The Ontario Securities Commission

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

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1.3.1 Wayne J. Berry – ss. 127(1), 127(10)

FILE NO.: 2018-23

IN THE MATTER OF
WAYNE J. BERRY

NOTICE OF HEARING
Subsections 127(1) and 127(10) of the *Securities Act,* RSO 1990, c S.5

PROCEEDING TYPE: Inter-jurisdictional Enforcement Proceeding

HEARING DATE AND TIME: In writing

PURPOSE

The purpose of this proceeding is to consider whether it is in the public interest for the Commission to make the order(s) requested in the Statement of Allegations filed by Staff of the Commission on April 23, 2018.

Take notice that Staff of the Commission has elected to proceed by way of the expedited procedure for a written hearing provided for by Rule 11(3) of the Commission's *Rules of Procedure*.

Staff must serve on you this Notice of Hearing, the Statement of Allegations, Staff's hearing brief containing all documents Staff relies on, and Staff's written submissions.

You have **21 days** from the date Staff serves these documents on you to file a request for an oral hearing, if you do not want to follow the expedited procedure for a written hearing.

Otherwise, you have **28 days** from the date Staff served these documents on you to file your hearing brief and written submissions.

REPRESENTATION

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

FAILURE TO ATTEND

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

FRENCH HEARING

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

AVIS EN FRANÇAIS

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

Dated at Toronto this 24th day of April, 2018

"Grace Knakowski"
Secretary to the Commission

For more information

Please visit www.osc.gov.on.ca or contact the Registrar at registrar@osc.gov.on.ca.

IN THE MATTER OF
WAYNE J. BERRY

STATEMENT OF ALLEGATIONS
(Subsections 127(1) and 127(10) of the *Securities Act*, RSO 1990 c S.5)

1. Staff of the Enforcement Branch (**Staff**) of the Ontario Securities Commission (the **Commission**) elect to proceed using the expedited procedure for inter-jurisdictional proceedings as set out in Rule 11(3) of the Commission's *Rules of Procedure*.

A. ORDER SOUGHT

2. Staff request that the Commission make the following inter-jurisdictional enforcement order, pursuant to paragraphs 4 and 5 of subsection 127(10) of the Ontario *Securities Act*, RSO 1990 c S.5 (the **Act**):

   (a) against Wayne J. Berry (**Berry**) that:

      i. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities by Berry cease until May 26, 2022, with the exception that Berry is permitted to trade through a registrant to whom Berry must provide a copy of the Order of the Nova Scotia Securities Commission dated May 26, 2017 (the **NSSC Order**), and a copy of this Order, if granted;

      ii. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Berry until May 26, 2022;

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

      iv. pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act, Berry be prohibited from becoming or acting as a director or officer of any issuer, registrant or investment fund manager until May 26, 2020;

      v. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Berry be prohibited from becoming or acting as a registrant, investment fund manager or promoter until May 26, 2022;

      vi. pursuant to subsection 127(2) of the Act, as a term and condition of this Order, if granted, should Berry become aware that EnChargeCanada Corp. is to be revived or has been revived between the date of this Order and May 26, 2027, Berry is to immediately advise Staff of the Commission that EnChargeCanada Corp. has been revived; and

      vii. Staff of the Commission may provide a copy of this Order, if granted, and a copy of the NSSC Order imposing sanctions, conditions, restrictions and requirements upon Berry, EnCharge Inc. and EnChargeCanada Corp., to any Director appointed under section 260 of the *Canada Business Corporations Act*, RSC 1985, c C-44 (the **CBCA**);

   (b) the Commission respectfully requests the aid of any Director appointed under section 260 of the CBCA who issues a certificate of revival with respect to EnChargeCanada Corp. prior to May 26, 2027 by advising Staff of the Commission of the issuance; and

   (c) such other order or orders as the Commission considers appropriate.

B. FACTS

Staff make the following allegations of fact:

3. On May 11, 2017, Berry, EnCharge Inc. and EnChargeCanada Corp. (collectively, the **NS Respondents**) entered into a Settlement Agreement (the **Settlement Agreement**) with the Nova Scotia Securities Commission (**NSSC**).

4. Pursuant to the Settlement Agreement, the NS Respondents admitted to breaching registration and prospectus requirements under Nova Scotia securities legislation, and agreed to be made subject to sanctions, conditions, restrictions or requirements within the province of Nova Scotia.

5. The NS Respondents are subject to the NSSC Order, which imposes sanctions, conditions, restrictions or requirements upon them.

(i) The NSSC Proceedings

Statement of Agreed Facts

6. In the Settlement Agreement, the NS Respondents agreed with the following facts:

   (a) EnCharge Inc. is a body corporate, incorporated in the State of Nevada on February 26, 2009, and in the State of Delaware on June 11, 2009. Berry was an officer and director of the two corporations, which merged on July 10, 2009 to become EnCharge Inc., a Delaware corporation.

   (b) EnChargeCanada Corp. was incorporated by Berry under the CBCA on June 23, 2009.

   (c) At all material times, Berry was an officer and/or director of EnCharge Inc., a Nevada corporation, EnCharge Inc., a Delaware Corporation, and EnChargeCanada Corp. (collectively **EnCharge**).

   (d) Beginning in or about 2008, the NS Respondents solicited and distributed securities of EnCharge from and to residents in Nova Scotia through word of mouth, personal invitation, and the internet.

   (e) As a result of the promotion and solicitation of investments, the NS Respondents received money from Nova Scotia residents for investments in EnCharge.

   (f) One investor received a private placement memorandum prior to investing in EnCharge. Other investors did not receive any share certificates or any other documentation evidencing their investments in EnCharge.

   (g) EnCharge is not and never has been a reporting issuer in Nova Scotia or any other Canadian jurisdiction.

   (h) The NS Respondents were not registered to trade or distribute securities at any time or in any capacity with the NSSC or any other Canadian jurisdiction.

   (i) No prospectus or preliminary prospectus was filed with the NSSC for EnCharge nor was any receipt for same issued by the NSSC.

   (j) The NS Respondents did not file any reports of trades with the NSSC relying on exemptions in Nova Scotia securities laws to distribute securities in Nova Scotia.

   (k) As a result of soliciting investments from and distributing securities to residents of Nova Scotia, without being registered to do so, the NS Respondents violated section 31(1)(a) of the Nova Scotia *Securities Act*, RSNS 1989, c 418, as rep. by RSNS 2008, c. 32, s. 6 (proclaimed in force 28 September 2009) (the **Nova Scotia *Securities Act***) and 31(1) of the Nova Scotia *Securities Act*.

   (l) As a result of distributing securities of EnCharge to residents of Nova Scotia without having filed a prospectus or preliminary prospectus with the NSSC and without relying on any exemptions in Nova Scotia securities laws, the NS Respondents violated section 58(1) of the Nova Scotia *Securities Act*.

   (m) The NS Respondents' conduct was contrary to the public interest and undermined investor confidence in the fairness and efficiency of the capital markets.

(ii) The NSSC Order

7. The NSSC Order imposed the following sanctions, conditions, restrictions or requirements upon the NS Respondents:

   i. pursuant to section 134(1)(a) of the Nova Scotia Securities Act, the NS Respondents comply with and cease contravening Nova Scotia securities laws;

   ii. pursuant to section 134(1)(b) of the Nova Scotia *Securities Act*, Berry shall cease trading in securities on his own behalf or on behalf of others for a period of five years from the date of the NSSC Order, except through a person or company duly registered with the NSSC;

iii. pursuant to section 134(1)(c) of the Nova Scotia *Securities Act*, all of the exemptions contained in Nova Scotia securities laws do not apply to EnCharge Inc. and EnChargeCanada Corp. for a period of ten years from the date of the NSSC Order;

iv. pursuant to section 134(1)(c) of the Nova Scotia *Securities Act*, all of the exemptions contained in Nova Scotia securities laws do not apply to Berry for a period of five years from the date of the NSSC Order;

v. pursuant to section 134(1)(d)(ii) of the Nova Scotia *Securities Act*, Berry shall be prohibited from becoming or acting as a director or officer of any issuer, registrant or investment fund manager for a period of three years from the date of the NSSC Order;

vi. pursuant to section 134(1)(g) of the Nova Scotia *Securities Act*, Berry shall be prohibited from becoming or acting as a registrant, investment fund manager or promoter for a period of five years from the date of the NSSC Order;

vii. pursuant to section 134(1)(h) of the Nova Scotia *Securities Act*, the NS Respondents shall be reprimanded;

viii. pursuant to sections 135(a) and (b) of the Nova Scotia *Securities Act*, the NS Respondents shall jointly and severally pay to the NSSC an administrative penalty in the amount of forty thousand dollars ($40,000.00) forthwith; and

ix. pursuant to section 135A of the Nova Scotia *Securities Act*, the NS Respondents shall jointly and severally pay to the NSSC costs in the amount of three thousand five hundred dollars ($3,500.00) in connection with the investigation and conduct of the NSSC's proceeding forthwith.

(iii) The Corporate NS Respondents

8. EnCharge Inc. and EnChargeCanada Corp. appear to have both been dissolved.

C. JURISDICTION OF THE ONTARIO SECURITIES COMMISSION

9. Pursuant to the Settlement Agreement, Berry agreed to be made subject to sanctions, conditions, restrictions or requirements within the province of Nova Scotia.

10. Berry is subject to an order of the NSSC imposing sanctions, conditions, restrictions or requirements upon him.

11. Pursuant to paragraphs 4 and 5, respectively, of subsection 127(10) of the Act, an order made by a securities regulatory authority, derivatives regulatory authority or financial regulatory authority, in any jurisdiction, that imposes sanctions, conditions, restrictions or requirements on a person or company, or an agreement with a securities regulatory authority, derivatives regulatory authority or financial regulatory authority, in any jurisdiction, that a person or company is to be made subject to sanctions, conditions, restrictions or requirements may form the basis for an order in the public interest made under subsection 127(1) of the Act.

12. Staff allege that it is in the public interest to make an order against Berry.

13. Staff reserve the right to amend these allegations and to make such further and other allegations as Staff deem fit and the Commission may permit.

DATED at Toronto this 23rd day of April, 2018.

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1.3.2 Inverlake Property Investment Group Inc. et al. – ss. 127(1), 127(10)

FILE NO.: 2018-22

IN THE MATTER OF
INVERLAKE PROPERTY INVESTMENT GROUP INC.,
WHEATLAND BUSINESS PARK LTD., and
ALFREDO MIGUEL "MICHAEL" YONG

NOTICE OF HEARING
Subsections 127(1) and 127(10) of the *Securities Act*, RSO 1990, c S.5

PROCEEDING TYPE: Inter-jurisdictional Enforcement Proceeding

HEARING DATE AND TIME: In writing

PURPOSE

The purpose of this proceeding is to consider whether it is in the public interest for the Commission to make the order requested in the Statement of Allegations filed by Staff of the Commission on April 23, 2018.

Take notice that Staff of the Commission has elected to proceed by way of the expedited procedure for a written hearing provided for by Rule 11(3) of the Commission's *Rules of Procedure*.

Staff must serve on you this Notice of Hearing, the Statement of Allegations, Staff's hearing brief containing all documents Staff relies on, and Staff's written submissions.

You have **21 days** from the date Staff serves these documents on you to file a request for an oral hearing, if you do not want to follow the expedited procedure for a written hearing.

Otherwise, you have **28 days** from the date Staff served these documents on you to file your hearing brief and written submissions.

REPRESENTATION

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

FAILURE TO ATTEND

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Dated at Toronto this 24th day of April, 2018

"Grace Knakowski"
Secretary to the Commission

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IN THE MATTER OF
INVERLAKE PROPERTY INVESTMENT GROUP INC.,
WHEATLAND BUSINESS PARK LTD., and
ALFREDO MIGUEL "MICHAEL" YONG

STATEMENT OF ALLEGATIONS
(Subsections 127(1) and 127(10) of the *Securities Act*, RSO 1990 c S.5)

1. Staff of the Enforcement Branch (**Staff**) of the Ontario Securities Commission (the **Commission**) elect to proceed using the expedited procedure for inter-jurisdictional proceedings as set out in Rule 11(3) of the Commission's *Rules of Procedure*.

A. ORDER SOUGHT

2. Staff request that the Commission make the following inter-jurisdictional enforcement order, pursuant to paragraph 4 of subsection 127(10) of the Ontario *Securities Act*, RSO 1990 c S.5 (the **Act**):

(a) against Alfredo Miguel "Michael" Yong (**Yong**) that:

until the later of August 3, 2021 and the date that Yong pays to the British Columbia Securities Commission (the **BCSC**) the amount in paragraph 2 of the BCSC's Order dated August 3, 2016 (the **BCSC Order**):

i. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities or derivatives by Yong cease, except that he may trade for his own account through a registrant, provided that a copy of the BCSC Order, and a copy of the Order of this Commission, if granted, is provided to that registrant;

ii. pursuant to paragraph 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Yong cease, except that he may purchase for his own account through a registrant, provided that a copy of the BCSC Order, and a copy of the Order of this Commission, if granted, is provided to that registrant;

iii. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Yong;

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

v. pursuant to paragraphs 8 and 8.2 of subsection 127(1) of the Act, Yong be prohibited from becoming or acting as a director or officer of any issuer or registrant, except that he may act as a director or officer of any issuer all of the securities of which are beneficially owned by Yong or members of his immediate family; and

vi. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Yong be prohibited from becoming or acting as a registrant, investment fund manager or promoter;

(b) against Inverlake Property Investment Group Inc. (**Inverlake**) that:

i. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities of Inverlake cease permanently;

ii. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities or derivatives by Inverlake cease permanently;

iii. pursuant to paragraph 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Inverlake cease permanently;

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

v. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Inverlake be prohibited permanently from becoming or acting as a registrant, investment fund manager or promoter;

(c) against Wheatland Business Park Ltd. (**Wheatland**) that:

i. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities of Wheatland cease permanently;

ii. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities or derivatives by Wheatland cease permanently;

iii. pursuant to paragraph 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Wheatland cease permanently;

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

v. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Wheatland be prohibited permanently from becoming or acting as a registrant, investment fund manager or promoter;

(d) such other order or orders as the Commission considers appropriate.

B. FACTS

Staff make the following allegations of fact:

3. Inverlake, Wheatland and Yong (collectively, the **Respondents**) are subject to the BCSC Order, which imposes sanctions, conditions, restrictions or requirements upon them.

4. In its findings on liability dated September 14, 2015 (the **Findings**) a panel of the BCSC (the **BCSC Panel**) found that each of the Respondents engaged in an illegal distribution, contrary to section 61 of the British Columbia *Securities Act*, RSBC 1996, c. 418 (the **BC Act**).

5. Further, as sole director of Inverlake and Wheatland at all material times, Yong admitted he was liable under section 168.2 of the BC Act for each company's contraventions of British Columbia securities law.

(i) The BCSC Proceedings

Agreed Statement of Facts

6. Prior to the commencement of the BCSC proceedings, the parties tendered an Agreed Statement of Facts (**Agreed Facts**) in which the Respondents made admissions concerning the allegations of illegal distribution against them by BCSC Staff. A summary of the Agreed Facts and the BCSC Panel's Findings is as follows.

Parties

7. Inverlake is an Alberta corporation that was incorporated in March 2008, and owned land in the Municipal District of Rocky View, Alberta (the **Inverlake Land**). Inverlake has never filed a prospectus under the BC Act.

8. Wheatland is an Alberta corporation that was incorporated in June 2008, and owns land in Wheatland County, Alberta (the **Wheatland Property**). Wheatland has never filed a prospectus under the BC Act.

9. Yong was a resident of British Columbia until late 2008, when he moved to Alberta. Yong founded Inverlake and Wheatland, and at all material times, was the sole director of Inverlake and Wheatland.

The Inverlake Land

10. In late 2007 and early 2008, Yong and Inverlake began raising funds in support of acquiring the Inverlake Land. Investments in Inverlake were structured as an acquisition of one share for $39,000. Each share entitled the holder to a beneficial interest in one acre of Inverlake Land. Payment was to be made in two instalments, with $19,500 payable initially and an additional $19,500 payable after two years. If the shareholder elected not to pay the second instalment of $19,500, then the shareholder's interest would be reduced to half an acre.

11. Yong prepared a marketing document he called a prospectus, but which was not a prospectus as defined under the BC Act. Yong's prospectus document contained a description of the investment structure and a statement that Inverlake was to pay $6.24 million for the Inverlake Land.

12. With the assistance of this marketing document, Yong promoted and sold shares in the Inverlake Land, primarily to BC Residents. At least 28 individuals and corporate entities purchased shares in the Inverlake Land, paying the initial $19,500 per share.

13. All the Inverlake investors signed a document called a Bare Trust Agreement, with Inverlake as trustee, evidencing the number of acres the investors beneficially owned in the Inverlake Land. The Bare Trust Agreement contained a number of provisions, including obligations on Inverlake to notify the signatories of any bankruptcy or foreclosure proceedings, and to seek the investors' consent to significant actions in respect of the Inverlake Land, including foreclosure.

14. In the years following Inverlake's acquisition of the Inverlake Land, the value of the land decreased significantly. No Inverlake investor was asked to make their second payment of $19,500, and none did. Yong stopped making mortgage payments on the Inverlake Land, and, ultimately, the mortgage was foreclosed on. Yong admitted that neither he nor Inverlake notified any of the Inverlake investors as to the foreclosure proceedings, nor sought their consent to the foreclosure. The BCSC Panel found that the Inverlake investors have lost all of their investment.

15. The BCSC Panel found that Yong and Inverlake engaged in an illegal distribution of Inverlake securities to 23 investors for a total of $910,650.

The Wheatland Property

16. In July and August 2008, Yong raised money on behalf of Wheatland's acquisition of the Wheatland Property in Alberta. Investments in Wheatland were structured similarly, but not identically, to investments in Inverlake. Yong promoted and sold Wheatland shares, primarily to BC Residents, for $53,000 per share, which share entitled investors to an ownership interest in one acre of the Wheatland Property.

17. At least 19 individuals and corporate entities purchased shares in the Wheatland Property. No prospectus exemption was available under the BC Act for approximately 15 investors who purchased a total of $1,090,479 worth of Wheatland shares. As at the time of the BCSC's proceedings, the status of the Wheatland Property investments was unknown.

18. The BCSC Panel found that Yong and Wheatland engaged in an illegal distribution of Wheatland securities to 15 investors for a total of $1,090,479.

Liability

19. Pursuant to the Agreed Facts, Yong admitted that as sole director of Inverlake and Wheatland, he was liable under section 168.2 of the BC Act for each company's contraventions of British Columbia securities law.

20. In its Findings, the BCSC Panel concluded that:

    (a) Yong and Inverlake contravened section 61 of the BC Act with respect to distributions to 23 investors for a total of $910,650; and

    (b) Yong and Wheatland contravened section 61 of the BC Act with respect to distributions to 15 investors for a total of $1,090,479.

(ii) The BCSC Order

21. The BCSC Order imposed the following sanctions, conditions, restrictions or requirements:

    i. upon Yong:

        (a) under sections 161(1)(b),(c) and (d)(i) through (v) of the BC Act:

            1. Yong cease trading in, and is prohibited from purchasing, any securities or exchange contracts, except that he may trade for his own account through a registrant, provided that a copy of the BCSC Order is provided to that registrant;

            2. the exemptions set out in the BC Act, the regulations or any decision as defined in the BC Act, do not apply to Yong;

            3. Yong resign any positions he holds as, and is prohibited from becoming or acting as, a director or officer of any issuer or registrant, except that he may act as a director or officer of

any issuer all of the securities of which are beneficially owned by Yong or members of his immediate family;

4. Yong is prohibited from becoming or acting as a registrant or promoter;

5. Yong is prohibited from acting in a management or consultative capacity in connection with activities in the securities market; and

6. Yong is prohibited from engaging in investor relations activities,

for a period that ends on the later of the date that Yong pays to the BCSC the amount in paragraph 21(i)(b) and August 3, 2021; and

(b) under section 162 of the BC Act, that Yong pay to the BCSC an administrative penalty of $60,000;

ii. upon Inverlake:

(a) under sections 161(1)(b),(c) and (d)(iii) through (v) of the BC Act:

1. all persons permanently cease trading in and are permanently prohibited from purchasing any securities of Inverlake;

2. Inverlake cease trading in, and is permanently prohibited from purchasing, any securities or exchange contracts;

3. the exemptions set out in the BC Act, the regulations or any decision as defined in the BC Act, do not apply to Inverlake;

4. Inverlake is permanently prohibited from becoming or acting as a registrant or promoter;

5. Inverlake is permanently prohibited from acting in a management or consultative capacity in connection with activities in the securities market; and

6. Inverlake is permanently prohibited from engaging in investor relations activities;

iii. upon Wheatland:

(a) under sections 161(1)(b),(c) and (d)(iii) through (v) of the BC Act:

1. all persons permanently cease trading in and are permanently prohibited from purchasing any securities of Wheatland;

2. Wheatland cease trading in, and is permanently prohibited from purchasing, any securities or exchange contracts;

3. the exemptions set out in the BC Act, the regulations or any decision as defined in the BC Act, do not apply to Wheatland;

4. Wheatland is permanently prohibited from becoming or acting as a registrant or promoter;

5. Wheatland is permanently prohibited from acting in a management or consultative capacity in connection with activities in the securities market; and

6. Wheatland is permanently prohibited from engaging in investor relations activities.

C. JURISDICTION OF THE ONTARIO SECURITIES COMMISSION

22. The Respondents are subject to an order of the BCSC imposing sanctions, conditions, restrictions or requirements upon them.

23. Pursuant to paragraph 4 of subsection 127(10) of the Act, an order made by a securities regulatory authority, derivatives regulatory authority or financial regulatory authority, in any jurisdiction, that imposes sanctions, conditions,

restrictions or requirements on a person or company may form the basis for an order in the public interest made under subsection 127(1) of the Act.

24. Staff allege that it is in the public interest to make an order against the Respondents.

25. Staff reserve the right to amend these allegations and to make such further and other allegations as Staff deem fit and the Commission may permit.

DATED at Toronto this 23rd day of April, 2018.

Christina Galbraith
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1.3.3 Nicolas Blitterswyk – ss. 127(1), 127.1

FILE NO.: 2018-12

IN THE MATTER OF
NICOLAS BLITTERSWYK

NOTICE OF HEARING
Subsection 127(1) and section 127.1 of the *Securities Act*, RSO 1990, c S.5

PROCEEDING TYPE: Public Settlement Hearing

HEARING DATE AND TIME: April 30, 2018 at 1:00 p.m.

LOCATION: 20 Queen Street West, 17th Floor, Toronto, Ontario

PURPOSE

The purpose of this hearing is to consider whether it is in the public interest for the Commission to approve the Settlement Agreement dated April 19, 2018 between Staff of the Commission and Nicolas Blitterswyk in respect of the Statement of Allegations filed by Staff of the Commission dated April 23, 2018.

REPRESENTATION

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

FAILURE TO ATTEND

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

FRENCH HEARING

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AVIS EN FRANÇAIS

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

Dated at Toronto this 24th day of April, 2018

"Grace Knakowski"
Secretary to the Commission

For more information

Please visit www.osc.gov.on.ca or contact the Registrar at registrar@osc.gov.on.ca.

IN THE MATTER OF
NICOLAS BLITTERSWYK

STATEMENT OF ALLEGATIONS
(Subsection 127(1) and Section 127.1 of the *Securities Act*, RSO 1990 c S.5)

A. Order Sought

Staff of the Enforcement Branch ("**Enforcement Staff**") of the Ontario Securities Commission (the "**Commission**") request that the Commission make an order pursuant to subsection 127(1) and (2) and section 127.1 of the *Securities Act*, RSO 1990 c S.5 (the "**Act**") to approve the settlement agreement dated April 19, 2018 between Enforcement Staff and Nicolas Blitterswyk ("**Blitterswyk**" or the "**Respondent**").

B. FACTS

a. Overview

1. This matter is about misleading and unreported trading in UGE International Ltd. ("**UGE**") shares by Blitterswyk, a significant UGE insider. From August 2014 to May 2016 (the "**Material Time**"), Blitterswyk traded in UGE shares without reporting his trades as an insider, contrary to subsection 107(2) the Act and National Instrument 55-104 (*Insider Reporting Requirements and Exemptions*). Although by trading in UGE shares Blitterswyk intended to act as a "market maker" and thereby to create liquidity in the limited-volume market for UGE shares, Blitterswyk's trading had the effect of creating a misleading appearance of trading activity in UGE shares contrary to subsection 126.1(a) of the Act.

b. The Respondent

2. Blitterswyk is the founder, Chief Executive Officer, and a Director of UGE. Blitterswyk is 38 years old, and he has never been registered with a securities regulatory authority. Prior to UGE Blitterswyk had never held a position as a director or officer of a publicly-traded company

3. UGE is a reporting issuer in Ontario, and the Commission is its principal regulator. UGE is a nano cap company with a market capitalization below $50 million. Its shares trade on the TSX Venture Exchange ("**TSX-V**") under the symbol "UGE" and also trade over-the-counter in the United States under the symbol "UGEIF".

c. Overview of Blitterswyk's Trading in UGE Securities During the Material Time

4. During the Material Time, Blitterswyk was a party to transactions in UGE shares listed on the TSX-V and bought and sold UGE shares over-the-counter in the United States. Blitterswyk was aware that the secondary market for UGE shares was comparatively illiquid and that there were days on which no transactions were executed in UGE shares. In this context, he adopted a course of action to place orders to buy or sell small quantities of UGE shares on numerous trading days, at random times during those days, aimed at ensuring that UGE could display some volume of trading activity to the market. His trading activities took place during a time period when the market price for UGE shares was generally trending downward. Blitterswyk's conduct, though misleading, was not aimed at manipulating the price of UGE shares.

5. Blitterswyk used three separate accounts to trade in UGE shares, of which, one was registered to his mother ("**Mother's Account**"), one was registered to his Ex-Wife ("**Ex-Wife's Account**"), and one was registered to him ("**E*Trade Account**").

6. Blitterswyk traded actively in UGE shares as an officer and director of UGE, during the Material Time. He traded on the TSX-V and over-the counter through multiple accounts without disclosing his trading to the public, and he traded during UGE blackout periods.

Significance of Transactions

7. During the period starting August 13, 2014 (immediately following the commencement of trading in UGE shares on the TSX-V) and through to April 14, 2015 (the "**TSX-V Time Period**"), there were 168 trading sessions available for investors to trade UGE shares on the TSX-V. There was at least one executed transaction involving UGE shares on 137 of these trading sessions (namely, 81% of the sessions included at least one transaction in UGE shares). Trading volume in UGE shares during this time period on the TSX-V was very light, averaging approximately 7,328 shares per trading session, with an average total value traded per trading session of approximately $12,881.

8. In this context, Blitterswyk was an active trader in UGE shares on the TSX-V during the TSX Time Period. His trading on the TSX-V was conducted entirely through his Mother's Account and he traded on 103 of the 137 trading sessions referenced above. This represented approximately 75% of the trading sessions on which UGE shares traded on the TSX-V. The total number of transactions he executed on these 137 trading sessions was 213 trades: 128 purchases and 85 sales.

9. Blitterswyk trading activities on the TSX-V reflected the following:

   a. Substantial trading

      i. For over 80 of those trading sessions Blitterswyk was a party to greater than, or equal to 10% of all of the transactions in UGE shares, including over 20 trading sessions where he was a party to 100% of all transactions in UGE shares.

      ii. Blitterswyk was a party to approximately 15% of all UGE transactions executed on the TSX-V, and he was a party to transactions that represent approximately 10% of the total volume of UGE shares traded.

   b. Participation as Both Buyer and Seller

      i. Market participants executed a total of 1,449 transactions in UGE shares. Blitterswyk was one of the parties (either buyer or seller) for 212 of these transactions (namely, he was a party to approximately 14.6% of all transactions executed on the TSX-V).

      ii. Market participants traded a total of 1,003,902 UGE shares on the TSX-V. Blitterswyk traded a total of 91,621 UGE shares (which represented approximately 9% of all UGE shares traded on the TSX-V). Blitterswyk purchased approximately 54,000 shares and sold approximately of 37,700.

      iii. On 26 trading sessions (namely, 18% of all trading sessions during which UGE shares traded), Blitterswyk bought and sold UGE shares during the same trading session. On 9 of these 26 sessions, Blitterswyk bought and sold the same number of shares.

      iv. One of the 213 transactions Blitterswyk transacted, which involved 100 UGE shares at a price of $1.10 (totaling $110), resulted in no beneficial change in ownership.

Trading of UGE Shares in the U.S. Over-the-Counter Market

10. During the Material Time, using the E*Trade Account and his Ex-Wife's Account, Blitterswyk was active in placing orders to buy and/or sell UGE shares in the U.S. over-the-counter market.

11. On number of trading sessions Blitterswyk both bought and sold UGE shares involving the E*Trade Account and his Ex-Wife's Account accounts on the same day. In addition, there were trading sessions during which Blitterswyk bought and sold UGE shares across all three accounts.

Transactions During Blackout Periods

12. During the Material Time, Blitterswyk was a party to transactions in UGE shares during blackout periods related to the public disclosure of UGE financial statements and material change reports. Blitterswyk engaged in trading activity during 15 blackout periods.

d. Blitterswyk Did Not Disclose His Trading By Filing Insider Reports

13. During the Material Time Blitterswyk was an insider of UGE pursuant to Ontario securities law. As a UGE insider, Blitterswyk failed to disclose the change in the direct or indirect beneficial ownership of, or control or direction over UGE shares he traded in the three accounts.

C. Breaches and Conduct Contrary to the Public Interest

14. By failing to file insider trading reports disclosing his transactions in UGE shares, and by engaging in undisclosed transactions in UGE shares that resulted in or contributed to the misleading appearance of trading activity in UGE shares, Blitterswyk engaged in a course of conduct contrary to sections 107(2) and 126.1(a) of the Act, breached Ontario securities law and acted contrary to the public interest.

DATED this 23rd day of April, 2018.

1.5 Notices from the Office of the Secretary

1.5.1 Wayne J. Berry

FOR IMMEDIATE RELEASE
April 24, 2018

WAYNE J. BERRY,
File No. 2018-23

TORONTO – The Office of the Secretary issued a Notice of Hearing pursuant to Subsections 127(1) and 127(10) of the *Securities Act*.

A copy of the Notice of Hearing dated April 24, 2018 and Statement of Allegations dated April 23, 2018 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 Inverlake Property Investment Group Inc. et al.

FOR IMMEDIATE RELEASE
April 24, 2018

INVERLAKE PROPERTY INVESTMENT GROUP INC.,
WHEATLAND BUSINESS PARK LTD., and
ALFREDO MIGUEL "MICHAEL" YONG,
File No. 2018-22

TORONTO – The Office of the Secretary issued a Notice of Hearing pursuant to Subsections 127(1) and 127(10) of the *Securities Act*.

A copy of the Notice of Hearing dated April 24, 2018 and Statement of Allegations dated April 23, 2018 are available at www.osc.gov.on.ca.

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1.5.3 Nicolas Blitterswyk

FOR IMMEDIATE RELEASE
April 24, 2018

NICOLAS BLITTERSWYK,
File No.2018-12

TORONTO – The Office of the Secretary issued a Notice of Hearing for a hearing to consider whether it is in the public interest to approve a settlement agreement entered into by Staff of the Commission and Nicolas Blitterswyk in the above named matter.

The hearing will be held on April 30, 2018 at 1:00 p.m. on the 17th floor of the Commission's offices located at 20 Queen Street West, Toronto.

A copy of the Notice of Hearing dated April 24, 2018 and Statement of Allegations dated April 23, 2018 are available at www.osc.gov.on.ca.

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1.5.4 Muchoki Fungai Simba (also previously known as Henderson MacDonald Alexander Butcher)

FOR IMMEDIATE RELEASE
April 25, 2018

MUCHOKI FUNGAI SIMBA
(also previously known as
Henderson MacDonald Alexander Butcher),
File No. 2018-6

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

A copy of the Order dated April 23, 2018 is available at www.osc.gov.on.ca.

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GRACE KNAKOWSKI
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1.5.5 1832 Asset Management L.P.

FOR IMMEDIATE RELEASE
April 26, 2018

1832 ASSET MANAGEMENT L.P.,
File No.2018-20

TORONTO – The Commission issued its Oral Reasons for Approval of a Settlement in the above named matter.

A copy of the Oral Reasons for Approval of a Settlement dated April 24, 2018 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

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1.5.6 Miles S. Nadal

FOR IMMEDIATE RELEASE
April 26, 2018

MILES S. NADAL,
File No. 2017-77

TORONTO – The Commission issued an Order approving the Settlement Agreement reached between Staff of the Commission and Miles S. Nadal in the above named matter.

A copy of the Order dated April 25, 2018, Settlement Agreement dated April 23, 2018 and Oral Reasons for Approval of Settlement dated April 25, 2018 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

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

1.5.7 Trilogy Mortgage Group Inc. and Trilogy Equities Group Limited Partnership

FOR IMMEDIATE RELEASE
April 26, 2018

TRILOGY MORTGAGE GROUP INC. and
TRILOGY EQUITIES GROUP LIMITED PARTNERSHIP,
File No. 2018-21

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

A copy of the Order dated April 26, 2018 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)

1.5.8 Donna Hutchinson et al.

FOR IMMEDIATE RELEASE
April 27, 2018

DONNA HUTCHINSON,
CAMERON EDWARD CORNISH,
DAVID PAUL GEORGE SIDDERS and
PATRICK JELF CARUSO

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

A copy of the Order dated April 27, 2018 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

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1-877-785-1555 (Toll Free)

1.5.9 Miles S. Nadal

FOR IMMEDIATE RELEASE
April 27, 2018

MILES S. NADAL,
File No. 2017-77

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

A copy of the Order dated April 27, 2018 is available at www.osc.gov.on.ca.

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GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

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1-877-785-1555 (Toll Free)

1.5.10 Martin Bernholtz

FOR IMMEDIATE RELEASE
April 30, 2018

MARTIN BERNHOLTZ,
File No. 2018-16

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

A copy of the Order dated April 27, 2018 is available at www.osc.gov.on.ca.

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GRACE KNAKOWSKI
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OSC Contact Centre
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1-877-785-1555 (Toll Free)

1.5.11 Nicolas Blitterswyk

FOR IMMEDIATE RELEASE
May 1, 2018

NICOLAS BLITTERSWYK,
File No. 2018-12

TORONTO – The Commission issued an Order approving the Settlement Agreement reached between Staff of the Commission and Nicolas Blitterswyk in the above named matter.

A copy of the Order dated April 30, 2018, Settlement Agreement dated April 19, 2018 and Oral Reasons for Approval of a Settlement dated April 30, 2018 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1. Nexans S.A.

Headnote

Dual application for Exemptive Relief Applications – Application for relief from the prospectus and registration requirements for certain trades made in connection with an employee share offering by a French issuer – The issuer cannot rely on the employee exemption in section 2.24 of Regulation 45-106 respecting Prospectus Exemptions as the securities are not being offered to Canadian employees directly by the issuer but rather through special purpose entities – Canadian participants will receive disclosure documents – The special purpose entities or FCPEs are subject to the supervision of the local securities regulator – Canadian employees will not be induced to participate in the offering by expectation of employment or continued employment – There is no market for the securities of the issuer in Canada – The number of Canadian participants and their share ownership are de minimis – Relief granted, subject to conditions – 5 year sunset clause.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25, 53, 74.

TRANSLATION

April 24, 2018

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
NEXANS S.A.
(the Filer)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (**Decision Maker**) 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 Relief**) so that such requirement does not apply to:

    a) trades of:

        i) units (the **2018 Units**) of a compartment named Nexans Plus 2018 B (the **2018 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 Nexans Plus 2018 (the **2018 Fund**, and together with the Compartments (as defined below) and the Transfer Fund (as defined below), the **Funds**); and

ii) units (together with the 2018 Units, the **Units**) of future compartments of the 2018 Fund organized in the same manner as the 2018 Compartment (together with the 2018 Compartment, the **Compartments**),

made pursuant to an Employee Offering (as defined below) to or with Qualifying Employees (as defined below) resident in the Jurisdictions, Alberta, Saskatchewan, Manitoba 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 FCPE named Actionnariat NEXANS (the **Transfer Fund**) to or with Canadian Participants upon the redemption of Units and Transfer Fund Units (as defined below), respectively, as requested by Canadian Participants; and

c) trades of Transfer Fund 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 Fund at the end of the applicable Lock-Up Period (as defined below); and

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

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

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

c) trades in Transfer Fund 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 Fund 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* (chapter V-1.1, r. 1) (**Regulation 11-102**) is intended to be relied upon in Alberta, Saskatchewan, Manitoba 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* (chapter V-1.1, r. 3), Regulation 11-102 and *Regulation 45-106 respecting Prospectus Exemptions* (chapter V-1.1, r. 21) (**Regulation 45-106**) 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 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 (the **2018 Employee Offering**) and expects to establish subsequent global employee share offerings following 2018 for the next four years that are substantially similar (**Subsequent Employee Offerings**, and together with the 2018 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 **Nexans 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 Nexans 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, 30 and 35 which may change (save for references to the 2018 Compartment and the 2018 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 (which term, for the purposes of this paragraph, is deemed to include all Shares held by the relevant Compartment and the Transfer Fund on behalf of Canadian Participants) more than 10% of the Shares 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 2018 Fund (the **Leveraged Plan**), subject to the decision of the supervisory board of the FCPE and the approval of the French AMF (as defined below).

7. Only persons who are employees of an entity forming part of the Nexans 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 2018 Compartment was established for the purpose of implementing the 2018 Employee Offering. The Transfer Fund was established for the purpose of receiving assets transferred at the end of the applicable Lock-Up Period. The 2018 Fund was established for the purpose of implementing the Employee Offering generally. There is no current intention for any of the 2018 Compartment, the Transfer Fund or the 2018 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 2018 Fund, the 2018 Compartment and the Transfer Fund have been registered with, and approved by, the Autorité des marchés financiers in France (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. In the event of such a change, the successor to the Bank will remain a large French commercial bank subject to French banking legislation.

    b) The subscription price will be 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**), less a specified discount to the Reference Price.

    c) Canadian Participants will contribute 16.66% 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 83.34% of the price of each Share (expressed in Euros) 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) All Units acquired in an Employee Offering by Canadian Participants will be subject to a hold period of approximately five years (the **Lock-Up Period**), subject to certain exceptions provided for under French law 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 A - [B+C], where:

i) "A" is the market value of all the Shares held in the relevant Compartment (as determined pursuant to the terms of the Swap Agreement),

ii) "B" is the aggregate amount of all Employee Contributions,

iii) "C" is an amount (the Appreciation Amount) equal to

A) a multiple of the Average Increase, if any, of the Shares above the Reference Price (where the "Average Increase" is the average price of the Shares based on the monthly average of the closing price of the Shares in the last 60 weeks of the Lock-Up Period),

and further multiplied by

B) the number of Shares held in the relevant Compartment.

In the event the Average Increase is lower 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 Fund (subject to the decision of the supervisory board of the 2018 Fund and the approval of the French AMF).

l) Units of the Transfer Fund (**Transfer Fund Units**) will be issued to Canadian Participants in recognition of the assets transferred to the Transfer Fund. Canadian Participants may request the redemption of the Transfer Fund Units whenever they wish. However, following a transfer to the Transfer Fund, 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 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 limited circumstances where it is in the best interests of the unitholders. The Management Company is required to act in the best interests of unitholders of a Compartment under French law. 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.

n) Under no circumstances will a Canadian Participant be responsible to contribute an amount greater than his or her Employee Contribution.

o) 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. In addition, for the 2018 Employee Offering, the Filer will make a matching contribution in the form of free Shares in an amount equal to 60% of a Canadian Participant's personal investment, up to the Canadian dollar equivalent of €500. Shares granted under the matching contribution will be held in the Transfer Fund and will be delivered to Canadian Participants at the same time as the Shares subscribed for under the Leveraged Plan (i.e., July 18, 2018 for the 2018 Employee Offering). For any 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 reservation 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 Leveraged Plan and thereby not participate in the relevant Employee Offering.

13. Under no circumstances will a Canadian Participant be liable to a Compartment, the Transfer Fund, the Bank or the Filer for any amounts in excess of his or her Employee Contribution under an Employee Offering.

14. 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.

15. 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 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.

16. 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.

17. 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).

18. 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.

19. As indicated above, a Canadian Participant's assets in a Compartment will only be transferred to the Transfer Fund if such Canadian Participant does not elect to request the redemption of his or her Units at the end of the Lock-Up Period. A Canadian Participant will be able to request the redemption of Transfer Fund Units at any time in consideration of the underlying Shares or a cash payment equal to the then market value of the Shares held by the Transfer Fund.

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

21. The portfolio of the Transfer Fund 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 Fund Units.

22. 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 Depositary (as defined below), for any violation of the rules and regulations governing FCPEs, any violations of the rules of the 2018 Fund, 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. In the event of such a change, the successor to the Management Company will comply with the terms and conditions described in this paragraph.

23. 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 Fund will be limited to purchasing Shares from the Filer using 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 Fund as necessary in order to fund redemption requests, and investing available cash in cash equivalents.

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

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

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

27. Shares issued under an Employee Offering will be deposited in the relevant Compartment's accounts or the Transfer Fund's accounts, as the case may be, with BNP Paribas Securities Services S.C.A. (the **Depositary**), a large French commercial bank subject to French banking legislation. For any Subsequent Employee Offering, the "Depositary" may change. In the event of such a change, the successor to the Depositary will remain a large French commercial bank subject to French banking legislation.

28. 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.

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

30. For the 2018 Employee Offering, annual compensation includes the employee's gross base salary, bonus and/or overtime paid between January 1, 2018 and December 31, 2018.

31. The Shares, Units and Transfer Fund Units are not currently listed for trading on any stock exchange in Canada and there is no intention to have the Shares, Units or Transfer Fund Units so listed. As there is no market for the Shares in Canada, and as 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 an exchange outside of Canada.

32. The Filer will retain a securities dealer registered as a broker/investment dealer (the **Registrant**) under the securities legislation of Ontario and Manitoba to provide advisory services to Canadian Employees resident in such provinces 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.

33. Canadian Employees will receive an information package in the French or English language, according to their preference, which will include a summary of the terms of the relevant Employee Offering and a description of the relevant Canadian income tax consequences of subscribing for and holding the Units and requesting the redemption of

such Units at the end of the applicable Lock-Up Period. The information package will also include a risk statement which will describe certain risks associated with an investment in Units. Canadian Employees 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 rules of the relevant Compartment and 2018 Fund. Canadian Employees will also have access to copies of the continuous disclosure materials relating to the Filer that are furnished to holders of the Shares.

34. Canadian Participants will receive an initial statement of their holdings under the Employee Offering together with an updated statement at least once per year.

35. For the 2018 Employee Offering, there are approximately 534 Qualifying Employees resident in Canada, with the greatest number residing in the province of Ontario (305), and the remainder in the provinces of Alberta, Saskatchewan, Manitoba, Québec and Nova Scotia, who represent in the aggregate approximately 2% of the number of employees in the Nexans Group worldwide eligible to participate in the 2018 Employee Offering.

Decision

Each of the Decision Makers is 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 provided that:

1. with respect to the 2018 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, the following conditions are met:

    a) the representations other than those in paragraphs 3, 11, 30 and 35 remain true and correct with the necessary adaptations in respect of that Subsequent Employee Offering, and

    b) the conditions set out in paragraph 1 apply, with the necessary adaptations, to any Subsequent Employee Offering.

"Lucie J. Roy"
Directrice principale du financement des societes

2.1.2 Purpose Investments Inc. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted to mutual funds for extension of lapse date of their prospectus – Filer will incorporate offering of the mutual fund under the same offering documents as related family of funds when they are renewed – Extension of lapse date will not affect the currency or accuracy of the information contained in the current prospectus.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 62(5).

April 20, 2018

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

AND

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

AND

IN THE MATTER OF
PURPOSE INVESTMENTS INC.
(the Filer)

AND

PURPOSE CORE DIVIDEND FUND,
PURPOSE TACTICAL HEDGED EQUITY FUND,
PURPOSE MONTHLY INCOME FUND,
PURPOSE TOTAL RETURN BOND FUND,
PURPOSE BEST IDEAS FUND,
PURPOSE DURATION HEDGED REAL ESTATE FUND,
PURPOSE SHORT DURATION TACTICAL BOND FUND
(each, a Fund and, collectively, the Funds)

AND

CERTAIN OTHER FUNDS LISTED IN PARTS I AND II OF SCHEDULE A

DECISION

I. BACKGROUND

1. The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Funds and certain of the Other Funds (as defined below) for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that the time limits for the renewal of the simplified prospectus of the Funds dated May 5, 2017 and the simplified prospectuses of certain of the Filer's Other Funds dated May 11, 2017 and May 12, 2017 be extended to those time limits that would apply if the lapse date was May 31, 2018 (the **Requested Relief**).

2. 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 each of the other provinces and territories of Canada (together with Ontario, the **Jurisdictions**).

II. INTERPRETATION

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

III. REPRESENTATIONS

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

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

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

3. The Filer is registered as (a) an investment fund manager in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island, Québec and Saskatchewan, (b) a portfolio manager in British Columbia and Ontario and (c) 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.

4. Each of the Funds and the funds listed in Schedule A (the **Other Funds**) is a reporting issuer in the Jurisdictions.

5. Neither the Filer nor any of the Funds or the Other Funds are in default of securities legislation in any of the Jurisdictions.

6. The Filer is the manager and trustee of the Funds. The Filer is also the manager of all and trustee of certain of the Other Funds listed in Schedule A.

7. Each Fund currently distributes its securities in the Jurisdictions pursuant to a simplified prospectus dated May 5, 2017 and an annual information form dated May 5, 2017 (collectively, the **Current Prospectus**). Each of the Other Funds currently distributes its securities in the Jurisdictions pursuant to the simplified prospectuses and annual information forms set forth in Schedule A.

8. The lapse date of the Current Prospectus under the Legislation is May 5, 2018 (the **Current Lapse Date**). Accordingly, under the Legislation, the distribution of securities of the Funds would have to cease on the Current Lapse Date unless: (i) the Funds file a *pro forma* simplified prospectus at least 30 days prior to the Current Lapse Date; (ii) the final simplified prospectus is filed no later than 10 days after the Current Lapse Date; and (iii) a receipt for the final simplified prospectus is obtained within 20 days after the Current Lapse Date.

9. The lapse date of the current prospectuses of certain of the Other Funds under the Legislation is May 11 and May 12, 2018.

10. In December 2017, the Filer's wholly-owned subsidiary Redwood Asset Management Inc. (**Redwood**) acquired the retail asset management agreements of LOGiQ Asset Management Inc. and its affiliates, and Redwood became the manager of the Other Funds.

11. The Filer and Redwood have been integrating the Other Funds into the Filer's fund platform and have implemented certain changes since the closing of the transactions such as adding ETF securities and changing the names of certain funds.

12. Effective March 31, 2018, the Filer and Redwood amalgamated and the Filer is now the manager of the Funds and the Other Funds.

13. The Filer wishes to combine the simplified prospectuses of the Other Funds with the Current Prospectus of the Funds in order to reduce renewal, printing and related costs of the Funds and the Other Funds. Offering the Funds and the Other Funds under one prospectus would facilitate the distribution of the Funds in the Jurisdictions under the same simplified prospectus and enable the Filer to streamline disclosure across the Filer's fund platform. As the Funds and the Other Funds are managed by the Filer, offering them under the same simplified prospectus would allow investors to more easily compare the features of the Funds.

14. In connection with the integration of the Other Funds, the simplified prospectus, annual information form and several fund facts documents and ETF facts documents require review and updating. Given the time required to perform these tasks accurately, the Filer would not have sufficient time to finalize and file the *pro forma* simplified prospectus and annual information form combining the Funds and the Other Funds as well as prepare and update the fund facts documents and ETF facts documents by at least 30 days prior to the Current Lapse Date.

15. It would be impractical to alter and modify all the dedicated systems, procedures and resources required to prepare the renewal simplified prospectuses, annual information forms, fund facts documents and ETF facts documents, as applicable (the **Prospectus Documents**) of the Other Funds, and unreasonable to incur the costs and expenses associated therewith, so that the Prospectus Documents of the Other Funds can be filed earlier with the Prospectus Documents of the Funds.

16. The Filer may make minor changes to the features of the Other Funds as part of the process of renewing the Other Funds' Prospectus Documents in May 2018. The ability to file the Prospectus Documents of the Funds with those of the Other Funds will ensure that the Filer can make the operational and administrative features of the Funds and the Other Funds consistent with each other, if necessary.

17. There have been no material changes in the affairs of the Funds and the Other Funds since the date of the Current Prospectus and the date of the current prospectuses of the Other Funds, as amended, as applicable. Accordingly, the Current Prospectus, the current prospectuses of the Other Funds, the fund facts documents and the ETF facts documents represent the current information of the Funds and Other Funds, as applicable.

18. Given the disclosure obligation of the Funds and the Other Funds, should any material changes occur, the Current Prospectus of the Funds and the current prospectuses of the Other Funds will be amended as required under the Legislation.

19. New investors of the Funds or of the Other Funds will receive delivery of the most recently filed fund facts document or ETF facts of the Funds or of the Other Funds, as applicable. The Current Prospectus of the Funds and the current prospectuses of the Other Funds will still be available upon request.

20. The Requested Relief will not affect the accuracy of the information contained in the Current Prospectus of the Funds and the current prospectus of the Other Funds and therefore will not be prejudicial to the public interest.

IV. DECISION

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

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

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

SCHEDULE A

THE OTHER FUNDS

I. OTHER FUNDS WITH MAY 11, 2018 LAPSE DATE:

Simplified Prospectus dated May 11, 2017, as amended by Amendment No. 1 dated January 16, 2018

- Redwood Canadian Preferred Share Fund (formerly Redwood Floating Rate Preferred Fund)
- Marijuana Opportunities Fund (formerly Redwood Infrastructure Income Fund)
- Redwood Equity Growth Fund (formerly Redwood Equity Growth Class)
- Redwood Income Growth Fund (formerly Redwood Income Growth Class)
- Redwood Unconstrained Bond Class
- Redwood Global Equity Strategy Fund (formerly Redwood Global Equity Strategy Class)
- Redwood Tactical Asset Allocation Fund (formerly Connected Wealth Tactical Class)
- Redwood Core Income Equity Fund (formerly Connected Wealth Core Income Class)

II. OTHER FUNDS WITH MAY 12, 2018 LAPSE DATE:

Amended and Restated Simplified Prospectus dated March 5, 2018, Amending and Restating the Simplified Prospectus dated May 12, 2017, as Amended by Amendment No. 1 Dated September 21, 2017

- Purpose Strategic Yield Fund (formerly LOGiQ Strategic Yield Fund and Redwood Strategic Yield Fund)
- Purpose Multi-Asset Income Fund (formerly LOGiQ High Income Fund and Redwood High Income Fund)

III. OTHER FUNDS WITH SUBSEQUENT LAPSE DATES:

Amended and Restated Simplified Prospectus dated March 5, 2018, Amending and Restating the Simplified Prospectus dated June 28, 2017, as Amended by Amendment No. 1 Dated September 21, 2017

- Purpose MLP & Infrastructure Income Fund (formerly LOGiQ MLP and Infrastructure Income Class and Redwood MLP & Infrastructure Income Fund)
- Purpose Global Resource Fund (formerly LOGiQ Resource Growth and Income Class and Redwood Resource Growth & Income Fund)
- Purpose Special Opportunities Fund (formerly LOGiQ Special Opportunities Class and Redwood Special Opportunities Fund)
- Purpose Strategic Investment Grade Bond Fund (formerly LOGiQ Tactical Bond Class and Redwood Tactical Credit Fund)
- Purpose Global Innovators Fund (formerly LOGiQ Global Opportunities Class, Redwood Global Opportunities Fund and Redwood Global Innovators Fund)

2.1.3 Ontario Power Generation Inc.

Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards (NI 52-107), s. 5.1 – the Filer is granted relief from the requirements under section 3.2 of NI 52-107 that financial statements be prepared in accordance with Canadian GAAP applicable to publicly accountable enterprises in order to permit the Filer to prepare its financial statements in accordance with U.S. GAAP.

Applicable Legislative Provisions

National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards, s. 5.1.

April 25, 2018

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
ONTARIO POWER GENERATION INC.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction (the **Principal Regulator**) has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the **Legislation**) for an exemption (the **Exemption Sought**) from the requirements of section 3.2 of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* (NI 52-107) that financial statements (a) be prepared in accordance with Canadian generally accepted accounting principles applicable to publicly accountable enterprises and (b) disclose an unreserved statement of compliance with IFRS in the case of annual financial statements and an unreserved statement of compliance with IAS 34 in the case of an interim financial report. The Filer previously obtained exemptive relief under the Legislation from the Principal Regulator in a decision dated February 19, 2014, which permits the Filer to prepare its financial statements in accordance with U.S. GAAP for its financial years that begin on or after January 1, 2015 but before January 1, 2019 (the **Existing 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 section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland and Labrador (the **Passport Jurisdictions**).

Interpretation

In this decision:

(a) unless otherwise defined herein, terms defined in National Instrument 14-101 *Definitions*, MI 11-102 and NI 52-107 have the same meaning if used herein; and

(b) “activities subject to rate regulation” has the meaning ascribed in the Handbook.

Representations

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

1. The Filer is incorporated under the *Business Corporations Act* (Ontario). The head office of the Filer is located at 700 University Avenue, Toronto, ON M5G 1X6.

2. The Filer is a reporting issuer or equivalent in the Jurisdiction and each Passport Jurisdiction and is not in default of securities legislation in any jurisdiction in Canada.

3. The Filer currently prepares and files its financial statements for annual and interim periods in accordance with U.S. GAAP as permitted by the Existing Relief.

4. The Filer is not an SEC issuer.

5. The Filer has activities subject to rate regulation.

6. Were the Filer an SEC issuer, it would be permitted by section 3.7 of NI 52-107 to file financial statements prepared in accordance with U.S. GAAP.

7. The Existing Relief will expire not later than January 1, 2019.

8. The International Accounting Standards Board (**IASB**) continues to work on a project focusing on accounting specific to activities subject to rate regulation. It is not yet known when this project will be completed or whether IFRS will include a specific standard that is mandatory for entities with activities subject to rate regulation.

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:

(a) the Existing Relief is revoked;

(b) the Exemption Sought is granted to the Filer in respect of the Filer's financial statements required to be filed on or after the date of this order, provided that the Filer prepares such financial statements in accordance with U.S. GAAP; and

(c) the Exemption Sought will terminate in respect of the Filer on the earliest of the following:

(i) January 1, 2024;

(ii) if the Filer ceases to have activities subject to rate regulation, the first day of the Filer's financial year that commences after the Filer ceases to have activities subject to rate regulation; and

(iii) the effective date prescribed by the IASB for the mandatory application of a standard within IFRS specific to entities with rate-regulated activities.

"Cameron McInnis"
Chief Accountant
Ontario Securities Commission

2.1.4 Ninepoint Partners LP et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Approval of mutual fund mergers – approval required because the mergers do not meet the criteria for pre-approved reorganizations and transfers in National Instrument 81-102 – the fundamental investment objectives of the terminating funds and continuing funds are not substantially similar– securityholders of the terminating funds are provided with timely and adequate disclosure regarding the mergers.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 5.5(1)(b), 5.7(1)(b).

March 28, 2018

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
NINEPOINT PARTNERS LP
(the Manager)

AND

SPROTT SMALL CAP EQUITY FUND,
SPROTT CANADIAN EQUITY FUND
(each, a Terminating Fund and collectively, the Terminating Funds,
and with the Manager, the Filers)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Manager on behalf of the Terminating Funds for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) approving the mergers (the **Mergers**) of the Terminating Funds into Sprott International Small Cap Fund and Sprott Concentrated Canadian Equity Fund (the **Continuing Funds** and collectively with the Terminating Funds, the **Funds**), respectively, pursuant to paragraph 5.5(1)(b) of National Instrument 81-102 *Investment Funds* (**NI 81-102**) (the **Approval 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 Manager has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of the provinces and territories of Canada, other than the province of Ontario (**Other 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:

The Manager

1. The Manager is a limited partnership under the laws of the Province of Ontario with its head office in Toronto, Ontario.

2. The Manager is the investment fund manager of the Funds and is registered under the securities legislation: (i) in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, and Newfoundland and Labrador as an adviser in the category of portfolio manager; (ii) in Ontario, Newfoundland and Labrador and Quebec as an investment fund manager; and (iii) in British Columbia, Alberta, Quebec, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, and Newfoundland and Labrador as a dealer in the category of exempt market dealer. The Manager is also registered in Ontario as a commodity trading manager.

The Funds

3. The Funds are open-ended mutual fund trusts established under the laws of Ontario.

4. Securities of the Terminating Funds are currently qualified for sale under a simplified prospectus, annual information form and fund facts dated April 25, 2017, as amended on August 9, 2017 (**Terminating Fund Offering Documents**) and securities of the Continuing Funds are currently qualified for sale under a simplified prospectus, annual information form and fund facts dated January 26, 2018 (**Continuing Fund Offering Documents**).

5. Each of the Funds is a reporting issuer under the applicable securities legislation of the Province of Ontario and the Other Jurisdictions (the **Legislation**).

6. The Continuing Funds are newly launched mutual funds of the Manager that were first qualified for sale under the Continuing Fund Offering Documents. The Mergers of the Terminating Funds into the Continuing Funds is not being treated as a material change for the Continuing Funds for securities regulatory purposes because disclosure of the Mergers was included in the Continuing Fund Offering Documents since the inception of the Continuing Funds.

7. Neither the Manager nor the Funds is in default under the Legislation.

8. Other than circumstances in which the securities regulatory authority of a province or territory of Canada has expressly exempted a Fund therefrom, each of the Funds follows the standard investment restrictions and practices established under NI 81-102.

9. The net asset value for each series of the Funds is calculated on a daily basis in accordance with the Funds' valuation policy and as described in the Terminating Fund Offering Documents and Continuing Fund Offering Documents, as applicable.

Reason for Approval Sought

10. Regulatory approval of the Mergers is required because each Merger does not satisfy all of the criteria for pre-approved reorganizations and transfers set out in section 5.6 of NI 81-102. The pre-approval criteria are not satisfied in the following ways, as the investment objectives of the Continuing Funds are not, or may be considered not to be, "substantially similar" to the investment objectives of their corresponding Terminating Funds.

11. The investment objectives of the Terminating Funds and the Continuing Funds are as follows:

Terminating Fund	Investment Objective	Continuing Fund	Investment Objective
Sprott Small Cap Equity Fund	The investment objectives of Sprott Small Cap Equity Fund are to achieve long-term capital growth by investing primarily in small capitalization equity and equity-related securities listed in Canada, with some exposure to global small capitalization equities.	Sprott International Small Cap Fund	The investment objective of Sprott International Small Cap Fund is to seek to provide unitholders with long term capital appreciation by investing primarily in a portfolio of international small capitalization equity securities of issuers in countries and industries primarily located in Europe, Japan and Asia-Pacific ex-Japan.

Terminating Fund	Investment Objective	Continuing Fund	Investment Objective
Sprott Canadian Equity Fund	The investment objectives of Sprott Canadian Equity Fund are to outperform the broad Canadian equity market as measured by the S&P/TSX Composite Total Return Index (or its successor index), over the long term of 5+ years, providing long term capital appreciation and value by investing primarily in small to mid capitalization stocks of Canadian issuers. To assist in achieving this objective, the Fund may focus its assets in specific industry sectors and asset classes based on analysis of business cycles, industry sectors and market outlook.	Sprott Concentrated Canadian Equity Fund	The investment objective of Sprott Concentrated Canadian Equity Fund is to seek to provide unitholders with long term capital appreciation by investing primarily in a concentrated portfolio of Canadian equity securities.

12. The Continuing Funds have a risk rating that is either lower than or the same as the risk rating of the applicable Terminating Fund.

13. Each Continuing Fund is sub-advised by a third party sub-adviser, namely Scheer, Rowlett & Associates Investment Management Ltd. or Global Alpha Capital Management Ltd.

14. Sprott International Small Cap Fund has the same management fee as the applicable Terminating Fund, while Sprott Concentrated Canadian Equity Fund has a management fee that is slightly lower than the applicable Terminating Fund.

15. Except as described in this decision, the proposed Mergers comply with all of the other criteria for pre-approved reorganizations and transfers set out in section 5.6 of NI 81-102.

16. The Manager has determined that it believes that it would be most efficient to implement each Merger on a tax-deferred basis as a "qualifying exchange", within the meaning of section 132.2 of the *Income Tax Act* (Canada). Unitholders of each Terminating Fund will exchange on a tax-deferred rollover basis their units of the Terminating Fund for units of the applicable Continuing Fund. The Terminating Funds will not realize any net capital gains as a result of the Mergers.

The Proposed Mergers

17. The Manager intends to reorganize the Funds as follows:

    (a) Sprott Small Cap Equity Fund will merge into Sprott International Small Cap Fund; and

    (b) Sprott Canadian Equity Fund will merge into Sprott Concentrated Canadian Equity Fund.

18. In accordance with National Instrument 81-106 *Investment Fund Continuous Disclosure* (**NI 81-106**), a press release announcing the proposed Mergers was issued and filed by the Terminating Funds via SEDAR on February 1, 2018. A material change report with respect to the proposed Mergers was filed via SEDAR on February 1, 2018.

19. As required by National Instrument 81-107 *Independent Review Committee for Investment Funds*, an Independent Review Committee (the **IRC**) has been appointed for the Funds. The Manager presented the potential conflict of interest matters related to the proposed Mergers to the IRC for a decision. The IRC reviewed the potential conflict of interest matters related to the proposed Mergers and on February 6, 2018 provided its positive decision for each of the Mergers, after determining that each proposed Merger, if implemented, would achieve a fair and reasonable result for each applicable Fund.

20. Securityholders of the Terminating Funds will be asked to approve the Mergers at special meetings to be held on or about March 26, 2018.

21. The investment portfolio and other assets of each Terminating Fund to be acquired by the applicable Continuing Fund in order to effect the Mergers are currently, or will be, acceptable, on or prior to the effective date of the Mergers, to the

portfolio manager(s) of the applicable Continuing Fund and are, or will be, consistent with the investment objectives of the applicable Continuing Fund.

22. The Manager will pay for the costs of the Mergers. These costs consist mainly of brokerage charges associated with the merger-related trades that occur both before and after the effective date of the Mergers and legal, proxy solicitation, printing, mailing and regulatory fees.

23. Securityholders that purchased securities of a Terminating Fund, including under the low load option, will receive securities of the applicable Continuing Fund that are not subject to a deferred sales charge.

24. If all required approvals for the Mergers are obtained, it is intended that the Mergers will occur after the close of business on or about March 29, 2018 (the **Effective Date**). The Manager therefore anticipates that each securityholder of each Terminating Fund will become a securityholder of the applicable Continuing Fund after the close of business on the Effective Date. Each Terminating Fund will be wound-up as soon as reasonably possible following its Merger.

25. By way of order dated October 27, 2016, the Manager was granted relief (the **Notice and-Access Relief**) from the requirement set out in paragraph 12.2(2)(a) of NI 81-106 to send a printed management information circular to securityholders while proxies are being solicited, and, subject to certain conditions, instead allows a notice-and-access document (as described in the Notice-and-Access Relief) to be sent to such securityholders.

26. In accordance with the Filer's standard of care owed to the relevant Fund pursuant to applicable legislation, the Filer will only use the notice-and-access procedure for a particular meeting where it has concluded it is appropriate and consistent to do so, also taking into account the purpose of the meeting and whether the Fund would obtain a better participation rate by sending the information circular with the other proxy-related materials.

27. Pursuant to the requirements of the Notice-and-Access Relief, a notice-and-access document and applicable proxies in connection with the special meetings, along with the fund facts of the Continuing Funds, as applicable, were mailed to securityholders commencing on February 16, 2018 and were concurrently filed via SEDAR. The management information circular, which the notice-and-access document provides a link to, was also filed via SEDAR at the same time.

28. The tax implications of the Mergers, the differences between the investment objectives, the similarities between the fee structures of the Terminating Funds and the Continuing Funds, and the IRC's recommendation of the Mergers were described in the meeting materials so that the securityholders of the Terminating Funds could consider this information before voting on the Mergers. The meeting materials also described the various ways in which investors could obtain a copy of the simplified prospectus, annual information form and fund facts for each Continuing Fund and its most recent interim and annual financial statements and management reports of fund performance.

29. Securityholders of each Terminating Fund will continue to have the right to redeem securities of the Terminating Fund at any time up to the close of business on the business day immediately before the Effective Date.

Merger Steps

30. The proposed Mergers will be structured as follows:

    (a) Prior to effecting the Merger, each Terminating Fund will liquidate securities in its portfolio to the extent that the securities do not meet the investment objective and investment strategies of the applicable Continuing Fund. As a result, the portfolio of each Terminating Fund may temporarily hold cash or money market instruments and may not be fully invested in accordance with its investment objectives for a brief period of time prior to the applicable Merger being effected.

    (b) The value of each Terminating Fund's portfolio and other assets will be determined at the close of business on the effective date of the applicable Merger in accordance with the constating documents of the applicable Terminating Fund.

    (c) Each Continuing Fund will acquire the investment portfolio and other assets of the applicable Terminating Fund in exchange for securities of the Continuing Fund.

    (d) The Continuing Funds will not assume any liabilities of the applicable Terminating Funds and the Terminating Funds will retain sufficient assets to satisfy their estimated liabilities, if any, as of the effective date of the applicable Merger.

(e) The Terminating Funds will distribute a sufficient amount of their net income and net realized capital gains, if any, to securityholders to ensure that they will not be subject to tax for their current tax year.

(f) The securities of each Continuing Fund received by the applicable Terminating Fund will have an aggregate net asset value equal to the value of the portfolio assets and other assets that the Continuing Fund is acquiring from the Terminating Fund, and the securities of the Continuing Fund will be issued at the applicable series net asset value per security as of the close of business on the effective date of the applicable Merger.

(g) Immediately thereafter, securities of each Continuing Fund received by the applicable Terminating Fund will be distributed to securityholders of the Terminating Fund in exchange for their securities in the Terminating Fund on a dollar-for-dollar basis, as applicable.

31. As soon as reasonably possible following each Merger, and in any case within 60 days following the effective date of the Merger, the applicable Terminating Fund will be wound up.

32. No sales charges will be payable in connection with the acquisition by a Continuing Fund of the investment portfolio of its applicable Terminating Fund.

Benefits of Mergers

33. The Manager believes that the Mergers are beneficial to securityholders of each Terminating Fund and Continuing Fund for the following reasons:

(a) the Mergers will eliminate the administrative and regulatory costs of operating each Terminating Fund and Continuing Fund as separate funds;

(b) the Mergers provide securityholders of the Terminating Funds with options to (a) switch to another investment, (b) redeem their investment, and (c) maintain an investment with the Manager in the Continuing Fund without having to initiate a switch with the advisor, which provides the securityholders of the Terminating Funds with flexibility, convenience and potential cost savings;

(c) securityholders of the Terminating Funds will receive securities of the applicable Continuing Fund that have a management fee that is either lower than or the same as the management fee charged in respect of the securities of the Terminating Fund that they currently hold;

(d) securityholders of the Terminating Funds will receive securities of the applicable Continuing Fund that are expected to have a management expense ratio before waivers or absorptions that is either lower than or the same as the management expense ratio before waivers or absorptions in respect of the securities of the Terminating Fund that they currently hold; and

(e) following the Mergers, each Continuing Fund will have a portfolio of greater value, which may allow for increased portfolio diversification opportunities if desired.

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 Approval Sought is granted.

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

2.1.5 L'Oréal S.A.

Headnote

Dual application for Exemptive Relief Applications – Application for relief from the prospectus and registration requirements for certain trades made in connection with an employee share offering by a French issuer – The issuer cannot rely on the employee exemption in section 2.24 of Regulation 45-106 respecting prospectus and registration exemptions as the securities are not being offered to Canadian employees directly by the issuer but rather through special purpose entities – Canadian participants will receive disclosure documents – The special purpose entities are subject to the supervision of the local securities regulator – Canadian employees will not be induced to participate in the offering by expectation of employment or continued employment – There is no market for the securities of the issuer in Canada – The number of Canadian participants and their share ownership are *de minimis* – Relief granted, subject to conditions – 5 year sunset clause.

Applicable Legislative Provisions

Securities Act (Québec), ss. 11, 148, 263.
Regulation 45-106 respecting Prospectus Exemptions, s. 2.24.
Regulation 31-103 respecting Registration Requirements and Exemptions, s. 8.16.
Regulation 45-102 respecting Resale of Securities, s. 2.14.

April 27, 2018

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
L'ORÉAL S.A.
(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**) 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 **Principal Classic Units**) of a *fonds commun de placement d'entreprise* or "FCPE", a form of collective shareholding vehicle commonly used in France for the conservation and custodianship of shares held by employee-investors named "L'Oréal Employee Share Plan" (the **Principal Classic Fund**); and

        ii) units (the **Temporary Classic Units**, and together with the Principal Classic Units, the **Units**) of future temporary FCPEs established for Subsequent Employee Offerings (as defined below) (the **Temporary Classic Funds**),

    made pursuant to an Employee Offering (as defined below) to or with Qualifying Employees (as defined below) resident in the Jurisdictions, Alberta, British Columbia, Manitoba, Nova Scotia and Saskatchewan

(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), the Principal Classic Fund for the 2018 Employee Offering (as defined below) and a Temporary Classic Fund for Subsequent Employee Offerings, and following the Merger, the Principal Classic Fund);

2. An exemption from the dealer registration requirement (the **Registration Relief**, and together with the Prospectus Relief, the **Exemption Sought**) 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 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* (chapter V-1.1, r. 1) (**Regulation 11-102**) is intended to be relied upon in Alberta, British Columbia, Manitoba, Nova Scotia and Saskatchewan; 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* (chapter V-1.1, r. 3), Regulation 11-102 and *Regulation 45-106 respecting Prospectus Exemptions* (chapter V-1.1, r. 21) (**Regulation 45-106**) 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 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 (the **2018 Employee Offering**) and expects to establish subsequent global employee share offerings following 2018 for the next four years that are substantially similar (**Subsequent Employee Offerings**, and together with the 2018 Employee Offering, the **Employee Offerings**) for Qualifying Employees of the Filer and of 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 **L'Oréal 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. The head office of the L'Oréal Group in Canada is located in Québec and the greatest number of employees in the L'Oréal Group in Canada reside in Québec.

3. As of the date hereof, L'Oréal Canada Inc. is the only "Local Related Entity". 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, 12, 25 and 29 which may change (save for references to the 2018 Employee Offering which will be varied such that they are read as references to the relevant Subsequent Employee Offering).

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 Shares as shown on the books of the Filer.

6. The 2018 Employee Offering involves an offering of Shares to be acquired through the Principal Classic Fund.

7. Each Subsequent Employee Offering will involve an offering of Shares to be acquired through a Temporary Classic Fund, which will be merged with the Principal Classic Fund following completion of the Subsequent Employee Offering (the **Classic Plan**, which for greater certainty, includes the 2018 Employee Offering), subject to the decision of the supervisory board of the FCPE and the approval of the French AMF (as defined below).

8. Only persons who are employees of an entity forming part of the L'Oréal 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.

9. The Principal Classic Fund was established for the purpose of implementing the 2018 Employee Offering. The Principal Classic Fund was established for the purpose of implementing the Employee Offering generally. There is no current intention for the Principal Classic Fund to become a reporting issuer under the securities legislation of any jurisdiction of Canada. There is no current 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.

10. The Principal Classic Fund is registered with, and has been approved by, the French Autorité des marchés financiers (the **French AMF**). It is expected that each Temporary Classic Fund established for Subsequent Employee Offerings will be an FCPE and will be registered with, and approved by, the French AMF.

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

    a) Canadian Participants will subscribe for the relevant Units, and the Principal Classic Fund under the 2018 Employee Offering or the relevant Temporary Classic Fund under Subsequent Employee Offerings 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 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) For the 2018 Employee Offering, the Principal Classic Fund, and for Subsequent Employee Offerings, the relevant Temporary Classic Fund, respectively, will apply the cash received from the Canadian Participants to subscribe for Shares.

    c) For the 2018 Employee Offering, the Principal Classic Fund will hold the Shares subscribed for, and for Subsequent Employee Offerings, initially, the Shares subscribed for will be held in the relevant Temporary Classic Fund. The Canadian Participants will receive Units of the Principal Classic Fund for the 2018 Employee Offering and of the relevant Temporary Classic Fund for Subsequent Employee Offerings.

    d) After completion of a Subsequent Employee Offering, the relevant Temporary Classic Fund will be merged with the Principal Classic Fund (subject to the approval of the supervisory board of the FCPE and the French AMF). The Temporary Classic Units held by Canadian Participants will be replaced with units of the Principal Classic Fund (the **Principal Classic Units**) on a *pro rata* basis and the Shares subscribed for will be held in the Principal Classic Fund (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 Regulation 45-106 in respect of the issuance of Principal Classic Units 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 and adopted for an Employee Offering (such as death, disability, retirement 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 Unit (or fraction 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) In addition, each Employee Offering provides that the Filer will also contribute additional Shares (the **Bonus Shares**) into the Classic Plan based on predetermined matching contribution rules, for the benefit of, and at no cost to, eligible Canadian Participants. Bonus Shares will be delivered at the end of the Lock-Up Period, subject to certain conditions being satisfied (as provided for in the L'Oréal International Employee Shareholding Plan).

12. For the 2018 Employee Offering, the number of Bonus Shares which a Canadian Participant is eligible to receive will be determined according to the following matching schedule:

Canadian Participant's Subscription	Matching Ratio
1–2 Shares	1 Bonus Share
3–6 Shares	2 Bonus Shares
7–9 Shares	3 Bonus Shares
10 or more Shares	4 Bonus Shares

Under the matching schedule for the 2018 Employee Offering, a Canadian Participant who subscribed for 10 or more Shares would receive a maximum of 4 Bonus Shares. For each Subsequent Employee Offering, the matching contribution rules may change.

13. 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.

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

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

16. 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 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. In the event of such a change, the successor to the Management Company will comply with the terms and conditions described in this paragraph.

17. 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.

18. 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.

19. All management charges relating to the Classic Fund will be paid from the assets of the Classic Fund or by the Filer, as provided in the regulations of the Classic Fund. The Management Company is obliged to act in the best interests of Canadian Participants and is liable to them, jointly and severally with the Depositary, for any violation of the rules and regulations governing FCPEs, any violation of the rules of the Classic Fund, or for any self-dealing or negligence.

20. None of the entities forming part of the L'Oreal Group, the Classic Fund or the Management Company is currently in default of securities legislation of any jurisdiction of Canada.

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

22. Shares issued pursuant to an Employee Offering will be deposited in the Classic Fund through CACEIS Bank (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. For any Subsequent Employee Offering, the Depositary may change. In the event of such a change, the successor to the Depositary will remain a large French commercial bank subject to French banking legislation.

23. 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.

24. 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 (excluding Bonus Shares).

25. For the 2018 Employee Offering, annual compensation includes the employee's gross base salary, bonus and/or overtime paid between January 1, 2018 and December 31, 2018.

26. The Unit value of the Classic Fund will be calculated and reported to the French AMF on a regular basis, based on the net assets of the Classic Fund 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 Fund will not correspond to the number of the underlying Shares (as dividends will be reinvested in additional Shares and increase the value of each Unit).

27. 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.

28. Canadian Employees will receive an information package in the French or English language, according to their preference, which will include a summary of the terms of the relevant Employee Offering and a description of the relevant Canadian income tax consequences of subscribing for and holding Units of the Classic Fund and requesting the redemption of such Units at the end of the applicable Lock-Up Period. Canadian Employees will also have access to 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 Fund. 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.

29. For the 2018 Employee Offering, there are approximately 1,356 Qualifying Employees resident in Canada, with the greatest number resident in Québec (1,077), and the remainder in Ontario, Alberta, British Columbia, Manitoba, Nova Scotia and Saskatchewan, who represent, in the aggregate, approximately 1.5% of the number of employees in the L'Oréal Group worldwide.

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:

1. With respect to the 2018 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 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; and

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

a) the representations other than those in paragraphs 3, 12, 25 and 29 remain true and correct with the necessary adaptations in respect of that Subsequent Employee Offering, and

b) the conditions set out in paragraph 1 apply, with the necessary adaptations, to any such Subsequent Employee Offering.

“Lucie J. Roy”
Directrice principale du financement des societies

2.1.6 Sprott Asset Management LP et al.

Headnote

NP 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Exemptive relief granted from National Instrument 81-102 Investment Funds to exchange-traded closed-end mutual fund trust from investment restrictions on purchases of gold and silver certificates and physical gold and silver bullion, custodial provisions to allow Royal Canadian Mint to act as custodian and Canadian Imperial Bank of Commerce to act as a temporary custodian, and certain mutual fund requirements and restrictions on calculation of redemptions – trust formed in connection with a plan of arrangement – undertaking to comply with National Instrument 81-102.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 2.3(d), 2.3(e), 2.3(f), 6.1(1), 6.2, 10.3(2), 19.1.

December 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
SPROTT ASSET MANAGEMENT LP
(the Manager)

AND

IN THE MATTER OF
SPROTT PHYSICAL GOLD AND SILVER TRUST
(the Trust)

AND

IN THE MATTER OF
THE ROYAL CANADIAN MINT
(the Bullion Custodian)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Manager, in its capacity as the manager of the Trust, for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) that the Trust be exempt from the following provisions of National Instrument 81-102 *Investment Funds* (**NI 81-102**):

(a) Subsection 2.3(d), to permit the Trust to hold gold and silver certificates for not more than 60 days following the completion of the Arrangement (as defined below) to provide the Trust with adequate time to make arrangements to dispose of and monetize the legacy gold and silver certificates (the **Legacy Certificates**) of CFCL (as defined below) that will be acquired by the Trust pursuant to the Arrangement;

(b) Subsection 2.3(e) and 2.3(f), to permit the Trust to invest up to 100% of its net assets, taken at market value at the time of the purchase, in physical gold and silver bullion (collectively, **Bullion**);

(c) Subsection 6.1(1) to permit (i) the Royal Canadian Mint (the **Mint**), as a custodian of the Trust to hold the Trust's Bullion (the **Bullion Custodian**), and (ii) the Canadian Imperial Bank of Commerce as a temporary custodian of the Trust to hold the Trust's Bullion (the **Temporary Bullion Custodian**) for a transition period of not more than twelve (12) months following the completion of the Arrangement to allow the transport of the Trust's Bullion to the facilities of the Bullion Custodian from those of the Temporary Bullion Custodian;

(d) Section 6.2, to permit the Trust to appoint the Mint as the Bullion Custodian; and

(e) Subsection 10.3(2), to permit the redemption price of the Units (as defined herein) to which a redemption order pertains be at a price that is less than the net asset value of the security and that is determined on a date specified in the management information circular of CFCL prepared in connection with the Arrangement (the **Circular**) as opposed to a prospectus of the Trust,

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

The Trust has been formed in connection with the proposed plan of arrangement (the **Arrangement**) involving Sprott Inc. (**SII**) (the parent entity of the Manager), Central Fund of Canada Limited (**CFCL**) and its shareholders, The Central Group Alberta Ltd. (**CGAL**), 2070140 Alberta Ltd. (the **New Administrator**), and Philip M. Spicer and J.C. Stefan Spicer (together, the **CGAL Shareholders**) pursuant to section 193 of the *Business Corporations Act* (Alberta) and in accordance with the terms of an arrangement agreement dated October 1, 2017.

Pursuant to the Arrangement, CFCL will sell all of its assets and liabilities (other than the existing administration agreement governing the administration/management of the assets of CFCL) to the Trust in exchange for units of the Trust (each, a **Unit**) on the basis of one (1) Unit for each class A share of CFCL (the **Class A Shares**) and each common share of CFCL (the **Common Shares**). Each Class A Share and each Common Share will then be redeemed and cancelled by CFCL in exchange for one (1) Unit for each Class A Share and one (1) Unit for each Common Share. Prior to such asset sale, redemption and cancellation, SII will have purchased each of the Common Shares for C$500 in cash per Common Share.

The Arrangement was approved by the holders of Class A Shares and Common Shares on November 30, 2017.

Under National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* (for a passport application):

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

(b) the Manager 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 British Columbia, Alberta, Saskatchewan, Manitoba, Québec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Nunavut 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 herein.

In this decision, the "total net assets" of the Trust means the net asset value of the Trust determined in accordance with Part 14 of National Instrument 81-106 *Investment Fund Continuous Disclosure*.

Representations

This decision is based on the following facts represented by the Manager and the Trust:

The Manager and the Trust

1. The Manager is a limited partnership formed and organized under the laws of the Province of Ontario and maintains its head office in Toronto, Ontario. The general partner of the Manager is Sprott Asset Management GP Inc. (the **General Partner**), which is a corporation incorporated under the laws of the Province of Ontario. The General Partner is a wholly-owned, direct subsidiary of SII. SII is a corporation incorporated under the laws of the Province of Ontario and is a public company listed on the TSX. SII is the sole limited partner of the Manager and the sole shareholder of the General Partner.

2. The Manager is registered under the securities legislation in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, and Newfoundland and Labrador as an adviser in the category of portfolio manager and in Ontario as an investment fund manager.

3. The Trust is a closed-end mutual fund trust established under the laws of the Province of Ontario pursuant to a trust agreement dated as of October 26, 2017 (the **Trust Agreement**), as the same may be amended, restated or supplemented from time to time. Pursuant to the Trust Agreement, RBC Investor Services Trust (the **Trustee**) and the Manager are the trustee and the manager of the Trust, respectively.

4. TSX Trust Company (the **Registrar and Transfer Agent**) will be the registrar and transfer agent of the Trust pursuant to a transfer agent, registrar and disbursing agent agreement to be entered into on or about the effective date of the Arrangement.

5. In connection with the Arrangement and the exchange of the Class A Shares and Common Shares for the Units, the Trust will become a reporting issuer, or the equivalent thereof, in each of the provinces and territories of Canada (collectively, the **Canadian Jurisdictions**) following the completion of the Arrangement. NI 81-102 does not currently, and will not as a result of the completion of the Arrangement, apply to the Trust because the Trust has not offered securities under a prospectus as an investment fund. The Trust expects to offer securities under a prospectus in the future and as such, the Manager, on behalf of the Trust, has provided an undertaking (the **Undertaking**) to the Principal Regulator in the form attached as Exhibit A that, subject to obtaining the Exemption Sought, the Trust, for so long as it remains a reporting issuer, will comply with NI 81-102 (subject to the Exemption Sought) until such time as the Trust files a prospectus with the applicable securities regulators in the Canadian Jurisdictions at which time NI 81-102 will apply.

6. The Trust intends to list the Units on the Toronto Stock Exchange (the TSX) and the New York Stock Exchange Arca (the **NYSE Arca**).

7. The Trust is a "mutual fund in Ontario" as such term is defined in the *Securities Act* (Ontario) and, subject to the Exemption Sought and based on the Undertaking, is subject to the investment restrictions applicable to mutual funds which are prescribed by NI 81-102. The Manager has established an independent review committee for the Trust in accordance with the requirements under National Instrument 81-107 – *Independent Review Committee for Investment Funds*.

8. The Trust is not required to register as an "investment company" as such term is defined in the U.S. *Investment Company Act of 1940*, as amended (the **1940 Act**), since the Trust will invest all or substantially all of its assets in Bullion. Bullion does not fall within the definition of either a "security" or an "investment security" under the 1940 Act and, accordingly, the Trust is not required to be registered as an "investment company".

9. The Manager and the Trust are not in default of securities legislation in the Canadian Jurisdictions.

The Trust's Investment Objective, Strategy and Investment and Operating Restrictions

10. The Trust was created to participate in the Arrangement and to invest and hold substantially all of its assets in Bullion. The Trust seeks to provide a secure, convenient and exchange-traded investment alternative for investors interested in holding Bullion without the inconvenience that is typical of a direct investment in Bullion. The Trust does not anticipate making regular cash distributions to unitholders of the Trust (the **Unitholders**).

11. The Trust intends to achieve its objective by investing primarily in long-term holdings of unencumbered, fully allocated Bullion and will not speculate with regard to short-term changes in gold or silver prices. Following the disposition by the Trust of the Legacy Gold Certificates that will be acquired by the Trust pursuant to the Arrangement, the Trust will not invest in gold or silver certificates or other financial instruments that represent gold or silver or that may be exchanged for gold or silver. The Trust is not required to balance its holdings of gold and silver in any particular weighting.

12. Except with respect to cash held by the Trust to pay expenses and anticipated cash redemptions of Units, the Trust expects to own only Bullion that is in London Good Delivery bar form. "London Good Delivery" status means, in the case of physical gold bullion, 350 to 430 troy ounces, and, in the case of physical silver bullion, 750 to 1,000 troy ounces, and in each case with no less than the required minimum fineness related thereto as determined by the London Bullion Market Association from time to time. The Filer intends to invest and hold in excess of 99% of the total net assets of the Trust in Bullion, which will be stored in London Good Delivery bar form.

13. As disclosed in the Circular, the investment and operating restrictions of the Trust provide that, among other things, the Trust will invest in and hold a minimum of 90% of the total net assets of the Trust in Bullion in London Good Delivery bar form and hold no more than 10% of the total net assets of the Trust, at the discretion of the Manager, in Bullion (in London Good Delivery bar form or otherwise), gold or silver coins, debt obligations of or guaranteed by the Government of Canada or a province thereof, or by the Government of the United States of America or a state thereof, short-term commercial paper obligations of a corporation or other person whose short-term commercial paper is rated R-1 (or its equivalent, or higher) by DBRS Limited or its successors or assigns or F-1 (or its equivalent, or higher) by

Fitch Ratings or its successors or assigns or A-1 (or its equivalent, or higher) by Standard & Poor's or its successors or assigns or P-1 (or its equivalent, or higher) by Moody's Investor Service or its successors or assigns, interest-bearing accounts and short-term certificates of deposit issued or guaranteed by a Canadian chartered bank or trust company, money market mutual funds, short-term government debt or short-term investment grade corporate debt, or other short-term debt obligations approved by the Manager from time to time (for the purpose of this paragraph, the term "**short-term**" means having a date of maturity or call for payment not more than 182 days from the date on which the investment is made), except during the 60-day period following the closing of the Arrangement or additional offerings or prior to the distribution of the assets of the Trust.

14. The Manager and the Trust believe that, as the market in gold and silver is highly liquid, there are no liquidity concerns with permitting the Trust to invest in Bullion despite the restrictions of NI 81-102.

Net Asset Value of the Trust and Redemption of Units

15. The net asset value (the **Net Asset Value**) of the Trust and the Net Asset Value per Unit will be determined on a daily basis as of 4:00 p.m. (Toronto time) on each day on which the NYSE Arca or the TSX is open for trading (a **Business Day**), by the Trust's valuation agent, which is the Trustee.

16. The Trust may not issue additional Units following the completion of the Arrangement, except: (i) if the net proceeds per Unit to be received by the Trust are not less than 100% of the most recently calculated Net Asset Value per Unit prior to, or upon, the determination of the pricing of such issuance; or (ii) by way of Unit distribution in connection with an income distribution.

17. Subject to the terms of the Trust Agreement and the Manager's right to suspend redemptions in certain circumstances described in the Trust Agreement, Units may be redeemed at the option of a Unitholder in any month for Bullion or cash. All redemptions of Units will be determined using United States dollars, regardless of whether the redeemed Units were acquired on the NYSE Arca or the TSX. Redemption requests for Bullion must be for a minimum of 100,000 Units, provided that if 100,000 Units is not at least equivalent to the aggregate value of (i) one London Good Delivery bar of gold, (ii) the Proportionate Silver Amount and (iii) applicable expenses, the minimum Bullion redemption amount shall be such number of Units as are at least equivalent to the aggregate value (i) one London Good Delivery bar of gold, (ii) the Proportionate Silver Amount and (iii) applicable expenses (the **Minimum Bullion Redemption Amount**). For the purposes of the foregoing, "**Proportionate Silver Amount**" means such number of London Good Delivery bars of silver with an aggregate value (as at the valuation time of the Trust on the applicable monthly redemption date in the month during which the redemption request is processed) that is proportionate to the aggregate value of one London Good Delivery bar of gold based on the proportionate value of physical gold and silver bullion held by the Trust (as at the valuation time of the Trust on the applicable monthly redemption date in the month during which the redemption request is processed).

18. Unitholders whose Units are redeemed for Bullion will be entitled to receive a redemption price equal to 100% of the Net Asset Value per Unit of the redeemed Units on the last day of the month on which the NYSE Arca is open for trading for the month in respect of which the redemption request is processed (less applicable expenses described below) (the **Redemption Amount**).

19. The amount of Bullion that a redeeming Unitholder is entitled to receive will be based on the proportion of the value of Bullion held by the Trust at the time of redemption. The Filer will determine the quantity of each particular metal a redeeming Unitholder will be entitled to receive by allocating the Redemption Amount to the redemption of each metal based on the relevant proportion of the value of such metal held by the Trust (the **Bullion Redemption Amount**). The quantity of each particular metal delivered to a redeeming Unitholder will be dependent on the applicable Bullion Redemption Amount and the sizes of London Good Delivery bars of that metal that are held by the Trust on the redemption date. A redeeming Unitholder may not receive Bullion in the proportions then held by the Trust and, if the Trust does not have a London Good Delivery bar of a particular metal in inventory of a value equal to or less than the applicable Bullion Redemption Amount, the redeeming Unitholder will not receive any of that metal. Any Bullion Redemption Amount in excess of the value of the London Good Delivery bars of the particular metal to be delivered to the redeeming Unitholder will be paid in cash (and, for greater certainty, will not be combined with any such amounts in respect of the other metal for the purpose of delivering additional Bullion).

20. A Unitholder redeeming Units for Bullion will be responsible for expenses incurred by the Trust in connection with such redemption, including applicable delivery and transportation expenses, the handling of the written redemption notice for Bullion, the delivery and transportation of Bullion for Units that are being redeemed, the applicable gold and silver storage in-and-out fees and applicable taxes.

21. A Unitholder that owns a sufficient number of Units who desires to exercise redemption privileges for Bullion must do so by instructing his, her or its broker, who must be a direct or indirect participant of CDS Clearing and Depository

Services Inc. (**CDS**) or The Depository Trust Company (**DTC**), to deliver to the Registrar and Transfer Agent on behalf of the Unitholder a written notice of the Unitholder's intention to redeem Units for Bullion. A redemption notice to redeem Units for Bullion must be received by the Registrar and Transfer Agent no later than 4:00 p.m. (Toronto time) on the 15th day of the month in which such redemption notice will be processed or, if such day is not a Business Day, then on the immediately following day that is a Business Day. Any redemption notice for Bullion received after such time will be processed in the next month. Any redemption notice for Bullion must include a valid signature guarantee to be deemed valid by the Trust. For the purposes of this application "**Business Day**" means any day on which the TSX or the NYSE Arca are open for trading.

22. Once a redemption notice for Bullion is received by the Registrar and Transfer Agent, the Registrar and Transfer Agent, together with the Manager, will determine whether such redemption notice complies with the applicable requirements including the Minimum Bullion Redemption Amount, and contains delivery instructions that are acceptable to the armoured service transportation carrier. If the Registrar and Transfer Agent and the Manager determine that the redemption notice for Bullion complies with all applicable requirements, the Registrar and Transfer Agent will provide a notice to such redeeming Unitholder's broker confirming that the redemption notice was received and determined to be complete.

23. Any redemption notice for Bullion delivered to the Registrar and Transfer Agent regarding a Unitholder's intent to redeem Units that the Registrar and Transfer Agent or the Manager, in their sole discretion, determines to be incomplete, not in proper form, not duly executed or not for the Minimum Bullion Redemption Amount will for all purposes be void and of no effect, and the redemption privilege to which it relates will be considered for all purposes not to have been exercised thereby. If the Registrar and Transfer Agent and the Manager determine that the redemption notice for Bullion does not comply with the applicable requirements, the Registrar and Transfer Agent will provide a notice explaining the deficiency to the Unitholder's broker.

24. If the redemption notice for Bullion is determined to have complied with the applicable requirements, the Registrar and Transfer Agent and the Manager will determine on the last Business Day of the applicable month the amount of Bullion and the amount of cash that will be delivered to the redeeming Unitholder. Also on the last Business Day of the applicable month, the redeeming Unitholder's broker will deliver the redeemed Units to CDS or DTC, as the case may be, for cancellation.

25. Due to the fact that London Good Delivery bars of gold vary in weight from 350 to 430 troy ounces and London Good Delivery bars of silver vary in weight from 750 to 1,000 troy ounces, the Registrar and Transfer Agent and the Manager will have some discretion on the amount of Bullion the redeeming Unitholder will receive based on the weight of London Good Delivery bars of gold and silver owned by the Trust and the amount of cash necessary to cover the expenses associated with the redemption and delivery that must be paid by the redeeming Unitholder. In addition, the amount of Bullion a redeeming Unitholder may be entitled to receive will be determined by the Filer by allocating the Redemption Amount between the applicable Bullion Redemption Amounts in addition to meeting the requirement for a minimum aggregate redemption amount. Notwithstanding the foregoing, a redeeming Unitholder may not receive Bullion in the proportions then held by the Trust and, if the Trust does not have a London Good Delivery bar of a particular metal in inventory of a value equal to or less than the applicable Bullion Redemption Amount, the redeeming Unitholder will not receive any of that metal. Once such determination has been made, the Registrar and Transfer Agent will inform the broker through which the Unitholder has delivered its Bullion redemption notice of the amount of Bullion and cash that the redeeming Unitholder will receive upon the redemption of the Unitholder's Units.

26. Based on instructions from the Manager, the Bullion Custodian or any subsequently appointed custodian will release the requisite amount of Bullion from such custodian or sub-custodian's custody to the armoured transportation service carrier and such release will constitute delivery of such Bullion by the Trust to the redeeming Unitholder and the payment of the portion of the applicable Bullion Redemption Amount that is to be paid in Bullion. As directed by the Manager, any cash to be received by a redeeming Unitholder in connection with a redemption of Units for Bullion will be delivered or caused to be delivered by the Manager to the Unitholder's account within 10 Business Days after the month in which the redemption is processed.

27. A Unitholder redeeming Units for Bullion will receive the Bullion from the Bullion Custodian or any subsequently appointed custodian. Bullion received by a Unitholder as a result of a redemption of Units will be transported by armoured transportation service carrier pursuant to instructions provided by the Unitholder to the Manager. The armoured transportation service carrier will be engaged by, or on behalf of, the redeeming Unitholder. Such Bullion can be transported: (i) to an account established by the Unitholder at an institution located in North America authorized to accept and hold London Good Delivery bars; (ii) in the United States, to any physical address (subject to approval by the armoured transportation service carrier); (iii) in Canada, to any business address (subject to approval by the armoured transportation service carrier); and (iv) outside of the United States and Canada, to any address approved by the armoured transportation service carrier.

28. Costs associated with the redemption of Units and the delivery of Bullion will be borne by the redeeming Unitholder. The redeeming Unitholder will also be responsible for reimbursing the Trust for in-and-out fees charged to the Trust by the Bullion Custodian and/or its sub-custodian.

29. The armoured transportation service carrier will receive Bullion in connection with a redemption of Units approximately 21 Business Days after the end of the month in which the redemption notice is processed. Once Bullion representing the redeemed Units has been released to the armoured transportation service carrier, the Trust and the Bullion Custodian will no longer bear the risk of loss of, and damage to, such Bullion. In the event of a loss after Bullion has been placed with the armoured transportation service carrier, the Unitholder will not have recourse against the Trust or the Bullion Custodian.

30. Unitholders whose Units are redeemed for cash will be entitled to receive a redemption price per Unit equal to 95% of the lesser of: (i) the volume-weighted average trading price of the Units traded on the NYSE Arca or, if trading has been suspended on the NYSE Arca, the volume-weighted average trading price of the Units traded on the TSX, for the last five days on which the respective stock exchange is open for trading for the month in which the redemption request is processed; and (ii) the Net Asset Value of the Trust attributed to the applicable class or series of class of the redeemed Units on the applicable monthly redemption date. Cash redemption proceeds will be transferred to a redeeming Unitholder approximately three (3) Business Days after the end of the month in which such redemption request is processed by the Trust.

31. To redeem Units for cash, a Unitholder must instruct the Unitholder's broker to deliver a notice to redeem Units for cash to the Registrar and Transfer Agent. A redemption notice to redeem Units for cash must be received by the Registrar and Transfer Agent no later than 4:00 p.m. (Toronto time) on the 15th day of the month in which the redemption notice for cash will be processed or, if such day is not a Business Day, then on the immediately following day that is a Business Day. Any redemption notice to redeem Units for cash received after such time will be processed in the next month. Any redemption notice for cash must include a valid signature guarantee to be deemed valid by the Trust.

32. Any redemption notice for cash delivered to the Registrar and Transfer Agent regarding a Unitholder's intent to redeem Units that the Registrar and Transfer Agent or the Manager determines to be incomplete, not in proper form or not duly executed will for all purposes be void and of no effect and the redemption privilege to which it relates will be considered for all purposes not to have been exercised thereby. For each redemption notice for cash, the Registrar and Transfer Agent will notify the redeeming Unitholder's broker that such redemption notice has been deemed insufficient or accepted and duly processed, as the case may be.

33. Upon receipt of the redemption notice for cash, the Registrar and Transfer Agent and the Manager will determine on the last Business Day of the applicable month the amount of cash that will be delivered to the redeeming Unitholder. Also on the last Business Day of the applicable month the redeeming Unitholder's broker will deliver the redeemed Units to CDS or DTC, as the case may be, for cancellation.

The Trust's Custody Arrangements

This decision is also based on the following facts represented by the Manager, the Trust and the Mint, as applicable, as the Bullion Custodian (with respect to matters relating to the Mint and the Bullion Custodian):

34. The Trustee acts as the custodian of the assets of the Trust other than Bullion pursuant to the Trust Agreement. The Trustee will only be responsible for the assets of the Trust that are directly held by it, its affiliates or appointed sub-custodians.

35. Bullion owned by the Trust will be fully allocated and stored in the vaults of a custodian and/or its sub-custodian.

36. Currently, and until the completion of the Arrangement, the Bullion held by CFCL (which, pursuant to the Arrangement, will be acquired by the Trust) is custodied by the Canadian Imperial Bank of Commerce at vault facilities in Montreal, Toronto, Regina and Winnipeg (the **CIBC Storage Facilities**) pursuant to a safekeeping agreement dated February 15, 2012 (the **CIBC Safekeeping Agreement**).

37. Promptly following the completion of the Arrangement, the Trust intends to make arrangements to relocate the Bullion to, and store the Bullion at, the facilities of the Mint. To this end, the Manager intends to appoint the Mint as the new Bullion Custodian. However, the relocation of the Bullion from the CIBC Storage Facilities to the facilities of the Mint (the **Bullion Relocation**) will require coordination and time to effect and cannot be completed until a period of time following the completion of the Arrangement.

38. Under subsection 6.1(1) of NI 81-102, the Trust is unable to appoint a separate Bullion Custodian (i.e., the Mint) from the Trustee and is unable to utilize the Canadian Imperial Bank of Commerce as a separate Temporary Bullion

Custodian from the Trustee until the completion of the Bullion Relocation. Further, under section 6.2 of NI 81-102, the Trust is unable to appoint the Mint as the sole custodian of its assets since the Bullion Custodian cannot hold the cash or securities owned by the Trust.

39. The CIBC Safekeeping Agreement is a legacy agreement of CFCL that, following the completion of the Arrangement, the Trust must utilize until the completion of the Bullion Relocation. The Canadian Imperial Bank of Commerce would qualify as a custodian under section 6.2 of NI 81-102 and it will act as Temporary Bullion Custodian under the CIBC Safekeeping Agreement until such time as the Bullion Relocation is completed and, in any event, not longer than twelve (12) months following the completion of the Arrangement. The role of Temporary Bullion Custodian will be temporary in nature and is solely intended to allow for the orderly transition of the Trust's Bullion to the facilities of the Mint for the benefit of the Trust and its unitholders.

40. The safekeeping of gold and silver bullion for products such as CFCL, the Trust and the Manager's other physical bullion products (e.g., Sprott Physical Gold Trust and Sprott Physical Silver Trust) is a specialized business in respect of which the Mint has particular specialized knowledge and expertise, as well as significant experience that is not found elsewhere in Canada.

41. The Mint operates pursuant to the *Royal Canadian Mint Act* (Canada) and is a Canadian Crown corporation. Crown corporations are "agents of Her Majesty the Queen" and, as such, their obligations generally constitute unconditional obligations of the Government of Canada. The Mint is responsible for the minting and distribution of Canada's circulation coins. As part of its operations, the Mint maintains secure storage facilities located in Canada that it owns and operates, and provides storage space to third parties.

42. The Mint had shareholders' equity of (i) C$185,356,000 as at December 31, 2016, the date of its most recent audited annual financial statements that have been made public, and (ii) C$180,134,000 as at September 30, 2017, the date of its most recent interim unaudited financial statements that have been made public, each significantly in excess of the requirement in section 6.2 of NI 81-102.

43. The Manager has negotiated the specific terms and conditions of a precious metals storage agreement (the **Storage Agreement**) relating to Bullion with the Mint, which provides for the storage of Bullion generally and will not place any limitations on the Trust's ability to buy or sell Bullion. The Storage Agreement, including the arrangements between the Mint and the Trust in connection with Bullion, will comply with the requirements of Part 6 of NI 81-102. As a result of the Mint's custodianship of precious metals for certain of the Manager's other physical bullion products (e.g., Sprott Physical Gold Trust and Sprott Physical Silver Trust), the Manager has been able to negotiate preferential custodial fees and lower transportation costs due to administrative synergies and streamlined logistics at the Mint across such physical bullion products and the Trust. The Manager anticipates that these cost savings will be pass through to unitholders of the Trust through a lower proposed management fee paid by the Trust to the Manager.

44. Under the Storage Agreement, upon the initial notice being delivered, the Mint, as Bullion Custodian, or its sub-custodian, as the case may be, will receive such Bullion based on a list provided by the Manager in such written notice that specifies the amount, weight, type, assay characteristics and value, and serial number of the London Good Delivery bars. After verification, the Mint will issue a "receipt of deposit" that confirms the bar count and total weight in troy ounces of each of the Bullion. Pursuant to the Storage Agreement, the Bullion Custodian reserves the right to refuse delivery in the event of storage capacity limitations at either its own vault facilities or at the vault facilities of the sub-custodian, if any. In the event of a discrepancy arising during the verification process, the Mint will promptly notify the Manager. The Mint will keep the Trust's fully allocated Bullion specifically identified as the Trust's property and will keep it on a labelled shelf or physically segregated pallets at all times. The Mint will provide a monthly inventory statement, which the Manager will reconcile with the Trust's records of its Bullion holdings. The Manager will have the right to physically count and have the Trust's auditors subject the Trust's Bullion to audit procedures at the vault facilities at the Mint and, if applicable, the sub-custodian upon request on any business day during the Mint's or, if applicable, the sub-custodian's regular business hours, provided that such physical count or audit procedures do not interrupt the routine operation of the applicable custodian's facility.

45. Upon the Mint's receipt and taking into possession and control (either directly or through a sub-custodian) of any of the Trust's Bullion, whether through physical delivery or a transfer of Bullion from a different customer's account at the Mint, the Mint's liability will commence with respect to such Bullion. The Mint will bear all risk of physical loss of, or damage to, the Bullion owned by the Trust in the Mint's custody (regardless of the location at which the Mint decides to store the Bullion), except in the case of circumstances or causes beyond the Mint's reasonable control, including, without limitation, acts or omissions or the failure to cooperate of the Manager, acts or omissions or the failure to cooperate by any third party, fire or other casualty, act of God, strike or labour dispute, war or other violence, or any law, order or requirement of any governmental agency or authority, and has contractually agreed to replace or pay for lost, damaged or destroyed Bullion in the Trust's account while in the Mint's care, custody and control. Under the Storage Agreement, the Mint's liability will terminate with respect to any Bullion upon termination of the Storage

Agreement, whether or not the Trust's Bullion remains in the Mint's or, if applicable, the sub-custodian's possession and control, upon transfer of such Bullion to a different customer's account at the Bullion Custodian or, if applicable, the sub-custodian or at the time such Bullion is remitted to the armoured transportation service carrier pursuant to delivery instructions provided by the Manager on behalf of a redeeming Unitholder.

46. In the event of physical loss, damage or destruction of the Trust's Bullion in the Mint's or, if applicable, the sub-custodian's custody, care and control, the Manager must give written notice to the Mint within five business days after the discovery of any such loss, damage or destruction, but, in the case of loss or destruction of the Trust's Bullion, in any event no more than 30 days after the delivery by the Mint to the Trust of an inventory statement in which the discrepancy first appears. The Mint will, at its discretion, either (i) replace, or restore to its original state in the event of partial damage, as the case may be, the Trust's Bullion that was lost, destroyed or damaged as soon as practicable after the Mint becomes aware of said loss or destruction, based on the advised weight and assay characteristics provided in the initial notice or (ii) compensate the Trust, through the Manager, for the monetary value of the Trust's Bullion that was lost or destroyed, within five business days from the date the Mint becomes aware of said loss or destruction, based on the advised weight and assay characteristics provided in the initial notice and the market value of such Bullion that was lost or destroyed, using the first available market price of the Bullion from the date the Mint becomes aware of said loss or destruction. If such notice is not given in accordance with the terms of the applicable Storage Agreement, all claims against the Mint will be deemed to have been waived. In addition, no action, suit or other proceeding to recover any loss, damage or destruction may be brought against the Mint unless notice of such loss, damage or destruction has been given in accordance with the terms of the applicable Storage Agreement and unless such action, suit or proceeding shall have been commenced within 12 months from the time such notice is sent to the Mint. The Mint will not be responsible for any special, incidental, consequential, indirect or punitive losses or damages (including lost profits or lost savings), except as a result of gross negligence or wilful misconduct by the Mint and whether or not the Mint had knowledge that such losses or damages might be incurred. Notwithstanding the foregoing, with respect to physical Bullion held by a sub-custodian, if any, in the event of loss, damage and/or destruction of such Bullion, the Mint and such sub-custodian will promptly and diligently assist each other to establish the identity of the physical Bullion lost, damaged and/or destroyed and shall take all such other reasonable steps as may be necessary to assure the maximum amount of salvage at a minimum cost. The Mint will, within 15 calendar days after receipt by the sub-custodian, if any, of proof of loss from the loss adjuster, make payment to the Trust for the monetary value of the Trust's Bullion that was lost.

47. Pursuant to the Storage Agreement, the Mint will be required to exercise the same degree of care and diligence in safeguarding the property of the Trust as any reasonably prudent person acting as custodian of the Bullion would exercise in the circumstance. The Mint will not be entitled to an indemnity from the Trust in the event the Mint breaches its standard of care.

48. The Storage Agreement will provide that if the Trust suffers a loss as a result of any act or omission of a sub-custodian or of any other agent appointed by the Mint (rather than appointed by the Manager) and if such loss is directly attributable to the failure of such sub-custodian or agent to comply with its standard of care in the provision of any service to be provided by it under the Storage Agreement, then the Mint shall assume liability for such loss directly, and shall reimburse the Trust accordingly.

49. The relationship between the Bullion Custodian and any sub-custodian with which it engages will be primarily one whereby the Bullion Custodian is sub-contracting the vault facilities of this service provider for the purposes of storing the Trust's Bullion. A sub-custodian may be appointed as a sub-custodian of the Trust pursuant to a written agreement between the Bullion Custodian and such sub-custodian that complies with the requirements of Part 6 of NI 81-102. The Bullion Custodian will remain responsible for (i) ensuring that adequate safeguards are in place, including satisfactory insurance arrangements; and (ii) indemnifying the Trust for all direct loss, damage or expense that may occur in connection with the Trust's Bullion that is stored at the vault facilities of the Bullion Custodian and/or a sub-custodian arising out of the negligence or wrongful acts of, or failure to comply with its standard of care by, the Bullion Custodian or the sub-custodian. The Bullion Custodian will on a periodic basis, and no less than annually, (i) review the Storage Agreement and all sub-custodian agreements of the Trust to determine if those agreements are in compliance with Part 6 of NI 81-102, (ii) make reasonable enquiries as to whether any sub-custodian of the Trust satisfies the applicable requirements of Part 6 of NI 81-102 and (iii) make or cause to be made any changes that may be necessary to ensure that (a) the custodian and sub-custodian agreements are in compliance with Part 6 of NI 81-102 and (b) all sub-custodians of the Trust satisfy the applicable requirements of Part 6 of NI 81-102. The Trust will rely upon the Bullion Custodian, who is in the business of precious metals storage, to satisfy itself as to the appropriateness of the use or continued use of any sub-custodian as a sub-custodian of the Trust's Bullion.

50. The Mint reserves the right to reject Bullion delivered to it if Bullion contains a hazardous substance or if such Bullion is or becomes unsuitable or undesirable for metallurgical, environmental or other reasons.

51. The Manager may terminate the custodial relationship with the Mint by giving written notice to the Mint of its intent to terminate the Storage Agreement if: (i) the Mint has committed a material breach of its obligations under the Storage Agreement that is not cured within ten business days following the Manager giving written notice to the Mint of such material breach; (ii) the Mint is dissolved or adjudged bankrupt, or a trustee, receiver or conservator of the Mint or of its property is appointed, or an application for any of the foregoing is filed; or (iii) the Mint is in breach of any representation or warranty contained in the Storage Agreement. The obligations of the Mint include, but are not limited to, maintaining an inventory of the Trust's Bullion stored with the Mint, providing a monthly inventory to the Trust, maintaining the Trust's Bullion physically segregated and specifically identified as the Trust's property, and taking good care, custody and control of the Trust's Bullion. The Trust believes that all of these obligations are material and anticipates that the Manager would terminate the Mint as custodian if the Mint breaches any such obligation and does not cure such breach within ten business days of the Manager giving written notice to the Mint of such breach. Prior to terminating the custodial relationship with the Mint, the Manager, with the consent of the Trustee, will appoint a replacement custodian for Bullion that complies with the requirements under NI 81-102.

52. The Mint carries such insurance as it deems appropriate for its businesses and its position as custodian of the Trust's Bullion and will provide the Trust with at least 30 days' notice of any cancellation or termination of such coverage. The Trust's ability to recover from the Mint is not contingent upon the Mint's ability to claim on its own insurance or, if any, a sub-custodian's ability to claim on its own insurance. Based on information provided by the Mint, the Manager believes that the insurance carried by the Mint, together with its status as a Canadian Crown corporation with its obligations generally constituting unconditional obligations of the Government of Canada, provides the Trust with such protection in the event of loss or theft of the Trust's Bullion stored at the Mint or at a sub-custodian, if any, that is consistent with the protection afforded under insurance carried by other custodians that store gold and silver commercially.

53. The Manager will ensure that Bullion, whether held by the Mint or a sub-custodian, will be subject to a physical count by a representative of the Manager periodically on a spot-inspection basis as well as subject to audit procedures by the Trust's external auditors on at least an annual basis.

54. The Manager will ensure that no director or officer of the Manager or its General Partner, or representative of the Trust or the Manager will be authorized to enter into the Bullion storage vaults without being accompanied by at least one representative of the Mint or a sub-custodian or if Bullion is held by another custodian, that custodian or its sub-custodians, as the case may be.

55. The Manager will ensure that no part of the stored Bullion may be delivered out of safekeeping by the Mint (except to an authorized sub-custodian thereof) or, if Bullion is held by another custodian, that custodian (except to an authorized sub- custodian thereof), without receipt of an instruction from the Manager in the form specified by the Mint or such custodian indicating the purpose of the delivery and giving direction with respect to the specific amount.

56. The Manager and the Trust believe that the custodial arrangements with the Mint and the sub-custodian, if any, in connection with the Trust's Bullion are consistent with industry practice.

57. The Manager will not be responsible for any losses or damages to the Trust arising out of any action or inaction by the Trust's custodians or any sub-custodians holding the assets of the Trust, including the Trustee or its sub-custodians holding the assets of the Trust other than Bullion, and the Mint and/or a sub-custodian holding Bullion owned by the Trust.

58. The Manager, with the consent of the Trustee, will have the authority to change the custodial arrangements described above including, but not limited to, the appointment of a replacement custodian or sub-custodian and/or additional custodians or sub-custodians subject to the requirements under NI 81-102

Decision

The Principal Regulator is satisfied that the decision meets the tests set out in the Legislation for the Principal Regulator to make the decision.

The decision of the Principal Regulator under the Legislation is that the Exemption Sought is granted provided that:

(a) the Manager, on behalf of the Trust, ensures that, in the event that the Trust files a prospectus, such prospectus of the Trust will contain disclosure regarding the unique risks associated with an investment in the Trust, including the risk that direct purchases of Bullion by the Trust may generate higher transaction and custody costs than other types of investments, which may impact the performance of the Trust;

(b) the Bullion Custodian has in excess of the highest minimum capitalization amount of shareholders' equity required under NI 81-102 for entities qualified to act as a custodian or a sub-custodian for assets held in or outside Canada, as applicable; and

(c) following the Bullion Relocation, the Trust will, at all times, hold a minimum of 90% of the total net assets of the Trust at the facilities of the Bullion Custodian.

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

Exhibit A

Undertaking

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
SPROTT ASSET MANAGEMENT LP (the Manager)

AND

IN THE MATTER OF
SPROTT PHYSICAL GOLD AND SILVER TRUST
(the Trust)

AND

IN THE MATTER OF
THE ROYAL CANADIAN MINT
(the Bullion Custodian)

UNDERTAKING TO THE ONTARIO SECURITIES COMMISSION OF THE TRUST

The Trust is the subject of an order dated December 20, 2017 of the Ontario Securities Commission (the "**Order**") exempting the Trust from certain provisions of National Instrument 81-102 *Investment Funds* (**NI 81-102**). Unless otherwise defined herein, capitalized terms used in this Undertaking have the meanings given to them in the Order.

For so long as the Trust remains a reporting issuer in a Canadian Jurisdiction, the Trust undertakes to the Ontario Securities Commission to, subject to the Exemption Sought, comply with NI 81-102 as if the Trust had offered securities under a prospectus until such time as the Trust offers or has offered securities under a prospectus.

SPROTT PHYSICAL GOLD AND SILVER TRUST,
by its manager, **SPROTT ASSET MANAGEMENT LP**,
by its general partner, **SPROTT ASSET MANAGEMENT GP INC.**

By: _____

Name: _____

Title: _____

Acknowledged and Received by

_____

[*Name*]

[*Title*]

2.2 Orders

2.2.1 Canadian Arrow Mines Limited – s. 1(6) of the OBCA

Headnote

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

Statutes Cited

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

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

AND

IN THE MATTER OF
CANADIAN ARROW MINES LIMITED
(the Applicant)

ORDER
(Subsection 1(6) of the OBCA)

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

AND UPON the Applicant having represented to the Commission that:

1. The Applicant is an "offering corporation" as defined in subsection 1(1) of the OBCA.

2. The Applicant's registered address is located at 1060 – 44 Victoria Street, Toronto, Ontario, M5C 1Y2.

3. The Applicant has an authorized capital consisting of an unlimited number of common shares (the **Common Shares**), of which one Common Share is issued and outstanding as of the date hereof.

4. On January 19, 2018 a special meeting of the shareholders of the Applicant was held, at which a special resolution was passed approving the acquisition by Tartisan Resources Corp. (**Tartisan**) of all of the issued and outstanding Common Shares of the Applicant (the **Arrangement**).

5. The Arrangement was approved by a final court order of the Ontario Superior Court of Justice (*Commercial List*) on January 25, 2018.

6. As a result of the Arrangement, all of the issued and outstanding Common Shares were acquired by Tartisan on January 25, 2018 in exchange for common shares of Tartisan. Following the share exchange, the only issued and outstanding Common Shares are now owned by Tartisan.

7. The Common Shares had been listed and posted for trading on the TSX Venture Exchange (the **TSX-V**) under the symbol "CRO". The Common Shares were de-listed from the TSX-V effective the close of trading on February 1, 2018.

8. The Applicant has no outstanding securities, including debt securities, other than as described above.

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

10. On February 28, 2018, the Applicant was granted an order pursuant to subclause 1(10)(a)(ii) of the *Securities Act* (Ontario) that it is not a reporting issuer in Ontario and is not a reporting issuer or the equivalent in any other jurisdiction of Canada in accordance with the simplified procedure set out in National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications*.

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

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

DATED at Toronto, Ontario on this 6th day of April, 2018.

"Deborah Leckman"
Commissioner
Ontario Securities Commission

"Mark Sandler"
Commissioner
Ontario Securities Commission

2.2.2 Muchoki Fungai Simba (also previously known as Henderson MacDonald Alexander Butcher)

FILE NO.: 2018-6

IN THE MATTER OF
MUCHOKI FUNGAI SIMBA
(also previously known as
Henderson MacDonald Alexander Butcher)

D. Grant Vingoe, Vice-Chair and Chair of the Panel

April 23, 2018

ORDER

WHEREAS on April 23, 2018, the Ontario Securities Commission (**Commission**) held a hearing at the offices of the Commission, located at 20 Queen Street West, 17th Floor, Toronto, Ontario;

ON HEARING the submissions of Staff of the Commission (**Staff**); no one appearing for Muchoki Fungai Simba (**Simba**), although properly served as appears from the Affidavit of Service of Laura Filice sworn April 18, 2018;

IT IS ORDERED THAT:

1. The hearing on the merits shall be conducted in writing;

2. Staff shall serve and file evidence by way of affidavit no later than June 8, 2018;

3. Simba shall serve and file evidence, if any, by way of affidavit no later than June 22, 2018;

4. Where Simba serves and files evidence pursuant to paragraph 3:

    a. Staff shall serve and file reply evidence, if any, by way of affidavit no later than June 29, 2018, and

    b. Staff shall serve and file written submissions no later than July 6, 2018;

5. Where Simba does not serve and file evidence pursuant to paragraph 3, Staff shall serve and file written submissions no later than June 25, 2018;

6. Simba shall serve and file written submissions, if any, no later than two weeks following service of Staff's written submissions; and

7. Staff shall serve and file reply written submissions, if any, no later than one week following service of Simba's written submissions.

"D. Grant Vingoe"

2.2.3 FirstCaribbean International Bank Limited

Headnote

Subsection 74(1) – Application for exemption from prospectus requirement in connection with first trade of shares of issuer through exchange or market outside of Canada or to person or company outside of Canada – issuer not a reporting issuer in any jurisdiction in Canada – conditions of the exemption in section 2.14 of National Instrument 45-102 Resale of Securities not satisfied as residents of Canada own more than 10% of the total number of shares – relief granted subject to conditions, including at the date of the trade, the issuer is not a reporting issuer in any jurisdiction of Canada where that concept exists, the trade is made through an exchange or market outside of Canada or to a person or company outside of Canada.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 53, 74(1).
National Instrument 45-102 Resale of Securities, s. 2.14.

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

AND

IN THE MATTER OF
FIRSTCARIBBEAN INTERNATIONAL BANK LIMITED
(the "Issuer")

ORDER

Background

The Ontario Securities Commission (the "**Commission**") has received an application from the Issuer for an exemption under section 74(1) of the Act from the prospectus requirement set forth in section 53 of the Act in connection with the first trades of common shares of the Issuer to be distributed to the Ontario Investors (as defined below) in connection with the Offering (as defined below) (the "**Requested Relief**").

Interpretation

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

Representations

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

1. The Issuer was incorporated under the laws of Barbados on September 20, 2002 and is registered as a reporting issuer under the *Barbados Securities Act*. The Issuer's principal and executive offices are located at The Michael Mansoor Building, Warrens, Saint Michael, Barbados BB22026.

2. As of April 17, 2018, the Issuer's authorized share capital is comprised of: (i) an unlimited number of shares designated as common shares (the "**Common Shares**"), (ii) an unlimited number of shares designated as non-voting Class A shares, and (iii) 180,000,000 shares designated as preference shares. As of the date hereof, there are 1,577,094,570 Common Shares, no non-voting Class A shares and no preference shares issued and outstanding.

3. In December 2006, subsidiaries of Canadian Imperial Bank of Commerce ("**CIBC**") purchased 43.7% of the common shares of the Issuer from subsidiaries of Barclays Bank. Subsidiaries of CIBC acquired additional Common Shares in early 2007 following which CIBC's affiliates owned approximately 92% of the Common Shares.

4. The Issuer is not a reporting issuer in any province or territory of Canada and is not an "offering corporation" under the *Business Corporations Act* (Ontario). The Issuer's securities are not listed or posted for trading on any exchange or market in Canada. The Issuer has no present intention of listing its Common Shares on any Canadian stock exchange or of becoming a reporting issuer under any Canadian securities legislation.

5. CIBC is a diversified financial institution governed by the *Bank Act* (Canada). CIBC's registered and head office is located at Commerce Court, Toronto, Ontario, Canada M5L 1A2.

6. CIBC is a reporting issuer under the securities legislation of each of the provinces and territories of Canada. CIBC is not in default of any Canadian securities legislation.

7. On or about April 24, 2018, CIBC, through a wholly-owned subsidiary, CIBC Investments (Cayman) Limited ("**CICL**"), proposes to distribute Common Shares in multiple jurisdictions, including pursuant to a prospectus-exempt offering in Ontario, in accordance with all applicable laws (the "**Offering**").

8. The Issuer has received approval to list the Common Shares for trading on the New York Stock Exchange (the "**NYSE**"), under the symbol "FCI".

9. Prior to the closing of the Offering, the Issuer intends to effect a reverse share split of the Common Shares at a rate of 30-1. Prior to the closing of the Offering and after giving effect to the reverse share split, CIBC will beneficially own 48,190,841 Common Shares (91.67%).

10. The Common Shares are currently listed on the domestic securities exchange of the Barbados Stock Exchange, Inc. (the "**Barbados Stock Exchange**") and the Trinidad and Tobago Stock Exchange Limited (the "**Trinidad and Tobago Stock Exchange**"). The Issuer has applied to delist the Common Shares from the Trinidad and Tobago Stock Exchange and intends to complete the delisting process as soon as practical after the completion of the Offering. The Issuer also intends to delist the Common Shares from the local exchange of the Barbados Stock Exchange and concurrently relist them on the International Securities Market of the Barbados Stock Exchange (the "**ISM**").

11. As part of the Offering, CIBC, through CICL, will extend the opportunity to purchase Common Shares to a very limited number of accredited investors (the "**Ontario Investors**"), each an "accredited investor" as defined in section 73.3 of the Act, (the "**Canadian Offering Shares**"). The Ontario Investors will also constitute "permitted clients" as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*.

12. It is expected that upon completion of the Offering, residents of Canada will not represent more than 10% of the total number of both beneficial owners, directly or indirectly, and registered owners of Common Shares of the Issuer.

13. It is expected that upon completion of the Offering, the Canadian Offering Shares will not constitute more than 10% of the issued and outstanding Common Shares. However, when aggregated with the Common Shares held by CIBC, indirectly through CICL, the total number of Common Shares held directly or indirectly by resident Canadians will exceed 10% of the issued and outstanding Common Shares.

14. Specifically, it is expected that CIBC will, indirectly through CICL, own approximately 73.41% of the outstanding Common Shares (or approximately 70.67% if the underwriters' option to purchase additional Common Shares is exercised in full) upon completion of the Offering.

15. On the date that the Canadian Offering Shares are distributed to the Ontario Investors (the "**Distribution Date**"), after giving effect to the Offering, the Canadian Offering Shares will not constitute more than 10% of the Public Float (defined as the issued and outstanding Common Shares of the Issuer on the Distribution Date after giving effect to the Offering and deducting the Common Shares owned by CICL).

16. CICL will agree with the underwriters involved in the Offering not to transfer the Common Shares held by it following the Offering, for a period of 180 days, without their prior consent, subject to certain exceptions.

17. The Canadian Offering Shares will be distributed to the Ontario Investors pursuant to the accredited investor exemption in section 73.3 of the Act. In the absence of an order granting relief, the first trades in Canadian Offering Shares will be deemed distributions pursuant to section 2.6 of National Instrument 45-102 *Resale of Securities* ("**NI 45-102**").

18. On the date on which Common Shares will be distributed to the Ontario Investors, the Issuer will not be a reporting issuer in any jurisdiction of Canada.

19. Subsection 2.14(1) of NI 45-102 provides an exemption from the prospectus requirement for the first trade in securities of a non-reporting issuer distributed under a prospectus exemption. Specifically, subsection 2.14(1) states that the prospectus requirement does not apply to the first trade of a security distributed under an exemption from the prospectus requirement if:

    (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 percent of the outstanding securities of the class or series; and

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

(c) the trade is made:

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

(ii) to a person or company outside of Canada.

20. The prospectus exemption in subsection 2.14(1) of NI 45-102 will not be available to Ontario Investors with respect to their first trade in the Canadian Offering Shares, because, on the Distribution Date, CIBC, a resident of Canada, indirectly through CICL, and the Ontario Investors collectively will own more than 10% of the outstanding Common Shares, preventing the condition in subparagraph (1)(b)(i) from being satisfied. Other than the condition in subparagraph 2.14(1)(b)(i), the conditions of subsection 2.14(1) would be satisfied to allow the first trade of the Canadian Offering Shares by the Ontario Investors in compliance with the prospectus exemption.

21. No market for the Common Shares exists in Canada and none is expected to develop as a result of or following the Offering. The Common Shares will be offered primarily outside of Canada with no more than 10% of the Public Float being held by the Ontario Investors immediately after giving effect to the Offering. The market for the Common Shares will be outside of Canada and primarily in the United States as a result of the NYSE listing. The Common Shares will also be listed on the ISM. It is expected that any resale of the Common Shares by the Ontario Investors will be effected through an exchange or market outside of Canada (including the facilities of the NYSE or the ISM) or to a person or company outside of Canada.

22. The Issuer's Canadian shareholder base is *de minimis* when CIBC's indirect ownership is excluded. Prior to the Offering, residents of Canada, other than CIBC, did not own, directly or indirectly, more than a *de minimis* number of Common Shares.

23. The Issuer, in addition to having a *de minimis* Canadian shareholder base when CIBC's indirect ownership is excluded, has a *de minimis* connection to Canada. The Issuer: (i) does not have any Canadian operating subsidiaries; (ii) has no assets in Canada; and (iii) does not derive any of its revenue from Canada.

24. The Issuer is not incorporated or organized under the laws of Canada, or a jurisdiction of Canada, the Issuer does not have its head office in Canada, and the majority of the executive officers and the majority of the directors of the Issuer will not ordinarily reside in Canada on the Distribution Date.

25. The Issuer will be subject to the reporting and disclosure obligations of the *Securities Exchange Act of 1934* and the NYSE rules and regulations. Holders of Canadian Offering Shares will receive copies of all shareholder materials provided to all other holders of the Common Shares, in accordance with applicable law, and will also have general access to such materials on EDGAR.

26. The registration statement submitted to the SEC provides for sales in additional international jurisdictions to persons similar to accredited investors, including investors in the European Economic Area, United Kingdom, Hong Kong, Singapore, Japan, Barbados, Australia and Switzerland. It is expected that investors in those jurisdictions will be permitted to resell their Common Shares on the NYSE.

Order

The Commission is satisfied that the decision meets the test set out in subsection 74(1) of the Act.

The order of the Commission under subsection 74(1) of the Act is that the Requested Relief is granted provided that:

(a) on the Distribution Date, after giving effect to the Offering, the Canadian Offering Shares will not constitute more than 10% of the Public Float;

(b) on the Distribution Date, after giving effect to the Offering, residents of Canada will not represent in number more than 10% of the total number of both beneficial owners, directly or indirectly, and registered owners of the Common Shares of the Issuer;

(c) the Issuer:

(i) does not have a head office in Canada and a majority of its executive officers and directors ordinarily reside outside of Canada;

(ii) is not a reporting issuer in any jurisdiction of Canada at the Distribution Date; or

(iii) is not a reporting issuer in any jurisdiction of Canada at the date of such first trades; and

(d) such first trades are executed through an exchange or a market outside of Canada or to a person or company outside of Canada.

DATED at Toronto on this19th day of April, 2018.

"Grant Vingoe"
Commissioner
Ontario Securities Commission

"Frances Kordyback"
Commissioner
Ontario Securities Commission

2.2.4 Trilogy Mortgage Group Inc. and Trilogy Equities Group Limited Partnership – s. 127(8)

FILE NO.: 2018-21

IN THE MATTER OF
TRILOGY MORTGAGE GROUP INC. and
TRILOGY EQUITIES GROUP LIMITED PARTNERSHIP

Philip Anisman, Chair of the Panel
Deborah Leckman, Commissioner
Robert P. Hutchison, Commissioner

April 26, 2018

ORDER

Subsection 127(8) of the *Securities Act*, RSO 1990, c S.5

WHEREAS on April 26, 2018, the Ontario Securities Commission held a hearing at the offices of the Commission at 20 Queen Street West, 17th Floor, Toronto, Ontario, to consider an application by staff of the Commission (**Staff**) to extend a temporary order dated April 16, 2018 (the **Temporary Order**);

ON READING the materials filed by Staff, including an email from the respondents consenting to the requested extension, and on hearing the submissions of the representative for Staff, no one appearing for the respondents although properly served;

IT IS ORDERED THAT:

1. the Temporary Order with respect to Trilogy Mortgage Group Inc. and Trilogy Equities Group Limited Partnership is extended until Wednesday, September 26, 2018.

"Philip Anisman"

"Deborah Leckman"

"Robert P. Hutchison"

2.2.5 Donna Hutchinson et al.

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

Mark J. Sandler, Commissioner and Chair of the Panel

April 27, 2018

ORDER

WHEREAS on April 27, 2018, the Ontario Securities Commission held a hearing at the offices of the Commission, located at 20 Queen Street West, 17th Floor, Toronto, Ontario;

ON HEARING the submissions of the representatives for each of Staff of the Commission (**Staff**), David Paul George Sidders (**Sidders**) and Patrick Jelf Caruso (**Caruso**), no one appearing for Cameron Edward Cornish (**Cornish**) and no one appearing for Donna Hutchinson, having settled the allegations against her in respect of this proceeding;

IT IS ORDERED THAT:

1. Sidders' motion with respect to severance and striking certain allegations and any other interlocutory motions which the parties agree to be heard on that date as well, shall be heard on June 11, 2018 at 9:30 a.m., or on such other dates as may be agreed to by the parties and set by the Office of the Secretary, and

   a. Sidders shall serve and file his motion materials on every other party by no later than 4:30 p.m. on May 14, 2018; and

   b. Each of Staff, Caruso and Cornish shall serve and file any responding motion materials on every other party by no later than 4:30 p.m. on May 28, 2018.

2. The third attendance shall continue following the conclusion of the motion hearing on June 11, 2018.

"Mark J. Sandler"

2.2.6 Miles S. Nadal

FILE NO.: 2017-77

IN THE MATTER OF
MILES S. NADAL

Philip Anisman, Commissioner and Chair of the Panel

April 27, 2018

ORDER

WHEREAS on April 25, 2018 the Ontario Securities Commission approved a Settlement Agreement between the parties to this proceeding;

ON READING a request from Staff of the Commission that the date scheduled for the hearing on the merits be vacated;

IT IS ORDERED THAT the date for the hearing on the merits, May 31, 2018, is vacated.

"Philip Anisman"

2.2.7 Martin Bernholtz – ss. 127(1), 127.1

FILE NO.: 2018-16

IN THE MATTER OF
MARTIN BERNHOLTZ

Mark J. Sandler, Commissioner and Chair of the Panel

April 27, 2018

ORDER
Subsection 127(1) and Section 127.1 of
the *Securities Act*, RSO 1990, c S.5

WHEREAS on April 27, 2018, the Ontario Securities Commission held a hearing at the offices of the Commission, located at 20 Queen Street West, 17th Floor, Toronto, Ontario;

ON HEARING the submissions of the representatives for Staff of the Commission and for Martin Bernholtz;

IT IS ORDERED THAT:

1. Staff shall disclose to the Respondent all relevant, non-privileged documents and things in the possession or control of Staff by no later than May 25, 2018;

2. The Respondent shall serve and file a motion, if any, regarding Staff's disclosure or seeking disclosure of additional documents by no later than June 26, 2018;

3. Staff shall file and serve a witness list, and serve a summary of each witnesses' anticipated evidence on the Respondent, and indicate any intention to call an expert witness by no later than June 29, 2018; and

4. The Second Attendance in this matter is scheduled for July 6, 2018 at 9:30 a.m., or on such other date and time as may be agreed by the parties and set by the Office of the Secretary.

"Mark J. Sandler"

2.2.8 Kennady Diamonds Inc.

Headnote

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

Applicable Legislative Provisions

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

April 27, 2018

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

AND

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

AND

IN THE MATTER OF
KENNADY DIAMONDS INC.
(the Filer)

ORDER

Background

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

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

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

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

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

Interpretation

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

Representations

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

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

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

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

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

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

Order

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

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

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

2.2.9 Alabama Graphite Corp.

Headnote

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

Applicable Legislative Provisions

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

April 30, 2018

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

AND

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

AND

IN THE MATTER OF
ALABAMA GRAPHITE CORP.
(the "Filer")

ORDER

Background

The principal regulator in the Jurisdiction has received an application from the Filer for an order under the securities legislation of the Jurisdiction of the principal regulator (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 passport application):

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

(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 and Alberta.

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

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

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

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

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

Order

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

The decision of the principal regulator under the Legislation is that the Order Sought is granted.

"Sonny Randhawa"
Deputy Director
Corporate Finance Branch

2.2.10 Cliffmont Resources Ltd. – s. 144

Headnote

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

Applicable Legislative Provisions

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

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

AND

IN THE MATTER OF
CLIFFMONT RESOURCES LTD.

ORDER
(Section 144 of the Act)

WHEREAS the securities of Cliffmont Resources Ltd. (the **Applicant**) are subject to a cease trade order dated February 9, 2016, issued by the Director of the Ontario Securities Commission (the **Commission**) pursuant to paragraph 2 of subsection 127(1) and subsection 127(4.1) of the Act (the **Ontario Cease Trade Order**), directing that all trading in the securities of the Applicant, whether direct or indirect, cease until the Ontario Cease Trade Order is revoked by the Director;

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

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

AND UPON the Applicant having represented to the Commission that:

1. The Applicant was incorporated on April 12, 2006 under the laws of the province of Ontario under the name "Cumbre Ventures Inc.". On November 9, 2007, the Applicant changed its name to "Atlas Minerals Inc.". On February 22, 2010 the Applicant changed its name to "Cliffmont Resources Ltd.".

2. The Applicant's head office is located at 1305-1090 W. Georgia Street, Vancouver, British Columbia, V6E 3V7.

3. The Applicant is a reporting issuer under the securities legislation of the provinces of British Columbia, Alberta, and Ontario (the **Reporting Jurisdictions**). The Applicant is not a reporting issuer in any other jurisdiction in Canada. The Applicant's principal regulator is the British Columbia Securities Commission (the **BCSC**).

4. The Applicant's authorized share capital consists of an unlimited number of common shares without par value (the **Common Shares**) and an unlimited number of preferred shares (the **Preferred Shares**). As of the date hereof, there are 39,540,787 Common Shares issued and outstanding.

5. As of the date hereof, the Applicant has no other securities, including debt securities, issued and outstanding.

6. The Common Shares were listed on the TSX Venture Exchange under the symbol "CMO.V", but the trading of the securities is currently suspended. The Common Shares are not currently listed on any other exchange or market in Canada or elsewhere.

7. The Ontario Cease Trade Order was issued as a result of the Applicant's failure to file its annual audited financial statements, accompanying management's discussion and analysis (**MD&A**) and related certifications as required by National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (**NI 52-109 Certificates**) for the fiscal year ended September 30, 2015 (collectively, the **2015 Annual Filings**).

8. The Applicant is also subject to a cease trade order issued by the BCSC dated February 5, 2016 (the **BC Cease Trade Order**) and a reciprocal cease trade order issued by the Alberta Securities Commission (the **ASC**) (together with the Ontario Cease Trade Order, the BC Cease Trade Order and the ASC reciprocal cease trade order, the **Cease Trade Orders**).

9. The Applicant applied to the BCSC for a partial revocation of the BC Cease Trade Order in order to complete a private placement to enable it to raise sufficient funds to prepare and file all outstanding continuous disclosure records, and provide it with sufficient working capital to continue its operations until it can apply for and receive a full revocation of the Cease Trade Orders. The partial revocation of the BC Cease Trade Order was granted on February 15, 2017. The private placement took place in British Columbia only and there was no trading of the Applicant's securities in Ontario.

10. The Applicant has concurrently applied to the BCSC for a full revocation of the BC Cease Trade Order.

11. Subsequent to the issuance of the Ontario Cease Trade Order, the Applicant failed to file in the Reporting Jurisdictions the following continuous disclosure documents within the prescribed time-frame in accordance with the requirements of applicable securities laws:

    (i) all audited annual financial statements, accompanying MD&A and related NI 52-109 Certificates for the financial years ended September 30, 2016 to September 30, 2017; and

    (ii) all unaudited interim financial statements, accompanying MD&A and related NI 52-109 Certificates for interim periods ended December 31, 2016 through December 31, 2017.

12. Since the issuance of the Ontario Cease Trade Order, the Applicant has filed in the Reporting Jurisdictions:

    (i) the audited annual financial statements, accompanying MD&A and related NI 52-109 Certificates for the financial years ended September 30, 2016 and 2017; and

    (ii) the unaudited interim financial statements, accompanying MD&A and related NI 52-109 Certificates for the three months ended December 31, 2017.

13. The Applicant has not filed the audited annual financial statements, accompanying MD&A and related NI 52-109 Certificates for the year ended September 30, 2015 (collectively, the **Outstanding 2015 Filings**) as the audited annual financial statements for the year ended September 30, 2016 provide the audited 2015 comparative figures. The Applicant has requested the Commission to exercise its discretion in accordance with section 7 of National Policy 12-202 *Revocation of Certain Cease Trade Orders* and elect not to require the Applicant to file the Outstanding 2015 Filings.

14. The Applicant has not filed the unaudited interim financial statements, accompanying MD&A, related NI 52-109 Certificates for the interim periods ended December 31, 2015 to June 30, 2017 (collectively, the **Outstanding Interim Filings**) and has requested the Commission to exercise its discretion in accordance with section 6 of National Policy 12-202 *Revocation of Certain Cease Trade Orders* and elect not to require the Applicant to file the Outstanding Interim Filings.

15. Except for the Outstanding 2015 Filings and Outstanding Interim Filings, the Applicant is (i) up-to-date with all of its other continuous disclosure obligations; (ii) not in default of any requirements under applicable securities legislation or the rules and regulations made pursuant thereto in any of the Reporting Jurisdictions, except for the existence of the Cease Trade Orders; and (iii) not in default of any of its obligations under the Cease Trade Orders.

16. The Applicant's issuer profile on the System for Electronic Document Analysis and Retrieval (**SEDAR**) and issuer profile supplement on the System for Electronic Disclosure by Insiders (**SEDI**) are current and accurate.

17. As of the date hereof, the Applicant has paid all outstanding activity, participation and late filing fees that are required to be paid to the Commission and has filed all forms associated with such payments.

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

19. Since the issuance of the Cease Trade Orders, there have not been any material changes in the business, operations or affairs of the Applicant that have not been disclosed to the public.

20. The Applicant has given the Commission a written undertaking that the Applicant will hold an annual meeting of shareholders within three months after the date on which the Ontario Cease Trade Order is revoked.

21. Other than the Cease Trade Orders, the Applicant has not previously been subject to a cease trade order issued by any securities regulatory authority.

22. Upon the issuance of this revocation order and concurrent revocation order from the BCSC, the Applicant will issue a news release announcing the revocation of the Cease Trade Orders and concurrently file the news release and a related material change report on SEDAR.

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

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

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

DATED at Toronto, Ontario on this 27 day of April, 2018.

"Jo-Anne Matear"
Manager, Corporate Finance
Ontario Securities Commission

2.3 Orders with Related Settlement Agreements

2.3.1 Miles S. Nadal – s. 127

FILE NO.: 2017-77

IN THE MATTER OF
MILES S. NADAL

D. Grant Vingoe, Vice-Chair and Chair of the Panel

April 25, 2018

ORDER
(Section 127 of the *Securities Act*, RSO 1990, c S.5)

WHEREAS on April 25, 2018, the Ontario Securities Commission held a hearing at the offices of the Commission, located at 20 Queen Street West, 17th Floor, Toronto, Ontario, to consider the approval of a settlement agreement dated April 23, 2018 (the **Settlement Agreement**) between Miles S. Nadal (the **Respondent**) and Staff of the Commission;

ON READING the Statement of Allegations dated December 12, 2017 and the Settlement Agreement and on hearing the submissions of the representatives of each party;

IT IS ORDERED THAT:

1. the Settlement Agreement is approved;

2. the Respondent resign any positions that the Respondent holds as a director or officer of any reporting issuer, pursuant to paragraph 7 of subsection 127(1) of the *Securities Act*, RSO 1990, c S.5 (the **Act**); and

3. the Respondent is prohibited from becoming or acting as a director or officer of any reporting issuer until May 11, 2022, pursuant to paragraph 8 of subsection 127(1) of the Act.

“D. Grant Vingoe”

IN THE MATTER OF
MILES S. NADAL

SETTLEMENT AGREEMENT BETWEEN
STAFF OF THE ONTARIO SECURITIES COMMISSION AND
MILES S. NADAL

PART I – INTRODUCTION

1. This matter is an inter-jurisdictional proceeding based on an Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21C of the *Securities Exchange Act of 1934*, Making Findings and Imposing Remedial Sanctions and a Cease-and Desist Order (File No. 3-17980), dated May 11, 2017 (the "SEC Order") of the U.S. Securities and Exchange Commission (the "SEC") made against Miles S. Nadal ("Nadal" or the "Respondent").

2. The Ontario Securities Commission (the "Commission") has issued a Notice of Hearing (the "Notice of Hearing") to announce that it will hold a hearing to consider whether, pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), it is in the public interest for the Commission to make an inter-jurisdictional enforcement order against the Respondent in respect of the matters described herein.

PART II – JOINT SETTLEMENT RECOMMENDATION

3. Staff of the Commission ("Staff") recommend settlement of the proceeding (the "Proceeding") against the Respondent commenced by the Notice of Hearing in accordance with the terms and conditions set out in Part V of this Settlement Agreement. Staff and the Respondent consent to the making of an order (the "Order") in the form attached as Schedule "A" to this Settlement Agreement based on the matter described herein.

4. For the purposes of the Proceeding only, and any other regulatory proceeding commenced by a securities regulatory authority only, the Respondent agrees with the facts set out in Part III of this Settlement Agreement and the conclusion in Part IV of this Settlement Agreement.

PART III – AGREED FACTS

The Respondent

5. The Respondent is subject to the SEC Order relating to proceedings brought against him in the U.S. In relation to the SEC proceedings, the Respondent submitted an Offer of Settlement, which was accepted by the SEC. In the SEC Order, certain findings were made against the Respondent pursuant to the Offer of Settlement (the "SEC Findings").

The SEC Findings

6. Without admitting or denying the SEC Findings in the SEC Order, the Respondent consented to the entry of the SEC Order.

7. Pursuant to the SEC Order:

   (a) The conduct for which the Respondent was sanctioned by the SEC took place from 2009 through 2014 (the "Material Time").

   (b) The Respondent was the Chairman of the Board, Chief Executive Officer and President of MDC Partners Inc. ("MDCA") from 1986 until July 2015. MDCA is a Canadian corporation headquartered in New York, New York, engaged in advertising, marketing and communications business. MDCA's common shares trade on the NASDAQ National Market under the ticker symbol "MDCA".

   (c) During the Material Time, the Respondent improperly received from MDCA USD$11.285 million worth of perquisites, personal expense reimbursements and other items of value, without disclosure of such items as compensation in MDCA's definitive proxy statements. Items that the Respondent received, but were not disclosed, include, but are not limited to, private aircraft usage, cosmetic surgery, yacht-and-sports-car-related expenses, jewelry, cash for tips and gratuities, medical expenses for the Respondent, family members and others, charitable donations in the Respondent's name, pet care, vacation and personal travel expenses, club memberships, and certain expenses for which supporting documentation or information was incomplete.

   (d) MDCA's definitive proxy statements for the Material Time disclosed approximately USD$3.87 million worth of perquisites and personal benefits provided to the Respondent. The proxy statements disclosed an annual

USD$500,000 perquisite allowance; interest benefits received on interest free loans in 2009, 2010, 2011 and 2012; disability, medical, life insurance benefits in 2009 and 2010; and legal fees and the use of company aircraft and apartment in 2014.

(e) However, MDCA's definitive proxy statements for the Material Time failed to disclose an annual average of approximately USD$1.88 million worth of additional perquisites and personal benefits provided to the Respondent, thereby understating the perquisites and personal benefits portion of the Respondent's compensation by an average of almost 300% each year.

(f) The Respondent solicited proxies for his election as a director and approval of his compensation by using materials that included these deficient executive compensation disclosures. The Respondent knew, or was reckless in not knowing, that the proxy statements contained materially false and misleading executive compensation disclosures, and that they omitted, among other things, numerous personal expenses for which the Respondent had sought and obtained reimbursement as if such items were proper business expenses. The Respondent also improperly received payments from MDCA by submitting unsubstantiated expenses outside of MDCA's expense reimbursement process. In addition, the Respondent completed, signed and submitted director and officer questionnaires in which he failed to disclose his perquisites and personal benefits.

(g) MDCA incorporated its definitive proxy statements into its annual reports by reference. The Respondent signed and certified these annual reports.

(h) MDCA filed with the SEC a registration statement, signed by the Respondent, which incorporated by reference deficient executive compensation disclosures in MDCA's April 2013 and April 2014 definitive proxy statements, and pursuant to which MDCA and/or the Respondent offered and sold debt and/or equity securities.

(i) During the Material Time, MDCA incorrectly recorded payments for the benefit of, and reimbursements to, the Respondent as business expenses, and not compensation. As a result, its books, records, and accounts did not, in reasonable detail, accurately and fairly reflect its disposition of assets.

(j) After receipt of a subpoena from SEC Staff, MDCA launched an internal investigation, which continued after additional SEC Staff inquiries. After the internal investigation was launched, the Respondent cooperated with it, agreed to pay back USD$11.285 million worth of perquisites, personal expense reimbursements and other items of value that he improperly received during the Material Time, and resigned from MDCA.

8. Pursuant to the Respondent’s Offer of Settlement, and as a result of the matters described above, the SEC found that:

(a) the Respondent violated Section 10(b) of the U.S. Exchange Act and Rule 10b-5 thereunder, which prohibit fraudulent conduct in connection with the purchase or sale of securities.

(b) As a result of the conduct described above, the Respondent violated Section 14(a) of the U.S. Exchange Act and Rules 14a-3 and 14a-9 thereunder. Section 14(a) of the U.S. Exchange Act makes it unlawful to solicit any proxy in respect of any security (other than an exempted security) registered pursuant to Section 12 of the U.S. Exchange Act in contravention of such rules and regulations as the SEC may prescribe. Rule 14a-3 prohibits the solicitation of proxies without furnishing proxy statements containing the information specified in Schedule 14A, including executive compensation disclosures pursuant to Item 402 of Regulation S-K. Rule 14a-9 prohibits the use of proxy statements containing materially false or misleading statements or materially misleading omissions.

(c) The Respondent caused MDCA to violate Section 13(a) of the U.S. Exchange Act and Rule 13a-1 thereunder, which require every issuer of a security registered pursuant to Section 12 of the U.S. Exchange Act to file with the SEC, among other things, annual reports as the SEC may require, and the Respondent violated Rule 13a-14 under the U.S. Exchange Act, which mandates, among other things, that an issuer's principal executive certify each annual report.

(d) The Respondent caused MDCA to violate Rule 12b-20 under the U.S. Exchange Act, which requires that, in addition to the information expressly required to be included in a statement or report filed with the SEC, there shall be added such further material information, if any, as may be necessary to make the required statements, in light of the circumstances under which they are made, not misleading.

(e) The Respondent caused MDCA to violate Section 13(b)(2)(A) of the U.S. Exchange Act, which requires reporting companies to make and keep books, records and accounts which, in reasonable detail, accurately and fairly reflect their transactions and dispositions of their assets.

(f) The Respondent violated Section 13(b)(5) of the U.S. Exchange Act, which prohibits any person from knowingly circumventing or knowingly failing to implement a system of internal accounting controls or knowingly falsifying any book, record, or account described in Section 13(b)(2) of the U.S. Exchange Act.

(g) The Respondent violated Rule 13b2-1, which prohibits any person from, directly or indirectly, falsifying or causing to be falsified, any book, record, or account subject to Section 13(b)(2)(A) of the U.S. Exchange Act.

The SEC Order

9. Pursuant to the SEC Order, and among other sanctions, conditions, restrictions or requirements imposed on him, the Respondent is prohibited for a period of five years from the date of the SEC Order from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the U.S. Exchange Act, or that is required to file reports pursuant to Section 15(d) of the U.S. Exchange Act.

10. MDCA was a reporting issuer in Ontario throughout the Material Time. The Respondent is currently a shareholder of four firms registered in Ontario (the "Registered Firms"). The Respondent was previously a director, and registered as an officer and/or dealing representative, of two of these Registered Firms. The Respondent was also previously a director of various other companies registered in various capacities with the Commission.

A. MITIGATING FACTORS

11. The Respondent has cooperated fully with Enforcement Staff.

12. The Respondent has also cooperated fully with Compliance & Registrant Registration ("CRR") Staff and consented to terms and conditions imposed by the Director of CRR on December 14, 2017. The terms and conditions were imposed on the registration of the four Registered Firms, of which the Respondent is a shareholder, but not a registered officer or director. The Registered Firms also consented to the terms and conditions, which are identical for each Registered Firm. The terms and conditions consented to by the Respondent and the Registered Firms are as follows:

(a) Until May 11, 2022, Miles S. Nadal will not be permitted, directly or indirectly, to act as a director or officer of the [Registered Firm]. For clarity, Mr. Nadal will not be permitted, directly or indirectly, to:

(i) act as an integral part of the mind and management of the [Registered Firm], or perform functions similar to those normally performed by an officer or director of the [Registered Firm], including:

1. participating in any meeting of a board, or any committee thereof, in respect of proposing, nominating and appointing new officers or directors;

2. participating in any meeting of the board or any committee of the board;

3. providing instructions or direction to management of the [Registered Firm] or to any legal or financial advisors on behalf of the [Registered Firm];

4. having signing authority for the [Registered Firm]; and

5. hiring or supervising key staff of the [Registered Firm];

(ii) participate in any decisions with or attempt in any way to influence management or the board of the [Registered Firm], or make any recommendations in relation to decisions:

1. affecting the compliance by the [Registered Firm] with securities legislation, including its system of controls and supervision; and

2. relating to the preparation of any filing or disclosure documents required to be submitted or filed by the [Registered Firm] under Ontario securities law, except as required by law in respect of Mr. Nadal's individual filing requirements;

(iii) play a significant role (other than as a shareholder) in the [Registered Firm]'s financial affairs; and

(iv) play a significant role in the business or day-to-day management of the [Registered Firm].

PART IV – ORDER IN THE PUBLIC INTEREST

13. The Respondent acknowledges and admits that based on the SEC order summarized at paragraphs 8 to 9, above, it is in the public interest to make the Order consented to by the parties pursuant to subsections 127(1) and (10) of the Act.

PART V – TERMS OF SETTLEMENT

14. The Respondent agrees to the terms of settlement set forth below.

15. The Respondent consents to the Order, pursuant to which it is ordered that:

(a) the Respondent resign any positions that the Respondent holds as a director or officer of any reporting issuer, pursuant to paragraph 7 of subsection 127(1) of the Act; and

(b) the Respondent be prohibited from becoming or acting as a director or officer of any reporting issuer until May 11, 2022, pursuant to paragraph 8 of subsection 127(1) of the Act.

16. The Respondent acknowledges that this Settlement Agreement and the Order may form the basis for orders of parallel effect in other jurisdictions in Canada. The securities laws of some other Canadian jurisdictions allow orders made in this proceeding to take effect in those other jurisdictions automatically, without further notice to the Respondent. The Respondent should contact the securities regulator of any other jurisdiction in which the Respondent intends to engage in any securities- or derivatives-related activities, prior to undertaking such activities.

PART VI – FURTHER PROCEEDINGS

17. If the Commission approves this Settlement Agreement, Staff will not commence or continue any proceeding against the Respondent under Ontario securities law based on the matters described in Part III of this Settlement Agreement, unless the Respondent fails to comply with any term in this Settlement Agreement in which case Staff may bring proceedings under Ontario securities law against the Respondent that may be based on, among other things, the matters set out in Part III of this Settlement Agreement as well as the breach of this Settlement Agreement.

18. The Respondent waives any defences to a proceeding referenced in paragraph 17 that are based on the limitation period in the Act, provided that no such proceeding shall be commenced later than six years from the date of the occurrence of the last failure to comply with this Settlement Agreement.

PART VII – PROCEDURE FOR APPROVAL OF SETTLEMENT

19. The parties will seek approval of this Settlement Agreement at a public hearing (the "Settlement Hearing") before the Commission, which shall be held on a date determined by the Secretary to the Commission in accordance with this Settlement Agreement and the Commission's *Rules of Procedure*, adopted October 31, 2017.

20. The parties confirm that this Settlement Agreement sets forth all of the agreed facts that will be submitted at the Settlement Hearing, unless the parties agree that additional facts should be submitted at the Settlement Hearing.

21. If the Commission approves this Settlement Agreement:

(a) the Respondent irrevocably waives all rights to a full hearing, judicial review or appeal of this matter under the Act; and

(b) neither party will make any public statement that is inconsistent with this Settlement Agreement or with any additional agreed facts submitted at the Settlement Hearing.

22. Whether or not the Commission approves this Settlement Agreement, the Respondent will not use, in any proceeding, this Settlement Agreement or the negotiation or process of approval of this Settlement Agreement as the basis for any attack on the Commission's jurisdiction, alleged bias, alleged unfairness or any other remedies or challenges that may be available.

PART VIII – DISCLOSURE OF SETTLEMENT AGREEMENT

23. If the Commission does not make the Order:

    (a) this Settlement Agreement and all discussions and negotiations between Staff and the Respondent before the Settlement Hearing will be without prejudice to Staff and the Respondent; and

    (b) Staff and the Respondent will each be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing on the merits of the allegations contained in the Statement of Allegations in respect of the Proceeding. Any such proceedings, remedies and challenges will not be affected by this Settlement Agreement, or by any discussions or negotiations relating to this Settlement Agreement.

24. The parties will keep the terms of this Settlement Agreement confidential until the Settlement Hearing, unless they agree in writing not to do so or unless otherwise required by law.

PART IX – EXECUTION OF SETTLEMENT AGREEMENT

25. This Settlement Agreement may be signed in one or more counterparts which together constitute a binding agreement.

26. A facsimile copy or other electronic copy of any signature will be as effective as an original signature.

DATED at Toronto, Ontario this 23rd day of April, 2018.

"Kelly Grier"
Witness:

"Miles S. Nadal"
Miles S. Nadal

DATED at Toronto, Ontario this 23rd day of April, 2018.

ONTARIO SECURITIES COMMISSION

By: *"Jeff Kehoe"*
Name: Jeff Kehoe
Title: Director, Enforcement Branch

SCHEDULE "A"
DRAFT ORDER

FILE NO.: 2017-77

IN THE MATTER OF
MILES S. NADAL

(Names of panelists comprising the panel)

(Day and date order made)

ORDER
(Section 127 of the *Securities Act*, RSO 1990 c S.5)

WHEREAS on ___, 2018, the Ontario Securities Commission held a hearing at the offices of the Commission, located at 20 Queen Street West, 17th Floor, Toronto, Ontario, to consider the approval of a settlement agreement dated ____, 2018 (the **Settlement Agreement**) between Miles S. Nadal (the **Respondent**) and Staff of the Commission (**Staff**);

ON READING the Statement of Allegations dated December 12, 2018 and the Settlement Agreement and on hearing the submissions of representatives of Staff and the Respondent;

IT IS ORDERED THAT:

(a) the Settlement Agreement is approved;

(b) the Respondent resign any positions that the Respondent holds as a director or officer of any reporting issuer, pursuant to paragraph 7 of subsection 127(1) of the *Securities Act*, RSO 1990, c S.5 (the **Act**); and

(c) the Respondent be prohibited from becoming or acting as a director or officer of any reporting issuer until May 11, 2022, pursuant to paragraph 8 of subsection 127(1) of the Act.

_____
[Commissioner]

_____ _____
[Commissioner] [Commissioner]

2.3.2 Nicolas Blitterswyk – ss. 127(1), 127.1

FILE NO.: 2018-12

IN THE MATTER OF
NICOLAS BLITTERSWYK

D. Grant Vingoe, Vice-Chair and Chair of the Panel
Robert P. Hutchison, Commissioner
Deborah Leckman, Commissioner

April 30, 2018

ORDER
Subsection 127(1) and section 127.1 of the *Securities Act*, RSO 1990, c S.5

WHEREAS on April 30, 2018, the Ontario Securities Commission held a hearing at the offices of the Commission, located at 20 Queen Street West, 17th Floor, Toronto, Ontario, to consider whether it is in the public interest for the Commission to approve the Settlement Agreement dated April 19, 2018 (the **Settlement Agreement**) between Staff of the Commission (**Staff**) and Nicolas Blitterswyk (the **Respondent**) in respect of the Statement of Allegations filed by Staff of the Commission dated April 23, 2018;

ON READING the Joint Request for a Settlement Hearing and the Statement of Allegations and on hearing the submissions of the representatives of each of the parties;

IT IS ORDERED THAT:

1. the Settlement Agreement is approved;

2. the Respondent be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the *Securities Act*, RSO 1990, c S.5 (the **Act**);

3. the Respondent pay an administrative penalty of $10,000, pursuant to paragraph 9 of subsection 127(1) of the Act, which amount is designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b)(i) or (ii) of the Act;

4. trading by the Respondent in any securities of any issuer of which he is an officer or director cease for a period of 2 years, pursuant to paragraph 2 of subsection 127(1) of the Act, except through a blind trustee or with the prior approval of Staff;

5. the acquisition by the Respondent of any securities of any issuer of which he is an officer or director is prohibited for a period of 2 years, pursuant to paragraph 2.1 of subsection 127(1) of the Act, except through a blind trustee or with the prior written approval of Staff and excluding options he may receive that form part of his compensation and that shall not be exercised for a period of 2 years commencing on the date of this Order approving the Settlement Agreement;

6. any exemptions contained in Ontario securities law do not apply to the Respondent for a period of 2 years, pursuant to paragraph 3 of subsection 127(1) of the Act;

7. the Respondent is prohibited from becoming or acting as a director or officer of any issuer for a period of 1 year commencing on the date of this Order approving the Settlement Agreement, pursuant to paragraph 8 of subsection 127(1) of the Act, except he will be permitted to be or act as a director or officer of UGE International Ltd.;

8. the Respondent shall successfully complete either the Directors Education Program of the Institute of Corporate Directors, or the Partners, Directors and Senior Officers Course of the Canadian Securities Institute within 1 year commencing on the date of this Order approving the Settlement Agreement and report his completion thereof to the Commission; and

9. the Respondent pay costs in the amount of $5,000, pursuant to section 127.1 of the Act.

“D. Grant Vingoe”

“Robert P. Hutchison”

“Deborah Leckman”

IN THE MATTER OF
NICOLAS BLITTERSWYK

SETTLEMENT AGREEMENT

PART I – INTRODUCTION

1. This matter is about misleading and unreported trading in UGE International Ltd. ("UGE") shares by a significant UGE insider, Nicolas Blitterswyk ("Blitterswyk" or "the Respondent"). The Respondent improperly attempted to act as a "market maker" to create liquidity in the limited-volume market for UGE shares. No profit was generated from the Respondent's trades in UGE shares. However, the Respondent's trades in UGE shares, which were unreported, had the effect of creating a misleading appearance of trading activity in UGE shares.

2. The Ontario Securities Commission (the "Commission") will issue a Notice of Hearing (the "Notice of Hearing") to announce that it will hold a hearing (the "Settlement Hearing") to consider whether, pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), it is in the public interest for the Commission to make certain orders against Blitterswyk.

PART II – JOINT SETTLEMENT RECOMMENDATION

3. Staff of the Commission ("Staff") recommend settlement of the proceeding (the "Proceeding") against the Respondent commenced by the Notice of Hearing, in accordance with the terms and conditions set out in Part V of this Settlement Agreement. Staff and the Respondent consent to the making of an order (the "Order") in the form attached as Schedule "A" to this Settlement Agreement based on the facts set out herein.

4. For the purposes of the Proceeding, the Respondent agrees with the facts set out in Part III of this Settlement Agreement and the conclusion in Part IV of this Settlement Agreement.

PART III – AGREED FACTS

A. Overview

5. From August 2014 to May 2016 (the "Material Time"), Blitterswyk traded in UGE shares without reporting his trades as an insider, contrary to subsection 107(2) the Act and National Instrument 55-104 (*Insider Reporting Requirements and Exemptions*). Although by trading in UGE shares Blitterswyk intended to act as a "market maker" and thereby to create liquidity in the limited-volume market for UGE shares, Blitterswyk acknowledges that his trading had the effect of creating a misleading appearance of trading activity in UGE shares contrary to subsection 126.1(a) of the Act.

B. The Respondent

6. Blitterswyk is the founder, Chief Executive Officer, and a Director of UGE. Blitterswyk is 38 years old, and he has never been registered with a securities regulatory authority. Prior to UGE Blitterswyk had never held a position as a director or officer of a publicly-traded company.

7. UGE is a reporting issuer in Ontario, and the Commission is its principal regulator. UGE is a nano cap company with a market capitalization below $50 million. Its shares trade on the TSX Venture Exchange ("TSX-V") under the symbol "UGE" and also trade over-the-counter in the United States under the symbol "UGEIF".

C. Overview of Blitterswyk's Trading in UGE Shares During the Material Time

8. During the Material Time, Blitterswyk was a party to transactions in UGE shares listed on the TSX-V and bought and sold UGE shares over-the-counter in the United States. Blitterswyk was aware that the secondary market for UGE shares was comparatively illiquid and that there were days on which no transactions were executed in UGE shares. In this context, he adopted a course of action to place orders to buy or sell small quantities of UGE shares on numerous trading days, at random times during those days, aimed at ensuring that UGE could display some volume of trading activity to the market. His trading activities took place during a time period when the market price for UGE shares was generally trending downward. Blitterswyk's conduct, though misleading, was not aimed at manipulating the price of UGE shares.

9. Blitterswyk used three separate accounts to trade in UGE shares, of which, one was registered to his mother ("Mother's Account"), one was registered to his Ex-Wife ("Ex-Wife's Account"), and one was registered to him ("E*Trade Account").

10. Blitterswyk traded actively in UGE shares as an officer and director of UGE, during the Material Time. He traded on the TSX-V and over-the counter through multiple accounts without disclosing his trading to the public, and he traded during UGE blackout periods.

Significance of Transactions

11. During the period starting August 13, 2014 (immediately following the commencement of trading in UGE shares on the TSX-V) and through to April 14, 2015 (the "TSX-V Time Period"), there were 168 trading sessions available for investors to trade UGE shares on the TSX-V. There was at least one executed transaction involving UGE shares on 137 of these trading sessions (namely, 81% of the sessions included at least one transaction in UGE shares). Trading volume in UGE shares during this time period on the TSX-V was very light, averaging approximately 7,328 shares per trading session, with an average total value traded per trading session of approximately $12,881.

12. In this context, Blitterswyk was an active trader in UGE shares on the TSX-V during the TSX Time Period. His trading on the TSX-V was conducted entirely through his Mother's Account and he traded on 103 of the 137 trading sessions referenced above. This represented approximately 75% of the trading sessions on which UGE shares traded on the TSX-V. The total number of transactions he executed on these 137 trading sessions was 213 trades: 128 purchases and 85 sales.

13. Blitterswyk trading activities on the TSX-V reflected the following:

    (a) Substantial trading

        i. For over 80 of those trading sessions Blitterswyk was a party to greater than, or equal to 10% of all of the transactions in UGE shares, including over 20 trading sessions where he was a party to 100% of all transactions in UGE shares.

        ii. Blitterswyk was a party to approximately 15% of all UGE transactions executed on the TSX-V, and he was a party to transactions that represent approximately 10% of the total volume of UGE shares traded.

    (b) Participation as Both Buyer and Seller

        i. Market participants executed a total of 1,449 transactions in UGE shares. Blitterswyk was one of the parties (either buyer or seller) for 212 of these transactions (namely, he was a party to approximately 14.6% of all transactions executed on the TSX-V).

        ii. Market participants traded a total of 1,003,902 UGE shares on the TSX-V. Blitterswyk traded a total of 91,621 UGE shares (which represented approximately 9% of all UGE shares traded on the TSX-V). Blitterswyk purchased approximately 54,000 shares and sold approximately of 37,700.

        iii. On 26 trading sessions (namely, 18% of all trading sessions during which UGE shares traded), Blitterswyk bought and sold UGE shares during the same trading session. On 9 of these 26 sessions, Blitterswyk bought and sold the same number of shares.

        iv. One of the 213 transactions Blitterswyk transacted, which involved 100 UGE shares at a price of $1.10 (totaling $110), resulted in no beneficial change in ownership.

Trading of UGE Shares in the U.S. Over-the-Counter Market

14. During the Material Time, using the E*Trade Account and his Ex-Wife's Account, Blitterswyk was active in placing orders to buy and/or sell UGE shares in the U.S. over-the-counter market.

15. On a number of trading sessions Blitterswyk both bought and sold UGE shares involving the E*Trade Account and his Ex-Wife's Acount accounts on the same day. In addition, there were trading sessions during which Blitterswyk bought and sold UGE shares across all three accounts.

Transactions During Blackout Periods

16. During the Material Time, Blitterswyk was a party to transactions in UGE shares during blackout periods related to the public disclosure of UGE financial statements and material change reports. Blitterswyk engaged in trading activity during 15 blackout periods.

D. Blitterswyk Did Not Disclose His Trading By Filing Insider Reports

17. During the Material Time Blitterswyk was an insider of UGE pursuant to Ontario securities law. As a UGE insider, Blitterswyk failed to disclose the change in the direct or indirect beneficial ownership of, or control or direction over UGE shares he traded in the three accounts.

E. Mitigating Factors

18. Blitterswyk is a novice director and officer of a startup corporation. He had never held a position as a director or officer of a publicly-traded company prior to UGE. He has never been registered with a securities regulatory authority.

19. Blitterswyk earned no profit from the impugned trading activity, whose purported purpose was to improve liquidity of UGE shares. Blitterswyk had no beneficial ownership of the shares owned or traded in his Mother's Account or Ex-Wife's Account.

20. Blitterswyk has initiated certain corporate governance changes within UGE since the conclusion of the Material Time. Among these changes, with the assistance of external counsel, UGE has reviewed its insider trading policies and added a requirement that all UGE officers and directors read and certify compliance with the insider trading policies annually. UGE has also chosen an independent Chairperson of its Board of Directors and initiated an independent committee responsible for pre-approval of trades in UGE securities by UGE insiders during Blackout Periods.

21. At the request of Staff, Blitterswyk has filed insider reports on the System for Electronic Disclosure by Insiders under his name in regard to all of the Respondent's unreported trades in UGE shares during the Material Time.

22. Blitterswyk has cooperated fully with Enforcement Staff.

PART IV – CONDUCT CONTRARY TO THE PUBLIC INTEREST

23. By engaging in the conduct described above, the Respondent admits and acknowledges that he breached Ontario securties law, and admits and acknowledges that he has acted contrary to the public interest in that:

    (a) his trades in UGE shares during the Material Time resulted in or contributed to a misleading appearance of trading activity in UGE shares;

    (b) as a UGE insider, he failed to disclose his trades in UGE shares pursuant to Ontario securities law; and

    (c) as a director and officer of an issuer, he failed to adhere to the high standard expected of him in the circumstances.

PART V – TERMS OF SETTLEMENT

24. The Respondent agrees to the terms of settlement set out below.

25. The Respondent consents to the Order, pursuant to which it is ordered that:

    (a) this Settlement Agreement be approved;

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

    (c) the Respondent pay an administrative penalty of $10,000, pursuant to paragraph 9 of subsection 127(1) of the Act, which amount is designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b)(i) or (ii) of the Act;

    (d) trading by the Respondent in any securities of any issuers of which he is an officer or director cease for a period of 2 years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 2 of subsection 127(1) of the Act, except through a blind trustee or with the prior written approval of Staff;

    (e) the acquisition by the Respondent of any securities of any issuer of which he is an officer or director be prohibited for a period of 2 years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 2.1 of subsection 127(1) of the Act, except through a blind trustee or with the prior written approval of Staff, and excluding options he may receive that form part of his

compensation and that shall not be exercised for a period of 2 years commencing on the date of the Commission's order approving this Settlement Agreement;

(f) any exemptions contained in Ontario securities law do not apply to the Respondent for a period of 2 years, commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 3 of subsection 127(1) of the Act;

(g) The Respondent be prohibited from becoming or acting as a director or officer of any issuer for a period of 1 year commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 8 of subsection 127(1) of the Act, except he will be permitted to be or act as a director and officer of UGE International Ltd.;

(h) the Respondent shall successfully complete either the Directors Education Program of the Institute of Corporate Directors, or the Partners, Directors and Senior Officers Course of the Canadian Securities Institute within 1 year commencing on the date of the Commission's order approving this Settlement Agreement and report his completion thereof to the Commission; and

(i) the Respondent pay costs of the Commission's investigation, in the amount of $5,000, pursuant to section 127.1 of the Act.

26. The amounts set out in sub-paragraphs 25(c) and (i) shall be paid by the Respondent by the date of the Commissions' order approving this Settlement Agreement, in separate certified cheques payable to "the Ontario Securities Commission".

27. The Respondent acknowledges that this Settlement Agreement and the Order may form the basis for orders of parallel effect in other jurisdictions in Canada. The securities laws of some other Canadian jurisdictions allow orders made in this matter to take effect in those other jurisdictions automatically, without further notice to the Respondent. The Respondent should contact the securities regulator of any other jurisdiction in which the Respondent intends to engage in any securities – or derivatives – related activities, prior to undertaking such activities.

28. The Respondent undertakes to consent to a regulatory Order made by any provincial or territorial securities regulatory authority in Canada containing any or all of the prohibitions set out in sub paragraphs 25(d), (e), (f) and (g) above. These sanctions may be modified to reflect the provisions of the relevant provincial or territorial law.

PART VI – FURTHER PROCEEDINGS

29. If the Commission approves this Settlement Agreement, Staff will not commence or continue any proceeding against the Respondent under Ontario securities law based on the misconduct described in Part III of this Settlement Agreement, unless the Respondent fails to comply with any term in this Settlement Agreement, in which case Staff may bring proceedings under Ontario securities law against the Respondent that may be based on, among other things, the facts set out in Part III of this Settlement Agreement as well as the breach of this Settlement Agreement.

30. The Respondent acknowledges that, if the Commission approves this Settlement Agreement and the Respondent fails to comply with any term in it, the Commission is entitled to bring any proceedings necessary.

31. The Respondent waives any defences to a proceeding referenced in paragraph 29 that are based on the limitation period in the Act, provided that no such proceeding shall be commenced later than six years from the date of the occurrence of the last failure to comply with this Settlement Agreement.

PART VII – PROCEDURE FOR APPROVAL OF SETTLEMENT

32. The parties will seek approval of this Settlement Agreement at the Settlement Hearing before the Commission, which shall be held on a date determined by the Secretary to the Commission in accordance with this Settlement Agreement and the Commission's Rules of Procedure, adopted October 31, 2017.

33. The Respondent will attend the Settlement Hearing in person.

34. The parties confirm that this Settlement Agreement sets forth all of the agreed facts that will be submitted at the Settlement Hearing, unless the parties agree that additional facts should be submitted at the Settlement Hearing.

35. If the Commission approves this Settlement Agreement:

(a) the Respondent irrevocably waives all rights to a full hearing, judicial review or appeal of this matter under the Act; and

(b) the parties will not make any public statement that is inconsistent with this Settlement Agreement or with any additional agreed facts submitted at the Settlement Hearing.

36. Whether or not the Commission approves this Settlement Agreement, the Respondent will not use, in any proceeding, this Settlement Agreement or the negotiation or process of approval of this Settlement Agreement as the basis for any attack on the Commission's jurisdiction, alleged bias, alleged unfairness or any other remedies or challenges that may be available.

PART VIII – DISCLOSURE OF SETTLEMENT AGREEMENT

37. If the Commission does not make the Order:

(a) this Settlement Agreement and all discussions and negotiations between Staff and the Respondent before the Settlement Hearing will be without prejudice to Staff and the Respondent; and

(b) Staff and the Respondent will each be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing on the merits of the allegations contained in the Statement of Allegations in respect of the Proceeding. Any such proceedings, remedies and challenges will not be affected by this Settlement Agreement, or by any discussions or negotiations relating to this Settlement Agreement.

38. The parties will keep the terms of this Settlement Agreement confidential until the Settlement Hearing, unless they agree in writing not to do so or unless otherwise required by law.

PART IX – EXECUTION OF SETTLEMENT AGREEMENT

39. This Settlement Agreement may be signed in one or more counterparts which together constitute a binding agreement.

40. A facsimile copy or other electronic copy of any signature will be as effective as an original signature.

DATED at New York City this 17th day of April, 2018.

"Xingyu Pan"
Witness: (print name):

"Nicolas Blitterswyk"
Nicolas Blitterswyk

DATED at Toronto, Ontario, this 19th day of April, 2018.

STAFF OF THE ONTARIO SECURITIES COMMISSION

By: *"Jeff Kehoe"*
Jeff Kehoe
Director, Enforcement Branch

SCHEDULE "A"

IN THE MATTER OF
NICOLAS BLITTERSWYK

[INSERT COMMISSIONERS OF THE PANEL]

_____, 2018

ORDER
Sections 127 and 127.1 of the *Securities Act*, RSO 1990, c S.5

THIS APPLICATION, made jointly by Nicolas Blitterswyk (the "Respondent") and Staff of the Commission ("Staff") for approval of a settlement agreement dated ___, 2018 (the "Settlement Agreement"), was heard on ___, 2018 at the offices of the Commission located at 20 Queen Street West, 17th Floor, Toronto, Ontario;

ON READING the Statement of Allegations dated ___, 2018, and the Settlement Agreement and on hearing the submissions of representatives of each of the parties;

IT IS ORDERED THAT:

1. the Settlement Agreement be approved;

2. the Respondent be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act;

3. the Respondent pay an administrative penalty of $10,000, pursuant to paragraph 9 of subsection 127(1) of the Act, which amount is designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b)(i) or (ii) of the Act;

4. trading by the Respondent in any securities of any issuer of which he is an officer or director cease for a period of 2 years, pursuant to paragraph 2 of subsection 127(1) of the Act, except through a blind trustee or with the prior approval of Staff;

5. the acquisition by the Respondent of any securities of any issuer of which he is an officer or director be prohibited for a period of 2 years, pursuant to paragraph 2.1 of subsection 127(1) of the Act, except through a blind trustee or with the prior written approval of Staff and excluding options he may receive that form part of his compensation and that shall not be exercised for a period of 2 years commencing on the date of the Commission's order approving this Settlement Agreement;

6. any exemptions contained in Ontario securities law do not apply to the Respondent for a period of 2 years, pursuant to paragraph 3 of subsection 127(1) of the Act;

7. The Respondent be prohibited from becoming or acting as a director or officer of any issuer for a period of 1 year commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 8 of subsection 127(1) of the Act, except he will be permitted to be or act as a director or officer of UGE International Ltd.;

8. the Respondent shall successfully complete either the Directors Education Program of the Institute of Corporate Directors, or the Partners, Directors and Senior Officers Course of the Canadian Securities Institute within 1 year commencing on the date of the Commission's order approving this Settlement Agreement and report his completion thereof to the Commission; and

9. the Respondent pay costs in the amount of $5,000, pursuant to section 127.1 of the Act.

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Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions

3.1.1 1832 Asset Management L.P. – ss. 127, 127.1

IN THE MATTER OF
1832 ASSET MANAGEMENT L.P.

ORAL REASONS FOR APPROVAL OF A SETTLEMENT
(Sections 127 and 127.1 of the Securities Act, RSO 1990, c S.5)

Citation: *1832 Asset Management L.P. (Re)*, 2018 ONSEC 19
Date: 2018-04-24
File No.: 2018-20

Hearing:	April 24, 2018	
Decision:	April 24, 2018	
Panel:	Robert P. Hutchison Frances Kordyback Deborah Leckman	Commissioner and Chair of the Panel Commissioner Commissioner
Appearances:	Michelle Vaillancourt Jamie Gibson	For Staff of the Commission
	Linda Fuerst	For 1832 Asset Management L.P.

ORAL REASONS FOR APPROVAL OF A SETTLEMENT

The following reasons have been prepared for publication in the Ontario Securities Commission Bulletin, based on the reasons delivered orally at the hearing, and as edited and approved by the Panel, to provide a public record.

[1] The Panel would like to thank Staff of the Ontario Securities Commission (the **Commission**) and 1832 Asset Management L.P. (**1832**) and counsel to the parties for their helpful submissions and their joint efforts in arriving at the settlement agreement that is before us today.

[2] 1832 is registered with the Commission as, among other things, an Investment Fund Manager. 1832 is wholly owned by the Bank of Nova Scotia. 1832 is the manager for the Dynamic family of mutual funds (the **Products**), among other mutual funds. The Products were acquired by 1832 in 2011. The only activities of 1832 as an Investment Fund Manager in respect of which the sales practices at issue in this proceeding are relevant are those in its role as manager of the Products. 1832 distributes these Products to investors through dealing representatives registered with participating dealers, including both third party and affiliated dealers.

[3] Between November 2012 and October 2017, 1832 failed to comply with National Instrument 81-105 *Mutual Funds Sales Practices* (**NI 81-105**) by failing to meet the minimum standards of conduct expected of industry participants in relation to certain sales practices. As set out in the Companion Policy to that National Instrument, the purpose of NI 81-105 is to ensure that the interests of investors remain uppermost in the actions of participants in the mutual fund industry by setting minimum standards of conduct to be followed by industry participants in their activities in distributing mutual fund securities. The minimum standards of conduct established by NI 81-105 are designed to minimize the conflicts between the legitimate commercial goals of industry participants and the fundamental obligations that are owed by industry participants towards investors.[1] The materials filed by the parties articulate in greater detail the areas of 1832's non-compliance.

[4] These standards were not met in this case. Specifically 1832 admitted to five particular kinds of conduct in this regard in that it:

[1] Companion Policy 81-105CP to National Instrument 81-105 *Mutual Fund Sales Practices*, Part 2.2(1).

a. Engaged in excessive spending on promotional activities in relation to:

i. One-time events, such as concerts and sports events,

ii. Quarterly spending on dealing representatives contrary to 1832's Mutual Fund Sales Practices Guide, and

iii. Annual spending on dealing representatives for promotional activities;

b. Stocked items in the 1832 Warehouse store and provided items to dealing representatives, such as sound systems and tablets, which were not of minimal value and, in some cases, were not of a promotional nature;

c. Provided excessive non-monetary gifts of tickets to major events, such as concerts and sports events, without requiring 1832 staff to attend the events;

d. Provided monetary benefits to dealing representatives in the form of gift cards outside the bounds of NI 81-105; and

e. Provided excessive non-monetary benefits to dealing representatives at conferences through meals, dinners and entertainment and through the gifting of iPad minis and other items.

[5] 1832 also failed to comply with section 32(2) of the *Securities Act*[2] (the **Act**) and section 11.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) by failing to establish and maintain a system of controls and supervision over its sales practices that were sufficient to provide reasonable assurances that it was complying with its obligations under NI 81-105. Further, 1832 failed to maintain adequate books, records and other documents in breach of paragraph 3 of subsection 19(1) of the Act in order to demonstrate 1832's compliance with NI 81-105.

[6] These practices took place for a period of nearly five years. With respect to this long period of non-compliance, the Panel understands from 1832 that its conduct and the conduct of other investment fund managers may have been based on a common understanding or misunderstanding of the expected requirements. While the Panel cannot comment on the practices of the industry as a whole during this period of time (as no such evidence was before the Panel), it is evident that the type of conduct admitted to by 1832 is a serious breach of Ontario securities laws.

[7] The specific details of the misconduct are described in greater detail in the settlement agreement itself and 1832 has agreed to an order by this Panel that includes the following terms:

a. 1832 shall submit to a review of its practices and procedures by an independent consultant (the **Consultant**) at 1832's expense, as set out in Schedule B of the settlement agreement, and to the satisfaction of Staff of the Commission;

b. 1832 shall pay an administrative penalty in the amount of $800,000 to the Commission;

c. 1832 shall pay costs of the investigation by Staff of the Commission in the amount of $150,000; and

d. 1832 shall be reprimanded for its conduct.

[8] The Panel understands from Staff that the payments to the Commission have been made.

[9] The role of the Panel is to decide whether the proposed settlement agreement as a whole, on the terms presented and agreed to, falls within an acceptable range and should be approved as being in the public interest.[3] These sanctions are not necessarily the sanctions that might have been imposed by a panel, had this matter proceeded to a contested hearing.[4] However, in our view, the sanctions and costs ordered will deter not only 1832, but also others in the industry from engaging in similar misconduct and will emphasize to industry participants that these types of practices are inconsistent with the obligations of registrants under NI 81-105, NI 31-103 and the provisions of the Act that have been referenced.

[10] In considering whether it is in the public interest to approve the proposed settlement agreement, we note the following mitigating factors:

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2 RSO 1990, c S.5

3 *Rankin (Re)* (2008), 31 OSCB 3303 at para 18.

4 *Rankin (Re)* (2008), 31 OSCB 3303 at para 22.

a. 1832 has no disciplinary history with any securities regulator;

b. 1832 has been fully cooperative with Staff during the investigation; and

c. although it did not self-report, 1832's response to these issues, once identified by Commission Staff, has been proactive. Specifically, in 2017, 1832 began to make changes to its internal practices with a view to improving its compliance and supervision functions in relation to sales practices and NI 81-105. With the assistance of the Consultant retained in December 2017, 1832 advised that it is developing and implementing a comprehensive action plan to enhance its training of personnel and tracking of expenditures, and to improve controls and supervision relating to the provision of promotional activities and items to dealing representatives.

[11] The Panel would like to emphasize that we view these types of training initiatives as being particularly important. While the proposed settlement in this matter is only between 1832 as a corporate entity and Staff, with no individuals named, changing what may be an industry practice ultimately requires individuals operating in the industry to clearly understand their obligations under NI 81-105.

[12] The Ultimate Designated Person and Chief Compliance Officer of 1832 are responsible for promoting a culture of compliance, overseeing the effectiveness of the firm's compliance system and assessing the firm's compliance with securities laws, including NI 81-105. To that end, as part of the ongoing review by the Consultant required by the settlement agreement, the Ultimate Designated Person and Chief Compliance Officer of 1832 will be required to, among other things, provide written confirmation to the Deputy Director or Manager in the Compliance and Registrant Regulation Branch of the Commission that there has been full implementation of the Consultant's recommendations, which shall be confirmed by the Consultant and to the satisfaction of Commission Staff.

[13] The settlement agreement also contemplates a reprimand of 1832. A reprimand is sometimes considered to be a symbolic sanction and/or of little regulatory consequence. However, it should be understood that the Panel imposes the reprimand of 1832 on the basis of it being a very strong statement of disapproval of 1832's conduct, which is the subject of this proceeding. We trust that 1832, through its personnel, its directors, officers and employees, however they may be called, accept and understand the reprimand on that basis. The Panel would like to acknowledge the presence of Glen Gowland, the Senior Vice President and Head, Asset Management of Scotiabank. The Panel understands that 1832 is part of Scotiabank's asset management business and as such currently falls within Mr. Gowland's area of responsibility. Mr.Gowland's presence here today allows the Panel to convey to 1832 and Mr. Gowland directly the importance of these matters.

[14] For the reasons discussed, it is in the public interest for the Panel to approve the settlement agreement and make an order as requested by the parties.

Approved by the Panel on this 24th day of April, 2018.

"Robert P. Hutchison"

"Frances Kordyback"

"Deborah Leckman"

3.1.2 Miles S. Nadal – s. 127(1)

IN THE MATTER OF
MILES S. NADAL

ORAL REASONS FOR APPROVAL OF SETTLEMENT
(Subsection 127(1) of the Securities Act, RSO 1990, c S.5)

Citation: *Nadal (Re)*, 2018 ONSEC 20
Date: 2018-04-25
File No. 2017-77

Hearing:	April 25, 2018	
Decision:	April 25, 2018	
Panel:	D. Grant Vingoe	Vice-Chair and Chair of the Panel
Appearances:	Raphael Eghan Derek Ferris Mark Skuce	For Staff of the Commission
	Shane C. D'Souza	For Miles S. Nadal

ORAL REASONS FOR APPROVAL OF SETTLEMENT

The following reasons have been prepared for publication in the Ontario Securities Commission Bulletin, based on the reasons delivered orally in the hearing, and as edited and approved by the Panel, to provide a public record.

[1] This hearing concerns a settlement agreement (the **Settlement Agreement**) between Staff of the Ontario Securities Commission (**Staff**) and Miles S. Nadal (**Mr. Nadal** or the **Respondent**). It is the proposed settlement of an inter-jurisdictional proceeding based on Cease and Desist Proceedings against Mr. Nadal brought by the United States Securities and Exchange Commission (**SEC**) pursuant to Section 21C of the Securities Exchange Act of 1934 (the **Exchange Act**).

[2] The SEC proceeding was based on inaccurate compensation disclosure in the Proxy Statements of MDC Partners Inc. (**MDC**), of which Mr. Nadal was Chairman of the Board, Chief Executive Officer and President, occurring between 2009 and 2014. The disclosure did not include US$11.285 million of perquisites and personal expense reimbursements, thereby substantially understating his compensation. MDC was both an SEC and Ontario reporting issuer. Such disclosure was also incorporated by reference in SEC registration statements pursuant to which MDC offered and sold securities.

[3] The SEC approved a settlement of these allegations in which Mr. Nadal neither admitted nor denied the findings contained in the SEC's order.

[4] The SEC's decision and order (**SEC Order**) can be found in Securities Exchange Act Release 34-80652, dated May 11, 2017.

[5] Among other sanctions, conditions and restrictions contained in the SEC Order, Mr. Nadal was prohibited for a period of five years from acting as an officer or director of any U.S. reporting issuer. In addition he agreed to pay substantial sums as disgorgement, interest and a civil money penalty.

[6] In this type of inter-jurisdictional proceeding, Staff of the Commission seeks to exercise the protective mandate of the Commission in the public interest by imposing market participation restrictions in light of the actions taken in other proceedings by other regulatory bodies or courts, including by a foreign regulator such as the SEC. Administrative penalties are not sought through such proceedings in reliance on findings by another authority.

[7] It is novel for Staff to be seeking to settle an inter-jurisdictional proceeding such as this, since proceedings to reciprocate such orders can otherwise be handled in a relatively expedited basis, and sometimes in writing without a need for a live hearing.

[8] A settlement found to have been in a reasonable range of sanctions by a Panel also has the benefit of an expedited proceeding saving time and resources, while furthering the Commission's mandate. It is an established practice for proceedings leading to a settlement to be considered in a live hearing such as this.

[9] In many cases involving inter-jurisdictional orders like the one agreed to in this case, it will be common to also seek some bans on participation as an officer or director of a registrant, including a registered dealer.

[10] In this case, Mr. Nadal is connected in various capacities with registered firms in Ontario, and this naturally raises the issue of whether such participant bans are required for this settlement to be considered within a reasonable range.

[11] In the United States, restrictions on being associated with a registered broker-dealer or investment adviser, among other registration categories, can arise by the operation of certain provisions in the Exchange Act or other statutes resulting from findings of violations of the U.S. federal securities laws, and therefore these collateral consequences need not always have to be explicitly set out in an order of the SEC involving violations of the kind found in the case of Mr. Nadal. Nonetheless, these collateral effects can be appropriately taken into account when evaluating an order based on violations of U.S. securities laws, and in considering what sanctions should be imposed in Ontario.

[12] In this case, the Settlement Agreement sets out a history of extensive and cooperative engagement between the Compliance & Registrant Registration Branch of the Commission (**CRR**) and Mr. Nadal where terms and conditions have been imposed on the four firms in which Mr. Nadal is a shareholder that prohibit him from acting as officer or director or to engage in defined conduct in respect of these firms. These restrictions operate for the same five year period sought by Staff in the Settlement Agreement under consideration in this matter, prohibiting Mr. Nadal from being an officer or director of any Ontario reporting issuer. If Mr. Nadal sought to perform these roles with another Ontario registrant not covered by these terms and conditions, CRR could appropriately consider the effect of the SEC Order and this proceeding in the exercise of its discretion as to whether Mr. Nadal's proposed roles should be permitted with regard to such firms.

[13] Given the actions taken by CRR and its ability to consider any new application for approval of Mr. Nadal with regard to a registrant, I believe it is unnecessary for a market participation ban involving registrants to be imposed for this settlement to be in a reasonable range in this case.

[14] The Settlement Agreement indicates that Mr. Nadal cooperated both with CRR, and with Enforcement Staff in this matter.

[15] For these reasons I find that it is in the public interest to approve this Settlement Agreement and thereby require Mr. Nadal to resign any positions he holds as an officer or director of a reporting issuer and to prohibit him from holding any such position until May 11, 2022.

Dated at Toronto this 25th day of April, 2018.

"D. Grant Vingoe"

3.1.3 Nicolas Blitterswyk – ss. 127(1), 127.1

IN THE MATTER OF
NICOLAS BLITTERSWYK

ORAL REASONS FOR APPROVAL OF A SETTLEMENT
(Subsection 127(1) and Section 127.1 of the Securities Act, RSO 1990, c S.5)

Citation: *Nicolas Blitterswyk (Re)*, 2018 ONSEC 21
Date: 2018-04-30
File No.: 2018-12

Hearing:	April 30, 2018	
Decision:	April 30, 2018	
Panel:	D. Grant Vingoe	Vice Chair and Chair of the Panel
	Robert P. Hutchison	Commissioner
	Deborah Leckman	Commissioner
Appearances:	Raphael T. Eghan	For Staff of the Commission
	Andrew Faith	For Nicolas Blitterswyk

ORAL REASONS FOR APPROVAL OF A SETTLEMENT

The following reasons have been prepared for publication in the Ontario Securities Commission Bulletin, based on the reasons delivered orally at the hearing, and as edited and approved by the Panel, to provide a public record.

[1] The parties have jointly submitted that it would be in the public interest for the Panel to issue an order approving the Settlement Agreement and imposing certain sanctions on the respondent, Nicolas Blitterswyk. After considering the submissions of the parties, and for the following reasons, the Panel agrees that the requested order is in the public interest.

[2] A detailed description of the facts is provided in the Settlement Agreement, which is publicly available, so we will be brief in describing the background and the conduct at issue.

[3] Mr. Blitterswyk is the founder, Chief Executive Officer, and a director of UGE International Ltd. (**UGE**). UGE is a reporting issuer in Ontario, and trades on the TSX Venture Exchange and over-the-counter in the United States. As a director and officer of UGE, Mr. Blitterswyk is considered an "insider" of UGE pursuant to the Ontario *Securities Act* (the **Act**).[1]

[4] The conduct at issue in this proceeding relates to the time period from August 2014 to May 2016 (the **Material Time**). During the Material Time, Mr. Blitterswyk was aware that the secondary market for UGE shares was comparatively illiquid and that there were days on which no trades occurred. In this context, he adopted a course of action using three separate trading accounts to place orders to buy or sell small quantities of UGE shares on numerous trading days. These transactions were aimed at creating the appearance of liquidity in the limited-volume market for UGE shares by ensuring that UGE could display some volume of trading activity to the market.

[5] Mr. Blitterswyk admits that, by engaging in this course of conduct, he breached Ontario securities law and acted contrary to the public interest. His numerous transactions in UGE shares had the effect of creating a misleading appearance of trading activity, contrary to subsection 126.1(a) of the Act. This subsection prohibits conduct that results in, or contributes to, a misleading appearance of trading activity in, or an artificial price for, a security. The parties submit that Mr. Blitterswyk's conduct, though misleading, was not aimed at manipulating the price of UGE shares. In fact, the market price for UGE shares was generally trending downward during the Material Time.

[6] Mr. Blitterswyk also admits that he bought and sold UGE shares without reporting his trades as an insider, contrary to subsection 107(2) of the Act and National Instrument 55-104 *Insider Reporting Requirements and Exemptions* (**NI 55-104**). Insiders of a reporting issuer are required to file reports disclosing changes in the direct or indirect beneficial ownership of, or control or direction over, shares of the issuer. Insider reporting requirements serve a number of

[1] RSO 1990, c S.5, s 1(1).

functions, including deterring improper insider trading based on material undisclosed information and increasing market efficiency by providing investors with information concerning the trading activities of insiders of the issuer.[2]

[7] Finally, Mr. Blitterswyk admits that, as a director and officer of an issuer, he failed to adhere to the high standards expected of him.

[8] As part of the Settlement Agreement, Mr. Blitterswyk and Staff jointly propose the following sanctions and costs against Mr. Blitterswyk:

a. an administrative penalty in the amount of $10,000;

b. a payment of Staff's costs in the amount of $5,000;

c. a two-year ban on trading or acquiring any securities of any issuer of which Mr. Blitterswyk is an officer or director, unless carried out through a blind trust (or with the prior approval of Staff), and except that he may receive options as part of his compensation;

d. a two-year prohibition from relying on exemptions contained in Ontario securities law,

e. a one-year prohibition from becoming or acting as a director or officer of any issuer, except that Mr. Blitterswyk will be permitted to act as a director or officer of UGE;

f. a requirement that Mr. Blitterswyk successfully complete either the Directors Education Program of the Institute of Corporate Directors, or the Partners, Directors and Senior Officers Course of the Canadian Securities Institute within one year; and

g. a reprimand.

[9] The role of the Panel is to decide whether the proposed Settlement Agreement, as presented and agreed to, falls within an acceptable range and should be approved as being in the public interest. It is important to note, however, that the agreed sanctions need not be the sanctions that the Panel might have imposed after a hearing on the merits. A settlement is based on the facts admitted by the respondent and agreed to by Staff, which may or may not be the facts that a panel would have found after a contested hearing.

[10] In determining that the approval of the Settlement Agreement is in the public interest, we take note of the following mitigating factors:

a. Mr. Blitterswyk is a novice director and officer, who has never been registered with a securities regulatory authority;

b. Mr. Blitterswyk earned no profit from his misconduct, the impugned trading activity;

c. After the Material Time, Mr. Blitterswyk initiated certain corporate governance changes within UGE. These include:

i. hiring external counsel to review UGE's insider trading policies,

ii. adding a requirement that all UGE officers and directors certify compliance with the insider trading policies annually,

iii. appointing an independent Chairperson of UGE's Board of Directors, and

iv. establishing an independent committee responsible for pre-approving trades in UGE securities by UGE insiders;

d. Mr. Blitterswyk has filed insider reports on the System for Electronic Disclosure by Insiders in respect of all of his unreported trades in UGE shares during the Material Time; and

e. Mr. Blitterswyk has cooperated fully with Enforcement Staff.

[2] NI 55-104, s 1.3(1).

[11] In our view, the sanctions proposed by the parties take into consideration the seriousness of the misconduct and the appropriate mitigating factors. The settlement is reasonable and its approval is in the public interest. An order will be issued following this hearing in substantially the form proposed by the parties.

[12] Mr. Blitterswyk, as stated, the terms of your settlement with the Commission and the order that will be issued contemplate a reprimand of you. You are hereby reprimanded. We recognize that you have taken steps to come into compliance with our rules. We appreciate the fact that you attended today.

Dated at Toronto on this 30th day of April, 2018.

"D. Grant Vingoe"

"Robert P. Hutchison"

"Deborah Leckman"

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
Black Bull Resources Inc.	07 March 2018	30 April 2018
Cliffmont Resources Ltd.	09 February 2016	27 April 2018
Jagercor Energy Corp.	09 April 2018	25 April 2018

4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order	Date of Lapse
THERE IS NOTHING TO REPORT THIS WEEK.		

4.2.2 Outstanding Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
Performance Sports Group Ltd.	19 October 2016	31 October 2016	31 October 2016		

Company Name	Date of Order	Date of Lapse
Katanga Mining Limited	15 August 2017	

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Chapter 7

Insider Reporting

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

This chapter contains a weekly summary of insider transactions of Ontario reporting issuers in the System for Electronic Disclosure by Insiders (SEDI). The weekly summary contains insider transactions reported during the seven days ending Sunday at 11:59 pm.

To obtain Insider Reporting information, please visit the SEDI website (www.sedi.ca).

Chapter 11

IPOs, New Issues and Secondary Financings

INVESTMENT FUNDS

Issuer Name:
Global Dividend Growth Split Corp.
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated April 24, 2018
NP 11-202 Preliminary Receipt dated April 25, 2018
Offering Price and Description:
$* (Maximum)
* Preferred Shares and * Class A Shares
Price: $10 per Preferred Share and $12 per Class A Share

Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
Canaccord Genuity Corp.
GMP Securities L.P.
Raymond James Ltd.
Echelon Wealth Partners Inc.
Industrial Alliance Securities Inc.
Desjardins Securities Inc.
Mackie Research Capital Corporation
Promoter(s):
N/A
Project #2760399

Issuer Name:
Harmony Canadian Equity Pool
Harmony Canadian Fixed Income Pool
Harmony Diversified Income Pool
Harmony Global Fixed Income Pool
Harmony Money Market Pool
Harmony Overseas Equity Pool
Harmony U.S. Equity Pool
Harmony Balanced Growth Portfolio
Harmony Balanced Growth Portfolio Class
Harmony Balanced Portfolio
Harmony Conservative Portfolio
Harmony Growth Plus Portfolio
Harmony Growth Plus Portfolio Class
Harmony Growth Portfolio
Harmony Growth Portfolio Class
Harmony Maximum Growth Portfolio
Harmony Maximum Growth Portfolio Class
Harmony Yield Portfolio
Principal Regulator – Ontario
Type and Date:
Amendment #1 to Final Simplified Prospectus dated April 26, 2018
Received on April 26, 2018
Offering Price and Description:
–
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #2629761

Issuer Name:
Mackenzie Canadian Growth Balanced Class
Mackenzie Canadian Growth Balanced Fund
Mackenzie Canadian Growth Fund
Principal Regulator – Ontario
Type and Date:
Preliminary Simplified Prospectus dated April 25, 2018
NP 11-202 Preliminary Receipt dated April 26, 2018
Offering Price and Description:
Series LB, LW, LW6 and LX Securities
Underwriter(s) or Distributor(s):
LBC Financial Services Inc.
Promoter(s):
Mackenzie Financial Corporation
Project #2760746

Issuer Name:
Mackenzie Multi-Strategy Absolute Return Fund
Principal Regulator – Ontario
Type and Date:
Preliminary Simplified Prospectus dated April 23, 2018
NP 11-202 Preliminary Receipt dated April 24, 2018
Offering Price and Description:
Series A, F, FB, O, PW, PWFB and PWX units
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
Mackenzie Financial Corporation
Project #2759653

Issuer Name:
Manulife Canadian Dividend Growth Class
Manulife U.S. Dividend Income Class
Manulife Global Dividend Growth Class
Manulife Global Dividend Growth Fund
Manulife Global Equity Unconstrained Class
Manulife Global Equity Unconstrained Fund
Manulife Tactical Income Fund
Principal Regulator – Ontario
Type and Date:
Amendment #3 to Final Simplified Prospectus and
Amendment #4 to AIF dated April 24, 2018
Received on April 24, 2018
Offering Price and Description:
–
Underwriter(s) or Distributor(s):
Manulife Securities Incorporated.
Manulife Securities Investment Services Inc.
Manulife Asset Management Investments Inc.
Promoter(s):
Manulife Asset Management Limited.
Project #2638012

Issuer Name:
Purpose Enhanced Dividend Fund
Principal Regulator – Ontario
Type and Date:
Amendment #2 to Final Simplified Prospectus and
Amendment #3 to AIF dated April 25, 2018
Received on April 25, 2018
Offering Price and Description:
–
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
Purpose Investments Inc.
Project #2674554

Issuer Name:
RBC U.S. Equity Index ETF
RBC International Equity Index ETF
RBC Emerging Markets Equity Index ETF
Principal Regulator – Ontario
Type and Date:
Amendment #1 to Final Long Form Prospectus dated April 25, 2018
Received on April 25, 2018
Offering Price and Description:
–
Underwriter(s) or Distributor(s):
RBC Global Asset Management Inc.
Promoter(s):
RBC Global Asset Management Inc.
Project #2628151

Issuer Name:
AGF American Growth Class
AGF American Growth Fund
AGF Asian Growth Class
AGF Asian Growth Fund
AGF Canadian Asset Allocation Fund
AGF Canadian Growth Equity Class
AGF Canadian Large Cap Dividend Class
AGF Canadian Large Cap Dividend Fund
AGF Canadian Money Market Fund
AGF Canadian Small Cap Fund
AGF Canadian Stock Fund
AGF China Focus Class
AGF Diversified Income Class
AGF Diversified Income Fund (formerly, Acuity Diversified Income Fund)
AGF Dividend Income Fund
AGF EAFE Equity Fund (formerly, Acuity EAFE Equity Fund)
AGF Elements Balanced Portfolio
AGF Elements Balanced Portfolio Class
AGF Elements Conservative Portfolio
AGF Elements Conservative Portfolio Class
AGF Elements Global Portfolio
AGF Elements Global Portfolio Class
AGF Elements Growth Portfolio
AGF Elements Growth Portfolio Class
AGF Elements Yield Portfolio
AGF Elements Yield Portfolio Class
AGF Emerging Markets Balanced Fund
AGF Emerging Markets Bond Fund
AGF Emerging Markets Class
AGF Emerging Markets Fund
AGF Equity Income Focus Fund
AGF European Equity Class
AGF European Equity Fund
AGF Fixed Income Plus Class
AGF Fixed Income Plus Fund (formerly, Acuity Fixed Income Fund)
AGF Flex Asset Allocation Fund
AGF Floating Rate Income Fund
AGF Global Balanced Fund (formerly, AGF World Balanced Fund)
AGF Global Bond Fund (formerly, AGF Global Aggregate Bond Fund)
AGF Global Convertible Bond Fund
AGF Global Dividend Class
AGF Global Dividend Fund
AGF Global Equity Class
AGF Global Equity Fund
AGF Global Resources Class
AGF Global Resources Fund (formerly, Acuity Natural Resource Fund)
AGF Global Select Fund (formerly, AGF Aggressive Global Stock Fund)
AGF Global Sustainable Growth Equity Fund (formerly, AGF Clean Environment Equity Fund)
AGF High Yield Bond Fund (formerly, AGF Canadian High Yield Bond Fund)
AGF Income Focus Fund
AGF Monthly High Income Fund
AGF Precious Metals Fund
AGF Short-Term Income Class
AGF Tactical Fund
AGF Tactical Income Fund (formerly, Acuity Growth & Income Fund)
AGF Total Return Bond Class
AGF Total Return Bond Fund (formerly, AGF Global High Yield Bond Fund)
AGF Traditional Income Fund
AGF U.S. Risk Managed Fund
AGF U.S. Sector Class (formerly, AGF U.S. AlphaSector Class)
AGF U.S. Small-Mid Cap Fund (formerly, AGF Aggressive U.S. Growth Fund)
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated April 26, 2018
NP 11-202 Receipt dated April 27, 2018
Offering Price and Description:
Mutual Fund Series, Series D, Series F, Series I, Series J, Series O, Series Q, Series S, Series T, Series V, Series W and Classic Series Securities
Underwriter(s) or Distributor(s):
AGF Funds Inc.
Promoter(s):
N/A
Project #2740888

Issuer Name:
CC&L Core Income and Growth Fund
CC&L Equity Income and Growth Fund
CC&L Global Alpha Fund
CC&L High Yield Bond Fund
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated April 26, 2018
NP 11-202 Receipt dated April 30, 2018
Offering Price and Description:
Series A, Series C, Series F and Series I
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
Connor, Clark & Lunn Funds Inc.
Project #2747898

Issuer Name:
Dundee Global Resource Class
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated April 25, 2018
NP 11-202 Receipt dated April 26, 2018
Offering Price and Description:
Series A, D and F Shares
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
Goodman & Company, Investment Counsel Inc.
Project #2744502

Issuer Name:
First Asset Active Canadian Dividend ETF
First Asset Active Utility & Infrastructure ETF
First Asset Cambridge Core U.S. Equity ETF
First Asset Cambridge Global Dividend ETF
First Asset Canadian Convertible Bond ETF
First Asset Canadian REIT ETF
First Asset Can-Materials Covered Call ETF
First Asset Energy Giants Covered Call ETF
First Asset Enhanced Short Duration Bond ETF
First Asset European Bank ETF
First Asset Global Financial Sector ETF
First Asset Investment Grade Bond ETF
First Asset Long Duration Fixed Income ETF
First Asset Preferred Share ETF
First Asset Tech Giants Covered Call ETF
First Asset U.S. & Canada Lifeco Income ETF
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated April 27, 2018
NP 11-202 Receipt dated April 30, 2018
Offering Price and Description:
Common Units, Unhedged Common Units, US$ Common Units
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #2743212

Issuer Name:
First Trust AlphaDEX Emerging Market Dividend ETF (CAD-Hedged)
First Trust Canadian Capital Strength ETF
First Trust Senior Loan ETF (CAD-Hedged)
First Trust Short Duration High Yield Bond ETF (CAD-Hedged)
First Trust Value Line® Dividend Index ETF (CAD-Hedged) previously, First Trust AlphaDEX U.S. Dividend ETF (CAD-Hedged)
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated April 27, 2018
NP 11-202 Receipt dated April 27, 2018
Offering Price and Description:
Common Units and Advisor Class Units
Underwriter(s) or Distributor(s):
FT Portfolios Canada Co.
Promoter(s):
FT Portfolios Canada Co.
Project #2755594

Issuer Name:
Friedberg Asset Allocation Fund
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated April 23, 2018
NP 11-202 Receipt dated April 26, 2018
Offering Price and Description:
U.S. Denominated Series Units and Canadian Denominated Series Units
Underwriter(s) or Distributor(s):
Friedberg Mercantile Group Ltd.
Promoter(s):
N/A
Project #2739432

Issuer Name:
Friedberg Global-Macro Hedge Fund
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated April 23, 2018
NP 11-202 Receipt dated April 26, 2018
Offering Price and Description:
Units
Underwriter(s) or Distributor(s):
Friedberg Mercantile Group Ltd.
Promoter(s):
N/A
Project #2739433

Issuer Name:
imaxx Global Equity Growth Fund
Principal Regulator – Ontario
Type and Date:
Amendment #3 to Final Simplified Prospectus dated April 16, 2018
NP 11-202 Receipt dated April 24, 2018
Offering Price and Description:
–
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #2609404

Issuer Name:
Mackenzie Multi-Strategy Absolute Return Fund
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated April 27, 2018
NP 11-202 Receipt dated April 30, 2018
Offering Price and Description:
Series A, F, FB, O, PW, PWFB and PWX units @ net asset value
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
Mackenzie Financial Corporation
Project #2759653

Issuer Name:
Ninepoint Concentrated Canadian Equity Fund (formerly, Sprott Concentrated Canadian Equity Fund)
Ninepoint Diversified Bond Class (formerly, Sprott Diversified Bond Class)
Ninepoint Diversified Bond Fund (formerly, Sprott Diversified Bond Fund)
Ninepoint Energy Fund (formerly, Sprott Energy Fund)
Ninepoint Enhanced Balanced Class (Sprott Enhanced Balanced Class)
Ninepoint Enhanced Balanced Fund (formerly Sprott Enhanced Balanced Fund)
Ninepoint Enhanced Equity Class (formerly, Sprott Enhanced Equity Class)
Ninepoint Enhanced U.S. Equity Class (formerly, Sprott Enhanced U.S. Equity Class)
Ninepoint Focused Global Dividend Class (formerly, Sprott Focused Global Dividend Class)
Ninepoint Focused U.S. Dividend Class (formerly, Sprott Focused U.S. Dividend Class)
Ninepoint Global Infrastructure Fund (formerly, Sprott Global Infrastructure Fund)
Ninepoint Global Real Estate Fund (formerly, Sprott Global Real Estate Fund)
Ninepoint Gold and Precious Minerals Fund (formerly, Sprott Gold and Precious Minerals Fund
Ninepoint International Small Cap Fund (formerly, Sprott International Small Cap Fund)
Ninepoint Real Asset Class (formerly, Sprott Real Asset Class)
Ninepoint Resource Class (formerly, Sprott Resource Class)
Ninepoint Short-Term Bond Class (formerly, Sprott Short-Term Bond Class)
Ninepoint Short-Term Bond Fund(formerly, Sprott Short-Term Bond Fund)
Ninepoint Silver Equities Class (formerly, Sprott Silver Equities Class)
UIT Alternative Health Fund (formerly UIT Global REIT Fund)
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated April 23, 2018
NP 11-202 Receipt dated April 27, 2018
Offering Price and Description:
Series A, Series F and Series I, Series T, Series FT, Series P, Series PT, Series PF, Series PFT, Series Q, Series QT, Series QF, Series QFT and Series D Units/Shares
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
Redwood Asset Management Inc.
Ninepoint Partners LP
Project #2745066

Issuer Name:
Ninepoint Gold Bullion Fund (formely, Sprott Gold Bullion Fund)
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated April 23, 2018
NP 11-202 Receipt dated April 27, 2018
Offering Price and Description:
Series A, Series F and Series I Units
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #2745074

Issuer Name:
Portland 15 of 15 Fund
Portland Advantage Fund
Portland Canadian Balanced Fund
Portland Canadian Focused Fund
Portland Global Banks Fund
Portland Global Dividend Fund
Portland Global Income Fund
Portland Value Fund
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated April 20, 2018
NP 11-202 Receipt dated April 24, 2018
Offering Price and Description:
Series A, Series A2 and Series F Units
Underwriter(s) or Distributor(s):
Mandeville Private Client Inc.
Promoter(s):
N/A
Project #2742679

Issuer Name:
RBC 6-10 Year Laddered Canadian Corporate Bond ETF
RBC BlueBay Global Diversified Income (CAD Hedged) ETF
RBC Canadian Preferred Share ETF
RBC PH&N Short Term Canadian Bond ETF
RBC Quant Canadian Dividend Leaders ETF
RBC Quant Canadian Equity Leaders ETF
RBC Quant EAFE Dividend Leaders (CAD Hedged) ETF
RBC Quant EAFE Dividend Leaders ETF
RBC Quant EAFE Equity Leaders (CAD Hedged) ETF
RBC Quant EAFE Equity Leaders ETF
RBC Quant Emerging Markets Dividend Leaders ETF
RBC Quant Emerging Markets Equity Leaders ETF
RBC Quant European Dividend Leaders (CAD Hedged) ETF
RBC Quant European Dividend Leaders ETF
RBC Quant Global Infrastructure Leaders ETF
RBC Quant Global Real Estate Leaders ETF
RBC Quant U.S. Dividend Leaders (CAD Hedged) ETF
RBC Quant U.S. Dividend Leaders ETF
RBC Quant U.S. Equity Leaders (CAD Hedged) ETF
RBC Quant U.S. Equity Leaders ETF
RBC Short Term U.S. Corporate Bond ETF
RBC Strategic Global Dividend Leaders ETF
RBC Strategic Global Equity Leaders ETF
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated April 25, 2018
NP 11-202 Receipt dated April 26, 2018
Offering Price and Description:
CAD Units and USD Units
Underwriter(s) or Distributor(s):
RBC Global Asset Management Inc.
Promoter(s):
RBC Global Asset Management Inc.
Project #2741476

Issuer Name:
RBC International Equity (CAD Hedged) Index ETF
RBC U.S. Banks Yield (CAD Hedged) Index ETF
RBC U.S. Banks Yield Index ETF
RBC U.S. Equity (CAD Hedged) Index ETF
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated April 25, 2018
NP 11-202 Receipt dated April 26, 2018
Offering Price and Description:
CAD Units
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
RBC Global Asset Management Inc.
Project #2740844

NON-INVESTMENT FUNDS

Name:
Acasti Pharma Inc.
Principal Regulator – Quebec
Type and Date:
Amendment dated April 24, 2018 to Preliminary Short Form Prospectus dated April 23, 2018
NP 11-202 Preliminary Receipt dated April 24, 2018
Offering Price and Description:
$10,006,500.00 – 9,530,000 Units
Price: $1.05 per Unit
Underwriter(s) or Distributor(s):
Mackie Research Capital Corporation
Promoter(s):
–
Project #2759533

Issuer Name:
ADL Ventures Inc.
Principal Regulator – Ontario
Type and Date:
Preliminary CPC Prospectus (TSX-V) dated April 23, 2018
NP 11-202 Preliminary Receipt dated April 24, 2018
Offering Price and Description:
$300,000.00 – 3,000,000 Offered Shares
Price: $0.10 per Offered Share
Underwriter(s) or Distributor(s):
PI Financial Corp.
Promoter(s):
Laurence Rose
Project #2759706

Issuer Name:
Brookfield Asset Management Inc.
Principal Regulator – Ontario
Type and Date:
Amendment #2 dated April 24, 2018 to Final Shelf Prospectus dated February 17, 2017
Received on April 24, 2018
Offering Price and Description:
US$5,500,000,000
Underwriter(s) or Distributor(s):
–
Promoter(s):
–
Project #2582877

Issuer Name:
Brookfield Finance Inc.
Principal Regulator – Ontario
Type and Date:
Amendment #2 dated April 24, 2018 to Final Shelf Prospectus dated February 17, 2017
Received on April 24, 2018
Offering Price and Description:
US$5,500,000,000
Underwriter(s) or Distributor(s):
–
Promoter(s):
–
Project #2582878

Issuer Name:
Brookfield Finance LLC
Principal Regulator – Ontario
Type and Date:
Amendment #2 dated April 24, 2018 to Final Shelf Prospectus dated February 17, 2017
Received on April 24, 2018
Offering Price and Description:
US$5,500,000,000
Underwriter(s) or Distributor(s):
–
Promoter(s):
–
Project #2582880

Issuer Name:
BSR Real Estate Investment Trust
Principal Regulator – Ontario
Type and Date:
Amendment dated April 27, 2018 to Preliminary Long Form Prospectus dated April 11, 2018
NP 11-202 Preliminary Receipt dated April 27, 2018
Offering Price and Description:
US$135,000,000.00
13,500,000 Units
The price per Unit is stated in U.S. dollars.
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
National Bank Financial Inc.
Raymond James Ltd.
Canaccord Genuity Corp.
Desjardins Securities Inc.
Industrial Alliance Securities Inc.
Echelon Wealth Partners Inc.
Promoter(s):
BSR Trust, LLC
Project #2755819

Issuer Name:
Cross River Ventures Corp.
Principal Regulator – British Columbia
Type and Date:
Preliminary Long Form Prospectus dated April 24, 2018
NP 11-202 Preliminary Receipt dated April 24, 2018
Offering Price and Description:
$300,000.00 – 3,000,000 Common Shares at $0.10 per Share
Price: $0.10 per Share
Underwriter(s) or Distributor(s):
HAYWOOD SECURITIES INC.
Promoter(s):
Dan Placzek
Project #2760100

Issuer Name:
DC Acquisition Corp.
Principal Regulator – British Columbia
Type and Date:
Preliminary CPC Prospectus (TSX-V) dated April 24, 2018
NP 11-202 Preliminary Receipt dated April 24, 2018
Offering Price and Description:
Offering: $2,500,000.00 or 25,000,000 Common Shares
Price: $0.10 per Common Share
Underwriter(s) or Distributor(s):
Canaccord Genuity Corp.
Promoter(s):
Zachary T. Stadnyk
Project #2760311

Issuer Name:
Goodfood Market Corp. (formerly Mira VII Acquisition Corp.)
Principal Regulator – Quebec
Type and Date:
Preliminary Short Form Prospectus dated April 24, 2018
NP 11-202 Preliminary Receipt dated April 24, 2018
Offering Price and Description:
$10,000,000.00 – 4,000,000 Common Shares
Price: $2.50 per Offered Share
Underwriter(s) or Distributor(s):
GMP Securities L.P.
National Bank Financial Inc.
Canaccord Genuity Corp.
Scotia Capital Inc.
Desjardins Securities Inc.
Raymond James Ltd.
Promoter(s):
–
Project #2759823

Issuer Name:
McEwen Mining Inc. (formerly US Gold Corporation)
Principal Regulator – Ontario
Type and Date:
Preliminary Prospectus – MJDS dated April 26, 2018
NP 11-202 Preliminary Receipt dated April 27, 2018
Offering Price and Description:
US$200,000,000.00 – Debt Securities, Common Stock, Warrants, Subscription Rights, Subscription Receipts, Units
Underwriter(s) or Distributor(s):
–
Promoter(s):
–
Project #2762052

Issuer Name:
MedXtractor Corp
Principal Regulator – Alberta (ASC)
Type and Date:
Preliminary Long Form Prospectus dated April 23, 2018
NP 11-202 Preliminary Receipt dated April 24, 2018
Offering Price and Description:
Minimum Offering: $1,000,000.00 (10,000,000 Common Shares)
Maximum Offering: $2,000,000.00 (20,000,000 Common Shares)
Price: $0.10 Per Common Share
Underwriter(s) or Distributor(s):
PI Financial Corp.
Promoter(s):
James M. Durward
Project #2759727

Issuer Name:
Akumin Inc.
Principal Regulator – Ontario
Type and Date:
Final Short Form Prospectus dated April 26, 2018
NP 11-202 Receipt dated April 26, 2018
Offering Price and Description:
US$35,000,000.00 – 8,750,000 Common Shares
Price: $4.00 per Offered Share
Underwriter(s) or Distributor(s):
–
Promoter(s):
–
Project #2756009

Issuer Name:
Ceridian HCM Holding Inc.
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated April 25, 2018
NP 11-202 Receipt dated April 25, 2018
Offering Price and Description:
21,000,000 Shares of Common Stock
Underwriter(s) or Distributor(s):
Goldman Sachs Canada Inc.
J.P. Morgan Securities Canada Inc.
Credit Suisse Securities (Canada), Inc.
Barclays Capital Canada Inc.
Citigroup Global Markets Canada Inc.
Jefferies Securities, Inc.
CIBC World Markets Inc.
Wells Fargo Securities Canada, Ltd.
Canaccord Genuity Corp.
MUFG Securiteis (Canada), Ltd.
Promoter(s):
–
Project #2752369

Issuer Name:
Fortified Trust
Principal Regulator – Ontario
Type and Date:
Final Shelf Prospectus dated April 24, 2018
NP 11-202 Receipt dated April 26, 2018
Offering Price and Description:
Upto $5,000,000,000 Real Estate Secured Line of Credit Backed Notes
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
Promoter(s):
Bank of Montreal
Project #2755454

Issuer Name:
Park Lawn Corporation
Principal Regulator – Ontario
Type and Date:
Final Short Form Prospectus dated April 27, 2018
NP 11-202 Receipt dated April 27, 2018
Offering Price and Description:
$165,007,500.00 – 6,735,000 Subscription Receipts each representing the right to receive one Common Share
Price: $24.50 per Subscription Receipt
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
CIBC World Markets Inc.
Cormark Securities Inc.
Acumen Capital Finance Partners Limited
BMO Nesbitt Burns Inc.
Raymond James Ltd.
TD Securities Inc.
Canaccord Genuity Corp.
Clarus Securities Inc.
GMP Securities L.P.
Paradigm Capital Inc.
Promoter(s):
–
Project #2757280

Issuer Name:
Rogers Communications Inc.
Principal Regulator – Ontario
Type and Date:
Final Shelf Prospectus dated April 27, 2018
NP 11-202 Receipt dated April 27, 2018
Offering Price and Description:
$4,000,000,000.00 – Debt Securities
Underwriter(s) or Distributor(s):
–
Promoter(s):
–
Project #2759368

Issuer Name:
Rogers Communications Inc.
Type and Date:
Final Shelf Prospectus dated April 27, 2018
Receipted on April 27, 2018
Offering Price and Description:
US$4,000,000,000.00 – Debt Securities
Underwriter(s) or Distributor(s):
–
Promoter(s):
–
Project #2759372

Issuer Name:
Savaria Corporation
Principal Regulator – Quebec
Type and Date:
Final Short Form Prospectus dated April 27, 2018
NP 11-202 Receipt dated April 27, 2018
Offering Price and Description:
$49,800,000.00 – 3,000,000 Common Shares
Price: $16.60 per Common Share
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
GMP Securities L.P.
Cormark Securities Inc.
Laurentian Bank Securities Inc.
Desjardins Securities Inc.
PI Financial Corp.
TD Securities Inc.
Promoter(s):
Marcel Bourassa
Jean-Marie Bourassa
Project #2757339

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Suspension pursuant to Section 29(1) of the Securities Act	Crystal Wealth Management System Limited	Exempt Market Dealer, Investment Fund Manager and Portfolio Manager	January 31, 2018
Suspended (Non-Renewal)	Crystal Wealth Management System Limited	Commodity Trading Manager	January 1, 2018
Consent to Suspension (Pending Surrender)	Coxswain Row Capital Corporation	Exempt Market Dealer	April 26, 2018
New Registration	Raymond Chabot Grant Thornton Capital Inc.	Exempt Market Dealer	April 27, 2018

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Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.2 Marketplaces

13.2.1 Nasdaq CXC Limited – Access to Nasdaq Fixed Income Trading System – Notice of Commission Approval

NASDAQ CXC LIMITED

NOTICE OF COMMISSION APPROVAL

ACCESS TO NASDAQ FIXED INCOME TRADING SYSTEM

In accordance with the *Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 and the Exhibits Thereto*, the Commission has approved a significant change to Form 21-101F1 for Nasdaq CXC Limited (Nasdaq Canada) allowing Nasdaq Canada to provide Canadian Permitted Clients access to the Nasdaq Fixed Income trading system for the purposes of trading non-Canadian fixed income securities.

A Staff notice and Nasdaq Canada's Request for Comment on the proposed change was published on the Commission's website and in the Commission Bulletin on June 29, 2017. No comment letters were received.

The implementation of the change is effective immediately.

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