The Ontario Securities Commission

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

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CSA/ACVM Canadian Securities Administrators Autorités canadiennes en valeurs mobilières

CSA Staff Notice 94-303
Variation, Amendment, or Revocation and Replacement of
Blanket Orders Exempting Certain Counterparties from the Requirement to
Submit a Mandatory Clearable Derivative for Clearing
and
Update on Proposed Amendments to
National Instrument 94-101 Mandatory Central Counterparty Clearing of Derivatives

May 31, 2018

Introduction

The Canadian Securities Administrators (the **CSA** or **we**), except the Ontario Securities Commission (the **OSC**), are each varying, amending, or revoking and replacing, as applicable in the local jurisdiction, parallel orders of general application (in each jurisdiction, the **2018 Order**) to extend relief for certain counterparties from the clearing requirement under National Instrument 94-101 *Mandatory Central Counterparty Clearing of Derivatives* (the **National Instrument**), effective August 20, 2018.

Substance and Purpose

On July 6, 2017, the CSA published CSA Staff Notice 94-301 *Blanket Orders Exempting Certain Counterparties from the Requirement to Submit a Mandatory Clearable Derivative for Clearing* indicating that amendments to the National Instrument may be necessary to clarify the scope of market participants that are subject to the requirement to clear an over-the-counter (**OTC**) derivative prescribed in Appendix A to the National Instrument.

To facilitate the rule-making process relating to those amendments, CSA members, except the OSC, issued on that day parallel orders of general application, effective October 4, 2017 (the **2017 Orders**). The 2017 Orders exempt from the clearing requirement under the National Instrument the counterparties specified in paragraphs 3(1)(b) or (c) of the National Instrument that are not already subject to the clearing requirement under paragraph 3(1)(a) on a temporary basis. The effect of the 2017 Orders extends the effective date of the clearing requirement from October 4, 2017 to August 20, 2018. In parallel, the OSC amended the National Instrument to extend the effective date of the clearing requirement until August 20, 2018 for the same counterparties as in the 2017 Orders.

Subsequently, on October 12, 2017, the CSA published *Proposed Amendments to National Instrument 94-101 Mandatory Central Counterparty Clearing of Derivatives* (the **Proposed Amendments**), and *Proposed Changes to Companion Policy 94-101 Mandatory Central Counterparty Clearing of Derivatives* for a 90-day comment period that expired on January 10, 2018. The purpose of the Proposed Amendments was to refine the scope of counterparties to which the clearing requirement applies and the types of OTC derivatives that are subject to the clearing requirement.

Three comment letters were received and can be found on the websites of the Alberta Securities Commission, the Autorité des marchés financiers and the OSC. In general, the commenters suggested modifications to the interpretation of the term "*affiliated entity*" and called for a harmonized interpretation of that term throughout the OTC derivatives rules.

In view of the comments received, the CSA is considering alternative solutions to address the aims of the Proposed Amendments with respect to the scope of counterparties subject to the clearing requirement, while also adressing commenters' calls for a harmonized interpretation of the term "*affiliated entity*" throughout the OTC derivatives rules. The CSA currently anticipates publishing for comment revised proposed amendments to the National Instrument for a second consultation period at a later date.

2018 Orders

Accordingly, CSA members, except the OSC, are extending the relief from the clearing requirement under the National Instrument for those counterparties specified in paragraphs 3(1)(b) or (c) of the National Instrument that are not already subject to the clearing requirement under paragraph 3(1)(a), until the revocation of the 2018 Orders or the coming into force of amendments to the National Instrument with respect to the scope of counterparties subject to the clearing requirement, whichever is earlier.

OSC staff position

The OSC will not be issuing an order of this nature given that orders of general application are not authorized under Ontario securities law. However, OSC staff are of the view that, while work in this area is ongoing, there is no public interest in recommending or pursuing an enforcement action against the counterparties specified in paragraphs 3(1)(b) or (c) of the National Instrument that are not already subject to the clearing requirement under paragraph 3(1)(a), for failure to comply with the clearing requirement contained in the National Instrument.

The above position of OSC staff may be withdrawn after further consideration of this matter. OSC staff expects that this position will be withdrawn on the coming into force of amendments to the National Instrument with respect to the scope of counterparties subject to the clearing requirement.

***

The 2018 Orders are available on the following websites of CSA members:

www.lautorite.qc.ca
www.albertasecurities.com
www.bcsc.bc.ca
www.mbsecurities.ca
nssc.novascotia.ca
www.fcnb.ca
www.fcaa.gov.sk.ca

Questions

Please refer your questions to any of:

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1.3 Notices with Related Statements of Allegations

1.3.1 Global RESP Corporation – ss. 127(1), 127.1

FILE NO.: 2018-26

IN THE MATTER OF
GLOBAL RESP CORPORATION

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: May 25, 2018 at 9:00 a.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 May 22, 2018 between Staff of the Commission and Global RESP Corporation in respect of the Statement of Allegations filed by Staff of the Commission dated May 22, 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

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 23rd day of May, 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
GLOBAL RESP CORPORATION

STATEMENT OF ALLEGATIONS
(Subsections 127(1) and (2) and Section 127.1 of
the *Securities Act*, RSO 1990, c. S.5, as amended)

A. ORDERS SOUGHT

1. Staff of the Enforcement Branch ("Staff") of the Ontario Securities Commission (the "Commission") requests that the Commission make an order pursuant to subsections 127(1) and (2) and section 127.1 of the *Securities Act*, RSO 1990, c S.5, as amended (the "Act") to approve the settlement agreement dated May 22, 2018 between Staff and Global RESP Corporation ("Global RESP").

B. FACTS

2. It is critical that all respondents comply with orders of the Commission to ensure that the purposes of Commission orders are achieved and to foster confidence in the capital markets.

3. Staff makes the following allegations of fact:

1. Global RESP

4. Global RESP, formerly known as Global Educational Marketing Corporation, was incorporated in Canada on or about June 11, 1997. Global RESP has been registered with the Commission as a dealer in the category of scholarship plan dealer since October 9, 1998.

5. Global RESP distributes units of the Global Educational Trust Plan (the "Plan"), a scholarship plan. Global Growth Assets Inc. ("GGAI") is the registered investment fund manager ("IFM") of the Plan.

6. During the period of December 19, 2009 to January 16, 2015, Issam El-Bouji ("Bouji") was the chief executive officer and Ultimate Designated Person ("UDP") of Global RESP. Bouji was an officer and the UDP of GGAI until January 16, 2015. Bouji was also a director of Global RESP and GGAI until June 18, 2014.

7. Bouji is a director and a shareholder of Global Financial Associates Inc., which is the sole shareholder of Global RESP. Bouji is the sole shareholder of GGAI.

2. The 2014 Order

8. On April 14, 2014, Bouji entered into a settlement agreement with the Commission along with Global RESP, GGAI, the Global Education Trust Foundation (the "Foundation") and Margaret Singh (the "2014 Settlement Agreement").

9. In the 2014 Settlement Agreement, Global RESP and the other respondents admitted to a number of breaches of Ontario securities law. Global RESP admitted and acknowledged that its compliance system did not meet reasonable compliance practices and that changes were required to strengthen its compliance system.

10. The parties agreed to sanctions that were imposed as part of an order of the Commission dated April 16, 2014 (the "2014 Order") which approved the 2014 Settlement Agreement. In addition to imposing terms and conditions on the registration of GGAI and Global RESP and ordering that Bouji, GGAI and Global RESP be jointly and severally liable for an administrative penalty and costs of $150,000 and $75,000 respectively, the 2014 Order imposed sanctions against Bouji. In particular, Bouji was:

- permanently suspended as UDP of Global RESP and GGAI;
- required to resign as a director or officer of the Foundation and of any registrant or IFM;
- prohibited for nine years from becoming or acting as a director or officer of any reporting issuer, registrant, IFM or the Foundation; and
- prohibited permanently from becoming or acting as a UDP or chief compliance officer of any registrant or IFM.

11. Bouji's nine year prohibition on becoming or acting as an officer or director of any reporting issuer, registrant, IFM or the Foundation will expire on April 16, 2023.

3. Bouji's Breach of the 2014 Order

12. During the period of January 17, 2015 to December 31, 2017 (the "Material Time"), Bouji was in charge of sales at Global RESP and acted as a *de facto* officer of Global RESP. In doing so, Bouji breached the 2014 Order which prohibited Bouji from acting as an officer of a registrant.

13. The 2014 Order is a decision of the Commission and constitutes Ontario securities law.

4. Global RESP's Failure to Implement an Adequate System of Controls and Supervision

14. Notwithstanding that the 2014 Order prohibited Bouji from acting as an officer of Global RESP, no procedures were implemented by Global RESP to prevent Bouji from acting as a de facto vice president of sales for Global RESP and performing functions normally performed by an officer of Global RESP.

15. Global RESP's failure to implement a system of controls and supervision sufficient to provide reasonable assurance of Bouji's compliance with the 2014 Order and to manage the risks associated with its business in accordance with prudent business practices breached section 11.1 of National Instrument 31-103 *Registrant Requirements, Exemptions and Ongoing Registrant Obligations* ("NI 31-103") and section 32 of the Act.

C. BREACHES AND CONDUCT CONTRARY TO THE PUBLIC INTEREST

16. Staff alleges the following breaches of Ontario securities law and/or conduct contrary to the public interest:

    (i) Global RESP failed to implement a system of controls and supervision sufficient to provide reasonable assurance that Bouji complied with Ontario securities law contrary to section 11.1 of NI 31-103 and section 32 of the Act; and

    (ii) by permitting or acquiescing in the conduct set out above, Global RESP engaged in conduct contrary to the public interest.

17. Staff reserves the right to amend these allegations and to make such further and other allegations as Staff deems fit and the Commission may permit.

DATED this 22nd day of May, 2018.

Derek Ferris
Senior Litigation Counsel
Enforcement Branch
Tel: (416) 593-8111
Lawyer for Staff of the Ontario Securities Commission

1.3.2 Issam El-Bouji – ss. 127(1) and (2), 127.1

FILE NO.: 2018-28

IN THE MATTER OF
ISSAM EL-BOUJI

NOTICE OF HEARING
Subsections 127(1) and (2) and Section 127.1 of
the *Securities Act*, RSO 1990, c S.5

PROCEEDING TYPE: Enforcement Proceeding

HEARING DATE AND TIME: June 6, 2018 at 11:30 a.m.

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

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 May 24, 2018.

The hearing set for the date and time indicated above is the first attendance in this proceeding, as described in subsection 5(1) of the Commission's *Practice Guideline*.

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 25th day of May, 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
ISSAM EL-BOUJI

STATEMENT OF ALLEGATIONS
(Subsections 127(1) and (2) and Section 127.1 of
the *Securities Act*, RSO 1990, c. S.5, as amended)

A. ORDERS SOUGHT

1. Staff of the Enforcement Branch ("Staff") of the Ontario Securities Commission (the "Commission") requests that the Commission make the following orders:

   a. pursuant to paragraph 6 of subsection 127(1) of the *Securities Act*, RSO 1990, c. S.5, as amended (the "Act"), that Issam El-Bouji ("Bouji") be reprimanded;

   b. pursuant to paragraph 8.1 of subsection 127(1) of the Act, that Bouji resign one or more positions he holds as a director or officer of an issuer;

   c. pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act, that Bouji be prohibited from becoming or acting as an officer and director of any issuer, a registrant or an investment fund manager for such period as is specified by the Commission;

   d. pursuant to paragraph 8.5 of subsection 127(1) of the Act, that Bouji be prohibited from becoming or acting as a registrant, an investment fund manager or a promoter for such period as is specified by the Commission;

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

   f. pursuant to subsection 127.1 of the Act, that Bouji pay costs of the Commission investigation and the hearing; and

   g. such other order as the Commission considers appropriate in the public interest.

B. FACTS

2. Staff makes the following allegations of fact:

Overview

3. It is critical that all respondents comply with Commission orders to ensure that: (i) the purposes of Commission orders are achieved; and (ii) confidence in the capital markets is fostered.

4. This matter concerns Bouji's flagrant disregard for a nine year director and officer ban that was imposed against him as part of a settlement agreement with Staff dated April 14, 2014 (the "2014 Settlement Agreement").

5. In the 2014 Settlement Agreement, Bouji admitted to certain conduct including self-dealing conduct involving undisclosed conflicts of interest in transactions that paid undisclosed finder's fees/commissions to a company controlled by Bouji. As a result of this and other conduct, the Commission imposed various sanctions on Bouji and others by Commission order dated April 16, 2014 (the "2014 Order").

6. The 2014 Order required Bouji to resign as an officer of any registrant (including Global RESP) or investment fund manager ("IFM") and as an officer of the Global Educational Trust Foundation (the "Foundation") by January 16, 2015 at the latest and prohibited Bouji from acting as a director or officer of any reporting issuer, registrant, IFM or of the Foundation until April 16, 2023.

7. Bouji resigned as an officer of Global RESP on January 16, 2015.

8. In complete disregard for the 2014 Order, Bouji has acted as a *de facto* vice-president of sales of Global RESP during the almost three year period of January 17, 2015 to December 31, 2017 (the "Material Time").

The Respondent

9. Prior to January 16, 2015, Bouji was registered with the Commission in connection with a number of registered firms and was chief executive officer of Global RESP, Global Growth Assets Inc. ("GGAI") and the Foundation (together, the "Global Entities"). Bouji was registered as an officer and the ultimate designated person ("UDP") for Global RESP and GGAI until January 16, 2015. Bouji ceased to be a director of Global RESP and GGAI on June 18, 2014.

10. Bouji is a director and a shareholder of Global Financial Associates Inc. which is the sole shareholder of Global RESP. Bouji is the sole shareholder of GGAI.

11. Global RESP, formerly known as Global Educational Marketing Corporation, was incorporated in Canada on or about June 11, 1997 and has been registered with the Commission as a dealer in the category of a scholarship plan dealer since October 9, 1998. Global RESP distributes units of the Global Educational Trust Plan (the "Plan"), a scholarship plan. GGAI is the registered IFM of the Plan.

The 2014 Order

12. On April 14, 2014, Bouji entered into a settlement agreement with Staff along with the Global Entities and Margaret Singh, Global RESP's chief compliance officer (the "2014 Settlement Agreement"). The conduct admitted to in the 2014 Settlement Agreement involved undisclosed conflicts of interest in transactions that paid an undisclosed finder's fees/commissions to a company controlled by Bouji, advising without registration, failure to provide full, true and plain disclosures in two prospectuses and significant compliance deficiencies by Global RESP.

13. In the 2014 Settlement Agreement, Bouji and others admitted to a number of breaches of Ontario securities law. The respondents, including Bouji and the Global Entities, agreed to sanctions that were imposed as part of the 2014 Order which approved the 2014 Settlement Agreement. In addition to imposing terms and conditions on the registration of GGAI and Global RESP and ordering that Bouji, GGAI and Global RESP be reprimanded, the 2014 Order ordered that Bouji disgorge $1,950,575.34 obtained through non-compliance with Ontario securities law and that he be jointly and severally liable with Global RESP and GGAI for an administrative penalty in the amount of $150,000 and costs of $75,000. The 2014 Order also imposed sanctions intended to restrict Bouji's role with the Global Entities. In particular, Bouji was:

- Permanently suspended as UDP of Global RESP and GGAI;
- Required to resign as a director or officer of the Foundation and of any registrant or IFM;
- Prohibited for nine years from becoming or acting as a director or officer of any reporting issuer, registrant, IFM or the Foundation; and
- Permanently prohibited from becoming or acting as a UDP or chief compliance officer of any registrant or IFM.

14. Bouji's nine year prohibition from becoming or acting as an officer or director of any reporting issuer, registrant, IFM or the Foundation will expire on April 16, 2023.

15. One of the terms and conditions imposed on Global RESP's registration by the 2014 Order was that Global RESP was to create and permanently maintain an independent board of directors comprised of a minimum of two independent external board members that form a majority of the board of directors and that the independent directors were to be approved by a Manager of the Compliance and Registrant Regulation ("CRR") Branch.

16. The 2014 Order is a decision of the Commission to which Bouji is subject, and constitutes Ontario securities law in respect of Bouji.

Communications with CRR Staff Regarding Bouji's Role at Global RESP

17. On October 6, 2015, Global RESP made inquiries of CRR Staff on the permissible scope of Bouji's role at the Global Entities given the 2014 Order.

18. On November 4, 2015, CRR Staff advised Global RESP that CRR Staff did not take issue with Bouji recruiting sales staff but CRR Staff did have concerns with Bouji taking a role in training sales staff unless and until the compliance consultant's follow-up review was completed. The compliance consultant had been retained by Global RESP pursuant to an earlier Commission order dated July 26, 2012 and a follow-up review was required under the 2014 Order. CRR Staff wanted to ensure that any training by Bouji was done in accordance with training modules approved by the consultant as part of Global RESP's remediation plan. CRR Staff also advised Global RESP that given the 2014 Order,

Bouji may not provide any services that would be provided by a director or officer of any of the registered firms in the ordinary course.

CRR Staff Becomes Aware that Bouji is in Charge of Sales at Global RESP

19. In November and December 2016, CRR Staff interviewed a former Global RESP Branch Manager who advised that Bouji played a significant sales role and was responsible for overseeing and directing various day-to-day affairs at Global RESP.

20. In March 2017, CRR Staff interviewed Bouji's daughter following her request to amend her registration to add registration as UDP of Global RESP and GGAI. During this interview, Bouji's daughter described Bouji's role at Global RESP as "in charge of sales".

Bouji's Breach of the 2014 Order

21. During the Material Time, Bouji was in charge of sales at Global RESP and was involved in the following conduct at Global RESP:

    a. *Recruitment* – Bouji participated in the recruiting for sales positions, including senior level positions that have a combined sales and compliance function such as for the positions of Branch Managers, Sales Directors and Vice President of Sales.

    b. *Interviewing* – Bouji regularly interviewed potential candidates for sales positions, including senior level positions that have a combined sales and compliance function.

    c. *Hiring and Performance Reviews* – Bouji negotiated terms of employment and extended offers of employment on behalf of Global RESP. He also conducted formal and informal performance reviews of Global RESP's staff, including Sales Managers, Sales Directors and the Vice President of Sales.

    d. *Terminating employees* – Bouji instructed senior level personnel, such as the Vice President of Sales, to terminate other employees, including employees in senior-level positions, such as Sales Directors.

    e. *Training* – Bouji provided training to employees, including the training of senior personnel.

    f. *Strategic sales planning* – Bouji directed and led strategic sales planning at Global RESP by holding regular meetings, including one-on-one meetings, to discuss progress in reaching various sales objectives and targets and disciplining and/or reprimanding senior personnel for failing to reach various sales objectives and targets.

    g. *Participation in meetings* – Bouji attended, presided over and presented at sales meetings, sales director meetings and executive meetings.

    h. *Control over expenses* – Bouji exercised control over marketing and sales expenses incurred and to be incurred by Global RESP.

    i. *Compensation* – Bouji participated in setting and adjusting the compensation structure (e.g. salary vs. commission-based) for Global RESP's staff, including bonuses for senior personnel.

    j. *Expansion* – Bouji instructed senior personnel of Global RESP to open new Global RESP branches in various locations across Canada.

22. Under Ontario securities law, "officer" includes every individual who performs functions similar to those normally performed by an officer and therefore includes de facto officers.

23. Bouji's conduct, as set out above, demonstrates that he acted as a *de facto* officer of Global RESP during the Material Time. In doing so, Bouji breached the 2014 Order which prohibited him from acting as an officer and director of a registrant.

C. BREACHES OF ONTARIO SECURITIES LAW AND CONDUCT CONTRARY TO THE PUBLIC INTEREST

24. Staff alleges that during the Material Time, Bouji breached subsection 122(1)(c) of the Act by breaching the 2014 Order.

25. Staff alleges that the conduct set out above was also conduct contrary to the public interest.

26. Staff reserves the right to amend these allegations and to make such further and other allegations as Staff deems fit and the Commission may permit.

DATED this 24th day of May, 2018.

Derek Ferris
Senior Litigation Counsel
Enforcement Branch
Tel: (416) 593-8111
Lawyer for Staff of the Ontario Securities Commission

1.3.3 Klaas Vantooren – ss.127(1), 127(10)

FILE NO.: 2018-29

IN THE MATTER OF
KLAAS VANTOOREN

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 May 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

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Dated at Toronto this 25th day of May, 2018.

"Grace Knakowski"
Secretary to the Commission

For more information

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IN THE MATTER OF
KLAAS VANTOOREN

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 5 of subsection 127(10) of the Ontario *Securities Act*, RSO 1990 c S.5 (the **Act**):

   (a) against Klaas Vantooren (**Vantooren** or the **Respondent**) that:

      i. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in securities or derivatives by Vantooren cease until December 19, 2027, except trades that are made through a registrant (who has first been given a copy of the Settlement Agreement and Undertaking between Vantooren and the Alberta Securities Commission (the **ASC**) dated December 19, 2017 (the **Settlement Agreement**), and a copy of the Order of the Commission in this proceeding, if granted (the **Order**)), in accounts maintained with that registrant for the benefit of one or more of himself and members of his immediate family, being Vantooren's spouse and dependent children;

      ii. pursuant to paragraph 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Vantooren cease until December 19, 2027, except acquisitions that are made through a registrant (who has first been given a copy of the Settlement Agreement, and a copy of the Order), in accounts maintained with that registrant for the benefit of one or more of himself and members of his immediate family, being Vantooren's spouse and dependent children;

      iii. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Vantooren until December 19, 2027;

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

      v. pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act, Vantooren be prohibited until December 19, 2027 from becoming or acting as a director or officer of any issuer, registrant or investment fund manager; and

      vi. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Vantooren be prohibited until December 19, 2027 from becoming or acting as a registrant, investment fund manager or promoter;

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

B. FACTS

Staff make the following allegations of fact:

3. On December 19, 2017, Vantooren entered into the Settlement Agreement with the ASC.

4. Pursuant to the Settlement Agreement, Vantooren agreed to certain undertakings and to be made subject to sanctions, conditions, restrictions or requirements within the province of Alberta.

(i) The ASC Proceedings

Agreed Facts

Parties

5. At all material times, Vantooren was a resident of Rocky View County, Alberta and was registered under the Alberta *Securities Act*, RSA 2000, c S-4 (the **Alberta Act**) as a dealing representative for certain exempt market dealer (**EMD**) firms.

6. Vantooren was a director and shareholder (through his corporation The Premier Financial Group Inc.) of Alberta corporations Kredo Ranch Ltd. (**Kredo Ranch**), 1740247 Alberta Ltd. (operating as Summersaults of Bentley) (**Summersaults**), and National Flood Strategies Corp. (**NFSC**).

Circumstances

7. As a dealing representative, Vantooren was only registered to sell securities approved for sale by the EMD firms. EMD-approved securities are subject to extensive due diligence and all sales must be reported to the chief compliance officer at the EMD firm.

Lack of Registration

8. From approximately 2012 to 2015, Vantooren raised funds from the sale to Albertans of securities of Kredo Ranch, Summersaults and NFSC. In total, Vantooren raised approximately $657,000 from at least eight investors, some of whom invested in several projects. All of the investors were Vantooren's clients through EMD firms, and all knew he was an experienced dealing representative.

(i) Kredo Ranch

9. Kredo Ranch was a real estate development company, engaged in the development of a community near DeWinton, Alberta.

10. Vantooren raised approximately $200,000 from the sale of preferred shares to three investors. At least one investor did not qualify for the accredited investor exemption under the Alberta Act, and the Kredo Ranch preferred shares were not approved for sale by any of the EMD firms.

(ii) Summersaults

11. Summersaults is a real estate development company, engaged in residential development in Bentley, Alberta.

12. Vantooren provided information regarding Summersaults to certain of his clients and provided Summersaults with his clients' contact information. From these efforts, two of Vantooren's clients invested $157,000 with Summersaults, $51,000 in the form of a syndicated mortgage, and $106,000 in loans. At least one investor did not qualify for any exemptions under the Alberta Act, and the mortgage and loans were not approved for sale by any of the EMD firms.

(iii) NFSC

13. NFSC was involved in flood mitigation products.

14. Vantooren raised at least $300,000 for NFSC through loans from six of his clients. At least two investors did not qualify for any exemptions under the Alberta Act, and the loans were not approved for sale by any of the EMD firms.

Misrepresentations

15. In approximately June 2013, Vantooren informed the Kredo Ranch investors that the project was not feasible. Vantooren recommended that their Kredo Ranch funds be reinvested in Green Haven Estates Construction & Development Inc. (**Green Haven**), a real estate development project near Okotoks, Alberta.

16. At least two Kredo Ranch investors agreed to reinvest in Green Haven, on representations from Vantooren that all of their original investment in Kredo Ranch would be reinvested in Green Haven, and the Green Haven shares would provide a return of 8%.

17. These representations were misleading or untrue, as only a portion of the original investment in Kredo Ranch was available for reinvestment in Green Haven, and the rate of return on Green Haven shares was 6%.

18. The representations made by Vantooren were intended to and did influence investors to purchase securities of Green Haven, and would reasonably be expected to have a significant effect on the market price or value of Green Haven securities.

19. At least one Green Haven investor did not qualify for any exemptions under the Alberta Act, and the securities were not approved for sale by any of the EMD firms.

Illegal Distributions

20. The Kredo Ranch preferred shares, Summersaults syndicated mortgage and loans, NFSC loans, and Green Haven shares were all securities as defined in the Alberta Act. No preliminary prospectus or prospectus was filed with the ASC, nor was a receipt issued, for any of these securities.

21. Vantooren's activities constituted trades as defined in the Alberta Act. Further, as the securities were not previously issued, the trades were distributions under the Alberta Act.

Admitted Breaches of Alberta Securities Laws

22. Based on the Agreed Facts, Vantooren admitted that he breached:

(a) section 75(1)(a) of the Alberta Act, by acting as a dealer without registration and without an exemption from that requirement;

(b) section 92(4.1) of the Alberta Act, by making statements that Vantooren knew, or reasonably ought to have known, were misleading or untrue in a material respect, or which failed to state a fact necessary to make a statement not misleading, and which would reasonably be expected to have a significant effect on the market price or value of the Green Haven securities; and

(c) section 110 of the Alberta Act, by engaging in a distribution of securities without a prospectus or appropriate exemption.

(ii) ASC Settlement and Undertakings

23. Based on the Agreed Facts and Admitted Breaches, Vantooren agreed and undertook to the ASC's Executive Director to:

(a) pay to the ASC the amount of $10,000 in settlement of all allegations against him;

(b) except as specifically outlined below, refrain for a period of 10 years from the date of the Settlement Agreement from:

1. trading in and purchasing securities or derivatives, except trades that are made through a registrant (who has first been given a copy of the Settlement Agreement) in accounts maintained with that registrant for the benefit of one or more of himself and members of his immediate family, "immediate family" being understood to mean his spouse and dependent children;

2. using any of the exemptions contained in Alberta securities laws;

3. advising in securities or derivatives;

4. becoming or acting as a registrant, investment fund manager or promoter;

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

6. resign any positions he has as a director or officer, or both, of any issuer, registrant, or investment fund manager, and to refrain from becoming or acting in that capacity.

Circumstances Relevant to Settlement

24. As set out in the Settlement Agreement, Vantooren had not been previously sanctioned by the ASC, and there was no evidence that he received a financial benefit as a result of his breaches of Alberta securities laws. Further, as set out in the Settlement Agreement, Vantooren received partial credit for his exemplary cooperation with respect to the ASC proceedings.

C. JURISDICTION OF THE ONTARIO SECURITIES COMMISSION

25. In the Settlement Agreement, the Respondent agreed to be made subject to sanctions, conditions, restrictions or requirements within the province of Alberta.

26. Pursuant to paragraph 5 of subsection 127(10) of the Act, an agreement with a securities regulatory authority, derivatives regulatory authority or financial regulatory authority, in any jurisdiction, to be made subject to 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.

27. Staff allege that it is in the public interest to make an order against the Respondent.

28. 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 May, 2018.

Christina Galbraith
Litigation Counsel
Enforcement Branch
LSO #70892W

Tel: (416) 596-4298
Fax: (416) 593-8321
Email: cgalbraith@osc.gov.on.ca

1.5 Notices from the Office of the Secretary

1.5.1 Global RESP Corporation

FOR IMMEDIATE RELEASE
May 23, 2018

GLOBAL RESP CORPORATION,
File No. 2018-26

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 Global RESP Corporation in the above named matter.

The hearing will be held on May 25, 2018 at 9:00 a.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 May 23, 2018 and Statement of Allegations dated May 22, 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 Dennis Wing

FOR IMMEDIATE RELEASE
May 24, 2018

DENNIS WING

TORONTO – Following a hearing held today, the Commission issued an Order in the above named matter approving the Settlement Agreement reached between Staff of the Commission and Dennis Wing.

A copy of the Order dated May 24, 2018, Settlement Agreement dated May 18, 2018, and Oral Reasons for Approval of a Settlement dated May 24, 2018 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

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1.5.3 Dennis L. Meharchand and Valt.X Holdings Inc.

FOR IMMEDIATE RELEASE
May 25, 2018

DENNIS L. MEHARCHAND and
VALT.X HOLDINGS INC.

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

A copy of the Order dated May 24, 2018 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

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For investor inquiries:

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1.5.4 Issam El-Bouji

FOR IMMEDIATE RELEASE
May 25, 2018

ISSAM EL-BOUJI,
File No. 2018-28

TORONTO – The Office of the Secretary issued a Notice of Hearing on May 25, 2018 setting the matter down to be heard on June 6, 2018 at 11:30 a.m. or as soon thereafter as the hearing can be held in the above named matter. The hearing will be held at the offices of the Commission at 20 Queen Street West, 17th Floor, Toronto.

A copy of the Notice of Hearing dated May 25, 2018 and Statement of Allegations dated May 24, 2018 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

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media_inquiries@osc.gov.on.ca

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

1.5.5 Klaas Vantooren

FOR IMMEDIATE RELEASE
May 25, 2018

KLAAS VANTOOREN,
File No. 2018-29

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 May 25, 2018 and Statement of Allegations dated May 23, 2018 are 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)

1.5.6 Global RESP Corporation

FOR IMMEDIATE RELEASE
May 25, 2018

GLOBAL RESP CORPORATION,
File No. 2018-26

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

A copy of the Order dated May 25, 2018, Settlement Agreement dated May 22, 2018 and Oral Reasons for Approval of a Settlement dated May 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)

1.6 Notices from the Office of the Secretary with Related Statements of Allegations

1.6.1 Donna Hutchinson et al.

FOR IMMEDIATE RELEASE
May 29, 2018

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

TORONTO – Staff of the Ontario Securities Commission filed an Amended Statement of Allegations dated May 28, 2018 with the Office of the Secretary in the above noted matter.

A copy of the Amended Statement of Allegations dated May 28, 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
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IN THE MATTER OF
DONNA HUTCHINSON,
CAMERON EDWARD CORNISH,
DAVID PAUL GEORGE SIDDERS and
PATRICK JELF CARUSO

AMENDED STATEMENT OF ALLEGATIONS OF
STAFF OF THE ONTARIO SECURITIES COMMISSION

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

I. OVERVIEW

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

Donna Hutchinson and Cameron Edward Cornish

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

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

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

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

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

Sidders

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

Caruso

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

II. THE RESPONDENTS

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

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

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

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

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

III. TIPPING AND INSIDER TRADING

Hutchinson tipped Cornish

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

Cornish engaged in insider trading

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

Cornish tipped Sidders and Caruso

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

Sidders engaged in insider trading

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

Caruso engaged in insider trading

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

The tipping and trading in reporting issuers and an issuer

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

Quadra FNX Mining Ltd.

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

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

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

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

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

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

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

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

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

X Company

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

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

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

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

Rainy River Resources Ltd.

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

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

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

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

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

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

Osisko Mining Corp.

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

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

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

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

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

Allergan Inc.

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

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

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

Aurora Oil & Gas Ltd.

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

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

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

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

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

Tim Hortons Inc.

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

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

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

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

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

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

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

Xtreme Drilling and Coil Services Corp.

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

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

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

IV. MONEY TRANSFERS TO CORNISH

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

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

Other Cornish fund transfers

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

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

V. PERSONS IN A SPECIAL RELATIONSHIP

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

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

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

VI. CONDUCT CONTRARY TO ONTARIO SECURITIES LAW AND THE PUBLIC INTEREST

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

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

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

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

Dated at Toronto this 28th day of May, 2018.

Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Capital International Asset Management (Canada), Inc. and Capital Group World Bond Fund[SM] (Canada)

Headnote

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

Applicable Legislative Provisions

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

May 14, 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
CAPITAL INTERNATIONAL ASSET MANAGEMENT (CANADA), INC.
(the Filer)

AND

IN THE MATTER OF
CAPITAL GROUP WORLD BOND FUND[SM] (CANADA)
(the Fund)

DECISION

Background

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

(a) 20% of its net asset value at the time of the transaction in evidences of indebtedness of any one issuer if those evidences of indebtedness are issued, or guaranteed fully as to principal and interest, by supranational agencies or governments, other than the government of Canada, the government of a jurisdiction in Canada or the government of the United States of America, and are rated "AA" by Standard & Poor's Rating Services (Canada) (**S&P**) or its DRO affiliate (as defined in NI 81-102), or have an equivalent rating by one or more other designated rating organizations or their DRO affiliates; and

(b) 35% of its net asset value at the time of the transaction in evidences of indebtedness of any one issuer if those evidences of indebtedness are issued, or guaranteed fully as to principal and interest, by supranational

agencies or governments, other than the government of Canada, the government of a jurisdiction in Canada or the government of the United States of America, and are rated "AAA" by S&P or its DRO affiliate, or have an equivalent rating by one or more other designated rating organizations or their DRO affiliates

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

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

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

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

Interpretation

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

Representations

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

1. The Filer is a corporation incorporated under the laws of the Province of Ontario. The head office of the Filer is in Toronto, Ontario.

2. The Filer is registered as an investment fund manager in Ontario, Québec and Newfoundland and Labrador, as an adviser in the category of portfolio manager in Ontario, and as a dealer in the category of exempt market dealer in Alberta, British Columbia, Nova Scotia, Ontario and Québec.

3. The Filer is the manager and trustee of the Fund. The Filer also acts as the portfolio advisor for the Fund's portfolio, other than the portion of the portfolio invested in futures contracts and futures options (the **Ex Commodity Futures Portfolio**). Capital Research and Management Company, an affiliate of the Filer, acts as the portfolio advisor for the commodity futures portion of the portfolio and as investment subadvisor for the Ex Commodity Futures Portfolio.

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

5. Units of the Fund are currently qualified for distribution pursuant to a simplified prospectus dated August 31, 2017 filed in the Jurisdiction and each of the Other Jurisdictions (the **Simplified Prospectus**). Accordingly, the Fund is a reporting issuer in the Jurisdiction and each of the Other Jurisdictions.

6. Neither the Filer nor the Fund is in default of securities legislation in the Jurisdiction or any of the Other Jurisdictions.

7. The investment objective of the Fund is to seek to provide, over the long term, a high level of total return consistent with prudent investment management through investments primarily in bonds and other debt securities of global issuers. Total return comprises the income generated by the Fund and the changes in the market value of the Fund's investments.

8. As part of its investment strategies, the Filer would like to invest at least 80% of the Fund's assets in bonds and other debt securities, which include Foreign Government Securities. Under normal market conditions, the Fund will invest substantially in investment-grade bonds (rated Baa3 or better or BBB- or better by Statistical Rating Organizations (**SROs**) recognized by the United States Securities and Exchange Commission), and may also invest up to 25% of the value of its assets in lower quality, higher yielding debt securities (rated Ba1 or below and BB+ or below by SROs).

9. Subsection 2.1(1) of NI 81-102 prohibits the Fund from purchasing a security of an issuer, other than a "government security", as defined in NI 81-102, if, immediately after the purchase, more than 10% of the net asset value of the Fund would be invested in securities of that issuer.

10. The Foreign Government Securities do not meet the definition of "government securities", as such term is defined in NI 81-102.

11. The Filer believes that the ability to purchase Foreign Government Securities in excess of the limit in subsection 2.1(1) of NI 81-102 will better enable the Fund to achieve its fundamental investment objectives, thereby benefitting the Fund's investors.

12. The Fund will only purchase Foreign Government Securities if the purchase is consistent with the Fund's fundamental investment objectives.

13. Subsection 3.1(4) of Companion Policy 81-102CP indicates that relief from paragraph 2.04(1)(a) of National Policy 39, which was replaced by the Concentration Restriction, has been provided to mutual funds generally under the following circumstances:

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

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

14. The Simplified Prospectus will disclose the risks associated with the concentration of assets of the Fund in securities of a limited number of issuers.

Decision

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

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

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

2. any security purchased pursuant to this decision is traded on a mature and liquid market;

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

4. the Simplified Prospectus discloses the additional risks associated with the concentration of net asset value of the Fund in securities of fewer issuers, such as the potential additional exposure to the risk of default of the issuer in which the Fund has so invested and the risks, including foreign exchange risk, of investing in the country in which the issuer is located; and

5. the Simplified Prospectus discloses, in the investment strategies section, a summary of the nature and terms of the Exemption Sought, along with the conditions imposed and the type of securities covered by this decision.

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

2.1.2 AGF Investments Inc. and AGF Monthly High Income Fund

Headnote

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

Applicable Legislative Provisions

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

May 17, 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
AGF INVESTMENTS INC.
(the Manager)

AND

AGF MONTHLY HIGH INCOME FUND
(the Terminating Fund)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Manager on behalf of the Terminating Fund for a decision under the securities legislation of the Jurisdiction (the **Legislation**) approving the proposed merger (the **Merger**) of the Terminating Fund into AGF Elements Yield Portfolio (the **Continuing Fund**, and together with the Terminating Fund, the **Funds**) pursuant to paragraph 5.5(1)(b) of National instrument 81-102 *Investment Funds* (**NI 81-102**) (the **Merger Approval**).

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 Ontario (together with Ontario, the **Jurisdictions**).

Interpretation

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

Representations

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

The Manager

1. The Manager is a corporation incorporated under the laws of the province of Ontario with its head office in Toronto, Ontario.

2. The Manager is registered as follows:

   (a) an investment fund manager in Alberta, British Columbia, Ontario, Quebec and Newfoundland and Labrador;

   (b) a portfolio manager in each of the Jurisdictions;

   (c) an exempt market dealer in Alberta, British Columbia, Manitoba, Ontario, Quebec and Saskatchewan;

   (d) a mutual fund dealer in British Columbia, Ontario and Quebec; and

   (e) a commodity trading manager in Ontario.

3. The Manager is the manager, trustee and portfolio manager of the Funds.

The Funds

4. The Funds are open-ended mutual funds established as trusts under the laws of Ontario.

5. Each of the Funds is a reporting issuer under the applicable securities legislation of the Jurisdictions, and is subject to the requirements of NI 81-102 and National Instrument 81-101 *Mutual Fund Prospectus Disclosure*.

6. Neither the Manager nor the Funds is in default under the securities legislation of any of the Jurisdictions.

7. Each Fund follows the standard investment restrictions and practices established under the securities legislation of the Jurisdictions except to the extent that the Funds have received an exemption from the securities regulatory authority of a Jurisdiction to deviate therefrom.

8. Securities of the Funds are currently qualified for sale in each of the Jurisdictions under a simplified prospectus, annual information form and fund facts dated April 26, 2018 (collectively, the **Offering Documents**).

9. The net asset value for each series of the Funds is calculated on each day that the Toronto Stock Exchange is open for business in accordance with the Funds' valuation policy and as described in the Offering Documents.

Reason for Merger Approval

10. Regulatory approval of the Merger is required because the Merger does not satisfy all of the criteria for pre-approved reorganizations and transfers set out in section 5.6 of NI 81-102. In particular, the investment objectives of the Continuing Fund are not, or may be considered not to be, "substantially similar" to the investment objectives of the Terminating Fund.

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

AGF Monthly High Income Fund (Terminating Fund)	**AGF Elements Yield Portfolio (Continuing Fund)**
The investment objective of AGF Monthly High Income Fund is to achieve a high level of monthly income by investing primarily in income producing securities with added diversification through selective investment in fixed income securities and common shares.	The investment objective of AGF Elements Yield Portfolio is to achieve high current income by investing primarily in a diversified mix of income, bond and equity funds that may include exposure to income trusts, royalty trusts and REITs.

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

The Proposed Merger

13. The Manager intends to merge the Terminating Fund into the Continuing Fund.

14. The Merger was announced in:

    (a) a press release dated April 26, 2018;

    (b) a material change report dated April 26, 2018; and

    (c) the Offering Documents,

    each of which has been filed on SEDAR.

15. As required by National Instrument 81-107 *Independent Review Committee for Investment Funds* (**NI 81-107**), the Manager presented the terms of the Mergers to the IRC for its review. The IRC determined that the Mergers, if implemented, will achieve a fair and reasonable result for each of the Funds.

16. The Manager is convening a special meeting of the securityholders of the Terminating Fund in order to seek the approval of the securityholders of the Terminating Fund to complete the Merger, as required by paragraph 5.1(1)(f) of NI 81-102 (the **Meeting**). The Meeting will be held on or about June 14, 2018.

17. The Manager has concluded that the Merger is not a material change to the Continuing Fund, and accordingly, there is no intention to convene a meeting of securityholders of the Continuing Fund to approve the Merger pursuant to paragraph 5.1(1)(g) of NI 81-102.

18. By way of order dated November 4, 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. In accordance with the Manager's standard of care owed to the Funds pursuant to securities legislation, the Manager will only use the notice-and-access procedure for a particular meeting where it has concluded that it is appropriate and consistent with the purposes of notice-and-access (as described in the Companion Policy to National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*) to do so, also taking into account the purpose of the meeting and whether the Funds would obtain a better participation rate by sending the management information circular with the other proxy-related materials.

19. Pursuant to the requirements of the Notice-and-Access Relief, a notice-and-access document and form of proxy in connection with the Meeting, along with the most recent fund facts of the relevant series of the Continuing Fund, was mailed to securityholders of the Terminating Fund commencing on May 10, 2018 and were concurrently filed via SEDAR. The management information circular (**Circular**), which the notice-and-access document provides a link to, was also filed via SEDAR at the same time.

20. If all required approvals for the Merger are obtained, it is intended that the Merger will occur after the close of business on or about August 3, 2018 (the **Effective Date**). The Manager therefore anticipates that each securityholder of the Terminating Fund will become a securityholder of the Continuing Fund after the close of business on the Effective Date. The Terminating Fund will be wound up as soon as reasonably possible following the Merger.

21. The Circular describes all relevant facts concerning the Merger, including the investment objectives, strategies and fee structure of the Funds, the tax implications and other consequences of the Merger, as well as the IRC's recommendation of the Merger, so that securityholders of the Terminating Fund may make an informed decision before voting on whether to approve the Merger. The Circular also describes the various ways in which securityholders can obtain a copy of the simplified prospectus, annual information form and fund facts for the Continuing Fund, and the most recent interim and annual financial statements and management reports of fund performance.

22. Securityholders of the 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 preceding the Effective Date. Following the Merger, all optional plans which were established with respect to the Terminating Fund will be re-established in comparable plans with respect to the Continuing Fund unless securityholders advise otherwise.

23. The Manager will pay for the costs of the Merger. These costs consist mainly of brokerage charges associated with any merger-related trades that occur both before and after the Effective Date and legal, proxy solicitation, printing, mailing and regulatory fees.

24. No sales charges will be payable by securityholders of the Funds in connection with the Merger.

25. The investment portfolio and other assets of the Terminating Fund to be acquired by the Continuing Fund in order to effect the Merger are currently, or will be on the Effective Date, acceptable to the portfolio manager of the Continuing Fund and are, or will be, consistent with the investment objectives of the Continuing Fund.

Merger Steps

26. The specific steps to implement the Merger are as follows:

    (a) Any investments of the Terminating Fund which are not suitable for the Continuing Fund or acceptable to the portfolio manager of the Continuing Fund will be sold prior to the Effective Date. As a result, the Terminating Fund may temporarily hold cash and/or money market instruments and may not be invested in accordance with its investment objectives for a brief period of time prior to the Merger. The value of any investments sold will depend on prevailing market conditions.

    (b) Prior to the Effective Date, the Terminating Fund will distribute to its securityholders sufficient net income and net realized capital gains, if any, so that the Terminating Fund will not be subject to tax under Part I of the *Income Tax Act* (Canada) for the taxation year ended on the Effective Date.

    (c) The value of the Terminating Fund's portfolio and other assets will be determined at the close of business on the Effective Date in accordance with its declaration of trust.

    (d) On the Effective Date, substantially all of the Terminating Fund's assets will be transferred to the Continuing Fund (after reserving sufficient assets to satisfy its estimated liabilities, if any, as of the Effective Date) in exchange for securities of the Continuing Fund having an aggregate net asset value equal to the aggregate value of the assets transferred by 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.

    (e) Immediately thereafter, the securities of the Terminating Fund will be redeemed at their series net asset value and such amount will be paid to securityholders of the Terminating Fund on a dollar for dollar basis by way of the transfer of securities of an equivalent series of the Continuing Fund to each Terminating Fund securityholder.

    (f) As the Continuing Fund invests primarily in underlying funds, it is anticipated that the portfolio assets transferred by the Terminating Fund to the Continuing Fund on the Effective Date will be contributed in specie to the underlying funds held by the Continuing Fund in exchange for securities of such underlying funds.

    (g) Within 30 days following completion of the Merger, the Terminating Fund will be wound up and terminated.

    (h) Any outstanding unit certificates (if applicable) of the Terminating Fund will be cancelled.

27. The result of the Merger will be that securityholders of the Terminating Fund will cease to be securityholders of the Terminating Fund, will become securityholders of the Continuing Fund and will realize capital gains or capital losses. The Continuing Fund will continue as a publicly-offered open-end mutual fund.

Benefits of the Merger

28. In the opinion of the Manager, the Merger will be beneficial to securityholders of the Funds for the following reasons:

    (a) the Merger will result in a more streamlined and simplified product line-up that is easier for investors to understand;

    (b) the Merger will eliminate similar fund offerings, thereby reducing the administrative and regulatory costs of operating the Terminating Fund and the Continuing Fund as separate funds;

    (c) a line-up consisting of fewer mutual funds that target similar types of investors will allow the Manager to concentrate its marketing efforts to attract additional assets in the Continuing Fund. Ultimately this benefits securityholders because it ensures that the Continuing Fund remains a viable, long-term investment vehicle for existing and potential investors;

    (d) the Continuing Fund has a portfolio of greater value, allowing for increased portfolio diversification opportunities compared to the Terminating Fund;

(e) the Continuing Fund, as a result of greater size, will allow the operating expenses to be spread over a larger asset base, which may positively impact the management expense ratio of the Continuing Fund;

(f) as the Continuing Fund has a lower risk rating than the Terminating Fund, securityholders of the Terminating Fund will become investors in a fund that has a similar investment profile to the Terminating Fund, while enjoying lower investment volatility;

(g) there is considerable overlap between the portfolio holdings of the Terminating Fund and the portfolio holdings of the Continuing Fund; and

(h) securityholders of the Terminating Fund will receive securities of the Continuing Fund that have a management fee that is lower than that charged in respect of the series of securities of the Terminating Fund that they currently hold.

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

2.1.3 RP Investment Advisors LP and RP Strategic Income Plus Fund

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief granted to RP Strategic Income Plus Fund to increase short-selling issuer concentration limits under to subparagraph 2.6.1(1)(c)(ii) for short sales of "government securities" as defined in NI 81-102 – relief sought to allow fund to better implement strategy to short sell government bonds as a hedge against interest rate risk of corporate bond portfolio – fund can short sell "government securities" from a single issuer up to 20% of NAV – other short-selling restrictions in NI 81-102, including overall limit of 20% of NAV, and provisions concerning cash cover, use of short-sale proceeds, and limits on exposure to any one borrowing agent will continue to apply to all short sales by the fund.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 2.6.1(1)(c)(ii), 19.1.

May 18, 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
RP INVESTMENT ADVISORS LP
(the Filer)

AND

IN THE MATTER OF
RP STRATEGIC INCOME PLUS FUND
(the Fund)

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Fund for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for an exemption from paragraph 2.6.1(1)(c)(ii) of NI 81-102 to permit the Fund to increase the limit on aggregate short sale exposure to any single issuer that is a "government security" (as defined in NI 81-102) to 20% of the net asset value (**NAV**) of the Fund (the **Exemption Sought**).

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

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

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

Interpretation

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

Representations

The decision is based on the following facts represented by the Filer on behalf of itself and the Fund:

The Filer

1. The Filer is a limited partnership established under the laws of the Province of Ontario. The general partner of the Filer is RP Investment Advisors GP Inc. (the **General Partner**), a corporation incorporated under the laws of the Province of Ontario. The Filer's head office is located in Toronto, Ontario.

2. The Filer is the manager, trustee and portfolio manager of the Fund and is the manager and portfolio manager of certain other investment funds, the securities of which are sold pursuant to exemptions from the prospectus requirement (the **Pooled Funds**).

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

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

The Fund and the Pooled Funds

5. The Fund is an open-ended public mutual fund governed by NI 81-102.

6. The Fund is organized as a trust established under the laws of the Province of Ontario.

7. The Fund is a reporting issuer in each of the Jurisdictions and distributes its units in each of the Jurisdictions pursuant to disclosure documents filed under National Instrument 81-101 *Mutual Fund Prospectus Disclosure*.

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

9. The Fund's investment objective is to generate stable risk-adjusted absolute returns consisting of dividend, interest income and capital gains by investing primarily in investment grade corporate debt and debt-like securities, with a focus on capital preservation.

Short Selling Hedging Strategy

10. The investments of the Pooled Funds are similar to the investments of the Fund in that each invests in fixed income instruments and seeks to hedge its interest rate exposure by using a short selling hedging strategy.

11. In order to hedge against interest rate risk in the investment portfolios of the Pooled Funds, the Filer short sells highly liquid government fixed income securities at the same time that the Pooled Funds invest in corporate fixed income securities. This strategy has proven to be highly successful with the Pooled Funds.

12. The Filer currently uses a similar strategy of short selling government fixed income securities for the Fund, but to a more limited extent than the Pooled Funds, in accordance with the 5% single issuer restriction in NI 81-102.

13. Paragraph 2.6.1(1)(c)(ii) of NI 81-102 restricts the Filer from short selling more than 5% of the NAV of the Fund in respect of any one issuer. As a result, the Fund is prevented from short selling Canadian government bonds by more than 5% of its NAV and similarly prevented from short selling U.S. government bonds by more than 5% of its NAV, resulting in the Fund only being able to hedge its interest rate exposure using this short selling strategy to a maximum of 10% of NAV.

14. The Filer is of the view that the Fund could benefit further from this hedging strategy if it were able to short sell "government securities" (as defined in NI 81-102) for hedging purposes in an amount greater than 5% of the Fund's NAV per issuer for the following reasons:

    (a) The Filer believes that short-selling government securities will reduce interest rate risk across the Fund's portfolio of fixed income securities, as the underlying interest rate characteristics of the corporate fixed income securities held by the Fund trade relative to federal government securities.

    (b) The most effective interest rate hedge is where the government debt securities selected by the Filer most closely correlate to the underlying interest rate characteristics of the particular corporate fixed income securities held by the Fund and thus the Filer cannot remain within the 5% single issuer restriction by using different government debt securities and still achieve an optimal hedge for the Fund.

    (c) The market for government securities is highly liquid and debt securities issued by the federal governments of Canada and the U.S. and the Canadian provinces and/or territories generally exhibit greater liquidity than high-quality corporate issues.

    (d) While derivatives can be used to manage interest rate risk, the use of a derivatives hedging strategy is more inefficient, more complex, and risker than the Filer's strategy of short-selling government securities.

15. The Fund implements the following controls when conducting a short sale:

    (a) the Fund assumes the obligation to return to the Borrowing Agent (as defined in NI 81-102) the securities borrowed to effect the short sale;

    (b) the Fund receives cash for the securities sold short within normal trading settlement periods for the market in which the short sale is effected;

    (c) the Filer monitors the short positions of the Fund at least as frequently as daily;

    (d) the security interest provided by the Fund over any of its assets that is required to enable the Fund to effect a short sale transaction is made in accordance with industry practice for that type of transaction and relates only to obligations arising under such short sale transactions;

    (e) the Fund maintains appropriate internal controls regarding short sales, including written policies and procedures for the conduct of short sales, risk management controls and proper books and records; and

(f) The Filer and the Fund keep proper books and records of short sales and all of its assets deposited with Borrowing Agents as security.

Decision

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

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

1. Each short sale made by the Fund will comply with all of the short sale requirements in section 2.6.1 of NI 81-102, other than the restriction that the aggregate market value of all securities of the issuer of the securities sold sort by the Fund does not exceed 5% of the NAV of the Fund.

2. The only securities which the Fund will sell short in an amount that exceeds 5% of the NAV of the Fund will be securities which meet the definition of "government security", being an evidence of indebtedness issued, or fully and unconditionally guaranteed as to principal and interest, by and of the government of Canada, the government of a Jurisdiction or the government of the United States of America.

3. Each short sale will be made consistent with the Fund's investment objectives and investment strategies.

4. The simplified prospectus of the Fund will disclose, at the next renewal, that the Fund is able to short sell "government securities" (as defined in NI 81-102) for hedging purposes in an amount greater than 5% of the Fund's NAV per issuer.

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

2.2 Orders

2.2.1 Dennis L. Meharchand and Valt.X Holdings Inc. – s. 127(1)

FILE NO.: 2017-4

IN THE MATTER OF
DENNIS L. MEHARCHAND and
VALT.X HOLDINGS INC.

Timothy Moseley, Vice-Chair and Chair of the Panel

May 24, 2018

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

WHEREAS the Ontario Securities Commission is holding a merits hearing at the offices of the Commission, located at 20 Queen Street West, 17th Floor, Toronto, Ontario; and

ON HEARING the submissions of Dennis L. Meharchand and Valt.X Holdings Inc. (the **Respondents**) and the representative for Staff of the Commission (**Staff**);

IT IS ORDERED THAT:

1. The merits hearing date scheduled for May 25, 2018 is vacated;

2. The merits hearing date scheduled for May 28, 2018 will commence at 9:00 a.m.;

3. The merits hearing shall continue on May 31, 2018, commencing at 2:00 p.m., and on June 6, 2018, commencing at 9:00 a.m.;

4. The parties shall adhere to the following schedule for the delivery of closing submissions, which shall be made in writing:

   a. Staff shall serve and file its closing submissions by no later than June 29, 2018;

   b. the Respondents shall serve and file their closing submissions by no later than July 9, 2018; and

   c. Staff shall serve and file reply closing submissions, if any, by July 16, 2018;

5. The merits hearing shall continue on July 25, 2018, commencing at 10:00 a.m., solely for the purpose of permitting the Panel to ask questions of the parties relating to their closing submissions.

"Timothy Moseley"

2.2.2 The Jean Coutu Group (PJC) 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).

Decision N°: 2018-IC-0020
File N°: 3793

May 24, 2018

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

AND

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

AND

**IN THE MATTER OF
THE JEAN COUTU GROUP (PJC) INC.
(the Filer)**

ORDER

Background

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

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

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

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

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

Interpretation

Terms defined in *Regulation 14-101 respecting Definitions*, in Regulation 11-102 and, in *Regulation 14-501Q respecting Definitions* have the same meaning if used in this order, unless otherwise defined.

Representations

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

1. the Filer is not an OTC reporting issuer under *Regulation 51-105 respecting 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 *Regulation 21-101 respecting Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;

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

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

Order

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

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

“Martin Latulippe”
Director, Continuous Disclosure

2.3 Orders with Related Settlement Agreements

2.3.1 Dennis Wing – ss. 127(1), 127.1

IN THE MATTER OF
DENNIS WING

Philip Anisman, Commissioner and Chair of the Panel

May 24, 2018

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

WHEREAS on May 24, 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 approval of a settlement agreement dated May 18, 2018 (the **Settlement Agreement**) between Dennis Wing (the **Respondent**) and Staff of the Commission (**Staff**);

ON READING the Statement of Allegations dated May 4, 2017 and the Settlement Agreement and on hearing the submissions of representatives of Staff and the Respondent;

IT IS ORDERED THAT:

1. the Settlement Agreement is approved;

2. the Respondent is reprimanded;

3. the Respondent shall pay an administrative penalty of $120,000, 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. the Respondent shall pay costs in the amount of $5,000; and

5. the previously ordered hearing dates of June 6 and July 3, 4 and 5, 2018 are vacated.

“Philip Anisman”

IN THE MATTER OF
DENNIS WING

SETTLEMENT AGREEMENT

PART I – INTRODUCTION

A. Regulatory Message

1. This is a case of breach of a Commission order. If Ontario securities law is to be enforced, respondents must comply with Commission orders. When a respondent breaches a Commission order, a sanction must be imposed which deters respondents from breaching Commission orders and acts as a reminder that Commission orders must be complied with strictly.

B. Notice of Hearing

2. The parties will jointly file a request that the Ontario Securities Commission (the "**Commission**") 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*, RSO 1990, c S.5 as amended (the "**Act**"), it is in the public interest for the Commission to make certain orders against Dennis Wing ("**Wing**") or (the "**Respondent**").

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**") substantially with the terms in the form attached as Schedule "A" to this Settlement Agreement based on the facts set out herein.

4. For the purposes of the Proceeding, and any other regulatory proceeding commenced by a securities regulatory authority, the 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. Background

5. On February 11, 2015, a hearing panel of the Commission (the "**Hearing Panel**") found that Wing:

   (a) committed insider trading contrary to subsection 76(1) of the Act with respect to two reporting issuers;

   (b) authorized, permitted or acquiesced, as a director and officer of Pollen Services Limited ("**Pollen**"), in respect of Pollen's four breaches of subsection 76(1) of the Act such that Wing was deemed to have not complied with Ontario securities law contrary to section 129.2 of the Act; and

   (c) misled Staff during the course of their investigation contrary to subsection 122(1) of the Act and acted contrary to the public interest.

6. On June 24, 2015, the Hearing Panel made a sanctions order that provided, among other things, that Wing permanently cease trading, pay administrative penalties totaling $1.75 million composed of $1.5 million for six instances of insider trading and $250,000 for misleading Staff, pay disgorgement of $520,916 and pay costs of $300,000 for a total of $2,570,916.

B. Wing's BMO account and trade

7. At the time the sanctions order was made by the Hearing Panel, Wing held 130,000 shares of Just Energy Group Inc. ("**Just Energy**") in account # 225-43929 ("**Acct. # 225**") with BMO InvestorLine ("**BMO IL**"). Acct. # 225 was a pledge account.

8. On June 30, 2015, a representative of BMO's IL, contacted Wing. Wing confirmed to BMO IL that he was the individual named in the cease trade order made by the Hearing Panel on June 24, 2015. BMO IL blocked Wing from trading on the account and placed a note on the file "No buys/sells, non-issuer CTO."

9. On July 23, 2015, Wing appealed the findings of insider trading and the sanctions order made by the Hearing Panel on June 24, 2015 to the Divisional Court.

10. On or about August 25, 2015, Wing contacted his personal banking representative at BMO Private Banking ("**BMO PB**"). He told her that he wanted to sell his Just Energy shares valued at approximately $1 million to pay off his $1.5 million pledge loan with BMO PB. He said that the balance of the loan would be paid out of his RRSP account held at BMO IL.

11. Wing did not tell anyone at BMO PB that he was the subject of the Hearing Panel's cease trade order.

12. As Wing's Just Energy shares were held in a pledge account, the shares could only be sold through contact with a BMO IL employee. Before BMO IL could sell the shares, they had to receive a Pledged Account Activity Authorization Form ("the **Authorization Form**") signed by the client and approved by BMO PB.

13. On August 28, 2015, a BMO IL Trade Support Specialist (the "**Specialist**") received a signed Authorization Form from Wing to sell the shares. She obtained approval from BMO PB to proceed with the sale. She gave the Authorization Form to her supervisor who signed off on the transaction. Although Wing's account was blocked from trading, she believed he was blocked because this was a pledge account. Neither she nor her manager checked the comments on the electronic files.

14. The Specialist contacted Wing who confirmed he wanted to sell the Just Energy shares. She proceeded to sell the shares as instructed for proceeds of $1,040,417 net of commission.

15. Wing did not tell the Specialist that he was subject to a cease trade order.

16. On September 8, 2015, Enforcement Staff ("**Staff**") contacted BMO IL Compliance to ask why Wing had been able to sell his Just Energy shares while subject to a cease trade order.

17. On September 11, 2015, the Commission issued a direction freezing all Wing's BMO IL accounts including Acct # 225.

18. As the Commission direction only froze assets up to the amount of the sanctions (approximately $2.5 million) and Wing held other accounts at BMO IL which equaled up to $3.6 million, Staff consented to the release of funds in excess of $2.5 million. Wing directed BMO IL to release funds from Acct # 225. The other accounts at BMO IL included an RRSP account which held approximately $1.8 million and a LIRA account which held approximately $250,000. The assets in these accounts had been under deposit for more than one year.

19. On November 19, 2015, Wing transferred $1,072,770 from Acct # 225 to BMO PB chequing acct # 0002-7367-996 where $750,000 was applied to the loan acct # 0002-6431-968-3213, $200,000 was paid to a law firm in Toronto in Trust, and $122,770 was used for personal purposes.

20. On October 26, 2016, the Divisional Court heard Wing's appeal of the Hearing Panel's findings of insider trading and their sanctions order.

21. On December 21, 2016, Wing filed a Notice of intention to Make a Proposal to Creditors.

22. On March 2, 2017, Wing's appeal of the Hearing Panel's findings of insider trading and their sanctions order was dismissed.

23. On July 28, 2017, Wing was deemed to have made an assignment in bankruptcy.

PART IV – CONTRAVENTIONS OF ONTARIO SECURITIES LAW AND CONDUCT CONTRARY TO THE PUBLIC INTEREST

24. By engaging in this conduct, Wing admits and acknowledges that he breached Ontario securities law contrary to subsection 122(1)(c) of the Act.

PART V – TERMS OF SETTLEMENT

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

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

    (a) this Settlement Agreement is 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 $120,000, 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; and

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

27. For greater certainty, nothing in this Settlement Agreement affects Wing's or the Commission's rights to bring a motion for a determination of whether the amounts set out in sub-paragraphs 26(c) and (d) (collectively, the "**Monetary Penalty**") are claims provable in bankruptcy and are otherwise subject to the *Bankruptcy and Insolvency Act* (the "**Claims Motion**"). The Commission and Wing agree that the Claims Motion shall be brought before the Ontario Superior Court of Justice (Commercial List) (the "**Court**"). The Commission and Wing further agree that if the Court determines that the Monetary Penalty is not a claim provable in bankruptcy, Wing shall pay the Monetary Penalty within 30 days of the Court issuing its decision. If the Court determines that the Monetary Penalty is a claim provable in bankruptcy, the Commission's claim for the Monetary Penalty shall be dealt with in Wing's bankruptcy proceeding.

28. 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.

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 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 or by video-conference.

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 Toronto this 17th day of May , 2018.

"*Maria Wing"*
Witness: (print name): Maria Wing

"Dennis Wing"
Dennis Wing

DATED at Toronto, Ontario, this _18th____ day of ___May_____, 2018.

STAFF OF THE ONTARIO SECURITIES COMMISSION

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

SCHEDULE "A"

IN THE MATTER OF
DENNIS WING

[INSERT COMMISSIONERS OF THE PANEL]

___, 2018

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

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 Dennis Wing (the **Respondent**) and Staff of the Commission (**Staff**);

ON READING the Statement of Allegations dated May 4, 2017 and the Settlement Agreement and on hearing the submissions of representatives of Staff and the Respondent;

IT IS ORDERED THAT:

1. the Settlement Agreement is approved;

2. the Respondent is reprimanded;

3. the Respondent shall pay an administrative penalty of $120,000, 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. the Respondent shall pay costs in the amount of $5,000; and

5. the previously ordered hearing dates of June 6 and July 3, 4 and 5, 2018 are vacated.

_____
Philip Anisman

2.3.2 Global RESP Corporation – ss. 127(1), 127.1

FILE NO.: 2018-26

IN THE MATTER OF
GLOBAL RESP CORPORATION

Timothy Moseley, Vice-Chair and Chair of the Panel
Deborah Leckman, Commissioner
William J. Furlong, Commissioner

May 25, 2018

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

WHEREAS on May 25, 2018, the Ontario Securities Commission (the **Commission**) held a hearing at the offices of the Commission, located at 20 Queen Street West, 17th Floor, Toronto, Ontario, to consider the Application made jointly by Global RESP Corporation (the **Respondent** or **Global RESP**) and Staff of the Commission (**Staff**) for approval of a settlement agreement dated May 22, 2018 (the **Settlement Agreement**);

ON READING the Joint Application Record for a Settlement Hearing, including the Statement of Allegations dated May 22, 2018, the Settlement Agreement and the Consent of the parties to an Order in substantially this form, and on hearing the submissions of counsel for both parties;

IT IS ORDERED THAT:

(a) the Settlement Agreement be approved;

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

(c) pursuant to paragraph 1 of subsection 127(1) of the Act, the following terms and conditions be imposed on the Respondent's registration:

(i) the Respondent shall not permit Issam El-Bouji (**Bouji**) to provide any service to the Respondent of any kind, or to participate in the operations or management of the Respondent, whether as an employee, an independent contractor, unpaid service provider, or any capacity whatsoever, although Bouji, as the representative of the shareholder of the Respondent will maintain the rights as an indirect shareholder of the Respondent (subject to the terms and conditions imposed on the Respondent's registration) and will be permitted to attend and vote at the Respondent's shareholder meetings in the role as the representative of the Respondent's sole shareholder. Bouji is also permitted to receive communications in the normal course of a shareholder nature from the board and the CEO/UDP on a quarterly basis and periodically as required, which includes communicating the strategic direction of the regulated companies and the plan to achieve the strategy. Without restricting the generality of the foregoing, the Respondent will not permit Bouji directly or indirectly to:

A. act as an integral part of the mind and management of Global RESP and perform functions similar to those normally performed by an officer or director of the Respondent including:

a. proposing, nominating and appointing new officers;

b. participating in any meeting of the board or any committee of the board, unless specifically invited to attend by the independent directors;

c. providing instructions or direction to management of the Respondent or to any legal or financial advisors on behalf of the Respondent;

d. having signing authority for the Respondent including without limitation signing authority over any bank or other accounts of the Respondent;

e. hiring, supervising or terminating staff of the Respondent or providing input or participating in decisions relating to hiring, supervising or terminating staff or to executive compensation;

B. participate in any decisions with or attempt in any way to influence management or the board of the Respondent, or make any recommendations in relation to decisions: (a) affecting the compliance by the Respondent with securities legislation, including its system of controls and supervision; and (b) relating to the preparation of any filing or disclosure documents required to be submitted or filed by the Respondent under Ontario securities law, except as required by law in respect of Bouji's individual filing requirements;

C. play any role (other than as a representative of the shareholder) in the Respondent's financial affairs; and

D. play any role in the business or day-to-day management of the Respondent;

(ii) the Respondent shall not enter into any oral or written retainer, with or without compensation, that allows Bouji to act as a consultant, advisor or supplier of any services to the Respondent;

(iii) the Respondent shall prepare and maintain written policies and procedures designed to provide reasonable assurance that the Respondent is complying with subparagraphs (c)(i) and (c)(ii) above, and shall take reasonable steps to ensure that all senior level personnel of the Respondent review those policies and procedures and agree to abide by them;

(d) pursuant to paragraph 9 of subsection 127(1) of the Act, the Respondent pay an administrative penalty in the amount of $50,000, to be designated for allocation or use by the Commission in accordance with clause 3.4(2)(b) of the Act; and

(e) pursuant to section 127.1 of the Act, the Respondent pay costs of the investigation in the amount of $25,000.

"Timothy Moseley"

"Deborah Leckman"

"William J. Furlong"

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

AND

IN THE MATTER OF
GLOBAL RESP CORPORATION

SETTLEMENT AGREEMENT

PART I – INTRODUCTION

1. It is critical that all respondents comply with orders of the Ontario Securities Commission (the 'Commission") to ensure that the purposes of Commission orders are achieved and to foster confidence in the capital markets.

2. This matter concerns Issam El-Bouji ("Bouji") and the order dated April 16, 2014 of the Ontario Securities Commission (the "Commission" or the "OSC") prohibiting Bouji from acting as a director or officer of any reporting issuer, registrant, investment fund manager ("IFM") or the Global Educational Trust Foundation (the "Foundation") until April 16, 2023 (the "2014 Order"). On or between January 17, 2015 and December 31, 2017 (the "Material Time"), Bouji acted as a *de facto* officer of the registrant, Global RESP Corporation ("Global RESP" or the "Respondent"), in breach of the 2014 Order. The Respondent has failed to implement and maintain a system of controls and supervision sufficient to ensure that Bouji complied with the 2014 Order.

3. The Commission will issue a Notice of Hearing (the "Notice of Hearing") to announce that it will hold a hearing to consider whether, pursuant to sections 127 and 127.1 of the *Securities Act*, RSO 1990, c. S.5, as amended (the "Act"), it is in the public interest for the Commission to make certain orders against the Respondent in respect of the conduct described herein.

PART II – JOINT SETTLEMENT RECOMMENDATION

4. Staff of the Commission ("Staff") recommends 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 this Settlement Agreement. The Respondent consents to the making of an order (the "Order") in the form attached as Schedule "A" to the Settlement Agreement based on the facts set out herein.

5. For the purposes of the Proceeding, and any other regulatory proceeding commenced by a securities regulatory authority, 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

6. Unless specifically stated to the contrary, the facts set out in this Settlement Agreement concern events taking place during the Material Time.

A. The Respondent

7. The Respondent, formerly known as Global Educational Marketing Corporation, was incorporated in Canada on or about June 11, 1997. The Respondent has been registered with the Commission as a dealer in the category of scholarship plan dealer since October 9, 1998.

8. The Respondent distributes units of the Global Educational Trust Plan (the "Plan"), a scholarship plan. Global Growth Assets Inc. ("GGAI") is the registered IFM of the Plan. From December 19, 2009 to January 16, 2015, Bouji was the chief executive officer ("CEO") and Ultimate Designated Person ("UDP") of the Respondent. Bouji was an officer and the UDP of GGAI until January 16, 2015. In addition, Bouji is a director and a shareholder of Global Financial Associates Inc, which is the sole shareholder of the Respondent and Bouji is the sole shareholder of GGAI. He was a director of Global RESP and GGAI and ceased to be a director on June 18, 2014.

B. The 2014 Order

9. On April 14, 2014, Bouji, the Respondent, GGAI, the Foundation and Margaret Singh entered into a settlement agreement with Staff (the "2014 Settlement Agreement").

10. In the 2014 Settlement Agreement, the Respondent and the other respondents admitted to a number of breaches of Ontario securities law. The Respondent admitted and acknowledged that its compliance system did not meet reasonable compliance practices and that changes were required to strengthen its compliance system.

11. The parties agreed to sanctions that were imposed as part of the 2014 Order, which approved the 2014 Settlement Agreement. In addition to imposing terms and conditions on the registration of GGAI and the Respondent and ordering that Bouji, GGAI and the Respondent be jointly and severally liable for an administrative penalty and costs of $150,000 and $75,000 respectively, the 2014 Order imposed sanctions against Bouji. In particular, Bouji was:

- permanently suspended as UDP of the Respondent and GGAI;
- required to resign as a director or officer of the Foundation and of any registrant or IFM;
- prohibited for nine years from becoming or acting as a director or officer of any reporting issuer, registrant, IFM or the Foundation; and
- permanently prohibited from becoming or acting as a UDP or chief compliance officer of any registrant or IFM.

12. Bouji's nine year prohibition on becoming or acting as an officer or director of any reporting issuer, registrant, IFM or the Foundation will expire on April 16, 2023.

13. One of the terms and conditions imposed on the Respondent's registration by the 2014 Order was that the Respondent was to create and permanently maintain an independent board of directors comprised of a minimum of two independent external board members that form a majority of the board of directors and that the independent directors were to be approved by a Manager of the Compliance and Registrant Regulation ("CRR") Branch.

14. The 2014 Order is a decision of the Commission and constitutes Ontario securities law.

C. Bouji's Conduct as De Facto Officer of the Respondent

15. The Respondent had communications with Staff of the CRR Branch in the fall of 2015 concerning what activities Bouji could be involved in. CRR Staff advised the Respondent that Bouji could be involved in recruiting sales staff although CRR Staff had concerns with Bouji taking a role in training staff unless and until the Consultant's follow-up review required under the 2014 Order was completed to the satisfaction of the OSC Manager.

16. During the Material Time, Bouji was in charge of sales at the Respondent and was involved in the following conduct at the Respondent:

i. *Recruitment* – Bouji participated in recruiting for sales positions, including senior level positions, such as for the positions of Branch Managers, Sales Directors and Vice President of Sales.

ii. *Interviewing* – Bouji interviewed potential candidates for sales positions, including senior level positions.

iii. *Hiring and Performance Reviews* – Bouji negotiated terms of employment and extended offers of employment on behalf of the Respondent. He also conducted formal and informal performance reviews of the Respondent's sales staff including Sales Managers, Sales Directors and the Vice President of Sales.

iv. *Terminating employees* – Bouji instructed senior level personnel, such as the Vice President of Sales, to terminate other employees, including senior level employees such as Sales Directors.

v. *Training* – Bouji provided training to employees including the training of senior level personnel.

vi. *Strategic sales planning* – Bouji directed and led strategic sales planning at the Respondent by holding regular meetings, including one-on-one meetings, to discuss progress in reaching various sales objectives and targets and disciplining and/or reprimanding senior level personnel for failing to reach various sales objectives and targets.

vii. *Participation in meetings* – Bouji attended, presided over and presented at sales meetings, director meetings and executive meetings.

viii. *Control over expenses* – Bouji exercised control over marketing and sales expenses incurred and to be incurred by the Respondent.

ix. *Compensation* – Bouji set and adjusted the compensation structure (e.g. salary vs. commission-based) for the Respondent's staff, including bonuses for senior level personnel.

17. Under Ontario securities law, "officer" includes every individual who performs functions similar to those normally performed by an officer and therefore includes *de facto* officers.

18. Bouji's conduct, as set out above, demonstrates that he has acted as a *de facto* officer of Global RESP during the Material Time. In doing so, Bouji breached the 2014 Order which prohibited Bouji from acting as an officer of a registrant.

D. The Respondent's Failure to Implement an Adequate System of Controls and Supervision

19. During the Material Time, the Respondent failed to implement any policies and procedures to provide reasonable assurance of compliance with the 2014 Order.

20. Notwithstanding that the 2014 Order prohibited Bouji from acting as an officer of the Respondent, no procedures were implemented to prevent Bouji from acting as a *de facto* vice president of sales for the Respondent and performing functions normally performed by an officer of the Respondent.

21. As a result, the Respondent permitted Bouji to act as a *de facto* officer of the company as set out in paragraphs 15 to 18 above.

22. The Respondent's failure to implement a system of controls and supervision sufficient to provide reasonable assurance of Bouji's compliance with the 2014 Order and to manage the risks associated with its business in accordance with prudent business practices breached section 11.1 of National Instrument 31-103 *Registrant Requirements, Exemptions and Ongoing Registrant Obligations* ("NI 31-103") and section 32 of the Act.

E. Mitigating Factors

23. The Respondent requests that the panel presiding at the Settlement Hearing (as defined below) consider the following mitigating circumstances.

24. As set out in paragraph 15, the Respondent contacted CRR Staff in the fall of 2015 to make enquires as to what activities Bouji could be involved in.

25. The Respondent did not consider Vice President of Sales to be an officer position with the Respondent.

PART IV – NON-COMPLIANCE WITH ONTARIO SECURITIES LAW [AND/OR] CONDUCT CONTRARY TO THE PUBLIC INTEREST

26. The Respondent acknowledges and admits that, during the Material Time:

(a) the Respondent failed to implement a system of controls and supervision sufficient to provide reasonable assurance that Bouji complied with Ontario securities law contrary to section 11.1 of NI 31-103 and section 32 of the Act; and

(b) as set out in paragraphs 15 to 18 above, by permitting or acquiescing in the conduct set out above, the Respondent engaged in conduct contrary to the public interest.

PART V – TERMS OF SETTLEMENT

27. The Respondent agrees to the terms of settlement set out below and consents to the Order, which provides that:

(a) this Settlement Agreement be approved, pursuant to subsection 127(1) of the Act;

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

(c) the following terms and conditions be imposed on the Respondent's registration:

(i) the Respondent shall not permit Bouji to provide any service to the Respondent of any kind, or to participate in the operations or management of the Respondent, whether as an employee, an independent contractor, unpaid service provider, or any capacity whatsoever, although Bouji, as the representative of the shareholder of the Respondent will maintain all of the rights as an indirect

shareholder of the Respondent (subject to the terms and conditions imposed on the Respondent's registration) and will be permitted to attend and vote at the Respondent's shareholder meetings in the role as the representative of the Respondent's sole shareholder. Bouji is also permitted to receive communications in the normal course of a shareholder nature from the board and the CEO/UDP on a quarterly basis and periodically as required, which includes communicating the strategic direction of the regulated companies and the plan to achieve the strategy. Without restricting the generality of the foregoing, the Respondent will not permit Bouji directly or indirectly to:

A. act as an integral part of the mind and management of Global RESP and perform functions similar to those normally performed by an officer or director of the Respondent including:

a. proposing, nominating and appointing new officers;

b. participating in any meeting of the board or any committee of the board, unless specifically invited to attend by the independent directors;

c. providing instructions or direction to management of the Respondent or to any legal or financial advisors on behalf of the Respondent;

d. having signing authority for the Respondent including without limitation signing authority over any bank or other accounts of the Respondent;

e. hiring, supervising or terminating staff of the Respondent or providing input or participating in decisions relating to hiring, supervising or terminating staff or to executive compensation;

B. participate in any decisions with or attempt in any way to influence management or the board of the Respondent, or make any recommendations in relation to decisions: (a) affecting the compliance by the Respondent with securities legislation, including its system of controls and supervision; and (b) relating to the preparation of any filing or disclosure documents required to be submitted or filed by the Respondent under Ontario securities law, except as required by law in respect of Bouji's individual filing requirements;

C. play any role (other than as a representative of the shareholder) in the Respondent's financial affairs; and

D. play any role in the business or day-to-day management of the Respondent;

(ii) the Respondent shall not enter into any oral or written retainer, with or without compensation, that allows Bouji to act as a consultant, advisor or supplier of any services to the Respondent;

(iii) the Respondent shall prepare and maintain written policies and procedures designed to provide reasonable assurance that the Respondent is complying with subparagraphs 27(c)(i) and (ii) above, and shall take reasonable steps to ensure that all senior level personnel of the Respondent review those policies and procedures and agree to abide by them,

pursuant to paragraph 1 of subsection 127(1) of the Act;

(d) the Respondent pay an administrative penalty in the amount of $50,000, pursuant to paragraph 9 of subsection 127(1) of the Act, to be designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b) of the Act; and

(e) the Respondent pay costs of the investigation in the amount of $25,000, pursuant to section 127.1 of the Act.

28. The Respondent consents to a regulatory order made by any provincial or territorial securities regulatory authority in Canada containing any or all of the sanctions set out in paragraph 27, other than subparagraphs 27(a), 27(d) and 27(e). These sanctions may be modified to reflect the provisions of the relevant provincial or territorial securities law.

29. The Respondent agrees to attend at the hearing before the Commission to consider the Settlement Agreement.

30. The Respondent agrees to make the payments referred to in paragraphs 27(d) and (e) by certified cheque at the hearing before the Commission to approve this Settlement Agreement, if this Settlement Agreement is approved.

31. 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.

PART VI – FURTHER PROCEEDINGS

32. 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.

33. 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 to, among other things, recover the amounts set out in sub-paragraphs 27(d) and 27(e) above.

34. The Respondent waives any defences to a proceeding referenced in paragraphs 33 or 34 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

35. 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 and Forms* adopted on October 31, 2017.

36. The Respondent will attend the Settlement Hearing.

37. 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.

38. 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.

39. 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

40. 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 a Statement of Allegations that may be issued 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.

41. 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

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

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

DATED at Toronto, Ontario this 22nd day of May, 2018.

"Russell Mercado"
Witness: Russell Mercado

Global RESP Corporation
By: *"Alex Manickaraj"*
Alex Manickaraj
Acting UDP/CEO

DATED at Toronto, Ontario, this 22nd day of May, 2018.

COMMISSION STAFF
By: *"Jeff Kehoe"*
Jeff Kehoe
Director, Enforcement Branch

Schedule "A"

FILE NO.: 2018-26

IN THE MATTER OF
GLOBAL RESP CORPORATION

Timothy Moseley, Vice-Chair and Chair of the Panel
Deborah Leckman, Commissioner
William J. Furlong, Commissioner

May 25, 2018

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

WHEREAS on May 25, 2018, the Ontario Securities Commission (the **Commission**) held a hearing at the offices of the Commission, located at 20 Queen Street West, 17th Floor, Toronto, Ontario, to consider the Application made jointly by Global RESP Corporation (the **Respondent** or **Global RESP**) and Staff of the Commission (**Staff**) for approval of a settlement agreement dated May 22, 2018 (the **Settlement Agreement)**;

ON READING the Joint Application Record for a Settlement Hearing, including the Statement of Allegations dated May 22, 2018, the Settlement Agreement and the Consent of the parties to an Order in substantially this form, and on hearing the submissions of counsel for both parties;

IT IS ORDERED THAT:

(a) the Settlement Agreement be approved;

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

(c) pursuant to paragraph 1 of subsection 127(1) of the Act, the following terms and conditions be imposed on the Respondent's registration:

(i) the Respondent shall not permit Issam El-Bouji (Bouji) to provide any service to the Respondent of any kind, or to participate in the operations or management of the Respondent, whether as an employee, an independent contractor, unpaid service provider, or any capacity whatsoever, although Bouji, as the representative of the shareholder of the Respondent will maintain the rights as an indirect shareholder of the Respondent (subject to the terms and conditions imposed on the Respondent's registration) and will be permitted to attend and vote at the Respondent's shareholder meetings in the role as the representative of the Respondent's sole shareholder. Bouji is also permitted to receive communications in the normal course of a shareholder nature from the board and the CEO/UDP on a quarterly basis and periodically as required, which includes communicating the strategic direction of the regulated companies and the plan to achieve the strategy. Without restricting the generality of the foregoing, the Respondent will not permit Bouji directly or indirectly to:

A. act as an integral part of the mind and management of Global RESP and perform functions similar to those normally performed by an officer or director of the Respondent including:

a. proposing, nominating and appointing new officers;

b. participating in any meeting of the board or any committee of the board, unless specifically invited to attend by the independent directors;

c. providing instructions or direction to management of the Respondent or to any legal or financial advisors on behalf of the Respondent;

d. having signing authority for the Respondent including without limitation signing authority over any bank or other accounts of the Respondent;

e. hiring, supervising or terminating staff of the Respondent or providing input or participating in decisions relating to hiring, supervising or terminating staff or to executive compensation;

B. participate in any decisions with or attempt in any way to influence management or the board of the Respondent, or make any recommendations in relation to decisions: (a) affecting the compliance by the Respondent with securities legislation, including its system of controls and supervision; and (b) relating to the preparation of any filing or disclosure documents required to be submitted or filed by the Respondent under Ontario securities law, except as required by law in respect of Bouji's individual filing requirements;

C. play any role (other than as a representative of the shareholder) in the Respondent's financial affairs; and

D. play any role in the business or day-to-day management of the Respondent;

(ii) the Respondent shall not enter into any oral or written retainer, with or without compensation, that allows Bouji to act as a consultant, advisor or supplier of any services to the Respondent;

(iii) the Respondent shall prepare and maintain written policies and procedures designed to provide reasonable assurance that the Respondent is complying with subparagraphs (c)(i) and (c)(ii) above, and shall take reasonable steps to ensure that all senior level personnel of the Respondent review those policies and procedures and agree to abide by them;

(d) pursuant to paragraph 9 of subsection 127(1) of the Act, the Respondent pay an administrative penalty in the amount of $50,000, to be designated for allocation or use by the Commission in accordance with clause 3.4(2)(b) of the Act; and

(e) pursuant to section 127.1 of the Act, the Respondent pay costs of the investigation in the amount of $25,000.

Timothy Moseley

Deborah Leckman

William J. Furlong

2.4 Rulings

2.4.1 Marex Spectron International Limited – s. 38 of the CFA

Headnote

Application to the Commission pursuant to section 38 of the Commodity Futures Act (Ontario) (CFA) for a ruling that the Applicant be exempted from the dealer registration requirement in paragraph 22(1)(a) and the prohibition against trading on non-recognized exchanges in section 33 of the CFA for an interim period pending its registration with the Alberta Securities Commission. As an introducing broker, the Applicant will offer the ability to trade in commodity futures contracts and commodity futures options that trade on exchanges located outside of Canada and that are cleared through clearing corporations located outside of Canada, including block trades, to certain of its clients in Ontario who meet the definition of "permitted client" in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations.

Applicable Legislative Provisions

Commodity Futures Act, R.S.O. 1990, c. C.20, as am., ss. 22, 33, 38.
Securities Act, R.S.O. 1990, c. S.5, as am.

May 22, 2018

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

AND

IN THE MATTER OF
MAREX SPECTRON INTERNATIONAL LIMITED

RULING
(Section 38 of the CFA)

UPON the application (the **Application**) of Marex Spectron International Limited (the **Applicant**) to the Ontario Securities Commission (the **Commission**) for:

(a) a ruling of the Commission, pursuant to section 38 of the CFA, that the Applicant is not subject to the dealer registration requirement in the CFA (as defined below) or the trading restrictions in the CFA (as defined below) in connection with trades in Exchange-Traded Futures (as defined below) on Non-Canadian Exchanges (as defined below), including Block Trades (as defined below) on Non-Canadian Exchanges, where the Applicant is acting as agent in such trades to, from or on behalf of Permitted Clients (as defined below); and

(b) a ruling of the Commission, pursuant to section 38 of the CFA, that a Permitted Client is not subject to the dealer registration requirement in the CFA or the trading restrictions in the CFA in connection with trades in Exchange-Traded Futures on Non-Canadian Exchanges, where the Applicant acts in respect of trades in Exchange-Traded Futures on behalf of the Permitted Client pursuant to the above ruling;

AND WHEREAS for the purposes of this ruling (the **Decision**):

(i) the following terms shall have the following meanings:

"Block Trade" means a trade in a large quantity of Exchange-Traded Futures entered into between ECPs (as defined below) (in this case, via an introducing broker) pursuant to a privately negotiated transaction that, pursuant to the applicable rules of a Non-Canadian Exchange, are permitted to be executed on the Non-Canadian Exchange apart from the public auction market established by the Non-Canadian Exchange subject to meeting specified quantity thresholds (which are different large amounts depending on the particular Non-Canadian Exchange) and provided that the price of the trade is entered and reported on the Non-Canadian Exchange within a specified time period following the trade;

"CFTC" means the U.S. Commodity Futures Trading Commission;

"dealer registration requirement in the CFA" means the provisions of section 22 of the CFA that prohibit a person or company from trading in Exchange-Traded Futures unless the person or company satisfies the applicable provisions of section 22 of the CFA;

"ECP" means eligible contract participant as that term is defined in the U.S. *Commodity Exchange Act*;

"EEA" means the European Economic Area;

"EEA Member States" means Austria, Belgium, Bulgaria, Croatia, Republic of Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and the U.K.;

"Exchange-Traded Futures" means commodity futures contracts or commodity futures options that trade on one or more organized exchanges located outside of Canada and that are cleared through one or more clearing corporations located outside of Canada;

"FCA" means the Financial Conduct Authority in the U.K.;

"FINRA" means the Financial Industry Regulatory Authority in the U.S.;

"IDE" means the international dealer exemption in section 8.18 of NI 31-103;

"NI 31-103" means National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*;

"NFA" means the National Futures Association in the U.S.;

"Non-Canadian Exchange" means an exchange located outside Canada;

"OSA" means the *Securities Act* (Ontario);

"Permitted Client" means a client in Ontario that is a "permitted client" as that term is defined in section 1.1 of NI 31-103;

"SEC" means the U.S. Securities and Exchange Commission;

"specified affiliate" has the meaning ascribed to that term in Form 33-109F6 to National Instrument 33-109 *Registration Information*;

"trading restrictions in the CFA" means the provisions of section 33 of the CFA that prohibit a person or company from trading in Exchange-Traded Futures unless the person or company satisfies the applicable provisions of section 33 of the CFA;

"U.K." means the United Kingdom of Great Britain and Northern Ireland; and

"U.S." means United States of America; and

(ii) terms used in this Decision that are defined in the OSA, and not otherwise defined in this Decision or in the CFA, shall have the same meaning as in the OSA, unless the context otherwise requires;

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

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

1. The Applicant is a limited corporation formed under the laws of England and Wales. Its main office is located at 155 Bishopsgate, Level Five, London, England EC2M 3TQ. The Applicant also maintains branch offices at 360 Madison Avenue, New York, New York, 10017; 600 Summer Street, Stamford, Connecticut, 06901; 110-9 Avenue SW, Calgary, Alberta, T2P 0T1, Canada and Kronprinsesse Marthas, Plass 1, Oslo 0160, Norway.

2. The Applicant is not registered in any capacity under the CFA or the OSA. The Applicant does not rely on any exemption from registration in Canada.

3. The Applicant is authorized by the FCA under the U.K. *Financial Services and Markets Act 2000* (as amended, including those amendments introduced by the *Financial Services Act 2012*) (the **FSMA**), to carry on a range of regulated activities within the U.K. (FCA register no. 193027). The Applicant is currently licensed in the U.K. to deal with eligible counterparties and professional clients with respect to its permitted activities. The Applicant is currently authorized to carry on certain regulated activities in the U.K. in relation to certain specified investments, including the following: (a) advising on investments (except on pension transfers and pension opt outs) in relation to futures, options and over-the-counter derivatives; (b) advising on P2P agreements; (c) arranging (bringing about) deals in futures, options and over-the-counter derivatives; (d) dealing in options and over-the-counter derivatives as agent; (e) making arrangements with a view to transactions in futures, options and over-the-counter derivatives; and (f) operating an organised trading facility. As is the case with all firms authorized in the U.K., the Applicant's current U.K. regulatory status remains subject to variation and the possible imposition of regulatory limitations or requirements and is described as at the date of the Application.

4. The Applicant has "passported" its U.K. regulatory permissions into the other EEA Member States. In relation to the Applicant's futures services, the Applicant utilizes its EEA passport to the extent that it may provide commodity futures services into other EEA member states. The Applicant also uses its two EEA branch offices which have been established under its EEA passport in this regard.

5. The Applicant is an approved member of the NFA (NFA ID: 0445699) and is registered as an "overseas independent introducing broker" with the CFTC.

6. The Applicant is not a broker-dealer registered with the SEC and does not conduct a securities business in the U.S.

7. The Applicant is not a member of any exchange, but it is considered to be a "broker participant" by and has entered into a broker clearing agreement with each of the following U.S. exchanges: Intercontinental Exchange (ICE), CME Group (which includes the CME and NYMEX exchanges), and the Nodal Exchange.

8. Subject to the ruling requested and as set out in paragraph 9, the Applicant is not in default of securities legislation or commodity futures legislation in any jurisdiction in Canada.

9. Staff of the Alberta Securities Commission has recently concluded that the registration exemption provided under section 6(b) of the Alberta Securities Commission Blanket Order 91-507 *Over-the-Counter Trades in Derivatives* does not apply to firms engaging in Block Trades. The Alberta Securities Commission is currently consulting with firms engaged in Block Trades, including the Applicant, with a view to implementing a registration category and terms for firms that engage in Block Trades.

10. The Applicant is in compliance in all material respects with U.K. and U.S. securities and commodity futures laws.

11. The principal business of the Applicant is providing:

    a. brokerage services for over-the-counter and futures transactions in energy and environmental commodities to various financial institutions and utilities; and

    b. in relation to customers who are deemed "US Persons", as defined under applicable U.S. law, introducing services for ECPs.

12. Pursuant to its registrations and memberships, the Applicant may (*inter alia*) broker Exchange-Traded Futures in the U.K. and in all EEA Member States, and is authorized to act as an introducing broker in the U.S. to handle customer orders, to effect Block Trades and, if applicable, to introduce customers to an executing broker registered as a futures commission merchant. The rules of the FCA, CFTC and NFA require the Applicant to maintain adequate capital levels, make and keep specified types of records relating to customer accounts and transactions, including confirmations and statements, and comply with other forms of customer protection rules, including rules respecting: know-your-customer obligations, client identification, account-opening requirements, suitability requirements, anti-money laundering checks, dealing and handling customer order obligations, including managing conflicts of interest and best execution. These rules require the Applicant to treat Permitted Clients consistently with the Applicant's U.K, EEA, and U.S. customers with respect to transactions made on exchanges in the U.K., EEA, and U.S. In respect of Exchange-Traded Futures, the Applicant does not provide direct execution, except to effect Block Trades, or clearing services and is not authorized to receive or hold client money in any jurisdiction.

13. The Applicant offers certain of its Permitted Clients in Ontario the ability to trade in Exchange-Traded Futures, primarily through Block Trades, and in connection with such trades, the Applicant would act as an introducing broker and effect trades in Exchange-Traded Futures, including Block Trades, on Non-Canadian Exchanges.

14. The Applicant will handle the negotiation of the Exchange-Traded Futures, match buyers and sellers at the best possible price, execute trades in Exchange-Traded Futures on behalf of Permitted Clients in Ontario in the same manner that it would carry out these activities on behalf of its U.K., EEA, and U.S. clients, all of which are ECPs. The Applicant will follow the same know-your-customer, suitability, and order handling procedures that it follows in respect of its U.K., EEA, and U.S. clients. Permitted Clients in Ontario will be afforded the benefits of compliance by the Applicant with the statutory and other requirements of the regulators, self-regulatory organizations and exchanges located in the U.K., EEA, and U.S. In Ontario, Permitted Clients will have the same contractual rights against the Applicant as U.K. clients of the Applicant.

15. The Applicant is required under FCA rules to categorise its clients using three categories (who are afforded a descending level of regulatory protection): (1) retail clients; (2) professional clients; and (3) eligible counterparties. Permitted Clients would generally fall into the categories of "professional clients" and "eligible counterparties". The levels of regulatory protection afforded to these categories of clients are substantially similar to those afforded to Permitted Clients under the CFA.

16. In transacting Block Trades for its customers, the Applicant, as the introducing broker, will match a buyer and a seller (both ECPs) in a privately negotiated trade for a large quantity of Exchange-Traded Futures. Pursuant to the rules of the applicable Non-Canadian Exchange, the trade is permitted to be executed apart from the public auction market established by the Non-Canadian Exchange. Once the terms of the trade are agreed upon between the buyer and the seller, the trade is submitted by the Applicant to the exchange to be publicly reported within the required time period for Block Trades. Once submitted to the Non-Canadian Exchange, the clearing and settlement process by and through the customer's futures commission merchant will commence independent of the Applicant's involvement in the transaction.

17. The Applicant will not maintain an office, sales force or physical place of business in Ontario.

18. The Applicant will introduce trades in Exchange-Traded Futures in Ontario only to and from persons and companies who qualify as Permitted Clients.

19. The Applicant will only offer Permitted Clients in Ontario the ability to effect trades in Exchange-Traded Futures on Non-Canadian Exchanges.

20. The Exchange-Traded Futures to be traded by Permitted Clients in Ontario will be limited to Exchange-Traded Futures for energy and environmental products.

21. Permitted Clients of the Applicant will be able to execute trades in Exchange-Traded Futures through the Applicant by contacting the Applicant's client order handling desk.

22. In the case of a trade in Exchange-Traded Futures that is a Block Trade involving a Permitted Client as a buyer or a seller, the Applicant, as the introducing broker, will match the Permitted Client in a privately negotiated trade, which will be executed apart from the public auction market established by the applicable Non-Canadian Exchange and submitted for public reporting to the Non-Canadian Exchange within the required time period applicable for Block Trades. Once submitted to the Non-Canadian Exchange, the clearing and settlement process by and through the Permitted Client's futures commission merchant in accordance with the rules and customary practices of the exchange will commence independent of the Applicant's involvement in the transaction. In no case will the Applicant enter into a give-up agreement with any executing broker registered as a futures commission merchant or clearing broker unless such firm is registered with the applicable regulatory bodies in the jurisdiction in which it executes the trades in Exchange-Traded Futures and is registered or has obtained an exemption from the dealer registration requirement from the Commission, and with any executing broker registered as a futures commission merchant or clearing broker located in the U.S., unless such firm is registered with the SEC and/or CFTC, as applicable, and is registered or has obtained an exemption from the dealer registration requirement from the Commission.

23. In the case of a trade in Exchange-Traded Futures that is not a Block Trade involving a Permitted Client, the Applicant will perform introducing functions, as the introducing broker, and will arrange to have the Permitted Client's order executed on the relevant Non-Canadian Exchange by an executing broker registered as a futures commission merchant in accordance with the rules and customary practices of the exchange. The executing broker will act to "give-up" the transacted trades to the Permitted Client's clearing broker. In such circumstances, the Permitted Client would be a client of both the Applicant and the executing broker. The Applicant will not enter into a give-up agreement with any executing broker registered as a futures commission merchant or clearing broker unless such firm is registered with the applicable regulatory bodies in the jurisdiction in which it executes the trades in Exchange-Traded Futures and is registered or has obtained an exemption from the dealer registration requirement from the Commission, and with any executing broker registered as a futures commission merchant or clearing broker located in the U.S., unless such firm is registered with the SEC and/or CFTC, as applicable, and is registered or has obtained an exemption from the dealer

registration requirement from the Commission. Where the Applicant is listed as the executing broker in the relevant give-up agreement, the Applicant would remain responsible for all executions on the relevant Non-Canadian Exchange.

24. Clearing brokers and executing brokers will be subject to the rules of the exchanges of which each is a member and any relevant regulatory requirements, including requirements under the CFA, as applicable. Under an industry-standard give-up agreement, an executing broker and the Permitted Client's clearing broker will represent that it will perform its obligations in accordance with applicable laws, governmental, regulatory, self-regulatory, exchange and clearing house rules and the customs and usages of the exchange or clearing house on which the relevant Permitted Client's trades in Exchange-Traded Futures will be executed and cleared. The Permitted Client will enter into such give-up agreement. The Applicant will not enter into a give-up agreement with any clearing broker located in (i) the U.S. unless such clearing broker is registered with the CFTC and/or the SEC, as applicable, and is registered or has obtained an exemption from the dealer registration requirement from the Commission, or (ii) the U.K. unless such clearing broker is authorised by the FCA and is registered or has obtained an exemption from the dealer registration requirement from the Commission.

25. As is customary for all trades in Exchange-Traded Futures, a clearing corporation appointed by the exchange or clearing division of the exchange is substituted as a universal counterparty on all trades in Exchange-Traded Futures for Permitted Client orders that are submitted to the exchange in the name of the recognized exchange member and clearing broker. A Permitted Client of the Applicant is responsible to its clearing broker for payment of daily mark-to-market variation margin and/or proper margin to carry open positions and the Permitted Client's clearing broker is in turn responsible to the clearing corporation/division for payment.

26. Permitted Clients will pay commissions for trades to the Applicant for its role as introducing broker and Permitted Clients will be responsible to pay any commissions to the executing brokers or clearing brokers directly, if applicable.

27. Absent this Decision, the trading restrictions in the CFA apply with respect to the Applicant's trades in Exchange-Traded Futures unless, among other things, an Exchange-Traded Future is traded on a recognized or registered commodity futures exchange and the form of the contract is approved by the Director. To date, no Non-Canadian Exchanges have been recognized or registered under the CFA.

28. If the Applicant were registered under the CFA as a "futures commission merchant", it could rely upon certain exemptions from the trading restrictions in the CFA to effect trades in Exchange-Traded Futures to be entered into on certain Non-Canadian Exchanges.

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

IT IS RULED, pursuant to section 38 of the CFA, trades in Exchange-Traded Futures effected by the Applicant are not subject to the dealer registration requirement in the CFA or the trading restrictions in the CFA, where the Applicant is acting as agent in such trades to, from or on behalf of Permitted Clients provided that:

a. the Applicant only acts as agent in trades in Exchange-Traded Futures to, from or on behalf of clients in Ontario who are Permitted Clients;

b. the executing broker and clearing broker have each represented to the Applicant, and the Applicant has taken reasonable steps to verify, that the broker is appropriately registered under the CFA, or has been granted exemptive relief from the registration requirements in the CFA, in connection with the Permitted Client effecting trades in Exchange-Traded Futures; provided that these requirements will not apply in the context of a Block Trade if the Applicant does not know and cannot reasonably determine the identity of the clearing broker at the time of the trade and would not have an opportunity to obtain such representations or take such steps;

c. the Applicant only introduces and enters trades in Exchange-Traded Futures for Permitted Clients in Ontario on Non-Canadian Exchanges;

d. at the time trading activity is engaged in, the Applicant:

    i. has its head office or principal place of business in the U.K. and with registered regulated branch offices in the U.S.;

    ii. is authorized and regulated by the FCA;

    iii. is registered in the category of introducing broker with the CFTC;

iv. is a member of the NFA; and

v. engages in the business of an introducing broker in Exchange-Traded Futures in the U.K. and U.S.;

e. the Applicant has provided to the Permitted Client in Ontario the following disclosure in writing:

i. a statement that the Applicant is not registered in Ontario to trade in Exchange-Traded Futures as principal or agent;

ii. a statement specifying the location of the Applicant's head office or principal place of business;

iii. a statement that all or substantially all of the Applicant's assets may be situated outside of Canada;

iv. a statement that there may be difficulty enforcing legal rights against the Applicant because of the above; and

v. the name and address of the Applicant's agent for service of process in Ontario;

f. the Applicant has submitted to the Commission a completed Submission to Jurisdiction and Appointment of Agent for Service in the form attached as Appendix "A" hereto;

g. the Applicant notifies the Commission of any regulatory action initiated after the date of this ruling in respect of the Applicant, or, to the best of the Applicant's knowledge and after reasonable inquiry, any predecessors or specified affiliates of the Applicant, by completing and filing with the Commission Appendix "B" hereto within ten days of the commencement of such action;

h. if the Applicant is not subject to the requirement to pay a participation fee in Ontario because it is not registered under the CFA and does not rely on the IDE, by December 31st of each year, the Applicant pays a participation fee based on its specified Ontario revenues for its previous financial year in compliance with the requirements of Part 3 and section 6.4 of Ontario Securities Commission Rule 13-502 *Fees* as if the Applicant relied on the IDE;

i. by December 1st of each year, the Applicant notifies the Commission of its continued reliance on the exemption from the dealer registration requirement in the CFA granted pursuant to this ruling by filing Form 13-502F4 *Capital Markets Participation Fee Calculation*; and

j. this Decision will terminate on the earliest of:

i. six months after the date of registration of the Applicant under the Securities Act (Alberta);

ii. the expiry of any such transition period as may be provided by law, after the effective date of the repeal of the CFA;

iii. six months, or such other transition period as may be provided by law, after the coming into force of any amendment to Ontario commodity futures law (as defined in the CFA) or Ontario securities law (as defined in the OSA) that affects the dealer registration requirement in the CFA or the trading restrictions in the CFA; and

iv. five years after the date of this Decision.

"D. Grant Vingoe"
Vice Chair
Ontario Securities Commission

"Tim Moseley"
Vice Chair
Ontario Securities Commission

APPENDIX A

SUBMISSION TO JURISDICTION AND APPOINTMENT OF AGENT FOR SERVICE

INTERNATIONAL DEALER OR INTERNATIONAL ADVISER EXEMPTED FROM REGISTRATION UNDER THE COMMODITY FUTURES ACT, ONTARIO

1. Name of person or company ("International Firm"):

2. If the International Firm was previously assigned an NRD number as a registered firm or an unregistered exempt international firm, provide the NRD number of the firm:

3. Jurisdiction of incorporation of the International Firm:

4. Head office address of the International Firm:

5. The name, e-mail address, phone number and fax number of the International Firm's individual(s) responsible for the supervisory procedure of the International Firm, its chief compliance officer, or equivalent.

   Name:
   E-mail address:
   Phone:
   Fax:

6. The International Firm is relying on an exemption order under section 38 or section 80 of the *Commodity Futures Act* (Ontario) that is similar to the following exemption in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (the "Relief Order"):

   ☐ Section 8.18 [*international dealer*]

   ☐ Section 8.26 [*international adviser*]

   ☐ Other [specify]:

7. Name of agent for service of process (the "Agent for Service"):

8. Address for service of process on the Agent for Service:

9. The International Firm designates and appoints the Agent for Service at the address stated above as its agent upon whom may be served a notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal or other proceeding (a "Proceeding") arising out of or relating to or concerning the International Firm's activities in the local jurisdiction and irrevocably waives any right to raise as a defence in any such proceeding any alleged lack of jurisdiction to bring such Proceeding.

10. The International Firm irrevocably and unconditionally submits to the non-exclusive jurisdiction of the judicial, quasi-judicial and administrative tribunals of the local jurisdiction in any Proceeding arising out of or related to or concerning the International Firm's activities in the local jurisdiction.

11. Until 6 years after the International Firm ceases to rely on the Relief Order, the International Firm must submit to the regulator

    a. a new Submission to Jurisdiction and Appointment of Agent for Service in this form no later than the 30th day before the date this Submission to Jurisdiction and Appointment of Agent for Service is terminated;

    b. an amended Submission to Jurisdiction and Appointment of Agent for Service no later than the 30th day before any change in the name or above address of the Agent for Service;

    c. a notice detailing a change to any information submitted in this form, other than the name or above address of the Agent for Service, no later than the 30th day after the change.

12. This Submission to Jurisdiction and Appointment of Agent for Service is governed by and construed in accordance with the laws of the local jurisdiction.

Dated: _____

_____
(Signature of the International Firm or authorized signatory)

_____
(Name of signatory)

_____
(Title of signatory)

Acceptance

The undersigned accepts the appointment as Agent for Service of _____ [*Insert name of International Firm*] under the terms and conditions of the foregoing Submission to Jurisdiction and Appointment of Agent for Service.

Dated: _____

_____
(Signature of the Agent for Service or authorized signatory)

_____
(Name of signatory)

_____
(Title of signatory)

This form, and notice of a change to any information submitted in this form, is to be submitted through the Ontario Securities Commission's Electronic Filing Portal:

https://www.osc.gov.on.ca/filings

APPENDIX "B"

NOTICE OF REGULATORY ACTION

1. Has the firm, or any predecessors or specified affiliates[1] of the firm entered into a settlement agreement with any financial services regulator, securities or derivatives exchange, SRO or similar agreement with any financial services regulator, securities or derivatives exchange, SRO or similar organization?

   Yes _____ No _____

   If yes, provide the following information for each settlement agreement:

Name of entity
Regulator/organization
Date of settlement (yyyy/mm/dd)
Details of settlement
Jurisdiction

2. Has any financial services regulator, securities or derivatives exchange, SRO or similar organization:

		Yes	No
(a)	Determined that the firm, or any predecessors or specified affiliates of the firm violated any securities regulations or any rules of a securities or derivatives exchange, SRO or similar organization?	___	___
(b)	Determined that the firm, or any predecessors or specified affiliates of the firm made a false statement or omission?	___	___
(c)	Issued a warning or requested an undertaking by the firm, or any predecessors or specified affiliates of the firm?	___	___
(d)	Suspended or terminated any registration, licensing or membership of the firm, or any predecessors or specified affiliates of the firm?	___	___
(e)	Imposed terms or conditions on any registration or membership of the firm, or predecessors or specified affiliates of the firm?	___	___
(f)	Conducted a proceeding or investigation involving the firm, or any predecessors or specified affiliates of the firm?	___	___
(g)	Issued an order (other than an exemption order) or a sanction to the firm, or any predecessors or specified affiliates of the firm for securities or derivatives-related activity (e.g. cease trade order)?	___	___

   If yes, provide the following information for each action:

Name of entity	
Type of action	
Regulator/organization	
Date of action (yyyy/mm/dd)	Reason for action
Jurisdiction	

[1] In this Appendix, the term "specified affiliate" has the meaning ascribed to that term in Form 33-109F6 to National Instrument 33-109 *Registration Information*.

3. Is the firm aware of any ongoing investigation of which the firm or any of its specified affiliates is the subject?

Yes _____ No _____

If yes, provide the following information for each investigation:

Name of entity
Reason or purpose of investigation
Regulator/organization
Date investigation commenced (yyyy/mm/dd)
Jurisdiction

Name of firm:
Name of firm's authorized signing officer or partner
Title of firm's authorized signing officer or partner
Signature
Date (yyyy/mm/dd)

Witness

The witness must be a lawyer, notary public or commissioner of oaths.

Name of witness
Title of witness
Signature
Date (yyyy/mm/dd)

This form is to be submitted through the Ontario Securities Commission's Electronic Filing Portal:

https://www.osc.gov.on.ca/filings

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Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Reasons

3.1.1 Dennis Wing – ss. 127, 127.1

IN THE MATTER OF
DENNIS WING

ORAL REASONS FOR APPROVAL OF A SETTLEMENT
(Sections 127 and 127.1 of the *Securities Act*, RSO 1990, c S.5)

Citation: *Dennis Wing (Re)*, 2018 ONSEC 25
Date: 2018-05-24

Hearing:	May 24, 2018	
Reasons:	May 24, 2018	
Panel:	Philip Anisman	Commissioner
Appearances:	Matthew H. Britton	For Staff of the Ontario Securities Commission
	David Barbaree	For Dennis Wing

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.

I. INTRODUCTION

[1] In furtherance of its mandate to protect investors and the integrity of the securities market,[1] the Ontario Securities Commission has been granted authority to impose a wide array of sanctions[2] to prevent conduct that is contrary to securities law or the public interest.[3] The dominant goal of these sanctions is thus deterrence, both specific and general.[4] Non-compliance with Commission orders undermines this goal by diminishing their general deterrent effect and erodes confidence in the regulatory process and the securities market.[5]

[2] The seriousness of such non-compliance is reflected in the fact that Commission orders are "Ontario securities law",[6] a failure to comply with which is subject to prosecution and a fine of up to $5,000,000, imprisonment for up to five years, or both.[7]

[3] This hearing was convened to obtain approval of a settlement agreement (the **Settlement Agreement**) between enforcement staff of the Commission (**Staff**) and the respondent, Dennis Wing (**Wing**). As stated in the Settlement Agreement, Wing was subject to an order of the Commission dated June 24, 2015 that prohibited him permanently from trading in securities and otherwise participating in the securities market, ordered that he be reprimanded and imposed administrative penalties and costs totalling $2,570,916.[8] Approximately two months later, Wing sold securities from his account in order to obtain funds to repay a personal debt. In December, 2016, he made a proposal to his

1 *Securities Act*, RSO 1990, c S.5, s 1.1 (the **Act**).

2 Act, s 127(1); *Quadrexx (Re)* (2018), 41 OSCB 1023, 2018 ONSEC 3 at paras 16-18.

3 *Committee for the Equal Treatment of Asbestos Minority Shareholders v Ontario (Securities Commission)*, 2001 SCC 37 at paras 39-45.

4 *Cartaway Resources Corp. (Re),* 2004 SCC 26.

5 *Duic (Re)* (2008), 31 OSCB 9531, 2008 ONSEC 20 at para 50 (***Duic***); *Cadman (Re)*, 2015 ABASC 836 at para 26 (***Cadman***); *Spaetgens (Re)*, 2017 ABASC 38 at para 27 (***Spaetgens***); *Malone (Re)*, 2016 BCSECCOM 334, para 7 (***Malone***).

6 Act, s 1(1): "Ontario securities law" (the Act, the regulations and "in respect of a person or company, a decision of the Commission or a Director to which the person or company is subject").

7 Act, s 122(1).

8 Settlement Agreement at para 6; *Agueci* (*Re)* (2015), 38 OSCB 5967, Order at para 2.

creditors, which resulted in an assignment in bankruptcy in July, 2017.[9] Despite his bankruptcy, Wing has agreed in the Settlement Agreement to a further administrative penalty of $120,000, costs of $5,000 and the imposition of a second reprimand.

II. STANDARD FOR APPROVAL

[4] The Commission has long applied a standard of reasonableness when considering approval of a settlement,[10] reflecting that settlements involve compromise on the facts and sanctions agreed to by the parties and permit the early resolution of proceedings, thus reducing costs, allowing more efficient use of the Commission's resources and enhancing the Commission's enforcement capacity.[11] In this case, for example, the settlement involves an innovative compromise to resolve whether the agreed monetary penalty will be treated as a claim in Wing's bankruptcy or paid separately to the Commission[12] and will make four days of hearing unnecessary.[13]

[5] A settlement will be approved, if the sanctions agreed to are within a reasonable range of appropriateness, taking into account the settlement process and its benefits, even though the Commission might have imposed other sanctions had the same facts been found after a hearing on the merits.[14] This standard reflects the Commission's responsibility to make an order that is fair and reasonable based on its determination of the public interest.[15]

[6] It has been suggested that the standard recently adopted by the Supreme Court of Canada with respect to joint sentencing submissions in criminal proceedings may be applicable to Commission approval of settlements.[16] In its *Anthony-Cook* decision, the Supreme Court rejected a reasonableness test like the Commission's and expressly adopted a "more stringent" standard.[17] It expressed the standard for rejection of a joint sentence submission as "whether the proposed sentence would bring the administration of justice into disrepute", that is, whether it is "so unhinged from the circumstances of the offence and the offender that its acceptance would lead reasonable and informed persons, aware of all the relevant circumstances, including the importance of promoting certainty in resolution discussions, to believe that the proper functioning of the justice system had broken down."[18]

[7] The relevance of the standard in *Anthony-Cook* has not been considered in a Commission decision, but it has been addressed in the securities regulatory context by hearing panels of the Investment Industry Regulatory Organization of Canada (**IIROC**). Although the traditional standard for acceptance of a settlement by an IIROC hearing panel is essentially the same as the Commission's,[19] a few decisions have applied *Anthony-Cook*.[20] Other decisions have rejected *Anthony-Cook* as not appropriate in the self-regulatory context, concluding that it "seems wise to stick with the *Milewski* test, which has stood the test of time".[21]

[8] The reasoning of the decisions that reject the standard in *Anthony-Cook* reflects the contextual and other differences between the securities regulatory and criminal processes. As stated in *Jacob*:

> The Supreme Court of Canada was trying to solve a serious and difficult problem of congested courts and unreasonable delay in the criminal justice system, which can and does result in the dismissal of charges under the *Charter of Rights and Freedoms*. The issue has proven to be hard to solve legislatively or administratively, in part because of the many participants in various levels of government that have an interest in the process. The Supreme Court's recent case of *R v. Jordan* 2016 SCC 27, dealing with time limits for trials, can be seen as a companion attempt to deal effectively with the issue of congestion and delay in the criminal justice system in Canada.[22]

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9 Settlement Agreement at paras 10-23.

10 *Koonar (Re)* (2002), 25 OSCB 2691, 2002 LNONOSC 249.

11 *Electrovaya Inc. (Re)* (2017), 40 OSCB 5795, 2017 ONSEC 25 at para 4 (***Electrovaya***).

12 Settlement Agreement at para 27.

13 *Wing (Re)* (2018), 41 OSCB 3241 (Order).

14 *Sentry Investments Inc. (Re)* (2017), 40 OSCB 3435, 2017 ONSEC 7 at paras 5-7 (***Sentry***); *Electrovaya* at para 5.

15 *Electrovaya* at para 8.

16 See *R v Anthony-Cook*, 2016 SCC 43 (***Anthony-Cook***); see also *Nadal (Re)* (2018), 41 OSCB 1863, 2018 ONSEC 9 at paras 19 and 33-35 (***Nadal***).

17 *Anthony-Cook* at paras 30-31.

18 *Anthony-Cook* at paras 5, 32 and 34.

19 See *Milewski (Re)*, [1999] IDACD No 17; *Dykeman (Re)*, 2017 IIROC 49 at paras 15-18.

20 *Cavalaris (Re)*, 2017 IIROC 04 at paras 15-20 (adopting *Anthony-Cook* standard); *Laurentian Bank Securities (Re)*, 2017 IIROC 38 at paras 10-11 and 38-39 (applying *Anthony-Cook* standard); *Scotia Capital Inc. (Re)*, 2017 IIROC 48 at paras 7-12 (*Milewski* and *Anthony-Cook* "so close as to be in substance identical").

21 See *Jacob (Re)*, 2017 IIROC 17 at paras 20-30 (***Jacob***); *St-John (Re)*, 2018 IIROC 04 at paras 25-30 (***St-John***); see also *Ho (Re)*, 2018 MFDA, File No 2017120 at paras 24-26 (***Ho***).

22 *Jacob* at para 28; see also *St-John* at para 29; *Ho* at para 26.

[9] These difficulties have not been evident in the securities regulatory process, in which the standard that has consistently been applied and the concomitant possibility that a settlement may be rejected encourage Staff and other parties to craft reasonable settlements.[23]

[10] The conclusion in *Re Jacob* is particularly apt in the context of the Commission's process. Settlements of Commission enforcement proceedings require approval by the Commission, as highlighted in OSC Staff Notice 15-702 – *Revised Credit for Cooperation Program*.[24] As approval of a settlement is granted under authority implicit in section 127 of the Act,[25] it must be based on a determination by the Commission that the settlement is in the public interest.[26] This requires a less reticent review of a settlement agreement than *Anthony-Cook* suggests and informs the approval process adopted by the Commission to facilitate settlement of Commission proceedings by limiting the adverse effects of a public rejection.[27]

[11] The Commission's rules of procedure require a settlement to be considered by a panel of commissioners in a confidential settlement conference before a public approval hearing may be convened.[28] In the course of reviewing a proposed settlement in a settlement conference, a panel may identify public interest concerns that would lead it to question a settlement and adjourn to permit the parties to address them and amend the settlement agreement, if they so agree.[29] On occasion, more than one settlement conference may be held.[30] If the Commission ultimately concludes that the terms of a proposed settlement agreement are not within a reasonable range of appropriateness, a settlement approval hearing is not convened. The Commission's public interest mandate and its settlement process thus contemplate a standard that permits it to address proposed settlements in light of its regulatory responsibilities.

[12] For these reasons, the Commission's traditional reasonableness standard for approving a settlement agreement is more appropriate in the context of the Commission's process and was applied in this case.

III. THE SETTLEMENT AGREEMENT

[13] Approval of the Settlement Agreement and making the agreed order are in the public interest.

[14] In contravening the Commission's earlier order, Wing engaged in serious, prohibited conduct. No mitigating factors are identified in the Settlement Agreement. He has agreed to pay an administrative penalty of $120,000 and costs of $5,000. Sanctions for similar conduct in prior decisions of the Commission and other securities commissions include monetary penalties and costs ranging from $40,000 to approximately $125,000; most of these decisions also impose extensions of market prohibitions for longer periods than those imposed by the earlier order that was contravened.[31]

[15] Such complementary sanctions are not available in this case, as the order Wing contravened permanently prohibits his trading in securities. Although this and the other permanent prohibitions of his participation in the securities market continue, they cannot be extended. Thus, the only effective sanction available to the Commission under section 127 is an administrative penalty. The closest Ontario precedent differs from this Settlement Agreement in view of the fact that the respondent in it relied on legal advice that he misunderstood and he self-reported his contravention when he realized his error.[32]

[16] The penalty and costs agreed to in the Settlement Agreement are therefore within a reasonable range of appropriate sanctions. They make clear the importance of compliance with Commission orders, are sufficient to deter Wing from future contraventions and are likely, as well, to deter others who might consider engaging in similar conduct.

[17] The deterrent effect of these sanctions is reinforced by other provisions of the Settlement Agreement. The Settlement Agreement provides that if Wing fails to comply with the agreed order, Staff will be entitled to bring proceedings against

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23 See also, e.g., *Jacob* at para 26.

24 (2014), 37 OSCB 2583, para 19 (approval of settlement agreements "will be subject to the adjudicative discretion of an independent Commission hearing panel").

25 C*f. Eco Oro Minerals Corp. (Re)* (2017), 40 OSCB 5321, 2017 ONSEC 23 at paras 238-273; see also *AIC Ltd. v Fischer*, 2013 SCC 69 at para 54 ("no question … OSC had jurisdiction to approve the settlement agreement").

26 See, e.g., *Electrovaya* at para 8.

27 See, e.g., *M.C.J.C. Holdings Inc. (Re)* (2002), 25 OSCB 1133 (rejection); *M.C.J.C. Holdings Inc.* (2003), 26 OSCB 8206 (approval).

28 *Ontario Securities Commission Rules of Procedure and Forms* (2017), 40 OSCB 8988 (**OSC Rules**), r 32. This process is described in *Nadal* at paras 23-24.

29 See *Techocan International Co. Ltd. (Re)* (2017), 40 OSCB 10123, 2017 ONSEC 44 at para 52.

30 See, e.g., *Sentry* at para 20; *Electrovaya* at para 16.

31 See, e.g., *Duic* ($40,000); *Cadman* ($122,500, plus extended bans); *Spaetgens* ($105,000, plus extended bans); *Malone* ($60,000, plus extended bans); *Jardine (Re)*, 2016 BCSECCOM 82 ($40,000, plus extended bans).

32 See *Duic* at paras 12, 14, 19 and 55-59.

him on the basis of his contravention of both the earlier order and the current one.[33] This leaves open to Staff any proceedings they think necessary and appropriate in the circumstances, including a prosecution under section 122 of the Act.[34] Wing's acknowledgement of this potential is also relevant to the reasonableness of the Settlement Agreement.

[18] Wing's agreement to receive a second reprimand is significant, as well. Although a reprimand may be a less onerous sanction than a monetary penalty or a prohibition against trading, his agreement to it indicates his recognition of the impropriety of his selling shares when he was subject to a cease trade order and his acceptance of his responsibility to comply with both the order to be issued today and the prior order, which continues in effect.[35] It, too, contributes to the reasonableness of the settlement.

[19] For these reasons, I shall issue an order today substantially in the form agreed to in the Settlement Agreement.

[20] Mr. Wing is present by video. Mr. Wing, will you please stand. You may consider yourself reprimanded.

[21] Before concluding this hearing, I wish to thank counsel for both parties for their efforts in achieving this settlement and for their helpful submissions in the settlement conference and this hearing.

Dated at Toronto this 24th day of May, 2018.

"Philip Anisman"

33 Settlement Agreement at paras 29-31.

34 See, e.g., *Ontario Securities Commission v DaSilva* (2017), 139 OR (3d) 598, 2017 ONSC 4576.

35 See, e.g., *Hutchinson (Re)* (2018), 41 OSCB 3841, 2018 ONSEC 22 at para 11.

3.1.2 Global RESP Corporation – ss. 127, 127.1

IN THE MATTER OF
GLOBAL RESP CORPORATION

ORAL REASONS FOR APPROVAL OF A SETTLEMENT
(Sections 127 and 127.1 of the *Securities Act*, RSO 1990, c S.5)

Citation: *Global RESP Corporation (Re)*, 2018 ONSEC 26
Date: 2018-05-25

Hearing:	May 25, 2018	
Decision:	May 25, 2018	
Panel:	Timothy Moseley	Vice-Chair and Chair of the Panel
	William Furlong	Commissioner
	Deborah Leckman	Commissioner
Appearances:	Derek Ferris	For Staff of the Commission
	Kevin Richard	For Global RESP Corporation

REASONS AND DECISION

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] In 2014, the Commission approved the settlement of an enforcement proceeding against Global RESP Corporation, a firm registered with the Commission as a scholarship plan dealer. Among other things, the settlement prohibited Global RESP's CEO, Ultimate Designated Person, and controlling shareholder, Mr. Issam El-Bouji, from continuing to be an officer of Global RESP.

[2] Today's hearing arises because Staff alleged that Global RESP failed to implement policies and procedures designed to provide reasonable assurance that the firm would comply with the 2014 settlement. Staff and Global RESP have entered into a settlement agreement to resolve these new allegations, and they have submitted jointly that it would be in the public interest for us to approve this settlement. We agree. We reach that conclusion for the following reasons.

[3] The 2014 settlement addressed Global RESP's numerous breaches of Ontario securities law, relating principally to the firm's failure to have an adequate compliance system. As a result of the settlement, Mr. Bouji was permanently suspended as the firm's UDP, was permanently prohibited from being a UDP or Chief Compliance Officer of any registrant, and was prohibited for nine years from being a director or officer of any registrant, including Global RESP.

[4] The firm itself was required to create and permanently maintain an independent board of directors comprising a majority of at least two independent external directors, who must be approved by a Manager in the Commission's Compliance and Registrant Regulation Branch.

[5] The Commission's order imposing all of those agreed-upon terms is part of Ontario securities law, as that term is defined in the *Securities Act*.[1]

[6] However, despite the prohibition against Mr. Bouji acting as an officer of Global RESP, the firm failed to implement any policies or procedures designed to ensure that it complied with that restriction. For several years after the settlement, Mr. Bouji was directly involved, at a senior level, in the management of the firm. The details of his involvement are set out in the settlement agreement before us today, and have been referred to in submissions by Staff counsel. We need not review them in these reasons. It is sufficient to highlight, as the firm has admitted, that Mr. Bouji was acting as an officer, and that the firm permitted him to do so.

[7] The proposed settlement between Staff and Global RESP calls for various terms and conditions to be imposed on the firm's registration, as well as the payment of an administrative penalty of $50,000, and costs of $25,000, and a reprimand.

[1] RSO 1990, c S.5.

[8] The terms and conditions, which have been referred to by Staff counsel, set out explicit and detailed limitations on the relationship between the firm and Mr. Bouji. The parties have designed the terms and conditions so as to remove Mr. Bouji from the operations and management of the firm, while at the same time acknowledging his legal rights as the controlling shareholder.

[9] While the terms of the settlement have been agreed to by the parties, we must decide whether the agreement should be approved. In making that decision, we recognize that the agreement is the product of negotiation between Staff and Global RESP, both ably represented by counsel. The Commission respects the negotiation process and accords significant deference to the resolution reached by the parties. Our role is to determine whether the negotiated result falls within a range of reasonable outcomes, and whether it would be in the public interest to order the agreed-upon sanctions.

[10] In coming to our conclusion, we have taken account of the fact that approval of this settlement would resolve the matter promptly, efficiently and with certainty. A settlement avoids the expenditure of significant resources that would be associated with a contested proceeding.

[11] As indicated, we have decided to approve this settlement. But we do so reluctantly. Global RESP has shown no commitment to complying with the 2014 settlement. It failed to take its responsibility seriously, even in the face of Staff's continuing concerns, and even in the face of a Commission decision in a related matter,[2] which decision expressly noted the firm's failure to respond appropriately. It is difficult for us to be confident that this time, Global RESP will comply with the Commission's order.

[12] The reality is that this settlement provides no such guarantee. However, we recognize that the sanctions available in subsection 127(1) of the *Securities Act* do not lend themselves to that certainty, so long as Global RESP remains a registrant. In our view, given those limitations, and when viewed against the factual background, the terms agreed to by the parties do fall within a range of reasonable outcomes.

[13] In addition to the terms and conditions on registration, the administrative penalty, and the payment of costs, the settlement calls for a reprimand. The value of a reprimand varies from case to case. In the circumstances of this case, the reprimand is of critical importance. Specific deterrence is central to this settlement, so we want to ensure that Global RESP clearly understands our message.

[14] We direct the following comments to the firm's representative, Mr. Manickaraj, the acting UDP and CEO. You have heard our comments regarding this settlement and regarding our reluctance to approve it. You have heard about our lack of confidence in the firm's commitment to compliance.

[15] We appreciate the fact that the membership of the board of directors has recently changed, and that you are in an acting role. You do not bear personal responsibility for Global RESP's past misconduct. However, you and the firm share the responsibility to ensure that Global RESP adheres to the terms of this settlement scrupulously, comprehensively and sustainably, and it is essential that this message be conveyed by you to the new UDP and CEO.

[16] This Commission has often said that registration is a privilege, not a right. Global RESP must consistently abide by the rules, or its participation in the capital markets may be in jeopardy.

[17] With those comments in mind, and for all of the reasons I have described, we find that it is in the public interest to approve the settlement and to issue an order that incorporates the agreed-upon terms.

Dated at Toronto this 25th day of May, 2018.

"Timothy Moseley"

"William Furlong"

"Deborah Leckman"

[2] *Bouji (Re)* (2017), 40 OSCB 8845, 2017 ONSEC 38.

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
Imaging Dynamics Company Ltd.	04 May 2018	22 May 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
Agility Health, Inc.	01 May 2018	
Katanga Mining Limited	15 August 2017	
Sage Gold Inc.	01 May 2018	

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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:
Mackenzie Emerging Markets Class
Principal Regulator – Ontario
Type and Date:
Amendment #4 to Final Simplified Prospectus dated May 18, 2018
Received on May 22, 2018
Offering Price and Description:
–
Underwriter(s) or Distributor(s):
Quadrus Investment Services Ltd.
Quadrus Investment Services Inc.
Promoter(s):
Mackenzie Financial Corporation
Project #2621242

Issuer Name:
Allegro Balanced Growth Portfolio
Allegro Balanced Portfolio
Allegro Growth Portfolio
Allegro Income Balanced Portfolio
Allegro Income Portfolio
Alto Monthly Income and Enhanced Growth Portfolio
Alto Monthly Income and Global Growth Portfolio
Alto Monthly Income and Growth Portfolio
Alto Monthly Income Portfolio
IG AGF Global Equity Fund
IG AGF U.S. Growth Fund
IG Beutel Goodman Canadian Balanced Fund
IG Beutel Goodman Canadian Equity Fund
IG Beutel Goodman Canadian Small Cap Fund
IG CI Canadian Balanced Fund
IG FI Canadian Equity Fund
IG FI U.S. Large Cap Equity Fund
IG Fiera Canadian Small Cap Fund (Formerly IG AGF Canadian Diversified Growth Fund)
IG Franklin Bissett Canadian Equity Fund
IG Mackenzie Canadian Equity Growth Fund
IG Mackenzie Cundill Global Value Fund
IG Mackenzie Dividend Growth Fund
IG Mackenzie Floating Rate Income Fund
IG Mackenzie Income Fund
IG Mackenzie Ivy Canadian Balanced Fund
IG Mackenzie Ivy European Fund
IG Mackenzie Strategic Income Fund
IG Putnam Emerging Markets Income Fund
IG Putnam Low Volatility U.S. Equity Fund
IG Putnam U.S. Growth Fund
IG Putnam U.S. High Yield Income Fund
Investors Canadian Bond Fund
Investors Canadian Corporate Bond Fund
Investors Canadian Equity Fund
Investors Canadian Equity Income Fund
Investors Canadian Growth Fund
Investors Canadian High Yield Income Fund
Investors Canadian Large Cap Value Fund
Investors Canadian Money Market Fund
Investors Canadian Natural Resource Fund
Investors Canadian Small Cap Fund
Investors Canadian Small Cap Growth Fund
Investors Core U.S. Equity Fund
Investors Cornerstone I Portfolio
Investors Cornerstone II Portfolio
Investors Cornerstone III Portfolio
Investors Dividend Fund
Investors European Equity Fund
Investors European Mid-Cap Equity Fund
Investors Fixed Income Flex Portfolio
Investors Global Bond Fund
Investors Global Dividend Fund

Investors Global Financial Services Fund
Investors Global Fixed Income Flex Portfolio
Investors Global Fund
Investors Global Real Estate Fund
Investors Global Science & Technology Fund
Investors Growth Plus Portfolio
Investors Growth Portfolio
Investors Income Plus Portfolio
Investors Low Volatility Canadian Equity Fund
Investors Low Volatility Global Equity Fund
Investors Mortgage and Short Term Income Fund
Investors Mutual of Canada
Investors North American Equity Fund
Investors Pacific International Fund
Investors Pan Asian Equity Fund
Investors Quebec Enterprise Fund
Investors Retirement Growth Portfolio
Investors Retirement Plus Portfolio
Investors Summa SRI Fund
Investors U.S. Dividend Growth Fund
Investors U.S. Dividend Registered Fund
Investors U.S. Large Cap Value Fund
Investors U.S. Money Market Fund
Investors U.S. Opportunities Fund
Maestro Balanced Portfolio
Maestro Growth Focused Portfolio
Maestro Income Balanced Portfolio
Principal Regulator – Manitoba
Type and Date:
Combined Preliminary and Pro Forma Simplified Prospectus dated May 25, 2018
NP 11-202 Preliminary Receipt dated May 28, 2018
Offering Price and Description:
–
Underwriter(s) or Distributor(s):
Investors Group Securities Inc.
Investors Group Financial Services Inc.
Investors Group Financial Inc.
Promoter(s):
I.G. Investment Management, Ltd.
Project #2776318

Issuer Name:
Australian Banc Income Fund
Redwood Floating Rate Income Fund
Principal Regulator – Ontario
Type and Date:
Amended and Restated to Preliminary Simplified Prospectus dated May 28, 2018
Received on May 28, 2018
Offering Price and Description:
–
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
Purpose Investments Inc.
Project #2774041

Issuer Name:
Bank of Montreal
Principal Regulator – Ontario
Type and Date:
Preliminary Shelf Prospectus (NI 44-102) dated May 23, 2018
NP 11-202 Preliminary Receipt dated May 24, 2018
Offering Price and Description:
$6,000,000,000.00
Medium Term Notes (Principal At Risk Notes)
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
Desjardins Securities Inc.
HSBC Securities (Canada) Inc.
Industrial Alliance Securities Inc.
Manulife Securities Incorporated
Raymond James Ltd.
Wellington-Altus Private Wealth Inc.
Promoter(s):
N/A
Project #2775434

Issuer Name:
BlueBay $U.S. Global Convertible Bond Fund (Canada)
BlueBay Emerging Markets Bond Fund (Canada)
BlueBay Emerging Markets Corporate Bond Fund
BlueBay Emerging Markets Local Currency Bond Fund (Canada)
BlueBay European High Yield Bond Fund (Canada)
BlueBay Global Convertible Bond Fund (Canada)
BlueBay Global Investment Grade Corporate Bond Fund (Canada)
BlueBay Global Monthly Income Bond Fund
BlueBay Global Sovereign Bond Fund (Canada)
RBC $U.S. High Yield Bond Fund
RBC $U.S. Investment Grade Corporate Bond Fund
RBC $U.S. Money Market Fund
RBC $U.S. Short-Term Corporate Bond Fund
RBC $U.S. Strategic Income Bond Fund
RBC Asia Pacific ex-Japan Equity Fund
RBC Asian Equity Fund
RBC Balanced Fund
RBC Balanced Growth & Income Fund
RBC Bond Fund
RBC Canadian Bond Index Fund (formerly, RBC Advisor Canadian Bond Fund)
RBC Canadian Dividend Fund
RBC Canadian Equity Fund
RBC Canadian Equity Income Fund
RBC Canadian Government Bond Index Fund
RBC Canadian Index Fund
RBC Canadian Money Market Fund
RBC Canadian Short-Term Income Fund
RBC Canadian Small & Mid-Cap Resources Fund
RBC Canadian T-Bill Fund
RBC Conservative Bond Pool
RBC Conservative Growth & Income Fund
RBC Core Bond Pool
RBC Core Plus Bond Pool
RBC Emerging Markets Bond Fund
RBC Emerging Markets Bond Fund (CAD Hedged)
RBC Emerging Markets Dividend Fund
RBC Emerging Markets Equity Fund
RBC Emerging Markets Foreign Exchange Fund
RBC Emerging Markets Multi-Strategy Equity Fund
RBC Emerging Markets Small-Cap Equity Fund
RBC European Dividend Fund
RBC European Equity Fund
RBC European Mid-Cap Equity Fund
RBC Global Balanced Fund
RBC Global Bond & Currency Fund
RBC Global Bond Fund
RBC Global Corporate Bond Fund
RBC Global Dividend Growth Currency Neutral Fund
RBC Global Dividend Growth Fund
RBC Global Energy Fund
RBC Global Equity Focus Currency Neutral Fund
RBC Global Equity Focus Fund
RBC Global Equity Fund
RBC Global Growth & Income Fund
RBC Global High Yield Bond Fund
RBC Global Precious Metals Fund
RBC Global Resources Fund
RBC Global Technology Fund
RBC High Yield Bond Fund
RBC International Dividend Growth Fund
RBC International Equity Currency Neutral Fund
RBC International Equity Fund
RBC International Index Currency Neutral Fund
RBC Japanese Equity Fund
RBC Life Science and Technology Fund
RBC Managed Payout Solution
RBC Managed Payout Solution – Enhanced
RBC Managed Payout Solution – Enhanced Plus
RBC Monthly Income Bond Fund
RBC Monthly Income Fund
RBC North American Growth Fund
RBC North American Value Fund
RBC O'Shaughnessy All-Canadian Equity Fund
RBC O'Shaughnessy Canadian Equity Fund
RBC O'Shaughnessy Global Equity Fund
RBC O'Shaughnessy International Equity Fund
RBC O'Shaughnessy U.S. Growth Fund
RBC O'Shaughnessy U.S. Growth Fund II
RBC O'Shaughnessy U.S. Value Fund
RBC O'Shaughnessy U.S. Value Fund (Unhedged)
RBC Premium $U.S. Money Market Fund
RBC Premium Money Market Fund
RBC Private Canadian Corporate Bond Pool
RBC Private Canadian Dividend Pool
RBC Private Canadian Equity Pool
RBC Private Canadian Growth and Income Equity Pool
RBC Private Canadian Growth Equity Pool
RBC Private Canadian Mid-Cap Equity Pool
RBC Private EAFE Equity Pool
RBC Private Income Pool
RBC Private Overseas Equity Pool
RBC Private Short-Term Income Pool
RBC Private U.S. Growth Equity Pool
RBC Private U.S. Large-Cap Core Equity Currency Neutral Pool
RBC Private U.S. Large-Cap Core Equity Pool
RBC Private U.S. Large-Cap Value Equity Currency Neutral Pool
RBC Private U.S. Large-Cap Value Equity Pool
RBC Private U.S. Small-Cap Equity Pool
RBC Private World Equity Pool
RBC QUBE All Country World Equity Fund
RBC QUBE Canadian Equity Fund
RBC QUBE Global Equity Fund
RBC QUBE Low Volatility All Country World Equity Fund
RBC QUBE Low Volatility Canadian Equity Fund
RBC QUBE Low Volatility Global Equity Currency Neutral Fund
RBC QUBE Low Volatility Global Equity Fund
RBC QUBE Low Volatility U.S. Equity Currency Neutral Fund
RBC QUBE Low Volatility U.S. Equity Fund
RBC QUBE U.S. Equity Fund
RBC Retirement 2020 Portfolio
RBC Retirement 2025 Portfolio
RBC Retirement 2030 Portfolio
RBC Retirement 2035 Portfolio
RBC Retirement 2040 Portfolio
RBC Retirement 2045 Portfolio
RBC Retirement 2050 Portfolio
RBC Retirement Income Solution
RBC Select Aggressive Growth Portfolio

RBC Select Balanced Portfolio
RBC Select Choices Aggressive Growth Portfolio
RBC Select Choices Balanced Portfolio
RBC Select Choices Conservative Portfolio
RBC Select Choices Growth Portfolio
RBC Select Conservative Portfolio
RBC Select Growth Portfolio
RBC Select Very Conservative Portfolio
RBC Strategic Income Bond Fund (formerly, RBC Monthly Income High Yield Bond Fund)
RBC Target 2020 Education Fund
RBC Target 2025 Education Fund
RBC Target 2030 Education Fund
RBC Target 2035 Education Fund
RBC Trend Canadian Equity Fund
RBC U.S. Dividend Currency Neutral Fund
RBC U.S. Dividend Fund
RBC U.S. Equity Currency Neutral Fund
RBC U.S. Equity Fund
RBC U.S. Equity Value Fund
RBC U.S. Index Currency Neutral Fund
RBC U.S. Index Fund
RBC U.S. Mid-Cap Growth Equity Currency Neutral Fund
RBC U.S. Mid-Cap Growth Equity Fund
RBC U.S. Mid-Cap Value Equity Fund
RBC U.S. Monthly Income Fund (formerly, RBC $U.S. Income Fund)
RBC U.S. Small-Cap Core Equity Fund
RBC U.S. Small-Cap Value Equity Fund
RBC Vision Balanced Fund (formerly, RBC Jantzi Balanced Fund)
RBC Vision Bond Fund (formerly, PH&N Community Values Bond Fund)
RBC Vision Canadian Equity Fund (formerly, RBC Jantzi Canadian Equity Fund)
RBC Vision Fossil Fuel Free Global Equity Fund
RBC Vision Global Equity Fund (formerly, RBC Jantzi Global Equity Fund)
Principal Regulator – Ontario
Type and Date:
Combined Preliminary and Pro Forma Simplified Prospectus dated May 17, 2018
NP 11-202 Preliminary Receipt dated May 23, 2018
Offering Price and Description:
Series A, Advisor Series, Series D, Series F and Series O units
Underwriter(s) or Distributor(s):
RBC Global Asset Management Inc. (other than Series A)
Royal Mutual Funds Inc. (Series A)
Royal Mutual Funds Inc./RBC Direct Investing Inc.
The Royal Trust Company
RBC Dominion Securities Inc.
Phillips, Hager & North Investment Funds Ltd.
Promoter(s):
RBC Global Asset Management Inc. (other than Series A)
Project #2774740

Issuer Name:
Bristol Gate Concentrated Canadian Equity ETF
Bristol Gate Concentrated US Equity ETF
Principal Regulator – Ontario
Type and Date:
Amendment #1 to Final Long Form Prospectus dated May 22, 2018
Received on May 22, 2018
Offering Price and Description:
–
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
Bristol Gate Capital Partners Inc.
Project #2715755

Issuer Name:
Dividend 15 Split Corp.
Principal Regulator – Ontario
Type and Date:
Preliminary Shelf Prospectus (NI 44-102) dated May 25, 2018
NP 11-202 Preliminary Receipt dated May 28, 2018
Offering Price and Description:
Offerings: $300,000,000 Preferred Shares and Class A Shares
Price: $10.19 per Preferred Shares and $10.57 per Class A Shares
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #2776515

Issuer Name:
Financial 15 Split Corp.
Principal Regulator – Ontario
Type and Date:
Amendment #1 to Final Shelf Prospectus (NI 44-102) dated May 25, 2018
Received on May 25, 2018
Offering Price and Description:
–
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #2679500

Issuer Name:
First Trust Global Risk Managed Income Index ETF
Principal Regulator – Ontario
Type and Date:
Amendment #2 to Final Long Form Prospectus dated May 23, 2018
Received on May 23, 2018
Offering Price and Description:
Advisor Class Units and Common Units
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
FT Portfolios Canada CO.
Project #2623461

Issuer Name:
Invesco Advantage Bond Fund
Invesco Canadian Bond Fund
Invesco Canadian Bond Class
Invesco Global Bond Fund
Invesco Short-term Bond Fund
Powershares 1-5 Year Laddered Corporate Bond Index Fund
Powershares Canadian Dividend Index Class
Powershares Canadian Preferred Share Index Class
Powershares FTSE RAFI® Canadian Fundamental Index Class
Principal Regulator – Ontario
Type and Date:
Amendment #4 to Final Simplified Prospectus dated May 25, 2018 and Amendment #5 to AIF dated May 25, 2018
Received on May 28, 2018
Offering Price and Description:
–
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
Invesco Canada Ltd.
Project #2636650

Issuer Name:
Mackenzie Income Fund
Mackenzie Global Small Cap Class
Mackenzie Ivy International Class
Mackenzie Cundill Canadian Security Class
Mackenzie Global Strategic Income Fund
Mackenzie Ivy Foreign Equity Currency Neutral Class
Mackenzie Canadian All Cap Dividend Class
Mackenzie Strategic Bond Fund
Mackenzie North American Corporate Bond Fund
Mackenzie Floating Rate Income Fund
Mackenzie Global Tactical Bond Fund
Mackenzie Cundill Value Class
Mackenzie USD Global Strategic Income Fund
Mackenzie Private Canadian Focused Equity Pool
Mackenzie Private Income Balanced Pool
Mackenzie Private Global Conservative Income Balanced Pool
Mackenzie Private Global Equity Pool
Mackenzie Private Global Fixed Income Pool
Mackenzie Private Global Income Balanced Pool
Mackenzie Private US Equity Pool
21.Mackenzie Cundill Canadian Balanced Fund
Mackenzie Cundill US Class
Mackenzie Cundill Value Fund
Mackenzie Ivy Canadian Balanced Class
Mackenzie Ivy Canadian Balanced Fund
Mackenzie Ivy Canadian Fund
Mackenzie Ivy Foreign Equity Fund
Mackenzie Ivy Foreign Equity Class
Mackenzie Ivy Global Balanced Class
Mackenzie Ivy Global Balanced Fund
Symmetry Balanced Portfolio Class
Symmetry Conservative Income Portfolio Class
Symmetry Conservative Portfolio Class
Symmetry Growth Portfolio Class
Symmetry Moderate Growth Portfolio Class*
Mackenzie Ivy International Fund
Mackenzie Canadian Growth Balanced Class*
Mackenzie Canadian Growth Fund
Mackenzie Canadian Growth Class*
Mackenzie US Growth Class*
Mackenzie Canadian All Cap Balanced Fund
Mackenzie Ivy International Equity Fund
Mackenzie Emerging Markets Class*
Mackenzie Emerging Markets Opportunities Class*
Principal Regulator – Ontario
Type and Date:
Amendment #2 to Final Simplified Prospectus dated May 18, 2018
Received on May 22, 2018
Offering Price and Description:
–
Underwriter(s) or Distributor(s):
Quadrus Investment Services Ltd.
LBC Financial Services Inc.
Promoter(s):
Mackenzie Financial Corporation
Project #2656987

Issuer Name:
Multi-Asset Fixed Income (formerly Russell Multi-Asset Fixed Income)
Multi-Asset Fixed Income Class (formerly Russell Multi-Asset Fixed Income Class)
Multi-Asset Growth & Income Strategy (formerly Multi-Asset Growth & Income)
Multi-Asset Growth & Income Strategy Class (formerly Multi-Asset Growth & Income Class)
Multi-Asset Growth Strategy (formerly Russell Multi-Asset Growth Strategy)
Multi-Asset Growth Strategy Class (formerly Russell Multi-Asset Growth Strategy Class Portfolio)
Multi-Asset Income Strategy (formerly LifePoints Balanced Income)
Multi-Asset Income Strategy Class (formerly LifePoints Balanced Income Class)
Multi-Asset International Equity (formerly Multi-Asset Equity Completion)
Russell Investments Balanced (formerly LifePoints Balanced)
Russell Investments Balanced Class (formerly LifePoints Balanced Class)
Russell Investments Balanced Growth (formerly LifePoints Balanced Growth)
Russell Investments Balanced Growth Class (formerly LifePoints Balanced Growth Class)
Russell Investments Canadian Cash Fund (formerly Russell Canadian Cash Fund)
Russell Investments Canadian Dividend Class (formerly Russell Canadian Dividend Class)
Russell Investments Canadian Dividend Pool (formerly Russell Canadian Dividend Pool)
Russell Investments Canadian Equity Class (formerly Russell Canadian Equity Class)
Russell Investments Canadian Equity Fund (formerly Russell Canadian Equity Fund)
Russell Investments Canadian Equity Pool (formerly Russell Canadian Equity Pool)
Russell Investments Canadian Fixed Income Fund (formelry Russell Canadian Fixed Income Fund)
Russell Investments Conservative Income (formerly Russell LifePoints Conservative Income Portfolio)
Russell Investments Conservative Income Class (formerly Russell LifePoints Conservative Income Class Portfolio)
Russell Investments Diversified Monthly Income (formerly Russell Diversified Monthly Income Portfolio)
Russell Investments Diversified Monthly Income Class (formerly Russell Diversified Monthly Income Class Portfolio)
Russell Investments Emerging Markets Equity Class (formerly Russell Emerging Markets Equity Class)
Russell Investments Emerging Markets Equity Pool (formerly Russell Emerging Markets Equity Pool)
Russell Investments ESG Global Equity Fund
Russell Investments Fixed Income Class (formerly Russell Fixed Income Class)
Russell Investments Fixed Income Pool (formerly Russell Fixed Income Pool)
Russell Investments Focused Canadian Equity Class (formerly Russell Focused Canadian Equity Class)
Russell Investments Focused Canadian Equity Pool (formerly Russell Focused Canadian Equity Pool)
Russell Investments Focused Global Equity Class (formerly Russell Focused Global Equity Class)
Russell Investments Focused Global Equity Pool (formerly Russell Focused Global Equity Pool)
Russell Investments Focused US Equity Class (formerly Russell Focused US Equity Class)
Russell Investments Focused US Equity Pool (formerly Russell Focused US Equity Pool)
Russell Investments Global Equity Class (formerly Russell Global Equity Class)
Russell Investments Global Equity Fund (formerly Russell Global Equity Fund)
Russell Investments Global Equity Pool (formerly Russell Global Equity Pool)
Russell Investments Global High Income Bond Class (formerly Russell Global High Income Bond Class)
Russell Investments Global High Income Bond Pool (formerly Russell Global High Income Bond Pool)
Russell Investments Global Infrastructure Class (formerly Russell Global Infrastrucure Class)
Russell Investments Global Infrastructure Pool (formerly Russell Global Infrastructure Pool)
Russell Investments Global Real Estate Pool (formerly Russell Global Real Estate Pool)
Russell Investments Global Smaller Companies Class (formerly Russell Global Smaller Companies Class)
Russell Investments Global Smaller Companies Pool (formerly Russell Global Smaller Companies Pool)
Russell Investments Global Unconstrained Bond Class (formerly Russell Global Unconstrained Class)
Russell Investments Global Unconstrained Bond Pool (formerly Russell Global Unconstrained Bond Pool)
Russell Investments Income Essentials (formerly Russell Income Essentials Portfolio)
Russell Investments Income Essentials Class (formerly Russell Income Essentials Class Portfolio)
Russell Investments Inflation Linked Bond Fund (formerly Russell Inflation Linked Bond Fund)
Russell Investments Long-Term Growth (formerly LifePoints Long-Term Growth)
Russell Investments Long-Term Growth Class (formerly LifePoints Long-Term Growth Class)
Russell Investments Money Market Class (formerly Russell Money Market Class)
Russell Investments Money Market Pool (formerly Russell Money Market Pool)
Russell Investments Multi-Factor Canadian Equity Pool
Russell Investments Multi-Factor International Equity Pool
Russell Investments Multi-Factor US Equity Pool
Russell Investments Overseas Equity Class (formerly Russell Overseas Equity Class)
Russell Investments Overseas Equity Fund (formerly Russell Overseas Equity Fund)
Russell Investments Overseas Equity Pool (formerly Russell Overseas Equity Pool)
Russell Investments Real Assets (formerly Russell Real Assets Portfolio)
Russell Investments Short Term Income Class (formerly Russell Short Term Income Class)
Russell Investments Short Term Income Pool (formerly Russell Short Term Income Pool)
Russell Investments US Equity Class (formerly Russell US Equity Class)

Russell Investments US Equity Fund (formerly Russell US Equity Fund)
Russell Investments US Equity Pool (formerly Russell US Equity Pool)
Principal Regulator – Ontario
Type and Date:
Combined Preliminary and Pro Forma Simplified Prospectus dated May 25, 2018
NP 11-202 Preliminary Receipt dated May 28, 2018
Offering Price and Description:
Series A, B, F, F-5, O Units
Underwriter(s) or Distributor(s):
Russell Investments Corporate Class Inc.
Russell Investments Canada Limited
Promoter(s):
Russell Investments Corporate Class Inc.
Project #2776467

Issuer Name:
North American Financial 15 Split Corp.
Principal Regulator – Ontario
Type and Date:
Preliminary Shelf Prospectus (NI 44-102) dated May 25, 2018
NP 11-202 Preliminary Receipt dated May 28, 2018
Offering Price and Description:
Offerings: $300,000,000 Preferred Shares and Class A Shares
Price: $$10.10 per Preferred Share and $8.91 per Class A Share
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #2776517

Issuer Name:
Pender Canadian Opportunities Fund
Pender Corporate Bond Fund
Pender North American Small Cap Fund
Pender Small Cap Opportunities Fund
Pender Strategic Growth and Income Fund
Pender US All Cap Equity Fund
Pender Value Fund
Principal Regulator – British Columbia
Type and Date:
Combined Preliminary and Pro Forma Simplified Prospectus dated May 23, 2018
NP 11-202 Preliminary Receipt dated May 25, 2018
Offering Price and Description:
–
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
Penderfund Capital Management Ltd.
Project #2775948

Issuer Name:
Mackenzie Emerging Markets Class
Principal Regulator – Ontario
Type and Date:
Amendment #4 to Final Simplified Prospectus dated May 18, 2018
NP 11-202 Receipt dated May 23, 2018
Offering Price and Description:
–
Underwriter(s) or Distributor(s):
Quadrus Investment Services Ltd.
Quadrus Investment Services Inc.
Promoter(s):
Mackenzie Financial Corporation
Project #2621242

Issuer Name:
Beutel Goodman American Equity Fund
Beutel Goodman Balanced Fund
Beutel Goodman Canadian Dividend Fund
Beutel Goodman Canadian Equity Fund
Beutel Goodman Core Plus Bond Fund (formerly, Beutel Goodman Corporate/Provincial Active Bond Fund)
Beutel Goodman Fundamental Canadian Equity Fund
Beutel Goodman Global Dividend Fund
Beutel Goodman Global Equity Fund
Beutel Goodman Income Fund
Beutel Goodman International Equity Fund
Beutel Goodman Long Term Bond Fund
Beutel Goodman Money Market Fund
Beutel Goodman North American Focused Equity Fund
Beutel Goodman Short Term Bond Fund
Beutel Goodman Small Cap Fund
Beutel Goodman Total World Equity Fund
Beutel Goodman World Focus Equity Fund
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated May 23, 2018
NP 11-202 Receipt dated May 24, 2018
Offering Price and Description:
Class B Units, Class D Units, Class F Units and Class I Units
Underwriter(s) or Distributor(s):
Beutel, Goodman & Company Ltd.
Promoter(s):
N/A
Project #2759556

Issuer Name:
Brompton Resource Class
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated May 25, 2018
NP 11-202 Receipt dated May 25, 2018
Offering Price and Description:
Series A, Series B and Series F shares
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #2757945

Issuer Name:
Capital Group Canadian Core Plus Fixed Income Fund (Canada)
Capital Group Canadian Focused Equity Fund (Canada)
Capital Group Emerging Markets Total Opportunities Fund (Canada)
Capital Group Global Balanced Fund (Canada)
Capital Group Global Equity Fund (Canada)
Capital Group International Equity Fund (Canada)
Capital Group U.S. Equity Fund (Canada)
Capital Group World Bond Fund (Canada)
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated May 24, 2018
NP 11-202 Receipt dated May 25, 2018
Offering Price and Description:
Series A, AH, T4, D, E, EH, F, FH, F4, I and O Units @ net asset value
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #2760771

Issuer Name:
Educators Balanced Fund
Educators Bond Fund
Educators Dividend Fund
Educators Growth Fund
Educators Money Market Fund
Educators Monitored Aggressive Portfolio
Educators Monitored Balanced Portfolio
Educators Monitored Conservative Portfolio
Educators Monitored Growth Portfolio
Educators Monthly Income Fund
Educators Mortgage & Income Fund
Educators U.S. Equity Fund
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated May 18, 2018
NP 11-202 Receipt dated May 24, 2018
Offering Price and Description:
Class A units and Class I units
Underwriter(s) or Distributor(s):
Educators Financial Group Inc.
Promoter(s):
N/A
Project #2755838

Issuer Name:
Global Dividend Growth Split Corp.
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated May 23, 2018
NP 11-202 Receipt dated May 24, 2018
Offering Price and Description:
$200,200,000 (Maximum)
Up to 9,100,000 Preferred Shares and 9,100,000 Class A Shares
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:
Horizons Absolute Return Global Currency ETF
Horizons Morningstar Hedge Fund Index ETF
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated May 22, 2018
NP 11-202 Receipt dated May 28, 2018
Offering Price and Description:
Class E Units
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #2757539

Issuer Name:
IBC Advanced Alloys Corp.
Principal Regulator – British Columbia
Type and Date:
Final Short Form Prospectus (NI 44-101) dated May 28, 2018
NP 11-202 Receipt dated May 28, 2018
Offering Price and Description:
Minimum Offering: $4,000,000.00
Maximum Offering: $6,000,000.00
Offering of up to $1,000,000 9.5% Unsecured Debenture Units and
$5,000,000.00 8.25% Unsecured Convertible Debenture Units
Underwriter(s) or Distributor(s):
Mackie Research Capital Corporation
Promoter(s):
–
Project #2742977

Issuer Name:
Scotia Strategic Canadian Equity ETF Portfolio
Scotia Strategic Fixed Income ETF Portfolio
Scotia Strategic International Equity ETF Portfolio
Scotia Strategic U.S. Equity ETF Portfolio
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated May 18, 2018
NP 11-202 Receipt dated May 23, 2018
Offering Price and Description:
units @ net asset value
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
1832 Asset Management L.P.
Project #2756550

Issuer Name:
Tradex Bond Fund
Tradex Equity Fund Limited
Tradex Global Equity Fund
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated May 17, 2018
NP 11-202 Receipt dated May 23, 2018
Offering Price and Description:
units @ net asset value
Underwriter(s) or Distributor(s):
Tradex Management Inc.
Promoter(s):
Tradex Management Inc.
Project #2756824

NON-INVESTMENT FUNDS

Issuer Name:
9 Capital Corp.
Principal Regulator – Ontario
Type and Date:
Preliminary CPC Prospectus (TSX-V) dated May 25, 2018
NP 11-202 Preliminary Receipt dated May 25, 2018
Offering Price and Description:
$0.10 per Common Share
Minimum of 3,000,000 and Maximum of 6,000,000 Common Shares
Underwriter(s) or Distributor(s):
PI Financial Corp.
Promoter(s):
Ben Cubitt
Project #2776207

Issuer Name:
Bank of Montreal
Principal Regulator – Ontario
Type and Date:
Preliminary Shelf Prospectus dated May 23, 2018
NP 11-202 Preliminary Receipt dated May 24, 2018
Offering Price and Description:
$6,000,000,000.00
Medium Term Notes (Principal At Risk Notes)
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
Desjardins Securities Inc.
HSBC Securities (Canada) Inc.
Industrial Alliance Securities Inc.
Manulife Securities Incorporated
Raymond James Ltd.
Wellington-Altus Private Wealth Inc.
Promoter(s):
–
Project #2775434

Issuer Name:
Canna 8 Investment Trust
Principal Regulator – Ontario
Type and Date:
Preliminary CPC Prospectus (TSX-V) dated May 23, 2018
NP 11-202 Preliminary Receipt dated May 24, 2018
Offering Price and Description:
$600,000.00 – 6,000,000 Trust Units
Price: $0.10 per Trust Unit
Underwriter(s) or Distributor(s):
Canaccord Genuity Corp.
Promoter(s):
–
Project #2775403

Issuer Name:
CannTrust Holdings Inc.
Principal Regulator – Ontario
Type and Date:
Preliminary Short Form Prospectus dated May 22, 2018
NP 11-202 Preliminary Receipt dated May 22, 2018
Offering Price and Description:
$87,300,000.00
9,700,000 Units
Price: $9.00 per Unit
Underwriter(s) or Distributor(s):
Canaccord Genuity Corp.
GMP Securities L.P.
Echelon Wealth Partners Inc.
Bloom Burton Securities Inc.
Cormark Securities Inc.
Haywood Securities Inc.
Promoter(s):
–
Project #2773750

Issuer Name:
Conifex Timber Inc.
Principal Regulator – British Columbia
Type and Date:
Preliminary Short Form Prospectus dated May 25, 2018
NP 11-202 Preliminary Receipt dated May 25, 2018
Offering Price and Description:
$[*]
[*] Subscription Receipts
representing the right to receive one Common Share
Underwriter(s) or Distributor(s):
Raymond James Ltd.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Promoter(s):
–
Project #2776559

Issuer Name:
DECISIVE DIVIDEND CORPORATION
Principal Regulator – British Columbia
Type and Date:
Preliminary Short Form Prospectus dated May 25, 2018
NP 11-202 Preliminary Receipt dated May 25, 2018
Offering Price and Description:
A minimum of $11,500,000.00 (2,875,000 Common Shares)
up to a maximum of $13,000,000.00 (3,250,000 Common Shares)
Underwriter(s) or Distributor(s):
Industrial Alliance Securities Inc.
Promoter(s):
–
Project #2776542

Issuer Name:
Magna Gold Corp.
Principal Regulator – Ontario
Type and Date:
Preliminary CPC Prospectus (TSX-V) dated May 18, 2018
NP 11-202 Preliminary Receipt dated May 23, 2018
Offering Price and Description:
Offering: $200,000.00 – 2,000,000 Common Shares
Price: $0.10 per Offered Share
Underwriter(s) or Distributor(s):
M Partners Inc
Promoter(s):
–
Project #2774258

Issuer Name:
MAV Beauty Brands Inc.
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated May 22, 2018
NP 11-202 Preliminary Receipt dated May 22, 2018
Offering Price and Description:
C$ *
* Common Shares
Price: C$ * per Offered Share
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Jefferies Securities, Inc.
Promoter(s):
–
Project #2774580

Issuer Name:
Meteorite Capital Inc.
Principal Regulator – Quebec
Type and Date:
Preliminary CPC Prospectus (TSX-V) dated May 25, 2018
NP 11-202 Preliminary Receipt dated May 28, 2018
Offering Price and Description:
Minimum of $255,000.00 – 1,700,000 Common Shares
Maximum of $450,000.00 – 3,000,000 Common Shares
Price: $0.15 per Common Share
Underwriter(s) or Distributor(s):
Leede Jones Gable Inc.
Promoter(s):
–
Project #2776497

Issuer Name:
Minto Apartment Real Estate Investment Trust
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated May 23, 2018
NP 11-202 Preliminary Receipt dated May 23, 2018
Offering Price and Description:
$ *
* Units
Price $ * per Unit
Underwriter(s) or Distributor(s):
TD Securities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
National Bank Financial Inc.
Canaccord Genuity Corp.
Desjardins Securities Inc.
Raymond James Ltd.
Industrial Alliance Securities Inc.
Promoter(s):
Minto Properties Inc.
Project #2775098

Issuer Name:
North Bud Farms Inc.
Type and Date:
Preliminary Long Form Prospectus dated May 25, 2018
(Preliminary) Receipted on May 28, 2018
Offering Price and Description:
0.00
Underwriter(s) or Distributor(s):
–
Promoter(s):
Ryan Brown
Project #2776962

Issuer Name:
RMMI Corp.
Principal Regulator – Alberta (ASC)
Type and Date:
Preliminary Long Form Prospectus dated May 22, 2018
NP 11-202 Preliminary Receipt dated May 23, 2018
Offering Price and Description:
Minimum Offering: $4,250,000.00
(* Common Shares)
Maximum Offering: $8,750,000.00
(* Common Shares)
Price: $ * per Offered Share
Underwriter(s) or Distributor(s):
Canaccord Genuity Corp.
Haywood Securities Inc.
Promoter(s):
Earl Connors
Project #2774812

Issuer Name:
SponsorsOne Inc.
Principal Regulator – Ontario
Type and Date:
Preliminary Short Form Prospectus dated May 22, 2018
NP 11-202 Preliminary Receipt dated May 23, 2018
Offering Price and Description:
Up to 15,098,227 Units
AND
Up to 1,568,440 Common Shares and 784,220 Warrants issuable
Upon exercise of 1,568,440 outstanding Special Warrants
Price: $0.18 per Unit and $0.18 per Special Warrant
Underwriter(s) or Distributor(s):
Emerging Equities Inc.
Promoter(s):
–
Project #2774931

Issuer Name:
Tacora Resources Inc.
Principal Regulator – Ontario
Type and Date:
Amendment dated May 22, 2018 to Preliminary Long Form Prospectus dated February 5, 2018
NP 11-202 Preliminary Receipt dated May 22, 2018
Offering Price and Description:
$125,000,000.00
* Common Shares
Price: $ * per Offered Share
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
Jefferies Securities, Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
Canaccord Genuity Corp.
Cormark Securities Inc.
GMP Securities L.P.
Promoter(s):
–
Project #2725992

Issuer Name:
Tacora Resources Inc.
Principal Regulator – Ontario
Type and Date:
Amendment #2 dated May 28, 2018 to Preliminary Long Form Prospectus dated February 5, 2018
NP 11-202 Preliminary Receipt dated May 28, 2018
Offering Price and Description:
$125,000,000.00
* Common Shares
Price: $ * per Offered Share
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
Jefferies Securities, Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
Canaccord Genuity Corp.
Cormark Securities Inc.
GMP Securities L.P.
Promoter(s):
–
Project #2725992

Issuer Name:
The Descartes Systems Group Inc.
Principal Regulator – Ontario
Type and Date:
Preliminary Shelf Prospectus dated May 24, 2018
NP 11-202 Preliminary Receipt dated May 24, 2018
Offering Price and Description:
US$750,000,000.00
Common Shares
Preferred Shares
Debt Securities
Subscription Receipts
Warrants
Units
Underwriter(s) or Distributor(s):
–
Promoter(s):
–
Project #2775873

Issuer Name:
Cinaport Acquisition Corp. II
Principal Regulator – Ontario
Type and Date:
Final CPC Prospectus (TSX-V) dated May 24, 2018
NP 11-202 Receipt dated May 25, 2018
Offering Price and Description:
OFFERING: $540,000 (5,400,000 COMMON SHARES)
Price: $0.10 per Common Share
Underwriter(s) or Distributor(s):
Echelon Wealth Partners Inc.
Promoter(s):
Avininder Grewal
Donald Wright
John O'Sullivan
Project #2744361

Issuer Name:
IBC Advanced Alloys Corp.
Principal Regulator – British Columbia
Type and Date:
Final Short Form Prospectus dated May 28, 2018
NP 11-202 Receipt dated May 28, 2018
Offering Price and Description:
Minimum Offering: $4,000,000.00
Maximum Offering: $6,000,000.00
Offering of up to $1,000,000 9.5% Unsecured Debenture Units and
$5,000,000.00 8.25% Unsecured Convertible Debenture Units
Underwriter(s) or Distributor(s):
Mackie Research Capital Corporation
Promoter(s):
–
Project #2742977

Issuer Name:
Northland Power Inc.
Principal Regulator – Ontario
Type and Date:
Final Shelf Prospectus dated May 24, 2018
NP 11-202 Receipt dated May 25, 2018
Offering Price and Description:
$1,000,000,000.00
Common Shares
Preferred Shares
Debentures (unsecured)
Subscription Receipts
Underwriter(s) or Distributor(s):
–
Promoter(s):
–
Project #2772434

Issuer Name:
Zymeworks Inc.
Principal Regulator – British Columbia
Type and Date:
Final Shelf Prospectus dated May 24, 2018
NP 11-202 Receipt dated May 24, 2018
Offering Price and Description:
US$250,000,000.00 – Common Shares, Preferred Shares, Debt Securities, Warrants, Subscription Receipts, Units
Underwriter(s) or Distributor(s):
–
Promoter(s):
–
Project #2766170

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Change in Registration Category	Credit Suisse Securities (Canada), Inc./Valeurs Mobilieres Credit Suisse (Canada), Inc.	From: Investment Dealer and Futures Commission Merchant To: Investment Dealer	May 11, 2018
New Registration	SurePath Capital Partners Inc.	Exempt Market Dealer	May 25, 2018
New Registration	SmartBe Wealth Inc.	Exempt Market Dealer, Investment Fund Manager and Portfolio Manager	May 25, 2018
Amalgamation	Cumberland Associates Investment Counsel Inc. and Perron Asset Management Inc. To form: Cumberland Investment Counsel Inc.	Portfolio Manager	May 1, 2018
Amalgamation	Cumberland Private Wealth Management Inc. and Perron & Partners Wealth Management Corp. To form: Cumberland Private Wealth Management Inc.	Investment Fund Manager and Investment Dealer	May 1, 2018
Voluntary Surrender	Metaform Investments Inc.	Portfolio Manager and Exempt Market Dealer	May 28, 2018

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Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.2 Marketplaces

13.2.1 TSX – Amendments to TSX Company Manual – Request for Comments

TORONTO STOCK EXCHANGE

REQUEST FOR COMMENTS

AMENDMENTS TO TORONTO STOCK EXCHANGE COMPANY MANUAL

Toronto Stock Exchange ("**TSX**") is publishing certain proposed amendments (the "Amendments") to the TSX Company Manual (the "**Manual**"). The Amendments provide for public interest changes to Part X of the Manual – Special Purpose Acquisition Corporations ("**SPACs**") and certain ancillary changes. The Amendments are being published for public comment for a thirty (30) day period.

The Amendments will only become effective following public notice and comment, and approval by the Ontario Securities Commission (the "**OSC**"). Comments should be in writing and delivered by July 3, 2018 to:

Joanne Sanci
Legal Counsel, Regulatory Affairs
Toronto Stock Exchange
The Exchange Tower
300 – 100 Adelaide Street West
Toronto, Ontario M5H 1S3
Fax: (416) 947-4461
Email: tsxrequestforcomments@tsx.com

A copy should also be provided to:

Susan Greenglass
Director
Market Regulation
Ontario Securities Commission
20 Queen Street West
Toronto, Ontario M5H 3S8
Fax: (416) 595-8940
Email: marketregulation@osc.gov.on.ca

Comments will be publicly available unless confidentiality is requested.

Background

TSX is seeking public comment on the Amendments. This Request for Comments explains the reasons for, and objectives of, the Amendments. Following the comment period, TSX will review and consider the comments received and determine whether to proceed with the Amendments as proposed or as modified as a result of comments.

The Special Purpose Acquisition Corporation ("**SPAC**") program (see Part X of the Manual) offers an alternative listing process for companies on TSX. A SPAC is a unique investment vehicle that allows the public to invest in companies or industry sectors normally sought by private equity firms.

Unlike a traditional initial public offering ("**IPO**"), the SPAC program enables seasoned directors and officers to form a corporation that contains no commercial operations or assets other than cash. The SPAC is then listed on TSX via an IPO, raising a minimum of $30 million. At least 90% of the funds raised are placed in escrow. Within 36 months of listing, the SPAC must acquire an operating company or assets (being the qualifying acquisition). Public securityholders of the SPAC are provided with a right to redeem their shares for their pro rata allocation of the escrowed funds at the time of the qualifying acquisition. If

the qualifying acquisition has not been completed by the SPAC within the 36 month period, the SPAC must provide for a liquidation distribution of the escrowed funds to the public securityholders, and the SPAC would be delisted from TSX.

SPACs become reporting issuers as a result of their IPO, and thus are fully regulated by the relevant provincial securities commissions, as well as TSX. Because the SPAC is a publicly traded entity, it also provides access to liquidity for investors, allowing those shareholders to increase or decrease their investment risk profile accordingly.

From 2015 to 2017, eight (8) SPACs completed IPOs and listed on TSX (the "**TSX SPACs**"). At the time of the original listing, each of the TSX SPACs sought and obtained exemptive relief from TSX with respect to certain requirements. The exemptive relief granted has been uniform in nature, and has included, for example, relief from the requirements set out in Sections 464, 624(h), 624(l), 624(m), 1002(c), 1008, 1009 and 1024 of the Manual. Each TSX SPAC was required to prepare and submit to TSX an application for the exemptive relief sought, something that TSX views as unnecessary and burdensome. As part of the Amendments, TSX proposes to codify the exemptions previously granted by TSX to the TSX SPACs, thereby eliminating the need to submit an exemptive relief application to TSX.

When the SPAC rules were originally adopted by TSX in 2008, many U.S. commercial practices were embedded in the TSX requirements. As global commercial practices have continued to evolve, and given TSX's experience with the TSX SPACs to date, TSX is proposing certain additional amendments (in addition to the codification of the exemptions previously granted by TSX) as part of the Amendments. In developing the Amendments, TSX held small group meetings in 2017 with the lawyers, equity capital market dealers, founders and investors involved in the TSX SPACs to gather feedback on their experiences and challenges with the SPAC regime.

Text of the Proposed Amendments

The Amendments to the Manual are set out as blacklined text at **Appendix A**. For ease of reference, a clean copy of the Amendments to the Manual is set out at **Appendix B**.

Summary and Rationale of the Proposed Amendments

a) Capital Structure & Completion of a Qualifying Acquisition – Redemptions – Sections 1008 and 1027

Sections 1008 and 1027 of the Manual require that holders of securities (other than founding securityholders) who vote against the qualifying acquisition be entitled to convert their securities for their pro rata portion of the escrowed funds in the event that the qualifying acquisition is completed. TSX proposes to amend the redemption provisions to permit a limitation on the maximum exercise of redemption rights by any shareholder, provided that the limit is not lower than 15% of the shares sold in the IPO. TSX also proposes to eliminate the requirement that shareholders vote against a qualifying acquisition in order to have a redemption right. Under the proposed Amendments, all shareholders will have a redemption right (other than founding securityholders in respect of their founding securities) whether or not they vote against a qualifying acquisition, subject to a redemption limit, if imposed. All of the TSX SPACs to date have imposed a redemption limitation and have offered a redemption right to all shareholders regardless of how they voted with regard to the qualifying acquisition.

Pursuant to the prior exemptions granted by TSX, TSX determined to allow a redemption limitation (with the concurrence of the OSC) based on a number of considerations. Most significantly, TSX considered the potential for misuse by market participants acquiring large share positions as observed in the US and other jurisdictions; the accepted commercial practice of the redemption limitation in the US; the limited impact the redemption limitation would have on vast the majority of potential investors; and the disclosure of the redemption limitation in the IPO prospectus.

b) Capital Structure – Warrant Expiry Date – Section 1008(b)(ii)

Section 1008(b)(ii) of the Manual provides that share purchase warrants must expire on the earlier of: (x) a fixed date specified in the IPO prospectus, and (y) the date on which the SPAC fails to complete a qualifying acquisition within the permitted time. TSX proposes to amend Section 1008(b)(ii) item (x) to remove the word "fixed" so that the warrant expiry date could be based on the completion of the qualifying acquisition, rather than on a fixed date.

The expiry date is typically disclosed both as a date based on the completion of the qualifying acquisition in the IPO prospectus and as a fixed date in the information circular and other materials related to the qualifying acquisition. Accordingly, TSX believes that such amendment is reasonable and could easily be understood by investors.

c) Prohibition of Debt Financing – Section 1009

Currently, Section 1009 of the Manual prohibits SPACs from obtaining any form of debt financing other than contemporaneous with, or after, completion of its qualifying acquisition. Under the prior exemptions previously provided by TSX, TSX determined to allow founders to provide a loan to the SPAC, provided that the loan would be without recourse to the escrowed funds, the

principal amount of the loan would be limited, the details of the loan would be disclosed in the IPO prospectus and information circular for the qualifying acquisition and the terms of the loan appeared commercially reasonable.

Pursuant to the Amendments, TSX proposes to amend Section 1009 so that a SPAC may obtain unsecured loans from its founders or others for amounts up to a maximum aggregate principal amount equal to the lesser of: (i) 10% of the funds held in escrow under Section 1010; and (ii) $5 million. The loans would not have any recourse against the escrowed funds available for redemption or liquidation and would be limited to amounts as disclosed in the IPO prospectus. Assuming the qualifying acquisition successfully closes, the loans would be repayable by the resulting issuer from the remaining funds released from escrow or otherwise available to the SPAC. In the event that the SPAC is liquidated, the founders (or others) would have no recourse against the escrowed funds.

d) Public Distribution – Sections 1015 and 1029

Currently, SPACs must meet minimum public distribution requirements which are similar to the requirements for corporate issuers under Part III of the Manual. These requirements include a minimum of 300 public board lot holders. Typically, SPACs have relatively limited trading activity prior to the announcement of a qualifying acquisition. However, there is relatively high investor turnover through the exercise of redemption rights and replacement financing. Accordingly, TSX proposes to reduce the minimum number of public board lot holders required in Section 1015(c) from 300 to 150 because the initial public distribution does not result in corresponding trading liquidity, nor does it meaningfully represent the public distribution of the resulting issuer following the qualifying acquisition.

Following the completion of a qualifying acquisition by a SPAC, the resulting issuer must meet TSX's original listing requirements set out in Part III of the Manual since, effectively, the resulting issuer represents a new listing. These requirements include, among other things, the public distribution requirement set out in Section 315 which requires at least 300 public board lot holders. Typically, supporting evidence that an issuer meets these requirements is provided to TSX prior to the commencement of trading. These requirements are not limited to SPACs; all corporate issuers are required to meet these requirements and must provide evidence of meeting the public distribution requirement.

TSX understands that it has been difficult for SPACs to determine whether they meet the 300 public board lot holder requirement and provide supporting evidence of same upon closing of the qualifying transaction. The primary issue has been logistical in nature, given that the redemption rights expire shortly before the closing of the qualifying acquisition. Accordingly, beneficial ownership cannot reasonably be assessed immediately prior to the closing of the qualifying transaction, which is unique to SPACs. Searches for beneficial ownership information cannot be commenced until the redemption has been completed and the results are typically not available for several weeks following the date of the initial request.

As a result, TSX proposes to amend Section 1029 to provide the resulting issuer with up to 90 days from the completion of the qualifying acquisition to provide evidence that it meets the public distribution requirement set out in Section 315. Given the unique issues related to SPACs, TSX believes that it is not unreasonable to provide the resulting issuer with additional time to establish the minimum distribution and provide supporting evidence of distribution. Resulting issuers that fail to provide supporting evidence that they meet the minimum distribution requirements within the prescribed time may be reviewed under TSX's continued listing requirements under Part VII.

e) Other Requirements – Annual Meeting Relief – Section 1021

Currently, pursuant to Section 1021 of the Manual, SPACs are required to comply with Section 464 of the Manual and hold an annual meeting within six (6) months of the end of the SPAC's fiscal year. In addition, Section 624(h) of the Manual requires that holders of Restricted Securities (as that term is defined in the Manual) be given notice and the opportunity to attend and speak at such meetings. TSX has provided exemptions to the TSX SPACs from these requirements in the past and proposes to amend Section 1021 to provide relief from these requirements.

Given that SPACs do not have an operating business apart from identifying acquisition targets and have a time limited term as a SPAC, and that public shareholders do not hold voting shares, TSX has provided exemptions from these requirements in an effort to minimize costs. Instead, the TSX SPACs provided disclosure with regard to these exemptions in their IPO prospectus and provided an annual update in lieu of a shareholders meeting.

Pursuant to the Amendments, TSX proposes to amend Section 1021 to provide relief from the requirements for SPACs to hold an annual meeting in accordance with Section 464 and to provide notice and the opportunity to attend and speak at such meetings as required by Section 624(h).

f) Other Requirements – Restricted Share Policy Relief – Section 1021

Currently, pursuant to Section 1021, SPACs are subject to the restricted share policy set out in Part VI of the Manual.

Under Section 624(l) of the Manual, TSX will not accept for listing classes of Restricted Securities that do not have takeover protective provisions ("**Coattails**"). In addition, Section 624(m) of the Manual does not permit the issuance by a listed issuer of any securities that have voting rights greater than those of the securities of any class of listed voting securities of the listed issuer, unless the issuance is by way of a distribution to all holders of the listed issuer's voting Residual Equity Securities (as that term is defined in the Manual) on a pro rata basis.

TSX has provided exemptions to the TSX SPACs from Section 624(l) primarily because the founding securities, which are the only voting securities, may not be transferred prior to closing of the qualifying acquisition pursuant to Section 1004 of the Manual. Given the transfer restrictions, Coattails are unnecessary because a takeover bid could not practically be completed.

TSX has also provided exemptions to the TSX SPACs from Section 624(m) of the Manual due to the concurrent or subsequent issuance of the voting shares to the founders at the time of listing. To date, all of the TSX SPACs proposing to complete a qualifying acquisition have proposed eliminating the dual class share structure concurrently with the qualifying acquisition. In providing the exemptions, TSX considered the disclosure provided to investors in the IPO prospectus and information circular at the time of the qualifying acquisition and the temporary nature of the dual class share structure.

Pursuant to the Amendments, TSX proposes to amend Section 1021 to exempt SPACs from the application of: (i) Section 624(l) in respect of takeover protective provisions; and (ii) Section 624(m) in respect of the prohibition on the issuance of shares with greater voting rights than any listed shares. These exemptions would apply to SPACs prior to their Qualifying Acquisition. Any proposed implementation of a dual class share structure, restricted shares or similar structure at the time of the Qualifying Acquisition would be reviewed by TSX under Section 624.

g) Shareholder and Other Approvals Requirement – Sections 1024 to 1026 & Prospectus Requirement – Section 1028

Currently, Section 1024 of the Manual requires that qualifying acquisitions must be approved by a majority of the votes cast by securityholders of the SPAC. Founding securityholders are not entitled to vote on qualifying acquisitions pursuant to Section 1024, however, with adequate disclosure in the IPO prospectus, TSX has granted exemptions to permit the founders of the TSX SPACs to vote their securities for or against the qualifying acquisition. The requirement which prohibited founding securityholders from voting on the qualifying acquisition was a commercial practice in the US at the time of the implementation of the rules. Subsequently, US SPACs have permitted founding securityholders to vote for or against qualifying acquisitions.

Market participants have suggested that the requirement for shareholder approval of the qualifying acquisition is not meaningful given the redemption rights afforded to shareholders coupled with prospectus level disclosure. Notwithstanding shareholder approval of qualifying acquisitions proposed to date, in some instances, redemptions have exceeded 95% of the publicly held shares. TSX has observed a significant divergence between the shareholder approval vote (inclusive of founding securities) and the exercise of the redemption rights (non-inclusive of founding securities) in some instances.

To date, all of the TSX SPACs have escrowed sufficient funds to return 100% (or slightly more) of the original IPO price. The redemption rights currently provide shareholders with the right to receive at least 90% of their initial investment back upon completion of the qualifying acquisition. As a result, the structure of the SPAC provides an economic incentive for shareholders to vote for the qualifying acquisition, even where they may not approve of the merits of the transaction and/or exercise their redemption rights.

All of the TSX SPACs have distributed warrants as part of the unit offered under the IPO. Regardless of any decision to redeem their shares, initial investors in the IPO may sell or maintain their warrants. If a SPAC fails to complete a qualifying acquisition, the warrants expire unexercisable. Accordingly, shareholders that continue to hold warrants are economically incentivized to vote for the proposed acquisition, regardless of its merits. Redeeming shareholders, regardless of whether they hold warrants, are also incentivized to vote for the acquisition because without the completion of the qualifying acquisition, the redemption feature is not available and shareholders must wait for the closing of another qualifying acquisition or the liquidation of the SPAC before the shares would be redeemed.

Given the economic incentives to vote for a qualifying acquisition, TSX proposes to remove the requirement for shareholder approval under Section 1024 provided that an amount equal to at least 100% of the gross proceeds raised in the SPAC's IPO are placed in escrow ("**100% Escrow Condition**"). TSX also proposes to clarify that it will not require shareholder approval for matters related to the qualifying acquisition such as dilutive transactions or the adoption of a security based compensation arrangement, provided that such matters are disclosed in the prospectus for the resulting issuer and the 100% Escrow Condition is satisfied. TSX believes that the elimination of the shareholder approval requirement may accelerate the timelines to close qualifying acquisitions. If a qualifying acquisition is not subject to shareholder approval, TSX proposes to require that SPACs mail a notice of redemption to shareholders and make the prospectus for the resulting issuer publicly available on its website at least 21 days prior to the redemption deadline included in the notice of redemption. In addition, SPACs would be required to physically deliver the prospectus to shareholders at least two business days prior to the redemption deadline.

TSX also proposes to amend Section 1025 to require disclosure in the SPAC's IPO prospectus if shareholder approval is a condition of the qualifying acquisition. In the event that such approval is required, the qualifying acquisition must be approved by a majority of the votes cast by securityholders of the SPAC entitled to vote at a duly called meeting. Comprehensive disclosure would be required for all material aspects of the transaction in the prospectus for the resulting issuer, including valuation requirements for non-arm's length transactions as applicable under Part VI of the Manual.

In the event that TSX does not proceed to remove the shareholder approval requirement under Section 1024, TSX proposes to permit founding securityholders to vote in accordance with the previous exemptions provided.

h) Other Administrative Amendments

In connection with the Amendments, TSX is also proposing certain non-material amendments to clarify various provisions under Part X, and certain ancillary changes as a result of the Amendments. These amendments include, but are not limited to, correcting a typographical error, amending the definition of "founding securities", replacing all references to a conversion right with a redemption right and amending the language to require a redemption right in all instances.

The full text of the Amendments are set out in **Appendix A**.

Questions

In responding to any of the questions below, please explain your response.

Prohibition on Debt Financing (Section 1009)

1. Is a limit on loans based on the lesser of: (i) 10% of funds in escrow; and (ii) $5 million appropriate provided that there is no recourse for the loans against the escrowed funds and the limit is disclosed in the IPO prospectus? If not, why not and what is an appropriate limit?

Public Distribution (Sections 1015 and 1029)

2. Is it appropriate to permit SPACs to meet a lower public distribution requirement (i.e. 150 public board lot holders) upon their original listing, as opposed to the public distribution requirement for corporate issuers (i.e. 300 public board lot holders)?

3. Is it appropriate to permit the resulting issuer to provide evidence that it meets the public distribution requirements set out in Section 315 (i.e. 300 public board lot holders) within 90 days of the closing of the qualifying acquisition? Would it be more appropriate for the resulting issuer to meet the continued listing requirements under Part VII for public distribution (i.e. 150 public board lot holders) within 90 days of the closing of the qualifying acquisition? If the continued listing requirements are more appropriate, please reconcile your response to the listing of the resulting issuer as new listing, similar to a backdoor listing or reverse takeover.

4. If resulting issuers fail to meet the public distribution requirement, is it appropriate to put them under a remedial delisting review which provides up to 120 days to remediate their deficiencies?

Shareholder and Other Approvals (Sections 1024 to 1026) & Prospectus Requirement (Section 1028)

5. Given the redemption rights available to public shareholders and prospectus level disclosure for the resulting issuer upon completion of the qualifying acquisition, is it appropriate to waive all TSX shareholder approval requirements provided that the 100% Escrow Condition is met? This shareholder approval waiver would include matters such as dilution exceeding 25%, material effect on control, adoption of security based compensation arrangements and transactions pursuant to which insiders may receive consideration exceed 10% of the market capitalization of the SPAC, etc., all of which would have otherwise required shareholder approval under applicable TSX rules.

6. Should the 100% Escrow Condition be imposed as a condition of waiving the shareholder approval requirements? Alternatively, would the basic escrow requirement for an amount to be placed in escrow of at least 90% of the gross proceeds of the IPO be sufficient to waive shareholder approval requirements?

7. If a qualifying acquisition is not subject to shareholder approval, is it appropriate to require delivery of a prospectus at least two business days prior to the redemption date? In addition, the prospectus would be electronically available on SEDAR and the SPAC's website 21 days prior to the redemption date.

8. Where no shareholder approval is required, is 21 days an appropriate notice period for the redemption?

Other Questions

9. Are there any other amendments to Part X that TSX should consider?

Public Interest

TSX is publishing the Amendments for a thirty (30) day comment period, which expires July 3, 2018. The Amendments will only become effective following public notice and comment, and the approval by the OSC.

APPENDIX A

BLACKLINES OF PUBLIC INTEREST AMENDMENTS

Part I Introduction

[…]

Interpretation

[…]

"founding securities" means securities in the SPAC held by the founding securityholders, excluding any purchased by founding securityholders under the IPO prospectus, concurrently with the IPO prospectus on the same terms, on the secondary market or under a rights offering by the SPAC;

[…]

Part X Special Purpose Acquisition Corporations (SPACs)

Scope of Policy

Listing a SPAC on the Exchange is a two-stage process. The first stage involves the filing and clearing of an IPO prospectus, the completion of the IPO and the listing of the SPAC's securities on the Exchange. The second stage involves the identification and completion of a qualifying acquisition.

The main headings in this Part X are:

A. General Listing Matters

B. Original Listing Requirements

C. Continued Listing Requirements Prior to Completion of a Qualifying Acquisition

D. Completion of a Qualifying Acquisition

E. Liquidation Distribution and Delisting Upon Failure to Meet Timelines for a Qualifying Acquisition

F. Continued Listing Requirements Following Completion of a Qualifying Acquisition

A. General Listing Matters

Securities to be Listed

Sec. 1001.

To secure a listing of its securities on the Exchange, a SPAC must complete a listing application which, together with supporting documentation and information, must demonstrate that it is able to meet the Exchange's original listing requirements for SPACs, as detailed in Sections 1003 to 1018. The listing application, preliminary prospectus, draft escrow agreement governing the IPO proceeds and personal information forms for all insiders of the SPAC should be filed with the Exchange concurrently with the filing of the preliminary prospectus with the applicable Canadian securities regulatory authorities.

Exercise of Discretion

Sec. 1002.

The Exchange may, in its discretion, take into account any factors it considers relevant in assessing the merits of a listing application and may grant or deny an application notwithstanding the prescribed original listing requirements. In exercising its discretion, the Exchange must be satisfied that the fundamental investor protections in this Part X are met. In addition, the Exchange will consider:

(a) The experience and track record of the officers and directors of the SPAC;

(b) The nature and extent of officers' and directors' compensation;

(c) The extent of the founding securityholders' equity ownership in the SPAC, which is generally expected to be an aggregate equity interest of: (i) not less than 10% of the SPAC immediately following closing of the IPO; and (ii) not more than 20% of the SPAC immediately following closing of the IPO, taking into account the price at which the founding securities are purchased and the resulting economic dilution;

(d) The amount of time permitted for completion of the qualifying acquisition prior to the liquidation distribution; and

(e) The gross proceeds publicly raised under the IPO prospectus.

B. Original Listing Requirements

IPO

Sec. 1003.

A SPAC must, concurrently with listing on the Exchange, raise a minimum of $30,000,000 through an IPO of shares or units; if units are issued, each unit may consist of one share and no more than two share purchase warrants.

Sec. 1004.

Prior to listing on the Exchange, the founding securityholders must subscribe for units, shares or warrants of the SPAC. The terms of the initial investment must be disclosed in the IPO prospectus. The founding securityholders must agree not to transfer any of their founding securities prior to the completion of a qualifying acquisition. In the event of liquidation and delisting, the founding securityholders must agree that their founding securities shall not participate in a liquidation distribution.

Sec. 1005.

The shares, warrants ~~and/or,~~ rights, units or other securities to be listed on the Exchange must be qualified by a prospectus receipted by the issuer's principal regulator.

No Operating Business

Sec. 1006.

A SPAC seeking listing on the Exchange must not carry on an operating business. A SPAC may be in the process of reviewing a potential qualifying acquisition, but may not have entered into a written or oral binding acquisition agreement with respect to a potential qualifying acquisition. Every SPAC seeking a listing on the Exchange must include a statement in its IPO prospectus that as of the date of filing, the SPAC has not entered into a written or oral binding acquisition agreement with respect to a potential qualifying acquisition. A SPAC may have identified a target business sector or geographic area in which to make a qualifying acquisition, provided that it discloses this information in its IPO prospectus.

Jurisdiction of Incorporation

Sec. 1007.

The Exchange will consider the jurisdiction of incorporation of a SPAC as part of the listing application process. The Exchange recommends that SPACs seeking listing on the Exchange be incorporated under Canadian federal or provincial corporate laws. Where a SPAC is incorporated under laws outside of Canada and wishes to list on the Exchange, the Exchange recommends that it obtain a preliminary opinion as to whether the jurisdiction of incorporation is acceptable to the Exchange.

Capital Structure

Sec. 1008.

A SPAC seeking listing on the Exchange must satisfy all of the criteria below:

(a) t he security provisions must contain:

(i) a ~~conversion~~redemption (or substantially similar) feature, pursuant to which ~~securityholders~~ shareholders (other than founding securityholders~~) who voted against a proposed qualifying~~

~~acquisition at a duly called meeting of securityholders~~ in respect of their founding securities) may, in the event such qualifying acquisition is completed within the time frame set out in Section 1022, elect that each ~~security~~share held be ~~converted into~~redeemed for an amount at least equal to: (1) the aggregate amount then on deposit in the escrow account (net of any applicable taxes and direct expenses related to the exercise of the ~~conversion~~redemption right), divided by (2) the aggregate number of ~~securities~~shares then outstanding, excluding founding securities; and

(ii) a liquidation distribution (or substantially similar) feature, pursuant to which ~~securityholders~~ shareholders (other than the founding securityholders in respect of their founding securities) must, if the qualifying acquisition is not completed within the permitted time set out in Section 1022, be entitled to receive, for each ~~security~~share held, an amount at least equal to: (1) the aggregate amount then on deposit in the escrow account (net of any applicable taxes and direct expenses related to the liquidation distribution), divided by (2) the aggregate number of ~~securities~~shares then outstanding ~~less~~excluding the founding securities~~;~~.

Notwithstanding the foregoing, the SPAC may establish a limit as to the maximum number of shares with respect to which a shareholder, together with any affiliates or persons acting jointly or in concert, may exercise a redemption right, provided that such limit (i) may not be set at lower than 15% of the shares sold in the IPO; and (ii) is disclosed in the IPO prospectus.

Exchange discretion with respect to the requirements of this Subsection may only be exercised after discussions with, and the concurrence of, the OSC.

(b) in addition to Section 1008(a) where units are issued in the IPO:

(i) the share purchase warrants must not be ~~exerciseable~~exercisable prior to the completion of the qualifying acquisition;

(ii) the share purchase warrants must expire on the earlier of: (x) a ~~fixed~~ date specified in the IPO prospectus~~,~~ and (y) the date on which the SPAC fails to complete a qualifying acquisition within the permitted time set out in Section 1022; and

(iii) share purchase warrants may not have an entitlement to the escrowed funds upon liquidation of the SPAC.

Prohibition of Debt Financing

Sec. 1009.

The SPAC shall not be permitted to obtain any form of debt financing (excluding ordinary course short term trade or accounts payables) other than contemporaneous with, or after, completion of its qualifying acquisition. A credit facility may be entered into prior to completion of a qualifying acquisition, but may only be drawn down contemporaneous with, or after, completion of a qualifying acquisition. Every SPAC seeking a listing on the Exchange must include a statement in its IPO prospectus that it will not obtain any form of debt financing other than in accordance with this Section 1009.

Despite the foregoing, a SPAC may obtain unsecured loans on reasonable commercial terms, including from founding securityholders or their affiliates, up to a maximum aggregate principal amount equal to the lesser of: (i) 10% of the funds escrowed under Section 1010; and (ii) $5 million, repayable in cash no earlier than the closing of the qualifying acquisition, provided that (1) such limit is disclosed in the IPO prospectus and the prospectus of the resulting issuer; and (2) any such debt financing obtained by the SPAC shall not have recourse against the escrowed funds.

Use of Proceeds Raised in the IPO and Escrow Requirements

Sec. 1010.

Immediately upon listing on the Exchange, a SPAC must place at least 90% of the gross proceeds raised in its IPO; and the underwriter's deferred commissions (in accordance with Section 1013), in escrow with an escrow agent ~~unrelated to the transaction and~~ acceptable to the Exchange. The following entities, if Canadian, are examples of the types of escrow agents that are acceptable to the Exchange: trust companies, financial institutions and law firms.

Sec. 1011.

The escrow agent must invest the escrowed funds in permitted investments. The SPAC must disclose the proposed nature of this investment in its IPO prospectus, as well as any intended use of the interest or other proceeds earned on the escrowed funds from the permitted investments.

Sec. 1012.

The escrow agreement governing the escrowed funds must provide for:

(a) the termination of the escrow and release of the escrowed funds on a pro rata basis to ~~securityholders~~shareholders who exercise their ~~conversion~~redemption rights in accordance with Section 1008(a)(i) and the remaining escrowed funds to the SPAC if the SPAC completes a qualifying acquisition within the permitted time set out in Section 1022; and

(b) the termination of the escrow and the distribution of the escrowed funds to shareholders (other than the founding securityholders in respect of their founding securities) in accordance with the terms of Sections 1031 to 1033 if the SPAC fails to complete a qualifying acquisition within the permitted time set out in Section 1022.

In accordance with Section 1001, a draft of the escrow agreement must be submitted to the Exchange for pre-clearance.

Sec. 1013.

The underwriters must agree to defer and deposit a minimum of 50% of their commissions from the IPO as part of the escrowed funds. The deferred commissions will only be released to the underwriters upon completion of a qualifying acquisition within the permitted time set out in Section 1022. If the SPAC fails to complete a qualifying acquisition within the permitted time set out in Section 1022, the deferred commissions placed in escrow will be distributed to the holders of the ~~securities~~applicable shares as part of the liquidation distribution. ~~Securityholders~~Shareholders exercising their ~~conversion~~redemption rights will be entitled to their pro rata portion of the escrowed funds including any deferred commissions.

Sec. 1014.

The proceeds from the IPO that are not placed in escrow and interest or other proceeds earned on the escrowed funds from permitted investments may be applied as payment for administrative expenses incurred by the SPAC in connection with the IPO, for general working capital expenses and for the identification and completion of a qualifying acquisition.

Public Distribution

Sec. 1015.

A SPAC seeking listing on the Exchange must satisfy all of the criteria below:

(a) at least 1,000,000 freely tradeable securities are held by public holders;

(b) the aggregate market value of the securities held by public holders is at least $30,000,000; and

(c) at least ~~300~~150 public holders of securities, holding at least one board lot each.

Pricing

Sec. 1016.

A SPAC seeking listing on the Exchange must issue securities pursuant to the IPO for a minimum price of $2.00 per share or unit.

Other Requirements

Sec. 1017.

In connection with its original listing, a SPAC will be subject to the following Sections of this Manual:

(a) Section 325 – Management

(b) Section 327 – Escrow Requirements

(c) Section 328 – Restricted Shares

(d) Sections 338-351 – The Listing Application Procedure

(e) Sections 352-356 – Approval of Listing and Posting Securities

(f) Sections 358-359 – Public Availability of Documents

(g) Section 360 – Provincial Securities Laws

Sec. 1018.

A SPAC seeking a listing on the Exchange will not be permitted to adopt a security based compensation arrangement prior to the completion of a qualifying acquisition.

C. Continued Listing Requirements Prior to Completion of a Qualifying Acquisition

Additional ~~Funds~~Equity by Way of Rights Offering Only

Sec. 1019.

Prior to completion of a qualifying acquisition, the Exchange will permit a listed SPAC to raise additional funds pursuant to the issuance ~~of~~or potential issuance of equity securities from treasury provided that: (i) the issuance is by way of rights offering in accordance with the requirements in Part VI of this Manual and (ii) at least 90% of the funds raised are placed in escrow in accordance with the provisions of Sections 1010 to 1014. Contemporaneous with or following completion of a qualifying acquisition, a listed SPAC may raise additional funds in accordance with Part VI of this Manual.

Sec. 1020.

The Exchange will only permit a listed SPAC to raise additional funds ~~to be raised by a listed SPAC~~pursuant to the issuance or potential issuance of equity securities from treasury pursuant to Section 1019 to fund a qualifying acquisition and/or administrative expenses of the SPAC.

Other Requirements

Sec. 1021.

Prior to completion of its qualifying acquisition, in addition to this Part X, a listed SPAC will be subject to the following Parts of this Manual:

(a) Parts IV and V~~;~~, other than Section 464 in respect of the requirement to hold an annual meeting provided that an annual update is disseminated via press release and available on the SPAC's website;

(b) Part VI, ~~provided that, until~~other than:

1. Section 624(h) in respect of the requirement to provide at least 21 days' notice in advance of a shareholders' meeting to holders of Restricted Securities;

2. Section 624(l) in respect of the requirement of certain take-over protective provisions, also referred to as coat-tail provisions; and

3. Section 624(m) in respect of the prohibition on the issuance of shares with greater voting rights than any listed shares for the issuance of the founding securities.

Until completion of a qualifying acquisition, a listed SPAC may only issue and make equity securities issuable in accordance with Sections 1019 to 1020. Security based compensation arrangements may not be adopted until completion of a qualifying acquisition~~, for which securityholder approval will be required in accordance with Section 613~~;

(c) Part VII with the exception of Subsections 710(a)(ii) and 710(a)(iii);

(d) Part IX; and

(e) Applicable listing fees and forms.

D. Completion of a Qualifying Acquisition

Permitted Time for Completion of a Qualifying Acquisition

Sec. 1022.

A SPAC must complete a qualifying acquisition within 36 months of the date of closing of the distribution under its IPO prospectus. Where the qualifying acquisition is comprised of more than one acquisition, the SPAC must complete each of the acquisitions comprising the qualifying acquisition within 36 months of the date of closing of the distribution under its IPO prospectus, in addition to meeting the requirements of Section 1023.

Fair Market Value of a Qualifying Acquisition

Sec. 1023.

The businesses or assets forming the qualifying acquisition must have an aggregate fair market value equal to at least 80% of the aggregate amount then on deposit in the escrow account, excluding deferred underwriting commissions held in escrow and any taxes payable on the income earned on the escrowed funds. Where the qualifying acquisition is comprised of more than one acquisition, and the multiple acquisitions are required to satisfy the aggregate fair market value of a qualifying acquisition, these acquisitions must close concurrently and within the time frame in Section 1022.

~~Securityholder~~Shareholder and Other Approvals

Sec. 1024.

The qualifying acquisition must be approved by: (i) a majority of directors unrelated to the qualifying acquisition, and (ii) a majority of the votes cast by ~~securityholders~~shareholders of the SPAC at a meeting duly called for that purpose. Shareholder approval of the qualifying acquisition is not required where the SPAC has placed at least 100% of the gross proceeds raised in its IPO and any additional equity raised pursuant to Section 1019 in escrow in accordance with Section 1010. The shareholder approval requirements set out in Parts V and VI of the Manual will not apply to transactions concurrently effected with the qualifying transaction, provided that they are disclosed in the prospectus for the resulting issuer and shareholder approval is not otherwise required for the qualifying acquisition.

Where the qualifying acquisition is comprised of more than one acquisition, each acquisition must be approved. ~~The founding securityholders shall not be entitled to vote any of their securities with respect to the approval of the qualifying acquisition.~~

Sec. 1025.

The SPAC's IPO prospectus must disclose whether shareholder approval will be required as a condition of the completion of the qualifying acquisition and the shareholders entitled to vote upon the matter.

If a qualifying acquisition is subject to shareholder approval, the SPAC must prepare an information circular containing prospectus level disclosure of the resulting issuer assuming completion of the qualifying acquisition. This information circular must be submitted to the Exchange for pre-clearance prior to distribution.

Sec. 1026.

The SPAC may impose additional conditions on the ~~approval~~completion of a qualifying acquisition, provided that the conditions are described in the prospectus or information circular describing the qualifying acquisition. For example, the SPAC may impose a condition not to proceed with a proposed qualifying acquisition if more than a pre-determined percentage of public ~~holders of securities vote against the proposed qualifying acquisition and~~shareholders exercise their ~~conversion~~redemption rights.

~~**Sec. 1026.**~~

~~In connection with the securityholder meeting at which there will be a vote on a qualifying acquisition, the SPAC must prepare an information circular containing prospectus level disclosure of the resulting issuer assuming completion of the qualifying acquisition. This information circular must be submitted to the Exchange for pre-clearance prior to distribution.~~

Sec. 1027.

In accordance with Section 1008, holders of ~~securities who vote against the qualifying acquisition,~~shares (other than founding securityholders in respect of their founding securities) must be entitled to ~~convert~~redeem their ~~securities~~shares for their pro rata portion of the escrowed funds in the event that the qualifying acquisition is completed. Subject to applicable laws, ~~securityholders~~shareholders who exercise their ~~conversion~~redemption rights shall be paid within 30 calendar days of completion of the qualifying acquisition and such ~~converted securities~~redeemed shares shall be cancelled.

Prospectus Requirement for Qualifying Acquisition

Sec. 1028.

The SPAC must prepare and file a prospectus containing disclosure regarding the SPAC and its proposed qualifying acquisition with the Canadian securities regulatory authority in each jurisdiction in which the SPAC and the resulting issuer is and will be a reporting issuer assuming completion of the qualifying acquisition and, if applicable, in the jurisdiction in which the head office of the resulting issuer assuming completion of the qualifying acquisition is located in Canada. ~~The~~Completion of the qualifying acquisition without a receipt for the final prospectus will result in the delisting of the SPAC.

If a qualifying acquisition is subject to shareholder approval, the SPAC must obtain a receipt for its final prospectus from the applicable securities regulatory authorities prior to mailing the information circular described in ~~Section 1026. If a receipt for the final prospectus is not obtained, completion of the qualifying acquisition will result in the delisting of the SPAC.~~Section 1025.

If a qualifying acquisition is not subject to shareholder approval, the SPAC must: (i) mail a notice of redemption to shareholders and make its final prospectus publicly available on its website at least 21 days prior to the deadline for redemption; and (ii) send by prepaid mail or otherwise physically deliver the prospectus to shareholders no later than midnight (Toronto time) on the second business day prior to the deadline for redemption. The notice of redemption must be pre-cleared by TSX prior to mailing.

Exchange discretion with respect to the requirements of this Section may only be exercised after discussions with, and the concurrence of, the OSC.

Exchange Approval

Sec. 1029.

The issuer resulting from the completion of the qualifying acquisition by the SPAC must meet the Exchange's original listing requirements set out in Part III of this Manual. The Exchange will provide the issuer with up to 90 days from the completion of the qualifying acquisition to provide evidence that it meets the Public Distribution Requirements set out in Section 315, failing which the issuer will generally be put under a remedial delisting review as described in Part VII.

Failure to obtain the Exchange's approval of the listing of the resulting issuer prior to the completion of the qualifying acquisition will result in the delisting of the SPAC. For greater certainty, a qualifying acquisition may include a merger or other reorganization or an acquisition of the SPAC by a third party.

Escrow Requirements

Sec. 1030.

Upon completion of the qualifying acquisition, the resulting issuer shall be subject to the Exchange's Escrow Policy.

E. Liquidation Distribution and Delisting Upon Failure to Meet Timelines for a Qualifying Acquisition

Sec. 1031.

If a listed SPAC fails to complete a qualifying acquisition within the permitted time set out in Section 1022, subject to applicable laws, it must complete a liquidation distribution within 30 calendar days after the end of such permitted time, pursuant to which the escrowed funds must be distributed to the holders of shares (other than founding securityholders in respect of their founding securities) on a pro rata basis, and in accordance with Section 1032.

Sec. 1032.

In accordance with Section 1004, the founding securityholders may not participate in any liquidation (or redemption) distribution with respect to any of their founding securities. In addition, in accordance with Section 1013, all deferred underwriter commissions held in escrow will be part of the liquidation (or redemption) distribution. A liquidation (or redemption) distribution

therefore includes the minimum of 90% of the gross proceeds raised in the IPO, as required under Section 1010 and 50% of the underwriters' commissions as described in this Section. Any interest or other proceeds earned through permitted investments that remains in escrow shall also be part of the liquidation (or redemption) distribution. The amount distributed on a liquidation distribution shall however be net of any applicable taxes and direct expenses related to the liquidation distribution.

Sec. 1033.

If a listed SPAC fails to complete a qualifying acquisition within the permitted time set out in Section 1022, the Exchange will delist the SPAC's securities on or about the date on which the liquidation distribution is completed.

F. Continued Listing Requirements Following Completion of a Qualifying Acquisition

Sec. 1034.

Once a qualifying acquisition has been completed, the resulting issuer will be subject to all continued listing requirements in this Manual without exception.

APPENDIX B

CLEAN VERSION OF PUBLIC INTEREST AMENDMENTS

Part I Introduction

[…]

Interpretation

[…]

"founding securities" means securities in the SPAC held by the founding securityholders, excluding any purchased by founding securityholders under the IPO prospectus, concurrently with the IPO prospectus on the same terms, on the secondary market or under a rights offering by the SPAC;

[…]

Part X Special Purpose Acquisition Corporations (SPACs)

Scope of Policy

Listing a SPAC on the Exchange is a two-stage process. The first stage involves the filing and clearing of an IPO prospectus, the completion of the IPO and the listing of the SPAC's securities on the Exchange. The second stage involves the identification and completion of a qualifying acquisition.

The main headings in this Part X are:

A. General Listing Matters

B. Original Listing Requirements

C. Continued Listing Requirements Prior to Completion of a Qualifying Acquisition

D. Completion of a Qualifying Acquisition

E. Liquidation Distribution and Delisting Upon Failure to Meet Timelines for a Qualifying Acquisition

F. Continued Listing Requirements Following Completion of a Qualifying Acquisition

A. General Listing Matters

Securities to be Listed

Sec. 1001.

To secure a listing of its securities on the Exchange, a SPAC must complete a listing application which, together with supporting documentation and information, must demonstrate that it is able to meet the Exchange's original listing requirements for SPACs, as detailed in Sections 1003 to 1018. The listing application, preliminary prospectus, draft escrow agreement governing the IPO proceeds and personal information forms for all insiders of the SPAC should be filed with the Exchange concurrently with the filing of the preliminary prospectus with the applicable Canadian securities regulatory authorities.

Exercise of Discretion

Sec. 1002.

The Exchange may, in its discretion, take into account any factors it considers relevant in assessing the merits of a listing application and may grant or deny an application notwithstanding the prescribed original listing requirements. In exercising its discretion, the Exchange must be satisfied that the fundamental investor protections in this Part X are met. In addition, the Exchange will consider:

(a) The experience and track record of the officers and directors of the SPAC;

(b) The nature and extent of officers' and directors' compensation;

(c) The extent of the founding securityholders' equity ownership in the SPAC, which is generally expected to be an aggregate equity interest of: (i) not less than 10% of the SPAC immediately following closing of the IPO; and (ii) not more than 20% of the SPAC immediately following closing of the IPO, taking into account the price at which the founding securities are purchased and the resulting economic dilution;

(d) The amount of time permitted for completion of the qualifying acquisition prior to the liquidation distribution; and

(e) The gross proceeds publicly raised under the IPO prospectus.

B. Original Listing Requirements

IPO

Sec. 1003.

A SPAC must, concurrently with listing on the Exchange, raise a minimum of $30,000,000 through an IPO of shares or units; if units are issued, each unit may consist of one share and no more than two share purchase warrants.

Sec. 1004.

Prior to listing on the Exchange, the founding securityholders must subscribe for units, shares or warrants of the SPAC. The terms of the initial investment must be disclosed in the IPO prospectus. The founding securityholders must agree not to transfer any of their founding securities prior to the completion of a qualifying acquisition. In the event of liquidation and delisting, the founding securityholders must agree that their founding securities shall not participate in a liquidation distribution.

Sec. 1005.

The shares, warrants, rights, units or other securities to be listed on the Exchange must be qualified by a prospectus receipted by the issuer's principal regulator.

No Operating Business

Sec. 1006.

A SPAC seeking listing on the Exchange must not carry on an operating business. A SPAC may be in the process of reviewing a potential qualifying acquisition, but may not have entered into a written or oral binding acquisition agreement with respect to a potential qualifying acquisition. Every SPAC seeking a listing on the Exchange must include a statement in its IPO prospectus that as of the date of filing, the SPAC has not entered into a written or oral binding acquisition agreement with respect to a potential qualifying acquisition. A SPAC may have identified a target business sector or geographic area in which to make a qualifying acquisition, provided that it discloses this information in its IPO prospectus.

Jurisdiction of Incorporation

Sec. 1007.

The Exchange will consider the jurisdiction of incorporation of a SPAC as part of the listing application process. The Exchange recommends that SPACs seeking listing on the Exchange be incorporated under Canadian federal or provincial corporate laws. Where a SPAC is incorporated under laws outside of Canada and wishes to list on the Exchange, the Exchange recommends that it obtain a preliminary opinion as to whether the jurisdiction of incorporation is acceptable to the Exchange.

Capital Structure

Sec. 1008.

A SPAC seeking listing on the Exchange must satisfy all of the criteria below:

(a) the security provisions must contain:

(i) a redemption (or substantially similar) feature, pursuant to which shareholders (other than founding securityholders in respect of their founding securities) may, in the event such qualifying acquisition is

completed within the time frame set out in Section 1022, elect that each share held be redeemed for an amount at least equal to: (1) the aggregate amount then on deposit in the escrow account (net of any applicable taxes and direct expenses related to the exercise of the redemption right), divided by (2) the aggregate number of shares then outstanding, excluding founding securities; and

(ii) a liquidation distribution (or substantially similar) feature, pursuant to which shareholders (other than the founding securityholders in respect of their founding securities) must, if the qualifying acquisition is not completed within the permitted time set out in Section 1022, be entitled to receive, for each share held, an amount at least equal to: (1) the aggregate amount then on deposit in the escrow account (net of any applicable taxes and direct expenses related to the liquidation distribution), divided by (2) the aggregate number of shares then outstanding excluding the founding securities.

Notwithstanding the foregoing, the SPAC may establish a limit as to the maximum number of shares with respect to which a shareholder, together with any affiliates or persons acting jointly or in concert, may exercise a redemption right, provided that such limit (i) may not be set at lower than 15% of the shares sold in the IPO; and (ii) is disclosed in the IPO prospectus.

Exchange discretion with respect to the requirements of this Subsection may only be exercised after discussions with, and the concurrence of, the OSC.

(b) in addition to Section 1008(a) where units are issued in the IPO:

(i) the share purchase warrants must not be exercisable prior to the completion of the qualifying acquisition;

(ii) the share purchase warrants must expire on the earlier of: (x) a date specified in the IPO prospectus and (y) the date on which the SPAC fails to complete a qualifying acquisition within the permitted time set out in Section 1022; and

(iii) share purchase warrants may not have an entitlement to the escrowed funds upon liquidation of the SPAC.

Prohibition of Debt Financing

Sec. 1009.

The SPAC shall not be permitted to obtain any form of debt financing (excluding ordinary course short term trade or accounts payables) other than contemporaneous with, or after, completion of its qualifying acquisition. A credit facility may be entered into prior to completion of a qualifying acquisition, but may only be drawn down contemporaneous with, or after, completion of a qualifying acquisition. Every SPAC seeking a listing on the Exchange must include a statement in its IPO prospectus that it will not obtain any form of debt financing other than in accordance with this Section 1009.

Despite the foregoing, a SPAC may obtain unsecured loans on reasonable commercial terms, including from founding securityholders or their affiliates, up to a maximum aggregate principal amount equal to the lesser of: (i) 10% of the funds escrowed under Section 1010; and (ii) $5 million, repayable in cash no earlier than the closing of the qualifying acquisition, provided that (1) such limit is disclosed in the IPO prospectus and the prospectus of the resulting issuer; and (2) any such debt financing obtained by the SPAC shall not have recourse against the escrowed funds.

Use of Proceeds Raised in the IPO and Escrow Requirements

Sec. 1010.

Immediately upon listing on the Exchange, a SPAC must place at least 90% of the gross proceeds raised in its IPO; and the underwriter's deferred commissions (in accordance with Section 1013), in escrow with an escrow agent acceptable to the Exchange. The following entities, if Canadian, are examples of the types of escrow agents that are acceptable to the Exchange: trust companies, financial institutions and law firms.

Sec. 1011.

The escrow agent must invest the escrowed funds in permitted investments. The SPAC must disclose the proposed nature of this investment in its IPO prospectus, as well as any intended use of the interest or other proceeds earned on the escrowed funds from the permitted investments.

Sec. 1012.

The escrow agreement governing the escrowed funds must provide for:

(a) the termination of the escrow and release of the escrowed funds on a pro rata basis to shareholders who exercise their redemption rights in accordance with Section 1008(a)(i) and the remaining escrowed funds to the SPAC if the SPAC completes a qualifying acquisition within the permitted time set out in Section 1022; and

(b) the termination of the escrow and the distribution of the escrowed funds to shareholders (other than the founding securityholders in respect of their founding securities) in accordance with the terms of Sections 1031 to 1033 if the SPAC fails to complete a qualifying acquisition within the permitted time set out in Section 1022.

In accordance with Section 1001, a draft of the escrow agreement must be submitted to the Exchange for pre-clearance.

Sec. 1013.

The underwriters must agree to defer and deposit a minimum of 50% of their commissions from the IPO as part of the escrowed funds. The deferred commissions will only be released to the underwriters upon completion of a qualifying acquisition within the permitted time set out in Section 1022. If the SPAC fails to complete a qualifying acquisition within the permitted time set out in Section 1022, the deferred commissions placed in escrow will be distributed to the holders of the applicable shares as part of the liquidation distribution. Shareholders exercising their redemption rights will be entitled to their pro rata portion of the escrowed funds including any deferred commissions.

Sec. 1014.

The proceeds from the IPO that are not placed in escrow and interest or other proceeds earned on the escrowed funds from permitted investments may be applied as payment for administrative expenses incurred by the SPAC in connection with the IPO, for general working capital expenses and for the identification and completion of a qualifying acquisition.

Public Distribution

Sec. 1015.

A SPAC seeking listing on the Exchange must satisfy all of the criteria below:

(a) at least 1,000,000 freely tradeable securities are held by public holders;

(b) the aggregate market value of the securities held by public holders is at least $30,000,000; and

(c) at least 150 public holders of securities, holding at least one board lot each.

Pricing

Sec. 1016.

A SPAC seeking listing on the Exchange must issue securities pursuant to the IPO for a minimum price of $2.00 per share or unit.

Other Requirements

Sec. 1017.

In connection with its original listing, a SPAC will be subject to the following Sections of this Manual:

(a) Section 325 – Management

(b) Section 327 – Escrow Requirements

(c) Section 328 – Restricted Shares

(d) Sections 338-351 – The Listing Application Procedure

(e) Sections 352-356 – Approval of Listing and Posting Securities

(f) Sections 358-359 – Public Availability of Documents

(g) Section 360 – Provincial Securities Laws

Sec. 1018.

A SPAC seeking a listing on the Exchange will not be permitted to adopt a security based compensation arrangement prior to the completion of a qualifying acquisition.

C. Continued Listing Requirements Prior to Completion of a Qualifying Acquisition

Additional Equity by Way of Rights Offering Only

Sec. 1019.

Prior to completion of a qualifying acquisition, the Exchange will permit a listed SPAC to raise additional funds pursuant to the issuance or potential issuance of equity securities from treasury provided that: (i) the issuance is by way of rights offering in accordance with the requirements in Part VI of this Manual and (ii) at least 90% of the funds raised are placed in escrow in accordance with the provisions of Sections 1010 to 1014. Contemporaneous with or following completion of a qualifying acquisition, a listed SPAC may raise additional funds in accordance with Part VI of this Manual.

Sec. 1020.

The Exchange will only permit a listed SPAC to raise additional funds pursuant to the issuance or potential issuance of equity securities from treasury pursuant to Section 1019 to fund a qualifying acquisition and/or administrative expenses of the SPAC.

Other Requirements

Sec. 1021.

Prior to completion of its qualifying acquisition, in addition to this Part X, a listed SPAC will be subject to the following Parts of this Manual:

(a) Parts IV and V, other than Section 464 in respect of the requirement to hold an annual meeting provided that an annual update is disseminated via press release and available on the SPAC's website;

(b) Part VI, other than:

1. Section 624(h) in respect of the requirement to provide at least 21 days' notice in advance of a shareholders' meeting to holders of Restricted Securities;

2. Section 624(l) in respect of the requirement of certain take-over protective provisions, also referred to as coat-tail provisions; and

3. Section 624(m) in respect of the prohibition on the issuance of shares with greater voting rights than any listed shares for the issuance of the founding securities.

Until completion of a qualifying acquisition, a listed SPAC may only issue and make equity securities issuable in accordance with Sections 1019 to 1020. Security based compensation arrangements may not be adopted until completion of a qualifying acquisition;

(c) Part VII with the exception of Subsections 710(a)(ii) and 710(a)(iii);

(d) Part IX; and

(e) Applicable listing fees and forms.

D. Completion of a Qualifying Acquisition

Permitted Time for Completion of a Qualifying Acquisition

Sec. 1022.

A SPAC must complete a qualifying acquisition within 36 months of the date of closing of the distribution under its IPO prospectus. Where the qualifying acquisition is comprised of more than one acquisition, the SPAC must complete each of the acquisitions comprising the qualifying acquisition within 36 months of the date of closing of the distribution under its IPO prospectus, in addition to meeting the requirements of Section 1023.

Fair Market Value of a Qualifying Acquisition

Sec. 1023.

The businesses or assets forming the qualifying acquisition must have an aggregate fair market value equal to at least 80% of the aggregate amount then on deposit in the escrow account, excluding deferred underwriting commissions held in escrow and any taxes payable on the income earned on the escrowed funds. Where the qualifying acquisition is comprised of more than one acquisition, and the multiple acquisitions are required to satisfy the aggregate fair market value of a qualifying acquisition, these acquisitions must close concurrently and within the time frame in Section 1022.

Shareholder and Other Approvals

Sec. 1024.

The qualifying acquisition must be approved by: (i) a majority of directors unrelated to the qualifying acquisition; and (ii) a majority of the votes cast by shareholders of the SPAC at a meeting duly called for that purpose. Shareholder approval of the qualifying acquisition is not required where the SPAC has placed at least 100% of the gross proceeds raised in its IPO and any additional equity raised pursuant to Section 1019 in escrow in accordance with Section 1010. The shareholder approval requirements set out in Parts V and VI of the Manual will not apply to transactions concurrently effected with the qualifying acquisition, provided that they are disclosed in the prospectus for the resulting issuer and shareholder approval is not otherwise required for the qualifying acquisition. Where the qualifying acquisition is comprised of more than one acquisition, each acquisition must be approved.

Sec. 1025.

The SPAC's IPO prospectus must disclose whether shareholder approval will be required as a condition of the completion of the qualifying acquisition and the shareholders entitled to vote upon the matter. If a qualifying acquisition is subject to shareholder approval, the SPAC must prepare an information circular containing prospectus level disclosure of the resulting issuer assuming completion of the qualifying acquisition. This information circular must be submitted to the Exchange for pre-clearance prior to distribution.

Sec. 1026.

The SPAC may impose additional conditions on the completion of a qualifying acquisition, provided that the conditions are described in the prospectus or information circular describing the qualifying acquisition. For example, the SPAC may impose a condition not to proceed with a proposed qualifying acquisition if more than a pre-determined percentage of public shareholders exercise their redemption rights.

Sec. 1027.

In accordance with Section 1008, holders of shares (other than founding securityholders in respect of their founding securities) must be entitled to redeem their shares for their pro rata portion of the escrowed funds in the event that the qualifying acquisition is completed. Subject to applicable laws, shareholders who exercise their redemption rights shall be paid within 30 calendar days of completion of the qualifying acquisition and such redeemed shares shall be cancelled.

Prospectus Requirement for Qualifying Acquisition

Sec. 1028.

The SPAC must prepare and file a prospectus containing disclosure regarding the SPAC and its proposed qualifying acquisition with the Canadian securities regulatory authority in each jurisdiction in which the SPAC and the resulting issuer is and will be a reporting issuer assuming completion of the qualifying acquisition and, if applicable, in the jurisdiction in which the head office of

the resulting issuer assuming completion of the qualifying acquisition is located in Canada. Completion of the qualifying acquisition without a receipt for the final prospectus will result in the delisting of the SPAC.

If a qualifying acquisition is subject to shareholder approval, the SPAC must obtain a receipt for its final prospectus from the applicable securities regulatory authorities prior to mailing the information circular described in Section 1025.

If a qualifying acquisition is not subject to shareholder approval, the SPAC must: (i) mail a notice of redemption to shareholders and make its final prospectus publicly available on its website at least 21 days prior to the deadline for redemption; and (ii) send by prepaid mail or otherwise physically deliver the prospectus to shareholders no later than midnight (Toronto time) on the second business day prior to the deadline for redemption. The notice of redemption must be pre-cleared by TSX prior to mailing.

Exchange discretion with respect to the requirements of this Section may only be exercised after discussions with, and the concurrence of, the OSC.

Exchange Approval

Sec. 1029.

The issuer resulting from the completion of the qualifying acquisition by the SPAC must meet the Exchange's original listing requirements set out in Part III of this Manual. The Exchange will provide the issuer with up to 90 days from the completion of the qualifying acquisition to provide evidence that it meets the Public Distribution Requirements set out in Section 315, failing which the issuer will generally be put under a remedial delisting review as described in Part VII.

Failure to obtain the Exchange's approval of the listing of the resulting issuer prior to the completion of the qualifying acquisition will result in the delisting of the SPAC. For greater certainty, a qualifying acquisition may include a merger or other reorganization or an acquisition of the SPAC by a third party.

Escrow Requirements

Sec. 1030.

Upon completion of the qualifying acquisition, the resulting issuer shall be subject to the Exchange's Escrow Policy.

E. Liquidation Distribution and Delisting Upon Failure to Meet Timelines for a Qualifying Acquisition

Sec. 1031.

If a listed SPAC fails to complete a qualifying acquisition within the permitted time set out in Section 1022, subject to applicable laws, it must complete a liquidation distribution within 30 calendar days after the end of such permitted time, pursuant to which the escrowed funds must be distributed to the holders of shares (other than founding securityholders in respect of their founding securities) on a pro rata basis, and in accordance with Section 1032.

Sec. 1032.

In accordance with Section 1004, the founding securityholders may not participate in any liquidation (or redemption) distribution with respect to any of their founding securities. In addition, in accordance with Section 1013, all deferred underwriter commissions held in escrow will be part of the liquidation (or redemption) distribution. A liquidation (or redemption) distribution therefore includes the minimum of 90% of the gross proceeds raised in the IPO, as required under Section 1010 and 50% of the underwriters' commissions as described in this Section. Any interest or other proceeds earned through permitted investments that remains in escrow shall also be part of the liquidation (or redemption) distribution. The amount distributed on a liquidation distribution shall however be net of any applicable taxes and direct expenses related to the liquidation distribution.

Sec. 1033.

If a listed SPAC fails to complete a qualifying acquisition within the permitted time set out in Section 1022, the Exchange will delist the SPAC's securities on or about the date on which the liquidation distribution is completed.

F. Continued Listing Requirements Following Completion of a Qualifying Acquisition

Sec. 1034.

Once a qualifying acquisition has been completed, the resulting issuer will be subject to all continued listing requirements in this Manual without exception.

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