwriters, two brokerages (out of more than 100) and 30 brokers (out of more than 4,000);
- The terminated brokerages and brokers had a cumulative total of $881.4 million in Originations in 2014, representing approximately 10% of HCG's total 2014 Originations;
- Significant process changes were required to increase the accountability of the front line business, including separating sales from underwriting and implementing an employment income verification team;
- While testing was complete on the Accelerator side of the business, there was a concern that if brokers had supplied falsified employment and income documentation on the insured side of the business, they might be doing the same thing for Classic mortgages. Work continued on the exposure assessment related to the Classic mortgage portfolio. The Corporate Compliance group was re-verifying employment and income information with employers for a sample of mortgages to salaried borrowers;
- Some brokers were moving their business to other lenders because of increased processing times at HCG; and
- Executive compensation was deferred in conjunction with Project Trillium findings, including the compensation of Soloway and Reid.

Particulars of HCG's Public Disclosure

(a) Misleading Disclosure in May 2015

(i) Q1 2015 Interim Filing

22. HCG filed its Q1 2015 Interim Filing on May 6, 2015. The Q1 2015 Interim Filing stated that "the first quarter was characterized by a traditionally slow real estate market, exacerbated by very harsh winter conditions. The Company has remained cautious in light of continued macroeconomic conditions and continues to perform ongoing reviews of its business partners ensuring that quality is within the Company's risk appetite."

23. One week before HCG filed its Q1 2015 Interim Filing, HCG had knowledge of the negative impact of the termination of brokerages and brokers and remedial actions on Originations. In his "1st Quarter 2015" Report ("President's Report") dated April 29, 2015, Reid stated that the decrease in Originations for Q1 2015 was mainly due to Project Trillium remedial actions. The President's Report further stated that HCG's "share of the broker channel has deteriorated, mainly as a result of Trillium remediation."

24. HCG was also aware that the terminations and remedial process changes could have a negative effect on Originations beyond Q1 2015. In a memo dated May 4, 2015 (the "May 4 Memo") to the Audit Committee of the Board ("Audit Committee"), Morton advised that a decision had been made to add disclosure in HCG's filings in respect of "the recent impact the de-listing of brokers has had and may have on the results of the Company." Morton advised that the reduction in Originations for Q1 2015 could not be attributed to weather and seasonality alone and that the reduction had the potential to affect more than first quarter Originations numbers. Morton raised a concern about the need to publicly disclose the fact that brokerages and brokers had been terminated. Morton also advised that management had determined that, based on current forecasted information, HCG might not meet its annual financial targets in 2015.

25. HCG consulted its external professional advisors regarding and discussed with them the additional disclosures in the Q1 2015 Interim Filing.

26. In its Q1 2015 Interim Filing, HCG misled investors by attributing the first quarter Originations results to a traditionally slow real estate market, harsh winter, macroeconomics and an "on-going review of its business partners ensuring that quality is within the Company's risk appetite", without referring to the termination of brokers and brokerages. HCG also added a further two sentences to the Operational Risk section of the MD&A, which stated that HCG may encounter a financial loss as a result of an event with a third party service provider and that HCG may change relationships as appropriate. The disclosure was not sufficient to allow an investor to appreciate the reasons for the drop in Originations or the material risk to future growth of HCG that the termination of brokerages and brokers, process changes and remediation represented.

27. Soloway and Morton certified the Q1 2015 Interim Filing as CEO and CFO, respectively.

(ii) May 7, 2015 Earnings Call

28. Soloway, Morton and Reid participated in an earnings call with analysts held on May 7, 2015 following the filing of HCG's Q1 2015 Interim Filing.

29. Soloway was asked:

> Q: The first question I have is going back to originations, I totally get how, given what was going on with macro, well, you guys would be more kind of cautious on originations in the traditional business. I'm just trying to understand, I guess, from the prime insured side, are you guys saying that you were also kind of a bit careful there too, this being an insured product? Is that part of the reason why the originations kind of were where they were?

30. Soloway, simply responded – "Yes." The analyst asked further, "Okay. So it was – okay, so it was a little bit of teething pains. But were you guys being a little more cautious on underwriting? I'm just trying to get a sense of, has it been because maybe brokers have been losing some market share, whether or not it's been small competition within the broker channel or to ...". Soloway replied, "None of that has changed. I think it's very similar to what it was last year. There isn't a dramatic one quarter change. There's been no new competitor. There's been no new change in brokers. Brokers are exactly the same in my estimate."

31. Specifically, when asked about the decline in Originations for Q1 2015, Soloway attributed the continuing decline in Originations to a range of factors including cold weather, macroeconomic conditions and a cautious approach to lending. Given the information known to Soloway, including as contained in the President's Report and the May 4 Memo, his statements were misleading in a material respect by not identifying all factors contributing to the decline in Originations.

32. On May 7, 2015, HCG and Soloway made statements contrary to subsection 126.2(1) of the Act.

(b) Untimely Disclosure of the Material Change in July 2015

33. The termination of brokerages and brokers and the subsequent remediation arising out of the Project Trillium findings, including changes to HCG's underwriting controls and procedures, constituted a material change in HCG's business or operations. HCG was required to issue and file a news release with respect to the material change by no later than May 6, 2015. HCG did not issue a news release in relation to this material change until July 10, 2015.

34. On July 13, 2015, the next trading day, HCG's stock price fell 18.9%.

35. On July 17, 2015, HCG filed the July 17 MCR.

36. HCG breached subsections 75(1) and (2) of the Act and Part 7 of NI 51-102 by failing to issue a news release forthwith, and by failing to file a material change report within 10 days.

37. In addition, the July 10th NR and July 17th MCR disclosures were not sufficient for a reader to understand the actual nature of the material change, nor the significance of its impact on immediate and future quarters, and, as such, did not comply with Part 7 of NI 51-102, Item 5 of 51-102F3 and subsection 122(1)(b) of the Act.

Soloway

38. As CEO of HCG, Soloway shared responsibility for HCG's public disclosure and ensuring that investors were provided with the important information about the causes of the decline in Originations they needed in order to make a decision to buy, sell or hold HCG's securities.

39. As the founder and CEO, Soloway had a significant role and influence in managing HCG. He also had experience, expertise and background in relation to the capital markets. Soloway had knowledge of the principal investigative findings, remediation planning and action from Project Trillium and the causes of the decline in Originations as set out in the May 4 Memo and the President's Report.

40. Soloway failed to ensure that HCG properly met its continuous disclosure obligations with respect to the Q1 2015 Interim Filing and instead authorized, permitted or acquiesced in the statements made by HCG in the Q1 2015 Interim Filing that were misleading in a material respect at the time and in light of the circumstances under which they were made.

41. Soloway also made statements on the May 7, 2015 earnings call that were misleading in a material respect by not identifying all factors contributing to the decline in Originations.

42. In addition, Soloway, as one of the certifying officers for HCG, failed to take reasonable steps in his review of the Q1 2015 Interim Filing before certifying that the Q1 2015 Interim Filing contained no misrepresentations.

43. Soloway also failed to ensure that HCG disclosed the material change to its business or operations arising from the findings of Project Trillium forthwith.

Morton

44. As the CFO, Morton was responsible for the oversight of all financial aspects of the affairs of HCG and had responsibility for drafting HCG's Q1 2015 Interim Filing. He was also Chair of HCG's Disclosure Committee.

45. Morton had knowledge of the principal investigative findings, remediation planning and action from Project Trillium. In the May 4 Memo, Morton advised the Audit Committee that a decision had been made to add disclosure in HCG's filings in respect of "the recent impact the de-listing of brokers has had and that have on the results of the Company." Among the reasons provided, Morton advised the Audit Committee that the reduction in Originations for Q1 2015 could not be attributed to weather and seasonality alone and that the reduction had the potential to extend beyond Q1 2015.

46. Morton failed to ensure statements that were made by HCG in its Q1 2015 Interim Filing were not misleading in a material respect at the time and in light of the circumstances under which they were made.

47. In addition, Morton, as one of the certifying officers for HCG, failed to take reasonable steps in his review of the Q1 2015 Interim Filing before certifying that the Q1 2015 Interim Filing contained no misrepresentations.

48. Morton also failed to ensure that HCG disclosed the material change to its business or operations arising from the findings of Project Trillium forthwith.

Reid

49. As President, Reid had a significant role in managing HCG. He was also a member of HCG's Disclosure Committee.

50. With respect to Project Trillium, Reid had knowledge of the principal investigative findings, remediation planning and action items. Further, by the end of April 2015, Reid also had knowledge of the impact of the termination of brokerages and brokers and remedial actions on Originations. The President's Report stated that HCG's "share of broker channel has deteriorated, mainly as a result of Trillium remediation."

51. In addition, Reid failed to ensure that statements made by HCG in its Q1 2015 Interim Filing were not misleading in a material respect at the time and in light of the circumstances under which they were made.

52. Reid also failed to ensure that HCG disclosed the material change to its business or operations arising from the findings of Project Trillium forthwith.

D. MITIGATING FACTORS

53. The Respondents request that the settlement hearing panel consider the following mitigating circumstances. Staff do not object to the mitigating circumstances set out by the Respondents below.

HCG Investigation and Remediation Efforts

54. When HCG and its directors and officers became aware of the irregularities associated with the Accelerator mortgage applications, they took steps to investigate the issue to ensure that the full extent of any wrongdoing was uncovered. HCG conducted an internal investigation, struck an independent committee of the Board, chaired by a former Chair of the Commission, to oversee the investigation and appointed a third party accounting firm to assist with the investigation. HCG consulted its external professional advisors throughout the investigation.

55. HCG also reported the identified irregularities to Canada Mortgage and Housing Corporation, Genworth Canada, as well as the Office of the Superintendent of Financial Institutions and its external auditor and continued to keep them apprised as the investigation continued in a timely manner.

56. As the results of the Project Trillium investigation became clear, HCG remediated the areas of concern identified by the investigation and otherwise. HCG improved its existing processes by reallocating internal resources to ensure that underwriters verified income. HCG completed the segregation of Originations and underwriting in May of 2015 as part of a pilot program which was rolled out throughout the residential lending business thereafter. The company also initiated a review of underwriter compensation to put more of an emphasis on risk mitigation, including an assessment of quality of the loans being originated.

Disclosure Decisions

57. In coming to decisions on disclosure and materiality, HCG's Board acted in good faith by relying on its external professional advisors. HCG's auditor was aware of the Project Trillium investigation, tested Originations and reviewed HCG's processes as part of their audit, and did not raise any concerns about the financial statement disclosure.

58. Throughout the Material Time, Soloway, Reid and Morton provided all relevant information bearing on Originations to HCG's Board as it became known.

59. HCG and its directors and officers believed that lost Originations could be replaced from other sources in time.

60. Following the May 7, 2015 earnings call, HCG sought advice from its external professional advisors to determine whether a clarifying public statement was required. In the result, no clarifying statement was issued.

Cooperation of HCG

61. Within days of June 1, 2015, HCG voluntarily reported to the Commission the receipt of a whistleblower memorandum from a Vice President at HCG dated June 1, 2015 entitled, "*Failure to Comply with Timely and Continuous Disclosure Obligations and Related Concerns -- Fraudulent Mortgages*". HCG, Soloway, Reid and Morton subsequently cooperated with Staff's information requests and investigation.

Significant Governance and Leadership Renewal at HCG

62. In recent months, HCG has taken significant steps to renew its leadership and governance.

63. On March 27, 2017, HCG announced that it had terminated the employment of Reid as President and CEO, effective immediately and removed him from the Board of HCG's subsidiaries, including Home Trust Company.

64. On May 5, 2017, HCG announced that Alan Hibben ("Hibben") had been appointed to the Board effective immediately, replacing Soloway, who had previously announced his pending retirement. Hibben is an experienced director and financial executive.

65. On May 5, 2017, HCG also announced that Robert Blowes would be assuming the role of interim CFO following HCG's Q1 2017 interim filing, at which time Morton would assume responsibilities for special projects outside the financial reporting group.

66. On May 8, 2017, HCG announced that three leading Canadian businesspeople, Claude Lamoureux, Paul Haggis and Sharon Sallows, had agreed to join the Board immediately. HCG also announced the appointment of Brenda Eprile ("Eprile"), who joined the Board in 2016, to the role of the Chair of the Board and that William Falk would be stepping down from the Board. Eprile has extensive regulatory and compliance experience. The new directors are well known for their track records as executives and in the boardroom, and they bring a wide range of applicable knowledge and experience.

67. On May 18, 2017, HCG announced that James Lisson had been appointed to the Board, bringing extensive experience in financial services law, operational issues, governance, stakeholder relations, and risk and reputation management. HCG also announced that John Marsh was stepping down from the Board.

68. At its Annual Meeting of Shareholders, which will be held on June 29, 2017, shareholders will be asked to support the election of nine directors, six of whom joined the Board subsequent to the Material Time.

69. HCG is currently actively searching for a CEO and a CFO.

PART IV – NON-COMPLIANCE WITH ONTARIO SECURITIES LAW AND CONDUCT CONTRARY TO THE PUBLIC INTEREST

70. During the Material Time:

(a) HCG acknowledges and admits that it:

(i) did not satisfy its continuous disclosure obligations by making statements in its Q1 2015 Interim Filing that in a material respect and at the time and in light of the circumstances under which they were made, were misleading or untrue or did not state a fact that was required to be stated or that was necessary to make the statement not misleading, contrary to subsection 122(1)(b) of the Act and the requirements of NI 51-102;

(ii) made statements on the May 7, 2015 earnings call that were misleading in a material respect by not identifying all factors contributing to the decline in Originations and by failing to state facts that were required to be stated or that were necessary to make the statements not misleading, contrary to subsection 126.2(1) of the Act. These statements would reasonably be expected to have a significant effect on the market price or value of HCG's securities;

(iii) did not satisfy its continuous disclosure obligations by failing to file a news release forthwith and to file a material change report within 10 days of a material change in the business or operations of HCG, contrary to subsections 75(1) and (2) of the Act and Part 7 of NI 51-102;

(iv) made statements in the July 10th NR and the July 17th MCR, which did not contain sufficient disclosure for a reader to appreciate the significance and impact of the material change and were misleading in a material respect, contrary to subsection 122(1)(b) of the Act and Item 5 of 51-102F3 of NI 51-102; and

(v) breached the Act and NI 51-102 and acted in a manner contrary to the public interest.

(b) Soloway acknowledges and admits that he:

(i) made statements on the May 7, 2015 earnings call that were misleading in a material respect by not identifying all factors contributing to the decline in Originations and by failing to state facts that were required to be stated or that were necessary to make the statements not misleading, contrary to subsection 126.2(1) of the Act. These statements would reasonably be expected to have a significant effect on the market price or value of HCG's securities;

(ii) improperly certified the Q1 2015 Interim Filing by stating that the filing did not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that was necessary to make a statement not misleading in light of the circumstances under which it was made, contrary to subsection 122(1)(b) of the Act and National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109");

(iii) authorized, permitted or acquiesced in the above contraventions of the Act by HCG and is deemed to have not complied with Ontario securities law pursuant to section 129.2 of the Act; and

(iv) acted in a manner contrary to the public interest.

(c) Morton acknowledges and admits that he:

(i) improperly certified the Q1 2015 Interim Filing by stating that the filing did not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that was necessary to make a statement not misleading in light of the circumstances under which it was made, contrary to subsection 122(1)(b) of the Act and NI 52-109;

(ii) authorized, permitted or acquiesced in the above contraventions of the Act by HCG (except those referred to in paragraph 70(a)(ii)) and is deemed to have not complied with Ontario securities law pursuant to section 129.2 of the Act; and

(iii) acted in a manner contrary to the public interest.

(d) Reid acknowledges and admits that he:

(i) authorized, permitted or acquiesced in the above contraventions of the Act by HCG (except those referred to in paragraph 70(a)(ii)) and is deemed to have not complied with Ontario securities law pursuant to section 129.2 of the Act; and

(ii) acted in a manner contrary to the public interest.

PART V – TERMS OF SETTLEMENT

71. The Respondents agree to the terms of settlement set forth below.

72. HCG has given an undertaking (the "Undertaking") to the Commission in the form attached as Schedule "B" to this Settlement Agreement, which includes an undertaking to make a payment, before the commencement of the Settlement Hearing, of $10,000,000 to Stikeman Elliott LLP in trust for the benefit of the proposed class, other than Excluded Persons[1] (the "Class") in the putative class action commenced on February 13, 2017 as London, Ontario Court File No. 349/17CP (the "Class Action").

73. The Respondents consent to the Order, pursuant to which it is ordered that:

(a) this Settlement Agreement be approved;

(b) HCG shall:

(i) within one year of the date of the Order, conduct a review of and deliver a report to the Board and Staff on its continuous disclosure practices and any changes proposed and/or implemented as a result of its review, pursuant to subsection 127(2) of the Act; and

(ii) pay costs in the amount of $500,000 by wire transfer to the Commission before the commencement of the Settlement Hearing, pursuant to section 127.1 of the Act;

(c) Soloway shall:

(i) be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act;

(ii) immediately resign any position that he holds as a director or officer of a reporting issuer, pursuant to paragraph 7 of subsection 127(1) of the Act;

(iii) be prohibited from becoming or acting as a director or officer of any reporting issuer for a period of 4 years commencing on the date of the Order, pursuant to paragraph 8 of subsection 127(1) of the Act; and

(iv) pay an administrative penalty in the amount of $1 million by wire transfer to the Commission before the commencement of the Settlement Hearing, pursuant to paragraph 9 of subsection 127(1) of the Act, which amount be designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b)(i) or (ii) of the Act;

(d) Morton shall:

(i) be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act;

(ii) immediately resign any position that he holds as a director or officer of a reporting issuer, pursuant to paragraph 7 of subsection 127(1) of the Act;

[1] "Excluded Persons" means HCG, the individual defendants in the Class Action ("Individual Defendants"), and the past or present subsidiaries or affiliates, officers, directors, partners, legal representatives, consultants, agents, successors and assigns of HCG, and any member of each of the Individual Defendants' families, their heirs, successors or assigns.

(iii) be prohibited from becoming or acting as a director or officer of any reporting issuer for a period of 2 years commencing on the date of the Order, pursuant to paragraph 8 of subsection 127(1) of the Act; and

(iv) pay an administrative penalty in the amount of $500,000 by wire transfer to the Commission before the commencement of the Settlement Hearing, pursuant to paragraph 9 of subsection 127(1) of the Act, which amount be designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b)(i) or (ii) of the Act; and

(e) Reid shall:

(i) be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act;

(ii) immediately resign any position that he holds as a director or officer of a reporting issuer, pursuant to paragraph 7 of subsection 127(1) of the Act;

(iii) be prohibited from becoming or acting as a director or officer of any reporting issuer for a period of 2 years commencing on the date of the Order, pursuant to paragraph 8 of subsection 127(1) of the Act; and

(iv) pay an administrative penalty in the amount of $500,000 by wire transfer to the Commission before the commencement of the Settlement Hearing, pursuant to paragraph 9 of subsection 127(1) of the Act, which amount be designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b)(i) or (ii) of the Act.

74. The parties acknowledge that Staff will recommend to the Commission that the $2,000,000 designated for allocation or use under subsection 3.4(2)(b)(i) or (ii) of the Act above be allocated or used as follows: (a) $1,000,000 for the benefit of HCG investors who comprise the Class (in addition to the $10 million that will be paid to the Class as a result of this Settlement Agreement as set out in paragraph 72 above) in accordance with subsection 3.4(2)(b)(i) of the Act; and (b) the remaining $1,000,000 for use by the Commission in accordance with subsection 3.4(2)(b)(i) or (ii) of the Act.

75. The Respondents consent to a regulatory order made by any provincial or territorial securities regulatory authority in Canada containing any or all of the prohibitions set out in subparagraphs 73(c)(iii), (d)(iii), and (e)(iii). These prohibitions may be modified to reflect the provisions of the relevant provincial or territorial securities law.

76. The Respondents acknowledge that this Settlement Agreement and the Order may form the basis for orders of parallel effect in other jurisdictions in Canada. The securities laws of some other Canadian jurisdictions allow orders made in this matter to take effect in those other jurisdictions automatically, without further notice to the Respondents. The Respondents should contact the securities regulator of any other jurisdiction in which the Respondents intend to engage in any securities- or derivatives-related activities, prior to undertaking such activities.

PART VI – FURTHER PROCEEDINGS

77. If the Commission approves this Settlement Agreement and the Respondents fail to comply with any of the terms of the Settlement Agreement or the Undertaking, Staff may bring proceedings against the Respondents. These proceedings may be based on, but need not be limited to, the facts set out in Part III of this Settlement Agreement as well as the breach of the Settlement Agreement or the Undertaking.

PART VII – PROCEDURE FOR APPROVAL OF SETTLEMENT

78. The parties will seek approval of this Settlement Agreement at the Settlement Hearing before the Commission, which shall be held on a date determined by the Secretary to the Commission in accordance with this Settlement Agreement and the Commission's *Rules of Procedure* (2014), 37 O.S.C.B. 4168.

79. The Respondents will attend the Settlement Hearing in person.

80. The parties confirm that this Settlement Agreement sets forth all of the agreed facts that will be submitted at the Settlement Hearing, unless the parties agree that additional facts should be submitted at the Settlement Hearing.

81. If the Commission approves this Settlement Agreement:

(a) the Respondents irrevocably waive all rights to a full hearing, judicial review or appeal of this matter under the Act; and

(b) the parties will not make any public statement that is inconsistent with this Settlement Agreement or with any additional agreed facts submitted at the Settlement Hearing.

82. Whether or not the Commission approves this Settlement Agreement, the Respondents will not use, in any proceeding, this Settlement Agreement or the negotiation or process of approval of this Settlement Agreement as the basis for any attack on the Commission's jurisdiction, alleged bias, alleged unfairness or any other remedies or challenges that may be available.

83. As set out elsewhere herein a portion of the amounts to be paid herein are to go to the Class, without any deduction for legal fees or expenses, including any expenses related to the distribution of the amounts, which is also being settled, subject to court approval contemporaneously with the execution of this Settlement Agreement. The parties hereto are only prepared to enter into this Settlement Agreement on the basis that the Class Action is also settled at the same time and therefore the orders obtained in the Class Action and from the Commission will reciprocally provide that neither is finally fully effective and binding unless and until the approval from both is obtained and is final. The parties hereto will work together on the timing and sequence of the approvals to ensure that the final approvals are obtained at the earliest practicable time. The rights and evidentiary protections described in paragraphs 4, 84 and 85 herein shall also be made part of the contingent approval order in the approval jurisdiction that proceeds first in the likely event that they are not finally approved at exactly the same time.

PART VIII – DISCLOSURE OF SETTLEMENT AGREEMENT

84. If the Commission does not make the Order:

(a) this Settlement Agreement and all discussions and negotiations between Staff and the Respondents before the Settlement Hearing will be without prejudice to Staff and the Respondents; and

(b) Staff and the Respondents will each be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing on the merits of the allegations contained in the Statement of Allegations dated April 19, 2017 in respect of the Proceeding. Any such proceedings, remedies and challenges will not be affected by this Settlement Agreement, or by any discussions or negotiations relating to this Settlement Agreement.

85. The parties will keep the terms of this Settlement Agreement confidential until the Settlement Hearing, unless they agree in writing not to do so or unless otherwise required by law.

PART IX – EXECUTION OF SETTLEMENT AGREEMENT

86. This Settlement Agreement may be signed in one or more counterparts which together constitute a binding agreement.

87. A facsimile copy or other electronic copy of any signature will be as effective as an original signature.

DATED at Toronto, Ontario this _____ day of June, 2017.

"Marion C. Soloway"
Witness: Marion C. Soloway

"Gerald Soloway"
GERALD SOLOWAY

"Margaret Kingerski"
Witness: Margaret Kingerski

"Robert Morton"
ROBERT MORTON

"David Hausman"
Witness: David Hausman

"Martin Reid"
MARTIN REID

HOME CAPITAL GROUP INC.

By: *"Bonita Then"*
Bonita Then
Interim President & CEO

DATED at Toronto, Ontario, this 14th day of June, 2017.

ONTARIO SECURITIES COMMISSION

By: *"Jeff Kehoe"*
Jeff Kehoe
Director, Enforcement Branch

SCHEDULE "A"

IN THE MATTER OF
HOME CAPITAL GROUP INC.,
GERALD SOLOWAY,
ROBERT MORTON and
MARTIN REID

[INSERT COMMISSIONERS OF THE PANEL]

June ___, 2017

ORDER
(Sections 127 and 127.1 of the Securities Act, RSO 1990, c S.5

THIS APPLICATION, made jointly by Home Capital Group Inc. ("HCG"), Gerald Soloway ("Soloway"), Robert Morton ("Morton") and Martin Reid ("Reid") (collectively, the "Respondents") and Staff of the Commission ("Staff") for approval of a settlement agreement dated June ___, 2017 (the "Settlement Agreement"), was heard on June ___, 2017 at the offices of the Commission located at 20 Queen Street West, 17th Floor, Toronto, Ontario;

ON READING the Statement of Allegations dated April 19, 2017, and the Settlement Agreement and on hearing the submissions of representatives of each of the parties, and on considering the Undertaking of HCG dated June ___, 2017 to make a payment of $10,000,000 to Stikeman Elliott LLP in trust for the benefit of the proposed class, other than Excluded Persons[1] (the "Class") in the putative class action commenced on February 13, 2017 as London, Ontario Court File No. 349/17CP, and on considering the acknowledgement of the parties that Staff will recommend to the commission that the $2,000,000 paid pursuant to this Settlement Agreement and designated for allocation or use under subsection 3.4(2)(b)(i) or (ii) of the Act be allocated or used as follows: (a) $1,000,000 for the benefit of HCG investors who comprise the Class in accordance with subsection 3.4(2)(b)(i) of the Act; and (b) the remaining $1,000,000 for use by the Commission in accordance with subsection 3.4(2)(b)(i) or (ii) of the Act;

IT IS ORDERED THAT:

1. the Settlement Agreement is approved;

2. HCG shall:

   (i) within one year of the date of the Order, conduct a review of and deliver a report to the Board of Directors and Staff on its continuous disclosure practices and any changes proposed and/or implemented as a result of its review, pursuant to subsection 127(2) of the Act; and

   (ii) pay costs in the amount of $500,000 by wire transfer to the Commission, pursuant to section 127.1 of the Act; and

3. Soloway shall:

   (i) be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act;

   (ii) immediately resign any position that he holds as a director or officer of a reporting issuer, pursuant to paragraph 7 of subsection 127(1) of the Act;

   (iii) be prohibited from becoming or acting as a director or officer of any reporting issuer for a period of 4 years commencing on the date of the Order, pursuant to paragraph 8 of subsection 127(1) of the Act; and

   (iv) pay an administrative penalty in the amount of $1,000,000 by wire transfer to the Commission, pursuant to paragraph 9 of subsection 127(1) of the Act, which amount be designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b)(i) or (ii) of the Act; and

[1] "Excluded Persons" means HCG, the individual defendants in the Class Action ("Individual Defendants"), and the past or present subsidiaries or affiliates, officers, directors, partners, legal representatives, consultants, agents, successors and assigns of HCG, and any member of each of the Individual Defendants' families, their heirs, successors or assigns.

4. Morton shall:

   (i) be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act;

   (ii) immediately resign any position that he holds as a director or officer of a reporting issuer, pursuant to paragraph 7 of subsection 127(1) of the Act;

   (iii) be prohibited from becoming or acting as a director or officer of any reporting issuer for a period of 2 years commencing on the date of the Order, pursuant to paragraph 8 of subsection 127(1) of the Act; and

   (iv) pay an administrative penalty in the amount of $500,000 by wire transfer to the Commission, pursuant to paragraph 9 of subsection 127(1) of the Act, which amount be designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b)(i) or (ii) of the Act; and

5. Reid shall:

   (i) be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act;

   (ii) immediately resign any position that he holds as a director or officer of a reporting issuer, pursuant to paragraph 7 of subsection 127(1) of the Act;

   (iii) be prohibited from becoming or acting as a director or officer of any reporting issuer for a period of 2 years commencing on the date of the Order, pursuant to paragraph 8 of subsection 127(1) of the Act; and

   (iv) pay an administrative penalty in the amount of $500,000 by wire transfer to the Commission, pursuant to paragraph 9 of subsection 127(1) of the Act, which amount be designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b)(i) or (ii) of the Act.

_____
Commissioner

_____
Commissioner

_____
Commissioner

SCHEDULE "B"

IN THE MATTER OF
HOME CAPITAL GROUP INC.,
GERALD SOLOWAY,
ROBERT MORTON and
MARTIN REID

UNDERTAKING TO THE ONTARIO SECURITIES COMMISSION

1. This Undertaking is given in connection with the settlement agreement dated June ___, 2017 between Home Capital Group Inc. ("HCG"), Gerald Soloway, Robert Morton, Martin Reid and Staff of the Commission.

2. HCG undertakes to the Commission to make a payment of $10,000,000 to Stikeman Elliott LLP in trust for the benefit of the proposed class, other than Excluded Persons[1] in the putative class action commenced on February 13, 2017 as London, Ontario Court File No. 349/17CP.

DATED at Toronto, this ___ day of June, 2017.

HOME CAPITAL GROUP INC.

Name: _____
Title: _____

[1] "Excluded Persons" means HCG, the individual defendants in the Class Action ("Individual Defendants"), and the past or present subsidiaries or affiliates, officers, directors, partners, legal representatives, consultants, agents, successors and assigns of HCG, and any member of each of the Individual Defendants' families, their heirs, successors or assigns.

IN THE MATTER OF
HOME CAPITAL GROUP INC.,
GERALD SOLOWAY,
ROBERT MORTON and
MARTIN REID

UNDERTAKING TO THE ONTARIO SECURITIES COMMISSION

1. This Undertaking is given in connection with the settlement agreement dated June ___, 2017 between Home Capital Group Inc. ("HCG"), Gerald Soloway, Robert Morton, Martin Reid and Staff of the Commission.

2. HCG undertakes to the Commission to make a payment of $10,000,000 to Stikeman Elliott LLP in trust for the benefit of the proposed class, other than Excluded Persons[1] in the putative class action commenced on February 13, 2017 as London, Ontario Court File No. 349/17CP.

DATED at Toronto, this 14th day of June, 2017.

HOME CAPITAL GROUP INC.

"Bonita Then"
Bonita Then
Interim President & CEO

[1] "Excluded Persons" means HCG, the individual defendants in the Class Action ("Individual Defendants"), and the past or present subsidiaries or affiliates, officers, directors, partners, legal representatives, consultants, agents, successors and assigns of HCG, and any member of each of the Individual Defendants' families, their heirs, successors or assigns.

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Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions

3.1.1 Global 8 Environmental Technologies, Inc. et al. – ss. 127(1), 127(10)

IN THE MATTER OF
GLOBAL 8 ENVIRONMENTAL TECHNOLOGIES, INC.,
HALO PROPERTY SERVICES INC.,
CANADIAN ALTERNATIVE RESOURCES INC.,
RENÉ JOSEPH BRANCONNIER and
CHAD DELBERT BURBACK

REASONS AND DECISION
(Subsections 127(1) and 127(10) of the Securities Act, RSO 1990, c S.5)

Citation: *Global 8 Environmental Technologies, Inc. (Re)*, 2017 ONSEC 31
Date: 2017-08-09

Hearing:	In writing		
Decision:	August 9, 2017		
Panel:	Mark J. Sandler	–	Chair of the Panel
Submissions:	Malinda Alvaro	–	Staff of the Commission
	H. Roderick Anderson	–	For René Joseph Branconnier

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III. DISPOSITION

REASONS AND DECISION

I. OVERVIEW

[1] This is an application by Enforcement staff (**Staff**) of the Ontario Securities Commission (the **Commission**) for an order pursuant to subsections 127(10) and 127(1) of the *Securities Act*[1] (the **Act**) imposing certain sanctions on each of the respondents.

[2] Staff relies on paragraph 4 of subsection 127(10) of the Act to reciprocate the order of the Alberta Securities Commission dated February 2, 2016 in *Global 8 Technologies, Inc., (Re)*, 2016 ABASC 29 (the **Order**).

[1] RSO 1990, c S.5.

[3] In an earlier ruling in this proceeding, I held that each of the respondents had been served with notice of this application. I also granted Staff's unopposed request that the application be heard in writing.

[4] One respondent, René Joseph Branconnier (**Branconnier**) opposes the application on its merits. The other respondents did not participate in the proceedings.

[5] In this written hearing, I must determine whether the respondents have been made subject to an order made by another securities regulatory authority in any jurisdiction that imposes sanctions, conditions, restrictions or requirements on them, and whether it is in the public interest to make a reciprocal order in Ontario.

[6] In deciding this matter, I have read the submissions and supporting legal precedents filed by Staff at first instance and in reply, and the submissions and legal precedents submitted by Branconnier.

[7] For the reasons that follow, I grant the application on the terms proposed by Staff.

A. The Alberta Securities Commission Order

[8] On June 5, 2015, a panel of the Alberta Securities Commission (the **Alberta panel**) found that each of the respondents had acted contrary to the Alberta *Securities Act*[2] (the **ASA**) (the **Alberta Decision**).[3] The Alberta panel found, among other things, that:

a. Global 8 Environmental Technologies, Inc. (**Global**) engaged in unregistered trading in securities and the distribution of securities without a prospectus, contrary to sections 75 and 110 of the ASA;

b. Halo Property Services Inc. (**Halo**) and Canadian Alternative Resources Inc. (**CAR**) engaged in the distribution of securities without a prospectus, contrary to section 110 of the ASA, and made prohibited representations relating to future values of securities contrary to subsection 92(3) of the ASA;

c. Branconnier and Chad Delbert Burback (**Burback**) engaged in unregistered trading in securities and the distribution of securities without a prospectus, contrary to sections 75 and 110 of the ASA, made prohibited representations relating to future values of securities, contrary to subsection 92(3) of the ASA, and authorized and acquiesced in the contraventions of the ASA by the other three respondents, contrary to subsection 199(1) of the ASA, as it read at the material time;

d. All of the respondents made materially misleading or untrue statements to investors, contrary to subsection 92(4.1) of the ASA, and acted contrary to the public interest.

[9] In the Order, the Alberta panel imposed sanctions, conditions, restrictions or requirements on each of the respondents. The Order remains operative. As the Alberta Decision and the Order are publicly available, I will not repeat the extensive findings of fact made by the Alberta panel or the detailed order it issued. However, I will refer to some of this material in these reasons as is necessary to explain my decision.

II. LAW AND ANALYSIS

A. Subsection 127(10)

[10] Staff requests that the Commission impose sanctions similar to those imposed by the Alberta panel, to the extent possible under the Act. The precise terms of the inter-jurisdictional order requested by Staff are set out below under "Disposition."

[11] As indicated at the outset, subsection 127(10) of the Act authorizes an order under subsection (1) where respondents are subject to an order made by another securities regulatory authority in any jurisdiction that imposes sanctions, conditions, restrictions or requirements on them. There is no dispute that this precondition has been met here.

[12] Both subsection 127(10) and existing jurisprudence make clear that where the above precondition has been met, the Commission has a discretion whether to grant the application. I take the following from the Act and existing jurisprudence:

2 RSA 2000, s S-4.

3 *Global 8 Technologies, Inc. (Re)*, 2015 ABASC 734.

a. The Commission must be satisfied that the requested order is in the public interest;[4]

b. The Commission should consider, in determining whether the requested order is in the public interest, whether the order is necessary to protect investors in Ontario and for the integrity of Ontario's capital markets;[5]

c. Any connection between respondents or their contraventions and Ontario may inform the Commission's discretion, but such a connection is not a precondition to the exercise of the Commission's authority under section 127;[6]

d. The purpose of the Commission's public interest jurisdiction is "neither remedial nor punitive; it is protective and preventative";[7] the purpose of a subsection 127(1) order "is to restrain future conduct that is likely to be prejudicial to the public interest in fair and efficient capital markets;"[8]

e. Put another way, the purpose of a subsection 127(1) order "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;"[9]

f. Deterrence, both specific and general, is a relevant consideration in whether a protective and preventative order should be made and what that order should include.[10] Deterrence "is prospective in orientation and aims at preventing future conduct."[11]

g. Pursuant to subsection 127(10), the findings of fact made by another regulatory authority stand as determinations of fact for the purpose of the Commission's exercise of discretion under subsection 127(1) of the Act;[12]

h. An important factor for the Commission's consideration is whether the respondent's conduct, if it had been committed in Ontario or otherwise came within Ontario's jurisdiction, would have constituted a breach of Ontario securities law, would have been regarded as contrary to the public interest, and would have attracted the same or similar sanctions;[13]

i. Section 2.1 of the Act provides that "[the] integration of capital markets is supported and promoted by the sound and responsible harmonization and co-ordination of securities regulation regimes." In today's world, securities activities transcend provincial, territorial and indeed, national boundaries. This reality and section 2.1 of the Act reinforce the importance of inter-jurisdictional cooperation and comity, which include, in this context, identifying and reciprocating orders made in other jurisdictions so as to promote the effectiveness of regulatory authorities and protect the public interest;[14] and

j. In determining what sanctions are appropriate to incorporate into a section 127 order, subject to my comments contained in paragraph 14 below, the Commission must consider the particular circumstances as they relate to each respondent.[15]

[13] There is no diminished burden of persuasion, in law, on Staff who requests that an inter-jurisdictional order be made. The ordinary burden of persuasion applies. However, as the Commission held in *New Futures*:

> [c]omity requires that there not be barriers to recognizing and reciprocating the orders of other regulatory authorities when the findings of the foreign jurisdiction qualify under subsection 127(10)

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

5 *Euston* at para 46.

6 *Biller (Re)* (2005), 28 OSCB 10131 at paras 32-35; *BigFoot Recreation & Ski Area Ltd (Re),* 2015 LNONOSC 505 at para 21; *Zeiben (Re)* (2016), 39 OSCB 1299 at para 24; *Sebastian (Re)* (2016), 39 OSCB 1305 at para 19.

7 *Committee for Equal Treatment of Asbestos Minority Shareholders v Ontario (Securities Commission),* 2001 SCC 37 (CanLII) at paras 42-43 (***Asbestos***), citing with approval *Mithras Management Ltd. (Re)* (1990), 13 OSCB 1600.

8 *Asbestos* at paras 42-43.

9 *Asbestos* at paras 42-43.

10 *Cartaway Resources Corp.,* 2004 SCC 26 (CanLII) at para 60 (***Cartaway***).

11 *Cartaway* at para 52.

12 *JV Raleigh Superior Holdings Inc. (Re)* (2013), 36 OSCB 4639 at para 16 (***JV Raleigh***); *Euston* at paras 45-46.

13 *JV Raleigh* at para 16.

14 *JV Raleigh* at paras 21-26; *New Futures Trading International Corp. (Re)* (2013), 36 OSCB 5713 at paras 22-27 (***New Futures***); *McLean v British Columbia (Securities Commission)*, [2013] 3 SCR 895 at paras 15, 54, 59; *Black (Re),* 2015 LNONOSC 85 at paras 83-85.

15 *Belteco Holdings Inc. (Re)* (1998), 21 OSCB 7743 at paras 7746-7747; *MCJC Holdings (Re)* (2002), 25 OSCB 1133 at 1136.

> of the Act as a judgment that invokes the public interest. For comity to be effective and the public interest to be protected, the threshold for reciprocity must be low.
>
> (para 27)

[14] Furthermore, comity supports an approach in which the Commission has due regard to the sanctions imposed by another regulatory authority when it considers whether or what appropriate sanctions should be imposed in Ontario.

B. Relevant Findings of the Alberta Panel

1. Contraventions Pertaining to Global

[15] The Respondent, Global, was a Nevada company incorporated in 1995 under a different name. In 2005, it moved into the environmental field. Between May 2005 and June 2009, it promoted itself as an environmental business which would develop Environmental Technology Centres ("ETCs") to meet its clients' needs. During this time frame, Global raised money from Alberta investors by selling its securities, purportedly relying on the family, friends and business associates exemption under the ASA. The Alberta panel found that such exemptions were not available for many trades and distributions of Global securities. Global was not registered to trade in securities in Alberta. Global also employed "agents," on commission, to sell its securities. They were not trained on the application of the family, friends and business associates exemption.

[16] Branconnier was the guiding mind of Global as well as a *de facto* director and officer during the material time frame. He had never been registered with the ASC or any other regulatory body to sell securities. As of May 20, 2010, Burback had not been registered under the ASC either. He was a director and at times, the chief financial officer of Global.

[17] During the material time frame, Branconnier was engaged in acts in furtherance of trading and the distribution of Global's securities. Burback was engaged in acts in furtherance of sales of Global's securities, in connection with at least some of the illegal trades and distributions effected by one of the selling agents, by signing Global subscription agreements and accepting cheques.

[18] Global's marketing materials included a promotional video, a website and printed materials. Branconnier appeared in the video, and was involved in the content and preparation of the website and printed materials. The marketing materials misrepresented that an investment in Global was secure and guaranteed, that Global had an extensive history of building waste management facilities (when none had been built), Global was selling "products" (when it had never done so) and Global possessed technology (when it owned no technology).

[19] Burback was also featured in the Global video, showed it to some investors, told them about the website and distributed some of Global's marketing materials.

[20] In summary, the Alberta panel concluded that Global, Branconnier and Burback illegally traded and distributed Global securities and made materially misleading or untrue statements to investors, and that Branconnier and Burback authorized and acquiesced in all of the contraventions found against Global through the acts of its employees or agents.

[21] The value of the illegal trades and distributions pertaining to Global totalled between five and approximately nine million dollars.

2. Contraventions Pertaining to Halo and CAR

[22] Halo was a company incorporated in British Columbia in 2005. CAR was incorporated in the Yukon in 2010. As of February 2013, neither company had ever been registered under the ASA, been a reporting issuer in Alberta or filed a prospectus with the ASC. The companies were connected to each other, and their planned operations also had an environmental component.

[23] The misconduct relating to Halo/CAR took place between November 2009 and March 2012. (Branconnier's qualification on that finding, insofar as it related to him, is discussed below.)

[24] Halo had entered into an agreement to license certain technology from ZEEOT, Inc., an American company. Halo was to receive the exclusive right for ten years to sell ZEEOT's storage systems in Canada. Halo "vended the licence into CAR" with CAR planning to market the licensed products.

[25] Halo and CAR were pitched and sold to investors as a package. The investments were structured as loans to Halo backed by CAR shares and options to purchase CAR shares ("Halo/CAR securities"). Halo and CAR raised money

from investors by selling these securities, purportedly relying on the family, friends and business associates exemption. Some of the investors fell within the exemption. Many did not.

[26] No prospectus was filed respecting the Halo/CAR distributions.

[27] A sales brochure for Halo contained price projections which the Alberta panel found to be undertakings made to effect trades in CAR shares. The brochure also contained misleading or untrue statements made to investors about the ZEEOT and Halo technology and systems, and about Halo/CAR's financial projections (Halo/CAR could have over $83 million in revenues and net income of $33,500,000 by 2011 and revenues of over $1 billion and net income of $500,000,000 by 2014).

[28] Branconnier distributed Halo/CAR securities. At least, some of these distributions were illegal. He was involved in various meetings relating to the contacting of investors and in recruiting an agent to sell the securities. The fundraising documentation was sent to and administered at a business address also associated with his home. Most (if not all) of the investors' money was deposited directly into a bank account of a company for which he was a guiding mind. He gave final approval to the Halo brochure and directed its use. The Alberta panel also found that he was ultimately responsible for its contents. He was the guiding mind of Halo and CAR.

[29] Burback effected some of the illegal distributions of Halo/CAR securities, directly trading or acting in furtherance of trading. He distributed the Halo brochure and presented the information contained in it or made similar representations to investors or prospective investors.

C. Analysis

1. Should the Commission Issue an Inter-Jurisdictional Enforcement Order?

[30] Branconnier's position is that the Commission should exercise its discretion not to make the requested order or alternatively, such an order should be similar to the sanctions imposed by the Alberta panel to the extent possible subject to one caveat: namely, that the Ontario order should not incorporate terms that relate to the monetary payments required to be made in the Order. First, I will address why it is the public interest to issue the order requested by Staff. I address the terms of that order in the section below "Terms of the Inter-Jurisdictional Enforcement Order".

[31] Staff submits that the respondents' misconduct was serious, and would have likely constituted contraventions of the Act. Staff contends that the terms of the proposed order are consistent with the Commission's need to maintain high standards of fitness and business conduct to ensure honest and responsible conduct by market participants. The terms also align with the sanctions imposed by the Alberta panel to the extent possible under the Act. Finally, Staff observes that the sanctions proposed are prospective, and would only impact the respondents if they attempt to participate in the capital markets of Ontario.

[32] The misconduct of each of the respondents was undoubtedly serious. The violations of the ASA were not "technical", but instead, violations of core statutory provisions specifically designed to protect the public and promote the integrity of the capital markets.

[33] The misconduct cannot be regarded as "isolated" or "momentary". It involved two separate marketing strategies and securities distributions (Global and Halo/CAR) and lasted for an extended period of time. The two individual respondents were implicated in both marketing strategies and securities distributions. In relation to both, there were multiple contraventions of the ASA.

[34] Branconnier first submits that paragraph 6 of the Alberta panel's findings state that between November 2009 and March 2012, certain Halo and CAR securities were pitched and sold to investors as a package. He submits that this finding is inconsistent with paragraph 65 of the Alberta decision in which the Alberta panel acknowledges that "Branconnier has apparently not been involved in the Alberta capital market since the 2010 imposition of the Halo/CAR Interim Order."

[35] Branconnier challenges Staff's position, in part, on the basis that Staff relies on his misconduct involving Halo/CAR for the entire period, November 2009 to March 2012. He submits that Staff's position is inconsistent with the Alberta panel's acknowledgement reflected above.

[36] However, in the same paragraph in which the Alberta panel provides that acknowledgement, it states that "Branconnier's misconduct involved him hiding behind a consulting role rather than appearing to be directly involved

with [Global], Halo or CAR."[16] Accordingly, it is not clear to me that the Alberta panel was acknowledging that Branconnier's involvement, in any way, in Halo/CAR ended before March 2012.

[37] In any event, it would not advance Branconnier's position on this application if his misconduct in relation to Halo/CAR had ended in 2010. That misconduct remained serious, he played a central role in two illegal securities schemes, and his culpability, even on the modification he seeks, cannot be regarded as momentary or significantly mitigated.

[38] Branconnier submits that the Commission should not automatically grant Staff's application, but must determine whether the order sought is necessary in the public interest to protect investors in Ontario and the integrity of Ontario's capital markets. He argues that there is no need to impose a reciprocal order on him, having regard to the following:

a. He has no prior disciplinary record in any province;

b. There is no evidence that he has been involved in the capital markets since the ASC made an interim order in May 2010;

c. His activities lack any substantial connection to the Ontario capital markets, at the very least during the relevant time frame; accordingly, the granting of the order would be punitive, rather than a needed protective measure; and

d. He has expressed remorse respecting his misconduct (acknowledged both by the Alberta panel and by Staff), he is almost 64 years old and his misconduct lacks the severity associated with fraud.

[39] In the alternative, Branconnier contends that the Order was made, in part, for the very specific purpose of requiring him to pay an administrative penalty and costs in Alberta before the prohibitory orders could expire. However, since the Commission does not have the power to impose monetary administrative penalties unless a person has not complied with Ontario securities law, it would be inappropriate and unfair to impose monetary sanctions indirectly on him in Ontario by reciprocating the Alberta order in respect of the payment of any sums that may be outstanding. I will address this argument in the next section of these reasons.

[40] Branconnier also submits that there is no evidence that any of the respondents engaged in any capital raising activities in Ontario from 2005 to May 28, 2010, when the ASC imposed a temporary cease trade order on Halo/CAR. He further contends that there is no evidence of his involvement in any misconduct or activity in the Ontario capital markets since 2010 or any evidence that he will be involved in the Ontario capital markets in the future.

[41] Branconnier relies upon the absence of any connection between his activities, or the activities of the other respondents, and Ontario in resisting the inter-jurisdictional relief sought by Staff.

[42] Again, it is not a precondition for a successful application for an inter-jurisdictional order that the misconduct or any respondent has any connection to Ontario. In my view, the absence of any connection here between the misconduct and Ontario should not figure prominently in whether this application is allowed. Having regard to the totality of circumstances, including the nature and extent of the misconduct, a failure to make the inter-jurisdictional order would be contrary to the public interest and the integrity of the capital markets. It would undermine public confidence in the capital markets and the regulation of the securities industry. It would send the message that regulators are relatively powerless in their ability to restrain future misconduct when serious misconduct has occurred elsewhere.

[43] I also observe that the respondents' misconduct, if committed in Ontario, would have contravened the Act. Although this, too, is not a precondition to the making of an inter-jurisdictional order, it is of importance to the application's success. It reinforces, among other things, the desirability of deterring not only the respondents, but other like-minded individuals from violating comparable provisions of Ontario securities law. It signals that securities violators should not feel immunized from global or, in this instance, national regulatory scrutiny because their misconduct has been confined to one jurisdiction.

[44] Branconnier also contends that Staff made no real submissions as to why it is in the public interest to reciprocate the Alberta sanctions except to rely, almost exclusively, on the merits and sanction decisions of the Alberta panel. Accordingly, he says, Staff is merely advancing a punitive objective.

[45] This contention implicitly places too high a burden on Staff. Past conduct is a guide to what a person's future conduct might entail. Where a person's past conduct has been abusive of the capital markets in one province, it is appropriate to take steps to prevent such abuse in another capital market. As stated earlier, the purpose of a subsection 127(1) order "is to protect the public interest by removing from the capital markets those whose past conduct is so abusive as

[16] Order at para 65.

to warrant apprehension of future conduct detrimental to the integrity of the capital markets."[17] Subsection 127(1) orders (including inter-jurisdictional orders) are used to restrain future conduct that is likely to be prejudicial to the public interest in fair and efficient capital markets.[18] The phrase "likely to be prejudicial to the public interest in fair and efficient capital markets" is designed to identify the type of misconduct which a panel apprehends or seeks to restrain. The applicant is not required to prove that the misconduct is likely to occur in Ontario.

[46] Branconnier asserts that the misconduct here was not as "severe" as fraud. With respect, although proof of fraud is, again, not a precondition to a successful application for an inter-jurisdictional order, it is difficult to give Branconnier's more benevolent interpretation to the activities here. False representations placed investors at risk of deprivation. Without purporting to determine whether the elements of a criminal fraud existed, which involves proof of a subjective mental state it is well arguable that, at a minimum, the badges of civil fraud existed here.

[47] I have considered the mitigating factors relied upon by Branconnier in his submissions. To the extent to which some, such as an expression of remorse, the lack of a prior disciplinary record and perhaps his age, may constitute mitigating factors, they are overwhelmed by the factors I have already identified in these reasons. The evidence strongly supports the imposition of an inter-jurisdictional order.

2. The Terms of the Inter-Jurisdictional Enforcement Order

[48] It is common ground between Staff and Branconnier that any such order should, to the extent possible, generally track the Order made by the Alberta panel. Branconnier only raises one issue in this regard. It was alluded to earlier.

[49] He contends that an order by the Commission that would terminate on the later of February 2, 2036 and the date on which all monetary orders in the Order of the Alberta panel have been paid in full to the ASC, would impose an indirect monetary sanction on him in Ontario which the Commission is precluded from doing.

[50] I disagree. The terms of the proposed order do not impose an additional monetary sanction on the Respondent. The amounts that Branconnier is required to pay the ASC for outstanding costs and for an administrative penalty remain unchanged. In my view, the proposed order merely supports the Order by the Alberta panel, and is consistent with it.

[51] I am satisfied that it is appropriate to adopt the terms proposed by Staff. They closely parallel, to the extent possible, the Order by the Alberta panel. The Order contains similar sanctions to the kinds imposed for comparable misconduct in Ontario.

III. DISPOSITION

[52] For the above reasons, the application is allowed, and an order is made in relation to each of the respondents in the following terms:

Against Branconnier that

a. Pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities or derivatives by Branconnier cease until the later of (i) February 2, 2036 and (ii) the date on which all monetary orders in the Order for which Branconnier is responsible have been paid in full to the ASC, except he is not precluded from trading in securities through a registrant (who has first been given a copy of the Order and a copy of the order in this proceeding) in:

   i. registered retirement savings plans, registered retirement income funds, registered education savings plans or tax-free savings accounts (as defined in the *Income Tax Act* (Canada)) or locked-in retirement accounts for the benefit of one or more of Branconnier, his spouse and his dependent children;

   ii. one other account for Branconnier's benefit; or

   iii. both;

b. Pursuant to paragraph 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Branconnier cease until the later of (i) February 2, 2036 and (ii) the date on which all monetary orders in the Order for which Branconnier is responsible have been paid in full to the ASC, except he is not precluded from

[17] *Asbestos* at paras 42-43

[18] *Asbestos* at paras 42-43.

purchasing securities through a registrant (who has first been given a copy of the Order and a copy of the order in this proceeding) in:

i. registered retirement savings plans, registered retirement income funds, registered education savings plans or tax-free savings accounts (as defined in the *Income Tax Act* (Canada)) or locked-in retirement accounts for the benefit of one or more of Branconnier, his spouse and his dependent children;

ii. one other account for Branconnier's benefit; or

iii. both;

c. Pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Branconnier until the later of (i) February 2, 2036 and (ii) the date on which all monetary orders in the Order for which Branconnier is responsible have been paid in full to the ASC;

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

e. Pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act, Branconnier be prohibited from becoming or acting as a director or officer of any issuer, registrant or investment fund manager until the later of (i) February 2, 2036 and (ii) the date on which all monetary orders in the Order for which Branconnier is responsible have been paid in full to the ASC;

Against Burback that:

f. Pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities or derivatives by Burback cease until the later of (i) February 2, 2028 and (ii) the date on which all monetary orders in the Order for which Burback is responsible have been paid in full to the ASC, except he is not precluded from trading in securities through a registrant (who has first been given a copy of the Order and a copy of the order in this proceeding) in:

i. registered retirement savings plans, registered retirement income funds, registered education savings plans or tax-free savings accounts (as defined in the *Income Tax Act* (Canada)) or locked-in retirement accounts for the benefit of one or more of Burback, his spouse and his dependent children;

ii. one other account for Burback's benefit; or

iii. both;

g. Pursuant to paragraph 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Burback cease until the later of (i) February 2, 2028 and (ii) the date on which all monetary orders in the Order for which Burback is responsible have been paid in full to the ASC, except he is not precluded from purchasing securities through a registrant (who has first been given a copy of the Order and a copy of the order in this proceeding) in:

i. registered retirement savings plans, registered retirement income funds; registered education savings plans or tax-free savings accounts (as defined in the *Income Tax Act* (Canada)) or locked-in retirement accounts for the benefit of one or more of Burback, his spouse and his dependent children;

ii. one other account for Burback's benefit; or

iii. both;

h. Pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Burback until the later of (i) February 2, 2028 and (ii) the date on which all monetary orders in the Order for which Burback is responsible have been paid in full to the ASC;

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

j. Pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act, Burback be prohibited from becoming or acting as a director or officer of any issuer, registrant or investment fund manager until the later of (i) February 2, 2028 and (ii) the date on which all monetary orders in the Order for which Burback is responsible have been paid in full to the ASC;

Against Global that

k. Pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities of Global be prohibited permanently;

l. Pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities or derivatives by Global cease permanently, except that Global be permitted to trade securities of Global for which a filed (final) prospectus has been receipted by the Director of the Commission;

m. Pursuant to paragraph 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Global be prohibited permanently, except that Global be permitted to acquire securities of Global for which a filed (final) prospectus has been receipted by the Director of the Commission;

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

Against Halo that:

o. Pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities of Halo be prohibited permanently;

p. Pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities or derivatives by Halo be prohibited permanently;

q. Pursuant to paragraph 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Halo be prohibited permanently; and

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

Against CAR that:

s. Pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities of CAR be prohibited permanently;

t. Pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities or derivatives by CAR be prohibited permanently;

u. Pursuant to paragraph 2.1 of subsection 127(1) of the Act, the acquisition of any securities by CAR be prohibited permanently; and

v. Pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to CAR permanently.

Dated at Toronto this 9th day of August, 2017.

“Mark J. Sandler”

3.1.2 Home Capital Group Inc. et al. – ss. 127, 127.1

IN THE MATTER OF
HOME CAPITAL GROUP INC.,
GERALD SOLOWAY,
ROBERT MORTON and
MARTIN REID

REASONS AND DECISION
(Sections 127 and 127.1 of the Securities Act, RSO 1990, c S.5)

Citation: *Home Capital Group Inc. (Re)*, 2017 ONSEC 32
Date: 2017-08-09

Hearing:	August 9, 2017		
Decision:	August 9, 2017		
Panel:	D. Grant Vingoe	–	Vice-Chair and Chair of the Panel
	Timothy Moseley	–	Commissioner
	Garnet Fenn	–	Commissioner
Appearances:	Jennifer Lynch Cullen Price	–	For Staff of the Commission
	Peter F.C. Howard Edward J. Waitzer Samaneh Hosseini	–	For Home Capital Group Inc.
	Terrence O'Sullivan Niklas Holmberg	–	For Gerald Soloway
	James Douglas Graeme Hamilton	–	For Robert Morton
	David Hausman Jonathan Wansbrough	–	For Martin Reid

REASONS AND DECISION

The following reasons have been prepared for publication in the Ontario Securities Commission Bulletin, based on the reasons delivered orally in the hearing as edited and approved by the panel, to provide a public record of the oral reasons.

[1] This hearing concerns a settlement agreement (the "**Settlement Agreement**") among Commission Staff ("**Staff**"), Home Capital Group Inc. ("**HCG**"), Gerald Soloway, HCG's founder and CEO, Robert Morton, HCG's CFO, and Martin Reid, HCG's President (collectively, the "**Respondents**").

[2] As stated in the Commission's recent decision in *Re Electrovaya Inc.*, 2017 ONSEC 25 at para 1:

> Continuous disclosure by reporting issuers is a cornerstone of our securities regulatory regime. It is intended to provide, on an ongoing basis, the full and accurate information concerning all material facts and events relating to reporting issuers that is necessary for investors to have confidence in the fair and efficient operation of our securities markets. Accordingly, disclosures made by reporting issuers must be current, balanced and accurate.

[3] In the absence of full disclosure of material information regarding the business and operations of an issuer, investors are trading based upon a deficient understanding of information known to the issuer affecting the value of the issuer's securities. Investors will be winners or losers based on this disclosure deficit, rather than an appropriate disclosure record. A failure of disclosure harms confidence in our capital markets. Disclosure of material changes by a reporting issuer is not a discretionary decision for management, but a regulatory requirement and public responsibility. A delay by management in the release of information regarding events that have occurred that have caused or can reasonably be expected to cause a deterioration in financial results poses a fundamental risk that management will postpone the release of information in the hope that it can manage itself out of a hole. This is not management's prerogative. One of the responsibilities of a public company is to forthwith disclose such information to the market.

[4] As admitted by the Respondents in the Settlement Agreement, from May 2015 until July 2015, HCG misled its investors about the causes of a decline in HCG's mortgage originations, omitting to disclose until July 10, 2015 that it had terminated three underwriters, two brokerages and thirty brokers because it had discovered falsified loan applications in its broker channels. These terminations resulted from an internal investigation that commenced in August 2014, which was prompted by irregularities found in applications handled by a particular underwriter. The scope of the internal investigation expanded from there. The terminations occurred between mid-November 2014 and February 10, 2015. The terminated brokers and brokerages accounted for approximately 10% of HCG's 2014 originations.

[5] On the first trading day following HCG's July 10th press release announcing the terminations, which had caused an immediate drop in mortgage originations, HCG's stock price fell 18.9%.

[6] Mr. Reid had stated in his internal President's Report at the end of April 2015 that the deterioration in originations was mainly due to remedial actions taken as a result of the internal investigation. Mr. Morton stated in a memorandum to the Audit Committee of HCG's Board of Directors, dated May 4, 2015, that the deterioration could not be attributed to seasonality and weather alone, and he raised a concern about the need to publicly disclose the terminations.

[7] Despite the views of Mr. Morton and Mr. Reid and the state of internal knowledge at HCG concerning the effect of the terminations and remedial efforts, HCG's public disclosures, including statements made in the first quarter 2015 Interim Filing, issued May 6, 2015, attributed the drop to factors such as seasonality, the harsh winter, macroeconomic factors and "on-going review of its business partners ensuring that quality is within the Company's risk appetite", without referring to the broker and brokerage terminations. The Operational Risk section of the interim management discussion and analysis also stated that HCG may encounter a financial loss as a result of an event with a third party service provider and HCG may change relationships as appropriate, but the disclosure did not mention the specific effects of the terminations that had been effected months before and remedial efforts that had been underway for many months. In an earnings call with analysts on May 7, 2015, in which all three individual respondents participated, when asked about factors affecting originations, Mr. Soloway did not explain the effect of the terminations and ongoing remediation efforts, instead reciting other factors contributing to the decline.

[8] The Agreed Facts in the Settlement Agreement posit May 2015 as the beginning of the period in which disclosure was required. Given the timing of the internal statements made by Mr. Reid and Mr. Morton and that the Interim Filing, as certified by Mr. Soloway and Mr. Morton, was made on May 6, 2015, we understand how this time could reasonably be employed as the latest time by which disclosure was required by HCG. Actual disclosure was not made until over two months later.

[9] Staff and the Respondents request approval of the settlement embodied in the Settlement Agreement. This is a highly negotiated settlement, carefully coordinated with class proceedings in Ontario, for which there is a separate application for settlement approval before the Superior Court of Justice being advanced in conjunction with the settlement agreement presented to this Panel. A settlement saves time and resources for the Staff of the Commission, and allows HCG to move forward in its business activities without the overhang of protracted proceedings that affect confidence in HCG as a publicly traded financial institution. This is a particularly relevant consideration in this matter since HCG has, as reflected in the Settlement Agreement, made substantial changes in its Board of Directors and management, including the withdrawal of the individual respondents from board and officer roles with HCG, and the addition of a new independent Chair and independent directors. These changes represent a significant mitigating factor in considering sanctions with respect to HCG. A settlement in this matter also curtails the uncertainty affecting the market for HCG's securities and the negative effect this uncertainty has on investors. A financial institution should have a compelling interest in avoiding the loss of confidence resulting from regulatory violations and the proceedings that rightly follow.

[10] In addition to the governance and leadership changes, other mitigating factors that this Panel considers relevant, as agreed by the Parties and set out in the Settlement Agreement, include:

a. Upon learning of the irregularities involved in mortgage applications, HCG conducted an internal investigation, the Board of Directors established an independent committee to oversee the investigation and appointed an accounting firm to assist in the investigation. HCG consulted with its external professional advisers throughout the investigation, including following the earnings call with analysts.

b. HCG reported the identified irregularities to Canada Mortgage and Housing Corporation, the Office of the Superintendent of Financial Institutions, its insurer and auditors, and kept them apprised about developments.

c. HCG implemented significant remediation measures including separation of origination and underwriting functions, reallocating resources to enhance underwriter verification of applicant income, and initiated a review of underwriter compensation practices to emphasize risk mitigation.

d. HCG acted in good faith with regard to disclosure decisions in reliance on professional advisers.

e. HCG voluntarily delivered to Staff a whistleblower memorandum from a vice president of HCG, dated June 1, 2015, within days of the memorandum's date. This memorandum was entitled, "*Failure to Comply with Timely and Continuous Disclosure Obligations and related Concerns – Fraudulent Mortgages*". The individual respondents cooperated with Staff in its subsequent investigations after that receipt.

[11] A settlement will ordinarily be approved if the sanctions agreed to by the parties are within a reasonable range of appropriateness in light of the facts admitted in the settlement agreement, taking into account the settlement process and its benefits as well as mitigating factors. Similarly, a panel, after a contested hearing, may or may not have found facts that are the same or different from those agreed to by the parties. In addition, even if substantially the same facts were found by the panel following a contested hearing, other sanctions than agreed might be imposed by such a panel.

[12] A panel considering a proposed settlement must rely on Staff's negotiations in reaching the settlement. A panel cannot know of potential facts that are excluded in the settlement agreement or the range of sanctions that were considered. A panel can only rely upon the facts agreed to by Staff in the settlement agreement and the context and responses to questions from the panel provided by the parties in a confidential settlement conference convened pursuant to Rules 12.1 to 12.5 of the Ontario Securities Commission *Rules of Procedur*e (2014), 37 OSCB 4168. Such a conference was held in this matter in June of this year.

[13] In the case of a settlement, a Commission panel must be satisfied that the settlement is fair and reasonable and the approval of the settlement is in the public interest, based on the facts and sanctions agreed to by the parties, in light of applicable regulatory principles, prior Commission sanctions and the regulatory settlement process.

[14] The purpose of the Commission's sanctioning authority is to protect investors and the fair operation of our securities markets and to deter, both specifically and generally, future conduct that is inconsistent with securities laws or the public interest. These goals are furthered by seeking to ensure that public companies respect their continuous disclosure obligations and advise the marketplace of material changes on a timely basis. Once an internal investigation or other processes have produced concrete information rising to the level of a material change, disclosure is required unless confidential treatment of such information is sought and afforded by the Commission in accordance with Ontario securities law.

[15] In this case, we have concluded that approval of the Settlement Agreement with HCG, Gerald Soloway, Robert Morton and Martin Reid is in the public interest on the basis of the Agreed Facts and the agreed sanctions are within a reasonable range of appropriate sanctions.

[16] HCG has made a payment held in trust by its attorneys in the amount of $10 million for the benefit of the proposed class in the pending Ontario class action, excluding certain related parties of HCG defined as "Excluded Persons".

[17] HCG shall conduct a review and deliver to Staff a report concerning its continuous disclosure practices and any changes proposed and/or implemented as a result of its review.

[18] HCG has paid costs of the Commission related to this matter in the amount of $500,000.

[19] Each of the individual respondents shall be reprimanded.

[20] Each of the individual respondents shall immediately resign any position that any of them hold as an officer or director of a reporting issuer.

[21] Mr. Soloway is prohibited from becoming or acting as an officer or director of any reporting issuer for four years.

[22] Mr. Morton and Mr. Reid are each prohibited from becoming or acting as an officer or director of any reporting issuer for two years.

[23] Mr. Soloway has paid an administrative penalty in the amount of $1 million to the Commission, which amount is designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b)(i) or (ii) of the *Securities Act*, RSO 1990, c S.5 (the "**Act**").

[24] Mr. Morton and Mr. Reid have each paid an administrative penalty in the amount of $500,000 to the Commission, which amounts are designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b)(i) or (ii) of the Act.

[25] The payments being held in trust for the benefit of the investors and the administrative penalties have been paid and the terms and conditions of the Settlement Agreement demonstrate the individual respondents' acceptance of responsibility for HCG's admitted disclosure failings. This acceptance is highlighted by the individual respondents' agreement to attend at this hearing and be reprimanded. Mr. Soloway, Mr. Morton and Mr. Reid, you are each hereby reprimanded.

[26] For all of these reasons, the panel has determined to approve the Settlement Agreement and will sign an order substantially in the form of the order in Schedule "A" to the Settlement Agreement. With that, the panel wishes to thank all counsel for their helpful submissions in the settlement conference that preceded this hearing and in this hearing. The hearing is now concluded.

Dated at Toronto this 9th day of August, 2017.

"D. Grant Vingoe"

"Timothy Moseley"

"Garnet Fenn"

3.2 Director's Decisions

3.2.1 Sital Singh Dhillon – s. 31

IN THE MATTER OF
STAFF'S RECOMMENDATION FOR THE REFUSAL OF REGISTRATION OF
SITAL SINGH DHILLON

OPPORTUNITY TO BE HEARD BY THE DIRECTOR
UNDER SECTION 31 OF THE SECURITIES ACT (ONTARIO)

Decision

1. Sital Singh Dhillon (**Dhillon**) applied in June 2016 for registration as a mutual fund dealing representative of Shah Financial Planning Inc. (**Shah**).

2. On August 9, 2016 staff (**Staff**) of the Ontario Securities Commission (**Commission**) advised Dhillon that Staff had recommended to the Director that his registration be refused on the basis that he lacked the integrity and proficiency required for registration and that his registration was otherwise objectionable.

3. Staff based its recommendation on two factors – Dhillon's failure to meet the proficiency requirement under section 3.5 of National Instrument 31-103 *Registration Requirements, Exemptions, and Ongoing Registrant Obligations* (**NI 31-103**) and his prior conduct at three registered firms. Due to the seriousness of the unproven allegations made by Dhillon against compliance personnel of these registered firms, the registered firms will be referred to as "Firm A", "Firm B" and "Firm C" throughout this decision

4. The opportunity to be heard (**OTBH**) with respect to Staff's recommendation to refuse the registration of Dhillon took place on June 23, 2017.

5. My decision is to refuse the application for registration of Dhillon for the reasons set out in this decision.

The Law

6. Subsection 27(1) of the *Securities Act* (Ontario) provides that the Director shall register a person unless it appears to the Director that the person is not suitable for registration or that the registration is otherwise objectionable. Subsection 27(2) states that in considering whether a person is suitable for registration, the Director shall consider the requirements prescribed in the regulations relating to proficiency, solvency and integrity.

Proficiency issue

7. Section 3.5 of NI 31-103 sets out the proficiency requirement for registration as a mutual fund dealing representative. The relevant part of section 3.5 is paragraph 3.5(a) which requires a mutual fund dealing representative to pass the Canadian Investment Funds Course Exam, the Canadian Securities Course Exam or the Investment Funds in Canada Course Exam.

8. Dhillon passed the Canadian Investment Funds Course Exam in November 1990, almost 27 years ago. Subsection 3.3(1) of NI 31-103 states that an individual is deemed to have not passed an examination unless the individual passed the examination not more than three years before the date of their application for registration. The date of Dhillon's application for registration was June 14, 2016 (**application date**). Accordingly, Dhillon's completion of the Canadian Investment Funds Course Exam in 1990 does not satisfy section 3.5 of NI 31-103.

9. Subsection 3.3(2) of NI 31-103 provides two exemptions from the rule requiring that courses be completed within three years of the date of an application for registration. Staff argued, and I agree, that neither of these exemptions applies to Dhillon.

10. The first exemption (set out in paragraph 3.3(2)(a) of NI 31-103) provides that the three-year period does not apply if the individual was registered in the same category of registration anywhere in Canada during that three-year period. This exemption does not apply to Dhillon since he has not been registered since June 26, 2012.

11. The second exemption (set out in paragraph 3.3(2)(b) of NI 31-103) provides that the three-year period does not apply if the individual has gained 12 months of relevant securities industry experience during the three-year period.

12. I was provided with a number of certificates related to training courses attended by Dhillon in the three-year period prior to the application date. After review of these certificates, my decision is that these training courses in their totality do not constitute 12 months of relevant securities industry experience during the three years prior to the application date.

Decision on proficiency issue

13. Accordingly, I concur with Staff's position that Dhillon does not meet the proficiency requirement for registration. In making this decision, I agree with Staff's argument that the proficiency deficiency alone (without considering the prior conduct/integrity issues outlined below), is sufficient to refuse Dhillon's application for registration. However, since this proficiency issue could be addressed by Dhillon passing the required exam or gaining the relevant securities industry experience to be able to rely upon an exemption from passing the exam, I will also address the prior conduct/integrity issues raised by Staff.

Prior conduct/integrity issues

Dhillon's 2012 application for registration

14. In September 2012, Dhillon applied for registration as a mutual fund dealing representative with Teammax Investment Corporation (the **2012 Application**). After review of the 2012 Application, on April 9, 2013, Staff sent a letter to Dhillon advising him that Staff had recommended to the Director that the 2012 Application be refused on the basis that Dhillon lacked the necessary integrity to be registered. No OTBH was scheduled and the 2012 Application was ultimately abandoned in February 2014.

15. Staff based its recommendation to refuse the 2012 Application on a number of factors related to Dhillon's prior conduct and integrity. Each of these factors is discussed in more detail below and also formed the basis for Staff's recommendation to refuse Dhillon's current application for registration as a dealing representative of Shah:

    (a) Issues at Firm B,

    (b) Issues at Firm C,

    (c) Preparing a false tax return, and

    (d) Misrepresentations to Staff.

Issues at Firm B

16. Dhillon was registered with Firm B from 1999 to 2010. At the time of his registration with Firm B, Dhillon's registration was made subject to terms and conditions that the firm submit quarterly reports to Staff regarding his sales and client service activities for a period of two years. These terms and conditions were put in place because of a complaint made against Dhillon by his client, "RS", while Dhillon was registered with a previous firm, Firm A, which resulted in Firm A placing him on internal suspension (further details are set out below under "RS Complaint").

17. Staff identified four issues related to Dhillon's registration with WHS as set out below:

    (a) *Repeated use of pre-signed forms.* This issue resulted in a final warning from Firm B stating that "[s]hould this occur in the future, we will have no alternative but to terminate our sponsorship of your mutual fund license". In addition, following his departure from Firm B, at least seven clients informed the Chief Compliance Officer (**CCO**) of the firm that Dhillon obtained pre-signed forms from them.

    (b) *Internal suspension* for failing to respond to compliance audit findings related to his practice

    (c) *Processing trade documents without approval of sponsoring firm/off-book trading.* Trade documents for two clients were forwarded for processing before those leveraged trades had been approved by Firm B.

    (d) *Disrespect for compliance function/lack of governability.* During a Staff interview with Dhillon, Dhillon used language that caused Staff to believe he had a fundamental lack of respect and understanding for the role of a registered firm's compliance department, and that he therefore may not be governable. In the interview, Dhillon made several serious allegations of misconduct by compliance personnel of the firm without providing any evidence of the alleged misconduct. He also said a compliance employee was "jealous" of him and that Firm B's compliance department's questions were "constant harassment".

18. Dhillon's notice of termination from Firm B makes reference to Dhillon being the subject of an investigation by a securities regulatory authority (relates to the Mutual Fund Dealers Association of Canada (**MFDA**) investigation of the RS Complaint), unsuitable leverage recommendations to his clients, off-book trading, and submitting instructions for purchases that were declined by Firm B.

Issues at Firm C

19. Dhillon was registered with Firm C from 2010 to 2012. Staff identified five issues related to his registration with Firm C as set out below:

    (a) *Failure to observe reporting structure*. In March 2011, Dhillon was issued a warning letter by a very senior official at the Firm C group of companies stating that his conduct in dealing with Firm C's staff was inappropriate, and that unless he demonstrated a "marked improvement in both [his] actions and [his] attitude", the firm would terminate him for cause. Despite this warning, Dhillon also attempted on numerous occasions to circumvent the firm's compliance structure and escalate issues directly to the Ultimate Designated Person (**UDP**) of the firm. One of the responses from the UDP stated that "[Dhillon's] efforts to demean" the CCO would not be tolerated.

    (b) *Providing misleading information to compliance staff.* Dhillon incorrectly told compliance staff during an audit of his practice that the MFDA had closed its investigation relating to Dhillon's leveraging practices for two of his clients while at Firm B. As a result of this lie, Firm C suspended Dhillon's ability to place any new loans for non-registered accounts through Queensbury until the MFDA closed its file.

    (c) *Failure to respond to audit report filings on a timely basis and to conduct leverage reviews.* Dhillon was asked to complete a leverage review form for each of his clients and to submit at least 15 reviews each month until his client base was reviewed. Dhillon failed to complete these reviews despite repeated follow-up by Firm C.

    (d) *Disrespect for compliance function/lack of governability.* During a Staff interview with Dhillon, Dhillon used language that caused Staff to believe he may not be amenable to supervision by compliance personnel and that he therefore may not be governable. In the interview, Dhillon said that the warning letter sent to him was the result of the CCO wanting to "push him down" because he could not figure out Dhillon's secret for providing high returns to his clients, the firm was looking for excuses to give him a hard time to "snatch" his business, etc.

    (e) *Pre-signed forms*. Firm C notified Dhillon that two account change forms submitted for one of his clients appeared to be pre-signed forms. Dhillon certified that he would review his client files for pre-signed forms, destroy any such forms that he found and not use pre-signed forms of any type.

Preparing a false tax return

20. Dhillon prepared a tax return for a client, "JS", who was a taxi driver. During a Staff interview, Dhillon acknowledged that he underreported the client's income on the client's 2010 tax return. Dhillon advised Staff that all taxi drivers were underreporting their income, and that his client was "forcing" him to do the same thing.

Misrepresentations to Staff

21. Dhillon misrepresented several matters to Staff. For example, Dhillon advised Staff that he had never had any client complaints while working with Firm B, despite being informed in writing by the MFDA that they were in investigating the RS Complaint. Dhillon also advised Staff that he had never had any client complaints during the time he was registered, despite the RS Complaint and two others. In addition, in the 2012 Application, Dhillon made three misrepresentations as set out below:

    (a) He failed to disclose complaints against him and the MFDA investigation into his leveraging practices.

    (b) He failed to disclose that Firm C suspended his ability to place any new investment loans for non-registered accounts and that his practice was further restricted by extending this suspension to registered accounts.

    (c) He failed to disclose that he was the subject of a suitability complaint.

RS complaint

22. In July 1998, Firm A sent Dhillon a letter advising him that it had suspended his agent agreement because the firm had received information alleging that he had accepted monies from a client and deposited that money into his personal

bank account. Dhillon returned $2,000 of the $9,000 he received from RS. In November 1998, Dhillon resigned from Firm A and advised the firm that it could transfer $7,000 to RS from Dhillon's "earned money". In December 1998, Firm A notified the Commission of the RS Complaint and of Dhillon's resignation from the firm.

Dhillon is sanctioned by the MFDA

23. In August 2015, the MFDA published its Decision and Reasons in *Re Sital Singh Harjinder Dhillon* (**Decision**) in which it found that in May and June 2010, Dhillon made leveraged investments in two client accounts without the knowledge and approval of his sponsoring firm, contrary to MFDA Rules 1.1.2, 2.1.1, and 2.5.1.

24. In December 2015, the MFDA published its Reasons for Decision (Penalty) in which it imposed the following penalties against Dhillon – a six-month prohibition on conducting securities-related business in any capacity with a MFDA member firm, a $15,000 fine and $5,000 in costs. MFDA staff has advised that the fine and costs ordered have been paid.

25. MFDA Panel found that "the Respondent's testimony was at times contradictory, tangential and frequently self-serving. The Respondent was frequently unresponsive to questions and had difficulty responding directly to questions." (Decision at para 18). Similar behavior was exhibited by Dhillon at the OTBH and, based on my review of the transcripts, Dhillon exhibited similar behavior during Staff's interviews with him.

Decision on prior conduct/integrity issues

26. My decision is to also refuse Dhillon's application for registration on the basis that he lacks integrity (and the requisite proficiency as set out above). I also find that registering Dhillon would be otherwise objectionable.

27. In *Re Mithras Management Ltd.* (1990), 13 OSCB 1600, the Commission set out its views on past conduct as an indicator of future conduct, as follows:

> … the role of this Commission is to protect the public interest by removing from the capital markets … 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 … 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 (at 1610-11).

28. As set out above, Dhillon has been involved in misconduct at three firms – Firm A, Firm B and Firm C. During the OTBH (and as a result of my review of the transcript of the Staff interview with Dhillon), it was clear to me that Dhillon refuses to be accountable for his actions at any of the firms. Based on several unproven allegations by Dhillon against the three firms, it was also clear to me that Dhillon has little, if any, respect for the compliance oversight function at registered firms, nor does he believe he is in any way required to be subject to that oversight. He also clearly does not understand his obligations as a registrant. Lastly, it was clear to me that despite being found to have contravened several MFDA rules by an MFDA panel, Dhillon refuses to believe his conduct was in any way inappropriate or that it did not comply with MFDA rules.

29. I was also deeply troubled by Dhillon's misrepresentations to Staff and by his inappropriate and unproven comments at the OTBH regarding Staff hiding evidence and information from him.

30. My conclusion is that Dhillon's conduct at three registered firms has clearly demonstrated that he is not governable – either by a registered firm or by the Commission. He lacks any remorse for his conduct and refuses to acknowledge he has done anything wrong. Dhillon blames registered firms for failing to understand the way he conducts his practice. He also lacks respect for, and understanding of, the compliance function at registered firms. As a result, it is my decision that the application for registration of Dhillon as a mutual fund dealing representative of Shah be refused.

"Marrianne Bridge, FCPA, FCA"
Deputy Director, Compliance and Registrant Regulation Branch
Ontario Securities Commission

July 31, 2017

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Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke

THERE IS NOTHING TO REPORT THIS WEEK.

Failure to File Cease Trade Orders

Company Name	Date of Order	Date of Revocation

THERE IS NOTHING TO REPORT THIS WEEK.

4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order	Date of Lapse

THERE IS NOTHING TO REPORT THIS WEEK.

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
Performance Sports Group Ltd.	19 October 2016	31 October 2016	31 October 2016		

Company Name	Date of Order	Date of Lapse
Plaintree Systems Inc.	01 August 2017	
The Canadian Bioceutical Corporation	01 August 2017	

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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

INVESTMENT FUNDS

Issuer Name:
BMO S&P/TSX Equal Weight Banks Index ETF
BMO S&P/TSX Equal Weight Global Base Metals Hedged to CAD Index ETF
BMO S&P/TSX Equal Weight Global Gold Index ETF
BMO S&P/TSX Equal Weight Industrials Index ETF
BMO S&P/TSX Equal Weight Oil & Gas Index ETF
Principal Regulator - Ontario
Type and Date:
Amendment #1 to Final Long Form Prospectus dated August 9, 2017
Received on August 9, 2017
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
BMO Asset Management Inc.
Project #2569190

Issuer Name:
Distinction Balanced Class
Distinction Bold Class
Distinction Conservative Class
Distinction Growth Class
Distinction Prudent Class
Forstrong Global Strategist Balanced Fund
Forstrong Global Strategist Growth Fund
Forstrong Global Strategist Income Fund
IA Clarington Balanced Portfolio
IA Clarington Bond Fund
IA Clarington Canadian Balanced Class
IA Clarington Canadian Balanced Fund
IA Clarington Canadian Conservative Equity Class
IA Clarington Canadian Conservative Equity Fund
IA Clarington Canadian Dividend Fund
IA Clarington Canadian Growth Class
IA Clarington Canadian Leaders Class
IA Clarington Canadian Small Cap Class
IA Clarington Canadian Small Cap Fund
IA Clarington Conservative Portfolio
IA Clarington Core Plus Bond Fund
IA Clarington Dividend Growth Class
IA Clarington Floating Rate Income Fund
IA Clarington Focused Balanced Class
IA Clarington Focused Balanced Fund
IA Clarington Focused Canadian Equity Class
IA Clarington Focused U.S. Equity Class
IA Clarington Global Equity Fund
IA Clarington Global Growth & Income Fund
IA Clarington Global Opportunities Class
IA Clarington Global Opportunities Fund
IA Clarington Global Tactical Income Class
IA Clarington Global Tactical Income Fund
IA Clarington Global Value Fund
IA Clarington Growth & Income Fund
IA Clarington Growth Portfolio
IA Clarington Inhance Balanced SRI Portfolio
IA Clarington Inhance Bond SRI Fund
IA Clarington Inhance Canadian Equity SRI Class
IA Clarington Inhance Conservative SRI Portfolio
IA Clarington Inhance Global Equity SRI Class
IA Clarington Inhance Growth SRI Portfolio
IA Clarington Inhance Monthly Income SRI Fund
IA Clarington Maximum Growth Portfolio
IA Clarington Moderate Portfolio
IA Clarington Money Market Fund
IA Clarington Monthly Income Balanced Fund
IA Clarington North American Opportunities Class
IA Clarington Real Return Bond Fund
IA Clarington Sarbit Activist Opportunities Class
IA Clarington Sarbit U.S. Equity Class (Unhedged)
IA Clarington Sarbit U.S. Equity Fund
IA Clarington Short-Term Bond Fund

IA Clarington Short-Term Income Class
IA Clarington Strategic Corporate Bond Class
IA Clarington Strategic Corporate Bond Fund
IA Clarington Strategic Equity Income Class
IA Clarington Strategic Equity Income Fund
IA Clarington Strategic Income Class
IA Clarington Strategic Income Fund
IA Clarington Strategic U.S. Growth & Income Fund
IA Clarington Tactical Bond Class
IA Clarington Tactical Bond Fund
IA Clarington Tactical Income Class
IA Clarington Tactical Income Fund
IA Clarington U.S. Dividend Growth Fund
IA Clarington U.S. Dividend Growth Registered Fund
IA Clarington U.S. Dollar Floating Rate Income Fund
IA Clarington Yield Opportunities Fund
Principal Regulator - Quebec
Type and Date:
Amendment #1 to Final Simplified Prospectus dated August 8, 2017
Received on August 9, 2017
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
IA Clarington Investments Inc.
Project #2613900

Issuer Name:
Dividend 15 Split Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus (NI 44-101) dated August 9, 2017
NP 11-202 Preliminary Receipt dated August 9, 2017
Offering Price and Description:
Offering: $ * - * Preferred Shares and * Class A Shares
Price: $* per Preferred Share and Class A Share

Underwriter(s) or Distributor(s):
National Bank Financial Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
GMP Securities L.P.
Canaccord Genuity Corp.
Raymond James Ltd.
Desjardins Securities Inc.
Echelon Wealth Partners Inc.
Industrial Alliance Securities Inc.
Mackie Research Capital Corporation
Manulife Securities Incorporated
Promoter(s):
N/A
Project #2658032

Issuer Name:
Dividend 15 Split Corp.
Principal Regulator - Ontario
Type and Date:
Amended and Restate to Preliminary Short Form Prospectus dated August 10, 2017
NP 11-202 Preliminary Receipt dated August 11, 2017
Offering Price and Description:
Offering: $87,403,800 – 4,182,000 Preferred Shares and 4,182,000 Class A Shares
Prices: $10.00 per Preferred Share and $10.90 per Class A Share
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
GMP Securities L.P.
Canaccord Genuity Corp.
Raymond James Ltd.
Desjardins Securities Inc.
Echelon Wealth Partners Inc.
Industrial Alliance Securities Inc.
Mackie Research Capital Corporation
Manulife Securities Incorporated
Promoter(s):
N/A
Project #2658032

Issuer Name:
Dynamic Active Global Financial Services Fund
Dynamic Active Tactical Bond Fund
Dynamic Active U.S. Mid Cap Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated August 14, 2017
NP 11-202 Preliminary Receipt dated August 14, 2017
Offering Price and Description:
Series O Units
Underwriter(s) or Distributor(s):
1832 Asset Management L.P.
Promoter(s):
1832 ASSET MANAGEMENT L.P.
Project #2660456

Issuer Name:
IA Clarington Emerging Markets Bond Fund
IA Clarington Global Bond Fund
IA Clarington Global Yield Opportunities Fund
Principal Regulator - Quebec
Type and Date:
Preliminary Simplified Prospectus dated August 8, 2017
NP 11-202 Preliminary Receipt dated August 14, 2017
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
IA Clarington Investments Inc.
Project #2659960

Issuer Name:
Mackenzie All China Equity Fund
Mackenzie Canadian All Cap Balanced Class
Mackenzie Canadian All Cap Balanced Fund
Mackenzie Canadian All Cap Dividend Class
Mackenzie Canadian All Cap Dividend Fund
Mackenzie Canadian All Cap Value Class
Mackenzie Canadian All Cap Value Fund
Mackenzie Canadian Bond Fund
Mackenzie Canadian Growth Balanced Class
Mackenzie Canadian Growth Balanced Fund
Mackenzie Canadian Growth Class
Mackenzie Canadian Growth Fund
Mackenzie Canadian Large Cap Balanced Fund
Mackenzie Canadian Large Cap Dividend & Growth Fund
Mackenzie Canadian Large Cap Dividend Class
Mackenzie Canadian Large Cap Dividend Fund
Mackenzie Canadian Large Cap Growth Fund
Mackenzie Canadian Money Market Class
Mackenzie Canadian Money Market Fund
Mackenzie Canadian Resource Fund
Mackenzie Canadian Short Term Income Fund
Mackenzie Canadian Small Cap Value Class
Mackenzie Canadian Small Cap Value Fund
Mackenzie Corporate Bond Fund
Mackenzie Cundill Canadian Balanced Fund
Mackenzie Cundill Canadian Security Class
Mackenzie Cundill Canadian Security Fund
Mackenzie Cundill Recovery Class
Mackenzie Cundill Recovery Fund
Mackenzie Cundill US Class
Mackenzie Cundill Value Class
Mackenzie Cundill Value Fund
Mackenzie Diversified Alternatives Fund
Mackenzie Emerging Markets Class
Mackenzie Emerging Markets Opportunities Class
Mackenzie Floating Rate Income Fund
Mackenzie Global Concentrated Equity Fund
Mackenzie Global Credit Opportunities Fund
Mackenzie Global Dividend Fund
Mackenzie Global Growth Class
Mackenzie Global Low Volatility Fund
Mackenzie Global Resource Class
Mackenzie Global Small Cap Growth Class
Mackenzie Global Small Cap Growth Fund
Mackenzie Global SRI Balanced Fund
Mackenzie Global Strategic Income Fund
Mackenzie Global Tactical Bond Fund
Mackenzie Global Tactical Investment Grade Bond Fund
Mackenzie Global Women's Leadership Fund
Mackenzie Gold Bullion Class
Mackenzie Growth Fund
Mackenzie High Diversification Canadian Equity Class
Mackenzie High Diversification Emerging Markets Equity Fund
Mackenzie High Diversification European Equity Fund
Mackenzie High Diversification Global Equity Fund
Mackenzie High Diversification International Equity Fund
Mackenzie High Diversification US Equity Fund
Mackenzie Income Fund
Mackenzie International Growth Class
Mackenzie International Growth Fund
Mackenzie Investment Grade Floating Rate Fund

Mackenzie Ivy Canadian Balanced Class
Mackenzie Ivy Canadian Balanced Fund
Mackenzie Ivy Canadian Fund
Mackenzie Ivy European Class
Mackenzie Ivy Foreign Equity Class
Mackenzie Ivy Foreign Equity Currency Neutral Class
Mackenzie Ivy Foreign Equity Fund
Mackenzie Ivy Global Balanced Class
Mackenzie Ivy Global Balanced Fund
Mackenzie Ivy International Equity Fund
Mackenzie Monthly Income Balanced Portfolio
Mackenzie Monthly Income Conservative Portfolio
Mackenzie North American Corporate Bond Fund
Mackenzie Precious Metals Class
Mackenzie Private Canadian Focused Equity Pool
Mackenzie Private Canadian Focused Equity Pool Class
Mackenzie Private Canadian Money Market Pool
Mackenzie Private Global Conservative Income Balanced Pool
Mackenzie Private Global Equity Pool
Mackenzie Private Global Equity Pool Class
Mackenzie Private Global Fixed Income Pool
Mackenzie Private Global Income Balanced Pool
Mackenzie Private Income Balanced Pool
Mackenzie Private Income Balanced Pool Class
Mackenzie Private US Equity Pool
Mackenzie Private US Equity Pool Class
Mackenzie Strategic Bond Fund
Mackenzie Strategic Income Fund
Mackenzie Unconstrained Fixed Income Fund
Mackenzie US All Cap Growth Fund
Mackenzie US Dividend Fund
Mackenzie US Dividend Registered Fund
Mackenzie US Growth Class
Mackenzie US Large Cap Class
Mackenzie US Low Volatility Fund
Mackenzie US Mid Cap Growth Class
Mackenzie US Mid Cap Growth Currency Neutral Class
Mackenzie US Strategic Income Fund
Mackenzie USD Global Strategic Income Fund
Mackenzie USD Global Tactical Bond Fund
Mackenzie USD Ultra Short Duration Income Fund
Symmetry Balanced Portfolio
Symmetry Balanced Portfolio Class
Symmetry Conservative Income Portfolio
Symmetry Conservative Income Portfolio Class
Symmetry Conservative Portfolio
Symmetry Conservative Portfolio Class
Symmetry Equity Portfolio Class
Symmetry Fixed Income Portfolio
Symmetry Growth Portfolio
Symmetry Growth Portfolio Class
Symmetry Moderate Growth Portfolio
Symmetry Moderate Growth Portfolio Class
Principal Regulator - Ontario

Type and Date:
Combined Preliminary and Pro Forma Simplified Prospectus dated August 4, 2017
NP 11-202 Preliminary Receipt dated August 8, 2017

Offering Price and Description:
Series A, D, F, O, AR, FB, FB5, PW, PWF, PWFB, PWX, F6, F8, O6, T5, T8, PWF6, PWF8, PWT8, PWX8 and PWFB5 Securities

Underwriter(s) or Distributor(s):
N/A
Quadrus Investment Services Ltd.
LBC Financial Services Inc.

Promoter(s):
Mackenzie Financial Corporation

Project #2656987

Issuer Name:
Maple Leaf Short Duration 2017-II Flow-Through Limited Partnership - National Class
Principal Regulator - British Columbia

Type and Date:
Preliminary Long Form Prospectus dated August 9, 2017
NP 11-202 Preliminary Receipt dated August 10, 2017

Offering Price and Description:
Maximum Offering: $15,000,000 – 600,000 Maple Leaf Short Duration 2017-II Flow-Through Limited Partnership – National Class Units
Minimum Offering: $2,500,000 - 100,000 Maple Leaf Short Duration 2017-II Flow-Through Limited Partnership – National Class Units
Price per Unit: $25.00
Minimum Purchase: $5,000 (200 Units)

Underwriter(s) or Distributor(s):
Scotia Capital Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
BMO Nesbitt Burns Inc.
GMP Securities L.P.
Canaccord Genuity Corp.
Desjardins Securities Inc.
Industrial Alliance Securities Inc.
Manulife Securities Incorporated
Raymond James LTD.
Echelon Wealth Partners Inc.
Laurentian Bank Securities Inc.

Promoter(s):
Maple Leaf Short Duration Holdings LTD.
Maple Leaf Short Duration 2017-II Flow-Through Management Corp.

Project #2658561

Issuer Name:
Maple Leaf Short Duration 2017-II Flow-Through Limited Partnership - Quebec Class
Principal Regulator - British Columbia
Type and Date:
Preliminary Long Form Prospectus dated August 9, 2017
NP 11-202 Preliminary Receipt dated August 10, 2017
Offering Price and Description:
Maximum Offering: $10,000,000 – 400,000 Maple Leaf Short Duration 2017-II Flow-Through Limited Partnership – Quebec Class Units
Minimum Offering: $2,500,000 - 100,000 Maple Leaf Short Duration 2017-II Flow-Through Limited Partnership – Quebec Class Units
Price per Unit: $25.00
Minimum Purchase: $5,000 (200 Units)
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
BMO Nesbitt Burns Inc.
GMP Securities L.P.
Canaccord Genuity Corp.
Desjardins Securities Inc.
Industrial Alliance Securities Inc.
Manulife Securities Incorporated
Raymond James LTD.
Echelon Wealth Partners Inc.
Laurentian Bank Securities Inc.
Promoter(s):
Maple Leaf Short Duration Holdings LTD.
Maple Leaf Short Duration 2017-II Flow-Through Management Corp.
Project #2658559

Issuer Name:
Sprott 2017-II Flow-Through Limited Partnership
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated August 9, 2017
NP 11-202 Preliminary Receipt dated August 10, 2017
Offering Price and Description:
Maximum Offering: $30,000,000 - 1,200,000 Limited Partnership Units
Minimum Offering: $5,000,000 - 200,000 Units
Price per Units: $25
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
TD Securities Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
GMP Securities L.P.
Manulife Securities Incorporated
Raymond James LTD.
Canaccord Genuity Corp.
Caldwell Securities LTD.
Desjardins Securities Inc.
Echelon Wealth Partners Inc.
Industrial Alliance Securities Inc.
Promoter(s):
Sprott 2017-II Corporation
Project #2658552

Issuer Name:
Sprott Canadian Equity Fund
Sprott Diversified Bond Class
Sprott Diversified Bond Fund
Sprott Energy Fund
Sprott Enhanced Balanced Class
Sprott Enhanced Balanced Fund
Sprott Enhanced Equity Class
Sprott Enhanced U.S. Equity Class
Sprott Focused Global Balanced Class
Sprott Focused Global Dividend Class
Sprott Focused U.S. Balanced Class
Sprott Focused U.S. Dividend Class
Sprott Global Infrastructure Fund
Sprott Global Real Estate Fund (formerly Sprott Global REIT & Property Equity Fund)
Sprott Gold and Precious Minerals Fund
Sprott Real Asset Class
Sprott Resource Class
Sprott Short-Term Bond Class
Sprott Short-Term Bond Fund
Sprott Silver Equities Class
Sprott Small Cap Equity Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 to Final Simplified Prospectus dated August 9, 2017
Received on August 10, 2017
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #2595269

Issuer Name:
Sprott Gold Bullion Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 to Final Simplified Prospectus dated August 9, 2017
Received on August 10, 2017
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #2595246

Issuer Name:
Sprott Silver Bullion Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 to Final Simplified Prospectus dated August 9, 2017
Received on August 10, 2017
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
SPROTT ASSET MANAGEMENT LP,
Project #2595263

Issuer Name:
TD Emerald Balanced Fund
TD Emerald Canadian Bond Index Fund
TD Emerald Canadian Equity Index Fund
TD Emerald Canadian Short Term Investment Fund
TD Emerald Canadian Treasury Management - Government of Canada Fund
TD Emerald Canadian Treasury Management Fund
TD Emerald International Equity Index Fund
TD Emerald U.S. Market Index Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 to Final Simplified Prospectus dated August 10, 2017
Received on August 10, 2017
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
TD Asset Management Inc.
Project #2584656

Issuer Name:
BMO International Equity Fund
BMO Japan Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated August 10, 2017
NP 11-202 Receipt dated August 14, 2017
Offering Price and Description:
series A, F, I and Advisor Series securities
Underwriter(s) or Distributor(s):
BMO Investments Inc.
Promoter(s):
BMO Investments Inc.
Project #2646170

Issuer Name:
Clearpoint Global Dividend Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated August 8, 2017
NP 11-202 Receipt dated August 10, 2017
Offering Price and Description:
Series A, F and I units @ Net Asset Value
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #2645707

Issuer Name:
Evolve Automobile Innovation Index ETF
Evolve Cyber Security Index ETF
Evolve Global Healthcare Enhanced Yield ETF
Evolve North American Gender Diversity Index ETF
Evolve US Banks Enhanced Yield ETF
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated August 4, 2017
NP 11-202 Receipt dated August 9, 2017
Offering Price and Description:
Hedged Units, Unhedged Units and US Dollar Unhedged Units @ Net Asset Value
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
Evolve Funds Group Inc.
Project #2650791

Issuer Name:
First Trust Senior Loan ETF (CAD-Hedged)
First Trust Short Duration High Yield Bond ETF (CAD-Hedged)
Principal Regulator - Ontario
Type and Date:
Amendment #1 to Final Long Form Prospectus dated July 26, 2017
NP 11-202 Receipt dated August 9, 2017
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
FT Portfolios Canada Co.
Promoter(s):
FT PORTFOLIOS CANADA CO.,
Project #2600148

Issuer Name:
First Trust Global Risk Managed Income Index ETF
Principal Regulator - Ontario
Type and Date:
Amendment #1 to Final Long Form Prospectus dated July 26, 2017
NP 11-202 Receipt dated August 9, 2017
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
FT Portfolios Canada CO.
Project #2623461

Issuer Name:
Hamilton Capital Global Bank ETF
Hamilton Capital Global Financials Yield ETF (formerly Hamilton Capital Higher Yielding Financials ETF)
Hamilton Capital U.S. Mid-Cap Financials ETF (USD)
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated August 4, 2017
NP 11-202 Receipt dated August 8, 2017
Offering Price and Description:
Class E units @ Net Asset Value
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
Hamilton Capital Partner Inc.
Project #2645535

Issuer Name:
Heritage Plans (formerly Heritage Scholarship Trust Plans)
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated August 4, 2017
NP 11-202 Receipt dated August 8, 2017
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #2647534

Issuer Name:
Impression Plan
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated August 4, 2017
NP 11-202 Receipt dated August 8, 2017
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #2647540

Issuer Name:
Questrade Fixed Income Core Plus ETF
Questrade Global Total Equity ETF
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated August 8, 2017
NP 11-202 Receipt dated August 11, 2017
Offering Price and Description:
Units @ Net Asset Value
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
Questrade Wealth Management Inc.
Project #2648280

Issuer Name:
RBC Canadian Bond Index ETF
RBC Canadian Equity Index ETF
RBC Canadian Short Term Bond Index ETF
RBC Emerging Markets Equity Index ETF
RBC Global Government Bond (CAD Hedged) Index ETF
RBC International Equity Index ETF
RBC U.S. Equity Index ETF
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated August 9, 2017
NP 11-202 Receipt dated August 10, 2017
Offering Price and Description:
Units @ net asset value
Underwriter(s) or Distributor(s):
RBC Global Asset Management Inc.
Promoter(s):
RBC Global Asset Management Inc.
Project #2628151

NON-INVESTMENT FUNDS

Issuer Name:
Canadian Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Shelf Prospectus dated August 9, 2017
NP 11-202 Preliminary Receipt dated August 9, 2017
Offering Price and Description:
$1,000,000,000.00
Debt Securities
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2658098

Issuer Name:
Commerce Acquisition Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary CPC Prospectus dated August 9, 2017
NP 11-202 Preliminary Receipt dated August 9, 2017
Offering Price and Description:
Maximum of $1,000,000.00 - 5,000,000 Common Shares
Minimum of $500,000.00 - 2,500,000 Common Shares
Price: $0.20 per Common Share
Underwriter(s) or Distributor(s):
Echelon Wealth Partners Inc.
Promoter(s):
-
Project #2658108

Issuer Name:
Tova Ventures II Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary CPC Prospectus dated August 11, 2017
NP 11-202 Preliminary Receipt dated August 11, 2017
Offering Price and Description:
$350,000.00 or 3,500,000 Common Shares
Price: $0.10 per Common Share
Underwriter(s) or Distributor(s):
Richardson GMP Limited
Promoter(s):
Alan Friedman
Project #2659934

Issuer Name:
CannTrust Holdings Inc.
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated August 11, 2017
NP 11-202 Receipt dated August 11, 2017
Offering Price and Description:
12,584,100 Common Shares on exercise or deemed exercise of
12,584,100 Outstanding Special Warrants
Underwriter(s) or Distributor(s):
Bloom Burton Securities Inc.
Promoter(s):
-
Project #2636248

Issuer Name:
Legion Metals Corp.
Principal Regulator - British Columbia
Type and Date:
Final Long Form Prospectus dated August 9, 2017
NP 11-202 Receipt dated August 10, 2017
Offering Price and Description:
3,000,000 Common Shares for $300,000.00 (Minimum Offering)
5,000,000 Common Shares for $500,000.00 (Maximum Offering)
Price: $0.10 per Common Share
Underwriter(s) or Distributor(s):
Echelon Wealth Partners Inc.
Promoter(s):
Peter Smith
Project #2640724

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Jaycap Financial Ltd.	Exempt Market Dealer	August 10, 2017

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Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.2 Marketplaces

13.2.1 Aequitas NEO Exchange – Withdrawal of the AEF Functionality – Notice of Withdrawal

AEQUITAS NEO EXCHANGE

NOTICE OF WITHDRAWAL

In accordance with the *Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 (F1) and the Exhibits Thereto*, Aequitas NEO Exchange (Aequitas) filed, and the OSC approved, amendments related to the withdrawal of the Aequitas auto-execution facility (AEF functionality) from their Trading Policies (the amendments).

The AEF functionality was approved on January 20, 2017. Aequitas has decided not to implement the AEF functionality.

Aequitas' notice of withdrawal is published on our website at http://osc.gov.on.ca.

13.3 Clearing Agencies

13.3.1 CDS – Material Amendments to CDS Procedures Related to Canadian Dollar Cash Collateral Management – OSC Staff Notice of Request for Comment

OSC STAFF NOTICE OF REQUEST FOR COMMENT

CDS CLEARING AND DEPOSITORY SERVICES INC. (CDS®)

MATERIAL AMENDMENTS TO CDS PROCEDURES RELATED TO CANADIAN DOLLAR CASH COLLATERAL MANAGEMENT

The Ontario Securities Commission is publishing for 30 day public comment material amendments to the CDS Procedures relating to CDS's Canadian dollar cash collateral management. The purpose of the proposed procedure amendments is to

i) align CDS's cash management policies with the expected changes in the size volatility and variability associated with collateral calls as a result of upcoming amendments to the CNS Default Fund methodology; and

ii) enable CDS to comply with their banking arrangements with respect to certain withdrawal and deposit thresholds, notice periods and restrictions.

The comment period ends on September 16, 2017.

A copy of the CDS Notice is published on our website at http://www.osc.gov.on.ca.

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Authorization Order
Authorization Order – ss. 3.5(3) 7093

BBS Securities Inc.
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Bioamber Inc.
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Burback, Chad Delbert
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Canadian Alternative Resources Inc.
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Order – s. 127(1) 7080
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Halo Property Services Inc.
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