**The Ontario Securities Commission**

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

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# Notices / News Releases

## 1.2 Notice of Hearing

### 1.2.1 Techocan International Co. Ltd. and Haiyan (Helen) Gao Jordan – s. 144

**IN THE MATTER OF**
**TECHOCAN INTERNATIONAL CO. LTD. and**
**HAIYAN (HELEN) GAO JORDAN**

**NOTICE OF HEARING**
**(Section 144 of the Securities Act, RSO 1990, c S.5)**

**TAKE NOTICE** that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to section 144 of the *Securities Act*, RSO 1990, c S.5 (the "Act"), at the offices of the Commission at 20 Queen Street West, 17th Floor, in the City of Toronto, commencing on the 17th day of November, 2017 at 10:00 a.m. or as soon thereafter as the hearing can be held;

**AND TAKE NOTICE** that the purpose of the hearing is for the Commission to consider an application made by Techocan International Co. Ltd. and Haiyan (Helen) Gao Jordan pursuant to section 144 of the Act for an order varying the terms of the March 24, 2017 Order relating to the Settlement Agreement dated March 24, 2017 between Staff of the Commission and Techocan International Co. Ltd. and Haiyan (Helen) Gao Jordan;

**AND TAKE FURTHER NOTICE** that any party to the proceeding may be represented by counsel at the hearing;

**AND TAKE FURTHER NOTICE** that upon failure of any party to attend at the time and place aforesaid, the hearing may proceed in the absence of that party, and such party is not entitled to any further notice of the proceeding;

**AND TAKE FURTHER NOTICE** that the Notice of Hearing is also available in French on request, participation may be in either French or English and participants must notify the Secretary's Office in writing as soon as possible, and in any event, at least thirty (30) days before a hearing if the participant is requesting a proceeding to be conducted wholly or partly in French; and

**ET AVIS EST ÉGALEMENT DONNÉ PAR LA PRÉSENTE** que l'avis d'audience est disponible en français sur demande, que la participation à l'audience peut se faire en français ou en anglais et que les participants doivent aviser le Bureau du secrétaire par écrit le plus tôt possible et, dans tous les cas, au moins trente (30) jours avant l'audience si le participant demande qu'une instance soit tenue entièrement ou partiellement en français.

**DATED** at Toronto, this 20th day of September, 2017.

"Grace Knakowski"
Secretary to the Commission

### 1.2.2 Sital Singh Dhillon – s. 8

**IN THE MATTER OF**
**SITAL SINGH DHILLON**

**NOTICE OF HEARING**
**(Section 8 of the Securities Act, RSO 1990, c S.5)**

**TAKE NOTICE** that the Ontario Securities Commission (the "**Commission**") will hold a hearing pursuant to section 8 of the Ontario *Securities Act*, RSO 1990, c S.5 (the "**Act**"), at the offices of the Commission located at 20 Queen Street West, Toronto, 17th Floor on **September 29, 2017** at 10:00 a.m., or so soon thereafter as the hearing can be held;

**AND TAKE NOTICE** that the purpose of the hearing is to consider a request made by Sital Singh Dhillon for a Hearing and Review of a decision of a Director dated July 31, 2017;

**AND TAKE FURTHER NOTICE** that any party to the proceeding may be represented by counsel at the hearing;

**AND TAKE FURTHER NOTICE** that upon the failure of any party to attend at the time and place set out in this Notice of Hearing, the hearing may proceed in the absence of that party, and such party is not entitled to any further notice of the proceeding;

**AND TAKE FURTHER NOTICE** that the Notice of Hearing is also available in French on request of a party, participation may be in either French or English and participants must notify the Secretary's Office in writing as soon as possible, and in any event, at least thirty (30) days before a hearing if the participant is requesting a proceeding to be conducted wholly or partly in French;

**ET AVIS EST ÉGALEMENT DONNÉ PAR LA PRÉSENTE** que l'avis d'audience est disponible en français sur demande d'une partie, que la participation à l'audience peut se faire en français ou en anglais et que les participants doivent aviser le Bureau du secrétaire par écrit le plus tôt possible et, dans tous les cas, au moins trente (30) jours avant l'audience si le participant demande qu'une instance soit tenue entièrement ou partiellement en français.

**DATED** at Toronto, this 22nd day of September, 2017.

"Robert Blair"
For: Grace Knakowski
Secretary to the Commission

### 1.3 Notices of Hearing with Related Statements of Allegations

#### 1.3.1 Donna Hutchinson et al. – ss. 127(1), 127.1

**IN THE MATTER OF**
**DONNA HUTCHINSON,**
**CAMERON EDWARD CORNISH,**
**DAVID PAUL GEORGE SIDDERS and**
**PATRICK JELF CARUSO**

**NOTICE OF HEARING**
**(Subsection 127(1) and Section 127.1)**

**TAKE NOTICE** that the Ontario Securities Commission (the "**Commission**") will hold a hearing pursuant to section 127 and section 127.1 of the Ontario *Securities Act*, RSO 1990, c S.5 (the "**Act**"), at the offices of the Commission located at 20 Queen Street West, Toronto, 17th Floor on October 24, 2017 at 10:00 a.m. or so soon thereafter as the hearing can be held;

**AND TAKE NOTICE** that the purpose of the hearing is to consider whether, in the Commission's opinion, it is in the public interest for the Commission to make the following orders:

(a) trading in any securities by Donna Hutchinson, Cameron Edward Cornish, David Paul George Sidders and Patrick Jelf Caruso (collectively, the "**Respondents**") cease permanently or for such period as is specified by the Commission, pursuant to paragraph 2 of subsection 127(1) of the Act;

(b) the acquisition of any securities by the Respondents is prohibited permanently or for such period as is specified by the Commission, pursuant to paragraph 2.1 of subsection 127(1) of the Act;

(c) any exemptions contained in Ontario securities law do not apply to the Respondents permanently or for such other period as is specified by the Commission, pursuant to paragraph 3 of subsection 127(1) of the Act;

(d) each Respondent disgorge to the Commission any amounts obtained as a result of non-compliance by that Respondent with Ontario securities law, pursuant to paragraph 10 of subsection (1) of the Act;

(e) the Respondents be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act;

(f) the Respondents resign one or more positions that they hold as a director or officer of any issuer, registrant, and investment fund manager, pursuant to paragraphs 7, 8.1, and 8.3 of subsection 127(1) of the Act;

(g) the Respondents be prohibited from becoming or acting as a director or officer of any issuer, registrant, and investment fund manager, pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act;

(h) the Respondents be prohibited from becoming or acting as a registrant, as an investment fund manager, and as a promoter, pursuant to paragraph 8.5 of subsection 127(1) of the Act;

(i) the Respondents each pay an administrative penalty of not more than $1 million for each failure by that Respondent to comply with Ontario securities law, pursuant to paragraph 9 of subsection 127(1) of the Act;

(j) the Respondents be ordered to pay the costs of the Commission investigation and the hearing, pursuant to section 127.1 of the Act; and

(k) such other order as the Commission considers appropriate in the public interest;

**BY REASON OF** the allegations set out in the Statement of Allegations of Staff of the Commission dated September 21, 2017 and such additional allegations as counsel may advise and the Commission may permit;

**AND TAKE FURTHER NOTICE** that any party to the proceeding may be represented by counsel at the hearing;

**AND TAKE FURTHER NOTICE** that upon the failure of any party to attend at the time and place set out in this Notice of Hearing, the hearing may proceed in the absence of that party, and such party is not entitled to any further notice of the proceeding;

**AND TAKE FURTHER NOTICE** that the Notice of Hearing is also available in French on request of a party, participation may be in either French or English and participants must notify the Secretary's Office in writing as soon as possible,

and in any event, at least thirty (30) days before a hearing if the participant is requesting a proceeding to be conducted wholly or partly in French;

**ET AVIS EST ÉGALEMENT DONNÉ PAR LA PRÉSENTE** que l'avis d'audience est disponible en français sur demande d'une partie, que la participation à l'audience peut se faire en français ou en anglais et que les participants doivent aviser le Bureau du secrétaire par écrit le plus tôt possible et, dans tous les cas, au moins trente (30) jours avant l'audience si le participant demande qu'une instance soit tenue entièrement ou partiellement en français.

**DATED** at Toronto, this 21st day of September, 2017.

"Grace Knakowski"
Secretary to the Commission

**IN THE MATTER OF**
**DONNA HUTCHINSON,**
**CAMERON EDWARD CORNISH,**
**DAVID PAUL GEORGE SIDDERS and**
**PATRICK JELF CARUSO**

**STATEMENT OF ALLEGATIONS OF**
**STAFF OF THE ONTARIO SECURITIES COMMISSION**

Staff of the Ontario Securities Commission ("Staff") make the following allegations:

## I. OVERVIEW

1. This is a case of illegal insider tipping and illegal insider trading. Illegal insider tipping and illegal insider trading are harmful to honest investors and erode confidence in the capital markets.

### Donna Hutchinson and Cameron Edward Cornish

2. The Respondent, Donna Hutchinson ("**Hutchinson**"), engaged in illegal insider tipping over the course of a four and one-half year period from October 1, 2011 to April 30, 2016 (the "**Material Time**").

3. Cameron Edward Cornish ("**Cornish**") engaged in illegal insider tipping and illegal insider trading during the Material Time.

4. During the Material Time, Hutchinson was a legal assistant at a law firm in Toronto (the "**Law Firm**"). As a result of her employment, Hutchinson acquired knowledge of material, non-public information of pending corporate transactions (the "**Transactions**") which she communicated to Cornish, in breach of subsection 76(2) of the *Securities Act*, RSO 1990, c S.5, (the "**Act**").

5. With knowledge of the material, non-public information provided to him by Hutchinson, Cornish traded in securities of issuers which were involved in the Transactions. Cornish thereby traded in securities of reporting issuers with knowledge of a material fact with respect to the reporting issuers that had not been generally disclosed, in breach of subsection 76(1) of the Act.

6. Cornish informed David Paul George Sidders ("**Sidders**") and Patrick Jelf Caruso ("**Caruso**"), not in the necessary course of business, of the existence of these Transactions before these material facts were generally disclosed, in breach of subsection 76(2) of the Act.

### Sidders

7. During the Material Time, with knowledge of the Transactions provided to him by Cornish, Sidders traded in securities of reporting issuers with knowledge of a material fact with respect to the reporting issuers that had not been generally disclosed, in breach of subsection 76(1) of the Act.

### Caruso

8. During the Material Time, with knowledge of the Transactions provided to him by Cornish, Caruso traded in securities of reporting issuers with knowledge of a material fact with respect to the reporting issuers that had not been generally disclosed, in breach of subsection 76(1) of the Act, and traded in securities of an issuer with knowledge of a material fact with respect to the issuer that had not been generally disclosed, contrary to the public interest.

## II. THE RESPONDENTS

9. Hutchinson is a Canadian citizen and resides in Toronto. During the Material Time, she was employed as a legal assistant in the Law Firm. During the course of her employment, she provided assistance with merger and acquisition ("**M&A**") transactions.

10. Cornish is a Canadian citizen and resides in Toronto. During the Material Time, Cornish was employed as an institutional trader at a Toronto brokerage firm (the "**Toronto Brokerage**"), and was registered with the Ontario Securities Commission (the "**Commission**"). Cornish maintained an institutional trading account at the Toronto Brokerage, where, through a profit-sharing agreement, he could realize trading profits from self-initiated trades.

11. Hutchinson has known Cornish for approximately 17 years. At the beginning of their relationship, they had resided together for approximately two years. During the Material Time, Hutchinson and Cornish were in regular and frequent contact.

12. Sidders is a United Kingdom resident who is currently domiciled in Bermuda. Cornish has known Sidders for approximately 17 years. During the Material Time, he was a close friend of Cornish. Sidders held at least two trading accounts at a Panama-based brokerage house (the "**Panamanian Brokerage**"). One of Sidders' trading accounts was registered in his name, and the other was in his Panama-incorporated company ("**Sidders' Company**").

13. Caruso is a Canadian citizen, and resided in Toronto during the Material Time. Caruso met Cornish in the mid-1980s, and was a close friend of Cornish during the Material Time. Caruso holds trading accounts in his own name at Canadian brokerages; had trading accounts under corporate entities he has created, including Riverview Capital Inc. ("**Riverview Capital**"); and has a trading account in the name of Q Capital Investments Ltd. ("**Q Capital**"), a British Virgin Islands-incorporated entity that Caruso incorporated on May 8, 2012. Q Capital's trading accounts were held at an investment firm in Bermuda (the "**Bermudian Investment Firm**").

## III. TIPPING AND INSIDER TRADING

**Hutchinson tipped Cornish**

14. During the Material Time, Hutchinson informed Cornish of the Transactions, as further detailed in paragraph 19.

**Cornish engaged in insider trading**

15. Cornish traded securities of reporting issuers involved in a certain number of the Transactions before they were generally disclosed.

**Cornish tipped Sidders and Caruso**

16. Cornish informed Sidders and informed Caruso of a certain number of the Transactions.

**Sidders engaged in insider trading**

17. With the knowledge of the Transactions provided to him by Cornish, Sidders traded in reporting issuers involved in the Transactions through his personal account and through Sidders' Company account at the Panamanian Brokerage before the Transactions were generally disclosed.

**Caruso engaged in insider trading**

18. With the knowledge of the Transactions provided to him by Cornish, Caruso traded securities of reporting issuers and an issuer involved in the Transactions through his personal account and through the Q Capital account before the Transactions were generally disclosed.

**The tipping and trading in reporting issuers and an issuer**

19. The Respondents engaged in insider tipping and insider trading in relation to the securities of companies which were reporting issuers during the Material Time with the exception of Allergan Inc. ("**Allergan**"). Allergan was not a reporting issuer in Ontario during the Material Time; its shares were listed on New York Stock Exchange. The specific insider tipping and insider trading engaged in by Hutchinson, Cornish, Sidders and Caruso (collectively, the "**Respondents**") occurred in relation to the Transactions as follows:

**Quadra FNX Mining Ltd.**

(a) On December 6, 2011, KGHM Polska Miedz SA ("**KGHM**") publicly announced that it had agreed to acquire all the outstanding shares of Quadra FNX Mining Ltd. ("**Quadra**") for $15.00 per share. Prior to the announcement, the transaction was confidential and had not been generally disclosed.

(b) The Law Firm was retained by KGHM on the takeover of Quadra, and on October 14, 2011, the Law Firm opened a file. On October 19, 2011, Hutchinson became aware of this transaction and read and edited the transaction's Arrangement Agreement, and assisted with other project documents after this date.

(c) Between November 2, 2011 and December 5, 2011, there was frequent telephone contact between Hutchinson and Cornish. Also, between November 1, 2011 and December 3, 2011, there was frequent

telephone contact between Cornish and Sidders, and between November 1, 2011 and December 6, 2011, there was frequent communication between Cornish and Caruso.

(d) Between November 2, 2011 and December 5, 2011, Cornish accumulated Quadra securities through his institutional account at the Toronto Brokerage and earned a profit of approximately $116,549.

(e) Between November 8, 2011 and December 2, 2011, Sidders purchased shares of Quadra in his personal account at the Panamanian Brokerage.

(f) On December 6, 2011, after the Quadra takeover announcement was made, Sidders sold his shares and realized a profit of approximately $220,000.

(g) Between November 24, 2011 and December 2, 2011, Caruso purchased and sold shares of Quadra through his Canadian brokerage account. Prior to the takeover announcement, he maintained a position of 3,800 shares.

(h) On December 6, 2011, after the Quadra takeover announcement, Caruso liquidated his position, yielding an approximate $23,600 profit.

**X Company**

(a) On February 18, 2013, Y Company ("**Y Co.**") sent a non-public confidential expression of interest letter to X Company ("**X Co.**") to acquire X Co. for a combination of cash and Y Co. stock, which valued X Co. at approximately $53.50U.S. per share. The disclosure of this letter was not made public. On March 15, 2013, the board of directors of X Co. advised Y Co. that their offer was not sufficient to warrant further consideration.

(b) The Law Firm was retained by Y Co., and had opened a file respecting this transaction on September 12, 2012. On January 11, 2013, Hutchinson was provided restricted electronic access to this M&A transaction project file. Between January 17, 2013 and March 14, 2013, there was frequent telephone contact between Hutchinson and Cornish. Between January 17, 2013 and March 15, 2013, there was frequent telephone communication between Cornish and Sidders and between Cornish and Caruso.

(c) Between February 20, 2013 and February 22, 2013, Sidders bought 7,000 shares of X Co. in Sidders' Company account held at the Panamanian Brokerage.

(d) On February 21, 2013, Caruso, through his Q Capital account, bought 15,000 shares of X Co. Q Capital also purchased put options on the acquiring firm, Y Co., and call options on X Co.

**Rainy River Resources Ltd.**

(a) On May 31, 2013, Rainy River Resources Ltd. ("**Rainy River**") and New Gold Inc. ("**New Gold**") publicly announced that they had entered into a definitive acquisition agreement by which New Gold would acquire all the outstanding common shares of Rainy River for 0.5 of a common share of New Gold or $3.83 in cash at the election of each shareholder. Prior to the announcement, the transaction was confidential and had not been generally disclosed.

(b) The Law Firm was retained by Rainy River on May 14, 2013 to act on its acquisition by New Gold.

(c) On May 23, 2013, Hutchinson accessed an index of transaction documents respecting the Rainy River transaction without editing them.

(d) Between May 22, 2013 and May 29, 2013, Cornish was in telephone contact with Hutchinson.

(e) Between May 24, 2013 and May 31, 2013, Cornish and Sidders were in telephone contact.

(f) Cornish, through his institutional trading account, bought and sold shares of Rainy River on May 30, 2013, the day prior to the takeover announcement.

**Osisko Mining Corp.**

(a) On April 16, 2014, Yamana Gold Inc. ("**Yamana**") and Agnico Eagle Mines Ltd. ("**Agnico**") announced that they have entered into an agreement pursuant to which Yamana and Agnico would jointly acquire Osisko

Mining Corp. ("**Osisko**") for an approximate value of $8.15 per Osisko share. Prior to the announcement, the transaction was confidential and was not generally disclosed.

(b) The Law Firm was retained by Agnico on January 16, 2014 as its legal counsel in connection with a possible acquisition of Osisko.

(c) On April 14, 2014, Hutchinson became aware of this transaction. On this day, Hutchinson called Cornish twice, and Caruso called Cornish once. On April 15, 2014, there were 9 text messages exchanged between Cornish and Caruso between 9:34 a.m. and 10:57 a.m.; and one phone call at 11:27 a.m. from Caruso to Cornish. Hutchinson also called Cornish twice on this day.

(d) Between April 14, 2014 and April 15, 2014, Caruso accumulated 70,000 Osisko shares in total between his Q Capital and personal Canadian brokerage accounts. On the announcement date, Caruso sold his shares for a profit of $27,200.

**Allergan Inc.**

(a) On April 22, 2014, Valeant Pharmaceuticals International, Inc. ("**Valeant**") proposed to acquire Allergan from Pershing Square Capital Management, L.P. ("**Pershing**") and other investors, where each Allergan share would be exchanged for $48.30US in cash and 0.83 of a Valeant share. Prior to the announcement, the transaction was confidential and was not generally disclosed.

(b) The Law Firm was retained by Pershing on February 14, 2014.

(c) On April 21, 2014, the day prior to the Allergan takeover announcement, Hutchinson called Cornish twice, once at 8:47 a.m. and again at 9:31 a.m. Between 10:10 a.m. and 10:57 a.m., Caruso called Cornish three times. At 10:58 a.m., Caruso called the Bermudian Investment Firm. On this day, Caruso purchased 5,800 shares of Allergan in his offshore Q Capital account for approximately $798,800U.S., and through his Canadian brokerage accounts, 2,700 shares of Allergan for approximately $375,000U.S. On Allergan's takeover announcement date, Caruso sold the shares and made a profit of approximately $205,000U.S.

**Aurora Oil & Gas Ltd.**

(a) On February 6, 2014, Baytex Energy Corp. publicly announced their arrangement agreement to acquire Aurora Oil & Gas Ltd. ("**Aurora**") for approximately $4.10 Australian dollars per Aurora share. Prior to the announcement, the transaction was confidential and had not been generally disclosed.

(b) The Law Firm was retained on November 18, 2013 by Aurora. On this date, Hutchinson accessed the "Matter Data Form" for this project.

(c) On January 22, 2014, there was frequent contact between Cornish and Hutchinson and between Cornish and Caruso.

(d) Between January 22, 2014 and January 27, 2014, Sidders purchased 10,000 Aurora shares through Sidders' Company account held at the Panamanian Brokerage for $27,700. On February 7, 2014, after the public announcement of the transaction, he liquidated his Aurora position, yielding a $12,700 profit.

(e) On January 27, 2014, Caruso purchased 10,000 shares of Aurora for $26,800. On February 7, 2014, Caruso liquidated his position and made an approximate profit of $13,800.

**Tim Hortons Inc.**

(a) On August 26, 2014, Burger King Worldwide, Inc. ("**Burger King**") announced that they agreed to acquire Tim Hortons Inc. ("**Tim Hortons**") for approximately $89.32 per share, through a combination of cash, and stock of the newly formed, corporate entity (the value was based on Burger King's August 22, 2014 closing price). Prior to the announcement, the transaction was confidential and had not been generally disclosed.

(b) On February 24, 2014, the Law Firm was retained by Burger King.

(c) On February 24, 2014 and February 25, 2014, Cornish communicated with Hutchinson by phone three times and one time, respectively.

(d) On February 24, 2014, around 8p.m., Cornish initiated communications with both Sidders and Caruso; Cornish and Caruso communicated through 6 text messages, and Cornish placed a 5 second call to Sidders.

(e) On February 25, 2014, the day after the Law Firm was retained, Caruso places 5 calls to his Bermudian Investment Firm, starting at 9:48a.m., and purchased 380 call option contracts with a $45U.S. strike price and an October 18, 2014 expiration date in his Q Capital account for approximately $320,000U.S.

(f) Between February 25, 2014 and September 11, 2014, Caruso, through his net accumulation of call option contracts and share purchases in Tim Hortons, made approximately $1.29M U.S. in the Q Capital account, and $128,000 in his Canadian brokerage accounts.

(g) Through his institutional trading account at the Toronto Brokerage, Cornish made a net accumulation of 3,500 Tim Hortons shares prior to the takeover announcement. After the public announcement, Cornish sold those shares for an approximate $128,012 trading profit in his institutional trading account.

**Xtreme Drilling and Coil Services Corp.**

(a) On April 27, 2016, Schlumberger Limited ("**Schlumberger**") publicly announced their definitive agreement to acquire XSR Coiled Tubing Services Segment from Xtreme Drilling and Coil Services Corp. ("**Xtreme**") for approximately $205M.

(b) The Law Firm was retained by Schlumberger on May 6, 2015. On September 4, 2015, Hutchinson became aware of the transaction.

(c) Between October 5, 2015 and April 26, 2016, Caruso, through his Q Capital account, his Riverview Capital brokerage account, and personal brokerage accounts accumulated over 140,000 Xtreme shares. Caruso sold these shares after the announcement and realized an approximate profit of over $30,000.

## IV. EVIDENCE OF SIMILAR TRADING

### A. Evidence of Similar Trading During the Material Time

#### (a) Similar Trading at the Panamanian Brokerage

20. During the Material Time, similar, timely trading related to the Transactions occurred in accounts at the Panamanian Brokerage (other than Sidders' accounts). In particular:

**Quadra**

(a) Between November 15, 2011 and December 5, 2011, accounts at the Panamanian Brokerage accumulated Quadra shares and option contracts prior to the December 6, 2011 takeover announcement.

(b) Between December 6, 2011 and January 18, 2012, the accounts at the Panamanian Brokerage liquidated their positions, and realized a $510,000 profit.

**X Co.**

(a) Between January 17, 2013 and February 23, 2013, accounts at the Panamanian Brokerage accumulated a net position of 62,000 shares of X Co., which was proximate to X Co. receiving Y Co.'s February 18, 2013 non-public expression of interest.

**Rainy River**

(a) Between May 24, 2013 and May 31, 2013, accounts at the Panamanian Brokerage purchased 626,800 shares of Rainy River for approximately $1,570,000. On May 31, 2013, after the public announcement of this takeover transaction, the accounts at the Panamanian Brokerage sold their Rainy River shares, and made a profit of approximately $705,000.

**Allergan**

(a) On April 21, 2014, accounts at the Panamanian Brokerage made a net 1,000 share purchase of Allergan, one day prior to the April 22, 2014 takeover announcement.

**Aurora**

(a) Between January 22, 2014 and February 5, 2014, accounts at the Panamanian Brokerage traded 151,800 shares of Aurora, and made approximately $191,000 after the February 6, 2014 takeover announcement.

**Tim Hortons**

(a) Accounts at the Panamanian Brokerage started accumulating shares in Tim Hortons. On February 25, 2014, $1.9M was accumulated in Tim Hortons stock, and on February 26, 2014, $4.9M worth of Tim Hortons stock was purchased.

**(b) Connection between Cornish, Sidders and the Panamanian Brokerage Accounts**

21. Cornish and Sidders know certain officers and employees of the Panamanian Brokerage. Cornish and Sidders were in contact with these officers and employees during the Material Time. These officers and employees of the Panamanian Brokerage own corporate entities which held trading accounts at the Panamanian Brokerage. The trading described in paragraph 20 included trading by the corporate entities owned by these officers and employees of the Panamanian Brokerage.

**(c) Similar Trading by Person W**

22. During the Material Time, Person W, a Canadian who is related to an officer at the Panamanian Brokerage, engaged in similar, timely trading in his account and the accounts of his relatives (the "**W Accounts**") with respect to the Transactions. In particular:

**Quadra**

(a) Between November 30, 2011 and December 5, 2011, Person W bought 14,500 shares of Quadra in the W Accounts prior to the December 6, 2011 takeover announcement.

(b) Between December 6, 2011 and December 15, 2011, Person W liquidated the Quadra share positions in the W Accounts, yielding an approximate $63,000 profit.

**X Co.**

(a) Between February 20, 2013 and February 26, 2013, Person W bought 450 short-term, out of the money May 2013 call option contracts, and also 2,000 shares in X Co. for the W Accounts proximate to when X Co. received their non-public expression of interest on February 18, 2013.

**Rainy River**

(a) Between May 29, 2013 and May 30, 2013, Person W bought 43,100 shares in the W Accounts for approximately $112,000. On May 31, 2013, after the public announcement of this takeover transaction, the shares were liquidated for an approximate $44,700 profit.

**Tim Hortons**

(a) Person W started purchasing and selling shares of Tim Hortons starting from May 29, 2014. Prior to the August 26, 2014 takeover announcement, the W Accounts held a net position of 3,405 shares. On August 26, 2014, the shares in the W Accounts were liquidated, yielding an overall profit of approximately $101,000.

**(d) Cornish and the Panamanian Brokerage**

23. The officer at the Panamanian Brokerage, who is related to Person W, also communicated with Cornish, including on May 24, 2013, just prior to the Rainy River public takeover announcement.

**B. Evidence of Similar Trading before the Material Time**

**(a) Evidence of Similar Trading by Certain Respondents, Person W and the Panamanian Brokerage before the Material Time**

24. Prior to the Material Time, the Law Firm was also retained to act in two additional M&A transactions, where similar timely trading occurred:

**TMX Group**

(a) On May 14, 2011, the Maple Group Acquisition Corp. ("**Maple Group**") made a public offer to acquire the TMX Group Inc. ("**TMX**") for an approximate value of $48 per share, paid in cash and equity. This competing offer was subsequent to the London Stock Exchange Group plc's February 9, 2011 public announcement to merge with the TMX.

(b) On March 4, 2011, the Law Firm was retained by Maple Group, and Hutchinson became aware of this potential transaction.

(c) On April 28, 2011, Hutchinson called Cornish 7 times, and Caruso and Cornish communicated by phone on 7 separate occasions.

(d) Between April 29, 2011 and May 5, 2011, Person W purchased 3,500 shares of TMX in the W Accounts for over $140,000.

(e) Between May 20, 2011 and June 7, 2011, Person W liquidated their TMX shares in the W Accounts, yielding a profit of over $13,000.

(f) Between April 28, 2011 and May 13, 2011, the Panamanian Brokerage accumulated a net 272,450 shares of TMX for approximately $10.9M.

(g) Between May 15, 2011 and June 23, 2011, the Panamanian Brokerage accounts liquidated their TMX share positions, yielding an approximate profit of $1.04M.

(h) Between May 6, 2011 and May 13, 2011, Cornish, through his institutional trading account, accumulated a net 7,000 shares in TMX for approximately $283,000. Between May 17, 2011 and June 23, 2011, Cornish liquidated his TMX position and realized a profit of approximately $25,000.

(i) Between April 29, 2011 and May 13, 2011, Caruso accumulated a net 29,700 shares of TMX for approximately $1.187M and 245 call option contracts for TMX for approximately $43,500.

(j) Between May 13, 2011 and February 9, 2012, Caruso liquidated his position for an approximate profit of $220,000.

**Fronteer Gold Inc.**

(a) On February 3, 2011, Newmont Mining Corp. made an announcement that they entered into an agreement to acquire Fronteer Gold Inc. ("**Fronteer**") for $14 per share.

(b) The Law Firm was retained by Fronteer and opened a file on this potential M&A transaction on January 14, 2011.

(c) Between January 25, 2011 and February 2, 2011, Cornish had frequent phone communication with Hutchinson and Sidders; and between January 25, 2011 and February 2, 2011, Cornish and Caruso communicated 9 times.

(d) On January 28, 2011, an officer at the Panamanian Brokerage, who is not related to Person W, placed a 31 minute phone call to Person W's home phone number.

(e) On February 1, 2011, the officer of the Panamanian Brokerage firm, who is related to Person W, had a 27 minute phone call with Sidders.

(f) Between January 31, 2011 and February 2, 2011, Person W purchased 7,875 shares of Fronteer in the W Accounts for approximately $93,500. Between February 3, 2011, and February 14, 2011, Person W liquidated their positions of Fronteer, yielding a profit of over $19,000.

(g) Between January 26, 2011 and February 2, 2011, Caruso accumulated a net 22,100 shares of Fronteer for approximately $204,000. On February 3, 2011, he liquidated his position, yielding a profit of approximately $113,400.

(h) Between January 25, 2011 and February 2, 2011, the Panamanian Brokerage accounts accumulated a net 280,400 shares of Fronteer for approximately $2.68M. The estimated profit realized was over $1.3M.

(i) On January 25, 2011, an officer of the Panamanian Brokerage who held a personal trading account at a U.S. brokerage purchased 5,000 shares of Fronteer for $43,300. On February 3, 2011, the day of the takeover announcement, the officer liquidated their position in Fronteer, yielding a profit of over $26,000.

## V. MONEY TRANSFERS TO CORNISH

25. Between August 2011 and August 2013, Cornish held a bank account in the name of a defunct company, 1206148 Ontario Limited ("**1206148**"), and received 40 electronic fund transfers from the Panamanian Brokerage totalling approximately $220,000, in amounts that all fell below FINTRAC's $10,000 reporting requirement.

26. Between July 2011 and October 2011, Cornish received approximately $123,000 from the Panamanian Brokerage to cover his personal trading losses realized at the Toronto Brokerage.

**Other Cornish fund transfers**

27. Between May 2014 and July 2014, Caruso's company, Riverview Capital, issued two cheques to Cornish's numbered company, 1206148, for a total amount of $15,000.

28. Between February 23, 2011 and July 28, 2011, Cornish's former roommate, Person K, received 10 wire transfers totalling $86,500 from the Panamanian Brokerage. Between April 21, 2011 and July 29, 2011, Cornish and 1206148 were 3 issued cheques by Person K, for a total amount of $17,200.

## VI. PERSONS IN A SPECIAL RELATIONSHIP

29. As an employee of the Law Firm, Hutchinson became a person in a special relationship with the reporting issuers involved in the Transactions pursuant to subsection 76(5)(c)(iv) of the Act.

30. By virtue of subsection 76(5)(e) of the Act, Cornish became a person in a special relationship with each of the issuers involved in the Transactions as he knew or ought reasonably to have known that Hutchinson was a person in a special relationship with the reporting issuers involved in the Transactions.

31. By virtue of subsection 76(5)(e) of the Act, Sidders and Caruso each became a person in a special relationship with each of the reporting issuers in the Transactions as Sidders and Caruso knew or ought reasonably to have known that Cornish was a person in a special relationship with the reporting issuers.

## VII. CONDUCT CONTRARY TO ONTARIO SECURITIES LAW AND THE PUBLIC INTEREST

32. By informing other persons of a material fact with respect to one or more of the reporting issuers, prior to that information being generally disclosed, Hutchinson and Cornish engaged in illegal insider tipping, in breach of subsection 76(2) of the Act, and thereby engaged in conduct contrary to the public interest.

33. By trading securities of one or more of the reporting issuers with knowledge of a material fact obtained from persons who Cornish, Sidders and Caruso knew or ought reasonably to have known were in a special relationship with the reporting issuer, that had not been generally disclosed, Cornish, Sidders, and Caruso engaged in illegal insider trading, in breach of subsection 76(1) of the Act, and thereby engaged in conduct contrary to the public interest.

34. By trading in securities of the issuer, Allergan, a U.S. issuer, with knowledge of a material fact obtained from a person Caruso knew or ought reasonably to have known was in a special relationship with the issuer that had not been generally disclosed, Caruso engaged in conduct contrary to the public interest.

35. Such additional allegations as Staff may advise and the Commission may permit.

Dated at Toronto this 21st day of September, 2017.

## 1.5 Notices from the Office of the Secretary

### 1.5.1 Techocan International Co. Ltd. and Haiyan (Helen) Gao Jordan

**FOR IMMEDIATE RELEASE**
**September 21, 2017**

**IN THE MATTER OF**
**TECHOCAN INTERNATIONAL CO. LTD. and**
**HAIYAN (HELEN) GAO JORDAN**

**TORONTO** – The Office of the Secretary issued a Notice of Hearing on September 20, 2017 to consider an application made by Techocan International Co. Ltd. and Haiyan (Helen) Gao Jordan pursuant to section 144 of the Act to be heard on November 17, 2017 at 10:00 a.m. or as soon thereafter as the hearing can be held in the above named matter. The hearing will be held at the offices of the Commission at 20 Queen Street West, 17th Floor, Toronto.

A copy of the Notice of Hearing dated September 20, 2017 and the Application dated August 14, 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 Quadrexx Hedge Capital Management Ltd. et al.

**FOR IMMEDIATE RELEASE**
**September 22, 2017**

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

**TORONTO** – The Commission issued an Order in the above named matter.

A copy of the Order dated September 22, 2017 is 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)

### 1.5.3 Donna Hutchinson et al.

**FOR IMMEDIATE RELEASE**
**September 22, 2017**

**IN THE MATTER OF**
**DONNA HUTCHINSON,**
**CAMERON EDWARD CORNISH,**
**DAVID PAUL GEORGE SIDDERS and**
**PATRICK JELF CARUSO**

**TORONTO** – The Office of the Secretary issued a Notice of Hearing on September 21, 2017 setting the matter down to be heard on October 24, 2017 at 10:00 a.m. or as soon thereafter as the hearing can be held in the above named matter. The hearing will be held at the offices of the Commission at 20 Queen Street West, 17th Floor, Toronto.

A copy of the Notice of Hearing dated September 21, 2017 and Statement of Allegations of Staff of the Ontario Securities Commission dated September 21, 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)

### 1.5.4 Sital Singh Dhillon

**FOR IMMEDIATE RELEASE**
**September 22, 2017**

**IN THE MATTER OF**
**SITAL SINGH DHILLON**

**TORONTO** – On September 22, 2017, the Commission issued a Notice of Hearing to consider a request made by Sital Singh Dhillon for a Hearing and Review of a decision of a Director dated July 31, 2017.

The hearing will be held on September 29, 2017 at 10:00 a.m. or as soon thereafter as the hearing can be held at Commission's offices at 20 Queen Street West, 17th Floor, Toronto, Ontario.

A copy of the Notice of Hearing dated September 22, 2017 is 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)

### 1.5.5 TCM Investments Ltd. et al.

**FOR IMMEDIATE RELEASE**
**September 26, 2017**

**IN THE MATTER OF**
**TCM INVESTMENTS LTD.**
**carrying on business as OPTIONRALLY,**
**LFG INVESTMENTS LTD.,**
**AD PARTNERS SOLUTIONS LTD. and**
**INTERCAPITAL SM LTD.**

**TORONTO** – The Commission issued an Order in the above named matter which provides that the hearing on the merits shall be held on September 27, 2017, commencing at 10:00 a.m.

A copy of the Order dated September 26, 2017 is 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)

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# Chapter 2

# Decisions, Orders and Rulings

## 2.1 Decisions

### 2.1.1 Guardian Capital LP

**Headnote**

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief from certain specified derivatives and custodian requirements to permit mutual funds to enter into swap transactions that are cleared through a clearing corporation, whether or not such derivatives are subject to U.S. and European regulatory requirements. Decision treats cleared swaps similar to other cleared derivatives.

**Applicable Legislative Provisions**

National Instrument 81-102 Investment Funds, ss. 2.7(1), 2.7(4), 6.1, 19.1.

**September 11, 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**
**GUARDIAN CAPITAL LP**
**(the Filer)**

**DECISION**

**Background**

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

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

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

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

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

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

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

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

**Interpretation**

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

**Advisors** means each of the Filer, GuardCap Asset Management Limited, Guardian Capital Advisors LP, and each third party portfolio manager retained from time to time by the Filer to manage the investment portfolio of one or more Funds

**CFTC** means the U.S. Commodity Futures Trading Commission

**Cleared Swap** means any OTC derivative transaction that can be entered into on a cleared basis, whether or not such derivative is subject to a clearing determination or a clearing obligation issued by the CFTC or ESMA, as the case may be

**Clearing Corporation** means any clearing organization registered with the CFTC or central counterparty authorized by ESMA, as the case may be, that, in either case, is also recognized or exempt from recognition in Ontario

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

**EMIR** means the European Market Infrastructure Regulation

**ESMA** means the European Securities and Markets Authority

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

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

**LSOC Model** means the legally segregated operationally commingled model adopted by the CFTC for Cleared Swaps collateral

**OTC** means over-the-counter

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

**Representations**

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

***The Filer and the Funds***

1. The Filer is, or will be, the investment fund manager of each Fund. The Filer is registered as an investment fund manager in Ontario, Québec and Newfoundland and Labrador, as an adviser in the category of portfolio manager and as a dealer in the category of exempt market dealer in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island, Québec and Saskatchewan, and as adviser in the category of commodity trading counsel and commodity trading manager in Ontario. The head office of the Filer is in Toronto, Ontario.

2. The Filer is, or will be, the portfolio manager to the Funds. One of the Advisors, other than the Filer, may act as sub-advisor to the portfolio manager with respect to a Fund.

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

4. Neither the Filer nor the Existing Funds are in default of securities legislation in any Jurisdiction.

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

***Cleared Swaps***

6. The investment objective and investment strategies of each Fund permit, or will permit, the Fund to enter into derivative transactions, including Cleared Swaps. The Filer considers Cleared Swaps to be an important investment tool that is available to it to properly manage a Fund's portfolio.

7. The Dodd-Frank Act requires that certain OTC derivatives be cleared through a Futures Commission Merchant at a Clearing Corporation.

8. EMIR also requires that certain OTC derivatives be cleared through a central counterparty authorized to provide clearing services for purposes of EMIR. Generally, where one party to a swap is a financial counterparty or a non-financial counterparty whose OTC derivative trading activity exceeds a certain threshold, in each case established in a state that is a participant in the European Economic Area, that swap will be required to be cleared.

9. In addition to clearing swaps that are mandated to be cleared under the Dodd-Frank Act and/or EMIR, many of the Clearing Corporations offer clearing services in respect of other types of derivative transactions. Many global derivative end-users enter into Cleared Swaps on both a voluntary and a mandatory basis.

10. In order to benefit from both the pricing benefits and reduced trading costs that an Advisor is often able to achieve through its trade execution practices for its managed investment funds and accounts and from the reduced costs associated with Cleared Swaps as compared to other OTC trades, the Filer wishes that the Funds have the ability to enter into Cleared Swaps.

11. In the absence of the Requested Relief, an Advisor will need to structure the derivative transactions entered into by the applicable Funds so as to avoid clearing, including the clearing requirements of the CFTC and under EMIR, as applicable. The Filer respectfully submits that this would not be in the best interests of the Funds and their investors for a number of reasons, as set out below.

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

13. An Advisor may use common trade execution practices for all of its accounts, including the Funds. If these practices involve the use of Cleared Swaps and if the Funds are unable to employ these trade execution practices, then the Advisor would have to create separate trade execution practices only for the Funds and would have to execute trade for the Funds on a separate basis. This would increase the operational risk for the Funds and would prevent the Funds from benefitting from the pricing benefits and reduced trading costs that an Advisor may be able to achieve through common practices for its advised accounts. In the Filer's opinion, best execution and maximum certainty can best be achieved through common trade execution practices, which, in the case of OTC derivatives, involve the execution of Cleared Swaps.

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

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

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

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

**Decision**

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

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

(a) in Canada,

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

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

(b) outside of Canada,

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

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

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

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

“Vera Nunes”
Manager, Investment Funds and Structured Products

**SCHEDULE A**

**EXISTING FUNDS**

Guardian Balanced Fund
Guardian Balanced Income Fund
Guardian Canadian Bond Fund
Guardian Canadian Equity Fund
Guardian Canadian Equity Select Fund
Guardian Canadian Focused Equity Fund
Guardian Canadian Growth Equity Fund
Guardian Canadian Small/Mid Cap Equity Fund
Guardian Emerging Markets Equity Fund
Guardian Equity Income Fund
Guardian Fixed Income Select Fund
Guardian Fundamental Global Equity Fund
Guardian Global Dividend Growth Fund
Guardian Global Equity Fund
Guardian Growth & Income Fund
Guardian High Yield Bond Fund
Guardian International Equity Fund
Guardian International Equity Select Fund
Guardian Managed Income & Growth Portfolio
Guardian Managed Income Portfolio
Guardian Private Wealth Equity Fund
Guardian Short Duration Bond Fund
Guardian U.S. Equity Fund
Guardian U.S. Equity Select Fund

### 2.1.2 Guardian Capital LP et al.

**Headnote**

National Policy 11-203 – relief granted from section 4.4 of National Instrument 81-106 Investment Fund Continuous Disclosure for the purposes of the relief requested from Form 81-106F1, Items 3.1(7), 4.1(1), 4.1(2), 4.2(1), 4.3(1) and 4.3(2) of Part B of Form 81-106F1, and Items 3(1) and 4 of Part C of Form 81-106F1, to permit mutual funds to include in annual and interim management reports of fund performance the financial highlights and past performance of the funds that are derived from the funds' annual financial statements that pertain to time periods when the funds were not a reporting issuer.

**Applicable Legislative Provisions**

National Instrument 81-106 Investment Fund Continuous Disclosure, ss. 4.4. 17.1.
Form 81-106F1 Contents of Annual and Interim Management Report of Fund Performance, Part B, Items 3.1(7), 4.1(1), 4.1(2), 4.2(1), 4.3(1), and 4.3(2) and Part C, Items 3(1) and 4.

**September 20, 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**
**GUARDIAN CAPITAL LP**
**(the Filer)**

**AND**

**IN THE MATTER OF**
**GUARDIAN CANADIAN EQUITY SELECT FUND,**
**GUARDIAN CANADIAN FOCUSED EQUITY FUND,**
**GUARDIAN EMERGING MARKETS EQUITY FUND,**
**GUARDIAN INTERNATIONAL EQUITY SELECT FUND AND**
**GUARDIAN U.S. EQUITY SELECT FUND**
**(each a Fund, and collectively, the Funds)**

**DECISION**

**Background**

The principal regulator in the Jurisdiction has received an application (the **Application**) from the Filer on behalf of the Funds for a decision under the securities legislation of the regulator (the **Legislation**) exempting the series I units of the Funds (**Series I Units)** from:

(a) Section 4.4 of National Instrument 81-106 *Investment Fund Continuous Disclosure* (**NI 81-106**) for the purposes of relief requested herein from Form 81-106F1 *Contents of Annual and Interim Management Report of Fund Performance* (**Form 81-106F1**); and

(b) Items 3.1(7), 4.1(1) in respect of the requirement to comply with Sections 15.3(2) and 15.3(4)(c) of National Instrument 81-102 *Investment Funds* (**NI 81-102**), 4.1(2), 4.2(1), 4.3(1) and 4.3(2) of Part B of Form 81-106F1 and Items 3(1) and 4 of Part C of Form 81-106F1 to permit each Fund to include in its annual and interim management reports of fund performance (individually, an **MRFP** and collectively, the **MRFPs**) the past performance data of the Fund notwithstanding that:

(i) such performance data relates to a period prior to the Fund offering its securities under a simplified prospectus; and

(ii) in the case of Guardian Canadian Equity Select Fund, Guardian International Equity Select Fund and Guardian U.S. Equity Select Fund, the Funds have not distributed their securities under a simplified prospectus for 12 consecutive months,

(collectively, the **Requested Relief**).

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

(a) the Ontario Securities Commission is the principal regulator for the 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 Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Québec, Saskatchewan and Yukon.

**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. Each Fund is an open-ended mutual fund trust created under the laws of the Province of Ontario on the date of formation shown in the table below:

| Fund Name | Date of Formation | Inception Date (Series I Units) |
|---|---|---|
| Guardian Canadian Equity Select Fund | August 29, 2016 | August 31, 2016 |
| Guardian Canadian Focused Equity Fund | December 15, 2015 | December 15, 2015 |
| Guardian Emerging Markets Equity Fund | June 30, 2014 | June 30, 2014 |
| Guardian International Equity Select Fund | August 29, 2016 | August 31, 2016 |
| Guardian U.S. Equity Select Fund | August 29, 2016 | August 31, 2016 |

2. The inception date for a series of a Fund (individually, an **Inception Date**, and collectively, the **Inception Dates**) is the day, on or after the date of formation, that units of the series of the Fund were first available for sale.

3. The Funds are governed by an amended and restated master declaration of trust dated March 14, 2011, as amended.

4. The Filer is the investment fund manager of the Funds. The head office of the Filer is located in Ontario.

5. The Filer is registered as a portfolio manager and exempt market dealer in each province of Canada and as an investment fund manager in each of Ontario, Québec and Newfoundland and Labrador. The Filer is also registered as a commodity trading counsel and commodity trading manager in Ontario.

6. Since the respective Inception Dates until April 22, 2016, Series I Units of Guardian Canadian Focused Equity Fund and Guardian Emerging Markets Equity Fund were distributed to investors on a prospectus-exempt basis in accordance with National Instrument 45-106 *Prospectus Exemptions* (**NI 45-106**) in each Jurisdiction. Since the respective Inception Dates until April 20, 2017, Series I Units of Guardian Canadian Equity Select Fund, Guardian International Equity Select Fund and Guardian U.S. Equity Select Fund were distributed to investors on a prospectus-exempt basis in accordance with NI 45-106 in each Jurisdiction. During such period of time, the Funds were distributed to accredited investors, the majority of which investors were managed account investors.

7. Since the issuance of the receipt for the simplified prospectus, annual information form and fund facts (the **Disclosure Documents**):

i. in the case of each of Guardian Canadian Focused Equity Fund and Guardian Emerging Markets Equity Fund on April 22, 2016, series W units and the Series I Units were qualified for distribution to the public and such Funds became reporting issuers under the securities legislation of each province and territory of Canada, other than Québec (collectively, the **Jurisdictions**); at that time, these Funds commenced offering series W units to the public pursuant to the Disclosure Documents; although Series I Units of these Funds were also qualified for distribution to the public at that time, the Filer has only recently decided to more actively market Series I Units of Guardian Canadian Focused Equity Fund and Guardian Emerging Markets Equity Fund to the public; and

ii. in the case of each of Guardian Canadian Equity Select Fund, Guardian International Equity Select Fund and Guardian U.S. Equity Select Fund on April 20, 2017, such Funds became reporting issuers under the securities legislation of the Jurisdictions and have distributed Series I Units to the public.

8. Since becoming reporting issuers, the Funds have been available for distribution to any investor that enters into an agreement, or whose investment advisor enters into an agreement, with the Filer or one of the Filer's affiliates. The majority of these investors are managed account investors. In addition, each Fund became subject to the requirements of NI 81-102 and NI 81-106 that apply only to investment funds that are reporting issuers.

9. The Filer and the Funds are not in default of securities legislation in any province or territory of Canada.

10. Since its Inception Date, as a "mutual fund in Ontario", each Fund has complied with its obligation to prepare and send audited annual and unaudited interim financial statements to all holders of its securities in accordance with NI 81-106.

11. Since its Inception Date, each Fund has complied with the investment restrictions and practices contained in NI 81-102, including not using leverage in the management of its portfolio.

12. Each Fund has been managed substantially similarly after it became a reporting issuer as it was prior to becoming a reporting issuer. As a result of each Fund becoming a reporting issuer:

i. the Fund's investment objectives have not changed other than minor changes, such as regarding the change in tax status of certain investments;

ii. Series I unitholders of the Fund continue to pay a negotiated investment advisory fee;

iii. the day-to-day administration of the Fund has not changed other than to comply with the additional regulatory requirements associated with being a reporting issuer (none of which would have impacted the portfolio management of the Fund) and to provide additional features that are available to investors of mutual funds managed by the Filer, as described in the Disclosure Documents; and

iv. the management expense ratio of Series I Units of the Fund has not increased by more than 0.10%, which the Filer considers to be an immaterial amount.

13. As a reporting issuer, each Fund is required under NI 81-106 to prepare and send MRFPs to all holders of its securities on an annual and interim basis.

14. Without the Requested Relief, the MRFP of Series I Units of each Fund cannot include financial highlights and performance data of the Fund that relate to a period prior to its becoming a reporting issuer.

15. The Filer has been granted exemptive relief similar to the Requested Relief, which permits the MRFPs of Series I Units of each mutual fund, not including the Funds, for which the Filer acts as investment fund manager to include financial highlights and performance data that relate to a period prior to the mutual fund becoming a reporting issuer, such relief having been sought in respect of all mutual funds that were offered on a private placement basis prior to becoming reporting issuers.

16. The Filer also proposes to present the performance data of Series I Units of each Fund for the time period since its Inception Date in sales communications and fund facts of each Fund. The Filer has filed a separate application for exemptive relief from certain provisions of NI 81-102 and Form 81-101F3 *Contents of Fund Facts Document* to permit each Fund, with respect to its Series I Units, to include its performance data since its Inception Date in sales communications and fund facts (the **NI 81-102 and NI 81-101 Relief**).

17. The performance data and other financial data of each Fund for the time period before it became a reporting issuer is significant and meaningful information for existing and prospective investors of Series I Units of the Fund.

**Decision**

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

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

(a) any MRFP that includes performance data of Series I Units of each Fund relating to a period prior to when each Fund became a reporting issuer discloses:

  (i) that the Fund was not a reporting issuer during such period;

  (ii) that the expenses of the Fund would have been higher during such period had the Fund been subject to the additional regulatory requirements applicable to a reporting issuer;

  (iii) that the Filer obtained exemptive relief to permit the disclosure of performance data of Series I Units of the Fund relating to a period prior to when the Fund was a reporting issuer; and

  (iv) that the financial statements of the Fund for such period are posted on the Fund's website and are available to investors upon request;

(b) the Filer posts the financial statements of each Fund for the past ten years, or since the Fund's Inception Date, whichever period is lesser, on the Fund's website and makes those financial statements available to investors upon request; and

(c) the Funds prepare sales communications and fund facts in accordance with the NI 81-102 and NI 81-101 Relief.

"Vera Nunes"
Investment Funds and Structured Products Branch
Ontario Securities Commission

### 2.1.3 Picton Mahoney Asset Management and Picton Mahoney Tactical Income Fund

**Headnote**

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

**Applicable Legislative Provisions**

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

**September 7, 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**
**PICTON MAHONEY ASSET MANAGEMENT**
**(the Filer)**

**AND**

**IN THE MATTER OF**
**PICTON MAHONEY TACTICAL INCOME FUND**
**(the Fund)**

**DECISION**

**Background**

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Fund for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for exemptive relief from the requirement to obtain prior securityholder approval before changing the fundamental investment objectives of the Fund under subsection 5.1(1)(c) of National Instrument 81 102 – *Investment Funds* (**NI 81-102**) (the **Requested Relief**).

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

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

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

**Interpretation**

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

**Representations**

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

1. The Filer is a general partnership that was established under the laws of the Province of Ontario and is registered as an investment fund manager in Ontario, Québec and Newfoundland and Labrador, as a portfolio manager in British Columbia, Manitoba, Newfoundland and Labrador, Ontario, Prince Edward Island, Quebec and Saskatchewan, as an exempt market dealer in Alberta, British Columbia, Manitoba, Newfoundland and Labrador, Ontario, Prince Edward Island, Quebec and Saskatchewan and as a commodity trading manager in Ontario. The head office of the Filer is located in Toronto, Ontario.

2. The Fund is a non-redeemable investment fund established as a trust under the laws of the Province of Ontario pursuant to a declaration of trust dated September 26, 2012.

3. Class A units and Class F units of the Fund were qualified for distribution pursuant to a prospectus dated September 27, 2012 that was prepared and filed in accordance with the securities legislation in each of the Jurisdictions. Accordingly, the Fund is a reporting issuer in each of the Jurisdictions. Class F units are designed for clients of registered brokers, dealers and advisors with fee-based accounts and are not listed on a stock exchange but may be converted into Class A units on a weekly basis for liquidity purposes. The Class A units of the Fund are listed and posted for trading on the Toronto Stock Exchange (the **TSX**) under the symbol PMB.UN.

4. Under its current investment objectives and strategies, the Fund is a party to a forward agreement dated October 18, 2012 (the **Forward Agreement**). The Forward Agreement provides the Fund with exposure to the returns of a diversified portfolio of income producing securities (the **Portfolio**) held by its reference fund, Income Strategies Trust (**IS Trust**). The current investment objectives of the Fund are to:

   (i) provide unitholders with sustainable tax-advantaged monthly distributions;

   (ii) preserve capital and mitigate risk with less volatility and less correlation to high-yield and equity markets; and

   (iii) maximize total return to unitholders through distributions and capital appreciation.

5. None of the Filer, the Fund or IS Trust is in default of securities legislation in any Jurisdiction.

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

7. The Forward Agreement is expected to terminate on or about October 18, 2017 in accordance with its terms (the **Termination Date**).

8. The *Income Tax Act* (Canada) was amended in December 2013 to implement proposals that were first announced in the March 21, 2013 federal budget regarding the income tax treatment of derivative forward agreements (the **Tax Changes**). Under the Tax Changes, the favourable tax treatment of derivative forward agreements will be eliminated after a prescribed date (the **Effective Date**). The Effective Date for the Fund will be the Termination Date.

9. As a result of the Tax Changes, the Forward Agreement will no longer be able, following the Termination Date, to provide the same material tax efficiency to unitholders of the Fund. As a result, the Filer has determined that, upon termination of the Forward Agreement, the Fund should invest in a portfolio of investments directly rather than obtaining exposure to the portfolio through IS Trust, and IS Trust will be wound up. Following the Termination Date, the Fund will invest directly in the same or substantially the same securities currently held in the portfolio of IS Trust and the Filer intends to continue to pursue the Fund's investment strategy directly without the Forward Agreement or IS Trust.

10. The Filer has determined that, as a result of the Tax Changes, it would be more efficient and less costly for the Fund to seek to achieve its fundamental investment objectives after the Effective Date by investing its assets using the same, or substantially the same, investment strategies as those employed by IS Trust prior to the Termination Date. The Filer will also continue to manage the portfolio of the Fund in as tax-efficient a manner as possible.

11. The Filer wishes to amend the investment objectives of the Fund to delete the references to "tax-advantaged" distributions and to remove all references to the use of the Forward Agreement to gain exposure to IS Trust. Other than

for the loss of tax efficiency resulting from the Tax Changes, the Fund will have the same investment attributes under its amended investment objectives as its current investment objectives.

12. Following such amendment, the revised investment objectives of the Fund will be to:

    (i) provide unitholders with monthly distributions;

    (ii) preserve capital and mitigate risk with less volatility and less correlation to high-yield and equity markets; and

    (iii) maximize total return to unitholders through distributions and capital appreciation.

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

14. The Filer expects the proposed changes to the fundamental investment objectives of the Fund to take effect on or about the Termination Date.

15. The Filer has determined that it would be in the best interests of the Fund and not prejudicial to the public interest to receive the Requested Relief.

**Decision**

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

The decision of the principal regulator under the Legislation is that the Requested Relief is granted, provided that, at least 30 days before the effective date of the change to the investment objectives of the Fund, the Filer will send to each securityholder of the Fund a written notice that sets out the change to the investment objectives, the reasons for such change and a statement that the Fund will no longer distribute gains under forward contracts that are treated as capital gains for tax purposes.

“Vera Nunes”
Manager,
Investment Funds and Structured Products Branch
Ontario Securities Commission

### 2.1.4 Guardian Capital LP et al.

**Headnote**

National Policy 11-203 – relief granted from sections 15.3(2), 15.3(4)(c), 15.6(1)(a)(i), 15.6(1)(d), 15.8(2)(a.1) and 15.8(3)(a.1) of National Instrument 81-102 Investment Funds to permit mutual funds, including mutual funds that have not distributed securities under a simplified prospectus in a jurisdiction for 12 consecutive months, to include in their sales communications performance data for the period when the funds were not reporting issuers – relief also granted from section 2.1 of National Instrument 81-101 Mutual Fund Prospectus Disclosure for the purposes of relief requested from Item 5 of Part I of Form 81-101F3 Contents of Fund Facts Document, to permit the Funds to include in their respective fund facts for series I, the past performance data for the period when the funds were not reporting issuers.

**Applicable Legislative Provisions**

National Instrument 81-102 Investment Funds, ss. 15.3(2), 15.3(4)(c), 15.6(1)(a)(i), 15.6(1)(d), 15.8(2)(a.1),15.8(3)(a.1) and 19.1.
National Instrument 81-101 Mutual Fund Prospectus Disclosure, s. 2.1.

**September 20, 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**
**GUARDIAN CAPITAL LP**
**(the Filer)**

**AND**

**IN THE MATTER OF**
**GUARDIAN CANADIAN EQUITY SELECT FUND,**
**GUARDIAN CANADIAN FOCUSED EQUITY FUND,**
**GUARDIAN EMERGING MARKETS EQUITY FUND,**
**GUARDIAN INTERNATIONAL EQUITY SELECT FUND AND**
**GUARDIAN U.S. EQUITY SELECT FUND**
**(each a Fund, and collectively, the Funds)**

**DECISION**

**Background**

The principal regulator in the Jurisdiction has received an application (the **Application**) from the Filer on behalf of the Funds for a decision under the securities legislation of the regulator (the **Legislation**) exempting the series I units of the Funds (**Series I Units**) from:

(a) Sections 15.3(2), 15.3(4)(c), 15.6(1)(a)(i), 15.6(1)(d), 15.8(2)(a.1) and 15.8(3)(a.1) of National Instrument 81-102 *Investment Funds* (**NI 81-102**) to permit each Fund to include performance data in sales communications notwithstanding that:

(i) the performance data will relate to a period prior to the Fund offering its securities under a simplified prospectus; and

(ii) in the case of Guardian Canadian Equity Select Fund, Guardian International Equity Select Fund and Guardian U.S. Equity Select Fund, the Funds have not distributed their securities under a simplified prospectus for 12 consecutive months,

(b) Section 2.1 of National Instrument 81-101 *Mutual Fund Prospectus Disclosure* (**NI 81-101**) for the purposes of relief requested herein from Form 81-101F3 *Contents of Fund Facts Document* (**Form 81-101F3**); and

(c) Items 5(2), 5(3) and 5(4), and Instructions (1) and (5) of Part I of Form 81-101F3 in respect of the requirement to comply with Sections 15.3(2), 15.3(4)(c), 15.6(1)(a)(i), 15.6(1)(d), 15.8(2)(a.1) and 15.8(3)(a.1) of NI 81-102 to permit each Fund to include in its fund facts the past performance data of the Fund notwithstanding that:

(i) such performance data relates to a period prior to the Fund offering its securities under a simplified prospectus; and

(ii) in the case of Guardian Canadian Equity Select Fund, Guardian International Equity Select Fund and Guardian U.S. Equity Select Fund, the Funds have not distributed their securities under a simplified prospectus for 12 consecutive months,

(collectively, the **Requested Relief**).

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

(a) the Ontario Securities Commission is the principal regulator for the 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 Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Québec, Saskatchewan and Yukon.

**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. Each Fund is an open-ended mutual fund trust created under the laws of the Province of Ontario on the date of formation shown in the table below:

| Fund Name | Date of Formation | Inception Date (Series I Units) |
|---|---|---|
| Guardian Canadian Equity Select Fund | August 29, 2016 | August 31, 2016 |
| Guardian Canadian Focused Equity Fund | December 15, 2015 | December 15, 2015 |
| Guardian Emerging Markets Equity Fund | June 30, 2014 | June 30, 2014 |
| Guardian International Equity Select Fund | August 29, 2016 | August 31, 2016 |
| Guardian U.S. Equity Select Fund | August 29, 2016 | August 31, 2016 |

2. The inception date for a series of a Fund (individually, an **Inception Date**, and collectively, the **Inception Dates**) is the day, on or after the date of formation, that units of the series of the Fund were first available for sale.

3. The Funds are governed by an amended and restated master declaration of trust dated March 14, 2011, as amended.

4. The Filer is the investment fund manager of the Funds. The head office of the Filer is located in Ontario.

5. The Filer is registered as a portfolio manager and exempt market dealer in each province of Canada and as an investment fund manager in each of Ontario, Québec and Newfoundland and Labrador. The Filer is also registered as a commodity trading counsel and commodity trading manager in Ontario.

6. Since the respective Inception Dates until April 22, 2016, Series I Units of Guardian Canadian Focused Equity Fund and Guardian Emerging Markets Equity Fund were distributed to investors on a prospectus-exempt basis in accordance with National Instrument 45-106 *Prospectus Exemptions* (**NI 45-106**) in each Jurisdiction. Since the respective Inception Dates until April 20, 2017, Series I Units of Guardian Canadian Equity Select Fund, Guardian International Equity Select Fund and Guardian U.S. Equity Select Fund were distributed to investors on a prospectus-exempt basis in accordance with NI 45-106 in each Jurisdiction. During such period of time, the Funds were distributed to accredited investors, the majority of which investors were managed account investors.

7. Since the issuance of the receipt for the simplified prospectus, annual information form and fund facts (the **Disclosure Documents**):

    i. in the case of each of Guardian Canadian Focused Equity Fund and Guardian Emerging Markets Equity Fund on April 22, 2016, series W units and the Series I Units were qualified for distribution to the public and such Funds became reporting issuers under the securities legislation of each province and territory of Canada, other than Québec (collectively, the **Jurisdictions**); at that time, these Funds commenced offering series W units to the public pursuant to the Disclosure Documents; although Series I Units of these Funds were also qualified for distribution to the public at that time, the Filer has only recently decided to more actively market Series I Units of Guardian Canadian Focused Equity Fund and Guardian Emerging Markets Equity Fund to the public; and

    ii. in the case of each of Guardian Canadian Equity Select Fund, Guardian International Equity Select Fund and Guardian U.S. Equity Select Fund on April 20, 2017, such Funds became reporting issuers under the securities legislation of the Jurisdictions and have distributed Series I Units to the public.

8. Since becoming reporting issuers, the Funds have been available for distribution to any investor that enters into an agreement, or whose investment advisor enters into an agreement, with the Filer or one of the Filer's affiliates. The majority of these investors are managed account investors. In addition, each Fund became subject to the requirements of NI 81-102 and National Instrument 81-106 *Investment Fund Continuous Disclosure* (**NI 81-106**) that apply only to investment funds that are reporting issuers.

9. The Filer and the Funds are not in default of securities legislation in any province or territory of Canada.

10. Since its Inception Date, as a "mutual fund in Ontario", each Fund has complied with its obligation to prepare and send audited annual and unaudited interim financial statements to all holders of its securities in accordance with NI 81-106.

11. Since its Inception Date, each Fund has complied with the investment restrictions and practices contained in NI 81-102, including not using leverage in the management of its portfolio.

12. Each Fund has been managed substantially similarly after it became a reporting issuer as it was prior to becoming a reporting issuer. As a result of each Fund becoming a reporting issuer:

    i. the Fund's investment objectives have not changed other than minor changes, such as regarding the change in tax status of certain investments;

    ii. Series I unitholders of the Fund continue to pay a negotiated investment advisory fee;

    iii. the day-to-day administration of the Fund has not changed other than to comply with the additional regulatory requirements associated with being a reporting issuer (none of which would have impacted the portfolio management of the Fund) and to provide additional features that are available to investors of mutual funds managed by the Filer, as described in the Disclosure Documents; and

    iv. the management expense ratio (**MER**) of Series I Units of the Fund has not increased by more than 0.10%, which the Filer considers to be an immaterial amount.

13. The Filer proposes to present the performance data of Series I Units of each Fund for the time period since its Inception Date in sales communications pertaining to each Fund.

14. Without the Requested Relief, the sales communications pertaining to each Fund cannot include performance data of the Fund that relate to a period prior to its becoming a reporting issuer.

15. Without the Requested Relief, the sales communications pertaining to Guardian Canadian Equity Select Fund, Guardian International Equity Select Fund and Guardian U.S. Equity Select Fund would not be permitted to include

performance data until the Funds have distributed securities under a simplified prospectus in a Jurisdiction for 12 consecutive months.

16. As a reporting issuer, each Fund is required under NI 81-101 to prepare and file fund facts.

17. The Filer proposes to include in the fund facts for Series I Units of each Fund, past performance data in the chart required by Items 5(2), 5(3) and 5(4) under the sub-headings "Year-by-year returns", "Best and worst 3-month returns" and "Average return", respectively, related to periods prior to the Funds becoming reporting issuers in a Jurisdiction. Without the Requested Relief, the fund facts of each Fund cannot include performance data of the Fund that relates to a period prior to its becoming a reporting issuer.

18. The Filer has been granted exemptive relief similar to the Requested Relief, which permits the fund facts of Series I Units of the mutual funds, not including the Funds, for which the Filer acts as investment fund manager to include performance data that relates to a period prior to the mutual fund becoming a reporting issuer, such relief having been sought in respect of all mutual funds that were offered on a private placement basis prior to becoming reporting issuers.

19. As a reporting issuer, each Fund is required under NI 81-106 to prepare and send annual and interim management reports of fund performance (individually, an **MRFP** and collectively, the **MRFPs**) to all holders of its securities on an annual and interim basis.

20. The Filer has filed a separate application for exemptive relief from certain provisions of NI 81-106 (the **NI 81-106 Relief**) to enable each Fund to include in its MRFPs the performance data of Series I Units of the Fund that relate to a period prior to its becoming a reporting issuer.

21. The performance data of each Fund for the time period before it became a reporting issuer is significant and meaningful information for existing and prospective investors of Series I Units of the Fund.

**Decision**

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

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

(a) any sales communication and any fund facts that contains performance data of Series I Units of a Fund relating to a period prior to when that Fund became a reporting issuer discloses:

  (i) that the Fund was not a reporting issuer during such period;

  (ii) that the expenses of the Fund would have been higher during such period had the Fund been subject to the additional regulatory requirements applicable to a reporting issuer; and

  (iii) that the Filer obtained exemptive relief to permit the disclosure of performance data of Series I Units of the Fund relating to a period prior to when the Fund was a reporting issuer;

(b) the information contained under the heading "Fund Expenses Indirectly Borne by Investors" in Part B of the simplified prospectus of the Funds in respect of each of Guardian Canadian Equity Select Fund, Guardian International Equity Select Fund and Guardian U.S. Equity Select Fund based on the MER for Series I Units of each Fund for the financial year ended December 31, 2017 be accompanied by disclosure that:

  (i) the information is based on the MER of the Fund for its last completed financial year when its Series I Units were offered privately during part of such financial year; and

  (ii) the MER of the Fund may increase as a result of the Fund offering its Series I Units under the simplified prospectus; and

(c) the Funds prepare their MRFPs in accordance with the NI 81-106 Relief.

"Vera Nunes"
Manager
Investment Funds and Structured Products Branch
Ontario Securities Commission

### 2.1.5 Middledfield Healthcare & Life Sciences Dividend Fund

**Headnote**

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Closed-end investment fund exempt from prospectus requirements in connection with the sale of units repurchased from existing security holders pursuant to market purchase programs and by way of redemption of units by security holders subject to conditions.

**Applicable Legislative Provisions**

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

**September 21, 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**
**MIDDLEFIELD HEALTHCARE & LIFE SCIENCES**
**DIVIDEND FUND**
**(the Filer)**

**DECISION**

**Background**

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) exempting the Filer from the requirement to file a prospectus (the **Prospectus Requirement**) in connection with the distribution of units of the Filer (the **Units**) that have been repurchased by the Filer pursuant to the Purchase Programs (as defined below) or redeemed by the Filer pursuant to the Redemption Programs (as defined below) in the period prior to a Conversion (as defined below) (the **Exemption Sought**).

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

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

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

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

**Interpretation**

Terms defined in National Instrument 14-101 *Definitions*, National Instrument 13-101 *System for Electronic Document Analysis and Retrieval (SEDAR)* or MI 11-102 have the same meaning if used in this decision, unless otherwise defined herein.

**Representations**

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

1. The Filer is an unincorporated closed-end investment trust established under the laws of Alberta.

2. The Filer is not considered to be a "mutual fund" as defined in the Legislation because the holders of Units are not entitled to receive on demand an amount computed by reference to the value of a proportionate interest in the whole or in part of the net assets of the Filer.

3. The Filer is a reporting issuer in each of the provinces of Canada and is not in default of securities legislation in any jurisdiction of Canada.

4. The Units are listed and posted for trading on the Toronto Stock Exchange (the **TSX**). As of August 18, 2017, the Filer had 10,320,000 Units issued and outstanding.

5. Middlefield Limited (the **Manager**), which is incorporated under the *Business Corporations Act* (Alberta), is the manager and the trustee of the Filer.

6. Subject to applicable law, which may require approval from the holders of the Units (the **Unitholders**) or regulatory approval, the Manager may (a) merge or otherwise combine or consolidate the Filer with any one or more other funds managed by the Manager or an affiliate thereof, or (b) where it determines that to do so would be in the best interest of Unitholders, merge or convert the Filer into an open-end mutual fund or a listed exchange-traded mutual fund (each a **Conversion**).

*Mandatory Purchase Program*

7. The constating document of the Filer provides that the Filer, subject to certain exceptions and compliance with any applicable regulatory requirements, is obligated to purchase (the **Mandatory Purchase Program**) any Units offered on the TSX or such other exchange or market on which the Units are then listed and primarily traded (**Exchange**) if, at any time after the closing of the Filer's initial public offering, the price at which Units are then offered for sale on the Exchange is less than 95% of the net asset value of the Filer per Unit, provided that the maximum number of Units that the Filer is required to purchase pursuant to the Mandatory Purchase Program in any calendar quarter is 1.25% of the number of Units outstanding at the beginning of each such period.

*Discretionary Purchase Program*

8. The constating document of the Filer also provides that the Filer, subject to applicable regulatory requirements and limitations, has the right, but not the obligation, exercisable in its sole discretion at any time, to purchase outstanding Units in the market at prevailing market prices (the **Discretionary Purchase Program** and together with the Mandatory Purchase Program, the **Purchase Programs**).

*Monthly Redemptions*

9. Subject to the Filer's right to suspend redemptions, Units may be surrendered for redemption (the **Monthly Redemption Program**) on the second last business day of each month in order to be redeemed at a redemption price per Unit equal to the Monthly Redemption Price per Unit (as defined in the Filer's long form prospectus dated June 23, 2017 (the **Prospectus**)).

*Annual Redemptions*

10. Subject to the Filer's right to suspend redemptions, Units may be surrendered for redemption (the **Annual Redemption Program**) on the second last business day of January in each year commencing in 2019 at a redemption price per Unit equal to the Redemption Price per Unit (as defined in the Prospectus).

*Additional Redemptions*

11. At the sole discretion of the Manager and subject to the receipt of any necessary regulatory approvals, the Manager may from time to time allow additional redemptions of Units (**Additional Redemptions** and collectively with the Monthly Redemption Program and the Annual Redemption Program, the **Redemption Programs**), provided that the holder thereof shall be required to use the full amount received on such redemption to purchase treasury securities of a new or existing fund promoted by the Manager or an affiliate thereof then being offered to the public by prospectus.

*Resale of Repurchased Units or Redeemed Units*

12. Purchases of Units made by the Filer under the Purchase Programs or Redemption Programs will be made pursuant to exemptions from the issuer bid requirements of applicable securities legislation.

13. The Filer wishes to resell, in its sole discretion and at its option, through one or more securities dealers and through the facilities of the Exchange, the Units repurchased by the Filer pursuant to the Purchase Programs (**Repurchased Units**), or redeemed pursuant to the Redemption Programs (**Redeemed Units**).

14. All Repurchased Units and Redeemed Units will be held by the Filer for a period of four months after the repurchase or redemption thereof by the Filer (the **Holding Period**), prior to any resale.

15. The resale of Repurchased Units and Redeemed Units will be effected in such a manner as not to have a significant impact on the market price of the Units.

16. Repurchased Units and Redeemed Units that the Filer does not resell within 12 months after the Holding Period (that is, within 16 months after the date of repurchase or redemption, as applicable) will be cancelled by the Filer.

17. During any calendar year, the Filer will not resell an aggregate number of Repurchased Units and Redeemed Units that is greater than 5% of the number of Units outstanding at the beginning of such calendar year.

18. Prospective purchasers of Repurchased Units or Redeemed Units will have access to the Filer's continuous disclosure, which will be filed on SEDAR.

19. The Legislation provides that a trade by or on behalf of an issuer in previously issued securities of that issuer that have been redeemed or purchased by that issuer is a distribution and, as such, is subject to the Prospectus Requirement. In the absence of the Exemption Sought, any sale by the Filer of Repurchased Units or Redeemed Units would be a distribution that is subject to the Prospectus Requirement.

**Decision**

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

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

(a) the Repurchased Units and Redeemed Units are otherwise sold by the Filer in compliance with applicable securities legislation, and through the facilities of and in accordance with the regulations and policies of the Exchange;

(b) the Filer complies with paragraphs 1 through 5 of subsection 2.8(2) of National Instrument 45-102 *Resale of Securities* as if it were a selling security thereunder; and

(c) the Filer complies with the representations made in paragraphs 15, 16, and 17 above.

**For the Commission:**

"Stan Magidson"
Chair & CEO

"Tom Cotter"
Vice Chair

### 2.1.6 Mackenzie Financial Corporation and Symmetry Global Bond Fund

**Headnote**

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – exemption from section 2.1(1) of National Instrument 81-102 Investment Funds to permit mutual funds to invest more than 10% of net assets in debt securities issued by a foreign government or supranational agency, subject to conditions.

**Applicable Legislative Provisions**

National Instrument 81-102 Investment Funds, ss. 2.1(1), 19.1.

**September 20, 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**
**MACKENZIE FINANCIAL CORPORATION**
**(the Filer)**

**AND**

**IN THE MATTER OF**
**SYMMETRY GLOBAL BOND FUND**
**(the Fund)**

**DECISION**

**Background**

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Fund for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for an exemption (the **Requested Relief**), pursuant to section 19.1 of National Instrument 81-102 *Investment Funds* (**NI 81-102**) from subsection 2.1(1) of NI 81-102 (the **Concentration Restriction**) to permit the Fund to invest up to:

(a) 20% of its net asset value at the time of the transaction in evidences of indebtedness of any one issuer if those evidences of indebtedness are issued, or fully guaranteed as to principal and interest, by supranational agencies or governments other than the government of Canada, the government of a jurisdiction

in Canada, or the government of the United States of America, and are rated "AA" by Standard & Poor's Rating Services (Canada) (**S&P**) or its DRO affiliate (as defined in NI 81-102), or have an equivalent rating by one or more other designated rating organizations or their DRO affiliates; and

(b) 35% of its net asset value at the time of the transaction in evidences of indebtedness of any one issuer if those securities are issued, or fully guaranteed as to principal and interest, by supranational agencies or governments other than the government of Canada, the government of a jurisdiction in Canada, or the government of the United States of America, and are rated "AAA" by S&P or its DRO affiliate, or have an equivalent rating by one or more other designated rating organizations or their DRO affiliates.

(such evidences of indebtedness are collectively referred to as **Foreign Government Securities**).

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

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

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

**Interpretation**

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

**Representations**

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

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

2. The Filer is registered as an investment fund manager, portfolio manager, exempt market dealer and commodity trading manager in Ontario. The Filer is also registered as a portfolio manager and exempt market dealer in the Other Jurisdictions and investment fund manager in Newfoundland and Labrador and Québec.

3. The Filer is the manager, trustee and portfolio manager of the Fund.

4. The Fund is an open-ended mutual fund trust established under the laws of Ontario.

5. The Fund offers Series R securities only. Series R securities are only available for purchase by other mutual funds managed by the Filer and may not be purchased by retail investors.

6. Securities of the Fund were offered by way of simplified prospectus dated September 28, 2012, filed in all of the provinces and territories in Canada and, accordingly, the Fund is a reporting issuer in one or more provinces and territories of Canada.

7. Since the Fund is only available for purchase by other mutual funds managed by the Filer, it has only been qualified by prospectus initially and going forward, has and will only be sold on an exempt distribution basis.

8. The Fund's next annual information form will be filed on or about June 29, 2018, and will include a summary of the nature and terms of the Exemption Sought, as required by Item 4(2) of Form 81-101F2 – *Contents of Annual Information Form*, along with the conditions imposed and the type of securities covered by this decision.

9. Neither the Filer nor the Fund are in default of securities legislation in any jurisdiction of Canada.

10. The investment objective of the Fund is as follows: "The Fund seeks to achieve a steady flow of income by investing primarily in debt securities of issuers anywhere in the world. The Fund may invest in securities of other mutual funds."

11. To achieve its investment objectives, the Fund's portfolio managers would like the ability to invest a larger portion of its assets in Foreign Government Securities. Although the Fund aims to invest primarily in a diversified portfolio of global fixed-income securities, depending on market conditions, the Fund's portfolio managers seek the discretion to gain exposure to any one issuer of Foreign Government Securities in excess of the Concentration Restriction.

12. Section 2.1(1) of NI 81-102 prohibits the Fund from purchasing a security of an issuer, other than a "government security" as defined in NI 81-102, if immediately after the purchase more than 10% of the net asset value of the Fund, taken at market

value at the time of the purchase, would be invested in securities of the issuer.

13. The Foreign Government Securities are not within the meaning of "government securities" as such term is defined in NI 81-102.

14. In Companion Policy 81-102CP (the "**Companion Policy**"), the Canadian Securities Administrators state their views on various matters relating to NI 81-102. Subsection 3.1(4) of the Companion Policy indicates that relief from paragraph 2.04(1)(a) of National Policy 39, which was replaced by the Concentration Restriction, has been provided to mutual funds generally under the following circumstances:

    a. the mutual fund has been permitted to invest up to 20% of its net asset value in evidences of indebtedness of any one issuer if those evidences of indebtedness are issued, or fully guaranteed as to principal and interest, by supranational agencies or governments other than the government of Canada, the government of a jurisdiction, or the government of the United States of America and are rated "AA" by S&P or its DRO affiliates, or have an equivalent rating by one or more other designated rating organizations or their DRO affiliates; and

    b. the mutual fund has been permitted to invest up to 35% of its net asset value in evidences of indebtedness of any one issuer, if those securities are issued, or fully guaranteed as to principal and interest, by supranational agencies or governments other than the government of Canada, the government of a jurisdiction, or the government of the United States of America and are rated "AAA" by S&P or its DRO affiliate, or have an equivalent rating by one or more other designated rating organizations or their DRO affiliates.

15. The Fund seeks the Requested Relief to enhance its ability to pursue and achieve its investment objectives.

**Decision**

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

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

1. paragraphs (a) and (b) of the Requested Relief cannot be combined for any one issuer;

2. any security that may be purchased under the Requested Relief is traded on a mature and liquid market; and

3. the acquisition of the securities purchased pursuant to this Decision is consistent with the fundamental investment objectives of the Fund;

4. if the Fund is qualified by simplified prospectus in the future, the simplified prospectus of the Fund will disclose the additional risks associated with the concentration of net asset value of the Fund in securities of fewer issuers, including the potential additional exposure to the risk of default of the issuer in which the Fund has so invested and the risks, including foreign exchange risks, of investing in the country in which the issuer is located; and

5. if the Fund is qualified by simplified prospectus in the future, the simplified prospectus of the Fund will include a summary of the nature and terms of the Exemption Sought under the investment strategies section, along with the conditions imposed and the type of securities covered by this decision.

"Vera Nunes"
Manager
Investment Funds and Structured Products Branch
Ontario Securities Commission

### 2.1.7 Capgemini S.E.

**Headnote**

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Application for a five-year relief from the prospectus and dealer registration requirement in respect of certain trades of securities in connection with employee share offerings by a French issuer – The offerings will involve the use of collective employee shareholding vehicles, each a fonds communs de placement d'entreprise (FCPE) – The filer cannot rely on the employee prospectus exemption in section 2.24 of National Instrument 45-106 Prospectus Exemptions or the plan administrator exemption in section 8.16 of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations as the shares are not being offered to Canadian employees directly by the issuer but through the FCPEs – Canadian employees will receive disclosure documents – The FCPEs are subject to the supervision of the French Autorité des marchés financiers – Relief granted, subject to conditions.

**Applicable Legislative Provisions**

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

**September 15, 2017**

**TRANSLATION**

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

**AND**

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

**AND**

**IN THE MATTER OF**
**CAPGEMINI S.E.**
**(the Filer)**

**DECISION**

**Background**

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

1. an exemption from the prospectus requirement (the **Prospectus Exemption**) so that such requirement does not apply to:

    a) trades of:

        i) units (the **2017 Units**) of a compartment named *ESOP Leverage NP 2017* (the **2017 Compartment**), a compartment of a *fonds commun de placement d'entreprise* or "FCPE", a form of collective shareholding vehicle of a type commonly used in France for the conservation or custodianship of shares held by employee-investors named *ESOP Capgemini* (the **Fund**, and together with the Compartments (as defined below) and the Transfer Compartment (as defined below), the **Funds**); and

        ii) units (together with the 2017 Units, the **Units**) of future compartments of the Fund organized in the same manner as the 2017 Compartment (together with the 2017 Compartment, the **Compartments**),

made under the Filer's employee share ownership plan (**ESOP**) to or with Qualifying Employees (as defined below) resident in the Jurisdictions, British Columbia, Alberta, Saskatchewan, New Brunswick, Prince Edward Island and Nova Scotia (collectively, the **Canadian Employees**, and Canadian Employees who subscribe for Units, the **Canadian Participants**);

b) trades of ordinary shares of the Filer (the **Shares**) by the relevant Compartment and another compartment of the Fund named *Fonds Actionnariat Capgemini* (the **Transfer Compartment**) to or with Canadian Participants upon the redemption of Units and Transfer Compartment Units (as defined below), respectively, as requested by Canadian Participants; and

c) trades of Transfer Compartment Units made pursuant to an Employee Offering (as defined below) to or with Canadian Participants, including upon a transfer of the Canadian Participants' assets in the relevant Compartment to the Transfer Compartment at the end of the Lock-Up Period (as defined below); and

2. an exemption from the dealer registration requirement (the **Registration Exemption**, and together with the Prospectus Exemption, the **Exemption Sought**) so that such requirement does not apply to the Filer and its Local Related Entities (as defined below), the Funds and Amundi Asset Management (the **Management Company**) in respect of:

a) trades in Units made pursuant to an Employee Offering to or with Canadian Employees not resident in Ontario;

b) trades in Shares by the relevant Compartment and the Transfer Compartment to or with Canadian Participants upon the redemption of Units and Transfer Compartment Units, respectively, as requested by Canadian Participants; and

c) trades in Transfer Compartment Units made pursuant to an Employee Offering to or with Canadian Participants, including upon a transfer of the Canadian Participants' assets in the relevant Compartment to the Transfer Compartment at the end of the applicable Lock-Up Period.

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

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

b) the Filer has provided notice that section 4.7(1) of *Regulation 11-102 respecting Passport System* (**Regulation 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, New Brunswick, Prince Edward Island and Nova Scotia; and

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

**Interpretation**

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

**"Related entity"** has the same meaning given to such term in Regulation 45-106 respecting Prospectus Exemptions under the heading "Division 4 – Employee Executive Officer, Director and Consultant Exemptions".

**Representations**

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

1. The Filer is a corporation formed under the laws of France. It is not, and has no current intention of becoming, a reporting issuer under the securities legislation of any jurisdiction of Canada. The head office of the Filer is located in France and the Shares are listed on Euronext Paris. The Filer is not in default of securities legislation of any jurisdiction of Canada.

2. The Filer carries on business in Canada through certain related entities and has established a global employee share offering under the ESOP (the **2017 Employee Offering**) and expects to establish subsequent global employee share offerings following 2017 for the next four years that are substantially similar (**Subsequent Employee Offerings**, and together with the 2017 Employee Offering, the **Employee Offerings**) for Qualifying Employees and its participating related entities, including related entities that employ Canadian Employees (**Local Related Entities**, and together with the Filer and other related entities of the Filer, the **Capgemini Group**). Each Local Related Entity is a direct or indirect

controlled subsidiary of the Filer and no Local Related Entity has any current intention of becoming a reporting issuer under the securities legislation of any jurisdiction of Canada.

3. As of the date hereof, Local Related Entities include Capgemini Canada Inc., New Horizon System Solutions LP, Inergi LP, Societé en Commandite Capgemini Québec – Capgemini Québec Limited Partnership, and Capgemini Solutions Canada Inc. For any Subsequent Employee Offering, the list of Local Related Entities may change.

4. Each Employee Offering will be made under the terms as set out herein and for greater certainty, all of the representations will be true for each Employee Offering save for references to the 2017 Compartment and the 2017 Employee Offering which will be varied such that they are read as references to the relevant Compartment and Subsequent Employee Offering, respectively.

5. As of the date hereof and after giving effect to any Employee Offering, Canadian residents do not and will not beneficially own more than 10% of the Shares (which term, for the purposes of this paragraph, is deemed to include all Shares held by the relevant Compartment and the Transfer Compartment on behalf of Canadian Participants) issued and outstanding, and do not and will not represent in number more than 10% of the total number of holders of Shares as shown on the books of the Filer.

6. Each Employee Offering involves an offering of Shares to be subscribed through the relevant Compartment of the Fund (the **Leveraged Plan**), subject to the decision of the supervisory boards of the FCPEs and the approval of the Autorité des marchés financiers in France (the **French AMF**).

7. Only persons who are employees of an entity forming part of the Capgemini Group during the subscription period for an Employee Offering and who meet other employment criteria (the **Qualifying Employees**) will be allowed to participate in the relevant Employee Offering.

8. The 2017 Compartment was established for the purpose of implementing the 2017 Employee Offering. The Transfer Compartment was established for the purpose of receiving assets transferred at the end of the applicable Lock-Up Period. The Fund was established for the purpose of implementing the Employee Offering generally. There is no intention for any of the 2017 Compartment, the Transfer Compartment or the Fund to become a reporting issuer under the securities legislation of any jurisdiction of Canada. There is no intention for any future Compartment that will be established for the purpose of implementing Subsequent Employee Offerings to become a reporting issuer under the securities legislation of any jurisdiction of Canada.

9. The Fund, the 2017 Compartment and the Transfer Compartment have been registered with, and approved by, the French AMF. It is expected that each Compartment established for Subsequent Employee Offerings will be registered with, and approved by, the French AMF.

10. Under the Leveraged Plan, each Employee Offering will be made as follows:

    a) Canadian Participants will subscribe for Units, and the relevant Compartment will then subscribe for Shares using the Employee Contribution (as defined below) and certain financing made available by Société Générale (the **Bank**), which is a bank governed by the laws of France. For any Subsequent Employee Offering, the Bank may change, but its successor will remain a large French commercial bank subject to French banking legislation.

    b) The subscription price will be the Canadian dollar equivalent of the volume weighted average prices of the Shares (expressed in Euros) on Euronext Paris for the 20 trading days preceding the date of the fixing of the subscription price (the **Reference Price**), less a specified discount to the Reference Price.

    c) Canadian Participants will contribute 10% of the price of each Share (expressed in Euros) to the relevant Compartment (the **Employee Contribution**). The relevant Compartment will enter into a swap agreement (the **Swap Agreement**) with the Bank. Under the terms of the Swap Agreement, the Bank will contribute the remaining 90% of the price of each Share to be subscribed for by the relevant Compartment (the **Bank Contribution**). The relevant Compartment will apply the cash received from the Employee Contribution and the Bank Contribution to subscribe for Shares.

    d) Each Canadian Participant will receive Units in the relevant Compartment entitling him or her to the Euro amount of the Employee Contribution and a multiple of the Average Increase (as defined below) in the price of the Shares subscribed for on his or her behalf.

    e) Under the terms of the Swap Agreement, the relevant Compartment will remit to the Bank an amount equal to the net amount of any dividends paid on the Shares held in such Compartment.

f) The Units will be subject to a hold period of approximately five years (the **Lock-Up Period**), subject to certain exceptions provided for in the ESOP and adopted for an Employee Offering (such as death, disability or termination of employment).

g) In the event of an early exit resulting from a Canadian Participant exercising one of the exceptions to the Lock-Up Period (**Early Redemption**), the Canadian Participant may request the redemption of Units from the relevant Compartment using the Redemption Formula (as defined below).

h) At the end of the applicable Lock-Up Period, the relevant Compartment will owe to the Bank an amount equal to the market value of the Shares held in the relevant Compartment (as determined pursuant to the terms of the Swap Agreement), less:

   i) 100% of the Employee Contributions, plus:

   ii) the Participation Percentage (as defined below) multiplied by the quotient obtained from dividing the Reference Price by the Average Increase of the Shares, if any, and further multiplied by the difference between the Average Increase and the Reference Price (the **Appreciation Amount**).

      a) The Participation Percentage will be determined for the relevant Offering and communicated to Canadian Participants prior to finalization of their subscriptions.

      b) The **Average Increase** will be determined on the basis of the last closing price of the Shares on the last trading day of each month in the last 60 weeks of the Lock-Up Period. In the event a closing price is less than the Reference Price, the Reference Price will be used instead.

i) If, at the end of the Lock-Up Period, the market value of the Shares held in the relevant Compartment is less than 100% of the Employee Contributions, the Bank will, pursuant to the terms and conditions of a guarantee contained in the Swap Agreement, make a contribution to the relevant Compartment to make up such shortfall.

j) At the end of the relevant Lock-Up Period, the Swap Agreement will terminate after the final swap payments. A Canadian Participant may then request the redemption of his or her Units in consideration for cash or Shares with a value representing:

   i) the Canadian Participant's Employee Contribution; and

   ii) the Canadian Participant's portion of the Appreciation Amount, if any

   (the **Redemption Formula**).

k) If a Canadian Participant does not request the redemption of his or her Units in the relevant Compartment at the end of the Lock-Up Period, his or her investment will be transferred to the Transfer Compartment as determined by the supervisory board of the Fund and subject to the approval of the French AMF.

l) Units of the Transfer Compartment (**Transfer Compartment Units**) will be issued to Canadian Participants in recognition of the assets transferred to the Transfer Compartment. Once a Canadian Participant becomes a unitholder of the Transfer Compartment, he or she will be able to request the redemption of the Transfer Compartment Units at any time in consideration of the underlying Shares or cash payment equal to the then market value of the Shares held by the Transfer Compartment. However, following a transfer to the Transfer Compartment, the Employee Contribution and the Appreciation Amount will not be covered by the Swap Agreement (including the Bank's guarantee contained therein).

m) Pursuant to the terms of the guarantee contained in the Swap Agreement, a Canadian Participant will be entitled to receive 100% of his or her Employee Contribution (in Euros) at the end of the Lock-Up Period or in the event of an Early Redemption. The Management Company is permitted to cancel the Swap Agreement (which will have the effect of cancelling the guarantee) in certain strictly defined conditions where it is in the best interests of the unitholders. The Management Company is required to act in the best interests of unitholders. In the event that the Management Company cancelled the Swap Agreement and this was not in the best interests of the unitholders, then such unitholders would have a right of action under French law against the Management Company. Under no circumstances will a Canadian Participant be responsible to contribute an amount greater than his or her Employee Contribution.

n) In the event of an Early Redemption, a Canadian Participant may request the redemption of Units from the relevant Compartment. The value of the Units will be calculated in accordance with the Redemption Formula. The measurement of the increase, if any, from the Reference Price will be carried out in accordance with similar rules to those applied to redemption at the end of the Lock-up Period, but it will be measured using values of the Shares at the time of the Early Redemption instead.

11. For Canadian federal income tax purposes, a Canadian Participant should be deemed to receive all dividends paid on the Shares financed by either the Employee Contribution or the Bank Contribution at the time such dividends are paid to the relevant Compartment, notwithstanding the actual non-receipt of the dividends by the Canadian Participants.

12. The declaration of dividends on the Shares (in the ordinary course or otherwise) is strictly decided by the shareholders of the Filer on the proposition of the Filer's board of directors. The Filer has not made any commitment to the Bank as to any minimum payment of dividends during the term of the Lock-Up Period.

13. To respond to the fact that, at the time of the initial investment decision relating to participation in an Employee Offering, Canadian Participants will be unable to quantify their potential income tax liability resulting from such participation, the Filer or its Local Related Entities are prepared to indemnify each Canadian Participant for all tax costs to the Canadian Participants associated with the payment of dividends in excess of a specified amount of Euros per calendar year per Share during the Lock-Up Period such that, in all cases, a Canadian Participant will, at the time of the original investment decision, be able to determine his or her maximum tax liability in connection with dividends received by the relevant Compartment on his or her behalf under an Employee Offering.

14. At the time the relevant Compartment's obligations under the Swap Agreement are settled, the Canadian Participant will realize a capital gain (or capital loss) by virtue of having participated in the Swap Agreement to the extent that amounts received by the relevant Compartment, on behalf of the Canadian Participant, from the Bank exceed (or are less than) amounts paid by the Compartment, on behalf of the Canadian Participant, to the Bank. Any dividend amounts paid to the Bank under the Swap Agreement will serve to reduce the amount of any capital gain (or increase the amount of any capital loss) that the Canadian Participant would have realized. Capital losses (gains) realized by a Canadian Participant may generally be offset against (reduced by) any capital gains (losses) realized by the Canadian Participant on a disposition of the Shares, in accordance with the rules and conditions under the *Income Tax Act* (Canada) or comparable provincial legislation, as applicable.

15. Under French law, an FCPE is a limited liability entity. The portfolio of the Compartment will consist almost entirely of Shares as well as the rights and associated obligations under the Swap Agreement. The Compartment may also hold cash or cash equivalents pending investments in Shares and for the purposes of facilitating Unit redemptions.

16. Any dividends paid on the Shares held in the Transfer Compartment will be contributed to the Transfer Compartment and used to purchase additional Shares on the stock market. To reflect this reinvestment, either new Transfer Compartment Units (or fractions thereof) will be issued to Canadian Participants or no additional Transfer Compartment Units will be issued and the net asset value of the existing Transfer Compartment Units will be increased.

17. The portfolio of the Transfer Compartment will consist almost entirely of Shares, and may also include, from time to time, cash in respect of dividends paid on the Shares which will be reinvested in additional Shares as well as cash or cash equivalents held for the purpose of investing in the Shares and redeeming Transfer Compartment Units.

18. The Management Company is a portfolio management company governed by the laws of France. The Management Company is registered with the French AMF as an investment manager and complies with the rules of the French AMF. The Management Company is obliged to act in the best interests of the Canadian Participants and is liable to them, jointly and severally with the Depository (as defined below), for any violation of the rules and regulations governing the FCPE or for any self-dealing or negligence. The Management Company is not, and has no current intention of becoming, a reporting issuer under the securities legislation of any jurisdiction of Canada. For any Subsequent Employee Offering, the Management Company may change, but its successor must comply with the terms and conditions described in this paragraph.

19. The Management Company's portfolio management activities in connection with an Employee Offering and the Compartment are limited to subscribing for Shares from the Filer, selling such Shares as necessary in order to fund redemption requests, investing available cash in cash equivalents, and such activities as may be necessary to give effect to the Swap Agreement. The Management Company's portfolio management activities in connection with the Transfer Compartment will be limited to purchasing Shares from the Filer using a Canadian Participant's entitlement under an Employee Offering at the end of the Lock-Up Period (i.e. a Canadian Participant's Employee Contribution plus his or her portion of the Appreciation Amount, if any, based on the Redemption Formula), selling Shares held by the Transfer Compartment as necessary in order to fund redemption requests, and investing available cash in cash equivalents.

20. The Management Company is also responsible for preparing accounting documents and publishing periodic informational documents in respect of the relevant Compartment and the Transfer Compartment. The Management Company's activities will not affect the value of the Shares.

21. None of the entities forming part of the Capgemini Group, the Funds or the Management Company, or any of their directors, officers, employees, agents or representatives will provide investment advice to the Canadian Employees with respect to an investment in the Shares or the Units.

22. None of the entities forming part of the Capgemini Group, the Funds or the Management Company is currently in default of securities legislation of any jurisdiction of Canada.

23. Shares issued under an Employee Offering will be deposited in the relevant Compartment's accounts or the Transfer Compartment's accounts, as the case may be, with CACEIS Bank France (the Depositary), a large French commercial bank subject to French banking legislation. For any Subsequent Employee Offering, the Depository may change, but its successor will remain a large French commercial bank subject to French banking legislation.

24. Participation in an Employee Offering is voluntary, and Canadian Employees will not be induced to participate in an Employee Offering by expectation of employment or continued employment.

25. The total amount that may be invested by a Canadian Employee in an Employee Offering cannot exceed 25% of his or her gross annual compensation (the calculation of the 25% investment limit takes into account the Bank Contribution).

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

27. The Filer will retain a securities dealer registered as a broker/investment dealer (the Registrant) under the securities legislation of Ontario to provide advisory services to Canadian Employees resident in Ontario who express an interest in an Employee Offering and to make a determination, in accordance with industry practices, as to whether an investment in an Employee Offering is suitable for each such Canadian Employee based on his or her particular financial circumstances.

28. Canadian Employees will receive an information package in the French or English language, according to their preference, which will include a description of the terms of the relevant Employee Offering and a description of Canadian income tax consequences of subscribing for and holding the Units and requesting the redemption of such Units at the end of the Lock-Up Period. The information package will also include a risk statement which will describe certain risks associated with an investment in Units. Canadian Participants will have access to the Filer's *Document de Référence*, in French and English, filed with the French AMF in respect of the Shares and a copy of the regulations of the relevant Compartment and Fund. The Canadian Employees will also have access to copies of the continuous disclosure materials relating to the Filer that are furnished to holders of Shares. Canadian Participants will receive an initial statement of their holdings under the Employee Offering together with an updated statement at least once per year.

29. For the 2017 Employee Offering, there were approximately 2,441 Qualifying Employees resident in Canada, with the greatest number residing in the province of Ontario (2,101). Less than 2% of the number of employees in the Capgemini Group worldwide eligible to participate in the 2017 Employee Offering reside in Canada.

**Decision**

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

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted on the following conditions:

1. with respect to the 2017 Employee Offering, the prospectus requirement will apply to the first trade in any Units or Shares acquired by Canadian Participants pursuant to this decision, unless the following conditions are met:

    a) the issuer of the security:

        i) was not a reporting issuer in any jurisdiction of Canada at the distribution date, or

        ii) is not a reporting issuer in any jurisdiction of Canada at the date of the trade;

b) at the distribution date, after giving effect to the issue of the security and any other securities of the same class or series that were issued at the same time as or as part of the same distribution as the security, residents of Canada:

i) did not own, directly or indirectly, more than 10% of the outstanding securities of the class or series, and

ii) did not represent in number more than 10% of the total number of owners, directly or indirectly, of securities of the class or series; and

c) the first trade is made:

i) through an exchange, or a market, outside of Canada, or

ii) to a person or company outside of Canada;

2. with respect to any Subsequent Employee Offering under this decision completed within five years from the date of this decision, provided that the following conditions are met:

i) the representations remain true and correct with necessary adjustments in respect of the relevant Subsequent Employee Offering, and

ii) the conditions set out in paragraph 1 above apply to any Subsequent Employee Offering.

“Hugo Lacroix”
Directeur principal des fonds di’investissement

### 2.1.8 Fiduciary Trust Company of Canada and Franklin Templeton Investments Corp.

**Headnote**

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions. Under paragraph 4.1(1)(b) of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations a registered firm must not permit an individual to act as a dealing, advising or associate advising representative of the registered firm if the individual is registered as a dealing, advising or associate advising representative of another registered firm. The Filers are affiliated entities and have valid business reasons for the individual to be registered with both firms. The Filers have policies in place to handle potential conflicts of interest. The Filers are exempted from the prohibition.

**Applicable Legislative Provisions**

Multilateral Instrument 11-102 Passport System, s. 4.7.
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 4.1, 15.1.

**September 22, 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**
**FIDUCIARY TRUST COMPANY OF CANADA**
**(FTCC)**

**AND**

**FRANKLIN TEMPLETON INVESTMENTS CORP.**
**(FTIC, and together with FTCC, Franklin Templeton Investments or the Filers)**

**DECISION**

**Background**

The principal regulator in the Jurisdiction has received an application from the Filers for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for relief from the restriction under paragraph 4.1(1)(b) of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) (the **Dual-Registration Restriction**), pursuant to section 15.1 of NI 31-103, to permit Mr. Ian M. Riach to be registered as an advising representative of each of FTCC and FTIC (the **Relief 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 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 by the Filers in each of the provinces of Canada outside of Ontario and in the Yukon Territory (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.

**Representations**

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

1. FTCC is a federally-regulated trust company and registered as a portfolio manager in each of the Jurisdictions and as a commodity trading manager in Ontario. FTCC provides portfolio management services primarily to high net worth individuals and families through separately managed accounts, pooled funds and mutual funds.

2. FTIC is registered as a portfolio manager, exempt market dealer and mutual fund dealer in each of the Jurisdictions. FTIC is also registered as an investment fund manager in each of Alberta, British Columbia, Manitoba, Newfoundland & Labrador, Nova Scotia, Ontario and Quebec and as a commodity trading manager in Ontario. FTIC is the investment fund manager of various Canadian proprietary mutual funds and pooled funds, and provides portfolio management services to those funds and certain institutional clients.

3. FTIC is also registered as an investment adviser with the U.S. Securities and Exchange Commission (**SEC**).

4. FTCC and FTIC are affiliates as FTCC is a wholly-owned subsidiary of FTIC.

5. Mr. Riach is a Senior Vice-President and Portfolio Manager of FTIC and Director of Institutional Balanced Portfolio Management. Mr. Riach is also the Chair of the Franklin Templeton Institutional Asset Mix Committee in Canada. His primary responsibilities include portfolio management, portfolio monitoring and relationship management for institutional clients in Canada, including pension funds, foundations and endowments. He also supervises other registered portfolio managers and analytical staff. He manages portfolios in excess of CDN $1.5 billion in Canada.

6. Mr. Riach has been registered as an advising officer since 1999 (due to the implementation of NI 31-103, his “advising officer” registration category was changed to “advising representative” effective September 28, 2009) in each of the Jurisdictions. Mr. Riach is a resident of Ontario.

7. Franklin Templeton Investments wishes to appoint Mr. Riach as an advising representative of FTCC in respect of funds to which FTCC will act as portfolio manager (**FTCC Funds**), and as chief investment officer (**CIO**) of FTCC. However, Mr. Riach is presently only registered with FTIC and is unable to provide investment management services to FTCC clients or funds.

8. Dual registration as an advising representative of both FTIC and FTCC would allow Mr. Riach to act as CIO of FTCC and to provide portfolio management services to clients and funds of FTCC (specifically, to advise FTCC Funds), while continuing his current roles and responsibilities at FTIC as set out above (including his portfolio management activities). Accordingly, dual registration is being requested.

9. Mr. Riach will be subject to supervision by, and the applicable compliance requirements of, both Filers. Mr. Riach will not conduct assessment, supervision or oversight of investment management activities for FTIC-managed funds or client accounts, including by sub-advisers such as FTCC, where he has a personal role in providing those investment management services. Similarly, in the event FTCC hires FTIC to provide investment management services where Mr Riach is involved to provide those services, he will not be involved in assessment, supervision or oversight.

10. The Filers’ Chief Compliance Officer will ensure that Mr. Riach has sufficient time and resources to adequately serve each Filer and its clients and funds.

11. The Filers are not in default of any requirement of securities, commodity futures or derivatives legislation in any of the Jurisdictions. FTIC is in compliance in all material respects with U.S. securities laws.

12. In the absence of the Relief Sought, the Filers would be prohibited by the Dual-Registration Restriction from permitting Mr. Riach to be registered as an advising representative of each Filer, even though the Filers are affiliates and have controls and compliance procedures in place to deal with Mr. Riach acting as an adviser for each Filer.

13. FTCC and FTIC are affiliated and accordingly, the dual registration of Mr. Riach will not give rise to the conflicts of interest present in a similar arrangement involving unrelated, arm’s length firms. The interests of the Filers are aligned as both Filers wish to leverage Mr. Riach’s knowledge, expertise and experience for the benefit of their clients and funds, therefore the potential for conflicts of interest is minimal.

14. The Filers each have adequate policies and procedures in place to address any potential conflicts of interest that may arise as a result of the dual registration of Mr. Riach and will be able to deal appropriately with any such conflicts. Since the principal client bases of each of the Filers is different; the market segments (e.g., retail investors, high net worth individuals and families, etc.) primarily targeted by the funds of each of the Filers are different; and Mr. Riach (as

FTCC's CIO) will only manage the FTCC Funds on behalf of FTCC, the risks of conflicts of interest or client confusion are mitigated.

15. All accounts managed by Franklin Templeton portfolio managers (i.e., the Filers and their affiliates that are also portfolio managers) adhere to a common Franklin Templeton trade allocation policy to ensure that investment opportunities suitable for funds and clients of all Franklin Templeton portfolio managers, including the Filers, are allocated between them fairly.

16. Once registered as an advising representative of FTCC, Mr. Riach will be engaging in functionally similar types of activities as he currently carries on within the Franklin Templeton Investments group of companies. The Filers are confident that Mr. Riach will continue to have sufficient time to adequately serve both firms, their clients and funds.

17. The relationship between FTCC and FTIC, and the fact that Mr. Riach is dually registered with both FTCC and FTIC, will be fully disclosed, in writing or verbally, to clients and funds of each of FTCC and FTIC that deal with Mr. Riach.

**Decision**

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

The decision of the principal regulator under the Legislation is that the Relief Sought is granted provided that (a) the representations described above in paragraphs 9, 14, 15, 16 and 17 remain true, and (b) the Relief Sought shall cease to be effective when either for the following apply:

(i) Mr. Riach is no longer registered in any of the Jurisdictions as an advising representative of FTCC;

(ii) Mr. Riach is no longer registered in any of the Jurisdictions as an advising representative of FTIC.

"Elizabeth King"
Deputy Director,
Compliance and Registrant Regulation
Ontario Securities Commission

### 2.1.9 Rogers Sugar Inc.

**Headnote**

Multilateral Instrument 11-102 Passport System and National Policy NP 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 51-102, s. 13.1 Continuous Disclosure Obligations – BAR – An issuer requires relief from the requirement to include certain financial statements in a business acquisition report – The issuer made a significant acquisition of a private company; the necessary information to prepare the required financial statements is unavailable; the BAR will contain sufficient alternative information about the acquisition.

**Applicable Legislative Provisions**

National Instrument 51-102 Continuous Disclosure Obligations, s. 13.1.

**September 22, 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**
**ROGERS SUGAR INC.**
**(the Filer)**

**DECISION**

**Background**

1 The securities regulatory authority or regulator in each of the Jurisdictions (the Decision Maker) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) that the requirement set forth in subsection 8.4(7)(c) of NI 51-102 (as defined below) to construct an income statement of a business acquired that is a significant acquisition (within the meaning of NI 51-102) for a period of twelve (12) consecutive months ending no more than 93 days before or after the Filer's year-end, by adding the results for a subsequent interim period to a completed financial year of the business and deducting the comparable interim results for the immediately preceding year (the 12-Month Construction Requirement) does not apply to the Filer in connection with the Acquisition (as defined below) (hereinafter referred to as the Relief Sought).

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

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

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

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

**Interpretation**

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

**Representations**

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

***The Filer***

1. the Filer is a corporation constituted under the *Canada Business Corporations Act* (the CBCA); the registered and head office of the Filer is located at 123 Rogers Street, Vancouver, British Columbia V6B 3V2;

2. the Filer is a "reporting issuer" (as defined in the Legislation) in all of the provinces of Canada and is not in default of any requirement of securities legislation in any jurisdiction of Canada;

3. as at the date of this application, the business of the Filer consists in holding of the common shares of Lantic Inc. (Lantic); Lantic operates cane sugar refineries in Montréal, Québec and Vancouver, British Columbia, as well as the only Canadian sugar beet processing facility in Taber, Alberta; Lantic's sugar products are marketed under the "Lantic" trademark in Eastern Canada, and the "Rogers" trademark in Western Canada and include granulated, icing, cube, yellow and brown sugars, liquid sugars and specialty syrups (collectively, the Business);

***The Acquisition***

4. on July 10, 2017, Lantic and 10306835 Canada Inc., a direct wholly-owned subsidiary of Lantic formed for the purpose of the Acquisition (AcquisitionCo), entered into a share purchase agreement with Champlain Financial Corporation Inc., the former shareholders of L.B. Maple Treat Corporation (LBMT) and LBMT pursuant to which AcquisitionCo had agreed to, subject to the terms and conditions of the Purchase Agreement, acquire all of the issued and outstanding shares of LBMT (the Acquisition);

5. the Acquisition was completed on August 5, 2017 (the Acquisition Closing Date); on the same day, AcquisitionCo and LBMT completed a vertical short-form amalgamation pursuant to the CBCA;

***LBMT***

6. LBMT is one of the world's largest branded and private label maple syrup bottling and distribution companies; LBMT owns the L.B. Maple Treat, Highland Sugarworks and Great Northern brands;

7. on February 3, 2016, 9581464 Canada Inc. (9581464), a corporation incorporated on January 12, 2016 by the former shareholders of LBMT, acquired all of the issued and outstanding shares of L.B. Maple Treat Corporation (Former LBMT); on the same day, 9581464 and Former LBMT completed a vertical short-form amalgamation pursuant to the CBCA, resulting in LBMT as the amalgamated entity;

8. at the time of the acquisition of Former LBMT, 9581464 did not obtain full accounting statements and financial information from the shareholders of Former LBMT;

9. in accordance with IFRS 3 – Business Combination (IFRS 3), LBMT proceeded with an evaluation of the assets and liabilities of Former LBMT as at February 3, 2016, which were established at fair value for purposes of the LBMT Financial Statements (as defined below); the LBMT Financial Statements have no predecessor as they represent LBMT since 9581464 acquired all of the issued and outstanding shares of Former LBMT;

10. including AcquisitionCo, LBMT is a combination of five companies, three of which were acquired by LBMT following the acquisition of all of the issued and outstanding shares of Former LBMT by 9581464 on February 3, 2016, namely Highland Sugarworks Inc., Great Northern Maple Products Inc. and Sucro-Bec L. Fortier Inc., respectively on August 26, 2016, December 1, 2016 and May 5, 2017;

***Short Form Prospectus***

11. on July 21, 2017, the Filer filed a short form prospectus dated the same date (the Short Form Prospectus) with the securities commissions and similar regulatory authorities in all of the provinces of Canada, including the BCSC and the OSC, qualifying the distribution of (i) 11,730,000 subscription receipts of the Filer, and (ii) $57,500,000 aggregate principal amount of Sixth Series 5.00% extendible convertible unsecured subordinated debentures of the Filer (the Offering); the Offering was completed on July 28, 2017;

12. the Acquisition is a "significant acquisition" within the meaning of NI 51-102 and as determined under section 8.3 of NI 51-102 in reliance on the unaudited condensed consolidated interim financial statements of the Filer for the three and six-month periods ended April 1, 2017 and as it satisfies the "Investment Test" and the "Optional Investment Test" set forth therein;

13. pursuant to subitem 10.2(2) of Form 44-101F1 *Short Form Prospectus* (Form 44-101F1), the Acquisition was, as of July 14, 2017 (the date of the filing of the preliminary short form prospectus relating to the Offering) and July 21, 2017 (the date of the filing of the Short Form Prospectus), a proposed acquisition that (i) had progressed to a state where a reasonable person would believe that the likelihood of the Filer completing the Acquisition was high, and (ii) would be a significant acquisition for purposes of Part 8 of NI 51-102 if completed as of the date of the Short Form Prospectus; therefore, the Filer was required to include a description of the Acquisition and LBMT in the Short Form Prospectus;

14. as required by subitem 10.2(3) of Form 44-101F1 *Short Form Prospectus*, the Filer included in the Short Form Prospectus the following financial statements about the Acquisition:

    (a) the audited consolidated financial statements of LBMT for the year ended March 31, 2017, which comprise the consolidated balance sheet as at March 31, 2017, the consolidated statements of earnings (loss), retained earnings (deficit) and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information (the LBMT Financial Statements);

    (b) the unaudited pro forma consolidated statement financial position of the Filer as at April 1, 2017;

    (c) the unaudited pro forma consolidated statements of earnings of the Filer for the financial year ended October 1, 2016 and the six-month period ended April 1, 2017 (the Pro Forma Statements of Earnings); and

    (d) the notes to the unaudited pro forma consolidated financial statements of the Filer set out in (b) and (c) above

    (collectively, the Acquisition Statements);

15. the Pro Forma Statements of Earnings included a statement of earnings of LBMT from February 3, 2016 to December 31, 2016, and therefore excluded a statement of earnings of LBMT for the period from January 1, 2016 to February 2, 2016 and therefore, did not strictly comply with the 12-Month Construction Requirement;

16. as of the date of the Short Form Prospectus the Filer believed that the inclusion of a statement of earnings of LBMT for the period from January 1, 2016 to February 2, 2016 was not necessary in order for the Short Form Prospectus to contain full, true and plain disclosure of all material facts relating to the Offering;

***The Bar Requirement and the 12-Month Construction Requirement***

17. pursuant to section 8.2 of NI 51-102, the Filer is required to prepare and file a business acquisition report (a BAR) within 75 days of the Acquisition Closing Date;

18. as set out in paragraph 12 above, the Acquisition is a "significant acquisition" within the meaning of NI 51-102 and as determined under section 8.3 of NI 51-102 as it satisfies the "Investment Test" and the "Optional Investment Test" set forth therein;

19. pursuant to subsection 8.4(7)(c) of NI 51-102, for purposes of the BAR to be prepared and filed by a reporting issuer under Section 8.2 of NI 51-102, if the financial year-end of the business being acquired differs from the reporting issuer's year-end by more than 93 days, the reporting issuer must comply with the 12-Month Construction Requirement;

20. the last financial year-end of each of LBMT and the Filer is March 31, 2017 and October 1, 2016, respectively; therefore, the financial year-end of LBMT differs by more than 93 days from the Filer's year-end;

21. the BAR will include the Acquisition Statements, as permitted under subsection 8.4(4) of NI 51-102 as (i) the business of LBMT does not constitute a material departure from the Business or operations of the Filer immediately before the Acquisition, and (ii) either (A) the Acquisition Closing Date will be, and the Filer will file the BAR, within 45 days after LBMT's most recently completed period, or (B) the Filer filed the Short Form Prospectus that included the Acquisition Statements and the Acquisition Statements are for a period ending

not more than one interim period before the interim period referred to in subsection 8.4(3)(a)(i) of NI 51-102 (i.e. June 30, 2017);

22. the Filer is not in a capacity to construct a statement of earnings of LBMT for a period of more than 11 months to December 31, 2016 since (i) LBMT was incorporated on January 12, 2016 and commenced its operations on February 3, 2016, the closing date of the acquisition of LBMT by the current shareholders of LBMT, and (ii) the financial and accounting information necessary to prepare the statement of earnings is limited because 9581464 did not obtain full accounting statements and financial information from the shareholders of Former LBMT at the time of the acquisition thereof;

23. in accordance with IFRS 3, LBMT proceeded with an evaluation of the assets and liabilities of Former LBMT as at February 3, 2016, which were established at fair value for purposes of the LBMT Financial Statements; the LBMT Financial Statements have no predecessor as they represent LBMT since 9581464 acquired all of the issued and outstanding shares of Former LBMT;

24. notwithstanding that a statement of earnings of LBMT for the period from January 1, 2016 to February 2, 2016 will not be included in the Pro Forma Statements of Earnings, the Acquisition Statements will contain all necessary disclosure regarding the combined businesses of the Filer and LBMT following the Acquisition for purposes of the BAR that is relevant or meaningful to an investor; and

25. the Relief Sought is not prejudicial to the public interest.

**Decision**

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

The decision of the Decision Makers under the Legislation is that the Relief is granted provided that the BAR for the Acquisition includes the Acquisition Statements.

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

### 2.1.10 Genworth Financial, Inc. and Genworth MI Canada Inc.

**Headnote**

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – reporting insider granted relief from the requirement in subsection 107(2) of the Securities Act (Ontario) to file an insider report within five days of each disposition of securities occurring pursuant to an automatic securities disposition plan, provided that the insider files an insider report in respect of all dispositions under the automatic securities disposition plan on an annual basis.

**Applicable Legislative Provisions**

Securities Act, R.S.O. 1990, c. S.5, ss. 107(2), 121(2)(a)(ii).
National Instrument 55-104 Insider Reporting Requirements and Exemptions, s. 3.3.

**August 11, 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**
**GENWORTH FINANCIAL, INC.**
**(THE "INSIDER")**

**AND**

**GENWORTH MI CANADA INC.**
**(THE "COMPANY", AND TOGETHER WITH THE INSIDER, THE "FILERS")**

**DECISION**

**Background**

The principal regulator in the Jurisdiction (the "**Decision Maker**") has received an application from the Filers for a decision under the securities legislation of the Jurisdiction of the principal regulator (the "**Legislation**") for an exemption, subject to certain conditions, from the requirements under subsection 107(2) of the *Securities Act* (Ontario) (the "**Act**"), in connection with the disposition of common shares of the Company (the "**Shares**") beneficially owned by the Insider pursuant to an automatic securities disposition plan, for the following entities:

(a) the Insider; and

(b) the Insider Subsidiary Entities (as defined below) (the exemptions for (a) and (b) above are collectively referred to in this decision as 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 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 British Columbia, Alberta, Manitoba, Saskatchewan, Québec, Nova Scotia, New Brunswick, Newfoundland and Labrador, Prince Edward Island, the Northwest Territories, Nunavut and the Yukon (the "**Non-Principal Jurisdictions**").

Under subsection 4.7(1) of MI 11-102, the decision of the Decision Maker will exempt the Insider and the Insider Subsidiary Entities from the equivalent requirements in section 3.3 of National Instrument 55-104 *Insider Reporting Requirements and Exemptions* ("**NI 55-104**") that apply in the Non-Principal Jurisdictions.

**Interpretation**

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

**Representations**

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

1. The Company is a corporation existing under the *Canada Business Corporations Act* and is a reporting issuer in each of the provinces and territories of Canada (collectively, the "**Reporting Jurisdictions**"). The Company is not in default of any requirements under applicable securities legislation or the rules and regulations made pursuant thereto in the Reporting Jurisdictions.

2. The registered and head office of the Company is located at 2060 Winston Park Drive, Suite 300, Oakville, Ontario, L6H 5R7.

3. The authorized share capital of the Company consists of an unlimited number of Shares, an unlimited number of preferred shares (the "**Preferred Shares**") and one special share (the "**Special Share**"). As of June 30, 2017, the Company had 91,947,700 Shares, no Preferred Shares and one Special Share issued and outstanding.

4. The Shares are listed on the Toronto Stock Exchange (the "**TSX**") under the symbol "MIC".

5. As of June 30, 2017, the Insider was the beneficial owner of an aggregate of 52,562,042 Shares (the "**Insider Shares**"), representing approximately 57.17% of the issued and outstanding Shares, and one Special Share. The Insider Shares are held directly by Genworth Financial International Holdings, LLC ("**GFIH**"), Genworth Mortgage Insurance Corporation ("**GMIC**", and together with GFIH, the "**Participating Entities**") and Genworth Mortgage Insurance Corporation of North Carolina ("**GMIC-NC**"), each of which is an indirect wholly-owned subsidiary of the Insider. The Special Share is held directly by Genworth Financial International Holdings, LLC. None of the Insider Shares that are subject to the ASDP (as defined below) and held by the Participating Entities are subject to any encumbrances, liens, security interests or other restrictions to transfer. The Participating Entities, together with GMIC-NC, and such other subsidiaries that may directly or indirectly beneficially own Insider Shares from time to time and participate in the ADSP (as defined below) are referred to in this decision as the "**Insider Subsidiary Entities**". Neither the Insider nor any of the Insider Subsidiary Entities are in default of any applicable securities legislation or the rules and regulations made pursuant thereto in the Reporting Jurisdictions.

6. The Company announced on May 2, 2017 that it is engaging in a normal course issuer bid (the "**NCIB**") for up to 4,597,385 Shares, representing 5% of the Company's issued and outstanding Shares as of the date specified in the Notice of Intention to Make a Normal Course Issuer Bid that was submitted to, and accepted by, the TSX.

7. Purchases under the NCIB were authorized to commence on May 5, 2017 and will conclude on the earlier of the date on which the maximum number of Shares, being 4,597,385 Shares, have been acquired and May 4, 2018. As at August 7, 2017, the Company has not purchased any Shares under the NCIB. All purchases under the NCIB will be pursuant to, and in accordance with, the terms of the ASPP and ASDP (as each such term is defined below).

8. The Insider wishes to maintain its aggregate proportionate percentage ownership in the Company at approximately 57% of the issued and outstanding Shares (such percentage ownership interest, the "**Insider Ownership Percentage**").

9. The Company has determined that it is in the best interests of the Company for the NCIB to include a proportionate participation feature to enable the Insider to participate in the NCIB and maintain its aggregate proportionate percentage ownership in the Company at the Insider Ownership Percentage.

10. In connection with the NCIB, the TSX has granted the Company an exemption (the "**TSX Exemption**") which will allow the Company to purchase, during the TSX's Special Trading Session through a broker retained for such purpose, on any trading day that the Company makes a purchase from other holders of Shares pursuant to the NCIB, such number of Insider Shares from the Insider Subsidiary Entities that would result in the Insider maintaining its aggregate proportionate percentage ownership in the Company at the Insider Ownership Percentage.

11. The NCIB, including the proportionate participation feature, is being conducted through the facilities of the TSX or through other permitted means (including through other published markets) in accordance with the bylaws, rules, regulations and policies of the TSX.

12. The NCIB is being implemented through a broker that is independent of the Company (the "**Broker**") who is responsible for making purchases of Shares on behalf of the Company pursuant to an automatic share purchase plan (the "**ASPP**"). Pursuant to the ASPP, the Company instructed the Broker to buy Shares in accordance with a prearranged set of trading parameters and other instructions (the "**ASPP Parameters**"), all as set out in a written plan document (the "**ASPP Agreement**") that has been submitted to, and accepted by, the TSX and that has been entered into between the Company and the Broker at the time that the ASPP was established.

13. At the time that the ASPP Agreement was entered into by the Company and the Broker, the Company was not in possession of any material undisclosed information in relation to the Company that would otherwise be required to be disclosed by law.

14. Pursuant to the ASPP Agreement, the Broker shall determine, in its sole discretion, the timing of the purchases of Shares, the number of Shares to be purchased, the price payable for the Shares and the manner in which purchases of Shares are to occur for the duration of the ASPP, so long as such purchases are within, and in accordance with, the ASPP Parameters. The ASPP Agreement specifies that, other than the ASPP Parameters, the Broker will not take any instructions from, nor consult with, the Company or its affiliates regarding any purchases under the ASPP.

15. The ASPP operates automatically and is conducted solely through the Broker. No material discretionary authority remains with the Company and the Company has no influence or control over any of the purchases of Shares. The ASPP enables the Company to buy Shares regardless of whether a "blackout period" established and applicable to the Company may then be in effect and regardless of whether the Company is in possession of material undisclosed information at the time of a particular purchase.

16. The ASPP Agreement provides that the TSX Exemption will immediately terminate if, on a trading day where the Company makes a purchase from other holders of Shares pursuant to the NCIB, the Insider Subsidiary Entities do not sell the specified number of Insider Shares to the Company in order for the Insider to maintain its aggregate proportionate percentage ownership in the Company at the Insider Ownership Percentage. Any decision by the Insider Subsidiary Entities not to sell Insider Shares to the Company pursuant to the ASDP would be considered an amendment to the ASDP and subject to paragraph 24 below.

17. Accordingly, in order for the Insider to ensure that it is able to maintain its aggregate proportionate percentage ownership in the Company at the Insider Ownership Percentage, the Insider caused certain Insider Subsidiary Entities to enter into an automatic share disposition plan (the "**ASDP**") so that such entities are reciprocally permitted to dispose of Insider Shares at such times when the Company is purchasing Shares under the ASPP, including when a "blackout period" established and applicable to the Company may be in effect and when the Insider and the relevant Insider Subsidiary Entities may be in possession of material undisclosed information about the Company. Absent an automatic disposition process, as an insider of the Company, the Insider and the Insider Subsidiary Entities would have a limited number of opportunities to dispose of the Insider Shares due to insider trading restrictions under applicable securities laws and the Company's insider trading policies, and the Insider and the Insider Subsidiary Entities might be unable to sell Insider Shares to the Company at all times when the ASPP is operative and purchasing. Purchases of Insider Shares pursuant to the ASDP will only occur if the Company purchases Shares under the NCIB pursuant to the ASPP, and only for the purpose of allowing the Insider to maintain its aggregate proportionate percentage ownership in the Company at the Insider Ownership Percentage.

18. The ASDP is administered by the Broker, who is also independent of the Insider and the Insider Subsidiary Entities, in accordance with a pre-arranged set of trading parameters and other instructions (the "**ASDP Parameters**") set out in a written plan document (the "**ASDP Agreement**") that has been entered into between the Participating Entities (as the Insider Subsidiary Entities currently participating in the NCIB), the Broker, and the Company at the time that the ASDP was established. The ASDP is in compliance with applicable securities legislation and guidance, including, inter alia, subsection 175(2) of Regulation 1015 under the Act, OSC Staff Notice 55-701 *Automatic Securities Disposition Plans and Automatic Securities Purchase Plans* and similar rules and regulations regarding automatic dispositions of securities under Canadian securities laws, and the form of ASDP Agreement has been submitted to, and accepted by, the TSX.

19. At the time that the ASDP Agreement was entered into, neither the Insider nor any of the Participating Entities was in possession of any material undisclosed information about the Company and each of them represented that it was entering into the ASDP in good faith and not as part of a plan or scheme to evade prohibitions against trading with material undisclosed information contained in applicable Canadian securities laws.

20. At the time that the ASDP Agreement was entered into, the Insider provided the Broker with a certificate from the Company confirming that the Company is aware of the ASDP and certifying that, to the best of the Company's knowledge, each of the Insider and the Participating Entities is not in possession of material undisclosed information about the Company.

21. Pursuant to the ASDP Agreement, the Broker shall determine, in its sole discretion, the timing of the sales of Insider Shares, the number of Insider Shares to be sold, the price at which the Insider Shares will be sold, and the manner in which sales of Insider Shares are to occur for the duration of the ASDP, so long as such sales are within, and in accordance with, the ASDP Parameters. The ASDP Agreement specifies that, other than the ASDP Parameters, the Broker will not take any instructions from, nor consult with, the Insider or the Participating Entities regarding any sales under the ASDP.

22. The ASDP operates automatically and is conducted solely through the Broker. No material discretionary authority remains with the Insider or the Participating Entities and none of them have any influence or control over any of the sales of Insider Shares under the ASDP.

23. The ASDP Agreement specifies that the Broker will not consult with the Insider or the Participating Entities regarding any sales under the ASDP. The ASDP Agreement also specifies that the Insider and the Participating Entities will not disclose any information concerning the Company or the Shares to the Broker that might influence the execution of the ASDP.

24. The ASDP Agreement specifies that any amendment to, or modification of, the ASDP Agreement (including the termination thereof, other than in accordance with the termination provisions listed in paragraph 25) will require the written agreement of each of the parties thereto, which includes the Company, and will be conducted in compliance with, *inter alia*, statutes and regulations applicable to the trading of securities in the Reporting Jurisdictions, including applicable rules, policy statements and blanket rulings and orders promulgated by Canadian securities regulatory authorities. The ASDP Agreement specifies that at the time of any amendment to, or modification of, the ASDP Agreement, each party will represent that it is not in possession of material undisclosed information with respect to the Company. In the event of any amendment to, or modification of, the ASDP Agreement:

    (a) a SEDI filing in respect of such amendment or modification will be completed by, or on behalf of, the Insider and such filing will include a statement that the Insider is not in possession of any undisclosed material information in respect of the Company, and

    (b) a press release in respect of such amendment or modification will be issued by, or on behalf of, the Insider and/or the Company if such amendment or modification amounts to material information in respect of the Insider or the Company, which press release will include a statement that neither the Insider nor the Company is in possession of any undisclosed material information in respect of the Company.

25. The ASDP shall terminate upon the first to occur of the following:

    (a) the termination of the NCIB;

    (b) the termination of the ASPP in accordance with its terms;

    (c) the termination of the TSX Exemption; and

    (d) the commencement of any voluntary or involuntary proceedings seeking:

        (i) the liquidation, reorganization or other relief under any bankruptcy, insolvency or similar law of the Insider or any of the Participating Entities; or

        (ii) the appointment of a trustee, receiver or other similar official in respect of the Insider or any of the Participating Entities,

    (e) or the taking of any corporate action by any of the Insider or the Participating Entities to authorize any of the foregoing.

26. Upon entering into the ASDP Agreement, the Insider filed an insider report in accordance with subsection 107(2) of the Act.

27. Subject to TSX approval, the ASDP Agreement may be amended to include additional Insider Subsidiary Entities as "Participating Entities" and those additional entities will be subject to the same obligations as the original Participating Entities.

28. For greater certainty, the Exemption Sought applies to the Insider Subsidiary Entities to the extent the exemption from the insider reporting requirements in section 9.5 of NI 55-104 is not available for use.

**Decision**

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

The decision of the Decision Maker under the Legislation is that the Exemption Sought is granted provided that the Insider shall file an insider report (as such term is defined in NI 55-104) disclosing, on a transaction-by-transaction basis or in acceptable summary form (as such term is defined in NI 55-104), all dispositions of Insider Shares under the ASDP that have not been previously disclosed by or on behalf of the Insider during a calendar year, on or before March 31 of the next calendar year.

"Philip Anisman"
Commissioner
Ontario Securities Commission

"William Furlong"
Commissioner
Ontario Securities Commission

### 2.1.11 Thales

**Headnote**

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Application for a 5 year relief from the prospectus and dealer registration requirements in respect of certain trades of securities in connection with employee share offerings by a French issuer – offerings will involve the use of collective employee shareholding vehicles, each a fonds communs de placement d'entreprise (FCPE) – the filer cannot rely on the employee prospectus exemption in section 2.24 of National Instrument 45-106 Prospectus Exemptions or the plan administrator exemption in section 8.16 of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations as the shares are not being offered to Canadian employees directly by the filer but through the FCPEs – Canadian employees will receive disclosure documents – the FCPEs are subject to the supervision of the French Autorité des marchés financiers – relief granted, subject to conditions.

**Applicable Legislative Provisions**

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

**September 19, 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**
**THALES**
**(the Filer)**

**DECISION**

**Background**

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

1. an exemption from the prospectus requirement (the **Prospectus Relief**) so that such requirement does not apply to

   (a) trades of:

      (i) units (the **2017 Classic Units**) of a temporary *fonds commun de placement d'entreprise* or "FCPE", a form of collective shareholding vehicle commonly used in France for the conservation of shares held by employee-investors, named *World Classic Relais 2017* (the **2017 Classic Fund**); and

      (ii) units (together with the 2017 Classic Units, the Temporary Classic Units, and together with the 2017 Classic Units and the Principal Classic Units (as defined below), the **Units**) of future temporary FCPEs organized in the same manner as the 2017 Classic Fund (together with the 2017 Classic Fund, the **Temporary Classic Funds**),

   made pursuant to an Employee Offering (as defined below) to or with Qualifying Employees (as defined below) resident in the Jurisdiction and in the provinces of British Columbia, Alberta, Québec and Nova Scotia (collectively, the **Canadian Employees**, and Canadian Employees who subscribe for Temporary Classic Units, the **Canadian Participants**);

(b) trades of ordinary shares of the Filer (the **Shares**) by the Classic Fund to or with Canadian Participants upon the redemption of Units as requested by Canadian Participants (the term "**Classic Fund**" used herein means, prior to the Merger (as defined below), a Temporary Classic Fund and following the Merger, the "World Classic" compartment (the **Principal Classic Compartment**) of an FCPE named *Actionnariat Salarié Thales*; and

2. an exemption from the dealer registration requirement (the **Registration Relief**, and together with the Prospectus Relief, the **Offering Relief**) so that such requirement does not apply to the Filer and its Local Related Entities (as defined below), the Classic Fund and AMUNDI ASSET MANAGEMENT (the **Management Company**) in respect of:

(a) trades in Units made pursuant to an Employee Offering to or with Canadian Employees; and

(b) trades in Shares by the Classic Fund to or with Canadian Participants upon the redemption of Units as requested by Canadian Participants.

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

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

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta Québec and Nova Scotia.

**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.

**"Related entity"** has the same meaning given to such term in National Instrument 45-106 *Prospectus Exemptions* (**NI 45-106**) under the heading "Division 4 – Employee Executive Officer, Director and Consultant Exemptions".

**Representations**

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

1. The Filer is a corporation formed under the laws of France. It is not, and has no current intention of becoming, a reporting issuer under the Legislation or the securities legislation of any other jurisdiction of Canada. The head office of the Filer is located in France and the Shares are listed on Euronext Paris.

2. The Filer carries on business in Canada through certain related entities and has established a global employee share offering (the **2017 Employee Offering**) and expects to establish subsequent global employee share offerings of the Filer following 2017 for the next four years that are substantially similar (**Subsequent Employee Offerings**, and together with the 2017 Employee Offering, the **Employee Offerings**) for Qualifying Employees and its participating related entities, including related entities that employ Canadian Employees (**Local Related Entities**, and together with the Filer and other related entities of the Filer, the **Thales Group**). Each of the Local Related Entities is a direct or indirect controlled subsidiary of the Filer and no Local Related Entity has any current intention of becoming a reporting issuer under the Legislation or the securities legislation of any other jurisdiction of Canada. The principal office of the Thales Group in Canada is located in Ontario, and the greatest number of employees of Local Related Affiliates is employed in Ontario as compared to any other jurisdiction in Canada.

3. As of the date hereof, "Local Related Entities" include Thales Canada Inc. For any Subsequent Employee Offering, the list of "Local Related Entities" may change.

4. Each Employee Offering will be made under the terms as set out herein and for greater certainty, all of the representations will be true for each Employee Offering other than paragraphs 3, 11, 22 and 28 which may change (save for references to the 2017 Classic Fund and the 2017 Employee Offering which will be varied such that they are read as references to the relevant Temporary Classic Fund and Subsequent Employee Offering, respectively).

5. As of the date hereof and after giving effect to any Employee Offering, Canadian residents do not and will not beneficially own more than 10% of the Shares (which term, for the purposes of this paragraph, is deemed to include all Shares held by the Classic Fund on behalf of Canadian Participants) issued and outstanding, and do not and will not represent in number more than 10% of the total number of holders of the Shares as shown on the books of the Filer.

6. Each Employee Offering involves an offering of Shares to be acquired through a Temporary Classic Fund, which will be merged with the Principal Classic Compartment following completion of the Employee Offering (the **Classic Plan**), subject to the decision of the supervisory boards of the FCPEs and the approval of the French AMF (as defined below).

7. Only persons who are employees of an entity forming part of the Thales Group during the subscription period for an Employee Offering and who meet other employment criteria (the **Qualifying Employees**) will be allowed to participate in the relevant Employee Offering.

8. The 2017 Classic Fund was established for the purpose of implementing the 2017 Employee Offering. The Principal Classic Compartment was established for the purpose of implementing the Employee Offering generally. There is no current intention for any of the 2017 Classic Fund or the Principal Classic Compartment to become a reporting issuer under the securities legislation of any jurisdiction of Canada. There is no intention for any Temporary Classic Fund that will be established for the purpose of implementing Subsequent Employee Offerings to become a reporting issuer under the securities legislation of any jurisdiction of Canada.

9. The 2017 Classic Fund and the Principal Classic Compartment are registered with the French Autorité des marchés financiers (the **French AMF**). It is expected that each Temporary Classic Fund established for Subsequent Employee Offerings will be a French FCPE and registered with, and approved by, the French AMF.

10. Under the Classic Plan, each Employee Offering will be made as follows:

    (a) Canadian Participants will subscribe for the relevant Temporary Classic Units, and the relevant Temporary Classic Fund will then subscribe for Shares on behalf of Canadian Participants at a subscription price that is the Canadian dollar equivalent of the average opening price of the Shares (expressed in Euros) on Euronext Paris for the 20 trading days preceding the date of the fixing of the subscription price (the **Reference Price**) by the chief executive officer of the Filer, less a specified discount to the Reference Price.

    (b) Canadian Participants will make a contribution to the Classic Plan (the **Employee Contribution**), and the Local Related Entities that employ the Canadian Participants will also contribute on behalf of such Canadian Participants an amount into the Classic Plan (the **Employer Contributions**). The Temporary Classic Fund will apply the cash received from the Employee Contributions and the Employer Contributions to subscribe for Shares from the Filer.

    (c) Initially, the Shares subscribed for will be held in the relevant Temporary Classic Fund and the Canadian Participants will receive Units of the relevant Temporary Classic Fund.

    (d) After completion of an Employee Offering, the relevant Temporary Classic Fund will be merged with the Principal Classic Compartment (subject to the approval of the supervisory board of the FCPEs and the French AMF). The Temporary Classic Units held by Canadian Participants will be replaced with units of the Principal Classic Compartment (the **Principal Classic Units**) on a *pro rata* basis and the Shares will be held in the Principal Classic Compartment (such transaction being referred to as the **Merger**). The Filer is relying on the exemption from the prospectus requirement pursuant to section 2.11 of NI 45-106 in respect of the issuance of Units of the Principal Classic Compartment Fund to Canadian Participants in connection with the Merger.

    (e) The Units will be subject to a hold period of approximately five years (the **Lock-Up Period**), subject to certain exceptions provided for under French law (such as a release on death or termination of employment).

    (f) Any dividends paid on the Shares held in the Classic Fund will be contributed to the Classic Fund and used to purchase additional Shares. The net asset value of the Units will be increased to reflect this reinvestment. No new Units (or fractions thereof) will be issued to the Canadian Participants.

    (g) At the end of the relevant Lock-Up Period, a Canadian Participant may (i) request the redemption of Units in the Classic Fund in consideration for the underlying Shares or a cash payment equal to the then market value of the Shares, or (ii) continue to hold Units in the Classic Fund and request the redemption of those Units at a later date in consideration for the underlying Shares or a cash payment equal to the then market value of the Shares.

    (h) In the event of an early exit resulting from a Canadian Participant exercising one of the exceptions to the Lock-Up Period and meeting the applicable criteria, the Canadian Participant may request the redemption of Units in the Classic Fund in consideration for a cash payment equal to the then market value of the underlying Shares.

(i) As indicated in paragraph 10(b) above, the Local Related Entity employing a Canadian Participant will also contribute on behalf of such Canadian Participant an amount into the Classic Plan based on predetermined matching contribution rules.

11. For the 2017 Employee Offering, for each subscription of four Shares that a Canadian Participant makes into the Classic Plan, the Local Related Entity employing such Canadian Participant will contribute an additional one Share (**Matching Share**) into the Classic Plan, for the benefit of, and at no cost to, such Canadian Participant, up to a maximum of 10 Matching Shares. For clarity, the maximum number of Matching Shares a Local Related Entity can contribute in respect of a Canadian Participant is 10 additional Shares. For each Subsequent Employee Offering, the matching contribution rules may change.

12. The subscription price for an Employee Offering will not be known to Canadian Employees until after the end of the applicable subscription period. However, this information will be provided to Canadian Employees prior to the start of the revocation period, during which Canadian Participants may choose to revoke all (but not part) of their subscription under the Classic Plan and thereby not participate in the relevant Employee Offering.

13. Under French law, an FCPE is a limited liability entity. The portfolio of the Classic Fund will consist almost entirely of Shares and may also include cash in respect of dividends paid on the Shares which will be reinvested in Shares as discussed above and cash or cash equivalents pending investments in the Shares and for the purposes of Unit redemptions.

14. The Management Company is a portfolio management company governed by the laws of France. The Management Company is registered with the French AMF as an investment manager and complies with the rules of the French AMF. To the best of the Filer's knowledge, the Management Company is not, and has no current intention of becoming, a reporting issuer under the Legislation or the securities legislation of any other jurisdiction of Canada.

15. Only Qualifying Employees will be allowed to hold Units issued pursuant to an Employee Offering.

16. The Management Company's portfolio management activities in connection with an Employee Offering and the Classic Fund are limited to purchasing Shares from the Filer, selling such Shares as necessary in order to fund redemption requests and investing available cash in cash equivalents.

17. The Management Company is also responsible for preparing accounting documents and publishing periodic informational documents as provided by the rules of the Classic Fund. The Management Company's activities do not affect the underlying value of the Shares.

18. None of the Filer or its Local Related Entities or the Management Company or any of their employees, directors, officers, agents or representatives will provide investment advice to the Canadian Employees with respect to an investment in the Shares or Units.

19. Shares issued pursuant to an Employee Offering will be deposited in the Classic Fund through CACEIS Bank France (the **Depositary**), a large French commercial bank subject to French banking legislation. The Depositary carries out orders to purchase, trade and sell securities in the portfolio and takes all necessary action to allow the Classic Fund to exercise the rights relating to the securities held in its portfolio.

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

21. The total amount invested by a Canadian Employee pursuant to an Employee Offering cannot exceed 25% of his or her gross annual compensation. The Employer Contribution will not be factored into the maximum amount that a Canadian Employee may contribute.

22. For the 2017 Employee Offering, annual compensation includes the employee's gross base salary, bonus and/or overtime paid between January 1, 2017 and December 31, 2017.

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

24. Neither the Filer nor its Local Related Entities are in default of securities legislation of any jurisdiction of Canada. To the best of the Filer's knowledge and after reasonable verification, the Management Company is not currently in default of securities legislation of any jurisdiction of Canada.

25. The Unit value of the Classic Compartment will be calculated and reported to the French AMF on a regular basis, based on the net assets of the Classic Compartment divided by the number of Units outstanding. The value of the Units will be based on the value of the underlying Shares, but the number of Units of the Classic Compartment will not correspond to the number of the underlying Shares (e.g., dividends will be reinvested in additional Shares and increase the value of each Unit).

26. All management charges relating to the Classic Compartment will be paid from the assets of the Classic Compartment or by the Filer, as provided in the regulations of the Classic Compartment.

27. Canadian Employees will receive an information package in the English or French language, according to their preference, which will include a summary of the terms of the relevant Employee Offering and a description of Canadian income tax consequences of subscribing for and holding the Units of the Classic Compartment and the redemption of such Units at the end of the applicable Lock-Up Period. Canadian Employees will have access to or may request a copy of the Filer's French *Document de Référence* filed with the French AMF in respect of the Shares and a copy of the rules of the relevant Temporary Classic Fund and the Principal Classic Compartment. Canadian Employees will also have access to the continuous disclosure materials relating to the Filer that are furnished to holders of the Shares. Canadian Participants will receive an initial statement of their holdings under the Classic Plan, together with an updated statement, at least once per year.

28. For the 2017 Employee Offering, there are approximately 1,551 Canadian Employees resident in Canada, with the greatest number resident in Ontario (1,212), and the remainder in British Columbia, Alberta, Québec and Nova Scotia, who represent, in the aggregate, less than 2.5% of the number of employees in the Thales Group worldwide.

**Decision**

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

The decision of the principal regulator under the Legislation is that the Offering Relief is granted:

(a) for the 2017 Employee Offering provided that:

(i) the prospectus requirement will apply to the first trade in any Units or Shares acquired by Canadian Participants pursuant to this decision unless the following conditions are met:

(1) the issuer of the security

(A) was not a reporting issuer in any jurisdiction of Canada at the distribution date, or

(B) is not a reporting issuer in any jurisdiction of Canada at the date of the trade;

(2) at the distribution date, after giving effect to the issue of the security and any other securities of the same class or series that were issued at the same time as or as part of the same distribution as the security, residents of Canada:

(A) did not own, directly or indirectly, more than 10% of the outstanding securities of the class or series, and

(B) did not represent in number more than 10% of the total number of owners, directly or indirectly, of securities of the class or series; and

(3) the first trade is made

(A) through an exchange, or a market, outside of Canada, or

(B) to a person or company outside of Canada; and

(b) for any Subsequent Employee Offering under this decision completed within five years from the date of this decision, provided that:

(i) the representations other than those in paragraphs 3, 11, 22 and 28 remain true and correct in respect of that Subsequent Employee Offering, and

(ii) the conditions set out in paragraph (a) above are satisfied as of the date of any distribution of a security under such Subsequent Employee Offering (varied such that any references therein to the 2017 Classic Fund and the 2017 Employee Offering are read as references to the relevant Temporary Classic Fund and Subsequent Employee Offering, respectively).

"Peter Currie"
Commissioner
Ontario Securities Commission

"Robert P. Hutchison"
Commissioner
Ontario Securities Commission

## 2.2 Orders

### 2.2.1 Quadrexx Hedge Capital Management Ltd. et al.

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

Timothy Moseley, Chair of the Panel
AnneMarie Ryan, Commissioner

September 22, 2017

**ORDER**

**WHEREAS** on September 21, 2017, the Ontario Securities Commission held a hearing at the offices of the Commission, located at 20 Queen Street West, 17th Floor, Toronto, Ontario; and

**ON HEARING** the submissions of Staff of the Commission (**Staff**), Tony Sanfelice, appearing on his own behalf, and Miklos Nagy, appearing on his own behalf and on behalf of Quadrexx Hedge Capital Management Ltd. and Quadrexx Secured Assets Inc.;

**IT IS ORDERED THAT:**

1. By no later than September 27, 2017, the Respondents shall serve Staff with their witness lists, which lists shall specify:
   a. on behalf of which Respondent or Respondents each witness will provide evidence at the hearing on sanctions and costs; and
   b. whether each witness will testify orally or provide a written statement or affidavit;
2. By no later than October 10, 2017, Staff shall serve and file Staff's reply submissions on sanctions and costs, if any;
3. By no later than October 13, 2017, the Respondents shall serve Staff with:
   a. a summary of the anticipated evidence of each witness that will testify orally; and
   b. any written statement or affidavit on which the Respondents intend to rely;
4. The hearing on sanctions and costs shall be held on the dates specified in the Order issued May 30, 2017 (i.e., October 24, 25 and 26, 2017), but on October 24, 2017, the hearing shall commence at 12:00 p.m.

"Timothy Moseley"

"AnneMarie Ryan"

### 2.2.2 Great-West Lifeco Finance (Delaware) LP

**Headnote**

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – Application for an order that the issuer is not a reporting issuer under applicable securities laws – The issuer has debt securities outstanding that are held by more than 50 persons worldwide – There is a *de minimis* number of Canadian securityholders of the debt securities holding a *de minimis* amount of the outstanding debt – There is no market for the debt securities – The issuer is required under U.S. securities rules and the debt instrument to provide certain continuous disclosure to the holders of the debt securities as long as the securities are outstanding, but is not required to remain a reporting issuer in Canada – The parent credit supporter in Canada will continue to file its continuous disclosure on SEDAR – The issuer's securityholders are aware of the issuer's intention to cease to be a reporting issuer – The issuer does not intend to do a public offering of its securities to Canadian residents – The issuer will not be a reporting issuer in any jurisdiction of Canada.

**Applicable Legislative Provisions**

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

**September 18, 2017**

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

**AND**

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

**AND**

**IN THE MATTER OF**
**GREAT-WEST LIFECO FINANCE (DELAWARE) LP**
**(the "Filer")**

**ORDER**

**Background**

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

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

(a) the Manitoba Securities Commission 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, Alberta, Saskatchewan, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Nunavut and Yukon; and

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

**Interpretation**

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

**Representations**

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

1. The Filer is a limited partnership formed on April 23, 2007 under the Delaware *Revised Uniform Limited Partnership Act* with its principal place of business located in Greenwood Village, Colorado.

2. The general partner of the Filer is 2142540 Ontario Inc., being a wholly owned subsidiary of Great-West Lifeco Inc. ("**Lifeco**") and owner of a 1% partnership interest in the Filer, and the limited partner of the Filer is Lifeco, owner of the remaining 99% partnership interest in the Filer. The Filer is an indirect wholly-owned subsidiary of Lifeco.

3. The Filer previously issued 5.691% subordinated debentures due June 21, 2067 (the "**Debentures**") pursuant to an indenture dated as of June 21, 2007 by way of short form prospectus filed in all of the provinces and territories of Canada. The payment obligations of the Filer under the terms of the Debentures were guaranteed by Lifeco. The Filer redeemed all of the outstanding Debentures on June 21, 2017.

4. The Filer currently has one class of debt securities outstanding, being an aggregate US$700 million of 4.15% senior notes due 2047 (the "**Notes**"). The Notes were issued pursuant to a trust indenture dated as of May 26, 2017 between the Filer, Great-West Lifeco Inc. as guarantor, and The Bank of New York Mellon Trust Company, N.A., as trustee (the "**Indenture**"). The payment obligations of the Filer under the terms of the Notes are guaranteed by Lifeco. All of the outstanding securities of the Filer are indirectly owned by Lifeco apart from the Notes.

5. The Notes were issued on May 26, 2017 on a private placement basis, primarily to qualified institutional buyers in the United States in accordance with Rule 144A of the United States *Securities Act of 1933* (the "**Securities Act**") as well as to persons outside the United States in accordance with Regulation S of the Securities Act. A small portion of the Notes were sold to "accredited investors" in Canada within the meaning of Section 73.3 of the *Securities Act* (Ontario) or Section 2.3 of National Instrument 45-106 – *Prospectus Exemptions*, as applicable ("**Accredited Investors**") pursuant to available prospectus exemptions.

6. The Notes are issued in book-entry form and are represented by global certificates registered in a nominee name of The Depositary Trust Company ("**DTC**"), with beneficial interests therein recorded in records maintained by DTC and its participants as financial intermediaries that hold securities on behalf of their clients.

7. According to subscriber information collected by the underwriters engaged by the Filer in connection with the issuance of the Notes and provided to the Filer in connection with its exempt distribution reporting requirements:

    a. out of the aggregate US$700 million of Notes outstanding, US$31.75 million in principal amount of such Notes were beneficially acquired by Canadian residents, representing approximately 4.5% of the aggregate principal amount of the Notes, including:

        i. US$21 million principal amount of Notes acquired by Ontario residents, representing approximately 3% of the aggregate principal amount of the Notes; and

        ii. US$10.75 million principal amount of Notes acquired by Québec residents, representing approximately 1.5% of the aggregate principal amount of the Notes; and

    b. out of 92 total purchasers of Notes worldwide, five of such purchasers were Canadian residents, representing approximately 5.4% of the number of purchasers of Notes, including:

        i. three purchasers resident in Ontario, representing approximately 3.2% of the number of purchasers of Notes; and

        ii. two purchasers resident in Québec, representing approximately 2.2% of the number of purchasers of Notes.

8. The Notes have not been qualified for distribution to the public under the securities laws of any province or territory of Canada and may not be offered and sold in Canada, directly or indirectly, other than pursuant to applicable private placement exemptions. The Notes are not convertible or exchangeable into equity or other voting securities of the Filer.

9. The Filer is a reporting issuer in each of the provinces and territories in Canada and is not in default of any of its obligations under the securities legislation in any such jurisdictions.

10. The Filer currently relies on the exemption from the disclosure requirements of National Instrument 51-102 – *Continuous Disclosure Obligations* ("**NI 51-102**") available to it under section 13.4 of NI 51-102, whereby the Filer currently files copies of all documents that Lifeco is required to file under securities legislation, other than in connection with a distribution, at the same time as the filing by Lifeco of those documents.

11. There is no obligation or covenant in the Indenture for the Filer to maintain its status as a reporting issuer or the equivalent in any of the provinces and territories in Canada or to file financial statements or any other continuous disclosure documentation.

12. Under U.S. federal securities law the Filer is required to furnish holders of the Notes, or prospective holders of the Notes, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act, which is comprised of a brief statement of the nature of the business of the Filer and the products and services it offers and the Filer's most recent balance sheet and profit and loss and retained earnings statements, and similar financial statements for such part of the two preceding fiscal years. Furthermore, the Filer has covenanted in the Indenture to provide the same disclosure upon request to any holder of Notes, or prospective holder designated by a holder of Notes, which includes a holder or prospective holder of Notes in Canada:

> While any Notes remain Outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, if, at any time, the Company is neither subject to Section 13 or 15(d) of the Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, the Company will furnish Rule 144A Information, upon request, to any Holder, or any prospective purchaser designated by a Holder. "Rule 144A Information" means such information as is at the time of such request or proposed purchase specified pursuant to Rule 144A(d)(4) under the Securities Act (or any successor provision thereto).

13. The Filer has no current intention to distribute any securities to the public in Canada, nor to seek financing by way of a public offering or private offering or private placement of its securities in Canada.

14. The Filer issued a news release on August 24, 2017 announcing that it has applied to each of the Decision Makers for a decision that it is not a reporting issuer in any jurisdiction in Canada and, upon grant of the Order Sought, the Filer will no longer be a reporting issuer in any jurisdiction in Canada.

15. The Filer meets all of the criteria of the simplified procedure set forth in Section 19 of NP 11-206 except for the requirement in Section 19(b) that the Notes are beneficially owned, directly or indirectly, by fewer than 51 securityholders in total worldwide.

16. The Filer meets the criteria set forth in Sections 19(a), (c), and (d) of National Policy 11-206 as follows:

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

    b. no securities of the filer, including debt securities, are traded in Canada or another country on a marketplace (as that term is 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; and

    c. the Filer is not in default of securities legislation in any jurisdiction where it is a reporting issuer.

17. Upon the grant of the Order Sought, the Filer will no longer be a reporting issuer in any jurisdiction in Canada.

**Order**

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

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

"Chris Besko"
Director, General Counsel
The Manitoba Securities Commission

### 2.2.3 Lojack Corporation

**Headnote**

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – application for a decision that the issuer is not a reporting issuer under applicable securities laws – issuer in default of certain obligations as a reporting issuer under applicable securities laws – outstanding securities are beneficially owned, directly or indirectly by fewer than 15 security holders in Ontario and more than 51 security holders worldwide – requested relief granted.

**Applicable Legislative Provisions**

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

**TRANSLATION**

**August 29, 2017**

**IN THE MATTER OF**
**THE SECURITIES LEGISLATION OF**
**QUEBEC AND ONTARIO**
**(THE JURISDICTIONS)**

**AND**

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

**AND**

**IN THE MATTER OF**
**LOJACK CORPORATION**
**(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 Autorité des marchés financiers is the principal regulator for this application,

(b) the Filer has provided notice that subsection 4C.5(1) *Regulation 11-102 respecting Passport System* ("**Regulation 11-102**") is intended to be relied upon in British Columbia, Alberta and Ontario, 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 *Regulation 14-101 respecting Definitions*, Regulation 11-102 and, in Québec, in *Regulation 14-501Q respecting Definitions* 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 was originally organized as a corporation under the laws of the Commonwealth of Massachusetts in 1978 and was converted under the laws of Delaware on October 7, 2016.

2. The Filer's head office is located in Canton, Massachusetts, U.S.A.

3. The Filer qualifies as a "SEC foreign issuer" in accordance with *Regulation 71-102 respecting Continuous Disclosure and Other Exemptions Relating to Foreign Issuers*.

4. On October 29, 2004, the Filer acquired (the "**Acquisition**") all of the issued and outstanding shares of Boomerang Tracking Inc. (currently known under the name LoJack Canada Enterprises ULC) ("**Boomerang**"), pursuant to a plan of arrangement under Section 192 of the *Canada Business Corporations Act*. As of the date of the Acquisition, Boomerang was a reporting issuer in British Columbia, Alberta, Ontario and Quebec and the majority of the securityholders of Boomerang were residing in Québec.

5. In connection with the Acquisition, the Filer issued common stock to existing securityholders of Boomerang and became a reporting issuer in British Columbia, Alberta, Ontario and Québec.

6. Until October 31, 2016, the Filer was a tenant of a property located in Montreal, Québec. Moreover, as mentioned hereinbefore, as of the date of the Acquisition, the majority of the securityholders of Boomerang were residing in Québec. The Autorité des marchés financiers had therefore been designated by the Filer as the principal regulator.

7. On February 1, 2016, the Filer concluded an agreement and plan of merger with CalAmp Corp. ("**CalAmp**"), a corporation organized pursuant to the laws of Delaware, and Lexus Acquisition Sub, Inc., a company organized pursuant to the laws of Massachusetts and a wholly-owned subsidiary of CalAmp (the "**Merger Agreement**") pursuant to which CalAmp submitted an all-cash tender offer (the "**Initial Offer**") for all of the Filer's issued and outstanding common stock (the "**Filer Shares**") at a purchase price of USD$6.45 per share.

8. The Initial Offer expired on March 14, 2016, at which time approximately 80.2% of the Filer Shares were tendered. On March 15, 2016, CalAmp commenced a subsequent offering period, which expired on March 17, 2016, at which time approximately 86.4% of the Filer Shares were tendered. Immediately thereafter, CalAmp exercised the top-up option pursuant to the Merger Agreement to reach the 90% threshold required under Massachusetts laws to conduct a merger.

9. On March 18, 2016, pursuant to the Merger Agreement, Lexus Acquisition Sub, Inc. and the Filer merged (the "**Merger**"). The Filer is the entity resulting from the Merger.

10. Following the Merger, the Filer became a direct, wholly-owned subsidiary of CalAmp and all of the Filer Shares are owned by CalAmp.

11. On March 18, 2016, the Filer Shares were delisted from the NASDAQ Stock Market.

12. On March 31, 2016, the Filer ceased being subject to the reporting requirements in the U.S. under the 1934 Act as a result of it being eligible to de-register under the 1934 Act upon having fewer than 300 holders of record of the relevant classes of securities.

13. Prior to the Merger and delisting of the Filer Shares from the NASDAQ Stock Market, the Filer filed all continuous disclosure reports required pursuant to the 1934 Act on the Electronic Data-Gathering Analysis and Retrieval System (EDGAR), where such information is publicly available.

14. On January 31, 2017, copies of the press releases which were released in connection with the Merger, respectively on March 15 and March 18, 2016, were filed using the System for Electronic Document Analysis and Retrieval (SEDAR).

15. The Filer has never issued any securities in Canada other than in connection with the Acquisition.

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

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

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

19. The Filer is not in default of securities legislation in any jurisdiction, except that it did not file its interim financial statements and the interim MD&A for the interim periods ended since March 31, 2016 and its annual financial statements and annual MD&A for the financial year ended December 31, 2016 required pursuant to *Regulation 51-102 respecting Continuous Disclosure Obligations*, as well as related certificates required pursuant to *Regulation 52-109 respecting Certification of Disclosure in Issuers' Annual and Interim Filings* (the "**Breaches**").

20. 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.

21. The Filer cannot rely on the simplified procedure under *Policy Statement 11-206 respecting Process for Cease to be a Reporting Issuer Applications* as a result of the Breaches.

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

**Order**

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

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

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

### 2.2.4 Ivanhoe Energy Inc. – s. 144(1)

**Headnote**

Section 144(1) – Application to vary a cease trade order – cease trade order varied to permit beneficial shareholders, who are not insiders or control persons, to sell securities outside of Canada, subject to conditions.

**Statutes Cited**

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

**September 1, 2017**

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

**AND**

**IN THE MATTER OF**
**IVANHOE ENERGY INC.**
**(THE "ISSUER")**

**ORDER**
**(Section 144(1) of the Act)**

**WHEREAS** the securities of the Issuer are subject to a temporary cease trade order issued by the Director on April 21, 2015, under paragraph 2 of subsection 127(1) and subsection 127(5) of the Act, as extended by a further cease trade order issued by the Director on May 4, 2015 pursuant to subsection 127(1) of the Act directing that trading in the securities of the Issuer, whether direct or indirect, cease until further order by the Director (the "**Cease Trade Order**");

**AND WHEREAS** a cease trade order with respect to the Issuer's securities was also issued by the British Columbia Securities Commission on April 14, 2015, the Manitoba Securities Commission on May 6, 2015, Autorité des marchés financiers on May 7, 2015 and the Alberta Securities Commission on July 15, 2015.

**AND WHEREAS** the Issuer's securities are not listed on and do not trade on any exchange in Canada;

**AND WHEREAS** as of August 29, 2017, the Issuer's securities trade on the OTC Marketplace (**OTC**);

**AND WHEREAS** a shareholder of the Issuer has made an application to the Commission pursuant to section 144(1) of the Act to vary the Cease Trade Order;

**AND UPON** the Director being satisfied that:

a) the terms and conditions to the Cease Trade Order put Ontario resident shareholders of the Issuer at a disadvantage to certain shareholders who are free to trade their shares on the OTC; and

b) it is not prejudicial to the public interest to vary the Cease Trade Order under section 144(1) of the Act;

**IT IS ORDERED** that, pursuant to section 144(1) of the Act, the Cease Trade Order be varied by including the following section:

> Despite this order, a beneficial shareholder of Ivanhoe Energy Inc. who is not, and was not as at April 21, 2015, an insider or control person of Ivanhoe Energy Inc., may sell securities of Ivanhoe Energy Inc. acquired before April 21, 2015, if:
>
> 1. the sale is made through a market outside of Canada; and
>
> 2. the sale is made through an investment dealer registered in Ontario.

**DATED** this 1st day of September, 2017

"Sonny Randhawa"
Deputy Director, Corporate Finance Branch
Ontario Securities Commission

### 2.2.5 TCM Investments Ltd. et al. – s. 127(1)

**IN THE MATTER OF**
**TCM INVESTMENTS LTD.**
**carrying on business as OPTIONRALLY,**
**LFG INVESTMENTS LTD.,**
**AD PARTNERS SOLUTIONS LTD. and**
**INTERCAPITAL SM LTD.**

Timothy Moseley, Chair of the Panel

September 26, 2017

**ORDER (Subsection 127(1) of the Securities Act, RSO 1990, c S.5)**

**WHEREAS** on September 26, 2017, the Ontario Securities Commission held a hearing at the offices of the Commission, located at 20 Queen Street West, 17th Floor, Toronto, Ontario, for the purpose of scheduling the consideration of the allegations set out in the Statement of Allegations dated August 24, 2017; and

**ON HEARING** the submissions of the representative for Staff of the Commission, no one appearing for the Respondents, although properly served, as appears from the Affidavits of Service of Laura Filice sworn May 15, May 24 and September 6, 2017;

**IT IS ORDERED THAT** the hearing on the merits shall be held on September 27, 2017, commencing at 10:00 a.m.

“Timothy Moseley”

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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 |
|---|---|---|
| Bitumen Capital Inc. | 8 May 2017 | 21 September 2017 |

### 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 o fPermanent 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 |
|---|---|---|
| Katanga Mining Limited | 15 August 2017 | |
| Canada House Wellness Group Inc. | 13 September 2017 | |
| The Canadian Bioceutical Corporation | 01 August 2017 | |

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# Chapter 5

# Rules and Policies

### 5.1.1 CSA Multilateral Notice of Multilateral Instrument 91-102 Prohibition of Binary Options and Related Companion Policy

CSA/ACVM Canadian Securities Administrators Autorités canadiennes en valeurs mobilières

**CSA Multilateral Notice of**
**Multilateral Instrument 91-102 *Prohibition of Binary Options***
**and**
**Related Companion Policy**

**September 28, 2017**

**Introduction**

We, the securities regulatory authorities in all Canadian jurisdictions other than British Columbia (collectively, the **Participating Jurisdictions**), are implementing the following:

- Multilateral Instrument 91-102 *Prohibition of Binary Options* (the **Instrument**); and
- Companion Policy 91-102 *Prohibition of Binary Options* (the **CP**).

In this Notice, the Instrument and the CP are referred to collectively as the **Binary Options Rule**.

In some jurisdictions, government ministerial approvals are required for the implementation of the Instrument. Provided all necessary approvals are obtained, the Binary Options Rule will come into force on December 12, 2017.

The British Columbia Securities Commission is not an authority implementing the Binary Options Rule. Please see BC Notice 2017/02 – *Binary Options* for more information regarding the regulation of binary options in BC.

**Substance and Purpose**

The purpose of the Binary Options Rule is to protect would-be investors from becoming victims of binary options fraud and from an illegal promotion of extremely high risk products. We believe the Instrument will achieve this goal by raising awareness among investors that the sale of these products is illegal and by disrupting the distribution of these products, including its facilitation through payment processing and advertising. To this end, the Instrument explicitly prohibits advertising, offering, selling or otherwise trading a binary option with or to an individual.

**Summary of the Instrument**

The Instrument prohibits advertising, offering, selling or otherwise trading a binary option having a term to maturity of less than 30 days with or to:

- an individual, and
- a person or company that is created, or is used, solely to trade a binary option.

The Instrument sets out a definition of “binary option” that is intended to capture a range of products that are commonly called binary options, or that are similar to products that are commonly called binary options, regardless of how they are named.

**Background**

***Binary options***

Binary options are based on the outcome of a yes/no proposition. If the outcome is yes, the buyer wins or is "in-the-money". If the answer is no, the buyer loses or is "out-of-the-money" and loses all, or nearly all, of their investment. The yes/no proposition is structured on the performance of an underlying interest referenced in the contract – for example, a change in the value of a currency, commodity, stock index, or listed security – or the occurrence of a specified event in connection with an underlying interest – for example, the outcome of an election or a change in a benchmark interest rate. The time or time period specified in the contract for determining whether the predetermined condition (i.e., the outcome of the yes/no proposition) or conditions are met can be very short, sometimes hours or even minutes. The buyer either:

- is entitled to receive a predetermined fixed amount if the predetermined condition or conditions are met, i.e., the buyer wins or is "in-the-money", or
- loses all or nearly all of the amount that was paid to enter into the binary option if the predetermined condition or conditions are not met, i.e., the buyer loses or is "out-of-the-money".

***Binary options fraud***

We are concerned by the large number of complaints received regarding the marketing of products commonly called "binary options" to individuals. Binary options are also called a variety of other names, including but not limited to:

- all-or-nothing options,
- asset-or-nothing options,
- bet options,
- cash-or-nothing options,
- digital options,
- fixed-return options, and
- one-touch options.

All contracts or instruments, however named, marketed or sold that meet the definition of a binary option are prohibited under the Instrument.

A significant number of the complaints and inquiries received by CSA members concern online binary options platforms. These platforms operate as unregistered dealers, are typically located off-shore, and promise quick and high-yielding returns from trading binary options. On some platforms, trading may actually take place but it is typically extremely difficult and often impossible to win on the bet (because the platform controls the odds and often the reference value of the underlying interest). In some cases, even if an individual theoretically does win, the winnings may appear as a credit on a trading account on the platform but the investor's money is not transferred or returned. In many other cases, no trading actually takes place and the operation is purely a fraud set up to take money from individuals, including through cash advances processed through the target's credit card. Once a victim has lost their money, it is almost impossible to recuperate their losses.

***No individuals or firms are registered to sell binary options in Canada***

The Instrument prohibits advertising, offering, selling and otherwise trading binary options to an individual and to a person or company that was created, or is solely used, to trade binary options.

We consider a person or company to be trading in securities or derivatives in a local jurisdiction if that person or company offers or solicits transactions in securities or derivatives to persons or companies in that local jurisdiction, including through a website or other electronic means.

Offering investment services or products to persons or companies, whether by telephone, online or in-person, is a regulated activity. It is illegal to offer securities or derivatives, including binary options, whether or not subject to the Instrument, without being registered as a dealer. There are only limited and narrow exceptions to the registration requirement for transactions with highly sophisticated investors. We emphasize that no offering of these products, including by a broker, dealer or platform, has

been authorized anywhere in Canada. Many of these products and the platforms selling them have been identified as vehicles to commit fraud.

Investing through unregistered offshore platforms or dealers can be risky and is a common red flag for investment fraud. Registration as a dealer is an important safeguard for investors, helping to ensure the character, proficiency and solvency of the dealer and typically requiring the registered dealer to assess the suitability of an investment for an investor. We encourage all investors to visit aretheyregistered.ca to check the registration of any person or company offering investment products, including binary options, to Canadians. Anyone who has invested with, or has concerns about, a binary options trading platform should contact their local securities regulator. We also encourage all investors to visit binaryoptionsfraud.ca.

**Summary of Written Comments Received**

The Instrument was published for comment as Proposed National Instrument 91-102 *Prohibition of Binary Options* (the **Proposed NI**) on April 26, 2017 in all CSA jurisdictions except BC. The public comment period for the Proposed NI expired on May 29, 2017 in Alberta and Québec, June 28, 2017 in Manitoba and Saskatchewan, and July 28, 2017 in all other CSA jurisdictions except BC.

We received eight comment letters on the Proposed NI. A list of those who submitted comments as well as a chart summarizing the comments received and our responses is attached as Annex A to this Notice. Copies of the comment letters can be found on the websites of the Alberta Securities Commission, Autorité des marchés financiers, and Ontario Securities Commission.

**Summary of Changes**

We have made certain non-significant changes to the Instrument in response to the comments received. We have also made several non-significant changes to the CP to provide further guidance on the types of contracts we intend and do not intend to capture under the Instrument.

**Contents of Annexes**

The following annexes form part of this CSA Notice:

- Annex A – Summary of Comments and CSA Responses,
- Annex B – Multilateral Instrument 91-102 Prohibition of Binary Options,
- Annex C – Companion Policy 91-102 Prohibition of Binary Options, and
- Annex D – Local Matters.

**Questions**

Please refer your questions to any of:

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Alberta Securities Commission
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**ANNEX A**

**SUMMARY OF COMMENTS AND CSA RESPONSES ON**
**PROPOSED NATIONAL INSTRUMENT 91-102 *PROHIBITION OF BINARY OPTIONS***

| Section Reference | Summary of Issues/Comments | Response |
|---|---|---|
| | **GENERAL COMMENTS** | |
| General Comments | Commenters generally supported the efforts of the CSA to help protect would-be investors from binary options fraud and generally strengthen the integrity of, and public confidence in, the financial sector, including by ensuring that products cannot be sold to investors through unauthorized mechanisms.<br><br>One commenter noted that certain investors mistake the current unlawful activity for that of regulated brokers in Canada, and that the reputation of the financial and brokerage industry is, therefore, indirectly at stake. | No change. We thank the commenters for their submissions. |
| | Commenters had mixed views on binary options:<br>• One commenter stated that binary options are high risk and not a get rich quick scheme, suggesting that the CSA should not ban binary options for all investors because some people have lost money.<br>• Another commenter urged that binary options are, by design, harmful for investors, particularly retail investors. The commenter stated that firms should not be allowed to offer binary options to the public, and particularly not to retail investors.<br>• One commenter submitted that the offering of binary options does not enhance any investor portfolio, nor does it enhance fair and efficient capital markets.<br>• Another commenter submitted that non-fraudulent binary options products can be used to offset an existing risk or economic exposure or to speculate on market volatility – for example, to hedge or speculate on very short term market volatility created by the release of specific major economic figures. | We thank the commenters for their submissions. |
| Will the Proposed NI accomplish the intended purpose? | Commenters generally noted that those operating fraudulent online binary options platforms are unlikely to comply with the Proposed NI.<br>Two commenters stated that the Proposed NI will not end the illegal activity but may interfere with current “legal” institutional binary options trading taking place in the Canadian market.<br>One commenter submitted that the only market participants that will comply with the Proposed NI, such as the large institutional dealers, are already complying with all applicable securities laws and regulations. | No change. The Instrument is one aspect of the CSA’s multi-pronged effort to combat binary options fraud, and we have already seen positive outcomes from this rule-making project. |

| | | |
|---|---|---|
| | Two commenters submitted that the policy objectives could be met with a narrowed scope, and that products traded on a recognized exchange or cleared by a recognized clearing agency or clearing house, or financial instruments legally traded on certain US exchanges should be excluded from the prohibition. | No change. It is currently our view that binary options should not be permitted to be sold to individuals by a registered dealer or regulated exchange. |
| | One commenter submitted that the detailed regulatory oversight regimes applicable in each Participating Jurisdiction has proven to be effective with respect to other types of instruments, and that any financial product, and not only binary options, that is offered illegally to Canadian investors poses a threat to investors' protection. | No change. It is currently our view that binary options should not be permitted to be sold to individuals by a registered dealer or regulated exchange. |
| Investor protection | One commenter submitted that, by prohibiting trading of binary options with a maturity of less than 30 days, the regulator is meeting its mandate to provide protection to investors from unfair, improper or fraudulent practices and to foster fair and efficient capital markets. | No change. We thank the commenter for their submission. |
| | One commenter noted that many of the investor protection-related concerns regarding binary options are also present regarding leveraged retail forex and CFDs, including regarding pricing transparency, and queried whether other leveraged derivatives products sold to retail investors should also be covered in this rule-making project. | No change. The focus of the Instrument is specifically on the fraud being perpetrated by unregulated, online platforms providing primarily – to date – binary options. |
| Alternative approaches to accomplishing the policy objectives | Commenters pointed to other tools to deter and eliminate fraud relating to binary options, either in support of the Proposed NI or instead of the Proposed NI.<br>One commenter submitted that efforts to attack the bad actors rather than the financial instrument, and that limit demand for the illegal product (e.g., allowing registered firms and exchanges to offer legitimate binary options as a legal alternative) would more effectively protect the Canadian public and reduce the fraud than attempting to ban a financial product. | We note that the Instrument is one aspect of the CSA's multi-pronged effort to combat binary options fraud, and that we have already seen positive outcomes from this rule-making project. |
| | Four commenters generally felt that fraudulent binary options platforms and their offerings should be dealt with differently than "legitimate" binary options offered by a registered dealer or a recognized exchange, as in the U.S. and certain other jurisdictions. | No change. It is currently our view that binary options will not be permitted to be sold to individuals by a registered dealer or regulated exchange. |
| Enforcement | One commenter urged that the only effective means of influencing the fraudulent online platforms is through enforcement actions.<br>Another commenter sought more emphasis in the Proposed NI on utilizing enforcement tools and coordinated enforcement action with other jurisdictions to deter and eliminate fraud associated with binary options. | No change. The Instrument is one aspect of the CSA's multi-pronged effort to combat binary options fraud, and we have already seen positive outcomes from this rule-making project. |

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| | Investor warnings and investor education | Two commenters stated that the only way to prevent online fraud is to tell Canadians about this "trading" scam as well as the related "we help recover your money" scam, and urged regulators to continue investor warnings and investor education programs – pointing to other CSA efforts, including: the website www.binaryoptionsfraud.ca, holding investor information seminars, and advertising warning of the dangers of buying binary options from online platforms. | No change. The Instrument is one aspect of the CSA's multi-pronged effort to combat binary options fraud. |
| | Coordinating with distribution and facilitation service providers | One commenter noted that major credit card companies have recently taken steps to limit the availability of funding to unregistered providers of binary options. The commenter submitted that the Participating Jurisdictions should also work with search engine providers to limit online advertising of illegal services to Canadian consumers. | No change. The Instrument is one aspect of the CSA's multi-pronged effort to combat binary options fraud. |
| | Regulating binary options as fraud | Two commenters recommended the RCMP be involved in stopping online binary options fraud, by handling investigations, shutting down websites and prosecuting platforms in coordination with international law enforcement agencies. | No change. The Instrument is one aspect of the CSA's multi-pronged effort to combat binary options fraud. |
| | Regulating binary options as gambling | One commenter submitted that fraudulent binary options should be treated as gambling activity, regulated by the applicable gambling authority in each province and subject to the Criminal Code, with enforcement by the RCMP. | No change. We are of the view that binary options are securities and/ or derivatives in each Participating Jurisdiction and therefore that regulating the advertising, offering, selling and otherwise trading of binary options is within the CSA's regulatory jurisdiction and mandate. |
| | Permitting binary options to be offered by a registered (or exempt) dealer | Two commenters recommended that, if the CSA proceeds with the Proposed NI, that the rule should provide for a general exception for selling binary options through a registered or exempt dealer.<br>One commenter recommended that the CSA allow registered, IIROC-regulated firms to offer these products to all investors (including both retail and sophisticated investors), in order to: ensure the protection of the public against unfair, abusive and fraudulent practices; apply the concepts of investment suitability; and apply disclosure obligations to allow clients to understand the product and the significant risks involved. | No change. It is currently our view that binary options will not be permitted to be sold to individuals by a registered dealer. |
| | Permitting binary options to be offered on a recognized (or exempt) exchange or cleared by a recognized clearing agency or clearing house | Two commenters recommended that the CSA permit binary options to be offered to individuals on a recognized exchange.<br>One commenter recommended that the CSA permit a registered dealer to offer binary options traded on a recognized exchange, or cleared by a recognized clearing agency or clearing house, noting the level of CSA oversight over a recognized exchange and a recognized clearing agency. | No change. It is currently our view that binary options will not be permitted to be sold to individuals through a recognized exchange or cleared by a recognized clearing agency. |

| s. 1 – Definition | | |
|---|---|---|
| Definition of "binary option" | Several commenters suggested that the definition of "binary option" is too broad, as it may prohibit: | |
| | • the offering to an individual of an instrument otherwise duly listed on a recognized exchange or cleared by a recognized clearing agency; | No change. The Instrument is intended to prohibit the advertising, offering, selling and otherwise trading of a binary option to an individual, regardless of whether it is listed on a recognized exchange or cleared by a recognized clearing agency. |
| | • conventional options with a term of less than 30 days that are used by individuals; | No change. A conventional option would not become a prohibited "binary option" simply because its term to maturity is less than 30 days. |
| | • legitimate binary option transactions executed by institutional and sophisticated investors; | No change. The Instrument is intended to prohibit the advertising, offering, selling and otherwise trading of a binary option to an individual, including an individual that is a sophisticated investor. |
| | • genuine non-fraudulent binary options that have been offered for many years by regulated firms dealing over-the-counter in Europe and Japan, or in the United States on exchanges. | No change. The Instrument is intended to prohibit the advertising, offering, selling and otherwise trading of all binary options to individuals. |
| | • binary contracts currently being legitimately sold to sophisticated individuals, including products described in the ISDA 2005 Barrier Option Supplement to the 1998 FX and Currency Option Definitions[1]. | Change made. After follow-up consultations with commenters, we have revised the definition of "binary option" to mitigate against the Instrument capturing some products that were not intended to be caught. We believe that some of the products identified to us would not be caught by the definition, while other products – including some identified in the ISDA 2005 Barrier Option Supplement – would be caught. Information available to us indicates that individuals are not actively trading products under the ISDA 2005 Barrier Option Supplement. |
| | One commenter submitted that the definition may be too narrow, as it may not capture all types of product that present similar concerns and it may be too easy for a fraudulent online platform to work around. | No change. The revised definition of "binary option" reflects a balancing of efforts intended to focus only on the products we intend to prohibit to be traded with individuals. |
| | One commenter submitted that the words, "a lesser amount or" should be deleted from section 1(b) to help mitigate the risk that other products, including those that do not involve an "all or nothing" approach, would be captured under this definition. | Change made. Paragraph (b) of the definition of "binary option" has been revised. |

[1] Available at: https://www.newyorkfed.org/medialibrary/microsites/fxc/files/2005/fxc051206a.pdf.

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|---|---|---|
| | One commenter submitted that the scope of the Proposed NI should be limited by the scope of contracts set out under the various *Derivatives: Product Determination* rules[2]. | No change. A number of the exclusions in the *Derivatives: Product Determination* rules are not appropriate or are not relevant to the Instrument. |
| s. 2 – Trading binary options with an individual prohibited | | |
| Exclusion for offering binary options to sophisticated investors | One commenter submitted that only an unsophisticated individual is in need of the protection of the Proposed NI, and that sophisticated individuals have the ability to analyze and discern the risks inherent in binary option transactions. The commenter noted that "accredited investors" are considered sufficiently sophisticated that securities can be sold to them without a disclosure document. | No change. It is currently our view that binary options will not be permitted to be sold to individuals, including individuals that are "accredited investors". |
| s. 3 – Trading binary options with a person or company other than an individual prohibited | | |
| Not necessary | Two commenters submitted that proposed section 3 should be removed, because any retail investor that has the means to create a company or a trust in order to circumvent a trading ban should be considered a sophisticated investor, and that such an individual should not need the protection of the Proposed NI. | No change. It is currently our view that binary options will not be permitted to be sold to individuals, including through a company or other entity created, or used, solely to trade a binary option. |
| Impractical | One commenter stated that proposed section 3 would be impractical and difficult to implement, as the dealer would need to look behind its counterparty to determine whether it was created, or is primarily used, to trade a binary option for an individual. The broad wording of the provision means the determination would need to be made in respect of all or almost all of a dealer's counterparties. | Change made. Section 3 has been revised to better facilitate implementation by entities that comply with all applicable securities legislation in providing legitimate, non-fraudulent contracts and instruments to counterparties that are not individuals and that are not structured to evade the Instrument. |
| s. 4 – Binary options having a term to maturity of 30 days or longer | | |
| Term to maturity of 30 days or longer | Commenters generally queried the focus on binary options having a term to maturity shorter than 30 days. One commenter requested an explanation for the 30-day term to maturity in the prohibition. | No change. We have reviewed the products being illegally provided on unregistered online platforms and are satisfied that the minimum 30-day term to maturity period is appropriate to balance our objectives. |
| | Two commenters submitted that all binary options, regardless of duration, present similar concerns and therefore that the Proposed NI should not be limited to only binary options of 30 days or less. | No change. We feel that the minimum 30-day term to maturity strikes an adequate balance between banning the types of quick-turnover products that invite fraudulent activity and not banning legitimate trading in other types of instruments. |
| | One commenter requested clarification on the application of the 30-day term to maturity in the prohibition. | Change made. Section 4 has been revised to exclude a binary option having a term to maturity of 30 days or longer. |
| | One commenter stated that the 30-day minimum expiry time is inappropriate, as markets can move very quickly. | No change. The Instrument is designed to prohibit short-term binary options. |

[2] Manitoba Securities Commission Rule 91-506 *Derivatives: Product Determination*; Ontario Securities Commission Rule 91-506 *Derivatives: Product Determination*; Québec *Regulation 91-506 respecting derivatives determination*; and Multilateral Instrument 91-101 *Derivatives: Product Determination*.

| | | |
|---|---|---|
| | One commenter suggested that the 30-day limitation may preclude a trader from closing out a position through an offsetting trade with less than 30 days to expiration, thereby limiting the trader's ability to take profits or limit losses. | No change. The prohibition applies only to a "binary option", as defined in the Instrument; therefore, the minimum 30-day term to maturity exclusion serves only to carve out from the prohibition those contracts that (i) meet the definition of "binary option", and (ii) have a term to maturity of 30 days or longer. The minimum 30-day term to maturity exclusion in no way affects a trader's ability to trade in, or close out a position in, a contract that is not a binary option. |

**List of Commenters:**

1. Canadian Advocacy Council for Canadian CFA Institute Societies
2. Canadian Market Infrastructure Committee
3. Canadian Foundation for Advancement of Investor Rights
4. Investment Industry Association of Canada
5. Investor Advisory Panel of the Ontario Securities Commission
6. North American Derivatives Exchange, Inc.
7. TMX Group, on behalf of the Bourse de Montréal Inc. and the Canadian Derivatives Clearing Corporation
8. Tyson G.

## ANNEX B

## MULTILATERAL INSTRUMENT 91-102
## *PROHIBITION OF BINARY OPTIONS*

**Definition**

**1.** In this Instrument, "binary option" means a contract or instrument that provides for only

(a) a predetermined fixed amount if the underlying interest referenced in the contract or instrument meets one or more predetermined conditions, and

(b) zero or another predetermined fixed amount if the underlying interest referenced in the contract or instrument does not meet one or more predetermined conditions.

**Trading binary options with an individual prohibited**

**2.** No person or company may advertise, offer, sell or otherwise trade a binary option with or to an individual.

**Trading binary options with a person or company other than an individual prohibited**

**3.** No person or company may advertise, offer, sell or otherwise trade a binary option with or to a person or company that was created, or is used, solely to trade a binary option.

**Binary options having a term to maturity of 30 days or longer**

**4.** Sections 2 and 3 do not apply in respect of a binary option having a term to maturity of 30 days or longer.

**Exemption – general**

**5. (1)** Except in Québec, the regulator or the securities regulatory authority may grant an exemption from this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

**(2)** Despite subsection (1), in Ontario, only the regulator may grant an exemption.

**(3)** Except in Alberta, Ontario and Saskatchewan, an exemption referred to in subsection (1) is granted under the statute referred to in Appendix B of National Instrument 14-101 *Definitions* opposite the name of the local jurisdiction.

**Effective date**

**6. (1)** This Instrument comes into force on December 12, 2017.

**(2)** In Saskatchewan, despite subsection (1), if these regulations are filed with the Registrar of Regulations after December 12, 2017, these regulations come into force on the day on which they are filed with the Registrar of Regulations.

**ANNEX C**

**COMPANION POLICY 91-102**
***PROHIBITION OF BINARY OPTIONS***

**Introduction**

The purpose of Multilateral Instrument 91-102 *Prohibition of Binary Options* (the **Instrument**) is to help protect would-be investors from binary options fraud.

The purpose of this Companion Policy is to state the view of the participating members (**we**) of the Canadian Securities Administrators (the **CSA**) on various matters related to the Instrument.

We are concerned by complaints we have received regarding the marketing of products commonly called "binary options" to individuals. Many of these products and the platforms offering them have been identified as vehicles to commit fraud. Some persons have used misleading information to promote these products as legal and legally offered, despite not being authorized to offer these products to individuals in Canada. The Instrument explicitly prohibits advertising, offering, selling or otherwise trading a binary option, as defined in the Instrument, with or to an individual.

We consider a person or company to be trading in securities or derivatives in a local jurisdiction if that person or company offers or solicits transactions in securities or derivatives to persons or companies in that local jurisdiction, including through a website or other electronic means.

**Definitions and interpretation**

Unless defined in the Instrument or this Companion Policy, terms used in the Instrument and in this Companion Policy have the meaning given to them in securities legislation, including in National Instrument 14-101 *Definitions*. "Securities legislation" is defined in National Instrument 14-101 *Definitions*, and includes statutes and other instruments related to both securities and derivatives.

**Interpretation of terms used or defined in the Instrument**

**Section 1 – Definition of "binary option"**

The defined term "binary option" is intended to capture a range of products that are commonly called binary options, or are materially similar to products that are commonly called binary options, regardless of how they are named. Binary options are sometimes called a variety of other names, including but not limited to "all-or-nothing options", "asset-or-nothing options", "bet options", "cash-or-nothing options", "digital options", "fixed-return options" and "one-touch options".

Binary options are based on the outcome of a yes/no proposition, expressed as whether an underlying asset, event or value meets one or more predetermined conditions specified in the contract or instrument, at the time or during the time period specified in the contract or instrument. The specified time or time period for determining whether the predetermined condition or conditions are met can be very short, sometimes hours or even minutes.

*Automatic exercise*

Binary options typically exercise automatically; once the contract or instrument is entered into, there is no decision for either the buyer or the seller to make. The buyer either

- is entitled to receive a fixed amount if the predetermined condition or conditions are met, i.e., the buyer is "in-the-money", or
- loses all or nearly all of the amount that was paid to enter into the contract if the predetermined condition or conditions are not met, i.e., the buyer is "out-of-the-money".

*Example yes/no propositions*

The yes/no proposition is structured on the performance of an underlying interest or the occurrence of a specified event in connection with the underlying interest.

For the purposes of the Instrument, we interpret "underlying interest" as the event or thing that the value or payment obligations of the binary option is based on, derived from or referenced to. The underlying interest of a binary option could be, for example

- an election or a benchmark interest rate, or
- a security, index, currency, precious metal or any other commodity, price, rate, benchmark, variable or any other thing.

Examples of yes/no propositions that a binary option could be based on include whether:

- the value of the Canadian dollar will be above US $0.75 on a particular day;
- the price of a share in ABC Company will be above $14.37 at any time between two particular dates;
- the price of gold will be below $1082 at 3:42 pm on a particular day;
- the price of oil will be in the range of $48.00 – $49.99 at any time on a particular day;
- a given candidate will be elected;
- a benchmark interest rate will rise by 25 basis points; or
- there will be more than one inch of rain reported at a specified location on a specific day.

*No right to buy or sell the underlying interest*

A binary option typically does not grant the buyer or seller any right or obligation to buy, sell, receive or deliver an underlying interest referenced in the contract or instrument. For example, if the yes/no proposition of a binary option is based on the value of a listed security, the binary option would provide for settlement in cash and would not provide for delivery of the underlying security. Similarly, if the yes/no proposition of a binary option is based on the movement in the price of gold, the binary option would provide for settlement in cash and would not provide for delivery of physical gold.

*Payout structure*

Typically, the only rights under a binary option for the buyer or seller are an entitlement to receive or an obligation to pay (a) a predetermined fixed amount if the predetermined condition or conditions are met, and (b) zero or another predetermined fixed amount if the predetermined condition or conditions are not met. We interpret "fixed amount" to refer to a fixed monetary amount and not to a fixed interest rate or other type of amount.

The definition of "binary option" is intended to capture contracts that provide for defined, discrete payout amounts (e.g., $1.00, $10.00, $50.00). We are of the view that a contract with a continuous payout structure that is dependent on the performance of an underlying interest would not meet the definition of "binary option" in the Instrument.

*General comments*

There are certain contracts we do not consider to be "binary options" for the purposes of the Instrument. These contracts include, but are not limited to:

- a contract that is exercised without payout of a predetermined fixed monetary amount, such as a mortgage rate guarantee;
- an insurance contract or income or annuity contract or instrument that is entered into with a licenced insurer and is regulated as insurance under insurance legislation in Canada or a foreign jurisdiction; and
- a lottery ticket from a governmental lottery or gaming commission, regulated sports betting and bingo at a licensed bingo hall.

**Section 2 – Trading binary options with an individual prohibited**

Section 2 prohibits advertising, offering or selling a binary option to an individual. Advertising, offering and selling are elements of "trade" or "trading". The phrase "or otherwise trade" includes soliciting and all other elements of "trade" or "trading", including an act in furtherance of a trade.

**Section 3 – Trading binary options with a person or company other than an individual prohibited**

Section 3 prohibits advertising, offering or selling a binary option to a person or company that was created, or is used, solely to trade a binary option. Section 3 is designed to support the prohibition in section 2, by preventing a party that offers a binary option from avoiding the prohibition by having their proposed client create a corporation or other type of entity to trade binary options.

**Section 4 – Binary options having a term to maturity of 30 days or longer**

Section 4 carves out from the prohibition in sections 2 and 3 a binary option having a term to maturity of 30 days or longer. We consider "term to maturity" to mean, inclusively, the time the binary option is entered into until the time specified, or the expiry of the time period specified, in the contract or instrument for determining whether the predetermined condition or conditions are met. For example, if the original term to maturity of a binary option is 30 days or longer from the time it was first made available for trading, the binary option would not be caught by the Instrument.

A binary option that has a maturity date of 30 days or more from the date the binary option is entered into would not be excluded from the prohibition if the time or time period specified for determining whether the predetermined condition or conditions are met is less than 30 days from the date the binary option is entered into.

**General**

We remind market participants that binary options that are not subject to the Instrument are nevertheless derivatives and/or securities in each jurisdiction of Canada. Any person or company advertising, offering, selling or otherwise trading such products to persons or companies in Canada is subject to securities legislation in Canada including, for example, anti-fraud provisions and requirements respecting registration, market conduct and disclosure. Furthermore, in jurisdictions of Canada where binary options are regulated as securities, trading a binary option may be a distribution subject to the prospectus requirement.

Offering investment services or products to persons or companies in Canada, whether by telephone, online or in-person, is a regulated activity. Investing through unregistered offshore platforms or dealers can be risky and is a common red flag for investment fraud. We encourage all investors to visit aretheyregistered.ca to check the registration of any person or company offering investment products, including binary options, to Canadians. Anyone who has invested with, or has concerns about, a binary options trading platform should contact their local securities regulator. We also encourage all investors to visit binaryoptionsfraud.ca.

## ANNEX D

## LOCAL MATTERS

## ONTARIO RULE-MAKING AUTHORITY

## AUTHORITY FOR THE INSTRUMENT

In Ontario, the rule-making authority for the Instrument is in paragraphs 11, 13 and 35 of subsection 143(1) of the *Securities Act.*

- Paragraph 11 of subsection 143(1) provides the Commission with the authority to regulate the trading of derivatives.

- Paragraph 13 of subsection 143(1) provides the Commission with the authority to regulate trading in or advising about derivatives to prevent trading or advising that is fraudulent, manipulative, deceptive or unfairly detrimental to investors.

- Paragraph 35 of subsection 143(1) provides the Commission with the authority to prescribe requirements relating to derivatives. In particular, subparagraph 35(vi) of subsection 143(1) of the OSA provides the Commission with the authority to make rules "[p]rescribing requirements relating to derivatives, including ... (vi) requirements that one or more classes of derivatives not be traded in Ontario".

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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:**
Evolve Bitcoin ETF
Principal Regulator - Ontario
**Type and Date:**
Preliminary Long Form Prospectus dated September 21, 2017
NP 11-202 Preliminary Receipt dated September 21, 2017
**Offering Price and Description:**
Hedged Units and Unhedged Units
**Underwriter(s) or Distributor(s):**
N/A
**Promoter(s):**
Evolve Funds Group Inc.
**Project** #2677161

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**Issuer Name:**
First Trust AlphaDEX U.S. Dividend ETF (CAD-Hedged)
Principal Regulator - Ontario
**Type and Date:**
Amendment #3 to Final Long Form Prospectus dated September 18, 2017
Received on September 19, 2017
**Offering Price and Description:**
-
**Underwriter(s) or Distributor(s):**
FT Portfolios Canada Co.
**Promoter(s):**
FT Portfolios Canada Co.
**Project** #2600148

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**Issuer Name:**
Franklin Bissett Canadian Bond Fund
Principal Regulator - Ontario
**Type and Date:**
Preliminary Simplified Prospectus dated September 22, 2017
NP 11-202 Preliminary Receipt dated September 22, 2017
**Offering Price and Description:**
Series A, F, O and PF units
**Underwriter(s) or Distributor(s):**
Franklin Templeton Investments Corp.
**Promoter(s):**
Franklin Templeton Investments Corp.
**Project** #2677425

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**Issuer Name:**
Horizons Intl Developed Markets Equity Index ETF
Principal Regulator - Ontario
**Type and Date:**
Amendment #1 to Final Long Form Prospectus dated September 20, 2017
Received on September 20, 2017
**Offering Price and Description:**
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**Underwriter(s) or Distributor(s):**
N/A
**Promoter(s):**
Horizons ETFs Management (Canada) Inc.
**Project** #2651596

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**Issuer Name:**
Horizons Inovestor Canadian Equity Index ETF
Principal Regulator - Ontario
**Type and Date:**
Preliminary Long Form Prospectus dated September 22, 2017
NP 11-202 Preliminary Receipt dated September 25, 2017
**Offering Price and Description:**
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**Underwriter(s) or Distributor(s):**
N/A
**Promoter(s):**
Horizons ETFs Management (Canada) Inc.
**Project** #2677528

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**Issuer Name:**
LOGiQ MLP and Infrastructure Income Class
LOGiQ Resource Growth and Income Class
LOGiQ Balanced Monthly Income Class
LOGiQ Growth Class
LOGiQ Special Opportunities Class
LOGiQ Global Opportunities Class
LOGiQ Tactical Equity Class
LOGiQ Money Market Class
LOGiQ Tactical Bond Class
LOGiQ Global Balanced Income Class
LOGiQ Tactical Bond Fund
Principal Regulator - Ontario
**Type and Date:**
Amendment #1 to Final Simplified Prospectus dated September 21, 2017
Received on September 25, 2017
**Offering Price and Description:**
-
**Underwriter(s) or Distributor(s):**
N/A
**Promoter(s):**
Logiq Capital 2016
**Project** #2633183

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**Issuer Name:**
LOGiQ Global Resource Fund
LOGiQ High Income Fund
LOGiQ Millennium Fund
LOGiQ Strategic Yield Fund
LOGiQ Total Return Fund
Principal Regulator - Ontario
**Type and Date:**
Amendment #1 to Final Simplified Prospectus dated September 21, 2017
Received on September 25, 2017
**Offering Price and Description:**
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**Underwriter(s) or Distributor(s):**
Aston Hill Asset Management Inc.
**Promoter(s):**
Logiq Asset Management Ltd.
**Project** #2611300

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**Issuer Name:**
LOGiQ Growth Fund
Principal Regulator - Ontario
**Type and Date:**
Amendment #1 to Final Simplified Prospectus dated September 21, 2017
Received on September 25, 2017
**Offering Price and Description:**
-
**Underwriter(s) or Distributor(s):**
N/A
**Promoter(s):**
Logiq Capital 2016
**Project** #2633187

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**Issuer Name:**
Scotia Private U.S. Large Cap Growth Pool
Principal Regulator - Ontario
**Type and Date:**
Amendment #3 to Final Simplified Prospectus dated September 21, 2017
Received on September 22, 2017
**Offering Price and Description:**
-
**Underwriter(s) or Distributor(s):**
Scotia Capital Inc.
Scotia Securities Inc.
Scotia Capital Inc.(for Pinnacle Class and Class F units only)
1832 Asset Management L.P.
Scotia Capital Inc. (for Class A and F units only)
**Promoter(s):**
1832 Asset Management L.P
**Project** #2540087

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**Issuer Name:**
Sun Life MFS Canadian Equity Class
Principal Regulator - Ontario
**Type and Date:**
Amendment #1 to Final Simplified Prospectus dated September 25, 2017
Received on September 25, 2017
**Offering Price and Description:**
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**Underwriter(s) or Distributor(s):**
N/A
**Promoter(s):**
Sun Life Global Investments (Canada) Inc.
**Project** #2639053

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**Issuer Name:**
Sun Life MFS Canadian Equity Fund
Sun Life MFS Canadian Equity Value Fund
Principal Regulator - Ontario
**Type and Date:**
Amendment #2 to Final Simplified Prospectus dated September 25, 2017
Received on September 25, 2017
**Offering Price and Description:**
-
**Underwriter(s) or Distributor(s):**
N/A
**Promoter(s):**
Sun Life Global Investments (Canada) Inc .
**Project** #2559217

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**Issuer Name:**
Excel China Fund
Excel Chindia Fund
Excel Emerging Markets Balanced Fund (formerly, Excel EM Blue Chip Balanced Fund)
Excel Emerging Markets Fund
Excel High Income Fund
Excel India Balanced Fund
Excel India Fund
Excel Money Market Fund
Excel New India Leaders Fund
Principal Regulator - Ontario
**Type and Date:**
Final Simplified Prospectus dated September 18, 2017
NP 11-202 Receipt dated September 21, 2017
**Offering Price and Description:**
Series A, Series F, Series D, Series N and Institutional Series units @ Net Asset Value
**Underwriter(s) or Distributor(s):**
Excel Funds Management Inc.
**Promoter(s):**
Excel Funds Management Inc.
**Project** #2671952

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**Issuer Name:**
Fiera Capital Income Opportunities Fund
Principal Regulator - Quebec
**Type and Date:**
Final Long Form Prospectus dated September 21, 2017
NP 11-202 Receipt dated September 21, 2017
**Offering Price and Description:**
Series A and F units @ net asset value
**Underwriter(s) or Distributor(s):**
N/A
**Promoter(s):**
N/A
**Project** #2641807

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**Issuer Name:**
Financial 15 Split Corp.
Principal Regulator - Ontario
**Type and Date:**
Final Short Form Prospectus (NI 44-101) dated September 21, 2017
NP 11-202 Receipt dated September 22, 2017
**Offering Price and Description:**
Offering: $79,109,100 – 3,897,000 Preferred Shares and 3,897,000 Class A Shares
Prices: $9.90 per Preferred Share and $10.40 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.
GMP Securities L.P.
Canaccord Genuity Corp.
Raymond James Ltd.
Desjardins Securities Inc.
Echelon Wealth Partners
Industrial Alliance Securities Inc.
Mackie Research Capital Corporation
Manulife Securities Incorporated
**Promoter(s):**
N/A
**Project** #2674901

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**Issuer Name:**
First Trust AlphaDEX U.S. Dividend ETF (CAD-Hedged)
Principal Regulator - Ontario
**Type and Date:**
Amendment #3 to Final Long Form Prospectus dated September 18, 2017
NP 11-202 Receipt dated September 25, 2017
**Offering Price and Description:**
-
**Underwriter(s) or Distributor(s):**
FT Portfolios Canada Co.
**Promoter(s):**
FT Portfolios Canada Co.
**Project** #2600148

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**Issuer Name:**
Life & Banc Split Corp.
Principal Regulator - Ontario
**Type and Date:**
Final Shelf Prospectus (NI 44-102) dated September 22, 2017
NP 11-202 Receipt dated September 25, 2017
**Offering Price and Description:**
Offering: $300,000,000 Preferred Shares and Class A Shares
Price: $10.14 per Preferred Share and $10.08 per Class A Share
**Underwriter(s) or Distributor(s):**
N/A
**Promoter(s):**
N/A
**Project** #2675757

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**Issuer Name:**
NEI Global Total Return Bond Fund
NEI Northwest Specialty Global High Yield Bond Fund
NEI Northwest Tactical Yield Fund
Principal Regulator - Ontario
**Type and Date:**
Amendment #1 to Final Simplified Prospectus dated September 18, 2017
NP 11-202 Receipt dated September 21, 2017
**Offering Price and Description:**
Series A, Series T, Series F, Series I, Series P and Series PF units
**Underwriter(s) or Distributor(s):**
Credential Asset Management Inc.
**Promoter(s):**
Northwest & Ethical Investments L.P.
**Project** #2618980

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## NON-INVESTMENT FUNDS

**Issuer Name:**
Home Capital Group Inc.
Principal Regulator - Ontario
**Type and Date:**
Preliminary Shelf Prospectus dated September 20, 2017
NP 11-202 Preliminary Receipt dated September 20, 2017
**Offering Price and Description:**
$750,000,000.00 - Common Shares, Preferred Shares, Debt Securities, Subscription , Receipts, Warrants, Share Purchase Contracts, Units
**Underwriter(s) or Distributor(s):**
-
**Promoter(s):**
-
**Project** #2676747

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**Issuer Name:**
VM Holding S.A.
Principal Regulator - Ontario
**Type and Date:**
Preliminary Long Form Prospectus dated September 21, 2017
NP 11-202 Preliminary Receipt dated September 21, 2017
**Offering Price and Description:**
US$ *
* Common Shares
**Underwriter(s) or Distributor(s):**
J.P. Morgan Securities Canada Inc.
BMO Nesbitt Burns Inc.
Morgan Stanley Canada Limited
Credit Suisse Securities (Canada), Inc.
Merrill Lynch Canada Inc.
Citigroup Global Markets Canada Inc.
Scotia Capital Inc.
**Promoter(s):**
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**Project** #2677003

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**Issuer Name:**
Hudbay Minerals Inc. (formerly HudBay Minerals Inc.)
Principal Regulator - Ontario
**Type and Date:**
Final Short Form Prospectus dated September 20, 2017
NP 11-202 Receipt dated September 20, 2017
**Offering Price and Description:**
$242,400,000.00 - 24,000,000 Common Shares
Price: $10.10 per Offered Share
**Underwriter(s) or Distributor(s):**
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
CIBC World Markets Inc.
GMP Securities L.P.
TD Securities Inc.
National Bank Financial Inc.
Barclays Capital Canada Inc.
Canaccord Genuity Corp.
Cormark Securities Inc.
Haywood Securities Inc.
Merrill Lynch Canada Inc.
Citigroup Global Markets Canada Inc.
Eight Capital
Macquarie Capital Markets Canada Ltd.
Morgan Stanley Canada Ltd.
Raymond James Ltd.
**Promoter(s):**
-
**Project** #2673723

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# Chapter 12

# Registrations

### 12.1.1 Registrants

| Type | Company | Category of Registration | Effective Date |
|---|---|---|---|
| Consent to Suspension (Pending Surrender) | Monegy, Inc. | Exempt Market Dealer and Portfolio Manager | September 20, 2017 |
| New Registration | Orthogonal Capital Management Corporation | Portfolio Manager | September 20, 2017 |
| Voluntary Surrender | Bluewater Investment Management Inc. | Portfolio Manager | September 14, 2017 |
| New Registration | EMJ Capital Ltd. | Restricted Portfolio Manager | September 22, 2017 |

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# Chapter 13

# SROs, Marketplaces, Clearing Agencies and Trade Repositories

## 13.1 SROs

### 13.1.1 IIROC – Amendments Respecting Trading Supervision Obligations – Notice of Commission Approval

**INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA (IIROC)**

**AMENDMENTS RESPECTING TRADING SUPERVISION OBLIGATIONS**

**NOTICE OF COMMISSION APPROVAL**

The Ontario Securities Commission has approved IIROC's proposed amendments to the Universal Market Integrity Rules (the "Amendments") respecting trading supervision obligations.

A main aspect of the Amendments is that they replace the prescriptive provisions in the current trading supervision structure of UMIR 7.1 with a more flexible, principles-based approach to trading compliance and supervision.

The Amendments were published for comment on December 8, 2016. IIROC did not receive any comment letters on the proposed Amendments and no changes were made. The text of the Amendments can be found at http://www.osc.gov.on.ca.

The Amendments come into force on March 27, 2018, being 180 days after the publication of the Notice of Approval.

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

### 13.1.2 IIROC – Amendments to Dealer Member Rule 200.2(I)(x)(B) on Trade-Confirmation Suppression Requirements – Notice of Commission Approval

**INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA (IIROC)**

**AMENDMENTS TO DEALER MEMBER RULE 200.2(I)(x)(B) ON TRADE-CONFIRMATION SUPPRESSION REQUIREMENTS**

**NOTICE OF COMMISSION APPROVAL**

The Ontario Securities Commission has approved IIROC's proposed amendments to Dealer Member Rule 200.2(I)(x)(B) on trade-confirmation suppression requirements (the **Amendments**). The Amendments render more practical certain technical conditions that a dealer must meet before it can rely on the customer trade-confirmation exemption.

The Amendments were published for comment on April 20, 2017. Two public comment letters were received, and can be found on the IIROC website. No changes to the Amendments, as set out in IIROC Notice 17-0088, were made.

The Amendments will be effective on September 28, 2017. A copy of the IIROC Notice of Implementation, including the Amendments can be found at http://www.osc.gov.on.ca.

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

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