

The Ontario Securities Commission

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

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# Chapter 1

## Notices / News Releases

### 1.1 Notices

#### 1.1.1 CSA Staff Notice 21-324 Information Processor for Exchange-Traded Securities other than Options



### CSA Staff Notice 21-324 *Information Processor for Exchange-Traded Securities other than Options*

June 28, 2018

#### Introduction

Canadian Securities Administrators (CSA) staff (CSA staff or we) are publishing this notice to inform the public that TMX Information Processor (TMX IP) will continue to act as an information processor (IP) for exchange-traded securities other than options<sup>1</sup> under National Instrument 21-101 *Marketplace Operation* (NI 21-101) until June 30, 2022. This notice discusses the role of the IP and the terms and conditions under which it will continue to operate.

In Ontario and Saskatchewan, TMX IP will be designated as an IP and subject to terms and conditions contained in a designation order. In Quebec, TMX IP will be recognized as an IP and subject to terms and conditions outlined in a Recognition Order. In all other jurisdictions, TMX IP will operate pursuant to a number of undertakings (which are similar to the terms and conditions to be set out in the Ontario, Saskatchewan and Quebec orders).

This notice is also available on websites of CSA jurisdictions, including:

[www.lautorite.gc.ca](http://www.lautorite.gc.ca)  
[www.albertasecurities.com](http://www.albertasecurities.com)  
[www.bcsc.bc.ca](http://www.bcsc.bc.ca)  
[www.fcnb.ca](http://www.fcnb.ca)  
[nssc.novascotia.ca](http://nssc.novascotia.ca)  
[www.osc.gov.on.ca](http://www.osc.gov.on.ca)  
[www.fcaa.gov.sk.ca](http://www.fcaa.gov.sk.ca)  
[www.mbsecurities.ca](http://www.mbsecurities.ca)

#### Transparency Requirements and the Need for an IP

An IP supports the transparency requirements in Part 7 of NI 21-101.<sup>2</sup> It collects, consolidates and disseminates marketplace data and thus makes available at least one source of consolidated data to investors and market participants. The transparency requirements in Part 7 of NI 21-101 and in particular the availability of timely and accurate data are critical to the regulatory framework and support fair and efficient markets and confidence in those markets.

The provision of consolidated information by the IP facilitates compliance by marketplace participants with relevant regulatory requirements that apply in a multiple marketplace environment by ensuring the availability of consolidated data that meets regulatory standards and which users can use to demonstrate or evaluate compliance with these requirements.

<sup>1</sup> In Québec, options are derivatives under the *Derivatives Act* (Québec) and are excluded from the definition of “exchange-traded securities”.

<sup>2</sup> Subsection 7.1(1) requires a marketplace that displays orders of exchange-traded securities to a person or company to provide accurate and timely information regarding orders for the exchange-traded securities displayed by the marketplace to an IP or, in its absence, to an information vendor. Subsection 7.1(2) provides an exception for those marketplaces that only display orders to their employees or to persons or companies retained by the marketplaces to assist in the operation of the marketplace, if the orders posted on the marketplaces meet the size threshold set by a regulation services provider. Subsection 7.2(1) of NI 21-101 requires marketplaces to provide information about trades in exchange-traded securities to an IP or, in its absence, to an information vendor.

Part 14 of NI 21-101 provides for the operation and regulatory requirements applicable to an IP.<sup>3</sup> They include:

- a requirement to provide prompt and accurate order and trade information and to not unreasonably restrict fair access to such information;
- a requirement to provide timely, accurate, reliable and fair collection, processing, distribution and publication of information for orders for, and trades in, securities;
- an obligation to maintain reasonable books and records; and
- certain system requirements, including an annual independent systems review.

In addition, the IP is required to establish, in a timely manner, an electronic connection to each marketplace that is required to provide information under NI 21-101, and also to enter into an agreement with each such marketplace. The agreement must set out that the marketplace will provide the IP information in accordance with Part 7 of NI 21-101 and that it will comply with any other reasonable requirements set by the IP.

In order to act as the IP, the CSA must determine that it is in the public interest for the entity to act as an IP for equity securities other than options. In addition, in Quebec, an IP needs to be recognized as an IP and subject to terms and conditions outlined in a Recognition Order. In Ontario and Saskatchewan, a Designation Order will be issued for an IP that also includes terms and conditions.

### TMX IP

TMX IP has been the IP for exchange-traded securities other than options since July 1, 2009.<sup>4</sup> TMX IP collects data from relevant marketplaces and is authorized to consolidate and disseminate this data in the form of the following products (together, the Consolidated Products):

- Consolidated Data Feed, which provides access to order and trade market data from each marketplace that contributes its data to the TMX IP (contributing marketplace);
- Consolidated Last Sale, which provides real-time trading data from all contributing marketplaces;
- Canadian Best Bid and Offer, which provides a consolidated best bid and offer for all Canadian exchange-traded securities other than options;
- Canadian Best Bid and Offer for Protected Only Markets, which provides a consolidated view of the order book only for those marketplaces that have protected bids and offers under Part 6 of National Instrument 23-101 – *Trading Rules (NI 23-101)*, Order Protection;
- Consolidated Depth of Book, which provides a single consolidated view of the order book from the contributing marketplaces; and
- Consolidated Depth of Book for Protected Only Markets, which provides a single consolidated view of the order book for those marketplaces that have protected bids and offers under Part 6 of NI 23-101.

To recover some of its operational costs, TMX IP uses a “pass-through” fee model, where the contributing marketplaces enter into contractual agreements with data vendors and subscribers directly, allowing each marketplace’s fees to be passed through to the clients. A monthly fee is charged by TMX IP for each of the Consolidated Products. The fees are published on the TMX IP’s website and reviewed by the CSA.

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<sup>3</sup> An IP is defined as a person or company that receives and provides information under NI 21-101 and has filed Form 21-101F5 *Initial Operation Report for Information Processor (Form 21-101F5)*.

<sup>4</sup> CSA Staff Notice 21-309 *Information Processor for Exchange-Traded Securities other than Options (CSA Staff Notice 21-309)* was published in 2009 to inform the public that TMX IP would act as an IP between July 1, 2009 to June 30, 2014. In Québec, the Autorité des marchés financiers issued decision n° 2009-PDG-0047 on June 4, 2009.

TMX IP is subject to a number of undertakings<sup>5</sup> under which it agreed to:

- establish policies and procedures to address conflicts of interest related to the operation of the IP by the TMX Group Limited; distribute only the Consolidated Products under the IP designation and to obtain approval from CSA staff to distribute additional products using the data provided to it by marketplaces; in addition, TMX IP acknowledged that it does not have exclusive rights to consolidate and disseminate order and trade information;
- conduct an annual self-assessment of its compliance with subsections 14.4(2), (4) and (5) of NI 21-101 and with its performance with respect to the undertakings;
- provide a report of the self-assessment to the IP Governance Committee and file the report and the views of the IP Governance Committee with the CSA; and
- ensure that all data contributors are given access to the IP on fair and reasonable terms.

These undertakings were included as terms and conditions in the Recognition Order issued in Quebec.

### Local Matters

Certain jurisdictions are publishing other information required by local securities legislation. In Ontario, this information is contained in Appendix A to this notice and consists of TMX IP's Designation Order including terms and conditions to the order.

### Questions

Please refer your questions to any of the following:

Alina Bazavan  
Senior Analyst, Market Regulation  
Ontario Securities Commission  
abazavan@osc.gov.on.ca

Lucie Prince  
Analyste, Direction des bourses et des OAR  
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Paula White  
Deputy Director, Compliance and Oversight  
Manitoba Securities Commission  
paula.white@gov.mb.ca

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<sup>5</sup> CSA Staff Notice 21-309 includes the initial TMX IP undertakings, which were subsequently updated in CSA Staff Notice 21-313 *Information Processor for Exchange-Traded Securities other than Options*.

**APPENDIX A**

**LOCAL MATTERS**

In Ontario, under new provisions in the *Securities Act* (Ontario), specifically new section 21.2.3, the OSC will issue an order designating TMX as the IP for exchange-traded securities other than options (**Designation Order**). The undertakings given by TMX IP in connection with its operations as IP for exchange-traded securities will be converted to terms and conditions of the Designation Order. No material changes have been made to the undertakings to convert them to terms and conditions.

The Order and the terms and conditions applicable to TMX IP are published in Chapter 2.



**1.2 Notices of Hearing**

**1.2.1 Trans-Atlantic Direct et al. – ss. 127(7) and 127(8)**

**FILE NO.:** 2018-39

**IN THE MATTER OF  
TRANS-ATLANTIC DIRECT,  
TRD-EUROMARKETS S.L.,  
MARTIN SCHWARTZ,  
also known as MARTIN SHWARTZ,  
STEWART PRICE,  
BERNARD JUSTIN SEVILLA and  
MARK LEE SINGER**

**NOTICE OF HEARING**  
Subsections 127(7) and 127(8) of the  
*Securities Act*, RSO 1990, c S.5

**PROCEEDING TYPE:** Application for Extension of Temporary Order

**HEARING DATE AND TIME:** July 3, 2018 at 10:00 a.m.

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

**PURPOSE**

The purpose of this proceeding is to consider whether the Commission should grant the Application filed by Staff of the Commission to amend and extend the temporary order issued by the Commission on June 20, 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 plus tôt si le participant demande qu'une instance soit tenue entièrement ou partiellement en français.

Dated at Toronto this 22nd day of June, 2018

"Grace Knakowski"  
Secretary to the Commission

**For more information**

Please visit [www.osc.gov.on.ca](http://www.osc.gov.on.ca) or contact the Registrar at [registrar@osc.gov.on.ca](mailto:registrar@osc.gov.on.ca).

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

**1.3.1 Natural Bee Works Apiaries Inc. et al. – ss. 127(1) and 127.1**

**FILE NO.:** 2018-40

**IN THE MATTER OF  
NATURAL BEE WORKS APIARIES INC.,  
RINALDO LANDUCCI and  
TAWLIA CHICKALO**

**NOTICE OF HEARING**

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

**PROCEEDING TYPE:** Enforcement Proceeding

**HEARING DATE AND TIME:** July 19, 2018, at 10:00 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 June 25, 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 plus tôt si le participant demande qu'une instance soit tenue entièrement ou partiellement en français.

Dated at Toronto this 26th day of June, 2018

"Robert Blair"

PER Grace Knakowski  
Secretary to the Commission

**For more information**

Please visit [www.osc.gov.on.ca](http://www.osc.gov.on.ca) or contact the Registrar at [registrar@osc.gov.on.ca](mailto:registrar@osc.gov.on.ca).

**IN THE MATTER OF  
NATURAL BEE WORKS APIARIES INC.,  
RINALDO LANDUCCI and  
TAWLIA CHICKALO**

**STATEMENT OF ALLEGATIONS**

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

**A. Order Sought**

Staff of the Enforcement Branch of Ontario Securities Commission ("**Enforcement Staff**") request that the Commission make the following orders:

1. that trading in any securities or derivatives by the Respondents Rinaldo Landucci ("**Landucci**") and Tawlia Chickalo, also known as Tawliawhe Chickalo ("**Chickalo**") (collectively, the "**Respondents**") cease permanently or for such period as is specified by the Commission, pursuant to paragraph 2 of subsection 127(1) of the *Securities Act*, RSO 1990, c S.5 (the "**Act**");
2. that the acquisition of any securities by the Respondents is prohibited permanently or for such period as is specified by the Commission, pursuant to paragraph 2.1 of subsection 127(1) of the Act;
3. that any exemptions contained in Ontario securities law do not apply to the Respondents permanently or for such period as is specified by the Commission, pursuant to paragraph 3 of subsection 127(1) of the Act;
4. that the Respondents be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act;
5. that the individual Respondents resign any position they hold as a director or officer of an issuer or registrant pursuant to paragraphs 7 and 8.1 of subsection 127(1) of the Act;
6. that the individual Respondents be prohibited from being or acting as a director or officer of any issuer and registrant permanently or for such period as is specified by the Commission, pursuant to paragraphs 8 and 8.2 of subsection 127(1) of the Act;
7. that the Respondents each pay an administrative penalty of not more than \$1 million for each failure by the Respondent to comply with Ontario securities law, pursuant to paragraph 9 of subsection 127(1) of the Act;
8. that the Respondents disgorge to the Commission any amounts obtained as a result of non-compliance with Ontario securities law, pursuant to paragraph 10 of subsection 127(1) of the Act;
9. that the Respondents pay the costs of the Commission investigation and the hearing, pursuant to section 127.1 of the Act; and
10. such other order as the Commission considers appropriate in the public interest.

**B. Facts**

Enforcement Staff make the following allegations of fact:

**(a) Overview**

11. This matter concerns the conduct of Landucci and Chickalo, who deceived investors into purchasing shares of Natural Bee Works Apiaries Inc. ("**NBW**") and then used the majority of the investor funds raised for their own, personal purposes.
12. For there to be fairness and confidence in Ontario's capital markets, it is critical that issuers and their principals and representatives be appropriately registered with the Commission and ethical in their dealings with investors. Investors must be able to rely on the representations made by issuers and their representatives and be protected from unscrupulous persons and unethical and fraudulent conduct.

**(b) The Respondents**

13. NBW purports to be in the business of selling bee-related products. NBW was incorporated in British Columbia on June 9, 2017.
14. Landucci is a resident of British Columbia. He is the sole registered director and the directing mind of NBW.
15. Chickalo is a resident of Ontario. Chickalo was held out as President and the “face” of NBW. In reality, Chickalo did not act as NBW’s President, and played little or no role in overseeing or running NBW’s purported business operations. Chickalo’s primary function for NBW was to solicit investors, as described below.

**(c) Illegal Unregistered Trading and Illegal Distribution**

16. Between April 2017 and January 2018, before the Commission issued a temporary cease trade order, Chickalo solicited potential investors on behalf of NBW to purchase shares pursuant to a purported private placement.
17. Many of the investors were solicited before NBW was even incorporated. The share purchase agreements signed by many investors indicate that shares of “Bee Works Incorporated” were being acquired. Bee Works Incorporated is not a registered corporation in any Canadian jurisdiction. Most investors received NBW shares after its incorporation.
18. The shares were offered and sold in bundles of 5,000 shares, priced at \$0.25 per share, for a total cost of \$1,250 per bundle.
19. Many of the investors solicited by Chickalo were customers of her former beeswax candle business, which ceased operations in 2016. The majority of these investors invested because they knew and trusted Chickalo.
20. Chickalo was assisted in soliciting Ontario investors by one of her former candle business customers, “E.M.,” who also invested.
21. In total, Chickalo and E.M. solicited more than 65 investors who purchased more than \$250,000 worth of NBW shares. The majority of these investors reside in Ontario.
22. Chickalo and E.M. were compensated for soliciting investors. As set out in more detail below, Chickalo kept thousands of dollars from the funds she obtained from investors. E.M. received NBW shares as compensation.

**(d) Misrepresentations in the Marketing Materials**

23. Landucci and Chickalo prepared the marketing materials (the “**Marketing Materials**”) which were used to solicit investors.
24. The Marketing Materials contain untrue and/or misleading statements, including the following:
  - a. NBW “will be launching on Nasdaq”;
    - In fact, NBW did not list on the Nasdaq stock exchange and had never taken any meaningful steps to do so.
  - b. NBW’s “lowest launch value” on the stock exchange is \$4.00, “which creates a minimum 1600% ROI!”;
    - In fact, NBW did not list on the Nasdaq stock exchange and had never taken any meaningful steps to do so.
  - c. NBW has raised more than \$20 million from more than 200 investors and, accordingly, has already “surpassed” Nasdaq’s monetary requirement of \$5 million “to go public”;
    - In fact, NBW has raised less than \$300,000 from fewer than 80 investors.
  - d. NBW has secured a \$200 million line of credit “to start working with now!”;
    - In fact, NBW has never secured a line of credit from any institution.

- e. NBW has “major corporate customers waiting for product”; and
  - In fact, NBW has not signed contracts with any major corporate customers.
- f. NBW has property worth \$2.8 million, and as of July 2017 has \$1,900,000 worth of apiaries equipment and bees.
  - In fact, NBW has never owned any real property or significant assets.

25. These statements were also made verbally by Chickalo to prospective investors.

**(e) Misuse of Investor Funds**

***By Chickalo***

- 26. Of the more than \$250,000 of investor funds raised by Chickalo and E.M., approximately \$125,000 was deposited directly into Chickalo’s personal credit union account.
- 27. Chickalo transferred approximately \$90,000 of the investor funds in her credit union account to (i) two personal bank accounts controlled by Landucci, and (ii) NBW’s bank account, which was also controlled by Landucci.
- 28. Chickalo kept the remainder of the investor funds – approximately \$35,000 – and used the majority of these funds for personal, non-NBW purposes, including for household expenses, restaurants and entertainment. Chickalo withdrew approximately \$16,000 of investor funds in cash from her credit union account.
- 29. Chickalo’s credit union account was frozen on November 11, 2017 by Canada Revenue Agency, with a balance of less than \$60.

***By Landucci***

- 30. Landucci came to control, via his two personal bank accounts and the NBW bank account, more than \$230,000 of investor funds. These funds were derived from transfers from Chickalo’s credit union account and direct deposits by investors.
- 31. Landucci used the majority of these investor funds for non-NBW purposes, including payments of approximately \$30,000 to a motel at which he resides. Landucci withdrew more than \$160,000 of investor funds in cash from these three accounts.

**(f) Communications with Investors regarding the Temporary Cease Trade Order**

- 32. On February 26, 2018, the Commission extended a Temporary Cease Trade Order (the “TCTO”) which it issued on February 8, 2018. The TCTO prohibits the trading of NBW securities and of any securities by NBW, Landucci and Chickalo.
- 33. Subsequently, Chickalo sent emails to certain NBW investors about the TCTO which contained the following or similar statements:

“This temporary Cease Order has been prompted to create a short time to confirm information that is sourced out of BC (where we are registered) and also references some material circulated at the very beginning of our investment offer, and these statements have long been corrected.

Know that we are compliant with their requests and are simply awaiting their review of materials we have submitted. (Please note that many of their allegations sound very bad and their statements do not reflect the information duly submitted proving otherwise).”

- 34. These statements convey, and were intended to convey, that the allegations of misconduct against the Respondents referenced in the TCTO are without merit. These assertions are false and/or misleading.

**C. Breaches and Conduct Contrary to the Public Interest**

Enforcement Staff allege the following breaches of Ontario securities law and/or conduct contrary to the public interest:

1. In the case of Chickalo, engaging in the business of trading in securities without the necessary registration or an applicable exemption from the registration requirement, contrary to section 25 of the Act;
2. In the case of NBW and Chickalo, trading in securities that would constitute a distribution without a prospectus or an applicable exemption from the prospectus requirement, contrary to section 53 of the Act;
3. In the case of NBW, Landucci and Chickalo, representing that the securities of NBW will be listed on an exchange, contrary to subsection 38(3) of the Act;
4. In the case of NBW, Landucci and Chickalo, engaging or participating in an act, practice or course of conduct relating to securities that they know or reasonably ought to know perpetrates a fraud on any person or company, contrary to section 126.1(1)(b) of the Act;
5. In the case of NBW, Landucci and Chickalo, making statements that they knew or reasonably ought to have known were untrue or misleading and that would reasonably be expected to have a significant effect on the market price or value of the securities of NBW, contrary to subsection 126.2 of the Act, by virtue of the statements made in marketing materials; and
6. In the case of Landucci, authorizing, permitting or acquiescing in the non-compliance with the Act by NBW, contrary to section 129.2 of the Act.

**DATED** this 25th day of June, 2018.

Staff of the Enforcement Branch  
Ontario Securities Commission  
20 Queen Street West, 22nd Floor  
Toronto, ON M5H 3S8

**1.5 Notices from the Office of the Secretary**

**1.5.1 Donald Mason**

**FOR IMMEDIATE RELEASE  
June 22, 2018**

**DONALD MASON,  
File No. 2018-1**

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

A copy of the Order dated June 22, 2018 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
GRACE KNAKOWSKI  
SECRETARY TO THE COMMISSION

For media inquiries:

[media\\_inquiries@osc.gov.on.ca](mailto:media_inquiries@osc.gov.on.ca)

For investor inquiries:

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

**1.5.2 Trans-Atlantic Direct et al.**

**FOR IMMEDIATE RELEASE  
June 22, 2018**

**TRANS-ATLANTIC DIRECT,  
TRD-EUROMARKETS S.L.,  
MARTIN SCHWARTZ,  
also known as MARTIN SHWARTZ,  
STEWART PRICE,  
BERNARD JUSTIN SEVILLA and  
MARK LEE SINGER,  
File No. 2018-39**

**TORONTO** – The Office of the Secretary issued a Notice of Hearing setting the matter down to be heard on July 3, 2018 at 10:00 a.m. to consider an Application for Extension of Temporary Order in the above named matter.

A copy of the Notice of Hearing dated June 22, 2018, Application for Extension of Temporary Order dated June 22, 2018 and Temporary Order dated June 20, 2018 are available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
GRACE KNAKOWSKI  
SECRETARY TO THE COMMISSION

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

**1.5.3 Inverlake Property Investment Group Inc. et al.**

**FOR IMMEDIATE RELEASE**  
June 25, 2018

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

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

A copy of the Reasons and Decision and the Order dated June 22, 2018 are available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
GRACE KNAKOWSKI  
SECRETARY TO THE COMMISSION

For media inquiries:

[media\\_inquiries@osc.gov.on.ca](mailto:media_inquiries@osc.gov.on.ca)

For investor inquiries:

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

**1.5.4 Natural Bee Works Apiaries Inc. et al.**

**FOR IMMEDIATE RELEASE**  
June 26, 2018

**NATURAL BEE WORKS APIARIES INC.,  
RINALDO LANDUCCI and  
TAWLIA CHICKALO,  
File No. 2018-40**

**TORONTO** – The Office of the Secretary issued a Notice of Hearing on June 26, 2018 setting the matter down to be heard on July 19, 2018 at 10:00 a.m. or as soon thereafter as the hearing can be held in the above named matter. The hearing will be held at the offices of the Commission at 20 Queen Street West, 17th Floor, Toronto.

A copy of the Notice of Hearing dated June 26, 2018 and Statement of Allegations dated June 25, 2018 are available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
GRACE KNAKOWSKI  
SECRETARY TO THE COMMISSION

For media inquiries:

[media\\_inquiries@osc.gov.on.ca](mailto:media_inquiries@osc.gov.on.ca)

For investor inquiries:

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



## Chapter 2

# Decisions, Orders and Rulings

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### 2.1 Decisions

#### 2.1.1 Mackenzie Financial Corporation et al.

##### Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – approval of investment fund mergers – approval required because mergers do not meet the criteria for pre-approved reorganizations and transfers in National Instrument 81-102 Investment Funds – certain terminating funds and continuing funds do not have substantially similar fundamental investment objectives – certain mergers will not be a “qualifying exchange” or a tax-deferred transaction under the Income Tax Act – mergers to otherwise comply with pre-approval criteria, including securityholder vote, IRC approval – securityholders provided with timely and adequate disclosure regarding the mergers.

##### Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 5.5(1)(b), 5.7(1)(b), 19.1(2).

June 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  
MACKENZIE FINANCIAL CORPORATION  
(the Filer)

AND

MACKENZIE CANADIAN MONEY MARKET CLASS,  
MACKENZIE IVY INTERNATIONAL EQUITY FUND,  
MACKENZIE GLOBAL LOW VOLATILITY FUND,  
MACKENZIE US LOW VOLATILITY FUND,  
MACKENZIE CUNDILL RECOVERY FUND,  
MACKENZIE CUNDILL RECOVERY CLASS,  
MACKENZIE EMERGING MARKETS OPPORTUNITIES CLASS,  
MACKENZIE CANADIAN ALL CAP DIVIDEND GROWTH FUND,  
MACKENZIE CANADIAN ALL CAP BALANCED CLASS, AND  
MACKENZIE US LARGE CAP CLASS  
(collectively, the “Terminating Funds” and individually, a “Terminating Fund”)

DECISION

**Background**

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Terminating Funds, for a decision under the securities legislation of the Jurisdiction (the **Legislation**) approving the proposed reorganization of each of the Terminating Funds with applicable Continuing Funds (each as defined below), pursuant to subsection 5.5(1)(b) of National Instrument 81-102 *Investment Funds* (**NI 81-102**) (the **Requested Relief**).

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

- (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, and Newfoundland and Labrador.

**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.

“**Closed and Exempt Mergers**” means the following Mergers, which: (i) involve Series I of Mackenzie Emerging Markets Class, which is not currently offered for purchase and is not currently qualified for distribution under prospectus; (ii) involve Series J, PWX and O of the Continuing Funds listed below, which are not currently offered for purchase and are not currently qualified for distribution under prospectus; (iii) involve Series I of Mackenzie US Growth Class, which is expected to be offered for sale under a simplified prospectus in advance of the Merger, however, the receipt of the amendment to the prospectus to create Series I will not be issued in advance of the information circular mailing date; (iv) involve Series AR, FB5, F5, F8, PWFB5, PWT5, PWX8 and T5 of the Continuing Funds listed below, which are expected to be offered for sale under a simplified prospectus in advance of the Merger, however, the receipt of the amendment to the prospectus to create the applicable series will not be issued in advance of the information circular mailing date; or (v) involve Series LB and LX of the Continuing Funds, which are expected to be offered for sale under a simplified prospectus in advance of the Merger, however, the receipt of the final prospectus will not be issued in advance of the information circular mailing date:

Terminating Fund	Continuing Fund
Mackenzie Cundill Recovery Class Series O	Mackenzie Cundill Value Class Series O
Mackenzie Cundill Recovery Class Series PWX	Mackenzie Cundill Value Class Series PWX
Mackenzie Cundill Recovery Fund Series J	Mackenzie Cundill Value Fund Series J
Mackenzie Emerging Markets Opportunities Class Series I	Mackenzie Emerging Markets Class Series I
Mackenzie Emerging Markets Opportunities Class Series J	Mackenzie Emerging Markets Class Series J
Mackenzie Canadian All Cap Dividend Growth Fund Series J	Mackenzie Canadian Growth Fund Series J
Mackenzie Canadian All Cap Balanced Class Series FB5	Mackenzie Canadian Growth Balanced Class Series FB5
Mackenzie Canadian All Cap Balanced Class Series PWFB5	Mackenzie Canadian Growth Balanced Class Series PWFB5
Mackenzie Canadian All Cap Dividend Growth Fund Series PWT5	Mackenzie Canadian Growth Fund Series PWT5
Mackenzie Ivy International Equity Fund Series AR	Mackenzie Ivy International Equity Fund Series AR
Mackenzie Ivy International Equity Fund Series F5	Mackenzie Ivy International Equity Fund Series F5
Mackenzie Ivy International Equity Fund Series PWT5	Mackenzie Ivy International Equity Fund Series PWT5
Mackenzie Ivy International Equity Fund Series T5	Mackenzie Ivy International Equity Fund Series T5

Terminating Fund	Continuing Fund
Mackenzie US Large Cap Class Series I	Mackenzie US Growth Class Series I
Mackenzie US Large Cap Class Series F8	Mackenzie US Growth Class Series F8
Mackenzie US Large Cap Class Series FB5	Mackenzie US Growth Class Series FB5
Mackenzie US Large Cap Class Series PWFB5	Mackenzie US Growth Class Series PWFB5
Mackenzie US Large Cap Class Series PWX8	Mackenzie US Growth Class Series PWX8
Mackenzie Canadian All Cap Balanced Class Series LB	Mackenzie Canadian Growth Balanced Class Series LB
Mackenzie Canadian All Cap Balanced Class Series LX	Mackenzie Canadian Growth Balanced Class Series LX

“**Continuing Funds**” means Mackenzie Canadian Money Market Fund, Mackenzie Ivy International Fund, Mackenzie High Diversification Global Equity Fund, Mackenzie High Diversification US Equity Fund, Mackenzie Cundill Value Fund, Mackenzie Cundill Value Class, Mackenzie Emerging Markets Class, Mackenzie Canadian Growth Fund, Mackenzie Canadian Growth Balanced Class, and Mackenzie US Growth Class (collectively, the “**Continuing Funds**” and individually, a “**Continuing Fund**”).

“**Effective Date**” means on or about July 6, 2018, the anticipated date of the Proposed Reorganization.

“**Exempt Mergers**” means the following Mergers, where the Series R and S of the Continuing Funds are or will be offered only on an exempt distribution basis;

Terminating Fund	Continuing Fund
Mackenzie Canadian All Cap Dividend Growth Fund Series R	Mackenzie Canadian Growth Fund Series R
Mackenzie Cundill Recovery Fund Series R	Mackenzie Cundill Value Fund Series R
Mackenzie Cundill Recovery Fund Series S	Mackenzie Cundill Value Fund Series S
Mackenzie Emerging Markets Opportunities Class Series S	Mackenzie Emerging Markets Class Series S
Mackenzie Global Low Volatility Fund Series R	Mackenzie High Diversification Global Equity Fund Series R
Mackenzie US Low Volatility Fund Series R	Mackenzie High Diversification US Equity Fund Series R
Mackenzie US Large Cap Class Series R	Mackenzie US Growth Class Series R
Mackenzie US Large Cap Class Series S	Mackenzie US Growth Class Series S

“**Funds**” means collectively, the Terminating Funds and the Continuing Funds.

“**Grandfathering Mergers**” means the following Mergers, where the series of securities of the Continuing Funds are being created solely to facilitate the Mergers, will not be qualified for distribution under a prospectus and will not be available for purchase subsequent to the Mergers:

Terminating Fund	Continuing Fund
Mackenzie Canadian All Cap Balanced Class Series I	Mackenzie Canadian Growth Balanced Class Series I
Mackenzie Canadian All Cap Balanced Class Series J	Mackenzie Canadian Growth Balanced Class Series J
Mackenzie Canadian All Cap Balanced Class Series J8	Mackenzie Canadian Growth Balanced Class Series J8
Mackenzie Canadian All Cap Balanced Class Series O	Mackenzie Canadian Growth Balanced Class Series O

Terminating Fund	Continuing Fund
Mackenzie Canadian All Cap Balanced Class Series PWX	Mackenzie Canadian Growth Balanced Class Series PWX
Mackenzie Canadian All Cap Balanced Class Series PWX8	Mackenzie Canadian Growth Balanced Class Series PWX8
Mackenzie Canadian All Cap Dividend Growth Fund Series A	Mackenzie Canadian Growth Fund Series C
Mackenzie Canadian All Cap Dividend Growth Fund Series D	Mackenzie Canadian Growth Fund Series DZ
Mackenzie Canadian All Cap Dividend Growth Fund Series FB	Mackenzie Canadian Growth Fund Series GV
Mackenzie Canadian All Cap Dividend Growth Fund Series G	Mackenzie Canadian Growth Fund Series GG
Mackenzie Canadian All Cap Dividend Growth Fund Series T5	Mackenzie Canadian Growth Fund Series C5
Mackenzie Canadian Money Market Class Series J	Mackenzie Canadian Money Market Fund Series J
Mackenzie Cundill Recovery Fund Series LB	Mackenzie Cundill Value Fund Series GL
Mackenzie Cundill Recovery Fund Series LW	Mackenzie Cundill Value Fund Series GW
Mackenzie Cundill Recovery Fund Series A	Mackenzie Cundill Value Fund Series GA
Mackenzie Cundill Recovery Fund Series F	Mackenzie Cundill Value Fund Series GF
Mackenzie Cundill Recovery Fund Series I	Mackenzie Cundill Value Fund Series GI
Mackenzie Cundill Recovery Fund Series OJ	Mackenzie Cundill Value Fund Series OJ
Mackenzie Emerging Markets Opportunities Class Series OJ	Mackenzie Emerging Markets Class Series OJ
Mackenzie Money Market Class Series J	Mackenzie Money Market Fund Series J
Mackenzie US Large Cap Class Series A Quadrus	Mackenzie US Growth Class Series A Quadrus
Mackenzie US Large Cap Class Series DZ	Mackenzie US Growth Class Series DZ
Mackenzie US Large Cap Class Series J	Mackenzie US Growth Class Series J

“**Proposed Reorganizations**” means each of the proposed mergers of the Terminating Funds into the applicable Continuing Funds.

“**Taxable Mergers**” means the following Mergers:

- a) the merger of Mackenzie Canadian Money Market Class into Mackenzie Canadian Money Market Fund;
- b) the merger of Mackenzie Ivy International Equity Fund into Mackenzie Ivy International Fund;
- c) the merger of Mackenzie Cundill Recovery Class into Mackenzie Cundill Value Class;
- d) the merger of Mackenzie Emerging Markets Opportunities Class into Mackenzie Emerging Markets Class;
- e) the merger of Mackenzie Canadian All Cap Balanced Class into Mackenzie Canadian Growth Balanced Class; and
- f) the merger of Mackenzie US Large Cap Class into Mackenzie US Growth Class.

## Representations

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

### *The Filer*

1. The Filer is a corporation governed by the laws of Ontario and is registered as follows: as an investment fund manager in Ontario, Quebec and Newfoundland and Labrador; as a portfolio manager and exempt market dealer in Ontario and the Other Jurisdictions; and as a commodity trading manager in Ontario.
2. The Filer, with its head office in Toronto, Ontario, is the trustee and manager of the Funds.

### *The Funds*

3. Each of Mackenzie Canadian Money Market Class, Mackenzie Cundill Recovery Class, Mackenzie Emerging Markets Opportunities Class, Mackenzie Canadian All Cap Balanced Class, Mackenzie US Large Cap Class, Mackenzie Cundill Value Class, Mackenzie Emerging Markets Class, Mackenzie Canadian Growth Balanced Class, and Mackenzie US Growth Class (collectively, the “**Corporate Class Funds**”) are separate classes of securities of Mackenzie Financial Capital Corporation (the “**Corporation**”). The remaining Funds are unit trusts (collectively, the “**Trust Funds**”).
4. The Funds are either unit trusts established under the laws of Ontario or separate classes of securities of the Corporation, a mutual fund corporation governed under the laws of Ontario. The Terminating Funds and Continuing Funds are each reporting issuers under the securities legislation of the Jurisdictions. Neither the Filer nor the Funds are in default of securities legislation in the Jurisdictions, as applicable.
5. Other than circumstances in which the securities regulatory authority of a Jurisdiction has expressly exempted a Fund therefrom, each of the Funds follows the standard investment restrictions and practices established under NI 81-102.
6. Securities of the Funds are currently qualified for sale under one or more of the simplified prospectus, annual information form and fund facts each dated September 29, 2017, as amended (collectively, the “**Mackenzie Mutual Funds Offering Documents**”), the simplified prospectus, annual information form and fund facts each dated June 28, 2017, as amended (collectively, the “**Quadrus Offering Documents**”) and/or the simplified prospectus, annual information form and fund facts each dated November 23, 2017, as amended (collectively, the “**Laurentian Offering Documents**”, and, together with the Mackenzie Mutual Funds Offering Documents and the Quadrus Offering Documents, the “**Offering Documents**”). Certain securities of certain Funds are offered only on an exempt distribution basis or are no longer available for purchase; for example, Series I, J, OJ, R, and S securities of certain Funds have never been or are no longer qualified for distribution under a prospectus.
7. The net asset value for each class or series of the Funds, as applicable, is calculated on a daily basis in accordance with the Funds’ valuation policy and as described in the applicable Offering Documents.

### *Reasons for the Requested Relief*

8. Approval of the Proposed Reorganization is required because:
  - (a) the fundamental investment objectives of certain Continuing Funds are not, or may be considered not to be, “substantially similar” to the investment objectives of their corresponding Terminating Funds;
  - (b) certain Mergers will not be completed as a “qualifying exchange” or a tax-deferred transaction under the *Income Tax Act* (Canada) (the “**Tax Act**”) (collectively, the **Taxable Mergers**); and
  - (c) as described below, the materials to be sent to certain securityholders of the Terminating Funds in respect of certain Mergers will not include the current simplified prospectus or the most recently filed fund facts documents for the series of the Continuing Funds into which the applicable series of the Terminating Funds are merging because either:
    - (i) the applicable series of the Continuing Funds are being created solely to facilitate the Mergers, will not be qualified for distribution under a prospectus and will not be available for sale subsequent to the Mergers (the **Grandfathering Mergers**);

- (ii) the applicable series of the Continuing Funds are not currently offered for purchase and are not currently qualified for distribution under a prospectus, as is the case with the series of the Terminating Fund merging into these series (the **Closed and Exempt Mergers**); or
- (iii) the applicable series of the Continuing Funds are or will be offered only on an exempt distribution basis, as is the case with the series of the Terminating Funds merging into these series (the **Exempt Mergers**).

9. Pursuant to the Proposed Reorganizations, securityholders of each of the Terminating Funds would become securityholders of the applicable Continuing Fund, as follows (each a “**Merger**” and collectively, the “**Mergers**”):

Terminating Fund	Continuing Fund
Mackenzie Canadian Money Market Class	Mackenzie Canadian Money Market Fund
Mackenzie Ivy International Equity Fund	Mackenzie Ivy International Fund
Mackenzie Global Low Volatility Fund	Mackenzie High Diversification Global Equity Fund
Mackenzie US Low Volatility Fund	Mackenzie High Diversification US Equity Fund
Mackenzie Cundill Recovery Fund	Mackenzie Cundill Value Fund
Mackenzie Cundill Recovery Class	Mackenzie Cundill Value Class
Mackenzie Emerging Markets Opportunities Class	Mackenzie Emerging Markets Class
Mackenzie Canadian All Cap Dividend Growth Fund	Mackenzie Canadian Growth Fund
Mackenzie Canadian All Cap Balanced Class	Mackenzie Canadian Growth Balanced Class
Mackenzie US Large Cap Class	Mackenzie US Growth Class

- 10. Except as noted above, the Proposed Reorganizations will otherwise comply with all other criteria for pre-approved reorganizations and transfers set out in section 5.6 of NI 81-102.
- 11. The Proposed Reorganizations do not require approval of securityholders of the Continuing Funds as the Filer has determined that the Proposed Reorganizations do not constitute material changes to any of the Continuing Fund.
- 12. As required by National Instrument 81-107 *Independent Review Committee for Investment Funds*, the Independent Review Committee (**IRC**) has been appointed for the Funds. The Filer presented the terms of the Proposed Reorganizations to the IRC for a recommendation. The IRC reviewed the Proposed Reorganizations and provided a positive recommendation for each of the Proposed Reorganization, having determined that the Proposed Reorganizations, if implemented, would achieve a fair and reasonable result for each of the Funds and their respective securityholders.
- 13. In accordance with National Instrument 81-106 *Continuous Disclosure*, a press release describing the Proposed Reorganizations was issued and the press release, material change report and amendments to the applicable simplified prospectus and annual information form, as well as revised fund facts of the Terminating Funds, which give notice of the Proposed Reorganizations, were filed on SEDAR on April 2, 2018 for each of Mackenzie Funds, Quadrus Group of Funds and Laurentian Group of Funds.
- 14. A notice and access document, notice of meeting, management information circular, proxy and fund facts of the applicable series of the Continuing Fund (“**Meeting Materials**”) were mailed or otherwise made available to securityholders of the Terminating Fund on May 16, 2018 and were filed on SEDAR on May 17, 2018.
- 15. The Meeting Materials describe all of the relevant facts concerning the Proposed Reorganizations relevant to each securityholder, including the differences between investment objectives, strategies and fee structures of the Terminating Funds and the Continuing Funds, the IRC’s recommendations of the Proposed Reorganization, and income tax considerations so that securityholders of the Terminating Funds may consider this information before voting on the Proposed Reorganization. The Meeting Materials also describe the various ways in which securityholders can obtain a copy of the simplified prospectus and annual information form of the Continuing Funds, as well as the most recent interim and annual financial statements and management reports of fund performance for the Continuing Funds, at no cost.

16. Fund facts relating to the applicable series of each Continuing Fund were mailed to securityholders of the corresponding series of each Terminating Fund in all instances other than in respect of the Grandfathering Mergers, the Closed and Exempt Mergers and the Exempt Mergers. In order to effect the Mergers relating to these series of the Terminating Funds, securities of the applicable series of the Continuing Funds will be distributed to securityholders of the Terminating Funds in reliance on the prospectus exemption contained in section 2.11 of National Instrument 45-106 *Prospectus and Registration Exemptions*.
17. In respect of the Grandfathering Mergers, the Closed and Exempt Mergers and the Exempt Mergers, because a current simplified prospectus and fund facts document are not available for the applicable series of the Continuing Funds, securityholders of each of the corresponding series of the Terminating Funds were sent fund facts relating to series A securities of the applicable Continuing Fund, or, where appropriate, another series of securities of the applicable Continuing Fund.
18. The Manager will pay for the costs of the proposed Mergers. These costs consist mainly of brokerage charges associated with the trades that occur both before and after the date of the proposed Mergers and legal, proxy solicitation, printing, mailing and regulatory fees. There are no charges payable by securityholders of the Terminating Funds who acquire securities of the corresponding Continuing Funds as a result of the Proposed Reorganization.
19. Securityholders of each of the Terminating Funds will be asked to approve the Proposed Reorganization associated with that Terminating Fund at a special meeting of securityholders scheduled to be held on or about June 22, 2018.
20. The Taxable Mergers will be effected on a taxable basis, which the Manager has determined will be in the overall best interests of the investors of the Terminating Funds and the Continuing Funds given the investment mandates and applicable portfolio management teams of the Continuing Funds. Effecting the Taxable Mergers on a taxable basis will preserve, where applicable, any unused tax losses of the Continuing Fund, which would otherwise expire upon implementation of the Taxable Merger on a tax deferred basis and therefore would not be available to shelter income and capital gains realized by the Continuing Fund in future years.
21. Following the implementation of the Proposed Reorganization, all systematic plans that were established with respect to the Terminating Funds will be re-established in the Continuing Fund, either on a series-for-series basis or into a similar series with substantially similar fees, unless securityholders advise the Filer otherwise or unless otherwise noted in the information circular.
22. Securityholders may change or cancel any systematic plan at any time and securityholders of the Terminating Funds who wish to establish one or more systematic plans in respect of their holdings in the Continuing Fund may do so following the implementation of the Proposed Reorganizations.

**Proposed Reorganization Steps**

23. If the necessary approvals are obtained, the Filer will carry out the following steps to complete the Proposed Reorganizations:
  - (a) Procedure for the Merger of a Trust Fund into another Trust Fund:
    - (i) Prior to effecting the Merger, if required, each Trust Fund that is a Terminating Fund (each, a **“Terminating Trust Fund”**) will sell any securities in its portfolio that do not meet the investment objectives and investment strategies of the applicable Continuing Fund and purchase other securities so that, as of the effective date of the Merger, the portfolio of the Terminating Fund is substantially similar to that of the applicable Continuing Fund. As a result, some of the Terminating Trust Funds may temporarily hold cash, money market instruments or investments that are not consistent with their investment objectives, and may not be fully invested in accordance with their investment objectives for a brief period of time prior to the Merger being effected.
    - (ii) The value of each Terminating Trust Fund’s portfolio and other assets will be determined at the close of business on the effective date of each applicable Merger in accordance with the constating documents of the applicable Terminating Trust Fund.
    - (iii) Each Continuing Fund that is a trust (each, a **“Continuing Trust Fund”**) will acquire the investment portfolio and other assets of the applicable Terminating Trust Fund in exchange for securities of the Continuing Fund.

- (iv) Each Continuing Trust Fund will not assume any liabilities of the applicable Terminating Trust Fund and the Terminating Trust Fund will retain sufficient assets to satisfy its estimated liabilities, if any, as of the effective date of the applicable Merger.
  - (v) Each Terminating Trust Fund and Continuing Trust Fund will distribute a sufficient amount of their net income and net realized capital gains, if any, to securityholders to ensure that they will not be subject to tax under Part I of the Tax Act for their current tax year.
  - (vi) The securities of each Continuing Fund received by the applicable Terminating Trust Fund will have an aggregate net asset value equal to the value of the portfolio assets and other assets that the Continuing Fund is acquiring from the Terminating Trust Fund, and the securities of the Continuing Fund will be issued at the applicable series net asset value per security as of the close of business on the effective date of the applicable Merger.
  - (vii) Immediately thereafter, securities of each Continuing Fund received by the applicable Terminating Trust Fund will be distributed to securityholders of the Terminating Trust Fund, as proceeds of redemption of their securities in the Terminating Trust Fund on a dollar-for-dollar and series by series basis.
  - (viii) As soon as reasonably possible following each Merger, the applicable Terminating Trust Fund will be wound up.
- (b) Procedure for the Merger of a Corporate Class Fund into another Corporate Class Fund:
- (i) Prior to effecting the Merger, if required, the Corporation will sell any securities referable to the portfolio of each Terminating Fund (each a “**Terminating Corporate Class Fund**”) that do not meet the investment objectives and investment strategies of the applicable Continuing Corporate Class Fund and purchase other securities so that, as of the effective date of the Merger, the portfolio of the Terminating Corporate Class Fund is substantially similar to that of the applicable Continuing Corporate Class Fund. As a result, the portfolios of some of the Terminating Corporate Class Funds may temporarily hold cash, money market instruments or investments that are not consistent with their investment objectives, and may not be fully invested in accordance with their investment objectives for a brief period of time prior to the Merger being effected.
  - (ii) Each Terminating Corporate Class Fund may pay taxable dividends and/or capital gains dividends to its securityholders, but only to the extent required to manage the tax liability of the Corporation in a manner that the Board of Directors of the Corporation, in consultation with the Filer, determines to be fair and reasonable.
  - (iii) The value of each Terminating Corporate Class Fund’s portfolio and other assets will be determined at the close of business on the effective date of each applicable Merger in accordance with the constating documents of the applicable Terminating Corporate Class Fund.
  - (iv) The value of each Continuing Corporate Class Fund’s portfolio and other assets will be determined at the close of business on the effective date of each applicable Merger in accordance with the constating documents of the applicable Terminating Corporate Class Fund.
  - (v) The Continuing Corporate Class Fund will not assume any liabilities of the applicable Terminating Corporate Class Fund and the Terminating Corporate Class Fund will retain sufficient assets to satisfy its estimated liabilities, if any, as of the effective date of the applicable Merger.
  - (vi) All of the issued and outstanding securities of each Terminating Corporate Class Fund will be exchanged for securities of each applicable Continuing Corporate Class Fund on a dollar-for-dollar and series-by-series basis, so that securityholders of each Terminating Corporate Class Fund become securityholders of each applicable Continuing Corporate Class Fund.
  - (vii) As soon as reasonably possible following each Merger, the Corporation will cancel the securities of the applicable Terminating Corporate Class Fund and the applicable Continuing Corporate Class Fund.



- (c) Procedure for the Merger of a Corporate Class Fund into a Trust Fund:
- (i) Prior to effecting the Merger, if required, the Corporation will sell any securities in the portfolio underlying a Terminating Corporate Class Fund that do not meet the investment objectives and investment strategies of the applicable Continuing Trust Fund and purchase other securities so that, as of the effective date of the Merger, the portfolio of the Terminating Corporate Class Fund is substantially similar to that of the applicable Continuing Fund. As a result, the portfolios of some of the Terminating Corporate Class Funds may temporarily hold cash, money market instruments or investments that are not consistent with their investment objectives, and may not be fully invested in accordance with their investment objectives for a brief period of time prior to the Merger being effected.
  - (ii) Each Terminating Corporate Class Fund may pay taxable dividends and/or capital gains dividends to its securityholders, but only to the extent required to manage the tax liability of the Corporation in a manner that the Board of Directors of the Corporation, in consultation with the Filer, determines to be fair and reasonable.
  - (iii) The value of each Terminating Corporate Class Fund's portfolio and other assets will be determined at the close of business on the effective date of each applicable Merger in accordance with the constating documents of the applicable Terminating Corporate Class Fund.
  - (iv) Each Continuing Trust Fund will acquire the investment portfolio and other assets of the applicable Terminating Corporate Class Fund in exchange for securities of the Continuing Trust Fund.
  - (v) Each Continuing Trust Fund will not assume any liabilities of the applicable Terminating Corporate Class Fund and the Terminating Corporate Class Fund will retain sufficient assets to satisfy its estimated liabilities, if any, as of the effective date of the applicable Merger.
  - (vi) The securities of each Continuing Trust Fund received by the applicable Terminating Corporate Class Fund will have an aggregate net asset value equal to the value of the portfolio assets and other assets that the Continuing Trust Fund is acquiring from the Terminating Corporate Class Fund, and the securities of the Continuing Trust Fund will be issued at the applicable series net asset value per security as of the close of business on the effective date of the applicable Merger.
  - (vii) Immediately thereafter, securities of each Continuing Trust Fund received by the applicable Terminating Corporate Class Fund will be distributed to securityholders of the Terminating Corporate Class Fund, as proceeds of redemption of their securities in the Terminating Corporate Class Fund on a dollar-for-dollar and series by series basis.
  - (viii) As soon as reasonably possible following each Merger, the Corporation will cancel the securities of the applicable Terminating Corporate Class Fund.
24. Securityholders in the Terminating Funds will continue to have the right to redeem their units or exchange their units for securities of any other mutual fund of the Filer at any time up to the close of business on the business day before the Effective Date. Securityholders of the Terminating Fund that switch their units for securities of other mutual funds of the Filer will not incur any charges other than switch fees, if applicable, as described in each Terminating Fund's simplified prospectus. Securityholders who redeem units may be subject to redemption charges.
25. Following the implementation of the Proposed Reorganizations, the Continuing Funds will continue as publicly offered open-ended mutual funds offering securities in the Jurisdictions, or, in the case of Corporate Class Funds, will continue as classes of the Corporation.
26. Following the implementation of the Proposed Reorganizations, a press release and material change report announcing the results of the securityholder meetings in respect of the reorganization of the Terminating Funds will be issued and filed.
27. No sales charges will be charged by the Filer to investors or to the Terminating Fund or Continuing Fund in connection with the acquisition by a Continuing Fund of the investment portfolio of its applicable Terminating Fund.
28. The assets of each Terminating Fund to be acquired by the applicable Continuing Fund in order to effect the Mergers are currently, or will be, acceptable, on or prior to the effective date of the Mergers, to the portfolio manager(s) of the applicable Continuing Fund and are, or will be, consistent with the investment objectives of the Continuing Fund.

**Proposed Reorganization Benefits**

29. The Filer believes that the Proposed Reorganization is beneficial to securityholders of the Terminating Funds for the following reasons:
- (i) **Efficient use of investment managers:** The Mergers are being proposed to reflect the Filer's desire to deploy its portfolio managers as efficiently as possible, in order to maximize return potential for fund investors. The Mergers will also allow the Filer to make its product offering smaller and simpler, and therefore easier for investors to navigate.
  - (ii) **Flexible mandate of the Continuing Fund:** In certain cases, the Continuing Funds provide a substantially similar yet broader or more flexible mandate, with consistency of management that the Filer believes provides those Continuing Funds with broader investment opportunities that can lead to increased diversification and return potential.
  - (iii) **Superior performance of the Continuing Fund:** In certain cases, the Continuing Funds have provided superior returns to investors (although past performance is not a guarantee of future returns and may not be repeated).
  - (iv) **Similar or lower fees:** In certain cases, management fees and/or fixed administration fees will be lower for the Continuing Funds.

**General**

30. If the Proposed Reorganizations are approved, the reorganizations will be implemented after the close of business on the Effective Date. If the Proposed Reorganizations are not approved, the Terminating Fund will continue to be offered for distribution.

**Decision**

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

The decision of the Principal Regulator under the Legislation is that the Requested Relief is granted, provided that the Filer obtains the prior approval of the securityholders of the Terminating Funds for the Proposed Reorganizations at a special meeting held for that purpose.

"Stephen Paglia"  
Manager  
Investment Funds & Structured Products Branch  
Ontario Securities Commission

## 2.1.2 DXC Technology Company

### Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Application for relief from prospectus requirements for the first trades of common shares by Canadian shareholders after spin-off by a U.S. publicly traded company to investors by issuing shares of spun-off entity – Distribution not covered by legislative prospectus exemptions – There is no market for the securities of the issuer in Canada – The number of Canadian participants and their share ownership are de minimis – Relief granted, subject to conditions.

### Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c.S.5, as am., ss. 53, 74.  
National Instrument 45-106 Prospectus Exemptions, ss. 2.11, 2.31.  
National Instrument 45-102 Resale of Securities, ss. 2.6 and 2.1.

### TRANSLATION

May 31, 2018

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

AND

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

AND

IN THE MATTER OF  
DXC TECHNOLOGY COMPAN  
(the Filer)

### DECISION

### Background

The securities regulatory authority or regulator in each of the Jurisdictions (**Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) for an exemption (the **Exemption Sought**) from the prospectus requirements contained in the Legislation in connection with the distribution (the **Spin-Off**) by the Filer of the shares of common stock of Perspecta Inc. (formerly Ultra SC Inc.) (**SpinCo**), a wholly-owned subsidiary of the Filer, by way of a dividend *in specie* to holders (**Filer Shareholders**) of shares of common stock of the Filer (**Filer Shares**) resident in Canada (**Filer Canadian Shareholders**).

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

- (a) the Autorité des marchés financiers is the principal regulator for this application (the **Principal Regulator**);
- (b) the Filer has provided notice that section 4.7(1) of *Regulation 11-102 respecting Passport System* (chapter V-1.1, r. 1) (**Regulation 11-102**) is intended to be relied upon in each of the other jurisdictions of Canada, other than Ontario; and
- (c) the decision is the decision of the Principal Regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

### Interpretation

Terms defined in *Regulation 14-101 respecting Definitions* (chapter V-1.1, r. 3) and Regulation 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 Nevada with principal executive offices in Tysons, Virginia, U.S.A. The Filer is an independent information technology services company that provides next-generation information technology services that include applications modernization, cloud infrastructure, cyber security, and big data solutions.
2. The Filer is a reporting issuer in Québec and is not a reporting issuer under the securities legislation under any other jurisdiction of Canada and, currently, has no intention of becoming a reporting issuer under the securities legislation of any other jurisdiction of Canada.
3. The authorized share capital of the Filer consists of 750,000,000 Filer Shares and 1,000,000 shares of preferred stock. As at January 22, 2018, there were 285,687,865 Filer Shares and no shares of preferred stock issued and outstanding.
4. Filer Shares are listed on the New York Stock Exchange (**NYSE**) and trade under the symbol "DXC". Filer Shares are not listed or posted for trading on any exchange or market in Canada and, currently, the Filer has no intention of listing or posting its securities on any exchange or market in Canada.
5. The Filer is subject to the 1934 Act and the rules, regulations and orders promulgated thereunder.
6. Based on a report provided by Wells Fargo Shareowner Services, (the Filer's transfer agent), as of March 6, 2018, there were 669 registered Filer Canadian Shareholders (81 of whom are in Québec), representing approximately 1.3% of the registered shareholders of the Filer worldwide, holding 29,032 Filer Shares (4,398 of which are held in Québec), representing approximately 0.01% of the outstanding Filer Shares. The Filer does not expect these numbers to have materially changed since that date.
7. Based on a "Geographic Survey" of beneficial shareholders prepared by Broadridge Financial Services, Inc. obtained by the Filer as of March 16, 2018, there were 14,263 beneficial Filer Canadian Shareholders (2,670 of whom are in Québec), representing approximately 2.6% of the beneficial holders of Filer Shares worldwide, holding approximately 7,036,223 Filer Shares (1,256,155 of which are held in Québec), representing approximately 2.5% of the outstanding Filer Shares. The Filer does not expect these numbers to have materially changed since that date.
8. Based on the information above, the number of registered and beneficial Filer Canadian Shareholders and the proportion of Filer Shares held by such shareholders are *de minimis*.
9. The Filer is proposing to spin off its U.S. public sector business (**SpinCo Business**) into a newly formed company, SpinCo, through a series of transactions. These transactions are expected to result in the Spin-Off by the Filer, *pro rata* to its shareholders, of all of the outstanding common stock of SpinCo (**SpinCo Shares**) on the basis of one SpinCo Share for every two Filer Shares. After the Spin-Off, wholly-owned subsidiaries of SpinCo will immediately merge with Vencore Holding Corp. (**Vencore**) and KGS Holding Corp. (**KGS**) in a series of mergers (the **Mergers**), with Vencore Merger LLC (a newly created wholly-owned subsidiary of SpinCo) and KGS, ultimately being the surviving companies and continuing as wholly-owned subsidiaries of SpinCo. As part of the Mergers, all of the outstanding shares of Vencore and KGS common stock will ultimately be converted into approximately 11.38% and 2.65%, respectively, of the total number of Filer Shares then outstanding. As a result, approximately 86% of the Filer Shares will be held by pre-Merger SpinCo shareholders.
10. No fractional SpinCo Shares will be issued to shareholders of the Filer as part of the Spin-Off. SpinCo's transfer agent will aggregate fractional SpinCo Shares into whole SpinCo Shares, sell the whole SpinCo Shares through the facilities of the NYSE at prevailing rates and distribute the net cash proceeds *pro rata* to each Filer Shareholder who would otherwise have been entitled to receive fractional SpinCo Shares in the Spin-Off.
11. SpinCo is a Nevada corporation with principal executive offices in Herndon, Virginia, U.S.A. It is currently a wholly-owned subsidiary of the Filer and, at the time of the Spin-Off, will hold the Filer's SpinCo Business. Following the Mergers, SpinCo proposes to be an information technology services and mission solutions provider to government customers at the U.S. federal, state and local level.
12. As of the date hereof, all of the issued and outstanding SpinCo Shares are held by the Filer.
13. Filer Shareholders will not be required to pay any consideration for the SpinCo Shares, or to surrender or exchange Filer Shares or take any other action to receive their SpinCo Shares. The Spin-Off will occur automatically and without any investment decision on the part of Filer Shareholders.

## Decisions, Orders and Rulings

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14. Following the Spin-Off, SpinCo will cease to be a subsidiary of the Filer, and upon the Mergers, Vencore Merger LLC and KGS will be subsidiaries of SpinCo.
15. SpinCo has applied to have the SpinCo Shares listed on the NYSE.
16. After the completion of the Spin-Off, the Filer will continue to be listed and traded on the NYSE.
17. SpinCo is not a reporting issuer in any jurisdiction in Canada nor are its securities listed on any stock exchange in Canada. Pursuant to the Spin-off, SpinCo will become a reporting issuer under the *Securities Act* (Québec) (chapter V-1.1) by operation of law. To the knowledge of the Filer, SpinCo has no intention to become a reporting issuer in any other jurisdiction of Canada or to list its securities on any stock exchange in Canada after the completion of the Spin-Off.
18. The Spin-Off will be effected under the laws of the State of Nevada and the post Spin-Off Mergers will be effected under the laws of the State of Delaware.
19. Because the Spin-Off will be effected by way of a dividend of SpinCo Shares to Filer Shareholders, no shareholder approval of the Spin-Off is required (or being sought) under Nevada law.
20. In connection with the Spin-Off, SpinCo has filed with the SEC on February 8, 2018 a registration statement on Form 10 under the 1934 Act detailing the proposed Spin-Off, and subsequently filed amendments thereto on March 16, 2018, April 11, 2018 and April 30, 2018 (as amended, the **Registration Statement**).
21. After the SEC has completed its review of the Registration Statement, Filer Shareholders will receive a copy (or a notice of internet availability) of an information statement (the **Information Statement**) detailing the terms and conditions of the Spin-Off and forming part of the Registration Statement. All materials relating to the Spin-Off sent by or on behalf of the Filer and SpinCo in the United States (including the Information Statement or notice of internet availability of the Information Statement) will be sent concurrently to Filer Canadian Shareholders.
22. The Information Statement will contain prospectus level disclosure about SpinCo as required to comply with the SEC requirement for Form 10.
23. Filer Canadian Shareholders will have the same rights and remedies in respect of the disclosure documentation received in connection with the Spin-Off that are available to Filer Shareholders in the United States.
24. Following the completion of the Spin-Off, SpinCo will be subject to the requirements of the 1934 Act and the rules and regulations of the NYSE.
25. SpinCo will send concurrently to holders of its shares in Canada the same disclosure materials required to be sent under applicable United States securities laws to holders of its shares in the United States.
26. There will be no active trading market for the SpinCo Shares in Canada following the Spin-Off and none is expected to develop. Consequently, it is expected that any resale of SpinCo Shares will occur through the facilities of the NYSE or any other exchange or market outside of Canada on which the SpinCo Shares may be quoted or listed at the time that the trade occurs.
27. The distribution to Filer Canadian Shareholders of SpinCo Shares in connection with the Spin-Off would be exempt from the prospectus requirements pursuant to subsection 2.31(2) of *Regulation 45-106 respecting Prospectus Exemptions* (chapter V-1.1, r. 21) but for the fact that SpinCo will not be a reporting issuer at the time of the distribution under the securities legislation of any jurisdiction in Canada.
28. Neither the Filer nor SpinCo is in default of any securities legislation in any jurisdiction of Canada.

### Decision

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

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted, provided that the first trade in the SpinCo Shares acquired pursuant to the Spin-Off will be deemed to be a distribution unless the conditions in section 2.6 of *Regulation 45-102 respecting Resale of Securities* (chapter V-1.1, r. 20) or the following conditions are satisfied:

## Decisions, Orders and Rulings

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- a) the issuer of the security:
  - i) was not a reporting issuer in any jurisdiction of Canada at the distribution date, or
  - ii) is not a reporting issuer in any jurisdiction of Canada at the date of the trade;
- b) at the distribution date, after giving effect to the issue of the security and any other securities of the same class or series that were issued at the same time as or as part of the same distribution as the security, residents of Canada:
  - i) did not own, directly or indirectly, more than 10% of the outstanding securities of the class or series, and
  - ii) did not represent in number more than 10% of the total number of owners, directly or indirectly, of securities of the class or series; and
- c) the first trade is made:
  - i) through an exchange, or a market, outside of Canada, or
  - ii) to a person or company outside of Canada.

“Lucie J. Roy”  
Director, Corporate Finance  
Autorité des Marchés Financiers

### 2.1.3 Kroll Bond Rating Agency, Inc.

#### Headnote

NP 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Confidentiality – Application by a designated rating organization (DRO) for a decision that sections of Form 25-101F1 Designated Rating Organization Application and Annual Filing be held in confidence for an indefinite period by the Commission, to the extent permitted by law – Subject information discloses intimate financial, personal or other information and that the desirability of avoiding disclosure thereof in the interests of any person or company affected outweighs the desirability of adhering to the principle that material filed with the Commission be available to the public for inspection – Relief granted subject to conditions.

Application by a DRO for exemptive relief from section 11 of National Instrument 25-101 Designated Rating Organizations – Filer’s code of conduct does not specify that the DRO must not waive provisions of its code of conduct – Filer’s code of conduct specifies that a waiver may be granted under limited circumstances and subject to certain conditions – Relief granted subject to conditions.

#### Applicable Legislative Provisions

Securities Act (Ontario), R.S.O. 1990, c. S.5, as am., s. 140(2).  
National Instrument 25-101 Designated Rating Organizations, ss. 11, 14, 15.

June 21, 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  
KROLL BOND RATING AGENCY, INC.  
(the Filer)

DECISION

#### Background

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

- (a) pursuant to the confidentiality provisions of the Legislation (being subsection 140(2) of the *Securities Act* (Ontario)),
    - (i) the information referred to in Item 13 of Form 25-101F1 *Designated Rating Organization Application and Annual Filing* (**Form 25-101F1**), which may be calculated at a global level for the Filer as a whole, be held in confidence (and therefore not available to the public for inspection) for an indefinite period, to the extent permitted by law,
    - (ii) the information referred to in Item 14 of Form 25-101F1, which may be calculated at a global level for the Filer as a whole, be held in confidence (and therefore not available to the public for inspection) for an indefinite period, to the extent permitted by law, and
    - (iii) the information referred to in Item 15 of Form 25-101F1 be held in confidence (and therefore not available to the public for inspection) for an indefinite period, to the extent permitted by law,
- (collectively, the **Confidentiality Relief**); and

- (b) pursuant to section 15 of National Instrument 25-101 *Designated Rating Organizations (NI 25-101)*, the Filer be exempted from the requirement in section 11 of NI 25-101, provided that the Filer complies with the procedures set out in the Code (as defined below) and described at paragraph 26 of this decision document (the **Code of Conduct Relief**).

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

- (a) the Ontario Securities Commission (the **Principal Regulator**) is the principal regulator for this application; and
- (b) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System (MI 11-102)* is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Québec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, the Northwest Territories, Yukon and Nunavut (the **Passport Jurisdictions**).

### Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102 and NI 25-101 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 governed by the *Delaware General Corporation Law* with its principal offices located in New York, New York, USA. The Filer has offices in New York, NY, Dresher, PA, and Frederick, MD.
2. The Filer is a credit rating agency which provides credit rating opinions to a broad range of financial institutions, insurance companies, corporate entities, government bodies and various structured finance product groups in North America and through its affiliate, Kroll Bond Rating Agency Europe Limited (**KBRA Europe**), in Europe. The Filer has not yet commenced rating securities issued by issuers in Canada.
3. The Filer is a wholly-owned subsidiary of KBRA Holdings, Inc., a corporation governed by the *Delaware General Corporation Law*. The Filer has no subsidiaries.
4. The Filer is a nationally recognized statistical rating organization (**NRSRO**) regulated by the SEC, is registered as a certified credit rating agency pursuant to Regulation (EC) No 1060/2009 of the European Parliament and of the Council, of 16 September 2009, on credit rating agencies (the **EU Regulation**) with the European Securities and Markets Authority (**ESMA**) and is designated as an external credit assessment institution (**ECAI**) with the European Banking Authority (**EBA**).
5. The Filer is in compliance in all material respects with NI 25-101 and securities legislation applicable to credit rating organizations in each jurisdiction of Canada and in any other jurisdiction in which the Filer or KBRA Europe operates.
6. In a concurrent decision, the Principal Regulator designated the Filer as a designated rating organization (**DRO**) under the Legislation.

### The Confidentiality Relief

7. Subsection 6(1) of NI 25-101 requires a credit rating organization that applies to be a DRO to file a completed Form 25-101F1. Despite subsection 6(1), a credit rating organization that is an NRSRO may file its most recent Form NRSRO.
8. In addition, for subsequent years, subsection 14(1) of NI 25-101 requires a DRO to file a completed Form 25-101F1 no later than 90 days after the end of its most recently completed financial year.
9. Item 13 of Form 25-101F1 requires a DRO to disclose information, as applicable, regarding the applicant's aggregate revenue for the most recently completed financial year including: revenue from determining and maintaining credit ratings, revenue from subscribers, revenue from granting licenses or rights to publish credit ratings, and revenue from all other services and products offered by the DRO. Item 13 of Form 25-101F1 also provides that the financial information on the revenue of the DRO be divided into fees from credit rating and non-credit rating activities (the **Item 13 Information**).
10. In the United States, Exhibit 12 to Form NRSRO requires NRSROs to provide "[i]nformation regarding revenues for the fiscal or calendar year ending immediately before the date of the initial application." Such information is provided for



subsequent years pursuant to SEC Rule 17g-3(a)(3) under the *Securities Exchange Act of 1934 (1934 Act)*. However, NRSROs are permitted to provide this information confidentially. Likewise, the EU Regulation provides that revenue information must be provided quarterly and annually to ESMA but need not be disclosed publicly.

11. Item 14 of Form 25-101F1 requires a DRO to disclose “a list of the largest users of credit rating services of the applicant by the amount of net revenue earned by the applicant attributable to the user during the most recently completed financial year”. It also requires the DRO to disclose “a list of users of credit rating services whose contribution to the growth rate in the generation of revenue of the applicant in the previous fiscal year exceeded the growth rate in the applicant’s total revenue in that year by a factor of more than 1.5 times” (the **Item 14 Information**).
12. In the United States, Exhibit 10 to Form NRSRO requires NRSROs to provide “[a] list of the largest users of credit rating services by the amount of net revenue earned from the user during the fiscal year ending immediately before the date of the initial application”. Such information is provided for subsequent years pursuant to SEC Rule 17g-3(a)(5) under the 1934 Act. However, NRSROs are permitted to provide this information confidentially. Likewise, the EU Regulation provides that such information must be provided annually to ESMA but need not be disclosed publicly.
13. Public disclosure of the Item 13 Information and the Item 14 Information would make that information available to the Filer’s analysts. The Filer believes that confidential treatment of the Item 13 Information and the Item 14 Information helps to shield this information from the Filer’s analysts, thereby bolstering independence in the rating process by insulating the Filer’s analysts from commercial influences. In addition, some of the Item 13 Information and the Item 14 Information is competitively sensitive information of the Filer.
14. Item 15 of Form 25-101F1 requires a DRO to attach a copy of the audited financial statements of the applicant, which must include a statement of financial position, a statement of comprehensive income, and a statement of changes in equity, for each of the three most recently completed financial years (the **Item 15 Information** and, collectively with the Item 13 Information and the Item 14 Information, the **Sensitive Information**).
15. In the United States, Exhibit 11 to Form NRSRO requires NRSROs to provide “[a]udited financial statements for each of the three fiscal calendar years ending immediately before the date of the initial application.” Such information is provided for subsequent years pursuant to SEC Rule 17g-3(a)(1) under the 1934 Act. However, NRSROs are permitted to provide this information confidentially. The EU Regulation does not have a similar requirement to provide such information on a yearly basis.
16. The Filer and its affiliates are privately held companies that do not publicly issue audited financial statements. Some of the Item 15 Information is competitively sensitive information of the Filer.
17. Consistent with the requirements applicable to NRSROs under the 1934 Act and credit rating agencies pursuant to the EU Regulation, the Filer proposes to file the Sensitive Information on a confidential basis with the Principal Regulator.
18. Section (4) of the Instructions to Form 25-101F1 provides that an applicant may apply to the securities regulatory authority to hold in confidence portions of Form 25-101F1 which disclose intimate financial, personal or other information.
19. The Sensitive Information constitutes intimate financial, personal or other information related to the credit rating activities of the Filer that is not otherwise publicly available.
20. The Filer believes that none of the Sensitive Information, either individually or in the aggregate, is necessary to understand the remaining information provided in Form 25-101F1.
21. The Filer believes that: (i) the negative implications to the Filer, issuers or an investor relying on a credit rating were the Sensitive Information to be made public outweigh the desirability of adhering to the principle that material filed with the Principal Regulator be available to the public for inspection, and (ii) the disclosure of the Sensitive Information is not necessary in the public interest.
22. The Filer believes that the Sensitive Information is not material to an analyst, an issuer or an investor relying on a credit rating and, therefore, there is no prejudice or harm to the public as a result of the Sensitive Information remaining private.

***The Code of Conduct Relief***

23. The Filer has adopted and implemented the Kroll Bond Rating Agency Code of Conduct (the **Code**), which is designed to be substantially aligned with the International Organization of Securities Commissions Code of Conduct Fundamentals for Credit Rating Agencies and includes provisions adopted to satisfy the requirements of NI 25-101.
24. The Filer has also appointed a chief compliance officer (the **Chief Compliance Officer** or **CCO**) who is supported by compliance staff to fulfill the functions of the “designated compliance officer” set forth in NI 25-101, including monitoring and assessing compliance by the Filer and its DRO employees with the Code and the Legislation.
25. Section 11 of NI 25-101 provides that a DRO’s code of conduct must specify that a DRO must not waive provisions of its code of conduct.
26. The Code does not include the provision relating to section 11 of NI 25-101. Section 5.5 of the Code provides as follows:
- “Any request for exceptions to the KBRA Code of Conduct must be submitted to the KBRA Compliance Department in writing, and must identify the relevant facts supporting the requested exceptions. Any exceptions may be approved in writing by the Chief Executive Officer of KBRA, but only when granting the exception does not otherwise violate a law, rule, or regulation, and any such written approval must specify reasons that support the exceptions.”
27. The Code, as well as the policies, procedures and internal controls that the Filer has implemented to ensure the objectivity and integrity of its ratings and the transparency of its operations, is consistent in all material respects with the objectives of NI 25-101 and enables the Filer to:
- (a) accommodate the global nature of the Filer’s operations;
  - (b) implement high level principles that govern the conduct of the Filer’s credit rating activities and underlying regulatory requirements in the jurisdictions where the Filer conducts credit rating activities; and
  - (c) meet specific jurisdictional requirements, in addition to those which are reflected in the Code.
28. The CCO annually reviews and assesses the efficacy of the implementation and enforcement of the Code.
29. The reporting line of the CCO and other compliance staff is independent of the Filer’s credit rating activities. The CCO, while serving in such capacity, may not participate in any of the following:
- (a) the development of credit ratings, methodologies or models;
  - (b) the establishment of compensation levels, other than for DRO employees reporting directly to the CCO.
30. Within 90 days of its most recently completed financial year end, the Filer will deliver on a confidential basis to the Principal Regulator a report outlining any written waiver granted under section 5.5 of the Code during the Filer’s most recently completed financial year, including a description of the nature of the request and the relevant facts supporting the request.

**Decision**

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

The decision of the Principal Regulator under the Legislation is that:

- (a) the Confidentiality Relief is granted provided that the Sensitive Information, which may be calculated at a global level for the Filer as a whole, is provided to the Principal Regulator on a confidential basis concurrently with the filing of Form 25-101F1 by the Filer; and
- (b) the Code of Conduct Relief is granted provided that:
  - (i) the Filer complies with the procedures regarding waivers set out in the Code and described at paragraph 26 of this decision document, and

(ii) the Filer complies with paragraph 30 of this decision document.

**With respect to the Confidentiality Relief:**

“Maureen Jensen”  
Chair  
Ontario Securities Commission

“Grant Vingoe”  
Vice-Chair  
Ontario Securities Commission

**With respect to the Code of Conduct Relief:**

“Michael Balter”  
Manager, Corporate Finance  
Ontario Securities Commission

2.1.4 Boralex Inc.

Headnote

Multilateral Instrument 11-102 Passport System National Policy 11-203 Process for Exemptive Relief applications in Multiple Jurisdictions – BAR – Exemption from the requirement to file a BAR under Part 8 of Regulation 51-102 Continuous Disclosure Obligations (Regulation 51-102) – The acquisition is non-significant applying the asset and investment tests; applying the profit or loss test produces an anomalous result because the significance of the acquisition under this test is disproportionate to its significance on an objective basis in comparison to the results of the other significance tests and all other business, commercial and financial factors; the Filer has provided additional measures that demonstrate the non-significance of the Acquisition to the Filer and that are generally consistent with the results when applying the asset and investment tests.

Applicable Legislative Provisions

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

June 13, 2018

TRANSLATION

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

AND

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

AND

IN THE MATTER OF  
BORALEX INC.  
(the Filer)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (each a **Decision Maker**) has received an application (the Application) from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) granting relief pursuant to Part 13 of *Regulation 51-102 respecting Continuous Disclosure Obligations (Regulation 51-102)* from the requirement from the requirement in Part 8 of Regulation 51-102 to file a business acquisition report (**BAR**) in connection with the Filer's acquisition of Kallista Energy Investment SAS (the **Exemption Sought**).

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

- a) the *Autorité des marchés financiers* is the principal regulator for this application;
- b) the Filer has provided notice that Sub-section 4.7(1) of *Regulation 11-102 respecting Passport System (Regulation 11-102)* is intended to be relied upon in each of the provinces of Canada other than Ontario; and
- c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

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

Representations

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

1. The Filer is a corporation existing under the *Canada Business Corporations Act*.
2. The head office of the Filer is located at 36 rue Lajeunesse, Kingsey Falls, Québec J0A 1B0.
3. The Filer is a reporting issuer in all of the provinces of Canada and the Filer is not in default of securities legislation in any of the provinces of Canada.
4. The Filer's Class A common shares are listed for trading on the Toronto Stock Exchange (**TSX**) under the ticker symbol BLX.
5. On April 20, 2018, the Corporation announced that it had entered into a purchase agreement with Ardian Infrastructure to acquire all of the outstanding shares of Kallista Energy Investment SAS (the **Acquired Business**) for a purchase price of €129.4 million, subject to an adjustment mechanism, and the assumption of €94 million in project debt (the **Acquisition**).
6. The Acquired Business consists of 163 megawatts ("MW") of wind power projects in operation with a weighted average remaining life of 8 years under contract, a 10 MW ready-to-build project and a portfolio of projects totalling about 158 MW.
7. Under Part 8 of Regulation 51-102, the Filer is required to file a BAR for any completed acquisition that is determined to be a significant acquisition based on the acquisition satisfying any

of the three significance tests set out in section 8.3(2) of Regulation 51-102.

8. The Acquisition is not a "significant acquisition" under the "asset test" as the book value of the Acquired Business as of December 31, 2017 represented approximately 6.96% of the consolidated assets of the Filer as of December 31, 2017.
9. The Acquisition is not a "significant acquisition" under the "investment test" as the total consideration proposed to be paid for the Acquired Business represents approximately 4.98% of the consolidated assets of the Filer as of December 31, 2017.
10. The Acquisition would be a "significant acquisition" under the "profit or loss test", as the "specified profit or loss" (as calculated in accordance with Section 8.1 of Regulation 51-102) of the Acquired Business exceeds 20% of the "specified profit or loss" of the Filer. As such, the Acquisition would represent a "significant acquisition" requiring the filing of a BAR under the "profit or loss test" of Subsection 8.3(2)(c) of Regulation 51-102.
11. Even when applying the optional signification tests or the alternative applications available under Subsections 8.3(3), 8.3(4), 8.3(8) and 8.3(9) of Regulation 51-102, the Acquisition would still represent a "significant acquisition" requiring the filing of a BAR under the "profit or loss test".
12. The application of the profit or loss test produces an anomalous result for the Filer because it exaggerates the significance of the Acquisition on an objective basis in comparison to the results of the asset and investment tests.
13. For the purposes of completing its quantitative analysis of the "asset test", "investment test" and "profit or loss test", the Filer utilized the Acquired Business' financial statements which were prepared in accordance with French generally accepted accounting principles and the Filer's financial statements which were prepared in accordance with International Financial Reporting Standards (IFRS). The Filer does not expect that the differences between French generally accepted accounting principles and IFRS would be significant to the quantitative analysis presented in the Application.
14. The Filer does not believe (nor did it believe at the time it entered into an agreement with respect to the Acquisition) that the Acquisition is significant to it from a commercial, business or financial perspective.
15. The Filer has provided the principal regulator with additional financial and operational measures, all of which are generally important metrics for the

Filer and the industry in which it operates, which further demonstrate the insignificance of the Acquisition to the Filer. These additional financial and operational measures include revenues, net installed capacity (in MW) and net installed capacity for the wind power segment only (in MW) and the results of those measures are generally consistent with the results of the "asset test" and the "investment test".

16. The Filer is of the view that the "asset test", the "investment test" and these additional financial and operational measures more accurately reflect the significance of the Acquisition to the Filer from a commercial, business and financial perspective

#### Decision

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

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

"Lucie J. Roy"  
Senior Director  
Autorite des Marches Financiers

## 2.1.5 E Split Corp.

### Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Exemptive relief granted to exchange-traded fund from mutual fund concentration restriction – Relief required because fund did not fit within “fixed portfolio ETF” exception – Split share corporation – Investors will generally buy and sell the shares of the fund through the TSX – Concentration disclosure – Relief not prejudicial to investors – Relief from National Instrument 81-102 Investment Funds.

### Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 2.1(1), 2.1(2)(e), 19.1(1).

Citation: *Re E Split Corp.*, 2018 ABASC 97

June 18, 2018

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

**AND**

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

**AND**

**IN THE MATTER OF  
E SPLIT CORP.  
(the Filer)**

**DECISION**

### Background

The securities regulatory authority or regulator in each of the Jurisdictions (each a **Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) that exempts the Filer from the requirement of subsection 2.1(1) of National Instrument 81-102 *Investment Funds (NI 81-102)* which prohibits a mutual fund from purchasing a security of an issuer if, immediately after the transaction, more than 10 percent of the net assets of the mutual fund, taken at market value at the time of the transaction, would be invested in securities of the issuer (the **Exemption Sought**).

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

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

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

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

### Interpretation

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

### Representations

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

#### *The Filer*

1. The Filer is a mutual fund corporation established under the laws of Ontario. The Filer's manager is Middlefield Limited (the **Manager**).

#### *The Offering*

2. The Filer will make an offering (the **Offering**) to the public of Class A shares (the **Class A Shares**) and preferred shares (the **Preferred Shares**) (collectively, the **Shares**) in each of the provinces of Canada.
3. The Filer will not continuously distribute the Shares.
4. A preliminary prospectus dated May 17, 2018 (the **Preliminary Prospectus**) has been filed with the securities regulatory authorities in each of the provinces of Canada.
5. The Shares are expected to be listed and posted for trading on the Toronto Stock Exchange (the **TSX**). An application for conditional listing approval has been made by the Filer to the TSX.
6. The net proceeds of the Offering will be invested a portfolio comprised of at least 90% (excluding cash and cash equivalents) of common shares of Enbridge Inc. (the **Enbridge Shares**).
7. The Filer's current intention is that its investment portfolio will generally be comprised predominantly of Enbridge Shares throughout the life of the Filer, including in the period following completion of the Offering. The Filer may, however, reduce its holdings of Enbridge Shares to no less than 90% of the portfolio (excluding cash and cash equivalents) in order to address market conditions that arise from time to time, including purchasing

put options. The portion of the portfolio not invested in Enbridge Shares will be invested in accordance with the Filer's investment objectives, strategy and restrictions and applicable securities legislation.

### The Shares

8. As disclosed in the Preliminary Prospectus, the Filer's investment objectives for the Preferred Shares are to provide holders with fixed cumulative preferential quarterly cash distributions and to return the original issue price of \$10.00 to holders on June 30, 2023 (the **Maturity Date**), subject to extension for successive terms of up to five years as determined by the Company's board of directors. The quarterly cash distribution will be \$0.13125 per Preferred Share (\$0.525 per annum), representing a yield of 5.25% per annum on the issue price of \$10.00 per Preferred Share until June 30, 2023.
9. As disclosed in the Preliminary Prospectus, the Filer's investment objectives for the Class A Shares are to provide holders with non-cumulative monthly cash distributions and to provide holders with the opportunity for capital appreciation through exposure to the Portfolio. The monthly cash distribution is targeted to be \$0.10 per Class A Share (\$1.20 per annum), representing a yield of 8.0% per annum on the issue price of \$15.00 per Class A Share.
10. The Shares will be retractable at the option of the holder on a monthly and annual basis at a price computed by reference to the value of a proportionate interest in the net assets of the Filer. As a result, the Filer will be a "mutual fund" under applicable securities legislation.
11. To supplement the dividends earned on the Filer's portfolio and to reduce risk, the Filer will from time to time write covered call options in respect of all or part of the Enbridge Shares.
12. The Preferred Shares and the Class A Shares (one Preferred Share and one Class A Share being a **Unit**) may be surrendered for retraction at any time and will be retracted on a monthly basis on the second last business day of each month (a **Retraction Date**), provided such shares are surrendered for retraction not less than 20 business days prior to the Retraction Date. The Filer will make payment for any Shares retracted prior to the last business day of the month following the Retraction Date.
13. Holders of Preferred Shares whose Preferred Shares are surrendered for retraction on a monthly basis will be entitled to receive a retraction price per Preferred Share equal to 96% of the lesser of: (i) the net asset value per Unit determined as of such Retraction Date, less the

cost to the Company of the purchase of a Class A Share for cancellation; and (ii) \$10.00.

14. Holders of Class A Shares whose Class A Shares are surrendered for retraction on a monthly basis will be entitled to receive a retraction price per Class A Share equal to 96% of the difference between: (i) the net asset value per Unit determined as of such Retraction Date; and (ii) the cost to the Company of the purchase of a Preferred Share for cancellation.
15. Holders of Preferred Shares and Class A Shares may concurrently retract an equal number of Preferred Shares and Class A Shares on the second last business day of January of each year commencing in 2020, other than in a year when the last business day of January is the Maturity Date (an **Annual Retraction Date**), provided such shares are surrendered for retraction not less than 20 business days prior to the Annual Retraction Date.
16. Holders of Units whose Units are surrendered for retraction on an Annual Retraction Date will be entitled to receive a retraction price equal to the net asset value per Unit on the Annual Retraction Date, less any costs associated with the retraction, including commissions and other such costs, if any, related to the liquidation of any portion of the portfolio required to fund such retraction.

### Decision

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

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

- (a) the Filer's investment of its assets is in accordance with its investment objectives, strategy and restrictions; and
- (b) the prospectus of the Filer will disclose the fact that the Filer has obtained the Exemption Sought on the terms described in this decision.

"Tom Graham"  
Director  
Corporate Finance

**2.1.6 Norrep Capital Management Ltd. and the Funds Listed in Schedule A**

**Headnote**

NP 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted to mutual funds for extension of lapse date of prospectus for 63 days – Lapse date extended to permit time for approval of prior exemptive relief application– Extension of lapse date will not affect the currency or accuracy of the information contained in the prospectus.

**Applicable Legislative Provisions**

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

**Citation:** *Re Norrep Capital Management Ltd.*, 2018 ABASC 98

June 20, 2018

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

**AND**

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

**AND**

**IN THE MATTER OF  
NORREP CAPITAL MANAGEMENT LTD.  
(the Filer)**

**AND**

**IN THE MATTER OF  
THE FUNDS LISTED IN SCHEDULE A  
(each a Fund)**

**DECISION**

**Background**

The securities regulatory authority or regulator in each of the Jurisdictions (each a **Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) to extend the respective time limits for the filing of: (i) the *pro forma* prospectus, *pro forma* annual information form and *pro forma* fund facts document; and (ii) the final simplified prospectus, annual information form and fund facts document of the Funds to the time periods that would be applicable if the lapse date for the distribution of the securities of the Funds (the **Securities**) were August 31, 2018 (the **Exemption Sought**).

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

- (a) the Alberta Securities Commission is the principal regulator for this application;
- (b) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System (MI 11-102)* is intended to be relied upon in each province of Canada, other than Ontario; and
- (c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

**Interpretation**

Terms defined in National Instrument 14-101 *Definitions* or 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:

1. The Filer is a corporation incorporated under the laws of Alberta and is currently registered as an investment fund manager in Alberta, Newfoundland and Labrador, Ontario, and Québec, and as a portfolio manager in Alberta and Ontario.
2. The Filer acts as investment fund manager and portfolio manager of the Funds.
3. Each of the Funds is a reporting issuer in each province of Canada and neither the Filer nor any of the Funds are in default of securities legislation in any jurisdiction of Canada.
4. The Securities are currently distributed to the public in each province of Canada pursuant to a simplified prospectus, annual information form and fund facts document, each dated June 29, 2017, as amended July 14, 2017, February 12, 2018, and May 11, 2018 (the **Current Offering Documents**).
5. Pursuant to section 2.5 of National Instrument 81-101 *Mutual Fund Prospectus Disclosure*, the lapse date for the distribution of Securities under the Current Offering Documents is June 29, 2018.
6. The Filer has decided to establish and make available for distribution to the public several new mutual funds (collectively, the **New Funds**). The Filer has also decided to offer additional series of securities of certain of the Funds (the **New Series**). The Filer would like to qualify the New Funds and the New Series in each province of



Canada by including the New Funds and New Series in: (i) a *pro forma* and preliminary prospectus, *pro forma* and preliminary annual information form and *pro forma* and preliminary fund facts document; and (ii) a final simplified prospectus, annual information form and fund facts document of the Funds (collectively, the **New Offering Documents**).

7. The Exemption Sought will allow sufficient time for the Filer to prepare and file the New Offering Documents.
8. There have been no material changes in the affairs of the Funds since the original date of the Current Offering Documents, except as reflected in the amendments to the Current Offering Documents. Accordingly, the Current Offering Documents represent current information regarding each Fund.
9. Given the disclosure obligations of the Funds, should any material changes occur, the Current Offering Documents will be amended as required under the Legislation.
10. The Exemption Sought will not affect the accuracy of the information contained in the Current Offering Documents and therefore will not be prejudicial to the public interest.

#### **Decision**

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

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

“Tom Graham”  
Director  
Corporate Finance

#### **SCHEDULE “A”**

##### **FUNDS**

##### **Mutual Fund Trusts**

Norrep Fund  
Norrep High Income Fund  
Norrep Short Term Income Fund

##### **Classes of Norrep Opportunities Corp.**

Norrep Income Growth Class  
Norrep II Class  
Norrep US Dividend Plus Class  
Norrep Energy Plus Class (formerly, Norrep Energy Class)  
Norrep Entrepreneurs Class  
Norrep Global Income Growth Class  
Norrep Tactical Opportunities Class

##### **Classes of Norrep Core Portfolios Ltd.**

Norrep Premium Growth Class  
Norrep Core Global (formerly, Norrep Core Global Pool)  
Norrep Core Canadian (formerly, Norrep Core Canadian Pool)

**2.2 Orders**

**2.2.1 Student Transportation Inc. – s. 1(6) of the OBCA**

**Headnote**

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

**Statutes Cited**

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

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

**AND**

**IN THE MATTER OF  
STUDENT TRANSPORTATION INC.  
(the Applicant)**

**ORDER  
(subsection 1(6) of the OBCA)**

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

**AND UPON** the Applicant having represented to the Commission that:

1. The Applicant is an “offering corporation” as defined in subsection 1(1) of the OBCA.
2. The Applicant has an authorized capital consisting of an unlimited number of common shares (**Common Shares**), of which 95,365,031 Common Shares are issued and outstanding as of the date hereof.
3. The head office of the Applicant is located at 160 Saunders Road, Unit 6, Barrie, Ontario L4N 9A4.
4. On February 27, 2018, the Applicant entered into an arrangement agreement with Spinner Can AcquireCo Inc. (**Acquireco**), a company sponsored by affiliates of Caisse de dépôt et placement du Québec and Ullico Inc., pursuant to which Acquireco agreed to acquire all of the issued and outstanding Common Shares of the Applicant by way of a court-approved plan of arrangement under the provisions of section 182 of the OBCA (the **Arrangement**).

5. The Arrangement was approved by the shareholders of the Applicant at a special meeting of shareholders of the Applicant held April 19, 2018.
6. The Arrangement was approved by a final order of the Ontario Superior Court of Justice (Commercial List) on April 25, 2018.
7. The Arrangement was completed April 27, 2018. As a result of the Arrangement, each shareholder of the Applicant became entitled to receive, in exchange for each Common Share held prior to the effective time of the Arrangement, US\$7.50.
8. On April 27, 2018, the Applicant paid out in full its outstanding 6.25% Convertible Unsecured Subordinated Debentures due June 30, 2019 and 5.25% Convertible Unsecured Subordinated Debentures due September 30, 2021.
9. As of the date of this order, all of the issued and outstanding Common Shares are beneficially owned, directly or indirectly, by AcquireCo and no other securities, including debt securities of the Applicant are outstanding.
10. The Applicant has no intention to seek public financing by way of an offering of securities.
11. On May 9, 2018, the Applicant was granted an order pursuant to subclause 1(10)(a)(ii) of the *Securities Act* (Ontario) that it is not a reporting issuer in Ontario and is not a reporting issuer or the equivalent in any other jurisdiction of Canada in accordance with the simplified procedure set out in National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications*.

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

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

**DATED** at Toronto on this 13th day of June, 2018.

“Janet Leiper”  
Commissioner  
Ontario Securities Commission

“Anne Marie Ryan”  
Commissioner  
Ontario Securities Commission

**2.2.2 Kennady Diamonds Inc. – s. 1(6) of the OBCA**

**Headnote**

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

**Statutes Cited**

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

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

**AND**

**IN THE MATTER OF  
KENNADY DIAMONDS INC.  
(the Applicant)**

**ORDER  
(Subsection 1(6) of the OBCA)**

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

**AND UPON** the Applicant having represented to the Commission that:

1. The Applicant is incorporated under the OBCA.
2. The Applicant is an "offering corporation" as defined in subsection 1(1) of the OBCA.
3. The Applicant has an authorized capital consisting of an unlimited number of common shares (the **Common Shares**), of which 54,012,599 Common Shares are issued and outstanding as of the date hereof.
4. The head office of the Applicant is located at 1199 West Hastings Street, Suite 700, Vancouver, British Columbia.
5. On January 28, 2018, the Applicant entered into an arrangement agreement with Mountain Province Diamonds Inc. (**Mountain Province**), pursuant to which, among other things, Mountain Province agreed to acquire all of the issued and outstanding Common Shares, by way of a court-approved plan of arrangement under the provisions of Section 182 of the OBCA (the **Arrangement**).
6. The Arrangement was approved by the shareholders of the Applicant at a special meeting of

shareholders of the Applicant held on April 9, 2018.

7. The Arrangement was approved by a final order of the Ontario Superior Court of Justice (Commercial List) on April 11, 2018.
8. The Arrangement was completed on April 13, 2018. As a result of the Arrangement, each shareholder of the Applicant became entitled to receive, in exchange for each Common Share held immediately prior to the effective time of the Arrangement: 0.975 common shares of Mountain Province.
9. As of the date of this order, all of the issued and outstanding Common Shares are beneficially owned, directly or indirectly, by Mountain Province and no other securities, including debt securities, of the Applicant are outstanding.
10. The Applicant has no intention to seek public financing by way of an offering of securities.
11. On April 27, 2018, the Applicant was granted an order pursuant to subclause 1(10)(a)(ii) of the *Securities Act* (Ontario) that it is not a reporting issuer in Ontario and is not a reporting issuer or the equivalent in any other jurisdiction of Canada in accordance with the simplified procedure set out in National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications*.

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

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

**DATED** at Toronto on this 15th day of May, 2018.

"Peter W. Currie"  
Commissioner  
Ontario Securities Commission

"Poonam Puri"  
Commissioner  
Ontario Securities Commission

**2.2.3 Nuuvera Inc. – s. 1(6) of the OBCA**

**Headnote**

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

**Statutes Cited**

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

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

**AND**

**IN THE MATTER OF  
NUUVERA INC.  
(the Applicant)**

**ORDER  
(Subsection 1(6) of the OBCA)**

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

**AND UPON** the Applicant having represented to the Commission that:

1. The Applicant is an "offering corporation" as defined in subsection 1(1) of the OBCA.
2. The Applicant's head office is at 135 Devon Road, Unit #11, Brampton, Ontario L6T 5A4.
3. The Applicant has an authorized capital consisting of an unlimited number of common shares (**Common Shares**), of which 93,360,603 are issued and outstanding as of the date hereof.
4. On March 23, 2018 (the **Effective Date**), Aphria Inc. (the **Purchaser**) acquired all of the issued and outstanding Common Shares, not already owned by it, pursuant to a plan of arrangement under section 182 of the OBCA (the **Arrangement**).
5. Immediately prior to the Effective Date, the Applicant had 4,704,545 warrants (the **Warrants**) outstanding, which entitled the holder thereof to purchase the Common Shares. Pursuant to the Arrangement, the Purchaser became obligated to provide and each holder of the Warrants became obligated to receive, upon the exercise of such holder's Warrants, in lieu of the Common Shares and for the same aggregate consideration payable by the holder, the number of Purchaser common

shares and the amount of cash which the holder would have been entitled to receive as a result of the transactions contemplated by the Arrangement if, immediately prior to the Effective Date, such holder had been the registered holder of the number of Common Shares to which such holder would have been entitled if the Warrants held by the holder were exercised immediately prior to the Effective Date.

6. As of the date of this order, all of the issued and outstanding Common Shares are beneficially owned, directly or indirectly, by the Purchaser and other than the Warrants, no other securities, including debt securities, of the Applicant are outstanding.
7. On April 27, 2018, the Applicant was granted an order pursuant to subclause 1(10)(a)(ii) of the *Securities Act* (Ontario) that it is not a reporting issuer in Ontario and is not a reporting issuer or the equivalent in any other jurisdiction of Canada in accordance with National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications*.

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

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

**DATED** at Toronto on this 18th day of May, 2018.

"Frances Kordyback"  
Commissioner  
Ontario Securities Commission

"Poonam Puri"  
Commissioner  
Ontario Securities Commission

2.2.4 AllBanc Split Corp. – s. 1(6) of the OBCA

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

AND

IN THE MATTER OF  
ALLBANC SPLIT CORP.  
(THE APPLICANT)

ORDER  
(Subsection 1(6) of the OBCA)

DATED at Toronto on June 15, 2018.

“Anne Marie Ryan”  
Commissioner  
Ontario Securities Commission

“Philip Anisman”  
Commissioner  
Ontario Securities Commission

**WHEREAS** the Applicant has applied to the Ontario Securities Commission (the **Commission**) for an order pursuant to subsection 1(6) of the OBCA that it be deemed to have ceased to be offering its securities to the public;

**AND WHEREAS** the Applicant has represented to the Commission that:

1. the Applicant is an “offering corporation” as defined in the OBCA;
2. all of the Applicant’s issued and outstanding Class A Capital Shares (**Capital Shares**) and Class C Preferred Shares, Series 1 (**Preferred Shares**) were redeemed on March 9, 2018;
3. as a result of the redemption of these shares, the Applicant’s issued and outstanding shares are owned by Allbanc Split Holdings Corp. and Scotia Capital Inc. (100 Class A Shares) and Scotia Managed Companies Administration Inc. (100 Class S Shares), and no other shares are issued and outstanding;
4. the Applicant has no intention to seek public financing by way of an offering of securities;
5. on June 6, 2018, the Commission granted an application under National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications* and ordered, pursuant to subclause 1(10) (a) (ii) of the *Securities Act* (Ontario) that the Applicant is not a reporting issuer; and
6. as a result of the Commission’s order, the Applicant is not a reporting issuer or the equivalent in any jurisdiction of Canada.

**AND WHEREAS** the Commission is satisfied that to do so would not be prejudicial to the public interest;

**IT IS ORDERED** that the Applicant is deemed to have ceased to be offering its securities to the public.

2.2.5 Donald Mason – s. 8

FILE NO.: 2018-1

IN THE MATTER OF  
DONALD MASON

Mark J. Sandler, Chair of the Panel

June 22, 2018

ORDER

Section 8 of the  
*Securities Act*, RSO 1990, c S.5

WHEREAS on June 22, 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, in relation to an application by Donald Mason (**Mason**) filed on December 29, 2017 to review a decision of a Director of the Commission dated November 30, 2017 (the **Application**);

ON HEARING the submissions of the representative for Donald Mason and Staff of the Commission (**Staff**);

IT IS ORDERED THAT:

1. Mason shall serve and file a notice of a constitutional question on or before June 27, 2018;
2. Mason shall serve and file any materials that he intends to rely upon that are not included in the record of the original proceeding, including the names and anticipated evidence of witnesses, on or before August 10, 2018;
3. Any motions requesting intervenor status shall be served and filed on or before August 10, 2018, with a date to be set with the Office of the Secretary to hear a motion upon receipt of motion materials;
4. Staff shall serve and file reply evidence, if any, including the names and anticipated evidence of witnesses and written submissions on Mason's Application, on or before September 7, 2018;
5. Mason shall serve and file written submissions on his Application on or before September 28, 2018; and
6. The hearing and review of the Application will be heard on October 29, November 2 and November 5, 2018, beginning at 10:00 a.m., or on such other dates or times as may be agreed to by the parties and set by the Office of the Secretary.

"Mark J. Sandler"

2.2.6 Trans-Atlantic Direct et al. – ss. 127(1) and 127(5)

IN THE MATTER OF  
TRANS-ATLANTIC DIRECT,  
TRD-EUROMARKETS S.L.,  
MARTIN SCHWARTZ,  
also known as MARTIN SHWARTZ,  
STEWART PRICE,  
BERNARD JUSTIN SEVILLA and  
MARK LEE SINGER

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

WHEREAS:

1. it appears to the Ontario Securities Commission (the **Commission**) that:
  - a. Trans-Atlantic Direct represents that it offers a foreign exchange managed account service for investors. Trans-Atlantic Direct's website lists an address in Amsterdam, the Netherlands;
  - b. TRD-Euromarkets S.L. ("**TRD SL**") is a company incorporated and domiciled in Spain. TRD SL was previously named, has operated, or operates under the names TRA-Segregated S.L., TRD Euromarkets, S.L., and TRD Euromarkets S.L.U.;
  - c. Martin Schwartz, also known as Martin Shwartz ("**Schwartz**"), is a person who holds himself out to be a resident of the United Kingdom and a principal of Trans-Atlantic Direct;
  - d. Stewart Price ("**Price**") is a person who holds himself out to be a resident of France and a principal of Trans-Atlantic Direct;
  - e. Bernard Justin Sevilla ("**Sevilla**") is a citizen of the United Kingdom. He is the registered manager and sole shareholder of TRD SL. It appears that Sevilla may be operating under the name of Schwartz;
  - f. Mark Lee Singer ("**Singer**") is a citizen of the United States. It appears that Singer may be operating under the name of Price;
  - g. none of the respondents have been registered with the Commission in any capacity;
  - h. Trans-Atlantic Direct, Schwartz and Price solicited Ontario investors to contribute funds to what they represented to be

segregated accounts in which they would carry out foreign exchange trading on behalf of investors;

- i. individuals in Ontario sent funds to two bank accounts located in Spain held by TRD SL (the “**TRD SL Accounts**”);
  - j. it appears that none of the funds received in the TRD SL Accounts were held in a segregated account for investors or were used for investment purposes on behalf of investors;
  - k. it appears that Sevilla and Singer both received significant transfers of funds from the TRD SL Accounts;
  - l. the respondents may have acted contrary to subsection 25(1) of the Act by engaging in or holding themselves out as engaging in the business of trading in securities in circumstances where no registration exemption was available;
  - m. the respondents may have acted contrary to subsection 25(3) of the Act by engaging in or holding themselves out as engaging in the business of advising anyone with respect to investing in, buying or selling securities in circumstances where no registration exemption was available;
  - n. the respondents may have acted contrary to paragraph 126.1(1)(b) of the Act by, directly or indirectly, engaging in or participating in an act, practice, or course of conduct relating to securities that they knew or ought reasonably to have known perpetrated a fraud on any person or company;
  - o. the respondents may have acted contrary to the public interest;
  - p. Staff are continuing to investigate the conduct described above;
- 2. the Commission is of the opinion that the time required to conclude a hearing could be prejudicial to the public interest as set out in subsection 127(5) of the Act;
  - 3. the Commission is of the opinion that it is in the public interest to make this Order;
  - 4. by Authorization Order made March 23, 2018, pursuant to subsection 3.5(3) of the Act, each of Maureen Jensen, D. Grant Vingoe, Timothy Moseley, Philip Anisman, Lawrence P. Haber, Robert P. Hutchison, Janet Leiper, Poonam Puri, Mark J. Sandler, and M. Cecilia Williams, acting

alone, is authorized to make orders under section 127 of the Act; and

- 5. the Commission is of the opinion that it is in the public interest to make this Order.

**IT IS ORDERED** pursuant to section 127 of the Act that:

- 1. pursuant to paragraph 2 of subsection 127(1), all trading in securities by Trans-Atlantic Direct, TRD SL, Schwartz, Price, Sevilla and Singer or by any person on their behalf shall cease, including but not limited to any act, advertisement, solicitation, conduct or negotiation directly or indirectly in furtherance of a trade;
- 2. pursuant to paragraph 2.1 of subsection 127(1), the acquisition of securities by Trans-Atlantic Direct, TRD SL, Schwartz, Price, Sevilla and Singer or by any person on their behalf shall cease;
- 3. pursuant to paragraph 3 of subsection 127(1) of the Act, that any exemptions in Ontario securities law do not apply to Trans-Atlantic Direct, TRD SL, Schwartz, Price, Sevilla and Singer; and
- 4. pursuant to subsection 127(6) of the Act, this order shall take effect immediately and shall expire on the 15th day after its making unless extended by order of the Commission.

**DATED** at Toronto, this 20th day of June, 2018.

“Maureen Jensen”

2.2.7 Inverlake Property Investment Group Inc. et al.  
– ss. 127(1) and 127(10)

FILE NO.: 2018-22

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

Robert P. Hutchison, Commissioner and Chair of the Panel

June 22, 2018

**ORDER**

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

WHEREAS the Ontario Securities Commission (the **Commission**) held a hearing, in writing, to consider a request by Staff of the Commission (**Staff**) for an order imposing sanctions against Inverlake Property Investment Group Inc. (**Inverlake**), Wheatland Business Park Ltd. (**Wheatland**) and Alfredo Miguel “Michael” Yong (**Yong**) pursuant to subsections 127(1) and 127(10) of the *Securities Act*, RSO 1990, c S.5 (the **Act**);

**ON READING** the order of the British Columbia Securities Commission (the **BCSC**) dated August 3, 2016 (the **BCSC Order**) and the findings of the BCSC dated September 14, 2015 in the matter of Inverlake, Wheatland and Yong, and on reading the materials filed by Staff, Inverlake, Wheatland and Yong each not having filed any materials, although properly served;

**IT IS ORDERED:**

1. against Yong that, until the later of the date that Yong pays to the BCSC the amount in paragraph 2 of the BCSC Order and August 3, 2021:
  - a. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities or derivatives by Yong cease, except that he may trade for his own account through a registrant, provided that a copy of the BCSC Order and a copy of this Order are provided to that registrant;
  - b. pursuant to paragraph 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Yong cease, except that he may purchase for his own account through a registrant, provided that a copy of the BCSC Order and a copy of this Order are provided to that registrant;
  - c. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Yong;

- d. pursuant to paragraphs 7 and 8.1 of subsection 127(1) of the Act, Yong resign any positions that he holds as a director or officer of any issuer or registrant, except that he may act as a director or officer of any issuer all of the securities of which are beneficially owned by Yong or members of his immediate family;
  - e. pursuant to paragraphs 8 and 8.2 of subsection 127(1) of the Act, Yong is prohibited from becoming or acting as a director or officer of any issuer or registrant, except that he may act as a director or officer of any issuer all of the securities of which are beneficially owned by Yong or members of his immediate family; and
  - f. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Yong is prohibited from becoming or acting as a registrant or promoter;
2. against Inverlake that:
    - a. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities of Inverlake cease permanently;
    - b. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities or derivatives by Inverlake cease permanently;
    - c. pursuant to paragraph 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Inverlake cease permanently;
    - d. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Inverlake permanently; and
    - e. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Inverlake is prohibited permanently from becoming or acting as a registrant or promoter;
  3. against Wheatland that:
    - a. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities of Wheatland cease permanently;
    - b. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities or derivatives by Wheatland cease permanently;



- c. pursuant to paragraph 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Wheatland cease permanently;
- d. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Wheatland permanently; and
- e. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Wheatland is prohibited permanently from becoming or acting as a registrant or promoter.

“Robert P. Hutchison”

## 2.2.8 Kroll Bond Rating Agency, Inc.

### Headnote

NP 11-205 Process for Designation of Credit Rating Organizations in Multiple Jurisdictions – Application by a credit rating organization (the Filer) to be designated as a designated rating organization (DRO). On June 12, 2018, amendments to National Instrument 44-101 Short Form Prospectus Distributions (NI 44-101) and National Instrument 44-102 Shelf Distributions (NI 44-102) came into force which recognized credit ratings of the Filer, but only for the purposes of the alternative eligibility criteria in section 2.6 of NI 44-101 and section 2.6 of NI 44-102 for issuers of asset-backed securities (ABS) to file a short form prospectus or shelf prospectus, respectively (the ABS Short Form Eligibility Criteria). However, those provisions are only available for use by market participants if the Filer is designated as a DRO. Filer designated as a DRO under securities legislation, but only for the purposes of the ABS Short Form Eligibility Criteria.

### Applicable Legislative Provisions

Securities Act (Ontario), R.S.O. 1990, c. S.5. as amended, s. 22.

National Instrument 25-101 Designated Rating Organizations, s. 6.

National Instrument 44-101 Short Form Prospectus Distributions, s. 2.6.

National Instrument 44-102 Shelf Distributions, s. 2.6.

June 21, 2018

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

AND

**IN THE MATTER OF  
THE PROCESS FOR DESIGNATION OF  
CREDIT RATING ORGANIZATIONS  
IN MULTIPLE JURISDICTIONS**

AND

**IN THE MATTER OF  
KROLL BOND RATING AGENCY, INC.  
(the Filer or KBRA)**

**DESIGNATION ORDER**

### Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) that the Filer be designated as a designated rating organization (**DRO**), as contemplated by National Instrument 25-101 *Designated Rating Organizations* (**NI 25-101**).

Under the Process for Designation of Credit Rating Organizations in Multiple Jurisdictions (for a passport application):

- (a) the Ontario Securities Commission (the **Commission**) is the principal regulator (the **Principal Regulator**) for this application; and
- (b) the Filer has provided notice that section 4B.6 of Multilateral Instrument 11-102 *Passport System (MI 11-102)* is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Québec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, the Northwest Territories, Yukon and Nunavut (the **Passport Jurisdictions**).

### Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102 and NI 25-101 have the same meaning if used in this decision, unless otherwise defined.

### Representations

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

#### **The Filer**

1. The Filer is a Delaware corporation with its registered office in Wilmington, Delaware, USA, and its principal office at 845 Third Avenue, New York New York, USA and is a wholly-owned subsidiary of KBRA Holdings, Inc.
2. The Filer and its corporate predecessor, LACE Financial Corporation (acquired by the Filer in August 2010), have provided subscription-based rating services with respect to financial institutions, corporations and governmental entities for over twenty-five years and began to issue credit ratings on structured finance and other asset classes in 2011 on an issuer-paid basis. Today, KBRA is a full service credit rating agency, with revenues increasingly derived from a diversified group of issuers. As of June 8, 2018, KBRA employed 188 credit rating analysts as well as approximately 112 business and support staff in offices located in New York, New York, Dresher, Pennsylvania, and Frederick, Maryland. In addition to subscription-based ratings services, KBRA's issuer-paid ratings business encompasses municipal finance, financial institutions, insurance, residential mortgage-backed securities (**RMBS**), non-RMBS asset backed securities, commercial mortgage-backed securities and other corporate and project finance related securities.
3. The Filer is registered with the U.S. Securities and Exchange Commission as a nationally recognized

statistical rating organization (**NRSRO**), is registered as a certified credit rating agency under the European Union regulation on credit rating agencies (the **EU CRA Regulation**) with the European Securities and Markets Authority (**ESMA**) and is designated as an external credit assessment institution (**ECAI**) with the European Banking Authority (**EBA**). The Filer is in compliance in all material respects with U.S. federal securities law applicable to NRSROs and their credit rating affiliates.

4. Kroll Bond Rating Agency Europe Limited (**KBRA Europe**) is a private company limited by shares established in Ireland and an affiliate of the Filer. KBRA Europe is registered as a credit rating agency under the EU CRA Regulation with ESMA and is designated as an ECAI with the EBA. KBRA Europe is in compliance in all material respects with the EU CRA Regulation.
5. Section 15E of the U.S. *Securities Exchange Act of 1934* (the **1934 Act**) establishes the regulatory framework for NRSROs. Subsection 15E(t) of the 1934 Act imposes a number of corporate governance requirements on NRSROs, including requirements that the NRSRO have a board of directors, that at least half (but not fewer than two) board members are independent of the NRSRO and meet prescribed independence criteria, that compensation for independent members is not linked to the NRSRO's business performance, that independent members be appointed for pre-agreed fixed and non-renewable terms not exceeding five years, and that the board fulfill certain prescribed responsibilities.
6. The Filer has a board of directors comprised of five members. Three members are independent of the Filer and meet the independence criteria set out in subsection 15E(t)(2)(B) of the 1934 Act.

#### **Compliance with NI 25-101**

7. The Filer has filed all documentation required under Part 2 of NI 25-101.
8. The Filer has established, maintains and complies with a code of conduct (the **Code**) that substantially incorporates each of the provisions of Appendix A to NI 25-101. In particular, the Code has been revised to satisfy the requirements of NI 25-101. The Code reflects adherence to the International Organization of Securities Commission's Code of Conduct Fundamentals for Credit Rating Agencies (the **IOSCO Code**). The Code is available on the Filer's website.
9. The Filer has also adopted and implemented a range of policies, procedures and internal controls (the **Policies**) that are designed to achieve the objectives set out in the IOSCO Code. In

particular, the Policies have been revised to satisfy the requirements of NI 25-101.

10. As required by subsection 8(2) of NI 25-101, three members of the Filer's board of directors are independent of KBRA and KBRA Europe as determined in accordance with NI 25-101. At least two members of the Filer's board of directors (including one independent member) have in-depth knowledge and experience at a senior level regarding the market for structured finance products. The Filer's board of directors complies with the composition requirements in section 8 of NI 25-101 and section 2.22 of Appendix A to NI 25-101. Upon being designated as a DRO, the Filer's board of directors will assume the responsibility for performing the prescribed functions of the board of directors of a DRO. In particular, the Filer's board of directors has responsibility for performing the functions prescribed by Part 3 of NI 25-101 and sections 2.22 through 2.25 of Appendix A to NI 25-101.
11. The Filer has appointed a compliance officer that monitors and assesses compliance by the Filer and its DRO employees with the Code and with applicable laws and regulations. Upon being designated as a DRO, the compliance officer of the Filer will fulfill the designated compliance officer functions prescribed by Part 5 of NI 25-101. The designated compliance officer has a direct reporting relationship to the Filer's board of directors.
12. The Code and the Policies are consistent in all material respects with the objectives of NI 25-101 and enable the Filer to maintain the objectivity and integrity of its credit ratings and the transparency of its operations.
13. The Filer keeps books and records and other documents as are necessary to account for the conduct of its credit rating activities, its business transactions and financial affairs and, upon designation as a DRO, will keep such additional other books, records and documents as may otherwise be required under the Legislation and the securities legislation in each of the Passport Jurisdictions.
14. The Filer is in compliance in all material respects with NI 25-101 and securities legislation applicable to credit rating organizations in each jurisdiction of Canada and in any other jurisdiction in which the Filer or KBRA Europe operates.
15. Upon being designated as a DRO, the Filer will be subject to the requirements set out in the Legislation and the securities legislation in each of the Passport Jurisdictions.
16. On June 12, 2018, amendments to National Instrument 44-101 *Short Form Prospectus*

*Distributions (NI 44-101)* and National Instrument 44-102 *Shelf Distributions (NI 44-102)* came into force which recognized credit ratings of KBRA, but only for the purposes of the alternative eligibility criteria in section 2.6 of NI 44-101 and section 2.6 of NI 44-102 for issuers of asset-backed securities (**ABS**) to file a short form prospectus or shelf prospectus, respectively (the **ABS Short Form Eligibility Criteria**). However, those provisions are only available for use by market participants if KBRA is designated as a DRO.

17. Upon being designated as a DRO, the Filer will rely on the "endorsement regime" under the EU CRA Regulation in respect of any Canadian rating that it issues as a DRO and not the "equivalence/certification" regime under the EU CRA Regulation. For this purpose, KBRA Europe will be the endorsing credit rating agency under the EU CRA Regulation for any Canadian rating.

#### Decision

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

The decision of the Principal Regulator under the Legislation is that:

- (a) the Filer is designated as a DRO under the Legislation, but only for the purposes of the ABS Short Form Eligibility Criteria; and
- (b) KBRA Europe is designated as a DRO affiliate of the Filer, as contemplated by NI 25-101.

"Maureen Jensen"  
Chair  
Ontario Securities Commission

"Grant Vingoe"  
Vice-Chair  
Ontario Securities Commission

## 2.2.9 AllBanc Split Corp.

### Headnote

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

### Applicable Legislative Provisions

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

June 6, 2018

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

**AND**

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

**AND**

**IN THE MATTER OF  
ALLBANC SPLIT CORP.  
(the Filer)**

**ORDER**

### Background

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

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

- (a) the Ontario Securities Commission is the principal regulator for this application, and
- (b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System (MI 11-102)* is intended to be relied upon in all of the Provinces of Canada (other than Ontario).

### Interpretation

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

### Representations

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

1. the Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*;
2. the outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;
3. no securities of the Filer, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;
4. the Filer is applying for an order that the Filer has ceased to be a reporting issuer in all the jurisdictions of Canada in which it is a reporting issuer; and
5. the Filer is not in default of securities legislation in any jurisdiction.

### Order

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

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

“Darren McKall”  
Manager  
Ontario Securities Commission

**2.2.10 Quest Rare Minerals Ltd.**

the securities regulatory authority or regulator in Ontario.

**Headnote**

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – issuer deemed to be no longer a reporting issuer under securities legislation, issuer in default of securities legislation, issuer received an order staying all proceedings under the Bankruptcy and Insolvency Act.

**Applicable Legislative Provisions**

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

**June 21, 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  
QUEST RARE MINERALS LTD.  
(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 and Newfoundland and Labrador and
- c) this order is the order of the principal regulator and evidences the decision of

**Interpretation**

Terms defined in *Regulation 14-101 respecting Definitions*, Regulation 11-102 and, in Regulation 14-501Q on 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's head office is located at 1100-1200, McGill College Avenue, Montréal, Québec H3B 4G7;
- 2. the common shares of the Filer were delisted from the Toronto Stock Exchange on August 11, 2017;
- 3. on January 3, 2018, the Filer filed a proposal (the Proposal) pursuant to Part III of the *Bankruptcy and Insolvency Act* (Canada) with the Office of the Superintendent of Bankruptcy, which Proposal was amended on January 12, 2018. The Proposal provided, among other things, for the reorganization of the Filer's share capital, whereby all issued and outstanding common shares of the Filer would be cancelled, the whole in accordance with Section 191 of the *Canada Business Corporations Act* (the CBCA). The Proposal also provided for the creation of a company to be incorporated or other commercial vehicle to be established (the Consortium), which would be funding certain monetary obligations of the Filer under the Proposal as well as the funding of the Filer's operations going forward (the Reorganization). As a result of the funding by the Consortium as described above and in accordance with an agreement between the Filer and the Consortium, the Consortium would be the sole shareholder of the Filer;
- 4. on March 23, 2018, the Superior Court of Québec rendered an order granting the Filer's motion to homologate the Proposal that was accepted by the statutory majority of the Filer's creditors at a duly-called meeting of the Filer's creditors held on January 24, 2018;
- 5. the closing of the Reorganization occurred on April 4, 2018, at which time the Filer filed the Articles of Reorganization reflecting the Reorganization with the Director named under the CBCA and all of the then issued and outstanding securities of the Filer were cancelled and new shares were issued to the Consortium, the whole in accordance with Section 191 of the CBCA;

6. the Filer is not an OTC reporting issuer under *Regulation 51-105 respecting Issuers Quoted in the U.S. Over-the-Counter Markets*;
7. 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;
8. 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;
9. the Filer has no securities issued and outstanding other than the common shares;
10. the Filer has no intention to proceed with a distribution of its securities in any jurisdiction of Canada;
11. 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;
12. the Filer is not in default of its obligations as a reporting issuer pursuant to the legislation except for the failure to file its (i) audited financial statements, management's discussion and analysis (MD&A) and annual certificates for the year ended October 31, 2017 and its (ii) interim financial statements, MD&A and interim certificates for the period ended January 31, 2018; and
13. a cease trade order was not issued in respect of the Filer's defaults, and fees were not collected because of the stay of proceedings ordered by the Superior Court of Québec on March 23, 2018 in accordance with the *Bankruptcy and Insolvency Act* (Canada).

**Order**

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

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

"Martin Latulippe"  
Director, Continuous Disclosure

2.2.11 TSX Inc. – s. 21.2.3

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

AND

IN THE MATTER OF  
TSX INC.

ORDER

(Section 21.2.3 of the Act)

**WHEREAS** Part 7 of National Instrument 21-101 – *Marketplace Operation (NI 21-101)* requires marketplaces to provide accurate and timely information regarding orders and trades in exchange-traded securities, as defined in section 1.1 of NI 21-101 (**Exchange-Traded Securities**), to an information processor (**IP**), as required by the IP;

**AND WHEREAS** TSX Inc. (**TSX** or the **Applicant**) has filed an application dated April 5, 2018 (the **Application**) with the Ontario Securities Commission (the **Commission**) requesting an order pursuant to section 21.2.3(1) of the Act designating the Applicant as an IP for Exchange-Traded Securities;

**AND WHEREAS** the Applicant is currently the IP for Exchange-Traded Securities and the Canadian Securities Administrators (the **CSA**) determined it was not contrary to the public interest for TSX to act as IP for a period ending June 30, 2018;

**AND WHEREAS** subsection 21.2.3(1) of the Act allows the Commission to designate a person or company as an IP if the Commission considers it to be in the public interest;

**AND WHEREAS** the Applicant has represented to the Commission that:

1. The Applicant has the necessary systems in place to collect and disseminate information concerning orders and trades in Exchange-Traded Securities on marketplaces that are subject to the transparency requirements contained in Part 7 of NI 21-101;
2. The Applicant is currently the IP for Exchange-Traded Securities and is in compliance with the Ontario securities law and the undertakings made to the Commission with respect to its operations as an IP;
3. The Applicant currently disseminates information about orders and trades in Exchange-Traded Securities in a manner approved by the CSA;
4. The Applicant has sufficient financial and human resources to comply with the requirements applicable to an IP for Exchange-Traded Securities, including those set out in Annex A to this order;
5. The Applicant makes, and for so long as the Applicant operates an IP will continue to make, available comprehensive information about orders and trades in Exchange-Traded Securities to all market participants; and
6. The Applicant has an appropriate governance structure and conflicts of interest policies and procedures in place.

**AND WHEREAS** the Applicant has acknowledged to the Commission that the scope of this order and the terms and conditions imposed by the Commission as set out in Annex A to this order may change as a result of the Commission's monitoring of developments in international and domestic capital markets or the Applicant's activities or as a result of any changes to the laws of Ontario affecting its operations as an IP;

**AND WHEREAS**, based on the Application, the Commission has determined that it is in the public interest to designate the Applicant as an IP for Exchange-Traded Securities;

**IT IS HEREBY ORDERED** by the Commission, pursuant to section 21.2.3(1) of the Act, that the Applicant is designated as an IP for Exchange-Traded Securities,

**PROVIDED THAT:**

- (i) the Applicant complies with the terms and conditions contained in Annex A to this order; and
- (ii) this order expires on June 30, 2022, unless extended by the Commission.

**DATED** June 22nd, 2018

“Lawrence P. Haber”

“Philip Anisman”



**Annex A**

**TERMS AND CONDITIONS APPLICABLE TO THE APPLICANT  
AS AN INFORMATION PROCESSOR FOR EXCHANGE-TRADED SECURITIES OTHER THAN OPTIONS**

**1. DEFINITIONS AND INTERPRETATION**

“Act” means the *Securities Act* (Ontario), as amended from time to time.

“affiliated entity” has the meaning ascribed to it in section 1.3 of NI 21-101.

“Consolidated Data Products” has the meaning ascribed thereto in section 5 of this Annex A.

“Commission” means the Ontario Securities Commission.

“Data Contributors” means, collectively, the marketplaces and any other party that is required to provide order and trade information to TMX IP under NI 21-101.

“Data Purchasers” means, collectively, the subscribers, vendors, and any other party that purchases any Consolidated Data Products offered by TMX IP.

“Designation Order” means the designation order issued by the Commission under section 21.2.3 of the Act to which this Annex A is appended.

“Exchange-Traded Security” means an exchange-trading security as defined in section 1.1 of NI 21-101, other than a listed option.

“Form F5” means Form 21-101F5 under NI 21-101.

“IP” means an information processor as defined in section 1.1 of NI 21-101.

“IP Governance Committee” means the governance committee established by TMX IP and approved by the CSA for the purpose of providing TMX IP with oversight and decision-making regarding the scope of service, operational priorities and enhancements (within this scope), bandwidth and capacity planning, and criteria and methods of monitoring performance, in each case, in respect of the Consolidated Data Products.

“IP Advisory Sub-Committee” means an ad-hoc sub-committee of the IP Governance Committee, which includes additional representation from at least one data vendor and one market participant from each a buy and sell side, that provide input into certain TMX IP matters, and is advisory in nature.

“marketplace” has the meaning ascribed to it in subsection 1(1) of the Act.

“NI 21-101” means National Instrument 21-101 – *Marketplace Operation*.

“TMX IP” means TSX acting in its capacity as an IP.

“TSX” means TSX Inc.

**2. PUBLIC INTEREST RESPONSIBILITIES**

- (a) TMX IP must conduct its business and operations in a manner that is consistent with the public interest.
- (b) TMX IP must provide written reports to the Commission, as required by the Commission, describing how it is meeting its regulatory and public interest functions.

**3. CHANGES TO FORM F5**

- (a) As required by section 14.2 of NI 21-101, TMX IP will file with the Commission amendments to the information provided in Form F5. TMX IP must not implement a significant change to the information in the Form F5 without the prior approval of the Commission.<sup>1</sup>

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<sup>1</sup> Examples of significant changes are provided in subsection 16.3 of the Companion Policy to NI 21-101.

**4. GOVERNANCE AND CONFLICTS OF INTEREST**

- (a) TMX IP will notify the Commission of the representatives of the IP Governance Committee and the IP Advisory Sub-Committee, and will provide notice of any changes to those representatives.
- (b) The Boards of Directors of TMX Group Limited and TSX will not be involved in IP Governance Committee decisions relating to the scope of service, operational priorities, bandwidth, capacity planning, performance management, including service levels, and the fee and revenue sharing model related to TMX IP.
- (c) TMX IP will maintain and monitor compliance with policies and procedures to separate TSX's marketplace business operations from TMX IP operations and manage inherent conflicts of interest and provide material changes to these policies and procedures to the Commission for review.
- (d) The technology used by TMX IP will not give the marketplaces affiliated with TMX Group Limited an advantage with respect to their data as compared to other marketplaces.

**5. IP PRODUCTS**

- (a) Unless TMX IP obtains prior Commission approval, it may only distribute the following products (together the **Consolidated Data Products**):
  - a. The Consolidated Data Feed (**CDF**);
  - b. The Canadian Best Bid and Offer (**CBBO**);
  - c. The Consolidated Best Bid and Offer for Protected Only Markets (**CBBOP**);
  - d. The Consolidated Last Sale (**CLS**);
  - e. The Consolidated Depth of Book (**CDB**); and
  - f. The Consolidated Depth of Book for Protected Only Markets (**CDBP**).
- (b) Unless TMX IP obtains prior Commission approval, it must distribute all Consolidated Data Products.
- (c) TMX IP will review the Consolidated Data Products, and consider any new products or changes to the Consolidated Data Products that may be reasonably required by amendments that may be adopted by the Commission during the term of the Designation Order.
- (d) TMX IP may bundle each data product comprising the Consolidated Data Products for sale to Data Purchasers, but must also make each data product available as a separate permissionable feed.
- (e) If TSX or any of its affiliated entities intend to create and distribute products using the data provided to TMX IP under Part 7 of NI 21-101 through its commercial distribution channels and not through TMX IP:
  - i. The data required to be provided to TMX IP by Data Contributors, other than data from the marketplaces that are affiliates of TSX, must not be used without the permission of the Data Contributors; and
  - ii. Any additional product must be made available for purchase separately from, and not bundled with, the Consolidated Data Products or any other products approved under paragraph 5(a).
- (f) TSX, in its capacity of TMX IP, will not provide any of its affiliated entities with the data provided by the Data Contributors, other than the data from the marketplaces that are affiliates of TSX, without the permission of the Data Contributors.
- (g) TMX IP will consolidate, update and provide in real-time the Consolidated Data Products during the hours of operation of any Canadian marketplace required to provide information to an IP under NI 21-101, provided that TMX IP may perform normal course recycle, batch and maintenance operations. TMX IP will provide customer support between the hours of 7:30 – 17:30 Toronto time and 24/7 technical support.

**6. AGREEMENTS WITH DATA CONTRIBUTORS**

- (a) TMX IP will ensure that Data Contributors are given access to TMX IP on fair and reasonable terms.
- (b) The standard agreements and contracts to be entered into between TMX IP and Data Contributors in connection with TMX IP services will be provided to the Commission for review and approval prior to their execution.
- (c) Proposed material changes to agreements or contracts between TMX IP and Data Contributors will be provided to the Commission for review and approval.

**7. FEES, FEE STRUCTURE AND REVENUE SHARING**

- (a) TMX IP will make available, on its website, the fee schedule for TMX IP Consolidated Data Products.
- (b) If any adjustments or modifications are proposed to fees, fee structure, or the fee/revenue sharing model relating to the services of TMX IP, TMX IP will ask the IP Governance Committee to seek input from the IP Advisory Sub-Committee prior to approving such adjustments or modifications.
- (c) TMX IP will report annually, in writing, to the Commission whether it has fully recovered its costs (including cost of capital and cost to meet the requirements under subsections 14.4(2), (4), and (5) of NI 21-101) associated with offering TMX IP services and will review and report on whether the profit margin received from TMX IP services is in line with industry standards.
- (d) If there are excess revenues over costs plus a reasonable profit margin, and that excess is not allocated to operating and/or capacity expansion of TMX IP, the TMX IP will examine its options for the use of that excess revenue and analyze and recommend an appropriate use to the IP Governance Committee. TMX IP will ask the IP Governance Committee to review the analysis and recommendations and provide its views in writing to TMX IP. The analysis, recommendations and the views of the IP Governance Committee will be provided to the Commission within 30 days of the IP Governance Committee having received the analysis and recommendations.
- (e) TMX IP will conduct reviews of the “pass-through” fee model, as requested by the Commission (the **Review Initiation Date**). Such review will examine the fee models used by data consolidators in other jurisdictions and the cost of data in Canada. It will consider reports or studies available at the time of the review. A report outlining the conclusions from the review and the basis for those conclusions, along with any recommendations, will be provided to the IP Governance Committee promptly upon completion. TMX IP will ask the IP Governance Committee to review the report and provide its views, in writing, to TMX IP. The report and the views of the IP Governance Committee will be provided to the Commission within 90 days of the Review Initiation Date.

**8. NON-EXCLUSIVITY**

TMX IP acknowledges that the designation as an IP does not grant TMX IP any exclusive right to consolidating and disseminating order and trade data. TMX IP will not seek exclusivity through the terms of any contract relating to the Consolidated Data Products, or involving the data underlying the Consolidated Data Products, with a Data Contributor or Data Purchaser.

**9. SELF-ASSESSMENT**

- (a) TMX IP will conduct the annual independent system review referred to in section 14.5 of NI 21-101 and provide the report of such review to the Commission no later than 90 days after the end of TMX IP’s fiscal year.
- (b) TMX IP will conduct an annual self-assessment of its compliance with subsections 14.4(2), (4) and (5) of NI 21-101 and with its performance with respect to the terms and conditions of the Designation Order. The report of such self-assessment will be provided to the IP Governance Committee promptly upon its completion. TMX IP will ask the IP Governance Committee to review the report and provide its views in writing. The report and the views of the IP Governance Committee will be provided to the Commission no later than 90 days after the end of TMX IP’s fiscal year.

**10. FINANCIAL VIABILITY**

TMX Group Limited will provide TMX IP with sufficient financial and other resources to ensure its financial viability and the proper performance of its functions.

**11. NOTICE**

TMX IP must provide the Commission with at least one year's notice should it determine not to continue to act as an IP.

## Chapter 3

# Reasons: Decisions, Orders and Rulings

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### 3.1 OSC Decisions

#### 3.1.1 Inverlake Property Investment Group Inc. et al. – ss. 127(1) and 127(10)

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

**REASONS AND DECISION  
(Subsections 127(1) and 127(10) of the  
*Securities Act*, RSO 1990, c S.5)**

**Citation:** *Inverlake (Re)*, 2018 ONSEC 35

**Date:** June 22, 2018

**File No.:** 2018-22

**Hearing:** In Writing

**Decision:** June 22, 2018

**Panel:** Robert P. Hutchison      Commissioner

**Appearances:** Christina Galbraith      For Staff of the Commission  
Peter Kott

No hearing briefs or written submissions were filed by or on behalf of Inverlake Property Investment Group Inc., Wheatland Business Park Ltd., or Alfredo Miguel “Michael” Yong

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## REASONS AND DECISION

### I. INTRODUCTION

- [1] Staff of the Ontario Securities Commission (**Staff** or the **Commission**) requests that an order be issued against Inverlake Property Investment Group Inc. (**Inverlake**), Wheatland Business Park Ltd. (**Wheatland**) and Alfredo Miguel “Michael” Yong (**Yong**, together, the **Respondents**) pursuant to the inter-jurisdictional enforcement provisions in subsection 127(10) of the Act.<sup>1</sup>
- [2] Subsection 127(10) authorizes the Commission to make orders in the public interest under subsection 127(1) based on orders of other securities regulatory authorities. The Commission is not required to make an order similar to that made by another securities regulatory authority. Instead, the findings made by another securities regulatory authority stand as a determination of fact for the purposes of the Commission’s considerations under the Act. The Commission’s task is then to determine whether, based on those findings of fact, the sanctions proposed by Staff would be in the public interest in Ontario.<sup>2</sup>
- [3] On April 7, 2015, Yong and staff of the British Columbia Securities Commission (the **BCSC**) entered into an Agreed Statement of Facts (the **Agreed Statement**). In the Agreed Statement, Yong admitted that he, Inverlake and Wheatland breached the British Columbia *Securities Act*, RSBC 1996, c 418 (the **BC Act**). In April and June 2015, the BCSC held a hearing to consider whether the Respondents breached the BC Act and engaged in conduct contrary to the public interest.
- [4] In its findings on liability dated September 14, 2015, the BCSC panel held that each of the Respondents engaged in an illegal distribution contrary to section 61 of the BC Act.<sup>3</sup> In its sanctions decision dated August 3, 2016 (the **BCSC Order**), the BCSC panel ordered, among other things, minimum five-year market-access bans and a \$60,000 administrative penalty against Yong, as well as permanent market-access bans against Inverlake and Wheatland.<sup>4</sup>

### II. SERVICE AND PARTICIPATION

- [5] Staff brought this proceeding under the expedited procedure provided in Rule 11(3) of the Commission’s *Rules of Procedure*.<sup>5</sup>
- [6] The Respondents were served with the Notice of Hearing issued on April 24, 2018, the Statement of Allegations dated April 23, 2018 and Staff’s written submissions, hearing brief and brief of authorities. The Respondents Inverlake and Wheatland are dissolved corporate entities that were incorporated in Alberta.<sup>6</sup> Inverlake and Wheatland were served by delivering the materials to the last known addresses and to the last known directors indicated on the corporate profile reports for each company.<sup>7</sup>
- [7] The Alberta *Business Corporations Act*, RSA 2000, c B-9 (the **ABCA**) authorizes administrative proceedings to be commenced against dissolved corporate entities if proceedings are commenced within two years of a corporation’s dissolution.<sup>8</sup> Inverlake was dissolved on September 2, 2016 and Wheatland was dissolved on December 2, 2017.<sup>9</sup> Staff commenced this proceeding within the two-year period.
- [8] Although served, the Respondents did not file any hearing briefs or make any written submissions in this proceeding. The Commission may proceed in the absence of a party where that party has been given notice of the hearing.<sup>10</sup>

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<sup>1</sup> Ontario *Securities Act*, RSO 1990, s S.5 (the **Act**).

<sup>2</sup> *Euston Capital Corp (Re)* (2009), 32 OSCB 6313 at para 46; *JV Raleigh Superior Holdings Inc (Re)* (2013), 36 OSCB 4639 at para 16.

<sup>3</sup> *Inverlake (Re)*, 2015 BCSECCOM 348 at para 74.

<sup>4</sup> *Inverlake (Re)*, 2016 BCSECCOM 258 at para 73.

<sup>5</sup> Ontario *Securities Commission Rules of Procedure and Forms* (2017), 40 OSCB 8988 (the **Rules of Procedure**).

<sup>6</sup> Corporate Profile Reports re: Inverlake and Wheatland, Hearing Brief of Staff of the Commission, Tab 4.

<sup>7</sup> Supplementary Affidavit of Service of Lee Crann sworn May 10, 2018.

<sup>8</sup> ABCA, s 227(2)(b).

<sup>9</sup> Corporate Profile Reports re: Inverlake and Wheatland, Hearing Brief of Staff of the Commission, Tab 4.

<sup>10</sup> *Statutory Powers Procedure Act*, RSO 1990 c S.22, s 7(2); *Rules of Procedure*, r 21(3).

### III. BCSC FINDINGS AND SANCTIONS

#### A. The Parties

- [9] Inverlake was incorporated in Alberta for the purpose of acquiring and holding land in Alberta (the **Inverlake Property**). Inverlake never filed a prospectus under the BC Act.<sup>11</sup>
- [10] Wheatland was incorporated in Alberta for the purpose of acquiring and holding land in Wheatland County, Alberta (the **Wheatland Property**). Wheatland never filed a prospectus under the BC Act.<sup>12</sup>
- [11] Yong was the sole director of Inverlake and Wheatland. Yong was a resident of British Columbia until he moved to Alberta in late 2008.<sup>13</sup>

#### B. Yong and Inverlake – Breach of Section 61 of the BC Act

- [12] In late 2007 and early 2008, Yong raised money on behalf of Inverlake primarily from residents of British Columbia to acquire the Inverlake Property. Investors purchased shares of Inverlake for \$39,000 per share, which entitled the shareholder to a beneficial interest in one acre of Inverlake Property.<sup>14</sup>
- [13] Yong prepared a marketing document he called a prospectus, which was not a prospectus as defined in the BC Act. Yong used this marketing document to promote and sell shares in the Inverlake Property.<sup>15</sup>
- [14] After Inverlake acquired the Inverlake Property, the value of the land decreased significantly. Yong stopped making mortgage payments on the Inverlake Property and, ultimately, the mortgage was foreclosed on. Yong admitted that neither he nor Inverlake notified any Inverlake investors about the foreclosure proceedings. Inverlake investors lost all of their investment.<sup>16</sup>
- [15] Yong admitted and the BCSC panel held that Yong and Inverlake engaged in an illegal distribution of Inverlake securities to 23 investors for a total of \$910,650, in contravention of section 61 of the BC Act.<sup>17</sup>

#### C. Yong and Wheatland – Breach of Section 61 of the BC Act

- [16] In July and August 2008, Yong raised money on behalf of Wheatland primarily from residents of British Columbia to acquire the Wheatland Property. Similar to Inverlake, Yong promoted and sold shares in Wheatland for \$53,000 per share, which entitled investors to an ownership interest in one acre of the Wheatland Property.<sup>18</sup>
- [17] Yong admitted and the BCSC panel held that Yong and Wheatland engaged in an illegal distribution of Wheatland securities to 15 investors<sup>19</sup> for a total of \$1,090,479, in contravention of section 61 of the BC Act.<sup>20</sup>

#### D. Yong – Breach of Section 168.2 of the BC Act

- [18] Yong admitted that as the sole director of Inverlake and Wheatland, he breached section 168.2 of the BC Act for each company's contravention of British Columbia securities law.<sup>21</sup>

#### E. BCSC Sanctions

- [19] The BCSC panel imposed an administrative penalty of \$60,000 and the following sanctions on Yong, for a period ending on the later of the date that Yong pays the administrative penalty and August 3, 2021:

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<sup>11</sup> *Inverlake (Re)*, 2015 BCSECCOM 348 at para 6.

<sup>12</sup> *Inverlake (Re)*, 2015 BCSECCOM 348 at para 7.

<sup>13</sup> *Inverlake (Re)*, 2015 BCSECCOM 348 at para 8.

<sup>14</sup> *Inverlake (Re)*, 2015 BCSECCOM 348 at paras 25 and 26.

<sup>15</sup> *Inverlake (Re)*, 2015 BCSECCOM 348 at paras 27 and 28.

<sup>16</sup> *Inverlake (Re)*, 2015 BCSECCOM 348 at paras 41, 44-46; *Inverlake (Re)*, 2016 BCSECCOM 258 at para 57.

<sup>17</sup> *Inverlake (Re)*, 2015 BCSECCOM 348 at paras 67 and 74.

<sup>18</sup> *Inverlake (Re)*, 2015 BCSECCOM 348 at paras 47-48.

<sup>19</sup> Yong and Wheatland only admitted contravening section 61 with respect to 14 of the 15 investors.

<sup>20</sup> *Inverlake (Re)*, 2015 BCSECCOM 348 at paras 67 and 74.

<sup>21</sup> *Inverlake (Re)*, 2015 BCSECCOM 348 at para 76.

- a. Yong cease trading in, and is prohibited from purchasing, any securities or exchange contracts, except that he may trade for his own account through a registrant, provided that a copy of the BCSC Order is provided to that registrant;
- b. the exemptions set out in the BC Act, the regulations or any decision as defined in the BC Act, do not apply to Yong;
- c. Yong resign any positions he holds as, and is prohibited from becoming or acting as, a director or officer of any issuer or registrant, except that he may act as a director or officer of any issuer all of the securities of which are beneficially owned by Yong or members of his immediate family;
- d. Yong is prohibited from becoming or acting as a registrant or promoter;
- e. Yong is prohibited from acting in a management or consultative capacity in connection with activities in the securities market; and
- f. Yong is prohibited from engaging in investor relations activities.<sup>22</sup>

[20] The BCSC panel imposed sanctions on Inverlake to the following effect:

- a. all persons permanently cease trading in and are permanently prohibited from purchasing any securities of Inverlake;
- b. Inverlake cease trading in, and is permanently prohibited from purchasing, any securities or exchange contracts;
- c. the exemptions set out in the BC Act, the regulations or any decision as defined in the BC Act, do not apply to Inverlake;
- d. Inverlake is permanently prohibited from becoming or acting as a registrant or promoter;
- e. Inverlake is permanently prohibited from acting in a management or consultative capacity in connection with activities in the securities market; and
- f. Inverlake is permanently prohibited from engaging in investor relations activities.<sup>23</sup>

[21] The BCSC panel imposed sanctions on Wheatland to the following effect:

- a. all persons permanently cease trading in and are permanently prohibited from purchasing any securities of Wheatland;
- b. Wheatland cease trading in, and is permanently prohibited from purchasing, any securities or exchange contracts;
- c. the exemptions set out in the BC Act, the regulations or any decision as defined in the BC Act, do not apply to Wheatland;
- d. Wheatland is permanently prohibited from becoming or acting as a registrant or promoter;
- e. Wheatland is permanently prohibited from acting in a management or consultative capacity in connection with activities in the securities market; and
- f. Wheatland is permanently prohibited from engaging in investor relations activities.<sup>24</sup>

#### **IV. ANALYSIS AND DECISION**

[22] Staff seeks an order pursuant to subsections 127(10) and (1) of the Act imposing trading and market-access bans that substantially mirror those imposed by the BCSC.

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<sup>22</sup> *Inverlake (Re)*, 2016 BCSECCOM 258 at para 73.

<sup>23</sup> *Inverlake (Re)*, 2016 BCSECCOM 258 at para 73.

<sup>24</sup> *Inverlake (Re)*, 2016 BCSECCOM 258 at para 73.



- [23] The issues for this Panel to consider are:
- a. whether one or more of the circumstances under subsection 127(10) of the Act apply to the Respondents; and, if so,
  - b. whether the Commission should exercise its public interest jurisdiction to make an order pursuant to subsection 127(1) of the Act.

**A. Subsection 127(10) of the Act**

[24] Subsection 127(10) of the Act does not itself empower the Commission to make an order; rather, it provides a basis for an order under subsection 127(1). This provision facilitates the cross-jurisdictional enforcement of decisions by allowing the Commission to issue protective, preventive and prospective orders to ensure that misconduct that has taken place in another jurisdiction will not be repeated in Ontario's capital markets.

[25] Paragraph 127(10)(4) provides for inter-jurisdictional enforcement where a person or company is subject to an order made by a securities regulatory authority that imposes sanctions, conditions or requirements on the person or company.

[26] The Respondents are subject to an order made by the BCSC, a securities regulatory authority, that imposes sanctions, conditions, restrictions or requirements. Accordingly, the threshold set out in paragraph 4 of subsection 127(10) is met.

**B. Subsection 127(1) of the Act**

[27] The threshold having been met under paragraph 4 of subsection 127(10) of the Act, the Panel must determine what sanctions, if any, should be ordered against the Respondents pursuant to subsection 127(1).

[28] Subsection 127(1) empowers the Commission to make orders where it is in the public interest to do so. The Commission is not required to make an order similar to that made by the originating jurisdiction. Rather, the Panel must first satisfy itself that an order for sanctions is necessary to protect the public interest in Ontario and then consider what the appropriate sanctions should be.

[29] Orders made under subsection 127(1) of the Act are "protective and preventive" and are made to restrain future conduct that is likely to be prejudicial to the public interest in fair and efficient capital markets.<sup>25</sup>

[30] The Commission must make its own determination of what is in the public interest. It is also important that the Commission be aware of and responsive to an interconnected, inter-provincial securities industry. The threshold for reciprocity is low.<sup>26</sup> A low threshold is supported by the principle found in section 2.1 of the Act, which provides that "[t]he integration of capital markets is supported and promoted by the sound and responsible harmonization and co-ordination of securities regulation regimes."

[31] In determining the nature and scope of sanctions to be ordered, the Commission can consider a number of factors, including the seriousness of the conduct, specific and general deterrence, and any mitigating factors.<sup>27</sup> The Respondents' conduct would have constituted a breach of the Act in Ontario. The illegal distributions would have been contrary to the public interest in Ontario and would attract the same or similar sanctions in Ontario. While it is a mitigating factor that the contraventions of the BC Act were admitted by Yong, the conduct was serious and investors were harmed.

[32] Having read the findings and sanctions ordered by the BCSC, and having regard to the Agreed Statement, the Panel is of the view that these findings support the making of an interjurisdictional order in substantially the form requested by Staff, which includes time-limited market-access bans against Yong and permanent market-access bans against Inverlake and Wheatland. In this way, the Ontario markets will be protected from the Respondents and the Respondents and like-minded persons will be deterred from engaging in similar abuses in the future.

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<sup>25</sup> *Committee for Equal Treatment of Asbestos Minority Shareholders v Ontario (Securities Commission)*, 2001 SCC 37, [2001] 2 SCR 132 at paras 42-43.

<sup>26</sup> *JV Raleigh Superior Holdings Inc (Re)* (2013), 36 OSCB 4639 at para 21.

<sup>27</sup> *Belteco Holdings Inc (Re)* (1998), 21 OSCB 7743 at paras 23-25; *MCJC Holdings* (2002), 25 OSCB 1133 at paras 25-26.

## V. DIFFERENCES BETWEEN BCSC ORDER AND PROPOSED ORDER

### A. Exchange Contracts and Derivatives

[33] The BC Act empowers the BCSC to order prohibitions relating to “exchange contracts,” which, generally speaking, are defined as futures contracts or options that are traded on an exchange.<sup>28</sup> The Commission has stated that such exchange contracts would likely be classified as “commodity futures contracts” or “commodity futures options” under the *Commodity Futures Act*, which are excluded from the definitions of “security” and “derivative” in the Act.<sup>29</sup>

[34] Staff has not requested an order under the *Commodity Futures Act*. Instead, Staff proposes that the Panel extend its order to include prohibitions on trading “derivatives,” as defined in the Act. Extending the order to include derivatives in this case will provide greater protection to Ontario’s capital markets. In addition, the Commission has stated that because some futures contracts may be derivatives, it is appropriate in these circumstances for inter-jurisdictional orders to prohibit trading in both securities and derivatives.<sup>30</sup>

### B. “Acting in a management or consultative capacity” and “investor relations activities”

[35] The BC Act empowers the BCSC to order prohibitions against “acting in a management or consultative capacity” and engaging in “investor relations activities.”<sup>31</sup> The BC Act provides a definition for “investor relations activities” but is silent on what qualifies as “acting in a management or consultative capacity.” Neither phrase appears in the Act.

[36] The Commission has held that many, but not all, of these types of activities will be captured by bans from acting as a director or officer of an issuer or registrant and from acting as a registrant or promoter.<sup>32</sup>

[37] The proposed order prohibits Yong from becoming or acting as a director or officer of any issuer or registrant and would prohibit all of the Respondents from becoming or acting as a registrant or promoter.

### C. Proposed Investment Fund Manager Prohibition

[38] The BCSC Order banned the respondents from becoming or acting as a registrant or promoter.<sup>33</sup> The order proposed by Staff includes bans on becoming or acting as a registrant, investment fund manager or promoter.

[39] While a prohibition from becoming or acting as an investment fund manager is available under the Act, it is not available under the BC Act. However, the Commission has previously confirmed that term “registrant” includes an “investment fund manager.”<sup>34</sup> Accordingly, the prohibition requested by Staff, while appropriate, is unnecessary.

## VI. CONCLUSION

[40] For the reasons provided above, the following order will issue against Yong, until the later of the date that Yong pays the administrative penalty imposed by the BCSC and August 3, 2021:

- a. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities or derivatives by Yong cease, except that he may trade for his own account through a registrant, provided that a copy of the BCSC Order and a copy of the Order of this Commission are provided to that registrant;
- b. pursuant to paragraph 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Yong cease, except that he may purchase for his own account through a registrant, provided that a copy of the BCSC Order and a copy of the Order of this Commission are provided to that registrant;
- c. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Yong;

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<sup>28</sup> BC Act, ss 1(1) and 161(1)(b).

<sup>29</sup> *Cook (Re)* (2018), 41 OSCB 1497, 2018 ONSEC 6 at para 12; *Commodity Futures Act*, RSO 1990, c C.20, s 1(1); Act, s 1(1).

<sup>30</sup> *Cook (Re)* (2018), 41 OSCB 1497, 2018 ONSEC 6 at para 13.

<sup>31</sup> BC Act, ss 161(1)(d)(iv) and (v).

<sup>32</sup> *Cook (Re)* (2018), 41 OSCB 1497, 2018 ONSEC 6 at para 14.

<sup>33</sup> *Inverlake (Re)*, 2016 BCSECCOM 258 at para 73.

<sup>34</sup> *Dhanani (Re)* (2017), 40 OSCB 4457, 2017 ONSEC 15 at para 14.

- d. pursuant to paragraphs 7 and 8.1 of subsection 127(1) of the Act, Yong resign any positions that he holds as a director or officer of any issuer or registrant, except that he may act as a director or officer of any issuer all of the securities of which are beneficially owned by Yong or members of his immediate family;
- e. pursuant to paragraphs 8 and 8.2 of subsection 127(1) of the Act, Yong be prohibited from becoming or acting as a director or officer of any issuer or registrant, except that he may act as a director or officer of any issuer all of the securities of which are beneficially owned by Yong or members of his immediate family; and
- f. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Yong be prohibited from becoming or acting as a registrant or promoter.

[41] The following order will issue against Inverlake:

- a. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities of Inverlake cease permanently;
- b. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities or derivatives by Inverlake cease permanently;
- c. pursuant to paragraph 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Inverlake cease permanently;
- d. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Inverlake permanently; and
- e. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Inverlake be prohibited permanently from becoming or acting as a registrant or promoter.

[42] The following order will issue against Wheatland:

- a. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities of Wheatland cease permanently;
- b. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities or derivatives by Wheatland cease permanently;
- c. pursuant to paragraph 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Wheatland cease permanently;
- d. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Wheatland permanently; and
- e. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Wheatland be prohibited permanently from becoming or acting as a registrant or promoter.

Dated at Toronto this 22nd day of June, 2018.

“Robert P. Hutchison”

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## Chapter 4

# Cease Trading Orders

### 4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke
THERE IS NOTHING TO REPORT THIS WEEK.				

### Failure to File Cease Trade Orders

Company Name	Date of Order	Date of Revocation
MJ Bioscience Corp.	11 March 2016	19 June 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

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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](http://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](http://www.sedi.ca)).





## Chapter 11

# IPOs, New Issues and Secondary Financings

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### INVESTMENT FUNDS

**Issuer Name:**

Chorus II Conservative Low Volatility Portfolio  
Chorus II Moderate Low Volatility Portfolio  
Chorus II Balanced Low Volatility Portfolio  
Chorus II Growth Portfolio  
Chorus II Aggressive Growth Portfolio  
Chorus II Maximum Growth Portfolio  
Principal Regulator – Quebec

**Type and Date:**

Amendment #2 to Final Simplified Prospectus dated June 20, 2018

Received on June 21, 2018

**Offering Price and Description:**

–

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

Desjardins Investments Inc.

**Project #2724968**

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**Issuer Name:**

Global Equity Allocation Pool  
International Equity Alpha Pool  
US Equity Alpha Pool  
Principal Regulator – Ontario

**Type and Date:**

Preliminary Simplified Prospectus dated June 18, 2018

NP 11-202 Preliminary Receipt dated June 20, 2018

**Offering Price and Description:**

Class A, E, E3, E4, E5, ET8, E3T8, E4T8, E5T8, F, F3, F4, F5, FT8, F3T8, F4T8, F5T8, I, IT8, OF and W units

**Underwriter(s) or Distributor(s):**

Assante Capital Management Ltd.

**Promoter(s):**

CI Investments Inc.

**Project #2787126**

**Issuer Name:**

Harvest Global Resource Leaders ETF  
Principal Regulator – Ontario

**Type and Date:**

Amendment #1 to Final Long Form Prospectus dated June 20, 2018

Received on June 22, 2018

**Offering Price and Description:**

–

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

Harvest Portfolios Group Inc.

**Project #2711618**

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**Issuer Name:**

AlphaNorth Growth Fund  
AlphaNorth Resource Fund (formerly AlphaNorth Rollover Fund)

Principal Regulator – Ontario

**Type and Date:**

Final Simplified Prospectus dated June 14, 2018

NP 11-202 Receipt dated June 21, 2018

**Offering Price and Description:**

Series A and F Shares @ Net Asset Value

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

AlphaNorth Asset Management

**Project #2771262**

**Issuer Name:**

Counsel Conservative Portfolio  
Counsel Conservative Portfolio Class  
Counsel Balanced Portfolio  
Counsel Balanced Portfolio Class  
Counsel Growth Portfolio  
Counsel Growth Portfolio Class  
Counsel All Equity Portfolio  
Counsel Canadian Dividend  
Counsel Canadian Dividend Class  
Counsel Canadian Value  
Counsel Canadian Growth  
Principal Regulator – Ontario

**Type and Date:**

Amendment #2 to Final Simplified Prospectus dated June 13, 2018

NP 11-202 Receipt dated June 25, 2018

**Offering Price and Description:**

–

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

N/A

**Project #2672281**

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**Issuer Name:**

CWB Core Equity Fund  
CWB Core Fixed Income Fund  
CWB Onyx Balanced Solution  
CWB Onyx Canadian Equity Fund  
CWB Onyx Conservative Solution  
CWB Onyx Diversified Income Fund  
CWB Onyx Global Equity Fund  
CWB Onyx Growth Solution  
Principal Regulator – Alberta (ASC)

**Type and Date:**

Final Simplified Prospectus dated June 19, 2018

NP 11-202 Receipt dated June 20, 2018

**Offering Price and Description:**

Series A and O units @ net asset value

**Underwriter(s) or Distributor(s):**

CWB Wealth Management Ltd.

**Promoter(s):**

N/A

**Project #2774180**

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**Issuer Name:**

Distinction Balanced Class  
Distinction Bold Class  
Distinction Conservative Class  
Distinction Growth Class  
Distinction Prudent Class  
Forstrong Global Strategist Balanced Fund  
Forstrong Global Strategist Growth Fund  
Forstrong Global Strategist Income Fund  
IA Clarington Balanced Portfolio  
IA Clarington Bond Fund  
IA Clarington Canadian Balanced Class  
IA Clarington Canadian Balanced Fund  
IA Clarington Canadian Conservative Equity Class  
IA Clarington Canadian Conservative Equity Fund  
IA Clarington Canadian Dividend Fund  
IA Clarington Canadian Growth Class  
IA Clarington Canadian Leaders Class  
IA Clarington Canadian Small Cap Class  
IA Clarington Canadian Small Cap Fund  
IA Clarington Conservative Portfolio  
IA Clarington Core Plus Bond Fund  
IA Clarington Dividend Growth Class  
IA Clarington Emerging Markets Bond Fund  
IA Clarington Floating Rate Income Fund  
IA Clarington Focused Balanced Class  
IA Clarington Focused Balanced Fund  
IA Clarington Focused Canadian Equity Class  
IA Clarington Focused U.S. Equity Class  
IA Clarington Global Allocation Class (formerly IA Clarington Global Tactical Income Class)  
IA Clarington Global Allocation Fund (formerly IA Clarington Global Tactical Income Fund)  
IA Clarington Global Bond Fund  
IA Clarington Global Equity Fund  
IA Clarington Global Multi-Asset Fund (formerly IA Clarington Global Growth & Income Fund)  
IA Clarington Global Opportunities Class  
IA Clarington Global Opportunities Fund  
IA Clarington Global Value Fund  
IA Clarington Global Yield Opportunities Fund  
IA Clarington Growth & Income Fund  
IA Clarington Growth Portfolio  
IA Clarington Inhance Balanced SRI Portfolio  
IA Clarington Inhance Bond SRI Fund  
IA Clarington Inhance Canadian Equity SRI Class  
IA Clarington Inhance Conservative SRI Portfolio  
IA Clarington Inhance Global Equity SRI Class  
IA Clarington Inhance Growth SRI Portfolio  
IA Clarington Inhance Monthly Income SRI Fund  
IA Clarington Maximum Growth Portfolio  
IA Clarington Moderate Portfolio  
IA Clarington Money Market Fund  
IA Clarington Monthly Income Balanced Fund  
IA Clarington North American Opportunities Class  
IA Clarington Real Return Bond Fund  
IA Clarington Sarbit Activist Opportunities Class  
IA Clarington Sarbit U.S. Equity Class (Unhedged)  
IA Clarington Sarbit U.S. Equity Fund  
IA Clarington Short-Term Bond Fund  
IA Clarington Short-Term Income Class  
IA Clarington Strategic Corporate Bond Class  
IA Clarington Strategic Corporate Bond Fund

IA Clarington Strategic Equity Income Class  
IA Clarington Strategic Equity Income Fund  
IA Clarington Strategic Income Class  
IA Clarington Strategic Income Fund  
IA Clarington Strategic U.S. Growth & Income Fund  
IA Clarington Tactical Bond Class  
IA Clarington Tactical Bond Fund  
IA Clarington Tactical Income Class  
IA Clarington Tactical Income Fund  
IA Clarington U.S. Dividend Growth Fund  
IA Clarington U.S. Dividend Growth Registered Fund  
IA Clarington U.S. Dollar Floating Rate Income Fund  
IA Clarington Yield Opportunities Fund  
Principal Regulator – Quebec

**Type and Date:**

Final Simplified Prospectus dated June 18, 2018

NP 11-202 Receipt dated June 20, 2018

**Offering Price and Description:**

Series A, E, E5, EF, EF5, EX, F, F6, F8, L, L5, L6, L8, LM,  
M, O, P, P5, T5, T6, T8 and V @ net asset value

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

IA Clarington Investments Inc

Project #2766675

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**Issuer Name:**

E Split Corp.

Principal Regulator – Alberta (ASC)

**Type and Date:**

Final Long Form Prospectus dated June 14, 2018

NP 11-202 Receipt dated June 19, 2018

**Offering Price and Description:**

Preferred Shares and Class A Shares @ net asset value

**Underwriter(s) or Distributor(s):**

CIBC World Markets Inc.

RBC Dominion Securities Inc.

BMO Nesbitt Burns Inc.

Scotia Capital Inc.

TD Securities Inc.

Canaccord Genuity Corp.

GMP Securities L.P.

National Bank Financial Inc.

Raymond James Ltd.

Industrial Alliance Securities Inc.

Manulife Securities Incorporated

Desjardins Securities Inc.

Mackie Research Capital Corporation

Middlefield Capital Corporation

**Promoter(s):**

Middlefield Limited

Project #2773850

**Issuer Name:**

First Asset 1-5 Year Laddered Government Strip Bond  
Index ETF

First Asset Canadian Buyback Index ETF

First Asset Morningstar Canada Dividend Target 30 Index  
ETF

First Asset Morningstar Canada Momentum Index ETF

First Asset Morningstar Canada Value Index ETF

First Asset Morningstar International Momentum Index ETF

First Asset Morningstar International Value Index ETF

First Asset Morningstar National Bank Québec Index ETF

First Asset Morningstar US Dividend Target 50 Index ETF

First Asset Morningstar US Momentum Index ETF

First Asset Morningstar US Value Index ETF

First Asset MSCI Canada Low Risk Weighted ETF

First Asset MSCI Europe Low Risk Weighted ETF

First Asset MSCI International Low Risk Weighted ETF

First Asset MSCI USA Low Risk Weighted ETF

First Asset MSCI World Low Risk Weighted ETF

First Asset U.S. Buyback Index ETF

First Asset U.S. Tactical Sector Allocation Index ETF

First Asset U.S. TrendLeaders Index ETF

Principal Regulator – Ontario

**Type and Date:**

Final Long Form Prospectus dated June 21, 2018

NP 11-202 Receipt dated June 21, 2018

**Offering Price and Description:**

Common Units and Unhedged Common Units

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

N/A

Project #2771100

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**Issuer Name:**

IA Clarington Global Equity Exposure Fund

IA Clarington Target Click 2020 Fund

IA Clarington Target Click 2025 Fund

IA Clarington Target Click 2030 Fund

Principal Regulator – Quebec

**Type and Date:**

Final Simplified Prospectus dated June 18, 2018

NP 11-202 Receipt dated June 20, 2018

**Offering Price and Description:**

Series A and F units @ net asset value

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

N/A

Project #2766713

**Issuer Name:**

Leith Wheeler Balanced Fund  
Leith Wheeler Canadian Dividend Fund  
Leith Wheeler Canadian Equity Fund  
Leith Wheeler Carbon Constrained Canadian Equity Fund  
Leith Wheeler Core Bond Fund (formerly Leith Wheeler Fixed Income Fund)  
Leith Wheeler Corporate Advantage Fund ( formerly Leith Wheeler Corporate Fixed Income Fund)  
Leith Wheeler Emerging Markets Equity Fund  
Leith Wheeler High Yield Bond Fund  
Leith Wheeler Income Advantage Fund  
Leith Wheeler International Equity Plus Fund  
Leith Wheeler Money Market Fund  
Leith Wheeler Multi Credit Fund  
Leith Wheeler Preferred Share Fund  
Leith Wheeler Short Term Income Fund  
Leith Wheeler U.S. Equity Fund  
Leith Wheeler U.S. Small/Mid-Cap Equity Fund  
Principal Regulator – British Columbia

**Type and Date:**

Final Simplified Prospectus dated May 25, 2018  
NP 11-202 Receipt dated June 25, 2018

**Offering Price and Description:**

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**Underwriter(s) or Distributor(s):**

Leith Wheeler Investment Counsel Ltd  
Leith Wheeler Investment Funds Ltd.

**Promoter(s):**

Leith Wheeler Investment Counsel Ltd  
Project #2756648

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**Issuer Name:**

Mackenzie Canadian Aggregate Bond Index ETF  
Mackenzie Canadian All Corporate Bond Index ETF  
Mackenzie Canadian Equity Index ETF  
Mackenzie Canadian Large Cap Equity Index ETF  
Mackenzie Canadian Short-Term Bond Index ETF  
Mackenzie China A-Shares CSI 300 Index ETF  
Mackenzie International Equity Index ETF  
Mackenzie International Equity Index ETF (CAD-Hedged)  
Mackenzie Maximum Diversification All World Developed ex North America Index ETF  
Mackenzie Maximum Diversification All World Developed Index ETF  
Mackenzie Maximum Diversification Canada Index ETF  
Mackenzie Maximum Diversification Developed Europe Index ETF  
Mackenzie Maximum Diversification Emerging Markets Index ETF  
Mackenzie Maximum Diversification US Index ETF  
Mackenzie US High Yield Bond Index ETF (CAD-Hedged)  
Mackenzie US Investment Grade Corporate Bond Index ETF (CAD-Hedged)  
Mackenzie US Large Cap Equity Index ETF  
Mackenzie US Large Cap Equity Index ETF (CAD Hedged)  
Mackenzie US TIPS Index ETF (CAD-Hedged)  
Principal Regulator – Ontario

**Type and Date:**

Final Long Form Prospectus dated June 20, 2018  
NP 11-202 Receipt dated June 21, 2018

**Offering Price and Description:**

Units

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

N/A

Project #2756525

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**Issuer Name:**

Mackenzie Canadian Growth Balanced Class  
Mackenzie Canadian Growth Balanced Fund  
Mackenzie Canadian Growth Fund  
Principal Regulator – Ontario

**Type and Date:**

Final Simplified Prospectus dated June 15, 2018  
NP 11-202 Receipt dated June 19, 2018

**Offering Price and Description:**

Series LB, Series LW, Series LW6 and Series LX securities @ net asset value

**Underwriter(s) or Distributor(s):**

LBC Financial Services Inc.

**Promoter(s):**

Mackenzie Financial Corporation  
Project #2760746

---

**Issuer Name:**

Purpose Diversified Real Asset Fund  
Principal Regulator – Ontario

**Type and Date:**

Amendment #2 to Final Long Form Prospectus dated June 14, 2018

NP 11-202 Receipt dated June 25, 2018

**Offering Price and Description:**

–

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

Purpose Investments Inc.

Project #2644964

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**Issuer Name:**

Sentry All Cap Income Fund (formerly, Sentry Diversified Income Fund)  
Sentry Alternative Asset Income Fund  
Sentry Balanced Income Portfolio (formerly, Sentry Income Portfolio)  
Sentry Balanced Yield Private Pool Class  
Sentry Canadian Bond Fund (formerly Sentry Bond Plus Fund)  
Sentry Canadian Core Fixed Income Private Trust  
Sentry Canadian Equity Income Private Pool Class  
Sentry Canadian Equity Income Private Trust  
Sentry Canadian Fixed Income Private Pool  
Sentry Canadian Income Class (formerly Sentry Select Canadian Income Class)  
Sentry Canadian Income Fund (formerly Sentry Select Canadian Income Fund)  
Sentry Conservative Balanced Income Class  
Sentry Conservative Balanced Income Fund (formerly Sentry Select Conservative Income Fund)  
Sentry Conservative Income Portfolio  
Sentry Conservative Monthly Income Fund (formerly, Sentry Income Advantage Fund)  
Sentry Corporate Bond Class (formerly, Sentry Enhanced Corporate Bond Class)  
Sentry Corporate Bond Fund (formerly, Sentry Enhanced Corporate Bond Fund)  
Sentry Defensive Income Portfolio  
Sentry Diversified Equity Class (formerly Sentry Diversified Total Return Class)  
Sentry Diversified Equity Fund (formerly Sentry Diversified Total Return Fund)  
Sentry Energy Fund (formerly, Sentry Energy Growth and Income Fund)  
Sentry Energy Private Trust  
Sentry Global Balanced Yield Private Pool Class  
Sentry Global Core Fixed Income Private Trust  
Sentry Global Equity Income Private Pool Class  
Sentry Global Growth and Income Class (formerly Sentry Global Dividend Class)  
Sentry Global Growth and Income Fund (formerly Sentry Global Dividend Fund)  
Sentry Global High Yield Bond Class (formerly, Sentry Tactical Bond Class)  
Sentry Global High Yield Bond Fund (formerly, Sentry Tactical Bond Fund)  
Sentry Global High Yield Fixed Income Private Trust  
Sentry Global Infrastructure Fund (formerly, Sentry Infrastructure Fund)  
Sentry Global Infrastructure Private Trust  
Sentry Global Investment Grade Private Pool Class  
Sentry Global Mid Cap Income Fund  
Sentry Global Monthly Income Fund (formerly, Sentry Global Balanced Income Fund)  
Sentry Global Real Estate Private Trust  
Sentry Global REIT Class (formerly, Sentry REIT Class)  
Sentry Global REIT Fund (formerly, Sentry REIT Fund)  
Sentry Global Tactical Fixed Income Private Pool  
Sentry Growth and Income Fund (formerly Sentry Select Growth & Income Fund)  
Sentry Growth and Income Portfolio  
Sentry Growth Portfolio  
Sentry International Equity Income Private Pool Class

Sentry International Equity Income Private Trust  
Sentry Money Market Class (formerly Sentry Select Money Market Class)  
Sentry Money Market Fund (formerly Sentry Select Money Market Fund)  
Sentry Precious Metals Class (formerly, Sentry Precious Metals Growth Class)  
Sentry Precious Metals Fund (formerly, Sentry Precious Metals Growth Fund)  
Sentry Precious Metals Private Trust  
Sentry Real Growth Pool Class  
Sentry Real Income 1941-45 Class  
Sentry Real Income 1946-50 Class  
Sentry Real Income 1951-55 Class  
Sentry Real Long Term Income Pool Class  
Sentry Real Long Term Income Trust  
Sentry Real Mid Term Income Pool Class  
Sentry Real Mid Term Income Trust  
Sentry Real Short Term Income Pool Class  
Sentry Real Short Term Income Trust  
Sentry Resource Opportunities Class (formerly Sentry Canadian Resource Class)  
Sentry Small/Mid Cap Income Class  
Sentry Small/Mid Cap Income Fund (formerly Sentry Small Cap Income Fund)  
Sentry U.S. Equity Income Currency Neutral Private Pool Class  
Sentry U.S. Equity Income Private Pool Class  
Sentry U.S. Equity Income Private Trust  
Sentry U.S. Growth and Income Class  
Sentry U.S. Growth and Income Currency Neutral Class  
Sentry U.S. Growth and Income Fund  
Sentry U.S. Monthly Income Fund (formerly, Sentry U.S. Balanced Income Fund)  
Principal Regulator – Ontario  
**Type and Date:**  
Final Simplified Prospectus dated June 22, 2018  
NP 11-202 Receipt dated June 22, 2018  
**Offering Price and Description:**  
Series A, Series T4, Series T5, Series T6, Series T7, Series T8, Series B, Series B4, Series B5, Series B6, Series B7, Series B8, Series F, Series FT4, Series FT5, Series FT6, Series FT7, Series FT8, Series O, Series O8, Series I, Series S and Series Z securities @ net asset value  
**Underwriter(s) or Distributor(s):**  
N/A  
**Promoter(s):**  
N/A  
**Project #2773843**

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**Issuer Name:**  
Sprott Physical Gold Trust  
Principal Regulator – Ontario  
**Type and Date:**  
Final Shelf Prospectus (NI 44-102) dated June 20, 2018  
NP 11-202 Receipt dated June 21, 2018  
**Offering Price and Description:**  
U.S.\$1,500,000,000 Trust Units  
**Underwriter(s) or Distributor(s):**  
N/A  
**Promoter(s):**  
N/A  
**Project #2785067**

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**Issuer Name:**  
Sprott Physical Platinum and Palladium Trust  
Principal Regulator – Ontario  
**Type and Date:**  
Final Shelf Prospectus (NI 44-102) dated June 20, 2018  
NP 11-202 Receipt dated June 21, 2018  
**Offering Price and Description:**  
U.S.\$100,000,000 Trust Units  
**Underwriter(s) or Distributor(s):**  
N/A  
**Promoter(s):**  
N/A  
**Project #2785083**

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**Issuer Name:**  
Sprott Physical Silver Trust  
Principal Regulator – Ontario  
**Type and Date:**  
Final Shelf Prospectus (NI 44-102) dated June 20, 2018  
NP 11-202 Receipt dated June 21, 2018  
**Offering Price and Description:**  
U.S.\$1,500,000,000 Trust Units  
**Underwriter(s) or Distributor(s):**  
N/A  
**Promoter(s):**  
N/A  
**Project #2785077**

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**Issuer Name:**

WisdomTree Canada Quality Dividend Growth Index ETF  
WisdomTree Emerging Markets Dividend Index ETF  
WisdomTree Europe Hedged Equity Index ETF  
WisdomTree ICBCCS S&P China 500 Index ETF  
WisdomTree International Quality Dividend Growth Index  
ETF  
WisdomTree International Quality Dividend Growth Variably  
Hedged Index ETF  
WisdomTree Japan Equity Index ETF  
WisdomTree U.S. High Dividend Index ETF  
WisdomTree U.S. MidCap Dividend Index ETF  
WisdomTree U.S. Quality Dividend Growth Index ETF  
WisdomTree U.S. Quality Dividend Growth Variably  
Hedged Index ETF  
WisdomTree Yield Enhanced Canada Aggregate Bond  
Index ETF  
WisdomTree Yield Enhanced Canada Short-Term  
Aggregate Bond Index ETF  
Principal Regulator – Ontario

**Type and Date:**

Final Long Form Prospectus dated June 22, 2018  
NP 11-202 Receipt dated June 25, 2018

**Offering Price and Description:**

Non Hedged Units and Hedged Units

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

WisdomTree Asset Management Canada, Inc.

**Project #2772031**

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NON-INVESTMENT FUNDS

**Issuer Name:**

Australis Capital Inc.  
Principal Regulator – British Columbia

**Type and Date:**

Preliminary Long Form Prospectus dated June 18, 2018  
NP 11-202 Preliminary Receipt dated June 20, 2018

**Offering Price and Description:**

Distribution by Aurora Cannabis Inc. of Units of the  
Company as a Return of Capital

**Underwriter(s) or Distributor(s):**

–

**Promoter(s):**

Aurora Cannabis Inc.  
Project #2787218

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**Issuer Name:**

Australis Capital Inc.  
Principal Regulator – British Columbia

**Type and Date:**

Amendment dated June 21, 2018 to Preliminary Long Form  
Prospectus dated June 18, 2018  
NP 11-202 Preliminary Receipt dated June 22, 2018

**Offering Price and Description:**

Distribution by Aurora Cannabis Inc. of Units of the  
Company as a Return of Capital

**Underwriter(s) or Distributor(s):**

–

**Promoter(s):**

Aurora Cannabis Inc.  
Project #2787218

---

**Issuer Name:**

Bank of Nova Scotia, The  
Principal Regulator – Ontario

**Type and Date:**

Preliminary Shelf Prospectus dated June 19, 2018  
NP 11-202 Preliminary Receipt dated June 20, 2018

**Offering Price and Description:**

\$15,000,000,000.00  
Senior Debt Securities (Unsubordinated Indebtedness)  
Subordinated Debt Securities (Subordinated Indebtedness)  
Preferred Shares Common Shares

**Underwriter(s) or Distributor(s):**

–

**Promoter(s):**

–

Project #2787146

**Issuer Name:**

Battery Mineral Resources Limited  
Principal Regulator – Ontario

**Type and Date:**

Preliminary Long Form Prospectus dated June 19, 2018  
NP 11-202 Preliminary Receipt dated June 19, 2018

**Offering Price and Description:**

\$ \* – \* Ordinary Shares  
Price: \$ \* per Offered Share

**Underwriter(s) or Distributor(s):**

BMO Nesbitt Burns Inc.

**Promoter(s):**

Gary Lewis  
Ian Pringle  
Project #2787011

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**Issuer Name:**

Battery Road Capital Corp.  
Principal Regulator – Nova Scotia

**Type and Date:**

Preliminary CPC Prospectus (TSX-V) dated June 14, 2018  
NP 11-202 Preliminary Receipt dated June 19, 2018

**Offering Price and Description:**

\$400,000.00  
(4,000,000 Common Shares)  
Price: \$0.10 per Common Share

**Underwriter(s) or Distributor(s):**

Haywood Securities

**Promoter(s):**

Wade Dawe  
Project #2785947

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**Issuer Name:**

Bellatrix Exploration Ltd.  
Principal Regulator – Alberta (ASC)

**Type and Date:**

Preliminary Shelf Prospectus dated June 22, 2018  
Received on June 22, 2018

**Offering Price and Description:**

CDN \$500,000,000.00 –  
Common Shares  
Preferred Shares  
Subscription Receipts Warrants Units

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

–

Project #2788299



**Issuer Name:**

Cann-Is Capital Corp.  
Principal Regulator – Ontario

**Type and Date:**

Preliminary CPC Prospectus (TSX-V) dated June 21, 2018  
NP 11-202 Preliminary Receipt dated June 22, 2018

**Offering Price and Description:**

Minimum Offering: \$200,000.00 or 2,000,000 Common Shares  
Maximum Offering: \$300,000.00 or 3,000,000 Common Shares

Price: \$0.10 per Common Share

**Underwriter(s) or Distributor(s):**

Haywood Securities Inc.

**Promoter(s):**

Yaniv Bresler  
Ronnie Jaegermann  
Project #2787991

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**Issuer Name:**

Captiva Verde Land Corp.  
Principal Regulator – British Columbia

**Type and Date:**

Preliminary Long Form Prospectus dated June 22, 2018  
NP 11-202 Preliminary Receipt dated June 25, 2018

**Offering Price and Description:**

Offering of \$500,000.00 (5,000,000 Common Shares)  
Offering Price: \$0.10 per Common Share

**Underwriter(s) or Distributor(s):**

PI Financial Corp.

**Promoter(s):**

Jeffery Ciachurski  
Project #2788367

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**Issuer Name:**

Correvio Pharma Corp.  
Principal Regulator – British Columbia

**Type and Date:**

Preliminary Shelf Prospectus dated June 22, 2018  
NP 11-202 Preliminary Receipt dated June 22, 2018

**Offering Price and Description:**

US\$250,000,000.00  
Common Shares

Preferred Shares

Debt Securities

Warrants

Units

Subscription Receipts

**Underwriter(s) or Distributor(s):**

–

**Promoter(s):**

–

Project #2788320

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**Issuer Name:**

Largo Resources Ltd.  
Principal Regulator – Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated June 22, 2018  
NP 11-202 Preliminary Receipt dated June 25, 2018

**Offering Price and Description:**

\$\*  
70,977,885 Common Shares  
Price: \$\* per Common Share

**Underwriter(s) or Distributor(s):**

Credit Suisse Securities (Canada), Inc.  
Morgan Stanley Canada Limited  
CIBC World Markets Inc.  
Cormark Securities Inc.  
Mackie Research Capital Corporation

**Promoter(s):**

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Project #2788322

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**Issuer Name:**

Nerds On Site Inc.  
Principal Regulator – Ontario

**Type and Date:**

Amendment dated June 20, 2018 to Preliminary Long Form Prospectus dated March 23, 2018  
NP 11-202 Preliminary Receipt dated June 20, 2018

**Offering Price and Description:**

Minimum \$4,000,000.00  
11,428,571 Units  
Maximum \$6,000,000.00  
17,142,857 Units  
Price: \$0.35 Per Unit

**Underwriter(s) or Distributor(s):**

Canaccord Genuity Corp.

**Promoter(s):**

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Project #2744451

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**Issuer Name:**

RIOCAN REAL ESTATE INVESTMENT TRUST  
Principal Regulator – Ontario

**Type and Date:**

Preliminary Shelf Prospectus dated June 25, 2018  
NP 11-202 Preliminary Receipt dated June 25, 2018

**Offering Price and Description:**

\$3,000,000,000.00  
Debt Securities  
(Senior Unsecured)

Units

Preferred Units

**Underwriter(s) or Distributor(s):**

–

**Promoter(s):**

–

Project #2788609

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**Issuer Name:**

Stanley Brothers Holdings Inc.  
Principal Regulator – Ontario

**Type and Date:**

Preliminary Long Form Prospectus dated June 25, 2018  
NP 11-202 Preliminary Receipt dated June 25, 2018

**Offering Price and Description:**

C\$\*

\* Common Shares

Price: C\$ \* per Offered Share

**Underwriter(s) or Distributor(s):**

Canaccord Genuity Corp.

**Promoter(s):**

–

Project #2788631

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**Issuer Name:**

Thomson Reuters Corporation  
Principal Regulator – Ontario

**Type and Date:**

Preliminary Shelf Prospectus dated June 19, 2018  
NP 11-202 Preliminary Receipt dated June 20, 2018

**Offering Price and Description:**

US\$3,000,000,000.00

Debt Securities

**Underwriter(s) or Distributor(s):**

–

**Promoter(s):**

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Project #2787102

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**Issuer Name:**

Tilray, Inc.  
Principal Regulator – British Columbia

**Type and Date:**

Preliminary Long Form Prospectus dated June 20, 2018  
NP 11-202 Preliminary Receipt dated June 20, 2018

**Offering Price and Description:**

C\$[\*]

[\*] Shares of Class 2 Common Stock

Price: C\$[\*] per Offered Share

**Underwriter(s) or Distributor(s):**

BMO Nesbitt Burns Inc.

Eight Capital

**Promoter(s):**

Brendan Kennedy

Project #2787095

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**Issuer Name:**

Transcanna Holdings Inc.  
Principal Regulator – British Columbia

**Type and Date:**

Preliminary Long Form Prospectus dated June 22, 2018  
Received on June 22, 2018

**Offering Price and Description:**

Minimum of 2,400,000 Units up to a Maximum of 3,000,000 Units

Price: \$0.50 per Unit

Minimum of \$1,200,000.00 up to a Maximum of \$1,500,000.00

Each Unit comprises one common share and one share purchase warrant

**Underwriter(s) or Distributor(s):**

Haywood Securities Inc.

**Promoter(s):**

James Pakulis

Project #2788290

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**Issuer Name:**

Acerus Pharmaceuticals Corporation  
Principal Regulator – Ontario

**Type and Date:**

Final Short Form Prospectus dated June 21, 2018  
NP 11-202 Receipt dated June 21, 2018

**Offering Price and Description:**

\$5,750,010.00 – 19,166,700 Units; Price: \$0.30 per Unit

**Underwriter(s) or Distributor(s):**

Mackie Research Capital Corporation

**Promoter(s):**

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Project #2783555

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**Issuer Name:**

Aphria Inc. (formerly, Black Sparrow Capital Corp.)  
Principal Regulator – Ontario

**Type and Date:**

Final Short Form Prospectus dated June 22, 2018  
NP 11-202 Receipt dated June 22, 2018

**Offering Price and Description:**

\$225,000,690.00

18,987,400 Common Shares

Price: \$11.85 per Common Share

**Underwriter(s) or Distributor(s):**

Clarus Securities Inc.

Canaccord Genuity Corp.

Cormark Securities Inc.

Haywood Securities Inc.

INFOR Financial Inc.

**Promoter(s):**

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Project #2783872

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**Issuer Name:**

Cobalt 27 Capital Corp.  
Principal Regulator – Ontario

**Type and Date:**

Final Short Form Prospectus dated June 21, 2018  
NP 11-202 Receipt dated June 21, 2018

**Offering Price and Description:**

\$300,300,000.00  
30,800,000 Common Shares  
Price: \$9.75 per Offered Share

**Underwriter(s) or Distributor(s):**

TD Securities Inc.  
Credit Suisse Securities (Canada), Inc.  
BMO Nesbitt Burns Inc.  
Scotia Capital Inc.  
National Bank Financial Inc.  
RBC Dominion Securities Inc.  
Haywood Securities Inc.  
Canaccord Genuity Corp.  
Cormark Securities Inc.

Eight Capital

**Promoter(s):**

Anthony Milewski

**Project #2784809**

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**Issuer Name:**

DECISIVE DIVIDEND CORPORATION  
Principal Regulator – British Columbia

**Type and Date:**

Final Short Form Prospectus dated June 19, 2018  
NP 11-202 Receipt dated June 19, 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):**

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**Project #2776542**

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**Issuer Name:**

Exchange Income Corporation  
Principal Regulator – Manitoba

**Type and Date:**

Final Short Form Prospectus dated June 19, 2018  
NP 11-202 Receipt dated June 19, 2018

**Offering Price and Description:**

\$70,000,000.00  
7 YEAR 5.35% CONVERTIBLE UNSECURED  
SUBORDINATED DEBENTURES

**Underwriter(s) or Distributor(s):**

National Bank Financial Inc.  
Laurentian Bank Securities Inc.  
CIBC World Markets Inc.  
Cormark Securities Inc.  
Raymond James Ltd.  
RBC Dominion Securities Inc.  
Scotia Capital Inc.  
TD Securities Inc.  
BMO Nesbitt Burns Inc.  
Canaccord Genuity Corp.  
Altacorp Capital Inc.  
Macquarie Capital Markets Canada Ltd.  
Wellington-Altus Private Wealth Inc.

**Promoter(s):**

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**Project #2783675**

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**Issuer Name:**

Good2Go Corp.  
Principal Regulator – Ontario

**Type and Date:**

Final CPC Prospectus (TSX-V) dated June 21, 2018  
NP 11-202 Receipt dated June 22, 2018

**Offering Price and Description:**

Offering: \$220,000.00  
2,200,000 Common Shares  
Price: \$0.10 per Common Share

**Underwriter(s) or Distributor(s):**

Haywood Securities Inc.

**Promoter(s):**

James Cassina

**Project #2771540**

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**Issuer Name:**

Killam Apartment Real Estate Investment Trust  
Principal Regulator – Nova Scotia

**Type and Date:**

Final Short Form Prospectus dated June 19, 2018  
NP 11-202 Receipt dated June 20, 2018

**Offering Price and Description:**

\$50,007,750 – 3,345,000 Trust Units

**Underwriter(s) or Distributor(s):**

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**Promoter(s):**

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**Project #2783896**

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**Issuer Name:**

Minto Apartment Real Estate Investment Trust  
Principal Regulator – Ontario

**Type and Date:**

Final Long Form Prospectus dated June 22, 2018  
NP 11-202 Receipt dated June 22, 2018

**Offering Price and Description:**

\$200,013,000.00  
13,794,000 Units  
Price \$14.50 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**

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**Issuer Name:**

Northview Apartment Real Estate Investment Trust  
Principal Regulator – Alberta (ASC)

**Type and Date:**

Final Short Form Prospectus dated June 19, 2018  
NP 11-202 Receipt dated June 19, 2018

**Offering Price and Description:**

\$110,040,000.00  
4,200,000 Units

**Underwriter(s) or Distributor(s):**

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**Promoter(s):**

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**Project #2783576**

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**Issuer Name:**

Orletto Capital II Inc.  
Principal Regulator – Quebec

**Type and Date:**

Final CPC Prospectus (TSX-V) dated June 21, 2018  
NP 11-202 Receipt dated June 22, 2018

**Offering Price and Description:**

Offering: \$400,000.00 (4,000,000 Common Shares)  
Price: \$0.10 per Common Share

**Underwriter(s) or Distributor(s):**

Haywood Securities Inc.

**Promoter(s):**

Benoit Chotard

**Project #2771569**

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**Issuer Name:**

Pinnacle Renewable Holdings Inc.  
Principal Regulator – British Columbia

**Type and Date:**

Final Short Form Prospectus dated June 19, 2018  
NP 11-202 Receipt dated June 19, 2018

**Offering Price and Description:**

\$50,050,000.00  
3,640,000 Common Shares  
Price: \$13.75 per Common Share

**Underwriter(s) or Distributor(s):**

CIBC World Markets Inc.  
RBC Dominion Securities Inc.  
Scotia Capital Inc.  
BMO Nesbitt Burns Inc.  
National Bank Financial Inc.  
GMP Securities L.P.  
Raymond James Ltd.  
HSBC Securities (Canada) Inc.

**Promoter(s):**

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**Project #2783618**

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**Issuer Name:**

Sanibel Ventures Corp.  
Principal Regulator – British Columbia

**Type and Date:**

Final CPC Prospectus (TSX-V) dated June 15, 2018  
NP 11-202 Receipt dated June 20, 2018

**Offering Price and Description:**

Minimum of 2,000,000 Common Shares up to a Maximum  
of 4,000,000 Common  
Shares (the “Common Shares”)  
Price: \$0.10 per Common Share

Minimum of \$200,000.00 up to a Maximum of \$400,000.00

**Underwriter(s) or Distributor(s):**

Haywood Securities Inc.

**Promoter(s):**

Sanibel Ventures Corp.

**Project #2744470**

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## Chapter 12

# Registrations

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### 12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Bonnefield Financial Inc.	Exempt Market Dealer	June 19, 2018
New Registration	Backer Wealth Management Inc.	Portfolio Manager	June 21, 2018
New Registration	Moerus Capital Management LLC	Portfolio Manager	June 21, 2018
Consent to Suspension (Pending Surrender)	TMS/Tax Management Solutions Inc.	Exempt Market Dealer	June 22, 2018

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## Chapter 13

# SROs, Marketplaces, Clearing Agencies and Trade Repositories

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### 13.1 SROs

#### 13.1.1 IIROC – Proposed Amendments Respecting Client Identifiers – Request for Comment

##### REQUEST FOR COMMENT

##### INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA (IIROC)

##### PROPOSED AMENDMENTS RESPECTING CLIENT IDENTIFIERS

IIROC is publishing for public comment proposed amendments respecting Client Identifiers (Proposed Amendments). IIROC published an initial proposal regarding client identifiers in May 2017 to solicit industry feedback. The Proposed Amendments reflect changes made in response to public comments and additional consultation with the IIROC Client Identifier Working Group.

The Proposed Amendments would require client identifiers and/or certain designations on:

- each order for an equity security that is sent to a marketplace
- each reportable trade in a debt security.

Where a client identifier is required, Dealer Members would need to provide a legal entity identifier or an account number.

A copy of the IIROC Notice including the Proposed Amendments is published on our website at <http://www.osc.gov.on.ca>. The comment period ends on Wednesday, September 26, 2018.

**13.2 Marketplaces**

**13.2.1 Nasdaq CXC Limited – Introduction of New Dark Order Types for CXD Trading Book – Notice of Approval**

**NASDAQ CXC LIMITED**

**NOTICE OF APPROVAL**

**INTRODUCTION OF NEW DARK ORDER TYPES FOR CXD TRADING BOOK**

In accordance with the *Process for the Review and Approval of the Information Contained in Form 21-101F1 and the Exhibits Thereto* (Protocol), on June 21, 2018, the Commission approved significant changes to Form 21-101F1 for Nasdaq CXC Limited, that would introduce three new dark order types for the CXD Trading Book.

A Staff notice and Nasdaq's Request for Comment on the proposed changes were published on the Commission's website and in the Commission Bulletin on May 17, 2018, at (2018), 41 OSCB 4100. No comment letters were received.

Nasdaq will communicate the date of implementation.



**13.3 Clearing Agencies**

**13.3.1 CDS – Proposed Amendments to the CDS Fee Schedule Re CNS Liquidity Facility – Notice of Commission Approval**

**CDS CLEARING AND DEPOSITORY SERVICES INC.**

**NOTICE OF COMMISSION APPROVAL**

**PROPOSED AMENDMENTS TO THE CDS FEE SCHEDULE RE CNS LIQUIDITY FACILITY**

In accordance with the Rule Protocol between the Ontario Securities Commission (Commission) and CDS Clearing and Depository Services Inc. (CDS), the Commission approved on June 19, 2018 Material Amendments to CDS Fee Schedule Related to the Continuous Net Settlements (CNS) Liquidity Facility Pass-through Charge.

A copy of the [CDS notice](#) was published for comment on April 19, 2018 on the Commission's website at: <http://www.osc.gov.on.ca>. No comments were received.

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## Chapter 25

# Other Information

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### 25.1 Consents

#### 25.1.1 Concordia International Corp. – s. 4(b) of Ont. Reg. 289/00 under the OBCA

##### Headnote

Consent given to an offering corporation under the Business Corporations Act (Ontario) to continue under the Canada Business Corporations Act.

##### Statutes Cited

Business Corporations Act, R.S.O. 1990, c. B.16, as am., s. 181.  
Securities Act, R.S.O. 1990, c. S.5, as am.  
Canada Business Corporations Act, R.S.C. 1985, c. C-44.

##### Regulations Cited

Regulation made under the Business Corporations Act, Ont. Reg. 289/00, as am., s. 4(b).

**IN THE MATTER OF  
R.R.O. 1990, REGULATION 289/00, AS AMENDED  
(the “Regulation”) MADE UNDER T  
HE BUSINESS CORPORATIONS ACT (ONTARIO),  
R.S.O. 1990 c. B.16, AS AMENDED  
(the “OBCA”)**

**AND**

**IN THE MATTER OF  
CONCORDIA INTERNATIONAL CORP.**

**CONSENT  
(Subsection 4(b) of the Regulation)**

**UPON** the application of Concordia International Corp. (the “**Corporation**”) to the Ontario Securities Commission (the “**Commission**”) requesting the Commission’s consent to the Corporation continuing in another jurisdiction pursuant to section 181 of the OBCA;

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

**AND UPON** the Corporation having represented to the Commission that:

1. The Corporation is an offering corporation under the OBCA.
2. The Corporation’s common shares (the “**Common Share**”) are listed and posted for trading on the Toronto Stock Exchange under the symbol “CXR”; as at May 15, 2018, the Corporation had 51,282,800 issued and outstanding Common Shares.
3. The Corporation proposed to make an application to the Director under the OBCA (the “**Application for Continuance**”) for authorization to continue as a corporation under the *Canada Business Corporations Act*, R.S.C., 1985, c. C-44 (the “**CBCA**”) pursuant to section 181 of the OBCA (the “**Proposed Continuance**”).
4. The Application for Continuance is being made in connection with the Corporation’s proposed recapitalization transaction (the “**Recapitalization Transaction**”), which is to be implemented pursuant to an arrangement (the “**Arrangement**”) under section 192 of the CBCA; the Corporation intends to continue under the CBCA prior to implementation of the Recapitalization Transaction.

## Other Information

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5. The Corporation is a reporting issuer under the *Securities Act* (Ontario) R.S.O. 1990, c. S.5, as amended (the “**Act**”) and the securities legislation of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland, Nova Scotia, Prince Edward Island, Quebec and Saskatchewan (collectively, the “**Legislation**”) and will remain a reporting issuer in these jurisdiction following the Proposed Continuance.
6. The Corporation is not in default of any of the provisions of the OBCA, the Act or the Legislation, including the regulations thereunder.
7. The Commission is the principal regulator of the Corporation and will continue to be the principal regulator after the Proposed Continuance.
8. The Corporation’s shareholders (the “**Shareholders**”) authorized the Proposed Continuance at the Annual and Special Meeting of Shareholders held on June 19, 2018 by a special resolution that was approved by 87.94% of the votes cast; no shareholder exercised dissent rights pursuant to section 185 of the OBCA.
9. The Corporation’s management information circular dated May 15, 2018 (the “**Information Circular**”), described the Proposed Continuance and disclosed the reasons for it and its implementations.
10. The Corporation is not subject to any proceeding under the Act or the Legislation to the best of its knowledge, information and belief.
11. The material rights, duties and obligations of a corporation governed by the CBCA are substantially similar to those of a corporation governed by the OBCA.
12. Subsection 4(b) of the Regulation requires the Application for Continuance to be accompanied by a consent from the Commission.

**AND UPON** the Commission being satisfied that to do so is not prejudicial to the public interest;

**THE COMMISSION CONSENTS** to the continuance of the Corporation under the CBCA.

**DATED** this 22nd day of June, 2018.

“Lawrence Haber”  
Commissioner  
Ontario Securities Commission

“Philip Anisman”  
Commissioner  
Ontario Securities Commission

**25.1.2 Razore Rock Resources Inc. – s. 4(b) of Ont. Reg. 289/00 under the OBCA**

**Headnote**

Consent given to an offering corporation under the Business Corporations Act (Ontario) to continue under the British Columbia Business Corporations Act.

**Statutes Cited**

Business Corporations Act, R.S.O. 1990, c. B.16, as am., s. 181.  
Securities Act, R.S.O. 1990, c. S.5, as am.

**Regulations Cited**

Ont. Reg. 289/00, as am., s. 4(b), made under the Business Corporations Act, R.S.O. 1990, c. B.16, as am.

**IN THE MATTER OF  
R.R.O 1990, REGULATION 289/00, AS AMENDED  
(the REGULATION) MADE UNDER  
THE BUSINESS CORPORATIONS ACT (ONTARIO),  
R.S.O. 1990, c.B.16, AS AMENDED  
(the OBCA)**

**AND**

**IN THE MATTER OF  
RAZORE ROCK RESOURCES INC.**

**CONSENT  
(Subsection 4(b) of the Regulation)**

**UPON** the application of Razore Rock Resources Inc. (the **Applicant**) to the Ontario Securities Commission (the **Commission**) requesting the consent of the Commission, as required under subsection 4(b) of the Regulation, for the Applicant to continue into another jurisdiction pursuant to section 181 of the OBCA (the **Continuance**);

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

**AND UPON** the Applicant having represented to the Commission that:

1. The Applicant was incorporated under the OBCA under the name of Edda Resources Inc. on April 12, 1983 and later revived on July 14, 1994 pursuant to the OBCA.
2. On May 2, 2008, the Applicant changed its name from Edda Resources Inc. to Razore Rock Resources Inc. following obtaining shareholder approval of the name change at its annual and special meeting of shareholders held on April 28, 2008.
3. The registered office of the Applicant is located at 22 Adelaide Street West, Suite 3600, Toronto, Ontario, M5H 4E3.
4. The authorized capital of the Applicant consists of an unlimited number of common shares without par value (the **Common Shares**), of which 7,211,754 Common Shares are issued and outstanding as at the date hereof.
5. The Common Shares of the Applicant are listed for trading on the Canadian Securities Exchange (the **Exchange**) under the symbol "RZR" and the Applicant does not have securities listed on any other exchange.
6. The Applicant is an offering corporation under the OBCA and is a reporting issuer within the meaning of the *Securities Act*, R.S.O. 1990, c.S.5 as amended (the **Act**). The Applicant is not a reporting issuer in any other jurisdiction of Canada.
7. The Applicant intends to apply to the Director pursuant to section 181 of the OBCA (the **Application for Continuance**) for authorization to continue as a corporation under the *Business Corporations Act* (British Columbia), S.B.C. 2002, c.57 (the **BCBCA**).

## Other Information

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8. Pursuant to subsection 4(b) of the Regulation, where a corporation is an offering corporation under the OBCA, the Application for Continuance must be accompanied by a consent of the Commission.
9. The Applicant is not in default under any provision of the OBCA, the Act or the regulations or rules made under the Act.
10. The Applicant is not a party to any proceeding nor, to the best of its knowledge, information and belief, any pending proceeding under the Act or the OBCA.
11. The Applicant is not in default of any rules, regulations or policies of the Exchange.
12. The Application for Continuance is being made as the majority of the Applicant's directors reside in British Columbia and the Applicant believes that being governed by the BCBCA will be more efficient and cost effective for the Applicant.
13. The management information circular of the Applicant, dated April 4, 2018, describing the Continuance (the **Information Circular**), provided to all the shareholders of the Applicant in connection with the meeting held on May 16, 2018 (the **Meeting**), included full disclosure of the reasons for, and the implications of, the proposed Continuance, included a summary of the material differences between the OBCA and the BCBCA and advised the shareholders of their dissent rights in connection with the Continuance, pursuant to section 185 of the OBCA.
14. The holders of Common Shares authorized the Continuance of the Applicant at the Meeting. The special resolution authorizing the Continuance was approved at the Meeting by 100% of the votes cast. No shareholder exercised their dissent rights with respect to the special resolution authorizing the Continuance.
15. The material rights, duties and obligations of a corporation governed by the BCBCA are substantially similar to those of a corporation governed by the OBCA.
16. Following the Continuance, the Applicant intends to remain a reporting issuer in Ontario and will make an application to become a reporting issuer in British Columbia.
17. Following the Continuance, the Applicant will move its registered office to British Columbia to be located at Suite 1895, 1066 West Hastings Street, Vancouver BC V6E 3X1.
18. The Commission is the Applicant's principal regulator and following the Continuance, will continue to be the Applicant's principal regulator.

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

**THE COMMISSION HEREBY CONSENTS** to the continuance of the Applicant as a corporation under the BCBCA.

**DATED** at Toronto, Ontario this 5th day of June, 2018.

"Lawrence Haber"  
Commissioner  
Ontario Securities Commission

"Janet Leiper"  
Commissioner  
Ontario Securities Commission

25.1.3 HIT Technologies Inc. – s. 4(b) of Ont. Reg. 289/00 under the OBCA

**Headnote**

Consent given to an offering corporation under the Business Corporations Act (Ontario) to continue under the British Columbia Business Corporations Act.

**Statutes Cited**

Business Corporations Act, R.S.O. 1990, c. B.16, as am., s. 181.  
Securities Act, R.S.O. 1990, c. S.5, as am.

**Regulations Cited**

Ont. Reg. 289/00, as am., s. 4(b), made under the Business Corporations Act, R.S.O. 1990, c.B.16, as am.

**IN THE MATTER OF  
R.R.O. 1990, REGULATION 289/00, AS AMENDED  
(the Regulation) MADE UNDER  
THE BUSINESS CORPORATIONS ACT (ONTARIO),  
R.S.O. 1990, c. B.16, AS AMENDED  
(THE OBCA)**

**AND**

**IN THE MATTER OF  
HIT TECHNOLOGIES INC.**

**CONSENT  
(Subsection 4(b) of the Regulation)**

**UPON** the application of HIT Technologies Inc. (the **Applicant**) to the Ontario Securities Commission (the **Commission**) requesting the consent of the Commission, as required under subsection 4(b) of the Regulation, for the Applicant to continue into another jurisdiction pursuant to section 181 of the OBCA (the **Continuance**);

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

**AND UPON** the Applicant having represented to the Commission that:

1. The Applicant was incorporated under the OBCA on February 3, 2012. The Applicant is the continuing company.
2. The Applicant's head office is located at 105 – 2050 Scotia Street, Vancouver, British Columbia, V5T 4T1.
3. The authorized share capital of the Applicant consists of an unlimited number of common shares (the **Common Shares**), of which 94,158,467 were issued and outstanding at the close of business on May 18, 2018.
4. The Common Shares are listed for trading on the TSX Venture Exchange (the **Exchange**) under the symbol "HIT". The Applicant does not have any of its securities listed on any other stock exchange.
5. The Applicant is an offering corporation under the provisions of the OBCA and is a reporting issuer within the meaning of the *Securities Act*, R.S.O. 1990, c.S.5, as amended (the **Act**), and within the meaning of the *Securities Act* (British Columbia), R.S.B.C. 1996, c. 418 (the **BCSA**) and the *Securities Act* (Alberta), R.S.A. 2000, c. S-4 (the **ASA**). The Applicant is not a reporting issuer in any other jurisdiction of Canada.
6. The Applicant intends to apply to the Director pursuant to section 181 of the OBCA (the **Application for Continuance**) for authorization to continue as a corporation under the *Business Corporations Act* (British Columbia), S.B.C. 2002, c. 57 (the **BCBCA**).
7. Pursuant to subsection 4(b) of the Regulation, where a corporation is an offering corporation under the OBCA, the Application for Continuance must be accompanied by a consent of the Commission.

## Other Information

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8. The Applicant is not in default under any provision of the OBCA, the Act or the regulations or rules made under the Act, and is not in default under the BCSA or the ASA.
9. The Applicant is not in default under any provision of the rules, regulations or policies of the Exchange.
10. The Applicant is not a party to any proceeding or, to the best of its knowledge, information and belief, any pending proceeding under the OBCA, the Act, BCSA or the ASA.
11. The Application for Continuance is being made because the Applicant's head office and the entire management personnel are now in Vancouver, British Columbia, including most of its service providers and the filing office of the Exchange.
12. The management information circular of the Applicant dated December 4, 2017 (the **Circular**), provided to all shareholders of the Applicant in connection with the annual and special meeting of the shareholders (the **Meeting**), included full disclosure of the reasons for, and the implications of, the proposed Continuance, included a summary of the material differences between the OBCA and the BCBCA and advised the shareholders of their dissent rights in connection with the Continuance, pursuant to section 185 of the OBCA.
13. The holders of Common Shares of the Applicant authorized the Continuance of the Applicant at the Meeting held on December 29, 2017. The special resolution authorizing the Continuance was approved at the Meeting by 100% of the votes cast. No shareholder exercised their dissent rights with respect to the special resolution authorizing the continuance.
14. The material rights, duties and obligations of a corporation governed by the BCBCA are substantially similar to those of a corporation governed by the OBCA.
15. Following the Continuance, the Applicant's registered office, which is currently located in Ontario, will be relocated to British Columbia. The Applicant will remain a reporting issuer in the provinces of Ontario, British Columbia and Alberta.
16. The principal regulator of the Applicant is currently the British Columbia Securities Commission (**BCSC**). Following the completion of the Continuance, the Applicant's principal regulator will continue to be the BCSC.

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

**THE COMMISSION HEREBY CONSENTS** to the continuance of the Applicant as a corporation under the BCBCA.

**DATED** at Toronto, Ontario this 13th day of June , 2018.

"Janet Leiper"  
Commissioner  
Ontario Securities Commission

"AnneMarie Ryan"  
Commissioner  
Ontario Securities Commission



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