The Ontario Securities Commission

OSC Bulletin

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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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1.1 Notices

1.1.1 CSA Staff Notice 13-315 (Revised) Securities Regulatory Authority Closed Dates 2019

CSA/ACVM Canadian Securities Administrators Autorités canadiennes en valeurs mobilières

CSA Staff Notice 13-315 (Revised)
*Securities Regulatory Authority Closed Dates 2019**

December 13, 2018

We have a review system for prospectuses (including long form, short form and mutual fund prospectuses), prospectus amendments, pre-filings, and waiver applications. It is described in National Policy 11-202 *Process for Prospectus Reviews in Multiple Jurisdictions* (**NP 11-202**).

Under NP 11-202, a filer that receives a receipt from the principal regulator will be deemed to have a receipt in each passport jurisdiction where the prospectus was filed. However, the principal regulator's receipt will only evidence that the Ontario Securities Commission (**OSC**) has issued a receipt if the OSC is open on the date of the principal regulator's receipt and has indicated that it is "clear for final". If the OSC is not open on the date of the principal regulator's receipt, the principal regulator will issue a second receipt that evidences that the OSC has issued a receipt on the next day that the OSC is open.

The following is a list of the closed dates of the securities regulatory authorities for 2019 and January 2020. Issuers should note these dates in structuring their affairs.

1. Saturdays and Sundays (all)
2. Tuesday, January 1 (all)
3. Wednesday, January 2 (QC)
4. Monday, February 18 (BC, AB, SK, MB, ON, NB, PE, NS)
5. Friday, February 22 (YT)
6. Monday, March 18 (NL)
7. Friday, April 19 (all)
8. Monday, April 22 (all except AB, SK, NU, ON)
9. Monday, May 20 (all)
10 Friday, June 21 (YT, NT)
11. Monday, June 24 (QC, NL)
12. Monday, July 1 (all)
13. Tuesday, July 2 (SK)
14. Tuesday, July 9 (NU)
15. Monday, July 15 (NL)
16. Monday, August 5 (all except YT, QC, NL, PE)
17. Wednesday, August 7 (NL**)

18. Friday, August 16 (PE)
19. Monday, August 19 (YT)
20. Monday, September 2 (all)
21. Monday, October 14 (all)
22. Monday, November 11 (all except AB, ON, QC)
23. Monday, December 23 (NT)
24. Tuesday, December 24 (NT, QC)
25. Tuesday, December 24 after 12:00 p.m. (NB, PE, NS), after 1:00 p.m. (YT, BC), after 3:00 p.m. (NU)
26. Wednesday, December 25 (all)
27. Thursday, December 26 (all)
28. Friday, December 27 (NT)
29. Monday, December 30 (NT)
30. Tuesday, December 31 (NT, QC)
31. Tuesday, December 31 after 12:00 p.m. (NB), after 1:00 p.m. (BC), after 3:00 p.m. (NU)
32. Wednesday, January 1, **2020** (all)
33. Thursday, January 2, **2020** (QC)

* Bracketed information indicates those jurisdictions that are closed on the particular date.

** Weather permitting, otherwise observed on the first following acceptable weather day, such determination made on morning of holiday.

1.1.2 Notice of Arrangements Regarding the Access, Collection, Storage and Use of Derivatives Data

NOTICE OF ARRANGEMENTS REGARDING
THE ACCESS, COLLECTION, STORAGE AND USE OF DERIVATIVES DATA

The Ontario Securities Commission recently entered into an arrangement with each of

- the Office of the Superintendent of Securities, Newfoundland and Labrador
- the Office of the Superintendent of Securities, Prince Edward Island,
- the Office of the Superintendent of Securities, Northwest Territories,
- the Office of the Superintendent of Securities, Nunavut and
- the Office of the Superintendent of Securities, Yukon (each a "Partner Jurisdiction")

The arrangements outline an understanding between the OSC and each Partner Jurisdiction that the OSC will act as an agent for the purposes of accessing, collecting, storing, analyzing and reporting on derivatives data, as collected by relevant trade repositories (together the "Derivatives Data Arrangements").

The Derivatives Data Arrangements are subject to the approval of the Minister of Finance. The Derivatives Data Arrangements were delivered to the Minister of Finance on December 11, 2018.

Questions may be referred to:

Kevin Fine
Director
Derivatives Branch
Tel: 416-593-8109
E-mail: kfine@osc.gov.on.ca

ARRANGEMENT REGARDING THE
ACCESS, COLLECTION, STORAGE AND USE OF DERIVATIVES DATA

This Arrangement is made as of the ● (the "Effective Date").

BETWEEN:

Service NL, Government of Newfoundland and Labrador ("Partner Jurisdiction")

-- and --

Ontario Securities Commission ("OSC")

PURPOSE

The purpose of this Arrangement is to set out the understanding between the Partner Jurisdiction and the OSC with respect to

- the OSC's role in acting as agent for the Partner Jurisdiction for the purposes of accessing, collecting, storing, analysing and reporting on data reported to a recognized trade repository pursuant to Multilateral Instrument 96-101 *Trade Repositories and Derivatives Data Reporting* ("MI 96-101"), and
- the OSC's use of such data.

DEFINITIONS

For the purposes of this Arrangement:

1(1) "Partner Jurisdiction data" means data related to a local counterparty of the Partner Jurisdiction that is held at a recognized trade repository and is reportable pursuant to Part 3 of MI 96-101, and includes any documents, analysis and reports generated by the OSC for the Partner Jurisdiction exclusively using that data.

1(2) "OSC data" means data related to an Ontario local counterparty that is held at a recognized trade repository that is reportable pursuant to Part 3 of OSC 91-507, and includes any documents, analysis and reports generated by the OSC exclusively using that data and/or using that data commingled with Partner Jurisdiction data as permitted under section 5 of this Arrangement.

APPOINTMENT OF AGENT

2(1) The Partner Jurisdiction appoints the OSC to act as agent of the Partner Jurisdiction for the purpose of accessing, collecting, storing, analysing and reporting on Partner Jurisdiction data.

2(2) The Partner Jurisdiction and OSC will act in compliance with applicable laws in respect of matters under this Arrangement.

SCOPE OF ACTIVITIES UNDERTAKEN ON BEHALF OF THE PARTNER JURISDICTION

3(1) The OSC agrees to access and collect Partner Jurisdiction data from a recognized trade repository and to store the data on behalf of the Partner Jurisdiction.

3(2) The OSC agrees to provide the Partner Jurisdiction with regular market, participant and product reports on the Partner Jurisdiction data, the frequency, content and format of which will be mutually agreed upon from time to time by both parties.

3(3) In the event the Partner Jurisdiction or the OSC wants to make changes to the activities undertaken by the OSC on its behalf, the changes will be discussed and mutually agreed upon in writing by the parties.

3(4) The OSC will not charge fees for the activities undertaken under this Arrangement. In the event that the Partner Jurisdiction requests special or non-standard reports, the customized treatment of data or increased data capabilities, the OSC will determine the incremental costs of undertaking such activities and the parties will agree to a reasonable fee.

INTELLECTUAL PROPERTY

4(1) The Partner Jurisdiction owns and retains all right, title and interest (including intellectual property rights) in and to the Partner Jurisdiction data.

4(2) The OSC owns and retains all right, title and interest (including intellectual property rights) in and to OSC data.

4(3) The OSC may access and use Partner Jurisdiction data to undertake the activities on behalf of the Partner Jurisdiction and as otherwise permitted under Section 5. The OSC will own any data models and the format of any reports it generates for the Partner Jurisdiction under this Arrangement, but not the content.

OSC USE OF PARTNER JURISDICTION DATA AND OSC DATA

5(1) The Partner Jurisdiction agrees that the OSC may access, collect, store, perform quality analysis, commingle and use Partner Jurisdiction data in connection with the fulfillment of its regulatory mandate, including but not limited to market and product analysis, policy development, and systemic risk assessment.

5(2) The Partner Jurisdiction agrees that the OSC may also use and disclose the Partner Jurisdiction data collected hereunder for enforcement purposes where appropriate. In these circumstances, the OSC will provide a minimum of three (3) business days' notice to the Partner Jurisdiction prior to the commencement of any administrative proceedings under the *Ontario Securities Act* or the *Commodity Futures Act*, quasi-criminal proceedings or criminal proceedings.

5(3) For greater certainty, no restrictions apply and no reasonable notice is required to be given to the Partner Jurisdiction in respect of the OSC's use of OSC data.

CONFIDENTIALITY AND FREEDOM OF INFORMATION REQUESTS

6(1) Except as may be required or permitted by law, or as contemplated by subsections 5(1) and 5(2), or otherwise with the consent of the Partner Jurisdiction, and subject to what is already public information, the OSC agrees to keep Partner Jurisdiction Data in confidence, including for greater certainty individual transaction data or data that identifies individual counterparties or transactions, both during the period of this Arrangement and at any time after.

6(2) Subject to section 5 and subsection 6(1), the OSC agrees not to disclose Partner Jurisdiction data to any third party without the prior written consent of the Partner Jurisdiction, both during the period of this Arrangement and at any time after.

6(3) The Partner Jurisdiction acknowledges that freedom of information legislation in Ontario applies to and governs all records in the custody or under the control of the OSC. In the event that the OSC receives an information request that relates to Partner Jurisdiction data or enforcement files related to Partner Jurisdiction data, the OSC will notify the Partner Jurisdiction and will not disclose any information related to the request unless required to do so by law.

DATA SECURITY

7(1) The OSC agrees to hold and transmit Partner Jurisdiction data in a secure manner and in accordance with its own standards, policies and procedures.

7(2) The OSC agrees to restrict access to Partner Jurisdiction data to OSC personnel who require access to such data for the purpose of undertaking the activities on behalf of the Partner Jurisdiction in accordance with this Arrangement, or for another regulatory or enforcement purpose permitted under this Arrangement.

7(3) The OSC will advise the Partner Jurisdiction as soon as reasonably possible in the event there is a data security breach related to Partner Jurisdiction data.

TERMINATION

8(1) Any party may terminate its participation in this Arrangement upon giving ninety (90) business days' notice in writing to the other parties.

8(2) Upon termination of this Arrangement, the OSC must transfer and deliver to the Partner Jurisdiction all Partner Jurisdiction data.

8(3) Following termination of this Arrangement and upon the Partner Jurisdiction's written request, the OSC must destroy all Partner Jurisdiction data in its possession or under its control. For greater certainty, the OSC will retain OSC data in accordance with its own records retention requirements.

NOTICE

9(1) Any notice under this Arrangement must be in writing and be delivered personally to the party to whom it is given or sent by courier, by prepaid registered mail, or by electronic mail, addressed as follows:

To the Government of Newfoundland and Labrador:

Superintendent of Securities
Service NL
P.O. Box 8700, St. John's, NL A1B 4i6
Attention: Renee Dyer, Director, Financial Services Regulation Division
Tel: 709-729-4909
E-mail: reneedyer@gov.nl.ca

To the OSC:

Ontario Securities Commission
20 Queen Street W., 22nd Floor
Toronto, ON M5H 3S8
Attention: Kevin Fine, Director of Derivatives
Tel: 416-593-8109
E-mail: kfine@osc.gov.on.ca

EFFECTIVE DATE

10(1) Cooperation in accordance with this Arrangement will begin on the Effective Date provided that the OSC has obtained its endorsement by the applicable Ministry in accordance with the applicable legislation.

Government of Newfoundland and Labrador	**Ontario Securities Commission**
Per: << "*Renee Dyer*" >>	<< "*Maureen Jensen*" >>
Renee Dyer, Director	Maureen Jensen, Chair
Date: 4 Dec 2018	**Date:** 10 Dec 2018

ARRANGEMENT REGARDING THE
ACCESS, COLLECTION, STORAGE AND USE OF DERIVATIVES DATA

This Arrangement is made as of the ● (the "Effective Date").

BETWEEN:

Prince Edward Island Office of the Superintendent of Securities ("Partner Jurisdiction")

-- and --

Ontario Securities Commission ("OSC")

PURPOSE

The purpose of this Arrangement is to set out the understanding between the Partner Jurisdiction and the OSC with respect to

- the OSC's role in acting as agent for the Partner Jurisdiction for the purposes of accessing, collecting, storing, analysing and reporting on data reported to a recognized trade repository pursuant to Multilateral Instrument 96-101 *Trade Repositories and Derivatives Data Reporting* ("MI 96-101"), and
- the OSC's use of such data.

DEFINITIONS

For the purposes of this Arrangement:

1(1) "Partner Jurisdiction data" means data related to a local counterparty of the Partner Jurisdiction that is held at a recognized trade repository and is reportable pursuant to Part 3 of MI 96-101, and includes any documents, analysis and reports generated by the OSC for the Partner Jurisdiction exclusively using that data.

1(2) "OSC data" means data related to an Ontario local counterparty that is held at a recognized trade repository that is reportable pursuant to Part 3 of OSC 91-507, and includes any documents, analysis and reports generated by the OSC exclusively using that data and/or using that data commingled with Partner Jurisdiction data as permitted under section 5 of this Arrangement.

APPOINTMENT OF AGENT

2(1) The Partner Jurisdiction appoints the OSC to act as agent of the Partner Jurisdiction for the purpose of accessing, collecting, storing, analysing and reporting on Partner Jurisdiction data.

2(2) The Partner Jurisdiction and OSC will act in compliance with applicable laws in respect of matters under this Arrangement.

SCOPE OF ACTIVITIES UNDERTAKEN ON BEHALF OF THE PARTNER JURISDICTION

3(1) The OSC agrees to access and collect Partner Jurisdiction data from a recognized trade repository and to store the data on behalf of the Partner Jurisdiction.

3(2) The OSC agrees to provide the Partner Jurisdiction with regular market, participant and product reports on the Partner Jurisdiction data, the frequency, content and format of which will be mutually agreed upon from time to time by both parties.

3(3) In the event the Partner Jurisdiction or the OSC wants to make changes to the activities undertaken by the OSC on its behalf, the changes will be discussed and mutually agreed upon in writing by the parties.

3(4) The OSC will not charge fees for the activities undertaken under this Arrangement. In the event that the Partner Jurisdiction requests special or non-standard reports, the customized treatment of data or increased data capabilities, the OSC will determine the incremental costs of undertaking such activities and the parties will agree to a reasonable fee.

INTELLECTUAL PROPERTY

4(1) The Partner Jurisdiction owns and retains all right, title and interest (including intellectual property rights) in and to the Partner Jurisdiction data.

4(2) The OSC owns and retains all right, title and interest (including intellectual property rights) in and to OSC data.

4(3) The OSC may access and use Partner Jurisdiction data to undertake the activities on behalf of the Partner Jurisdiction and as otherwise permitted under Section 5. The OSC will own any data models and the format of any reports it generates for the Partner Jurisdiction under this Arrangement, but not the content.

OSC USE OF PARTNER JURISDICTION DATA AND OSC DATA

5(1) The Partner Jurisdiction agrees that the OSC may access, collect, store, perform quality analysis, commingle and use Partner Jurisdiction data in connection with the fulfillment of its regulatory mandate, including but not limited to market and product analysis, policy development, and systemic risk assessment.

5(2) The Partner Jurisdiction agrees that the OSC may also use and disclose the Partner Jurisdiction data collected hereunder for enforcement purposes where appropriate. In these circumstances, the OSC will provide a minimum of three (3) business days' notice to the Partner Jurisdiction prior to the commencement of any administrative proceedings under the *Ontario Securities Act* or the *Commodity Futures Act*, quasi-criminal proceedings or criminal proceedings.

5(3) For greater certainty, no restrictions apply and no reasonable notice is required to be given to the Partner Jurisdiction in respect of the OSC's use of OSC data.

CONFIDENTIALITY AND FREEDOM OF INFORMATION REQUESTS

6(1) Except as may be required or permitted by law, or as contemplated by subsections 5(1) and 5(2), or otherwise with the consent of the Partner Jurisdiction, and subject to what is already public information, the OSC agrees to keep Partner Jurisdiction Data in confidence, including for greater certainty individual transaction data or data that identifies individual counterparties or transactions, both during the period of this Arrangement and at any time after.

6(2) Subject to section 5 and subsection 6(1), the OSC agrees not to disclose Partner Jurisdiction data to any third party without the prior written consent of the Partner Jurisdiction, both during the period of this Arrangement and at any time after.

6(3) The Partner Jurisdiction acknowledges that freedom of information legislation in Ontario applies to and governs all records in the custody or under the control of the OSC. In the event that the OSC receives an information request that relates to Partner Jurisdiction data or enforcement files related to Partner Jurisdiction data, the OSC will notify the Partner Jurisdiction and will not disclose any information related to the request unless required to do so by law.

DATA SECURITY

7(1) The OSC agrees to hold and transmit Partner Jurisdiction data in a secure manner and in accordance with its own standards, policies and procedures.

7(2) The OSC agrees to restrict access to Partner Jurisdiction data to OSC personnel who require access to such data for the purpose of undertaking the activities on behalf of the Partner Jurisdiction in accordance with this Arrangement, or for another regulatory or enforcement purpose permitted under this Arrangement.

7(3) The OSC will advise the Partner Jurisdiction as soon as reasonably possible in the event there is a data security breach related to Partner Jurisdiction data.

TERMINATION

8(1) Any party may terminate its participation in this Arrangement upon giving ninety (90) business days' notice in writing to the other parties.

8(2) Upon termination of this Arrangement, the OSC must transfer and deliver to the Partner Jurisdiction all Partner Jurisdiction data.

8(3) Following termination of this Arrangement and upon the Partner Jurisdiction's written request, the OSC must destroy all Partner Jurisdiction data in its possession or under its control. For greater certainty, the OSC will retain OSC data in accordance with its own records retention requirements.

NOTICE

9(1) Any notice under this Arrangement must be in writing and be delivered personally to the party to whom it is given or sent by courier, by prepaid registered mail, or by electronic mail, addressed as follows:

To the PEIOSS:

Prince Edward Island Office of the Superintendent of Securities
95 Rochford Street, PO Box 2000
Attention: Steve Dowling, Superintendent of Securities
Tel: 902-368-4551
E-mail: sddowling@gov.pe.ca

To the OSC:

Ontario Securities Commission
20 Queen Street W., 22nd Floor
Toronto, ON M5H 3S8
Attention: Kevin Fine, Director of Derivatives
Tel: 416-593-8109
E-mail: kfine@osc.gov.on.ca

EFFECTIVE DATE

10(1) Cooperation in accordance with this Arrangement will begin on the Effective Date provided that the OSC has obtained its endorsement by the applicable Ministry in accordance with the applicable legislation.

Financial and Consumer Services Commission	**Ontario Securities Commission**
Per: << "*Steve Dowling*" >>	<< "*Maureen Jensen*" >>
Steve Dowling, Superintendent of Securities	Maureen Jensen, Chair
Date: 12 Sept 2018	**Date:** 10 Dec 2018

ARRANGEMENT REGARDING THE
ACCESS, COLLECTION, STORAGE AND USE OF DERIVATIVES DATA

This Arrangement is made as of the ● (the "Effective Date").

BETWEEN:

Office of the Superintendent of Securities, Northwest Territories ("Partner Jurisdiction")

-- and --

Ontario Securities Commission ("OSC")

PURPOSE

The purpose of this Arrangement is to set out the understanding between the Partner Jurisdiction and the OSC with respect to

- the OSC's role in acting as agent for the Partner Jurisdiction for the purposes of accessing, collecting, storing, analysing and reporting on data reported to a recognized trade repository pursuant to Multilateral Instrument 96-101 *Trade Repositories and Derivatives Data Reporting* ("MI 96-101"), and
- the OSC's use of such data.

DEFINITIONS

For the purposes of this Arrangement:

1(1) "Partner Jurisdiction data" means data related to a local counterparty of the Partner Jurisdiction that is held at a recognized trade repository and is reportable pursuant to Part 3 of MI 96-101, and includes any documents, analysis and reports generated by the OSC for the Partner Jurisdiction exclusively using that data.

1(2) "OSC data" means data related to an Ontario local counterparty that is held at a recognized trade repository that is reportable pursuant to Part 3 of OSC 91-507, and includes any documents, analysis and reports generated by the OSC exclusively using that data and/or using that data commingled with Partner Jurisdiction data as permitted under section 5 of this Arrangement.

APPOINTMENT OF AGENT

2(1) The Partner Jurisdiction appoints the OSC to act as agent of the Partner Jurisdiction for the purpose of accessing, collecting, storing, analysing and reporting on Partner Jurisdiction data.

2(2) The Partner Jurisdiction and OSC will act in compliance with applicable laws in respect of matters under this Arrangement.

SCOPE OF ACTIVITIES UNDERTAKEN ON BEHALF OF THE PARTNER JURISDICTION

3(1) The OSC agrees to access and collect Partner Jurisdiction data from a recognized trade repository and to store the data on behalf of the Partner Jurisdiction.

3(2) The OSC agrees to provide the Partner Jurisdiction with regular market, participant and product reports on the Partner Jurisdiction data, the frequency, content and format of which will be mutually agreed upon from time to time by both parties.

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4(1) The Partner Jurisdiction owns and retains all right, title and interest (including intellectual property rights) in and to the Partner Jurisdiction data.

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OSC USE OF PARTNER JURISDICTION DATA AND OSC DATA

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CONFIDENTIALITY AND FREEDOM OF INFORMATION REQUESTS

6(1) Except as may be required or permitted by law, or as contemplated by subsections 5(1) and 5(2), or otherwise with the consent of the Partner Jurisdiction, and subject to what is already public information, the OSC agrees to keep Partner Jurisdiction Data in confidence, including for greater certainty individual transaction data or data that identifies individual counterparties or transactions, both during the period of this Arrangement and at any time after.

6(2) Subject to section 5 and subsection 6(1), the OSC agrees not to disclose Partner Jurisdiction data to any third party without the prior written consent of the Partner Jurisdiction, both during the period of this Arrangement and at any time after.

6(3) The Partner Jurisdiction acknowledges that freedom of information legislation in Ontario applies to and governs all records in the custody or under the control of the OSC. In the event that the OSC receives an information request that relates to Partner Jurisdiction data or enforcement files related to Partner Jurisdiction data, the OSC will notify the Partner Jurisdiction and will not disclose any information related to the request unless required to do so by law.

DATA SECURITY

7(1) The OSC agrees to hold and transmit Partner Jurisdiction data in a secure manner and in accordance with its own standards, policies and procedures.

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7(3) The OSC will advise the Partner Jurisdiction as soon as reasonably possible in the event there is a data security breach related to Partner Jurisdiction data.

TERMINATION

8(1) Any party may terminate its participation in this Arrangement upon giving ninety (90) business days' notice in writing to the other parties.

8(2) Upon termination of this Arrangement, the OSC must transfer and deliver to the Partner Jurisdiction all Partner Jurisdiction data.

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NOTICE

9(1) Any notice under this Arrangement must be in writing and be delivered personally to the party to whom it is given or sent by courier, by prepaid registered mail, or by electronic mail, addressed as follows:

To the Office of the Superintendent of Securities, Northwest Territories:

Office of the Superintendent of Securities, Northwest Territories
GNWT Department of Justice, Legal Registries Division
PO Box 1320
Yellowknife, NT
X1A 2L9
Attention: Thomas W. Hall, Superintendent of Securities
Tel: 867-767-9305
E-mail: Tom_Hall@gov.nt.ca

To the OSC:

Ontario Securities Commission
20 Queen Street W., 22nd Floor
Toronto, ON M5H 3S8
Attention: Kevin Fine, Director of Derivatives
Tel: 416-593-8109
E-mail: kfine@osc.gov.on.ca

EFFECTIVE DATE

10(1) Cooperation in accordance with this Arrangement will begin on the Effective Date provided that the OSC has obtained its endorsement by the applicable Ministry in accordance with the applicable legislation.

Office of the Superintendent of Securities, Northwest Territories	**Ontario Securities Commission**
Per: << "*Thomas W. Hall*" >>	<< "*Maureen Jensen*" >>
Thomas W. Hall, Superintendent of Securities	Maureen Jensen, Chair
Date: 31 Aug 2018	**Date:** 10 Dec 2018

ARRANGEMENT REGARDING THE
ACCESS, COLLECTION, STORAGE AND USE OF DERIVATIVES DATA

This Arrangement is made as of the ● (the "Effective Date").

BETWEEN:

Office of the Superintendent of Securities, Nunavut ("Partner Jurisdiction")

-- and --

Ontario Securities Commission ("OSC")

PURPOSE

The purpose of this Arrangement is to set out the understanding between the Partner Jurisdiction and the OSC with respect to

- the OSC's role in acting as agent for the Partner Jurisdiction for the purposes of accessing, collecting, storing, analysing and reporting on data reported to a recognized trade repository pursuant to Multilateral Instrument 96-101 *Trade Repositories and Derivatives Data Reporting* ("MI 96-101"), and
- the OSC's use of such data.

DEFINITIONS

For the purposes of this Arrangement:

1(1) "Partner Jurisdiction data" means data related to a local counterparty of the Partner Jurisdiction that is held at a recognized trade repository and is reportable pursuant to Part 3 of MI 96-101, and includes any documents, analysis and reports generated by the OSC for the Partner Jurisdiction exclusively using that data.

1(2) "OSC data" means data related to an Ontario local counterparty that is held at a recognized trade repository that is reportable pursuant to Part 3 of OSC 91-507, and includes any documents, analysis and reports generated by the OSC exclusively using that data and/or using that data commingled with Partner Jurisdiction data as permitted under section 5 of this Arrangement.

APPOINTMENT OF AGENT

2(1) The Partner Jurisdiction appoints the OSC to act as agent of the Partner Jurisdiction for the purpose of accessing, collecting, storing, analysing and reporting on Partner Jurisdiction data.

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SCOPE OF ACTIVITIES UNDERTAKEN ON BEHALF OF THE PARTNER JURISDICTION

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INTELLECTUAL PROPERTY

4(1) The Partner Jurisdiction owns and retains all right, title and interest (including intellectual property rights) in and to the Partner Jurisdiction data.

4(2) The OSC owns and retains all right, title and interest (including intellectual property rights) in and to OSC data.

4(3) The OSC may access and use Partner Jurisdiction data to undertake the activities on behalf of the Partner Jurisdiction and as otherwise permitted under Section 5. The OSC will own any data models and the format of any reports it generates for the Partner Jurisdiction under this Arrangement, but not the content.

OSC USE OF PARTNER JURISDICTION DATA AND OSC DATA

5(1) The Partner Jurisdiction agrees that the OSC may access, collect, store, perform quality analysis, commingle and use Partner Jurisdiction data in connection with the fulfillment of its regulatory mandate, including but not limited to market and product analysis, policy development, and systemic risk assessment.

5(2) The Partner Jurisdiction agrees that the OSC may also use and disclose the Partner Jurisdiction data collected hereunder for enforcement purposes where appropriate. In these circumstances, the OSC will provide a minimum of three (3) business days' notice to the Partner Jurisdiction prior to the commencement of any administrative proceedings under the *Ontario Securities Act* or the *Commodity Futures Act*, quasi-criminal proceedings or criminal proceedings.

5(3) For greater certainty, no restrictions apply and no reasonable notice is required to be given to the Partner Jurisdiction in respect of the OSC's use of OSC data.

CONFIDENTIALITY AND FREEDOM OF INFORMATION REQUESTS

6(1) Except as may be required or permitted by law, or as contemplated by subsections 5(1) and 5(2), or otherwise with the consent of the Partner Jurisdiction, and subject to what is already public information, the OSC agrees to keep Partner Jurisdiction Data in confidence, including for greater certainty individual transaction data or data that identifies individual counterparties or transactions, both during the period of this Arrangement and at any time after.

6(2) Subject to section 5 and subsection 6(1), the OSC agrees not to disclose Partner Jurisdiction data to any third party without the prior written consent of the Partner Jurisdiction, both during the period of this Arrangement and at any time after.

6(3) The Partner Jurisdiction acknowledges that freedom of information legislation in Ontario applies to and governs all records in the custody or under the control of the OSC. In the event that the OSC receives an information request that relates to Partner Jurisdiction data or enforcement files related to Partner Jurisdiction data, the OSC will notify the Partner Jurisdiction and will not disclose any information related to the request unless required to do so by law.

DATA SECURITY

7(1) The OSC agrees to hold and transmit Partner Jurisdiction data in a secure manner and in accordance with its own standards, policies and procedures.

7(2) The OSC agrees to restrict access to Partner Jurisdiction data to OSC personnel who require access to such data for the purpose of undertaking the activities on behalf of the Partner Jurisdiction in accordance with this Arrangement, or for another regulatory or enforcement purpose permitted under this Arrangement.

7(3) The OSC will advise the Partner Jurisdiction as soon as reasonably possible in the event there is a data security breach related to Partner Jurisdiction data.

TERMINATION

8(1) Any party may terminate its participation in this Arrangement upon giving ninety (90) business days' notice in writing to the other parties.

8(2) Upon termination of this Arrangement, the OSC must transfer and deliver to the Partner Jurisdiction all Partner Jurisdiction data.

8(3) Following termination of this Arrangement and upon the Partner Jurisdiction's written request, the OSC must destroy all Partner Jurisdiction data in its possession or under its control. For greater certainty, the OSC will retain OSC data in accordance with its own records retention requirements.

NOTICE

9(1) Any notice under this Arrangement must be in writing and be delivered personally to the party to whom it is given or sent by courier, by prepaid registered mail, or by electronic mail, addressed as follows:

To the OSSN:

Office of the Superintendent of Securities, Nunavut
P.O. Box 1000, Station 570
Iqaluit, Nunavut, X0A0H0
Attention: Jeff Mason, Director, Legal Registries
Tel: 867-975-6591
E-mail: jmason@gov.nu.ca

To the OSC:

Ontario Securities Commission
20 Queen Street W., 22nd Floor
Toronto, ON M5H 3S8
Attention: Kevin Fine, Director of Derivatives
Tel: 416-593-8109
E-mail: kfine@osc.gov.on.ca

EFFECTIVE DATE

10(1) Cooperation in accordance with this Arrangement will begin on the Effective Date provided that the OSC has obtained its endorsement by the applicable Ministry in accordance with the applicable legislation.

Office of the Superintendent of Securities, Nunavut	**Ontario Securities Commission**
Per: << "*Jeff Mason*" >>	<< "*Maureen Jensen*" >>
Jeff Mason, Chair	Maureen Jensen, Chair
Date: 7 Sept 2018	**Date:** 10 Dec 2018

ARRANGEMENT REGARDING THE
ACCESS, COLLECTION, STORAGE AND USE OF DERIVATIVES DATA

This Arrangement is made as of the ● (the "Effective Date").

BETWEEN:

Superintendent of Securities, Yukon ("Partner Jurisdiction")

-- and --

Ontario Securities Commission ("OSC")

PURPOSE

The purpose of this Arrangement is to set out the understanding between the Partner Jurisdiction and the OSC with respect to

- the OSC's role in acting as agent for the Partner Jurisdiction for the purposes of accessing, collecting, storing, analysing and reporting on data reported to a recognized trade repository pursuant to Multilateral Instrument 96-101 *Trade Repositories and Derivatives Data Reporting* ("MI 96-101"), and
- the OSC's use of such data.

DEFINITIONS

For the purposes of this Arrangement:

1(1) "Partner Jurisdiction data" means data related to a local counterparty of the Partner Jurisdiction that is held at a recognized trade repository and is reportable pursuant to Part 3 of MI 96-101, and includes any documents, analysis and reports generated by the OSC for the Partner Jurisdiction exclusively using that data.

1(2) "OSC data" means data related to an Ontario local counterparty that is held at a recognized trade repository that is reportable pursuant to Part 3 of OSC 91-507, and includes any documents, analysis and reports generated by the OSC exclusively using that data and/or using that data commingled with Partner Jurisdiction data as permitted under section 5 of this Arrangement.

APPOINTMENT OF AGENT

2(1) The Partner Jurisdiction appoints the OSC to act as agent of the Partner Jurisdiction for the purpose of accessing, collecting, storing, analysing and reporting on Partner Jurisdiction data.

2(2) The Partner Jurisdiction and OSC will act in compliance with applicable laws in respect of matters under this Arrangement.

SCOPE OF ACTIVITIES UNDERTAKEN ON BEHALF OF THE PARTNER JURISDICTION

3(1) The OSC agrees to access and collect Partner Jurisdiction data from a recognized trade repository and to store the data on behalf of the Partner Jurisdiction.

3(2) The OSC agrees to provide the Partner Jurisdiction with regular market, participant and product reports on the Partner Jurisdiction data, the frequency, content and format of which will be mutually agreed upon from time to time by both parties.

3(3) In the event the Partner Jurisdiction or the OSC wants to make changes to the activities undertaken by the OSC on its behalf, the changes will be discussed and mutually agreed upon in writing by the parties.

3(4) The OSC will not charge fees for the activities undertaken under this Arrangement. In the event that the Partner Jurisdiction requests special or non-standard reports, the customized treatment of data or increased data capabilities, the OSC will determine the incremental costs of undertaking such activities and the parties will agree to a reasonable fee.

INTELLECTUAL PROPERTY

4(1) The Partner Jurisdiction owns and retains all right, title and interest (including intellectual property rights) in and to the Partner Jurisdiction data.

4(2) The OSC owns and retains all right, title and interest (including intellectual property rights) in and to OSC data.

4(3) The OSC may access and use Partner Jurisdiction data to undertake the activities on behalf of the Partner Jurisdiction and as otherwise permitted under Section 5. The OSC will own any data models and the format of any reports it generates for the Partner Jurisdiction under this Arrangement, but not the content.

OSC USE OF PARTNER JURISDICTION DATA AND OSC DATA

5(1) The Partner Jurisdiction agrees that the OSC may access, collect, store, perform quality analysis, commingle and use Partner Jurisdiction data in connection with the fulfillment of its regulatory mandate, including but not limited to market and product analysis, policy development, and systemic risk assessment.

5(2) The Partner Jurisdiction agrees that the OSC may also use and disclose the Partner Jurisdiction data collected hereunder for enforcement purposes where appropriate. In these circumstances, the OSC will provide a minimum of three (3) business days' notice to the Partner Jurisdiction prior to the commencement of any administrative proceedings under the *Ontario Securities Act* or the *Commodity Futures Act*, quasi-criminal proceedings or criminal proceedings.

5(3) For greater certainty, no restrictions apply and no reasonable notice is required to be given to the Partner Jurisdiction in respect of the OSC's use of OSC data.

CONFIDENTIALITY AND FREEDOM OF INFORMATION REQUESTS

6(1) Except as may be required or permitted by law, or as contemplated by subsections 5(1) and 5(2), or otherwise with the consent of the Partner Jurisdiction, and subject to what is already public information, the OSC agrees to keep Partner Jurisdiction Data in confidence, including for greater certainty individual transaction data or data that identifies individual counterparties or transactions, both during the period of this Arrangement and at any time after.

6(2) Subject to section 5 and subsection 6(1), the OSC agrees not to disclose Partner Jurisdiction data to any third party without the prior written consent of the Partner Jurisdiction, both during the period of this Arrangement and at any time after.

6(3) The Partner Jurisdiction acknowledges that freedom of information legislation in Ontario applies to and governs all records in the custody or under the control of the OSC. In the event that the OSC receives an information request that relates to Partner Jurisdiction data or enforcement files related to Partner Jurisdiction data, the OSC will notify the Partner Jurisdiction and will not disclose any information related to the request unless required to do so by law.

DATA SECURITY

7(1) The OSC agrees to hold and transmit Partner Jurisdiction data in a secure manner and in accordance with its own standards, policies and procedures.

7(2) The OSC agrees to restrict access to Partner Jurisdiction data to OSC personnel who require access to such data for the purpose of undertaking the activities on behalf of the Partner Jurisdiction in accordance with this Arrangement, or for another regulatory or enforcement purpose permitted under this Arrangement.

7(3) The OSC will advise the Partner Jurisdiction as soon as reasonably possible in the event there is a data security breach related to Partner Jurisdiction data.

TERMINATION

8(1) Any party may terminate its participation in this Arrangement upon giving ninety (90) business days' notice in writing to the other parties.

8(2) Upon termination of this Arrangement, the OSC must transfer and deliver to the Partner Jurisdiction all Partner Jurisdiction data.

8(3) Following termination of this Arrangement and upon the Partner Jurisdiction's written request, the OSC must destroy all Partner Jurisdiction data in its possession or under its control. For greater certainty, the OSC will retain OSC data in accordance with its own records retention requirements.

NOTICE

9(1) Any notice under this Arrangement must be in writing and be delivered personally to the party to whom it is given or sent by courier, by prepaid registered mail, or by electronic mail, addressed as follows:

To the Superintendent of Securities, Yukon:

The Office of the Yukon Superintendent of Securities
307 Black Street
Whitehorse, Yukon, Y1A 2N1
Attention: Rhonda Horte, Deputy Superintendent of Securities
Tel: (867) 667-5466
E-mail: Rhonda.Horte@gov.yk.ca

To the OSC:

Ontario Securities Commission
20 Queen Street W., 22nd Floor
Toronto, ON M5H 3S8
Attention: Kevin Fine, Director of Derivatives
Tel: 416-593-8109
E-mail: kfine@osc.gov.on.ca

EFFECTIVE DATE

10(1) Cooperation in accordance with this Arrangement will begin on the Effective Date provided that the OSC has obtained its endorsement by the applicable Ministry in accordance with the applicable legislation.

Superintendent of Securities, Yukon	**Ontario Securities Commission**
Per: << "*Fred Pretorius*" >>	<< "*Maureen Jensen*" >>
Fred Pretorius, Superintendent of Securities	Maureen Jensen, Chair
Date: 24 Aug 2018	**Date:** 10 Dec 2018

1.1.3 Majd Kitmitto et al.

IN THE MATTER OF
MAJD KITMITTO,
STEVEN VANNATTA,
CHRISTOPHER CANDUSSO AND
CLAUDIO CANDUSSO

File No. 2018-9

NOTICE OF WITHDRAWAL

Staff of the Enforcement Branch of the Ontario Securities Commission withdraws the Statement of Allegations dated February 28, 2018.

DATED this 10th day of December, 2018.

Matthew Britton
Senior Litigation Counsel
Enforcement Branch

Tel: (416) 593-8294
Email: mbritton@osc.gov.on.ca

1.2 Notices of Hearing

1.2.1 Andrew Paul Rudensky – s. 21.7

FILE NO.: 2018-68

IN THE MATTER OF
ANDREW PAUL RUDENSKY

NOTICE OF HEARING
Section 21.7 of the
Securities Act, RSO 1990, c S.5

PROCEEDING TYPE: Application for Hearing and Review

HEARING DATE AND TIME: January 7, 2019 at 10:00 a.m.

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

PURPOSE

The purpose of this proceeding is to consider the Application dated November 16, 2018 made by the party named above to review decisions of the Investment Industry Regulatory Organization of Canada dated July 23, 2018 and October 17, 2018.

The hearing set for the date and time indicated above is the first attendance in this proceeding, as described in subsection 6(1) of the Commission's *Practice Guideline*.

REPRESENTATION

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

FAILURE TO ATTEND

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

FRENCH HEARING

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

AVIS EN FRANÇAIS

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

Dated at Toronto this 7th day of December, 2018.

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

For more information

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

1.3 Notices of Hearing with Related Statements of Allegations

1.3.1 Michelle Dunk – ss. 127(1), 127(10)

FILE NO.: 2018-74

IN THE MATTER OF MICHELLE DUNK

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

PROCEEDING TYPE: Inter-jurisdictional Enforcement Proceeding

HEARING DATE AND TIME: In writing

PURPOSE

The purpose of this proceeding is to consider whether it is in the public interest for the Commission to make the order requested in the Statement of Allegations filed by Staff of the Commission on December 4, 2018.

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

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

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

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

REPRESENTATION

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

FAILURE TO ATTEND

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

FRENCH HEARING

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

AVIS EN FRANÇAIS

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

Dated at Toronto this 4th day of December, 2018.

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

For more information

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

IN THE MATTER OF
MICHELLE DUNK

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

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

A. ORDER SOUGHT

2. Staff request that the Commission make the following inter-jurisdictional enforcement order, pursuant to paragraph 1 of subsection 127(10) of the Ontario *Securities Act*, RSO 1990 c S.5 (the **Act**):

   (a) against Michelle Dunk (**Dunk** or the **Respondent**) that:

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

      ii. pursuant to paragraph 2.1 of subsection 127(1) of the Act, acquisition of any securities by Dunk be prohibited permanently;

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

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

      v. pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act, Dunk be prohibited permanently from becoming or acting as a director or officer of any issuer or registrant;

      vi. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Dunk be prohibited permanently from becoming or acting as a registrant or promoter; and

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

B. FACTS

Staff make the following allegations of fact:

(i) Overview

3. On April 23, 2018, following a trial before the Honourable Justice Sopinka of the Ontario Court of Justice (the **OCJ**), Dunk was found guilty of one count each of unregistered trading, illegal distribution of securities, and fraud, contrary to sections 25(1), 53(1) and 126.1(1)(b), respectively, of the Act, and thereby committing an offence contrary to section 122(1)(c) of the Act.

4. Dunk was also found guilty of one count of contravening Ontario securities law by trading in securities at a time when she was prohibited from doing so by temporary order of the Commission, contrary to section 122(1)(c) of the Act.

5. A sentencing hearing was subsequently held before Justice Sopinka who issued Reasons for Sentence on October 17, 2018 (the **Reasons for Sentence**), sentencing Dunk to a custodial sentence of two years less a day.

6. The offences for which Dunk was convicted arose from transactions, business or a course of conduct related to securities.

7. Staff is seeking an inter-jurisdictional enforcement order reciprocating Dunk's conviction, pursuant to paragraph 1 of subsection 127(10) of the Act.

8. The offences for which Dunk was convicted took place between May 1, 2012 and May 30, 2016 (the **Material Time**).

(ii) The Respondent

9. Dunk is a resident of Ontario.

10. Dunk has never been registered with the Commission in any capacity.

11. During the Material Time, Dunk was subject to a temporary cease trade order issued by the Commission on July 27, 2011 (the **TCTO**) in relation to the *Ground Wealth Inc. et al.* (**GWI**) matter, an oil investment scheme that ran between October 2010 and April 2011.

12. Dunk subsequently entered into a Settlement Agreement with the Commission in January 2015 in relation to GWI, whereby she agreed, among other things, to be made subject to a cease trade order of the Commission dated January 6, 2015. That order prohibited Dunk from trading in, or acquiring securities, for a period of 8 years, with the exception that she could trade for her own account upon fulfillment of an administrative penalty and costs order.

13. Dunk previously pled guilty to breaching the TCTO by soliciting investments in another oil company. On March 4, 2016, Justice Hearn of the OCJ sentenced Dunk to 75 days in jail and two years of probation in relation to that breach of the TCTO.

(iii) The Ontario Court of Justice Proceedings

Conviction

14. By Information dated June 23, 2016 (the **Information**), Dunk was charged with one count each of unregistered trading, illegal distribution of securities, and fraud, contrary to sections 25(1), 53(1) and 126.1(1)(b), respectively, of the Act, and thereby committing an offence contrary to section 122(1)(c) of the Act.

15. Dunk was also charged with one count of contravening Ontario securities law by trading in securities while prohibited from doing so by the TCTO, contrary to section 122(1)(c) of the Act.

16. On April 23, 2018, Justice Sopinka of the OCJ found Dunk guilty of all counts as charged in the Information.

The Findings

17. During the Material Time, Dunk engaged in the sale and distribution of securities of Rocky Point Energy (**Rocky Point**) to four Ontario investors.

18. Three of the investments took the form of promissory notes whereby the investors' monies were to fund the closing costs of a joint venture between Rocky Point, a mineral rights company in the United States, and First Boston Global Custody and Trust Company (**First Boston**), a bank in England. In one instance, an investor signed a partnership agreement for an investment in Rocky Point and was told that he could profit from the appreciation in value of oil.

19. The promissory note investors understood that they were providing their funds to Dunk to facilitate the closing of the deal between Rocky Point and First Boston, including legal fees and closing costs. Once closed, the deal contemplated First Boston providing funds to Rocky Point for the development and asset management of oil and gas well reserves located in the United States.

20. The three investors were told that they would receive their principal plus 15% interest on their investments within 45 days, and if the closing of the deal did not occur within 45 days, investors would then receive additional interest payments until the closing occurred.

21. Dunk led investors to believe that the investments were secure and without risk, as they were liened against oil in the ground. Dunk advised investors that the closing of the deal was imminent and that the investments were exclusive only to her friends and family and would provide a high rate of return within a short period of time.

22. Justice Sopinka found that Dunk made misrepresentations to investors by failing to disclose that she was subject to a TCTO at the time she solicited Rocky Point investments, and by retaining a portion of one investor's funds for her own use, unbeknownst to that investor. Further, Dunk made misrepresentations by characterizing the investments as no risk and liened against oil in the ground, when, at the time, Rocky Point had no formalized interest in the land leases pending closing of the deal with First Boston. As such, no asset existed against which the investors' money could be secured, creating a significant risk to those funds.

23. Justice Sopinka also found that Dunk fraudulently represented to one investor that he was investing in Rocky Point, when, in fact, his funds were instead directed to another entity.

24. Ultimately, aside from one investor being repaid a nominal portion of funds, none of the investors have recovered their investments.

The Sentence

25. A sentencing hearing was subsequently held on September 12 and 14, 2018 before Justice Sopinka of the OCJ. On October 17, 2018, Justice Sopinka sentenced Dunk to a term of imprisonment of 2 years less a day for one count of fraud listed as count 4 on the Information.

26. Justice Sopinka found imposing concurrent sentences was appropriate with respect to counts 1 to 3 of the Information (trading in securities without registration, illegally distributing securities and trading in securities while prohibited to do so), given those offences arose out of the same events as the fraud charge against Dunk.

27. Justice Sopinka also ordered Dunk to pay restitution in the total amount of $158,435 to the four investors, to be allocated amongst the investors as provided in the Reasons for Sentence.

C. JURISDICTION OF THE ONTARIO SECURITIES COMMISSION

28. Pursuant to paragraph 1 of subsection 127(10) of the Act, Dunk's convictions for offences arising from transactions, business or a course of conduct related to securities or derivatives may form the basis for an order in the public interest made under subsection 127(1) of the Act.

29. Staff allege that it is in the public interest to make an order against Dunk.

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

DATED at Toronto this 4th day of December, 2018.

Vivian Lee
Litigation Counsel
Enforcement Branch

Tel: (416) 597-7243
Fax: (416) 204-8956
Email: mailto:vlee@osc.gov.on.ca

1.3.2 USI-Tech Limited – ss. 127(1), 127(10)

FILE NO.: 2018-75

IN THE MATTER OF
USI-TECH LIMITED

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

PROCEEDING TYPE: Inter-jurisdictional Enforcement Proceeding

HEARING DATE AND TIME: In Writing

PURPOSE

The purpose of this proceeding is to consider whether it is in the public interest for the Commission to make the order requested in the Statement of Allegations filed by Staff of the Commission on December 4, 2018.

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

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

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

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

REPRESENTATION

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

FAILURE TO ATTEND

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

FRENCH HEARING

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

AVIS EN FRANÇAIS

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

Dated at Toronto this 5th day of December, 2018

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

For more information

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

IN THE MATTER OF
USI-TECH LIMITED

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

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

A. ORDER SOUGHT

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

   (a) against USI-Tech Limited (**USI-Tech** or the **Respondent**) that:

      i. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities or derivatives by or of USI-Tech cease permanently; and

      ii. pursuant to paragraph 2.1 of subsection 127(1) of the Act, acquisition of any securities of USI-Tech cease permanently;

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

B. FACTS

Staff make the following allegations of fact:

3. USI-Tech is subject to an order made by the Autorité des marchés financiers (**AMF**) dated March 19, 2018 (the **AMF Order**) that imposes sanctions, conditions, restrictions or requirements upon it.

4. In findings on liability dated March 19, 2018 (the **Findings**) an Administrative Judge of the Financial Markets Administrative Tribunal (the **AMF Tribunal**) found that USI-Tech was engaging in an ongoing illegal distribution of securities and unregistered dealing, contrary to sections 11 and 148, respectively, of the Quebec *Securities Act*, CQLR, c V-1.1 (the **Quebec Act**).

(i) The Respondent

5. USI-Tech is a company purportedly headquartered in Dubai, United Arab Emirates.

6. USI-Tech is not a reporting issuer in Ontario and has never filed a prospectus in Ontario.

(ii) The AMF Proceedings

Background

7. The AMF Tribunal held a hearing at its head office on March 2, 2018. AMF counsel attended at the hearing and, although duly notified of the hearing, USI-Tech did not attend.

8. An AMF investigator testified at the hearing, where she related facts alleged against USI-Tech and certain of its representatives. The AMF investigator also filed a series of exhibits in support of her testimony.

9. At the time of the AMF proceedings, USI-Tech and certain of its representatives were actively soliciting investments in USI-Tech through presentations, websites and social media.

10. Using various websites, including https://usi-tech.info, http://usitech.io and http://usitech-int.com, as well as Facebook pages for USI-Tech Technology and USI-Tech Bitcoin, among others, USI-Tech and certain of its representatives promoted financial products offered by USI-Tech, namely “Bitcoin Packages” (**BTC Packages**) and the “Token.”

11. BTC Packages offered investors a 1% daily return for 140 days, generated through Bitcoin trading using USI-Tech's automated trading software, and through crypto currency mining using computational algorithms embedded in the software.

12. Token investments were to provide investors with returns based upon the hypothetical success of a new crypto currency, the "Tech Coin," which USI-Tech intended to create and market.

AMF Findings – Conclusions

13. In its Findings, the AMF concluded that:

    (a) the evidence established that USI-Tech and certain of its representatives used various websites and social media platforms accessible to the public to engage in solicitation and investment relating to financial products to which the Quebec Act applies;

    (b) the evidence established that a number of the financial products offered to the public, including the BTC Package and the "Token" constitute "investment contracts" and are, therefore, subject to the Quebec Act;

    (c) the evidence established that USI-Tech was not registered with the AMF, nor had it filed a prospectus with the AMF or received any exemption from doing so;

    (d) it appeared from the evidence that USI-Tech had breached prospectus and registration requirements as set out in sections 11 and 148, respectively, of the Quebec Act, and was continuing to do so; and

    (e) the breaches by USI-Tech were serious and contrary to the public interest, particularly because they are central to the registration and financial information systems set out under the Quebec Act, the purpose of which is to protect the investing public and ensure the integrity of the financial centre.

(iii) The AMF Order

14. The AMF Order imposed the following sanctions, conditions, restrictions or requirements upon USI-Tech:

    (a) prohibiting USI-Tech from engaging in any activity with a view to performing, directly or indirectly, any transaction on any form of investment set out in section 1 of the Quebec Act, including soliciting and canvassing investors in Quebec;

    (b) ordering USI-Tech to make inaccessible, for any IP address in Quebec, the websites https://usi-tech.info, http://usitech.io and https://usitech-int.com, and any other site of the same nature as those sites published or disseminated, directly or indirectly by the latter, within 24 hours' notice of the AMF Order, in order to prevent any person residing in Quebec from being able to view those websites, and ordering that the AMF Order be published on the home page of those sites; and

    (c) ordering USI-Tech to remove, within 24 hours' notice of the AMF Order, any advertisement or solicitation on the websites https://usi-tech.info, http://usitech.io and https://usitech-int.com, and on the USI--Tech Technology and USI-Tech Bitcoin Facebook pages, any form of investment set out in section 1 of the Quebec Act, and any advertisement or solicitation of the same nature published or released, directly or indirectly, by USI-Tech.

C. JURISDICTION OF THE ONTARIO SECURITIES COMMISSION

15. The Respondent is subject to an order of the AMF imposing sanctions, conditions, restrictions or requirements upon it.

16. Pursuant to paragraph 4 of subsection 127(10) of the Act, an order made by a securities regulatory authority, derivatives regulatory authority or financial regulatory authority, in any jurisdiction, that imposes sanctions, conditions, restrictions or requirements on a person or company may form the basis for an order in the public interest made under subsection 127(1) of the Act.

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

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

DATED at Toronto this 4th day of December, 2018.

Alexandra Matushenko
Litigation Counsel
Enforcement Branch

Tel: (416) 593-8287
Email: mailto:amatushenko@osc.gov.on.ca

1.4 Notices from the Office of the Secretary

1.4.1 Michelle Dunk

FOR IMMEDIATE RELEASE
December 5, 2018

MICHELLE DUNK,
File No. 2018-74

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

A copy of the Notice of Hearing dated December 4, 2018 and the Statement of Allegations dated December 4, 2018 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

1.4.2 Larry Lee

FOR IMMEDIATE RELEASE
December 5, 2018

LARRY LEE,
File No. 2018-58

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 December 4, 2018 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

1.4.3 USI-Tech Limited

FOR IMMEDIATE RELEASE
December 5, 2018

USI-TECH LIMITED,
File No. 2018-75

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

A copy of the Notice of Hearing dated December 5, 2018 and the Statement of Allegations dated December 4, 2018 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

1.4.4 Majd Kitmitto et al.

FOR IMMEDIATE RELEASE
December 10, 2018

MAJD KITMITTO,
STEVEN VANNATTA,
CHRISTOPHER CANDUSSO AND
CLAUDIO CANDUSSO,
File No. 2018-9

TORONTO – Staff of the Ontario Securities Commission filed a Notice of Withdrawal in the above noted matter.

A copy of the Notice of Withdrawal dated December 10, 2018 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

1.4.5 Andrew Paul Rudensky

FOR IMMEDIATE RELEASE
December 7, 2018

ANDREW PAUL RUDENSKY,
File No. 2018-68

TORONTO – The Office of the Secretary issued a Notice of Hearing to consider the Application dated November 16, 2018 made by the party named above to review decisions of the Investment Industry Regulatory Organization of Canada dated July 23, 2018 and October 17, 2018.

The hearing will be held on January 7, 2019 at 10:00 a.m. on the 17th floor of the Commission's office located at 20 Queen Street West, Toronto.

A copy of the Notice of Hearing dated December 7, 2018 and the Application dated November 16, 2018 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

1.4.6 Questrade Wealth Management Inc.

FOR IMMEDIATE RELEASE
December 11, 2018

QUESTRADE WEALTH MANAGEMENT INC.,
File No. 2018-63

TORONTO – Following a hearing held in the above named matter, the Commission issued an Order approving the Settlement Agreement reached between Staff of the Commission and Questrade Wealth Management Inc.

A copy of the Oral Reasons for Approval of a Settlement dated December 10, 2018 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

1.4.7 Majd Kitmitto et al.

FOR IMMEDIATE RELEASE
December 11, 2018

MAJD KITMITTO,
STEVEN VANNATTA,
CHRISTOPHER CANDUSSO,
CLAUDIO CANDUSSO,
DONALD ALEXANDER (SANDY) GOSS,
JOHN FIELDING, and
FRANK FAKHRY, File No. 2018-70

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

A copy of the Order dated December 11, 2018 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Claret Asset Management Corporation

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Exemption granted from conflict of interest trading prohibition in paragraph 13.5(2)(b) (ii) and (iii) of NI 31-103 to permit Inter-Fund and In-Specie Transactions by Managed Accounts and Pooled Funds in Pooled Funds – Portfolio manager of Managed Accounts is also portfolio manager of Pooled Funds and is therefore a "responsible person" – Relief subject to certain conditions.

Applicable Legislative Provisions

National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 13.5(2)(b)(ii) and (iii).

November 28, 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
CLARET ASSET MANAGEMENT CORPORATION
(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 exemptive relief from the prohibition in subsections 13.5(2)(b)(ii) and (iii) of National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("NI 31-103"), which prohibits a registered adviser from knowingly causing an investment portfolio managed by it, including an investment fund for which it acts as an adviser, to purchase or sell a security from or to the investment portfolio of (i) an associate of a responsible person and (ii) an investment fund for which such adviser acts as an adviser, in respect of the Inter-Fund Trades (as defined below) and In Specie Transactions (as defined below), such that the following transactions are permitted:

1. the purchase and sale of portfolio securities of any issuer (each purchase and sale, an "Inter-Fund Trade")

    a) between a Pooled Fund (as defined below) and another Pooled Fund or a Managed Account (as defined below);

    b) between a Managed Account and a Pooled Fund;

2. to occur at the last sale price, as defined in the Universal Market Integrity Rules ("UMIR") of the Investment Industry Regulatory Organization of Canada, prior to the execution of the trade (the "Last Sale Price") or at the closing sale price (the "Closing Sale Price") contemplated by the definition of current market price referred to in paragraph (e) of section 6.1(2) of National Instrument 81-107 *Independent Review Committee for Investment Funds* ("NI 81-107"), as determined by the Filer in its discretion;

3. the purchase and redemption by a Managed Account of securities of a Pooled Fund, and the payment:

    a) for such purchase, in whole or in part, by the Managed Account making good delivery of portfolio securities to the Pooled Fund;

    b) for such redemption, in whole or in part, by the Managed Account receiving good delivery of portfolio securities from the Pooled Fund;

4. the purchase or redemption by a Pooled Fund of securities of another Pooled Fund, and the payment:

    a) for such purchase, in whole or in part, by the Pooled Fund making good delivery of portfolio securities to the other Pooled Fund;

    b) for such redemption, in whole or in part, by the Pooled Fund receiving good delivery of portfolio securities from the other Pooled Fund;

    (each purchase and redemption in (iii) and (iv) above is an "In Specie Transaction"):

(operations (i) to (iv) are collectively the "Exemption Sought").

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

1. L'Autorité des marchés financiers is the principal regulator (the "Principal Regulator") for this application;

2. the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* ("MI 11-102") is intended to be relied upon in each of Alberta, British Columbia and Prince Edward Island;

3. the decision is the decision of the Principal Regulator and evidences the decision of each Decision Maker.

Interpretation

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

Pooled Fund means an investment fund currently structured as a trust under the laws of the Province of Ontario and managed by the Filer or as a trust, a corporation or a partnership under the laws of Canada or one of the provinces or territories of Canada, managed in the future by the Filer, that is not a reporting issuer, and whose securities are sold pursuant to prospectus exemptions under applicable securities legislation, to which National Instrument 81-102 – *Investment Funds* ("NI 81-102") does not apply ("Pooled Fund").

Managed Account means an account over which the Filer has discretionary authority, other than an account of a Responsible Person ("Managed Account").

Responsible Person has the meaning given to this term in section 13.5(1) of NI 31-103 and includes each officer, employee and director of the Filer who has access to, or participates in formulating, an investment decision or advice in respect of an Inter-Fund Trade or In Specie Transaction.

Representations

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

The Filer

1. The Filer is a corporation established under the laws of Canada with its head office in Montréal, Québec.

2. The Filer is registered as a portfolio manager in the Provinces, an investment fund manager in Ontario and Québec, a commodity trading manager in Ontario and a derivatives portfolio manager in Québec.

3. The Filer is, or will be, the portfolio manager and investment fund manager of each Pooled Fund.

4. The Filer is the portfolio manager of each Managed Account.

5. The Filer is not in default of securities legislation of any province or territory of Canada.

The Pooled Funds

6. Each existing Pooled Fund is formed as a trust under the laws of Ontario and each future Pooled Fund are, or will be, established as a trust, partnership or corporation under the laws of Canada or a province or territory of Canada.

7. The securities of each Pooled Fund are, or will be, distributed pursuant to one or more available exemptions from the prospectus requirement of applicable securities legislation. None of the Pooled Funds is, or is expected to be, a reporting issuer in any province or territory of Canada or other jurisdiction and none are, or are expected to be, subject to NI 81-102 or NI 81-107 (except to the extent applicable pursuant to the Exemption Sought).

8. Each Pooled Fund's reliance on the Exemption Sought will be compatible with its investment objectives and strategies.

9. The Filer acts, or will act, as the trustee, the investment fund manager and the portfolio manager to the Trust Funds (as defined below).

10. None of the existing Pooled Funds is in default of securities legislation of any province or territory of Canada

11. Two Pooled Funds, Claret Equity Fund ("Equity Fund") and Claret Income Fund ("Income Fund"), were established under a master trust agreement dated February 1, 2014, governed by the laws of the province of Ontario, made between the Filer, as trustee, and the Filer, as manager (the "Initial Master Trust Agreement").

12. Five additional Pooled Funds were subsequently established:

    a) the Claret "Outside the box" Fund ("Outside the box Fund") was established by an amendment to the Master Trust Agreement as of August 1, 2014,

    b) the Claret Global Multi-Asset Fund ("Global Multi-Asset Fund") was established by an amendment to the Master Trust Agreement as of May 9, 2016,

    c) the Claret U.S. Large Cap Equity Fund ("Large Cap Fund") was established by an amendment to the Master Trust Agreement as of February 1, 2017,

    d) the Claret Canadian Equity Fund ("Canadian Fund") was established by an amendment to the Master Trust Agreement as of February 1, 2018,

    e) Claret European Equity Fund ("European Fund" and collectively with Equity Fund, Income Fund, Outside the box Fund, Global Multi-Asset Fund, Large Cap Fund and Canadian Fund and any future Pooled Fund established as a trust under the laws of a province of Canada, the "Trust Funds") was established by an amendment to the Master Trust Agreement as of September 1, 2018;

    (the Initial Master Trust Agreement, collectively with these amending agreements, the "Master Trust Agreement").

13. CIBC World Markets Inc. acts as custodian to the Pooled Funds pursuant to a custodial services agreement dated February 21, 2014 as amended between the Filer, as manager of the Pooled Funds and CIBC World Markets Inc., as custodian.

14. The Filer, which is the investment fund manager and portfolio manager of the Pooled Funds, avails itself of the dealer registration exemption available under subsection 8.6 of NI 31-103 when distributing units of the Pooled Funds to Managed Accounts.

The Managed Accounts

15. The Filer is the portfolio manager of each of the Managed Accounts.

16. Each Managed Account is, or will be, managed pursuant to an investment management agreement or other document which is, or will be, executed by each client who wishes to receive the portfolio management services of the Filer and

which provides the Filer full discretionary authority to trade securities for the Managed Account without obtaining the specific consent of the client to execute the trade (the "Discretionary Management Agreements").

17. Each Discretionary Management Agreement contains, or will contain, authorization from the client for the Filer to make Inter-Fund Trades.

18. The portfolio management services provided by the Filer, as the portfolio manager of the Managed Account, to each client, consist of the following:

    a) supervising, managing and directing purchases and sales in the client's Managed Account, at the Filer's full discretion on a continuing basis;

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

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

    d) the Filer retains overall responsibility for the advice provided to its clients and has a designated senior officer to oversee and supervise the Managed Account.

Independent Review Committee

19. Though the Pooled Funds are not, and will not be, subject to the requirements of NI 81-107, each Pooled Fund will have an independent review committee ("IRC") at the time the Pooled Fund makes an Inter-Fund Trade. The mandate of the IRC of each Pooled Fund will comply with the following provisions of NI 81-107 as if the Pooled Fund was a reporting issuer: (a) composition of the IRC as set out in section 3.7, and (b) the standard of care set out in section 3.9. The IRC of a Pooled Fund will not approve an Inter-Fund Trade involving a Pooled Fund unless it has made the determination set out in subsection 5.2(2) of NI 81-107 and the Filer will comply with section 5.4 of NI 81-107 in respect of any standing instructions the IRC provides in connection with such Inter-Fund Trades.

20. If the IRC of a Pooled Fund becomes aware of an instance where the Filer did not comply with the terms of the Exemption Sought or a condition imposed by securities legislation or the IRC in its approval, the IRC will, as soon as practicable, notify in writing the Autorité des marchés financiers and the Ontario Securities Commission.

21. The Filer cannot rely on the exemption from Section 13.5 of NI 31-103 contained in subsection 6.1(4) of NI 81-107, as the Pooled Funds are not reporting issuers and Managed Accounts are not investment funds and thus may not rely on this exemption pursuant to NI 81-107.

The Inter-Fund Trades

22. The Filer wishes to be able to enter into Inter-Fund Trades of portfolio securities between:

    a) a Pooled Fund and another Pooled Fund or a Managed Account;

    b) a Managed Account and a Pooled Fund.

23. Because of the various investment objectives and investment strategies used by the Pooled Funds and the Managed Accounts, it may be appropriate for different investment portfolios to acquire or dispose of the same securities. Each Inter-Fund Trade will be consistent with the investment objective of the relevant Pooled Fund or Managed Account, as applicable.

24. Effecting Inter-Fund Trades between the Pooled Funds and the Managed Accounts has the effect of reducing transaction costs for the Pooled Funds and the Managed Accounts due to reduced commission costs. Inter-Fund Trades can also reduce market impact costs and increase the speed of execution of trading, all of which will be to the benefit of the Pooled Funds and the Managed Accounts.

25. The Filer has determined that it would be in the best interests of the Pooled Funds and the Managed Accounts to receive the Exemption Sought because subjecting the Pooled Funds and the Managed Accounts to a consistent set of rules governing the execution of Inter-Fund Trades will result in:

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

b) simplified and more efficient monitoring by the Filer of the execution of Inter-Fund Trades.

26. At the time of an Inter-Fund Trade, the Filer will have policies and procedures in place to enable the applicable Pooled Funds and Managed Accounts to engage in Inter-Fund Trades. The following procedures will be applied:

27. When the Filer engages in an Inter-Fund Trade of securities between two Pooled Funds or between a Managed Account and a Pooled Fund it will follow the following procedures:

a) in respect of a purchase or a sale of a security by a Pooled Fund or a Managed Account, as applicable (Portfolio A), the registered advising representative of the Filer will either place the trade directly or will deliver the trade instructions to a trader on a trading desk of the Filer;

b) in respect of a purchase or sale of a security by another Pooled Fund or Managed Account, as applicable (Portfolio B), the registered advising representative of the Filer will either place the trade directly or will deliver the trade instructions to a trader on a trading desk of the Filer;

c) each portfolio manager of the Filer will request the approval of the chief compliance officer of the Filer (or his or her designated alternate during periods when it is not practicable for the chief compliance officer to address the matter) (the "CO") to execute the trade as an Inter-Fund Trade;

d) once the registered advising representative or trader on the trading desk has confirmed the approval of the CO, the registered advising representative or the trader on the trading desk will have the discretion to execute the trade as an Inter-Fund Trade between Portfolio A and Portfolio B in accordance with the requirements of paragraphs (c) to (g) of subsection 6.1(2) of NI 81-107, except that for purposes of paragraph (e) of subsection 6.1(2) in respect of exchange-traded securities, the trade may be executed at the Last Sale Price;

e) the policies applicable to the registered advising representative and the trading desk of the Filer will require that all Inter-Fund Trade orders are to be executed on a timely basis and will remain open no longer than 30 days;

f) the registered advising representative or the trader on a trading desk will advise the Filer of the price at which the Inter-Fund Trade occurred.

The In Specie Transactions

28. In acting on behalf of a Pooled Fund, the Filer wishes to be able, in accordance with the investment objectives and investment restrictions of the Pooled Fund, to cause the Pooled Fund to either invest in securities of another Pooled Fund, or to redeem such securities, pursuant to an In Specie Transaction.

29. Similarly, when acting for a Managed Account of a client, the Filer wishes to be able, in accordance with the investment objectives and investment restrictions of the client, to cause the client's Managed Account to either invest in securities of a Pooled Fund, or to redeem such securities, pursuant to an In Specie Transaction.

30. At the time of each In-Specie Transaction, the Filer will have in place policies and procedures governing such transactions, as applicable:

a) prior to engaging in In Specie Transactions on behalf of a Managed Account, the Discretionary Management Agreement or other documentation in respect of the Managed Accounts will contain the authorization of the client for the Filer to engage in In Specie Transactions;

b) the Filer's CO, will pre-approve each In Specie Transaction in connection with the purchase or redemption of securities of a Pooled Fund by another Pooled Fund or by a Managed Account;

c) the portfolio securities transferred in an In Specie Transaction will meet the investment objectives of the Pooled Fund or Managed Account, as the case may be, acquiring the portfolio securities;

d) the portfolio securities transferred in In Specie Transactions will be valued using the same valuation principles as are used to calculate the net asset value of the Pooled Funds;

e) should any In Specie Transactions contemplated specifically by the Exemption Sought, involve the transfer of an "illiquid asset" (as defined in NI 81-102) (the "Illiquid Portfolio Securities"), the Filer will obtain at least one

quote for the asset from an independent arm's length purchaser or seller, immediately before effecting the In Specie Transactions.

f) If any Illiquid Portfolio Securities are the subject of an In Specie Transaction that is a redemption, the Illiquid Portfolio Securities will be transferred on a basis that fairly represents the portfolio of the Pooled Fund. Pooled Funds generally invest in liquid securities. The Filer will not cause any Pooled Fund to accept an In Specie Transaction that is a subscription or pay out redemption proceeds In Specie if, at the time of the proposed In Specie Transactions, Illiquid Portfolio Securities represent more than an immaterial portion of the portfolio of the Pooled Fund. The valuation of any Illiquid Portfolio Securities which would be the subject of an In Specie Transactions will be carried out according to the Filer's policies and procedures for the fair value of portfolio securities, including illiquid securities.

g) none of the portfolio securities which are the subject of each In Specie Transaction will be securities of related issuers of the Filer;

h) a Pooled Fund will keep written records of each In Specie Transaction, including records of each purchase and redemption of portfolio securities and the terms thereof, for five years after the end of the financial year, the most recent two years in a reasonably accessible place;

i) No In Specie Transactions will involve a client that is a "responsible person" of the Filer, as that term is defined in subsection 13.5(1) of NI 31-103;

j) In Specie Transactions will be subject to

(i) compliance with the written policies and procedures of the Filer respecting In Specie Transactions that are consistent with applicable securities legislation,

(ii) the oversight of the Compliance Department of the Filer to ensure that the transaction represents the business judgment of the Filer acting in its discretionary capacity with respect to the Pooled Fund and the Managed Account, uninfluenced by considerations other than the best interests of the Pooled Fund and the Managed Account,

(iii) the board of directors of the Filer receiving, on a regular basis, a report on the oversight of the Compliance Department of the Filer referred to in sub-paragraph (ii) above.

31. The Filer will not receive any compensation with respect to any In Specie Transactions, and the only charges which will be incurred by a Pooled Fund or a Managed Account for an In Specie Transaction, if any, is a nominal administrative charge levied by CIBC World Markets Inc. as custodian of the Pooled Fund or the separate institutional custodian of the Managed Account in recording the trades and/or any commission charged by the dealer executing the trade.

32. Since the Filer is the portfolio manager of the Managed Accounts and the Pooled Funds, the Filer would be considered a "responsible person" with the meaning of the applicable securities legislation. In addition, as the Filer is the trustee of the Trust Funds, the Trust Funds are associates of the Filer, a responsible person. Accordingly, absent the granting of the Exemption Sought, the Filer would be prohibited from engaging in Inter-Funds Trades or In Specie Transactions.

Decision

Each of the principal regulator and the securities regulatory authority or regulator in Ontario is satisfied that the decision meets the test set out in the Legislation to make the Decision.

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

1. in connection with an Inter-Fund Trade:

a. the Inter-Fund Trade is consistent with the investment objective of the Pooled Fund or the Managed Account, as applicable;

b. the Inter-Fund Trade has been referred by the Filer, as manager of each Fund, to the IRC of the Pooled Fund in the manner contemplated by section 5.1 of NI 81-107 and the Filer and the IRC of the Pooled Fund have complied with section 5.4 of NI 81-107 in respect of any standing instructions the IRC provides in connection with the Inter-Fund Trade;

c. if the transaction is with a Pooled Fund or between two Pooled Funds, the IRC of each Pooled Fund has approved the Inter-Fund Trade in respect of that Pooled Fund in accordance with the terms of Subsection 5.2(2) of NI 81-107;

d. if the transaction is with a Managed Account, the Discretionary Management Agreement or other documentation in respect of the Managed Account contains or will contain the authorization of the client to engage in Inter-Fund Trades and such authorization has not been revoked;

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

2. in connection with an In Specie Transaction where a Managed Account acquires units of a Pooled Fund:

a. the Filer obtains the prior written consent of the client of the Managed Account before it engages in any In Specie Transaction and such consent has not been revoked;

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

c. the portfolio securities are acceptable to the Filer as portfolio manager of the Pooled Fund and meet the investment objectives of the Pooled Fund;

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

e. none of the portfolio securities which are the subject of the In Specie Transaction will be securities of related issuers of the Filer;

f. should any In Specie Transaction involve the transfer of Illiquid Portfolio Securities, the Filer will obtain at least one quote for the asset from an independent arm's length purchaser or seller, immediately before effecting the In Specie Transaction;

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

h. the account statement next prepared for the Managed Account will describe the portfolio securities delivered to the Pooled Fund and the value assigned to such portfolio securities;

i. the Filer will keep written records of each In Specie Transaction in a financial year of the Pooled Fund, reflecting details of the securities delivered to the Pooled Fund and the value assigned to such portfolio securities, for five years after the end of the financial year, the most recent two years in a reasonably accessible place;

3. in connection with an In Specie Transaction where a Managed Account redeems units of a Pooled Fund:

a. the Filer obtains the prior written consent of the client of the Managed Account before it engages in any In Specie Transaction and such consent has not been revoked;

b. the portfolio securities are acceptable to the Filer as portfolio manager of the Managed Account and meet the investment objectives of the Managed Account;

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

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

e. none of the portfolio securities which are the subject of the In Specie Transaction will be portfolio securities of related issuers of the Filer;

f. should any In Specie Transaction involve the transfer of Illiquid Portfolio Securities, the Filer will obtain at least one quote for the asset from an independent arm's length purchaser or seller, immediately before effecting the In Specie Transaction;

g. if any Illiquid Portfolio Securities are the subject of an In Specie Transaction that is a redemption, the Illiquid Portfolio Securities will be transferred on a basis that fairly represents the portfolio of the Pooled Fund;

h. the account statement next prepared for the Managed Account will describe the portfolio securities received from the Pooled Fund and the value assigned to such portfolio securities;

i. the Filer will keep written records of each In Specie Transaction in a financial year of the Pooled Fund, reflecting details of the securities delivered by the Pooled Fund and the value assigned to such portfolio securities, for five years after the end of the financial year, the most recent two years in a reasonably accessible place;

4. in connection with an In Specie Transaction where a Pooled Fund purchases the units of another Pooled Fund:

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

b. the portfolio securities are acceptable to the Filer as portfolio manager of the Pooled Fund issuing the units and meet the investment objectives of that Pooled Fund;

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

d. should any In Specie Transaction involve the transfer of Illiquid Portfolio Securities, the Filer will obtain at least one quote for the asset from an independent arm's length purchaser or seller, immediately before effecting the In Specie Transaction;

e. none of the portfolio securities which are the subject of the In Specie Transaction will be portfolio securities of related issuers of the Filer;

f. the Filer will keep written records of each In Specie Transaction in a financial year of the Pooled Fund, reflecting details of the securities delivered to the Pooled Fund and the value assigned to such portfolio securities, for five years after the end of the financial year, the most recent two years in a reasonably accessible place;

5. in connection with an In Specie Transaction where a Pooled Fund redeems the units of another Pooled Fund:

a. the portfolio securities are acceptable to the Filer as portfolio manager of the Pooled Fund acquiring the portfolio securities and meet the investment objectives of that Pooled Fund;

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

c. none of the portfolio securities which are the subject of the In Specie Transaction will be securities of related issuers of the Filer;

d. should any In Specie Transaction involve the transfer of Illiquid Portfolio Securities, the Filer will obtain at least one quote for the asset from an independent arm's length purchaser or seller, immediately before effecting the In Specie Transaction;

e. if any Illiquid Portfolio Securities are the subject of an In Specie Transaction that is a redemption, the Illiquid Portfolio Securities will be transferred on a basis that fairly represents the portfolio of the Pooled Fund;

f. the Filer will keep written records of each In Specie Transaction in a financial year of the Pooled Fund, reflecting details of the securities delivered to the Pooled Fund and the value assigned to such portfolio securities, for seven years in a reasonably accessible place;

6. the Filer does not receive any compensation with respect to any In Specie Transactions, and the only charges which are incurred by a Pooled Fund or a Managed Account for an In Specie Transaction if any, is a nominal administrative charge levied by CIBC World Markets Inc. as custodian of certain of the Pooled Fund or the separate institutional custodian of the Managed Account in recording the trades and/or any commission charged by the dealer executing the trade.

"Frédéric Pérodeau"
Superintendent, Client Services and Distribution Oversight

2.1.2 BloombergSen Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted from ss. 13.5(2)(b)(iii) of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations to permit one-time In-specie transactions between related pooled funds to facilitate internal reorganizations – relief subject to usual conditions, such as acceptability of portfolio assets to receiving fund, filer to keep written record of transfers, certain pricing conditions.

Applicable Legislative Provisions

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

November 27, 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
BLOOMBERGSEN INC.
(the Filer)

AND

IN THE MATTER OF
THE FUNDS
(as defined below)

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**) for an exemption from subparagraph 13.5(2)(b)(iii) of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**), which prohibits a registered adviser from knowingly causing an investment portfolio managed by it, including an investment fund for which it acts as an adviser to purchase or sell a security from or to the investment portfolio of an investment fund for which a "responsible person" acts as an adviser (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 each province and territory of Canada.

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102, NI 31-103, or in the *Securities Act* (Ontario) have the same meaning if used in this decision, unless otherwise defined.

Representations

Filer

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

2. The Filer is registered in the categories of investment fund manager, portfolio manager and exempt market dealer in Ontario, in the categories of investment fund manager and exempt market dealer in Québec, Newfoundland and Labrador, and in the category of exempt market dealer in Alberta, British Columbia, Manitoba, and New Brunswick.

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

4. The Filer is the investment fund manager and portfolio adviser of the Funds (as defined below).

The Partners Fund

5. BloombergSen Partners Fund LP (Ontario) (the **Partners Fund**) is a limited partnership established under the laws of the Province of Ontario pursuant to a limited partnership agreement.

6. The current investment objective of the Partners Fund is to achieve long-term capital appreciation through investments primarily in equity-based securities.

7. Securities of the Partners Fund are offered for sale in any jurisdiction in Canada pursuant to prospectus exemptions under National Instrument 45-106 *Prospectus Exemptions* (**NI 45-106**).

8. The Partners Fund is an investment fund for the purposes of the Legislation but is not a reporting issuer in any jurisdiction of Canada.

The Partners Trust

9. BloombergSen Partners Trust (Ontario) (the **Partners Trust**) is a trust established under the laws of the Province of Ontario pursuant to a Declaration of Trust.

10. The current investment objective of the Partners Trust is to invest all its capital in the Partners Fund as a feeder fund of the Partners Fund.

11. Securities of the Partners Trust are offered for sale in any jurisdiction in Canada pursuant to prospectus exemptions under NI 45-106.

12. The Partners Trust is an investment fund for the purposes of the Legislation but is not a reporting issuer in any jurisdiction of Canada.

The Canadian Master Fund

13. BloombergSen Canadian Master Fund LP (the **Canadian Master Fund**) is a limited partnership established under the laws of the Province of Ontario pursuant to a limited partnership agreement.

14. The current investment objective of the Canadian Master Fund is to achieve long-term capital appreciation through investments primarily in equity-based securities.

15. Securities of the Canadian Master Fund are offered for sale in any jurisdiction in Canada pursuant to prospectus exemptions under NI 45-106.

16. The Canadian Master Fund is an investment fund for the purposes of the Legislation but is not a reporting issuer in any jurisdiction of Canada. Currently there are only two limited partners (investors) in the Canadian Master Fund and both are related to the Filer.

The Master Fund

17. BloombergSen Master Fund LP (the **Master Fund**) is an exempted limited partnership established under the Cayman Islands pursuant to an exempted limited partnership agreement.

18. The Master Fund is an investment fund for the purposes of the Legislation but is not a reporting issuer in any jurisdiction in Canada.

19. The stated investment objective of the Master Fund is to achieve long-term capital appreciation through investments primarily in equity-based securities.

The Reorganization

20. The Filer wishes to amend the investment objective of the Partners Trust so it becomes a feeder fund to the Master Fund instead of a feeder fund to the Partners Fund (the **Reorganization**).

21. The Filer is proposing that the Reorganization is best executed by way of an In-specie transaction (the **Partners Fund In-Specie Transfer**) pursuant to which the Partners Trust will redeem securities from the Partners Fund at net asset value and subscribe for securities from the Master Fund at net asset value. As consideration, the Partners Fund will transfer the equivalent amount of its portfolio securities and cash to the Master Fund.

22. The Partners Fund In-Specie Transfer will settle the obligation between the Partners Fund to the Partners Trust for its redemption of the Partners Fund securities and will also settle the obligation between the Partners Trust to the Master Fund for its subscription of the Master Fund securities.

23. There will be no changes to the investment objective and strategies of the Partners Trust as a result of this Reorganization, other than that the Partners Trust will seek to achieve its investment objective by investing through the Master Fund rather than through the Partners Fund. The investment objective of the Master Fund is the same as the Partners Fund and the two funds are substantially invested in the same securities at all times.

24. The Filer also considers the Partners Fund In-Specie Transfer to be the most efficient and cost-effective way to effect the Reorganization.

Winding down of Canadian Master Fund (the "Wind down")

25. The Filer wishes to wind down the Canadian Master Fund (the **Wind Down**) and transfer its assets to Master Fund.

26. The Filer is proposing that the winding down of the Canadian Master Fund is best executed by way of an In-specie transaction pursuant to which the existing limited partners (investors) will redeem the securities of the Canadian Master Fund at net asset value and subscribe for the equivalent amount of securities of the BloombergSen American Dollar Fund LP (the **Canadian Feeder Fund,** and together with the Partners Fund, the Partners Trust, the Canadian Master Fund and the Master Fund, the **Funds**, and each of them is a **Fund**), which is a feeder fund for the Master Fund. As consideration, the Canadian Master Fund will transfer its portfolio securities to the Master Fund (the **Canadian Master Fund In-Specie Transfer**, and, together with the Partners Fund In-Specie Transfer, the **In-Specie Transfers**).

27. The Canadian Master Fund and the Master Fund have the same investment objective and are substantially invested in the same equities at all times.

28. The Canadian Master Fund In-Specie Transfer will settle the obligation between the Canadian Master Fund to the limited partners (investors) for the redemption in connection with the Wind-Down and will also settle the obligation between the limited partners to the Canadian Feeder Fund for the subscription of that Fund's securities.

29. The Filer considers the Canadian Master Fund In-Specie Transfer to be the most efficient and cost-effective way for the Canadian Master Fund to be wound down and to allow its existing limited partners (investors) to subscribe into another structure to achieve the same investment objective and strategy.

Generally

30. As the portfolio advisor to the Funds, the Filer is a "responsible person" for each of the Funds, as that term is defined in NI 31-103. As a result, without the Requested Relief, the Filer would be precluded from effecting the In-Specie Transfers.

31. The Master Fund will, at the time of transfer in securities, be permitted to accept the portfolio securities of the Partners Fund and the Canadian Master Fund being transferred.

32. The portfolio securities of the Partners Fund and the Canadian Master Fund are acceptable to the Filer as the portfolio adviser of the Master Fund acquiring the portfolio securities and are consistent with the investment objectives of the Master Fund.

33. In the case of the Partners Fund In-Specie Transfer, the portfolio securities will be transferred to the Master Fund on a pro-rata basis, consistent with their relative allocations within the Partners Fund's portfolio.

34. None of the portfolio securities being transferred to the Master Fund under the In-Specie Transfers will be "illiquid assets" as that term is defined in National Instrument 81-102 *Investment Funds*.

35. The value of the portfolio securities of the Partners Fund and the Canadian Master Fund will be equal to the issue price of the securities of the Master Fund for which they are consideration, valued as if the securities were portfolio assets of the Master Fund.

36. The Filer will keep written records of the transaction reflecting the details of the portfolio securities delivered to the Master Fund and the value assigned to such portfolio securities for a period of five years after the In-specie transactions.

37. The Filer will not receive any compensation in respect of the In-specie transactions and, in respect of the delivery of portfolio securities under the Reorganization, the only charge paid by the Partners Fund and the Canadian Master Fund may be a commission charged by the dealer executing the trade and/or any administrative charges levied by the prime broker or custodian.

38. In the circumstances, the In-Specie Transfers will lessen the market price impact of selling the portfolio securities of the Partners Fund or the Canadian Master Fund, respectively, and the purchase of those portfolio securities by the Master Fund. The transaction costs (i.e., general commissions and dealer transaction costs) of the In-Specie Transfers will be significantly lower than if those portfolio securities were purchased and sold in open-market transactions.

39. The In-Specie Transfers will be executed through the respective Funds' custodian, TD Securities Inc.

40. The proposed Reorganization represents the business judgment of a responsible person uninfluenced by considerations other than the best interests of the investment funds concerned.

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

Decision

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

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

(a) the Master Fund is permitted to accept the portfolio securities of the Partners Fund and the Canadian Master Fund being transferred under the In-Specie Transfers;

(b) the portfolio securities being transferred to the Master Fund are acceptable to the Filer as portfolio manager of the Master Fund and are consistent with the Master Funds' investment objectives;

(c) the portfolio securities transferred to the Master Fund under the In-Specie Transfers as purchase consideration for the Master Fund's securities (i) will be valued on the same valuation day on which the purchase price of the Master Fund's securities is determined, and (ii) will have a value that is at least equal to the issue price of the Master Fund's securities for which they are consideration, valued as if the portfolio securities were assets of the Master Fund;

(d) the account statement next prepared for the Funds will include a note describing the securities delivered to the Master Fund and the value assigned to such securities;

(e) the Filer keeps written records of all In-specie transactions during the financial year, reflecting details of the securities delivered to the Master Fund and the value assigned to such securities, for five years after the end of the financial year, the most recent two years in a reasonably accessible place;

(f) the Filer does not receive any compensation in respect of any sale of securities and, in respect of any delivery of securities further to the In-Specie Transfers, the only charge paid by the Funds, may be a commission charged by the dealer executing the trade and/or any administrative charges levied by the prime broker or custodian; and

(g) the Filer's board of directors determines the In-Specie Transfers are in the best interests of the Funds prior to effecting them.

"Neeti Varma"
Acting Manager
Investment Funds and Structured Products
Ontario Securities Commission

2.1.3 Fiera Capital Corporation

Headnote

Policy Statement 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Exemption granted from the requirement in item 5 of Form 31-103F1 Calculation of Excess Working Capital that long-term related party debt of a registered firm be included in the adjusted current liabilities of the firm, unless a subordination agreement has been entered into in respect of such debt, in calculating its excess working capital required under section 12.1 of NI 31-103 – Relief subject to certain conditions.

Applicable Legislative Provisions

National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, s. 12.1.
Québec Securities Act, ss. 263 (Dual application) and 296 (Coordinated review).

December 4, 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
FIERA CAPITAL CORPORATION
(the "Filer")

DECISION

Background

The securities regulatory authority or regulator in Québec and Ontario (the "Dual Exemption Decision Makers") have received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the "Legislation") exempting the Filer from the requirement in item 5 of Form 31-103F1 *Calculation of Excess Working Capital* ("Form 31-103F1") that long-term related party debt of a registered firm be included in the adjusted current liabilities of the firm, unless a subordination agreement ("Subordination Agreement") has been entered into in respect of such debt, in calculating its excess working capital required under section 12.1 of *Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("Regulation 31-103") (the "Exemption Sought").

Furthermore, the securities regulatory authority or regulator in Québec and Ontario (the "Coordinated Decision Makers") have received an application from the Filer that certain parts of the Application and the credit documentation provided to the Coordinated Decision Makers (the "Confidential Information") be declared inaccessible and not made available to the public (the "Confidentiality Request").

On April 24, 2015, the Autorité des marchés financiers ("AMF"), as the principal regulator, and the Ontario Securities Commission ("OSC") granted the Exemption Sought to the Filer for the first time (the "First Decision").

One of the conditions of the First Decision is that it terminates on April 24, 2020. The Borrowers and Lenders (as defined below) have recently amended the terms of the 2017 Fourth Amended and Restated Credit Agreement (as defined below), and as a result, the term of the loan was extended to June 30, 2022. The Filer is now applying for the Exemption Sought a second time.

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

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

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

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

(d) the decision evidences the decision of each Coordinated Decision Maker.

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.

Representations

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

1. The Filer is a corporation formed under the laws of Ontario and a reporting issuer in all provinces of Canada. Its Class A Subordinate Voting Shares ("Class A Shares") are listed on the Toronto Stock Exchange (the "TSX") under the symbol FSZ. The Filer's head office is located in Montreal.

2. The Filer is registered in all provinces and territories of Canada in the categories of portfolio manager and exempt market dealer. The Filer is also registered in Québec, Ontario and Newfoundland and Labrador in the category of investment fund manager, in Manitoba in the category of adviser under *The Commodity Futures Act* (Manitoba), in Ontario in the categories of commodity trading manager and in Québec in the category of derivatives portfolio manager.

3. The share capital of the Filer is comprised of two classes of shares: Class A Shares and Class B Special Voting Shares ("Class B Shares"). Both classes of shares entitle holders thereof to one vote per share, except in the case of a vote related to the election of directors of the Filer. In such case, holders of Class A Shares are entitled, voting separately as a class, to elect one-third of the directors of the Filer and holders of Class B Shares are entitled, voting separately as a class, to elect two-thirds of the directors of the Filer.

4. As at June 30, 2018, there were 19,412,401 Class B Shares and 77,156,102 Class A Shares outstanding, for a total of 96,568,503 outstanding shares of the Filer.

5. As at June 30, 2018, National Bank of Canada ("NBC"), indirectly through its wholly-owned subsidiaries, owns approximately 22.79% of the Filer's outstanding Class A shares which represents approximately 18.21% of the total outstanding shares of the Filer.

6. On December 21, 2017, the Filer completed bought deal public offerings of approximately $169 million in total gross proceeds, including the exercise in full of the underwriters' overallotment options (the "Offerings"), by way of a short form prospectus dated December 15, 2017. Following the closing of the Offerings, NBC's beneficial ownership in the Filer fell below 20% of all issued and outstanding Class A Shares and Class B Shares calculated on a non-diluted basis. As a result, the investor rights agreement entered into on April 2, 2012 between the Filer and NBC terminated and NBC no longer has the right to designate two appointees to the Filer's board of directors. However, to ensure continuity of the relationship between the two organisations, the Filer's management has decided to continue to propose an officer of NBC, Martin Gagnon, to the Filer's board of directors. Martin Gagnon was elected as director at the Filer's annual and special meeting of shareholders held on June 7th, 2018. Notwithstanding the foregoing changes in NBC's position in the Filer, the Filer has determined that NBC is a "related party" as defined under part I of the CPA Handbook.

7. As at June 30, 2018, Desjardins Financial Holding Inc., an indirect wholly-owned subsidiary of one of the Lenders (as defined below), Fédération des caisses Desjardins du Québec ("Desjardins"), indirectly owns approximately 37.20% of the outstanding Class B Shares representing approximately 7.52% of the Filer's outstanding shares and, through a unanimous shareholders agreement between it and Arvestia Inc. (the two shareholders of Fiera Holdings Inc. ("Fiera Holdings"), who in turn is the general partner of Fiera Capital L.P., the only holder of Class B Shares), proposed for election two of the current eight directors of the Filer that the holders of Class B Shares are entitled to elect. The Filer has determined that Desjardins is also a "related party" as defined under part I of the CPA Handbook.

8. A credit agreement dated March 30, 2012 was entered into among the Filer, NBC (as lender and administrative agent), Bank of Montreal ("BMO") and the Caisse centrale Desjardins ("CcD"), which has since then, amalgamated with and become Desjardins, under the terms of which senior unsecured credit facilities in the aggregate amount of Cdn$118,000,000 were made available to the Filer (the "Original Credit Agreement").

9. The Original Credit Agreement was negotiated in the context of the Filer acquiring the business and assets of Natcan Investment Management Inc., a wholly-owned subsidiary of NBC ("Natcan"). The Filer required capital to purchase these assets and the loans obtained through the Original Credit Agreement and this was the best option available to the Filer at that time. Prior to the Filer's acquisition of substantially all of the assets of Natcan's investment management services business, NBC and the Filer were not related parties. The Filer financed this acquisition in part by way of debt and in part by way of the issuance to Natcan of Class A Shares representing 35% of the issued and outstanding shares of the Filer. It is only once the issuance of those shares was completed that the Filer and NBC, as a shareholder of Natcan, became related parties. Therefore, NBC was not a related party of the Filer at the time, and although Desjardins might have been, the Original Credit Agreement was negotiated between the Filer and the lenders thereunder under commercially reasonable terms for parties dealing at arm's length.

10. The Original Credit Agreement was amended and restated as of January 31, 2013 pursuant to the first amended and restated credit agreement entered into among the Filer, NBC, CcD, BMO and The Bank of Nova Scotia ("BNS") to increase the principal amount of the revolving facility to Cdn$20,000,000 and increase the principal amount of the term facility to Cdn$180,000,000 (the "2013 First Amended and Restated Credit Agreement").

11. The 2013 First Amended and Restated Credit Agreement was amended and restated as of October 31, 2013 pursuant to the second amended and restated credit agreement entered into among the Filer, NBC, CcD, BMO, BNS and Royal Bank of Canada ("RBC") with NBC acting as administrative agent, in order to, among other things, increase the principal amount of the revolving facility to Cdn$75,000,000 and reduce the principal amount of the term facility to Cdn$175,000,000 (the "2013 Second Amended and Restated Credit Agreement").

12. The 2013 Second Amended and Restated Credit Agreement was amended and restated as of June 26, 2015 pursuant to the third amended and restated credit agreement entered into among the Filer and Fiera US Holding Inc. ("Fiera US" and collectively with the Filer, the "Borrowers") and NBC, CcD, BMO, BNS, RBC and The Toronto-Dominion Bank ("TD"), with NBC acting as administrative agent, in order to, among other things, add Fiera US as a borrower, increase the principal amount of the revolving facility to Cdn$300,000,000, and terminate the term facility (the "2015 Third Amended and Restated Credit Agreement").

13. The 2015 Third Amended and Restated Credit Agreement was amended and restated as of May 31, 2016 pursuant to the fourth amended and restated credit agreement entered into among the Borrowers and NBC, CcD, BMO, BNS, RBC and TD, with NBC acting as administrative agent in order to, among other things, make available to the Filer a new non-revolving term loan in the principal amount of US$125,000,000, as further amended on July 27, 2017 to increase the amount of the revolving facility from Cdn$300,000,000 to Cdn$350,000,000, and as further amended as of December 5, 2017 in connection with certain of the financial covenants of the Borrowers in relation to the Offerings (the "2017 Fourth Amended and Restated Credit Agreement").

14. The 2017 Fourth Amended and Restated Credit Agreement was amended and restated as of May 28, 2018 pursuant to the fifth amended and restated credit agreement entered into among the Borrowers and NBC, CcD, BMO, BNS, RBC, TD and Canadian Imperial Bank of Commerce ("CIBC" and collectively with NBC, CcD, BMO, BNS, RBC, and TD, "Lenders"), with NBC acting as administrative agent, in order to, and among other things, increase the principal amount of the revolving facility to Cdn$600,000,000, and terminate the existing term facility (the "Credit Agreement").

15. According to the First Decision, the first Exemption Sought applies to any amendment to the 2013 Second Amended and Restated Credit Agreement, including any renewal, extension or increase in the principal amount made available under the credit facilities that take place after the date of the First Decision and up until April 24, 2020, provided that the terms reflect current market practice at the time and that the conditions set forth in the First Decision are respected.

16. The 2015 Third Amended and Restated Credit Agreement, the 2017 Fourth Amended and Restated Credit Agreement and Credit Agreement reflect current market practice and the conditions set forth in the First Decision were respected, and therefore, the First Decision applies to them.

17. Under the terms of the Credit Agreement, a revolving facility in the principal amount of Cdn$600,000,000 was made available to the Borrowers (the "Revolving Facility"). As part of the Revolving Facility, and not in addition thereto, a Canadian swingline facility (the "Canadian Swingline") in the amount of Cdn$10,000,000, and a US swingline facility (the "US Swingline" and together with the Canadian Swingline, the "Swingline Facilities") in the amount of US$5,000,000 were also made available to the Borrowers.

18. The purpose of the Revolving Facility is to :

    (a) finance the general corporate purposes of the Borrowers and their wholly-owned subsidiaries;

(b) finance in part the direct and indirect acquisitions completed by the Filer (the "Acquisitions"); and

(c) refinance the term loans under the 2017 Fourth Amended and Restated Credit Agreement.

19. The purpose of the Swingline Facilities is to enable the Borrowers to have access to credit without the same formalities as those applicable to a drawdown under the Revolving Facility, by simply writing cheques on its accounts and making transfers from its accounts, up to the aggregate amount of Cdn$10,000,000 and US$5,000,000. This is customary in most revolving facilities and acts as a credit line would. The Swingline Facilities are part of NBC's commitment under the Revolving Facility, but are subject to redistribution among the other Lenders such that ultimately the risk associated with the Swingline Facilities are borne by all Lenders in accordance with the pro rata share of the Revolving Facility set forth in the Credit Agreement.

20. As at June 30, 2018 the principal amount outstanding under the Credit Agreement was Cdn$ $389,216,202. This amount was incurred primarily in connection with the financing of the recent Acquisitions made by the Borrowers, or their subsidiaries.

21. The book value of these Acquisitions as at June 30, 2018 is estimated at Cdn$962,826,134 which is Cdn$573,609,932 more than the principal amount outstanding under the Credit Agreement.

22. Because of the revolving nature of the Revolving Facility and because the Borrowers have regularly made repayments of amounts that had been borrowed for past Acquisitions, the Borrowers have at times drawn-down on the Credit Agreement in order to provide working capital and fund the ongoing operations of the Borrowers. However, the funding of the Acquisitions remains the primary purpose of the Credit Agreement and the Borrowers would not have needed to enter into any of the Credit Agreements had they not made the Acquisitions. The Filer has demonstrated that the total cash paid for Acquisitions since 2012 is significantly greater than the current principal amount outstanding under the Credit Agreement.

23. The term for the Revolving Facility is June 30, 2022, at which time the Borrowers are obliged to repay, the entire amount of the loan outstanding on such date.

24. However, on a yearly basis, the Borrowers may request an extension of the Revolving Facility for an additional one (1) year period, by giving an extension request to the administrative agent (NBC) for delivery to each Lender between April 1 and April 30. Within thirty (30) days from the date that the extension request is received by the administrative agent, each Lender shall notify the administrative agent of its decision whether or not to extend the Revolving Facility by a one (1) year period.

25. If the Lenders unanimously elect to extend the Revolving Facility, then the Revolving Period shall be extended for an additional one (1) year period. If a percentage of Lenders representing in the aggregate less than the Majority Lenders (as defined below) have elected to extend the Revolving Facility, then the Revolving Facility shall terminate on the last day of the term then in effect. If a percentage of Lenders representing in the aggregate the Majority Lenders (as defined below), or more, the term of the Revolving Facility shall be extended for the Lenders who have agreed to extend same. Also, in those circumstances, the Borrowers shall have the option within 120 days from the date on which the administrative agent has confirmed which of the Lenders has agreed to extend the Revolving Facility to (i) require that the Lenders who have chosen not to extend the Revolving Facility (the "Non-Extending Lenders") assign their commitment under the Revolving Facility to another person, (ii) cancel the commitment under the Revolving Facility of the Non-Extending Lender, or (iii) with respect to the commitments under the Revolving Facility which have not been assigned or cancelled as contemplated above, that the term of such commitments remain the same as the term then in effect for the Revolving Facility.

26. In addition, the Borrowers may at any time, voluntarily repay the whole or any part of the loans without penalty or premium. Any repayment of loans made under the Revolving Facility may be re-borrowed by the Borrowers at any time, given the revolving nature of the Revolving Facility.

27. Except for the loans made under the Swingline Facilities, all repayments of any part of the loans must be made to the administrative agent (NBC) who shall forthwith distribute to each of the Lenders their rateable share of such repayments. The loans made under the Swingline Facilities are only repaid to NBC until such time as NBC, as administrative agent, requests that the other Lenders participate in the loans made under the Swingline Facilities up to their respective rateable shares, which it can do at any time. The Lenders each have a residual interest in the loans made under the Swingline Facilities as they may each have to purchase their proportionate share of such loan from NBC. Note that upon acceleration of the term of the Revolving Facility, such a redistribution of the loans under the Swingline Facilities are automatic and, therefore, as noted above, ultimately the risk associated with the Swingline Facilities is borne by all Lenders in accordance with their pro rata share of the Revolving Facility. As a result, NBC cannot have the Swingline Facilities repaid in preference to loans of the other Lenders.

28. The Credit Agreement is a typical syndicated credit agreement, negotiated at arm's length between the Borrowers and a group of financial institutions, each acting independently one from the other. Its terms and conditions are no different from what is typically seen on the market.

29. The Credit Agreement includes standard default provisions and standard remedies for such defaults, including declaring the whole or any part of the Revolving Facility to be cancelled and accelerating the maturity of all or any part of the loans thereunder.

30. As the Credit Agreement is a syndicated loan, NBC has been appointed as administrative agent under the Credit Agreement to oversee the day-to-day administration of the agreement and the loans. In its capacity as administrative agent, NBC cannot exercise any remedy further to the occurrence of any default on its own without first being instructed to do so by the Majority Lenders (as defined below), including demanding immediate repayment of the loans. To the extent that the administrative agent is notified of a default of the Borrowers, it can only take such action and assert such rights as it is instructed in writing by the Majority Lenders to take or assert. As is the case in any syndicated loan financing, NBC has no influence beyond that of any other Lender by sole reason of its role as administrative agent.

31. The "Majority Lenders" are defined as follows: if (i) there are two Lenders, both Lenders, (ii) there are more than two Lenders and at least 66⅔% of the Loans are due to one Lender or, if no Loans are then outstanding, the commitment of one Lender represents at least 66⅔% of the Revolving Facility, two Lenders representing at least 66⅔% of the Loans then outstanding or of the commitment of all the Lenders, as the case may be, and (iii) there are more than two Lenders and none of them is owed at least 66⅔% of the Loans or, if no Loans are then outstanding, the commitment of one Lender does not represent at least 66⅔% of the Revolving Facility, the Lenders to which at least 66⅔% of the Loans are due or, if no Loans are then outstanding, Lenders whose commitments represent at least 66⅔% of the Revolving Facility. The amount owed to NBC under the Revolving Facility (the "NBC Loan") and the amount owed to Desjardins under the Revolving Facility (the "Desjardins Loan") currently account, in the aggregate, for less than 66⅔% of the Revolving Facility.

32. Regardless of the composition of the syndicate of Lenders at any time, the definition of Majority Lenders would never permit NBC to make any decisions without at least one other Lender being in agreement with such decision. As the syndicate of Lenders currently exists, no decision of the Majority Lenders can be made without the votes of at least four of the Lenders, which means that neither NBC nor Desjardins may make decisions, alone or together, without two other Lenders also approving this decision.

33. Any amendment to the Credit Agreement can only be made with the consent of the Borrowers and the administrative agent, acting in accordance with the instructions of the Majority Lenders, or in the case of certain important provisions, with the consent of every Lender. Similarly, non-compliance by the Borrowers with any term of the Credit Agreement may only be waived by the Majority Lenders or all the Lenders, as the case may be, depending on the provision in question.

34. The Credit Agreement contains the framework within which the Lenders have agreed as a group to lend money to the Borrowers. Any deviation from that framework requires at a minimum, the consent of the Majority Lenders.

35. Section 12.1 of Regulation 31-103 requires that the Filer, as a registered firm, must ensure that it has excess working capital, as calculated using Form 31-103F1, that is greater than zero. Item 5 of Form 31-103F1 essentially provides that in determining a registered firm's excess working capital, the firm must include in its adjusted current liabilities all long-term related party debt, unless the firm and the lender have entered into a Subordination Agreement in the form set out in Appendix B to Regulation 31-103 with respect to such debt and delivered a copy of the agreement to the regulator. The notes included in Form 31-103F1 require that a registered firm refer to the definition of "related party" under part I in the CPA Handbook for publicly accountable enterprises when determining whether the firm has related parties.

36. The loans are not owed to a single related-party lender, but rather to a syndicate of Lenders. The Borrowers cannot choose to repay a single Lender and no single Lender can demand payment of its loans owing under the Revolving Facility. Any repayment made by the Borrowers will be applied proportionately between the Lenders. Consequently, neither NBC nor Desjardins can demand repayment of only its portion of the loans made under the Revolving Facility.

37. The Lenders are sophisticated institutions and they would not be influenced by any other Lender to make loans on terms which would not be commercially acceptable to them for the benefit of Lenders who may be related parties to the borrower. The seven Lenders under the Credit Agreement are some of the most prominent financial institutions in Canada and the decision to enter into the Credit Agreement was closely examined by competent and informed individuals or a committee formed of such individuals who would not permit the loans to unduly benefit one Lender over the others. Such diligent, arm's length oversight also applies to any decision each of the Lenders needs to make under the terms of the Credit Agreement while the Revolving Facility is in place.

38. In light of the way decisions must be made by the syndicate of Lenders under the Credit Agreement, NBC, (whether as a Lender or as administrative agent) is not in a position to make any decision on its own, other than the day-to-day administration of the loans. Any important decision (including acceleration of maturity following an event of default) must be made by the Majority Lenders, which means that NBC and Desjardins may not make decisions, alone or together, without at least one other Lender approving this decision. None of the other Lenders would approve any such decision unless it thought it best for such Lender.

39. The Filer believes that because decisions are made at a minimum by the Majority Lenders (currently, a minimum of four Lenders) and because the Majority Lenders together are not a related party of the Filer, it is reasonable to consider that the loans under the Credit Agreement are not structured as typical related party debt, (within the meaning intended by the Canadian Securities Administrators (CSA) for that expression to have in Form 31103F1), do not present the public policy concerns that the CSA has in respect of typical related party debt, and hence it is reasonable to grant the Exemption Sought.

40. The requirement to add the NBC Loan and the Desjardins Loan to item 5 of Form 31103F1 fails to take into account the fact the NBC Loan and the Desjardins Loan and all of the other loans made under the Credit Agreement:

    (a) arose primarily in connection with the financing of long-term Acquisitions; and

    (b) are more than offset by the Cdn$962,826,134 of long-term Acquisitions acquired through the Filer's recent acquisitions.

41. In the absence of the Exemption Sought and since the Filer cannot avail itself of the option to enter into a Subordination Agreement with NBC or Desjardins in respect of the amount of the NBC Loan and of the Desjardins Loan, in order to comply with Regulation 31-103, the Filer would be in breach of Regulation 31-103. Furthermore, any change to the structure of the financing would be detrimental to the Filer.

Decision

Each of the principal regulator and the securities regulatory authority or regulator in Ontario is satisfied that the decision meets the test set out in the Legislation to make the Decision.

The decision of the Dual Exemption Decision Makers under the Legislation is that the Exemption Sought is granted, subject to the following conditions:

i. except for decisions which can be made by NBC as administrative agent in accordance with the Credit Agreement, all decisions under the Credit Agreement will require at least one Lender who is not a related party (as defined under part I of the CPA Handbook) of the Filer;

ii. the Credit Agreement will not be amended to expand the scope of decisions which the administrative agent may currently make acting as such pursuant to the Credit Agreement, to decisions which, to be made, currently require at least one Lender who is not a related party (as defined under part I of the CPA Handbook) of the Filer;

iii. on or before March 31st of each year, the Filer will file with its principal regulator a notice with the following information, as at December 31st of each preceding year:

    A. the principal amount outstanding under the Credit Agreement;

    B. the pro-rata share by each Lender of the commitments and loans under the Credit Agreement; and

    C. the value of the Acquisitions made using funds from the Credit Agreement; and

iv. 10 days after the amendment and restatement of the Credit Agreement the Filer will deliver to the principal regulator a written notice of the significant changes to the Credit agreement;

v. in the event that the aggregate value of the NBC Loan and Desjardins Loan exceeds the aggregate value of the long term Acquisitions related to loans made under the Credit Agreement, then NBC and Desjardins will be asked to enter into Subordination Agreements for their share of such excess amount and the Filer will deliver these Subordination Agreements to its principal regulator within the prescribed due date by section 12.2 of Regulation 31-103 or, failing such, such excess amount will be added to item 5 of Form 31-103F1 by the Filer.

This decision shall apply to any amendment to the Credit Agreement, including, any renewal, extension or increase in the principal amount made available under the Facilities that takes place after the date of this decision, provided that the terms reflect current market practices at that time and that the conditions set forth above are respected.

This decision, except for the Confidentiality Request, shall terminate on the day that is five years after the date of this decision.

“Frédéric Pérodeau”
Surintendant de l’assistance aux clientèles et de l’encadrement de la distribution

Furthermore, the decision of the Coordinated Decision Makers is that the Confidentiality Request is granted until the date that the Filer advises its principal regulator that there is no longer any need for Confidential Information to remain inaccessible.

“Benoit Longtin”
Secrétariat général adjoint

2.1.4 Caldwell Investment Management Ltd.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted from sections 2.5(2)(a) and 2.5(2)(c) of National Instrument 81-102 Investment Funds to permit mutual funds to invest up to 10% of net asset value in inverse ETFs traded on Canadian or U.S. stock exchanges.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 2.5(2)(a), 2.5(2)(c), 19.1.

November 7, 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
CALDWELL INVESTMENT MANAGEMENT LTD.
(CIM)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from CIM on behalf of the Tactical Sovereign Bond Fund (the **Fund**), for a decision under the securities legislation of the principal regulator (the **Legislation**), exempting the Fund from paragraphs 2.5(2)(a) and 2.5(2)(c) of National Instrument 81-102 *Investment Funds* (**NI 81-102**) to permit the Fund to invest in securities of exchange-traded funds (**ETFs**) that seek to provide daily results that replicate the daily performance of a specified widely-quoted index (**Underlying Index**) by an inverse multiple of up to 100%, which are traded on a stock exchange in Canada or the United States and do not qualify as "index participation units" (**IPUs**) (as defined in NI 81-102) (each, a **Underlying ETF** and collectively, the **Underlying ETFs**) (the **Exemption Sought**).

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

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

(b) CIM 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 all of the other provinces (other than Québec) and territories of Canada other than the Jurisdiction (together with the Jurisdiction, the **Jurisdictions**).

Interpretation

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

Canadian Underlying ETF means an Underlying ETF the securities of which are traded on a recognized exchange in Canada.

U.S. Underlying ETF means an Underlying ETF the securities of which are traded on a recognized exchange in the U.S.

Representations

The decision is based on the following facts represented by CIM:

CIM

1. CIM is a corporation existing under the laws of the Province of Ontario with its head office located in Toronto, Ontario.

2. CIM is the trustee, manager, promoter and portfolio manager of the Fund and is registered in the categories of: (a) investment fund manager in the Provinces of Alberta, British Columbia, Manitoba, Ontario, Québec, Newfoundland and Labrador and Saskatchewan and (b) portfolio manager in the Provinces of Alberta, British Columbia, Manitoba, Ontario, Québec and Saskatchewan.

3. CIM and the Fund are not in default of securities legislation in any of the Jurisdictions.

The Fund

4. The Fund is a mutual fund organized and governed by the laws of the Province of Ontario and is a reporting issuer in all of the Jurisdictions.

5. The Fund distributes its securities pursuant to a simplified prospectus, annual information form and fund facts pursuant to National Instrument 81-101 – *Mutual Fund Prospectus Disclosure* (**NI 81-101**) and Form 81-101F1 – *Contents of Simplified Prospectus* and Form 81-101F2 – *Contents of Annual Information Form*, respectively, and is governed by the applicable provisions of NI 81-102, subject to any relief therefrom granted by the securities regulatory authorities.

6. The Fund is subject to National Instrument 81-107 – *Independent Review Committee for Investment Funds* (**NI 81-107**).

7. The Fund may, from time to time, wish to invest up to 10% of its net asset value (**NAV**) in one or more Underlying ETFs in accordance with its investment objectives.

Underlying ETFs

8. Each Underlying ETF is, or will be, an exchange-traded fund traded on an exchange in Canada or the United States.

9. Each Underlying ETF will generally be rebalanced daily to ensure that its performance and exposure to its Underlying Index will not exceed 100% of the corresponding daily performance of its Underlying Index.

10. The securities of an Underlying ETF will not meet the definition of IPU in NI 81-102 because the purpose of the Underlying ETF will not be to:

    (a) hold the securities that are included in a specified widely quoted market index in substantially the same proportion as those securities are reflected in that index; or

    (b) invest in a manner that causes the Underlying ETF to replicate the performance of that index.

11. An investment by the Fund in securities of an Underlying ETF will represent the business judgement of responsible persons uninfluenced by considerations other than the best interests of the Fund.

12. Any regulatory concerns, such as undue risk, liquidity concerns or lack of transparency, in connection with investing in the Underlying ETFs are mitigated by the following facts:

    (a) The Underlying ETFs trade, or will trade, on a Canadian or U.S. exchange and are, or will be, generally relatively liquid. The Underlying ETFs will either be “registered” investment companies in the United States or reporting issuers in one or more jurisdictions in Canada, which means that there will be clear disclosure about the Underlying ETFs readily available in the marketplace.

    (b) The amount of loss that can result from an investment by a Fund in an Underlying ETF will be limited to the amount invested by the Fund in securities of the Underlying ETF.

    (c) Investments by the Fund in Underlying ETFs will be very limited as no more than 10% of the NAV of the Fund may be invested in a combination of Underlying ETFs taken at market value at the time of purchase.

(d) The simplified prospectus of the Fund will disclose the next time it is renewed: (i) in the investment strategy section: (A) that the Fund has obtained relief to invest in securities of the Underlying ETFs and (B) an explanation of what each type of Underlying ETFs is and (ii) the risks associated with such investments and strategies.

13. The Fund will not pay any management or incentive fees which, to a reasonable person, would duplicate a fee payable by an Underlying ETF for the same service.

14. Absent the Exemption Sought, an investment by the Fund in an Underlying ETF would be prohibited by (a) paragraph 2.5(2)(a) of NI 81-102 because the Underlying ETFs do not offer securities under a simplified prospectus in accordance with NI 81-101 and (b) in the case of the U.S. Underlying ETFs, are not subject to NI 81-102.

The Canadian Underlying ETFs

15. Securities of each Canadian Underlying ETF are, or will be:

(a) distributed pursuant to a long form prospectus prepared pursuant to National Instrument 41-101 – *General Prospectus Disclosure* and Form 41-101F2 – *Information Required in an Investment Fund Prospectus*; and

(b) listed on the Toronto Stock Exchange or another "recognized exchange" in Canada, as that term is defined in the *Securities Act* (Ontario) (the **Act**).

16. Each Canadian Underlying ETF is, or will be, a reporting issuer in one or more of the Jurisdictions.

17. Each Canadian Underlying ETF is, or will be, subject to NI 81-107 in respect of conflict of interest matters to which NI 81-107 applies.

The U.S. Underlying ETFs

18. Each U.S. Underlying ETF is, or will be, a publicly offered mutual fund subject to the United States *Investment Company Act of 1940* (the **Investment Company Act**).

19. Absent the Exemption Sought, an investment by the Fund in a U.S. Underlying ETF would be prohibited by paragraph 2.5(2)(c) of NI 81-102 because such U.S. Underlying ETF is not a reporting issuer in the local jurisdiction.

20. CIM submits that having the option to allocate a limited portion of the Fund's assets to U.S. Underlying ETFs will assist the Fund in seeking to meet its investment objectives, will increase diversification opportunities and improve the Fund's overall risk/reward profile.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision. The decision of the principal regulator under the Legislation is that the Exemption Sought is granted, provided that:

(a) the investment by the Fund in securities of an Underlying ETF is in accordance with the fundamental investment objectives of the Fund;

(b) the securities of each Underlying ETF are traded on a recognized exchange in Canada or the United States;

(c) the Fund does not purchase securities of an Underlying ETF if, immediately after the transaction, more than 10% of the NAV of the Fund in aggregate, taken at market value at the time of the transaction, would consist of securities of Underlying ETFs (which for greater certainty shall include alternative mutual funds (as defined in the amendments to NI 81-102 which were published on October 4, 2018));

(d) the Fund does not purchase securities of an Underlying ETF or sell any securities short if, immediately after the transaction, the Fund's aggregate market value exposure represented by all such securities purchased and securities sold short would exceed 20% of the NAV of the Fund, taken at market value at the time of the transaction; and

(e) the simplified prospectus of the Fund will disclose the next time it is renewed following the date of this decision,

(i) in the investment strategy section:

(A) that the Fund has obtained relief to invest in securities of the Underlying ETFs and;

(B) an explanation of what each type of Underlying ETF is; and

(ii) the risks associated with such investments and strategies.

"Neeti Varma"
Acting Manager
Investment Funds and Structured Products Branch
Ontario Securities Commission

2.2 Orders

2.2.1 Larry Lee – ss. 127(1), 127(10)

FILE NO.: 2018-58

IN THE MATTER OF
LARRY LEE

Timothy Moseley, Vice-Chair and Chair of the Panel

December 4, 2018

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

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

ON READING the settlement agreement entered into between the Executive Director of the British Columbia Securities Commission (**BCSC**) and Mr. Lee on July 31, 2018, and the order of the BCSC dated July 31, 2018, and on reading the materials filed by Staff and Mr. Lee;

IT IS ORDERED THAT:

1. pursuant to paragraphs 2 and 2.1 of subsection 127(1) of the Act, Mr. Lee be permanently prohibited from trading in any securities or derivatives, and from acquiring any securities, except that he may trade securities or derivatives, and may acquire securities, for his own account (including one RRSP account, one TFSA account and one RESP account) through a registered dealer who has been provided with a copy of this order;

2. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law shall not apply to Mr. Lee permanently;

3. pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act, Mr. Lee resign any positions he holds as a director or officer of any issuer or registrant;

4. pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act, Mr. Lee be prohibited permanently from becoming or acting as a director or officer of any issuer or registrant; and

5. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Mr. Lee be prohibited permanently from becoming or acting as a registrant or promoter.

“Timothy Moseley”

2.2.2 Brandywine Global Investment Management, LLC et al. – s. 80 of the CFA

Headnote

Foreign adviser exempted from the adviser registration requirement in section 22(1)(b) of the *Commodity Futures Act* (Ontario) in order to act as:

1) an adviser in respect of commodity futures contracts and commodity futures options for certain institutional investors in Ontario – Clients meet the definition of "permitted client" in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* – Contracts and options are primarily traded on commodity futures exchanges outside of Canada and primarily cleared outside of Canada; and

2) a sub-adviser in respect of commodity futures contracts and commodity futures options for principal advisers registered under the *Commodity Futures Act* (Ontario).

Terms and conditions on exemption correspond to the relevant terms and conditions on the comparable exemption from the adviser registration requirement available to:

1) international advisers in respect of securities set out in section 8.26 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*; and

2) sub-advisers with a head office or principal place of business in a foreign jurisdiction in respect of securities set out in section 8.26.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*.

Exemption also subject to a five-year "sunset clause" condition.

Applicable Legislative Provisions

Commodity Futures Act, R.S.O. 1990, c. C.20. as am., ss. 1(1), 22(1)(b), 80.
Securities Act, R.S.O. 1990, c. S.5, as am., s. 25(3).
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 1.1, 8.26, 8.26.1.

Applicable Order

In the Matter of Brandywine Global Investment Management LLC, dated February 15, 2013, (2013) 36 OSCB 2036.

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

AND

IN THE MATTER OF
BRANDYWINE GLOBAL INVESTMENT MANAGEMENT, LLC

AND

BRANDYWINE GLOBAL INVESTMENT MANAGEMENT (CANADA), ULC

AND

MACKENZIE FINANCIAL CORPORATION

ORDER
(SECTION 80 OF THE CFA)

UPON the application (the **Application**) of Brandywine Global Investment Management, LLC (**BGIM LLC**), Brandywine Global Investment Management (Canada), ULC (**BGIM Canada**), and Mackenzie Financial Corporation (**Mackenzie**) to the Ontario Securities Commission (the **Commission**) for an order pursuant to section 80 of the CFA exempting BGIM LLC and any individuals engaging in, or holding themselves out as engaging in, the business of advising BGIM Canada, Mackenzie and others on BGIM

LLC's behalf (the **Representatives**), for a specified period of time, from the adviser registration requirement in paragraph 22(1)(b) of the CFA, subject to certain terms and conditions;

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

AND WHEREAS for the purposes of this Order:

"CFA Adviser Registration Requirement" means the requirement in paragraph 22(1)(b) of the CFA that prohibits a person or company from acting as an adviser with respect to trading in Contracts unless the person or company is registered in the appropriate category of registration under the CFA;

"CFTC" means the United States Commodity Futures Trading Commission;

"Contract" has the meaning ascribed to that term in subsection 1(1) of the CFA;

"Foreign Contract" means a Contract that is primarily traded on one or more organized exchanges that are located outside of Canada and primarily cleared through one or more clearing corporations that are located outside of Canada;

"International Adviser Exemption" means the exemption set out in section 8.26 of NI 31-103 from the OSA Adviser Registration Requirement (as defined below);

"International Sub-Adviser Exemption" means the exemption set out in section 8.26.1 of NI 31-103 from the OSA Adviser Registration Requirement;

"NFA" means the United States National Futures Association;

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

"OSA" means the *Securities Act*, R.S.O. 1990, c. S.5, as amended;

"OSA Adviser Registration Requirement" means the requirement in subsection 25(3) of the OSA that prohibits a person or company from engaging in or holding himself, herself or itself out as engaging in the business of advising others as to the investing in or the buying or selling of securities, unless the person or company is registered in the appropriate category of registration under the OSA;

"Permitted Client" means a client in Ontario that is a "permitted client", as that term is defined in section 1.1 of NI 31-103, except that for purposes of this Order such definition shall exclude a person or company registered as an adviser or dealer under the securities legislation or derivatives legislation, including commodity futures legislation, of a jurisdiction of Canada;

"Previous Order" means the exemption from the CFA Adviser Registration Requirement in respect of providing advice to Permitted Clients as to the trading of Foreign Contracts (subject to certain conditions), granted by the Commission to BGIM LLC on February 15, 2013, and as expired on February 15, 2018;

"Principal Adviser" means either BGIM Canada or Mackenzie;

"SEC" means the United States Securities and Exchange Commission;

"U.S. Advisers Act" means the United States *Investment Advisers Act of 1940*; and

"U.S.A." or **"United States"** means the United States of America.

AND UPON BGIM LLC, BGIM Canada and Mackenzie having represented to the Commission that:

1. BGIM LLC is a limited liability company organized under the laws of the State of Delaware, U.S.A., and was established in 1986. BGIM LLC's head office or principal place of business is located in Pennsylvania, U.S.A.

2. BGIM LLC and BGIM Canada are affiliates (as defined in the OSA), as each is a wholly-owned subsidiary of Legg Mason Inc., a global asset management firm listed on the New York Stock Exchange. Mackenzie is not affiliated with either BGIM LLC or BGIM Canada.

3. BGIM LLC engages in the business of an adviser with respect to securities and with respect to Contracts in the U.S.A. In the U.S.A, BGIM LLC manages an array of equity, fixed income and balanced portfolios that invest in U.S., international and global markets. As of December 31, 2017 BGIM LLC managed approximately US$75 billion in assets.

4. BGIM LLC is:

   (i) registered with the SEC as an investment adviser under the U.S. Advisers Act;

   (ii) registered with the CFTC as a commodity pool operator and a commodity trading advisor; and

   (iii) an approved member of the NFA.

   As such, BGIM LLC is permitted to carry on Advisory Services and Sub-Advisory Services (each as defined below) in the U.S.A.

5. BGIM LLC is not a resident of, and does not have any offices or branches in, any province or territory of Canada.

6. BGIM Canada is an unlimited liability corporation under the laws of British Columbia with its head office located in Ontario.

7. BGIM Canada is registered:

   (i) under the securities legislation in each of the provinces of Canada as an adviser in the category of portfolio manager and a dealer in the category of exempt market dealer;

   (ii) under the securities legislation in Newfoundland and Labrador, Ontario, and Québec as an investment fund manager; and

   (iii) under the CFA in Ontario as a commodity trading manager.

8. Mackenzie is a corporation incorporated under the laws of Ontario with its head office located in Ontario.

9. Mackenzie is registered:

   (i) under the securities legislation in each of the provinces and territories of Canada as an adviser in the category of portfolio manager and a dealer in the category of exempt market dealer;

   (ii) under the securities legislation in Newfoundland and Labrador, Ontario, and Québec as an investment fund manager;

   (iii) under the *Commodity Futures Act* in Manitoba as an adviser; and

   (iii) under the CFA in Ontario as a commodity trading manager.

10. BGIM LLC is not registered in any capacity under the OSA or CFA or under the securities legislation, commodity futures legislation, or derivatives legislation, of any jurisdiction of Canada.

11. BGIM LLC has filed to rely on the International Adviser Exemption in Ontario, Manitoba, and Québec, and currently relies on the International Adviser Exemption and International Sub-Adviser Exemption in Ontario.

12. BGIM LLC has complied with all of the terms and conditions of the Previous Order.

13. Although BGIM LLC had obtained the Previous Order in order to allow it to provide the Advisory Services (defined below) to Permitted Clients in Ontario until its expiration date of February 15, 2018, BGIM LLC had not actually relied on the Previous Order.

14. BGIM LLC is not in default of securities legislation, commodity futures legislation, or derivatives legislation in any jurisdiction in Canada. BGIM LLC is in compliance in all material respects with securities laws, commodity futures laws, and derivatives laws of the United States.

15. With respect to securities, BGIM LLC currently acts as:

   (i) a discretionary portfolio manager on behalf of separately managed accounts of institutional investors; and

   (ii) a sub-adviser to investment funds, in Ontario.

16. In addition to providing advice in respect of securities to Ontario clients as described above, BGIM LLC proposes to act as:

(i) an adviser to Permitted Clients on Foreign Contracts (as it was previously permitted to, as expressed in the Previous Order) (the **Advisory Services**); and

(ii) a sub-adviser to a Principal Adviser on Foreign Contracts in connection principally with foreign currency futures, options, and forwards. BGIM LLC will provide its advice on a fully discretionary basis (the **Sub-Advisory Services**).

17. Each Principal Adviser is, or will be, the investment fund manager of and/or provide, or will provide, discretionary portfolio management services in Ontario to:

(i) investment funds, the securities of which will be qualified by prospectus for distribution to the public in Ontario and certain other Canadian jurisdictions (the **Retail Funds**);

(ii) investment funds, the securities of which will be sold on a private placement basis in Ontario and certain other Canadian jurisdictions pursuant to prospectus exemptions contained in National Instrument 45-106 *Prospectus Exemptions* (the **Pooled Funds**, and collectively with the Retail Funds, each a **Fund**, and together the **Funds**); and

(iii) clients who have entered into investment management agreements with the Principal Adviser to establish managed accounts (the **Managed Account Clients**) (each of the Investment Funds, Pooled Funds and Managed Account Clients being referred to individually as a **Sub-Advisory Client** and collectively as the **Sub-Advisory Clients**).

18. The discretionary portfolio management services provided, or to be provided, by a Principal Adviser to its Sub-Advisory Clients include, or will include, acting as an adviser with respect to both securities and Contracts where such investments are part of the investment program of such Sub-Advisory Clients. The Principal Adviser acts, or will act, as a commodity trading manager in respect of such Sub-Advisory Clients.

19. The Advisory Services and the Sub-Advisory Services will include the use of specialized investment strategies employing Foreign Contracts, and BGIM LLC will not advise in Ontario on Contracts that are not Foreign Contracts, unless providing such advice is incidental to its providing advice on Foreign Contracts.

20. In connection with a Principal Adviser acting as an adviser to Sub-Advisory Clients in respect of the purchase or sale of Contracts, the Principal Adviser, pursuant to a written agreement made between the Principal Adviser and BGIM LLC, will retain BGIM LLC to provide the Sub-Advisory Services in respect of all or a portion of the assets of the investment portfolio of the respective Sub-Advisory Client, provided that:

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

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

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

22. The relationship among BGIM LLC, the Principal Adviser, and any Sub-Advisory Client will be consistent with the requirements of section 8.26.1 of NI 31-103.

23. As would be required under section 8.26.1 of NI 31-103:

(a) the obligations and duties of BGIM LLC will be set out in a written agreement with the Principal Adviser;

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

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

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

24. The written agreement between the Principal Adviser and BGIM LLC will set out the obligations and duties of each party in connection with the Sub-Advisory Services and will permit the Principal Adviser to exercise the degree of supervision and control it is required to exercise over BGIM LLC in respect of the Sub-Advisory Services.

25. The Principal Adviser shall deliver to the Sub-Advisory Clients all required reports and statements under applicable securities, commodity futures, and derivatives legislation.

26. The prospectus or other offering document (in either case, the **Offering Document**) of each Sub-Advisory Client that is a Fund and for which the Principal Adviser engages BGIM LLC to provide Sub-Advisory Services will include the following (the **Required Disclosure**):

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

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

27. Prior to purchasing any securities of one or more of the Sub-Advisory Clients that are Funds directly from the Principal Adviser, all investors in these Funds who are Ontario residents will receive the Required Disclosure in writing (which may be in the form of an Offering Document).

28. Each client that is a Managed Account Client for which the Principal Adviser engages BGIM LLC to provide Sub-Advisory Services will receive the Required Disclosure in writing prior to the purchasing of any Contracts for such Sub-Advisory Client.

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

30. By providing the Advisory Services and Sub-Advisory Services, BGIM LLC and its Representatives will be engaging in, or holding himself, herself or itself out as engaging in, the business of advising others in respect of Foreign Contracts.

31. There is currently no exemption from the CFA Adviser Registration Requirement that is equivalent to the International Adviser Exemption or the International Sub-Adviser Exemption. Consequently, in order to advise Permitted Clients or Principal Advisers as to trading in Foreign Contracts, in the absence of being granted the requested relief, BGIM LLC would be required to satisfy the CFA Adviser Registration Requirement by applying for and obtaining registration in Ontario as an adviser under the CFA in the category of commodity trading manager.

32. BGIM Canada obtained substantially similar relief, with respect to the Advisory Services, in the Previous Order. The expiry of the five-year period set out in the sunset clause of the Previous Order has triggered the requested relief.

33. BGIM LLC confirms that there are currently no regulatory actions of the type contemplated by the Notice of Regulatory Action attached as Appendix “B”.

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

IT IS ORDERED, pursuant to section 80 of the CFA, that BGIM LLC and its Representatives are exempt, from the adviser registration requirement of paragraph 22(1)(b) of the CFA in respect of providing advice to Permitted Clients as to the trading of Foreign Contracts, and acting as a sub-adviser to a Principal Adviser in respect of the Sub-Advisory Services, provided that:

1. BGIM LLC’s head office or principal place of business remains in the U.S.A.;

2. BGIM LLC is registered in a category of registration, or operates under an exemption from registration, under the commodities futures or other applicable legislation of the U.S.A., that permits it to carry on the activities in the U.S.A. that registration as an adviser under the CFA would permit it to carry on in Ontario;

3. BGIM LLC engages in the business of an adviser, as defined in the CFA, in the U.S.A.;

4. (a) in respect of providing advice to Permitted Clients:

(i) BGIM LLC provides advice only as to trading in Foreign Contracts and does not provide advice as to trading in Contracts that are not Foreign Contracts, unless providing such advice is incidental to its providing advice on Foreign Contracts;

(ii) as at the end of BGIM LLC's most recently completed financial year, not more than 10% of the aggregate consolidated gross revenue of BGIM LLC, its affiliates, and its affiliated partnerships (excluding the gross revenue of an affiliate or affiliated partnership of BGIM LLC that is registered under securities laws, commodity futures laws, or derivatives laws in a jurisdiction of Canada) was derived from the portfolio management activities of BGIM LLC, its affiliates and its affiliated partnerships in Canada (which, for greater certainty, includes both securities-related and commodity futures-related activities);

(iii) before advising a Permitted Client with respect to Foreign Contracts, BGIM LLC notifies the Permitted Client of all of the following:

(A) BGIM LLC is not registered in Ontario to provide the advice described under paragraph 4(a)(i) of the conditions of this Order;

(B) the foreign jurisdiction in which BGIM LLC's head office or principal place of business is located;

(C) all or substantially all of BGIM LLC's assets may be situated outside of Canada;

(D) there may be difficulty enforcing legal rights against BGIM LLC because it is resident outside of Canada and all or substantially all of its assets may be situated outside of Canada;

(E) the name and address of BGIM LLC's agent for service of process in Ontario;

(iv) BGIM LLC has submitted to the Commission a completed *Submission to Jurisdiction and Appointment of Agent for Service* in the form attached as Appendix "A";

(v) BGIM LLC notifies the Commission of any regulatory action initiated after the date of this Order with respect to BGIM LLC, or any predecessors, or specified affiliates of BGIM LLC, by completing and filing Appendix "B" within 10 days of the commencement of each such action, provided that BGIM LLC may also satisfy this condition by filing with the Commission:

(A) within 10 days of the date of this Order, a notice making reference to, and incorporating by reference the disclosure made by, BGIM LLC pursuant to federal securities laws of the U.S.A. that is identified on the Investment Adviser Public Disclosure website; and

(B) promptly, a notification of any Form ADV amendment and/or filing with the SEC that relates to legal and/or regulatory actions;

(vi) if BGIM LLC is not registered under the OSA and does not rely on the International Adviser Exemption, by December 31st of each year, BGIM LLC pays a participation fee based on its specified Ontario revenues for its previous financial year in compliance with the requirements of Part 3 and section 6.4 of Ontario Securities Commission Rule 13-502 *Fees* as if BGIM LLC relied on the International Adviser Exemption; and

(vii) by December 1 of each year, BGIM LLC notifies the Commission of its continued reliance on the exemption from registration granted pursuant to this Order;

(b) in respect of acting as a sub-adviser to a Principal Adviser:

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

(ii) the obligations and duties of BGIM LLC are set out in a written agreement with the Principal Adviser;

(iii) BGIM LLC shall not act as a sub-adviser to the Principal Adviser unless the Principal Adviser has contractually agreed with the applicable Sub-Advisory Client to be responsible for any loss that arises out of any failure of BGIM LLC to meet the Assumed Obligations;

(iv) the Offering Document of each Sub-Advisory Client that is a Fund and for which the Principal Adviser engages BGIM LLC to provide Sub-Advisory Services will include the Required Disclosure;

(v) prior to purchasing any securities of one or more of the Sub-Advisory Clients that are Funds directly from the Principal Adviser, all investors in these Funds who are Ontario residents will receive the Required Disclosure in writing (which may be in the form of an Offering Document); and

(vi) each Sub-Advisory Client that is a Managed Account Client for which the Principal Adviser engages BGIM LLC to provide the Sub-Advisory Services will receive the Required Disclosure in writing prior to purchasing any Contracts for such Sub-Advisory Client; and

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

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

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

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

Dated this 4th day of December, 2018.

"William Furlong"
Commissioner
Ontario Securities Commission

"Poonam Puri"
Commissioner
Ontario Securities Commission

APPENDIX "A"

SUBMISSION TO JURISDICTION AND APPOINTMENT OF AGENT FOR SERVICE

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

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

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

3. Jurisdiction of incorporation of the International Firm:

4. Head office address of the International Firm:

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

   Name:
   E-mail address:
   Phone:
   Fax:

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

   ☐ Section 8.18 [*international dealer*]

   ☐ Section 8.26 [*international adviser*]

   ☐ Other [specify]:

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

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

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

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

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

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

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

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

Dated: _____

_____
(Signature of the International Firm or authorized signatory)

_____
(Name of signatory)

_____
(Title of signatory)

Acceptance

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

Dated: _____

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

_____
(Name of signatory)

_____
(Title of signatory)

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

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

APPENDIX "B"

NOTICE OF REGULATORY ACTION

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

   Yes _____ No _____

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

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

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

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

   If yes, provide the following information for each action:

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

[1] Terms defined in Form 33-506F6 *Firm Registration* to Ontario Securities Commission Rule 33-506 *(Commodity Futures Act) Registration Information* have the same meaning if used in this Appendix except that any reference to "firm" means the person or company relying on relief from the requirement to register as an adviser or dealer under the *Commodity Futures Act* (Ontario).

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

Yes _____ No _____

If yes, provide the following information for each investigation:

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

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

Witness

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

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

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

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

2.2.3 Gazit Canada Financial Inc.

Headnote

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

Applicable Legislative Provisions

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

December 12, 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
GAZIT CANADA FINANCIAL INC.
(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):

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

2. 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 provinces and territories of Canada.

Interpretation

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

Representations

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

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

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

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

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

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

Order

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

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

"Sonny Randhawa"
Deputy Director, Corporate Finance
Ontario Securities Commission

2.2.4 Majd Kitmitto et al.

FILE NO.: 2018-70

IN THE MATTER OF
MAJD KITMITTO,
STEVEN VANNATTA,
CHRISTOPHER CANDUSSO,
CLAUDIO CANDUSSO,
DONALD ALEXANDER (SANDY) GOSS,
JOHN FIELDING AND
FRANK FAKHRY

Mark J. Sandler, Commissioner and Chair of the Panel

December 11, 2018

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

WHEREAS on December 11, 2018, the Ontario Securities Commission held a hearing at the offices of the Commission, located at 20 Queen Street West, 17th Floor, Toronto, Ontario;

ON HEARING the submissions of the representatives for Staff of the Commission (**Staff**) and the representatives for Majd Kitmitto, Christopher Candusso, Claudio Candusso, Donald Alexander (Sandy) Goss, John Fielding and Frank Fakhry, and Steven Vannatta on his own behalf (the **Respondents**);

IT IS ORDERED THAT:

1. Staff shall disclose to each Respondent non-privileged relevant documents and things in the possession or control of Staff no later than December 20, 2018;

2. Staff shall file and serve a witness list, and serve a summary of each witnesses' anticipated evidence on each Respondent and indicate any intention to call an expert witness no later than March 12, 2019;

3. each Respondent shall serve and file a motion, if any, regarding Staff's disclosure or seeking disclosure of additional documents no later than April 12, 2019; and

4. an attendance is scheduled for April 24, 2019 at 9:30 a.m., or such other dates and times as provided by the Office of the Secretary and agreed to by the parties.

"Mark J. Sandler"

2.4 Rulings

2.4.1 Bruce Power L.P. – s. 78 of the CFA

Headnote

Application for a ruling pursuant to section 78 of the Commodity Futures Act varying a previous ruling that granted to the filer relief from the dealer registration requirement set out in section 22 of the CFA and the trading restrictions in section 33 of the CFA to the Filer, a commercial end-user, in connection with certain trades in Electricity Contracts on, or through the facilities of, Non-Canadian Exchanges that are conducted by the Filer as principal for its own account – previous ruling varied to also allow the Filer to trade Natural Gas Contracts on the same terms and conditions – relief subject to sunset clause.

Statutes Cited

Commodity Futures Act, R.S.O. 1990, c. C.20. as am., sections 22 and 78.

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

AND

IN THE MATTER OF
BRUCE POWER L.P.
(the Filer)

RULING
(Section 78 of the CFA)

Background

Previous Ruling

As the result of an application dated March 21, 2017 that was made by the Filer to the Ontario Securities Commission (the **Commission**) pursuant to section 38 of the CFA, the Filer obtained from the Commission a ruling dated September 12, 2017, *In the Matter of Bruce Power* (the **Previous Ruling**).

The Previous Ruling exempted the Filer from the dealer registration requirements in the CFA (as defined below) and the trading restrictions in the CFA (as defined below) in connection with trades in Electricity Contracts (as defined below) that are made on, or through the facilities of, exchanges located outside Canada (**Non-Canadian Exchanges**), and that are conducted by the Filer as principal for its own account:

(a) through a person or company that is registered as an FCM (as defined below) with the CFTC (as defined below), is a member of the NFA (as defined below), and has obtained from the Commission an order granting an exemption from both the dealer registration requirements in the CFA and the trading restrictions in the CFA (a **US Registrant**); or

(b) as a direct electronic access trade that is made on, or through the facilities of, a Non-Canadian Exchange that has obtained from the Commission an order granting an exemption from the requirement to be recognized as a stock exchange under the OSA (as defined below) and the requirement to be registered as a commodity futures exchange under the CFA (a **Direct Access Trade**).

New Decision

The Commission has now received an application (the **Application**) from the Filer for a ruling pursuant to section 78 of the CFA (the **Ruling**) that varies the Previous Ruling for the sole purpose of allowing the Filer to trade both Natural Gas Contracts (as defined below) and Electricity Contracts in accordance with the same terms and conditions that are currently imposed upon its trading of Electricity Contracts pursuant to the Previous Ruling.

AND WHEREAS for the purposes of this Ruling:

(i) **"CFTC"** means the United States Commodity Futures Trading Commission;

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

"Electricity Contract" means an Exchange-Traded Futures that has an electricity price as its underlying interest;

"Exchange-Traded Futures" means a commodity futures contract or a commodity futures option that trades on, or through the facilities of, one or more Non-Canadian Exchanges and that is cleared through one or more clearing corporations located outside of Canada;

"FCM" means a futures commission merchant;

"Natural Gas Contracts" means an Exchange-Traded Futures that has a natural gas price as its underlying interest;

"NFA" means the National Futures Association in the United States;

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

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

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

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

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

1. The Filer is a limited partnership that was formed under the *Limited Partnerships Act* (Ontario) in 2001. The general partner of the Filer is Bruce Power Inc., a corporation incorporated under the *Business Corporations Act* (Ontario).

2. The limited partners of the Filer are TransCanada Energy Investments Ltd., an indirect, wholly-owned subsidiary of TransCanada Corporation; BPC Generation Infrastructure Trust, an investment entity of OMERS Administration Corporation; two trusts constituted by the Power Workers Union; a trust constituted by the Society of Energy Professionals; and a trust through which a majority of the Filer's employees have invested in the Filer.

3. The head office of the Filer is located in Tiverton, Ontario.

4. The Filer is a private sector nuclear generator that operates a nuclear energy facility that is also located in Tiverton, Ontario. The nuclear energy facility produces up to 6,400 MW of Ontario's electricity which the Filer sells into the Ontario Independent Electricity System Operator (**IESO**) administered spot market (the **IESO Market**).

5. As a participant in the Ontario electricity market, Bruce Power is regulated by the Ontario Energy Board, the National Energy Board and IESO.

6. The Filer engages in the trading of Electricity Contracts. It conducts such trading activity on Non-Canadian Exchanges, and on Natural Gas Exchange Inc. located in Alberta. The Filer trades for its own account and does not act in an intermediary capacity.

7. When trading Electricity Contracts on, or through the facilities of, Non-Canadian Exchanges, the Filer utilizes the clearing and settlement services that are available from its prime clearing member, a US Registrant.

8. Before receiving the Previous Ruling, the Filer conducted its Electricity Contract trading activity in reliance upon exemptions granted to US Registrants (the **US Registrant Exemptions**) and exemptions granted to Non-Canadian Exchanges (the **NCE Exemptions**).

9. A US Registrant Exemption grants a US Registrant exemptions from the dealer registration requirements in the CFA and the trading restrictions in the CFA in connection with trades in Exchange-Traded Futures on Non-Canadian Exchanges that are conducted for its own account, and for the account of those clients of the US Registrant that are either Institutional

Clients or Permitted Clients, as such terms are defined in the relevant US Registrant Exemption (in either case, a **Permitted Client**).

10. The Filer is a "permitted client", as that term is defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*.

11. US Registrant Exemptions granted since December 2012 have also included as a separate head of relief an exemption from the dealer registration requirements in the CFA and the trading restrictions in the CFA for Permitted Clients that trade in Exchange-Traded Futures on Non-Canadian Exchanges through the US Registrant that has obtained the US Registrant Exemption. The Filer understands that this separate head of relief was added to the US Registrant Exemptions to address the concern that the dealer registration exemption in section 32 (b) of the CFA refers to "a trade in a contract … through an agent who is a registered dealer" but does not address the situation of "a trade in a contract … through an agent who is relying on an exemption from the dealer registration requirement". US Registrant Exemptions granted prior to December 2012 did not include a separate head of relief for Permitted Clients, leaving it unclear whether this relief could be considered implicit in the previously granted US Registrant Exemptions.

12. The US Registrant Exemptions that the Filer has relied on for the purpose of conducting its Electricity Contract trading activity have included US Registrant Exemptions granted prior to December 2012 that do not include this separate head of relief for Permitted Clients. The Filer therefore sought and received the Previous Ruling to confirm that it could continue to conduct its Electricity Contract trading activity, including through US Registrants that have obtained US Registrant Exemptions prior to December 2012.

13. An NCE Exemption permits a Non-Canadian Exchange to offer direct electronic access to trading in Exchange-Traded Futures to prospective participants in Ontario (**Ontario Participants**) provided, among other things, that Ontario Participants are limited to persons who are either hedgers or registered dealers.

14. The Filer engages in the trading of Electricity Contracts for four principal reasons. First, it seeks to hedge the risk associated with the price that it will receive for the sale of its electricity to its retail commercial customers. Second, it seeks to lock-in physical flow spreads for power that it flows out of Ontario into various U.S. jurisdictions. Third, it engages in financial spread trading between Ontario and certain U.S. jurisdictions and seeks to hedge the commodity price risk exposure of its Ontario short and long positions. Finally, it seeks to trade for profit as well as arbitrage electricity prices in different geographic locations.

15. Prior to January 1, 2016, the price that the Filer received for the electricity that it produced from its Bruce B generating station had the potential to vary according to the spot price for electricity in the IESO Market. On December 3, 2015, the Filer entered into a long term power supply and refurbishment agreement with the IESO (the **Power Supply Agreement**) that resulted in a fixed price for all of the Filer's energy output effective January 1, 2016.

16. As a result of the Power Supply Agreement, it is not clear whether the Filer can continue to be considered a hedger for purposes of either the CFA or the NCE Exemptions. The Filer has previously received a notice from a Non-Canadian Exchange requiring that Ontario Participants (as defined in the NCE Exemption), including the Filer, certify that they are either a registered dealer or a hedger for purposes of their continued status as Direct Access Users of the Non-Canadian Exchange.

17. The Filer therefore sought the Previous Ruling for two reasons. First, to address the uncertainty associated with the Filer's ability to rely on a US Registrant Exemption for the purpose of trading Electricity Contracts on, or through the facilities of, Non-Canadian Exchanges through US Registrants in its capacity as a Permitted Client. Second, to allow the Filer to conduct Electricity Contract Direct Access Trades with a Non-Canadian Exchange that engages in such trading activity in reliance upon an NCE Exemption regardless of the Filer's status as a hedger.

18. Following its receipt of the Previous Ruling, the Filer determined that there is a relatively high correlation between the price of electricity and the price of natural gas and it therefore proposes to enter into Natural Gas Contracts for the purpose of hedging its Electricity Contract trading activity and, to a lesser extent, its physical flow trading activity.

19. Subject to the ruling requested, the Filer is not in default of securities or commodity futures legislation in any jurisdiction of Canada.

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

IT IS RULED, pursuant to section 78 of the CFA, that the Previous Ruling is varied to provide that the Filer is not subject to the dealer registration requirements in the CFA and the trading restrictions in the CFA in connection with trades in Electricity Contracts and/or Natural Gas Contracts on, or through the facilities of, Non-Canadian Exchanges that are conducted by the Filer as principal for its own account:

(a) through a US Registrant in accordance with the terms and conditions of the US Registrant Exemption that are applicable both to the US Registrant, and to the Filer in its capacity as a Permitted Client for purposes of the US Registrant Exemption; or

(b) as a Direct Access Trade in accordance with the terms and conditions of the NCE Exemption that are applicable both to the Non-Canadian Exchange, and to the Filer as though the Filer was a hedger for purposes of the NCE Exemption.

This Ruling will terminate on the earliest of:

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

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

(iii) five years after the date of this Ruling.

DATED May 15, 2018

"Peter W. Currie"
Commissioner
Ontario Securities Commission

"Poonam Puri"
Commissioner
Ontario Securities Commission

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Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions

3.1.1 Larry Lee – ss. 127(1), 127(10)

IN THE MATTER OF LARRY LEE

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

Citation: Lee (Re), 2018 ONSEC 57
Date: 2018-12-04
File No. 2018-58

Hearing:	In Writing	
Decision:	December 4, 2018	
Panel:	Timothy Moseley	Vice-Chair and Chair of the Panel
Appearances:	Kai Olson	For Staff of the Commission
	Larry Lee	For himself

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REASONS AND DECISION

I. INTRODUCTION AND BACKGROUND

[1] Larry Lee entered into a settlement agreement with the Executive Director of the British Columbia Securities Commission (**BCSC**) on July 31, 2018 (the **Settlement Agreement**).[1] In the Settlement Agreement, Mr. Lee agreed that he had perpetrated a fraud on investors, contrary to section 57(b) of the British Columbia Securities Act (the **BC Act**).[2]

[2] In the Settlement Agreement, Mr. Lee undertook to pay $50,000 to the BCSC, and to disgorge an additional $190,000. Pursuant to the agreement, the BCSC ordered[3] that Mr. Lee:

1 *Lee (Re)*, 2018 BCSECCOM 221.

2 RSBC 1996, c 418.

3 *Lee (Re)*, 2018 BCSECCOM 222 (**BC Order**).

a. resign any positions he holds as a director or officer of an issuer or registrant;

b. be permanently prohibited from trading in or purchasing any securities or exchange contracts, subject to a limited exception;

c. be permanently prohibited from relying on any of the exemptions set out in the BC Act, the regulations or a decision;

d. be permanently prohibited from becoming or acting as a director or officer of any issuer or registrant, or as a registrant or promoter;

e. be permanently prohibited from acting in a management or consultative capacity in connection with activities in the securities market; and

f. be permanently prohibited from engaging in investor relations activities.

[3] Staff of the Ontario Securities Commission (**Staff** or the **Commission**) relies on the inter-jurisdictional enforcement provisions found in subsection 127(10) of the Ontario *Securities Act* (the **Act**).[4] Staff requests that the Commission issue an order that replicates the sanctions described in subparagraphs [2](a) through (d) above, with necessary modifications to conform to the Act.

[4] For the reasons that follow, I find that it is in the public interest to issue an order substantially in the form requested by Staff.

II. BACKGROUND FACTS

[5] The Settlement Agreement sets out the following agreed facts.

[6] Between 2010 and 2013, Mr. Lee was engaged in the business of developing real estate websites.

[7] On May 11, 2012, Mr. Lee raised $200,000 from two joint investors under a promissory note. The terms of the promissory note provided a 24% annual return for two years and an option to buy a 15% stake of Mr. Lee's business.

[8] Mr. Lee told the investors that:

a. he would use their funds to develop his business;

b. the investment was low-risk, with guaranteed repayment of the principal and 24% annual return over two years;

c. he was confident he could sell his business for at least $10 million by December 31, 2014;

d. he owned his house and, if necessary, would sell it in order to repay the investors; and

e. if he passed away during the term of the promissory note, his estate would repay the investors.

[9] Mr. Lee omitted to tell the investors that:

a. his business had no revenue and minimal assets;

b. he had no basis to guarantee a 24% rate of return;

c. he was approximately $800,000 in debt; and

d. he owned only a 20% interest in the house, which was significantly encumbered.

[10] Mr. Lee deposited the investors' money into his personal bank account and immediately used the funds to pay friends, family, credit card debt and bank loans.

[11] Mr. Lee's business never generated any revenue and he abandoned it at the end of 2013.

[4] RSO 1990 c S.5.

[12] Mr. Lee admitted that by engaging in the conduct set out above, he perpetrated a fraud on the investors contrary to section 57(b) of the BC Act.

[13] Prior to BCSC Staff's involvement, Mr. Lee voluntarily repaid $10,000 to the investors. He also cooperated with the BCSC's Executive Director.

III. SERVICE AND PARTICIPATION

[14] Staff elected to use the expedited procedure for an inter-jurisdictional enforcement proceeding set out in Rule 11(3) of the Ontario Securities Commission *Rules of Procedures and Forms*[5] (**Rules of Procedure**), which permits the hearing to be conducted in writing.

[15] As appears from an affidavit of service filed by Staff,[6] on October 11, 2018, Staff served Mr. Lee with the Notice of Hearing issued on October 10, 2018, the Statement of Allegations dated October 9, 2018, and Staff's written hearing materials, consisting of Staff's hearing brief,[7] written submissions, and brief of authorities.

[16] By email sent November 7, 2018,[8] Mr. Lee acknowledged receipt of the above materials. I find that he was properly served.

[17] Mr. Lee's email also contained brief submissions, described in more detail below.

IV. ANALYSIS

A. Introduction

[18] Paragraph 4 of subsection 127(10) of the Act provides that the Commission may make an order under subsection 127(1) of the Act where a person is subject to an order made by a securities regulatory authority in any jurisdiction that imposes sanctions, conditions, restrictions or requirements on the person.

[19] The BCSC is a securities regulatory authority. The BC Order imposed sanctions on Mr. Lee. The test under paragraph 4 of subsection 127(10) of the Act is satisfied.

[20] I must therefore consider whether it is in the public interest for the Commission to make an order against Mr. Lee, and if so, what that order should be.

B. Statutory authority to make public interest orders

[21] Subsection 127(10) of the Act facilitates the inter-jurisdictional enforcement of orders imposed following breaches of securities law. The subsection does not itself empower the Commission to make an order; rather, it provides a basis for an order under subsection 127(1).

[22] Orders made under subsection 127(1) of the Act are "protective and preventative" and are made to restrain potential conduct that could be detrimental to the integrity of the capital markets and therefore prejudicial to the public interest.[9]

[23] In exercising its jurisdiction to make an order in reliance on subsection 127(10) of the Act, the Commission does not require that the underlying conduct have a connection to Ontario.[10]

C. Appropriate sanctions

[24] In the Settlement Agreement, Mr. Lee consented to "a regulatory Order made by any provincial … securities regulatory authority in Canada containing any or all of the Orders" set out in subparagraphs [2](a) through (d) above. Despite having given that consent, Mr. Lee asked in his November 7 email that the Commission not reciprocate the non-monetary sanctions against him and "give [him] a chance to redeem [himself]." He stated: "[e]ven though I have no plans to raise funds in Ontario, having the ability to do so in the future will help my career in case I work for a company that needs me to interact with investors or shareholders."

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5 (2017) 40 OSCB 8988.

6 Exhibit 1, Affidavit of Lee Crann sworn October 15, 2018.

7 Exhibit 2, Hearing Brief of Staff.

8 Exhibit 3, Email from Larry Lee to Lee Crann sent November 7, 2018.

9 *Committee for Equal Treatment of Asbestos Minority Shareholders v. Ontario (Securities Commission)*, 2001 SCC 26, [2001] 2 SCR 132 (SCC) at paras 42-43.

10 *Hable (Re)*, 2018 ONSEC 11, (2018) 41 OSCB 2351 at para 8.

[25] Mr. Lee's request that the Commission not reciprocate various sanctions is inconsistent with his earlier consent, by which he explicitly agreed to such an order. In my view, in the absence of compelling circumstances (and there are no such circumstances in this case), it would be contrary to the public interest to permit a respondent to avoid the consequences of a commitment previously given to a securities regulatory authority in another jurisdiction.

[26] Staff of that regulatory authority, and the regulatory authority itself, were entitled to rely on that commitment in choosing to accept or approve the agreed-upon sanctions. This Commission should uphold Mr. Lee's commitment. Doing so would honour one of the principles to which the Commission is required, by the Act, to have regard: "The integration of capital markets is supported by the sound and responsible harmonization and co-ordination of securities regulation regimes."[11]

[27] Having said that, I must still find that it would be in the public interest to order the sanctions requested by Staff.

[28] In determining appropriate sanctions, the Commission may consider a number of factors, including the seriousness of the misconduct, specific and general deterrence and any aggravating or mitigating factors.[12]

[29] In this case, the misconduct was very serious. As this Commission has repeatedly held, fraud is one of the most egregious violations of securities law. It causes direct and immediate harm to its investors, and it significantly undermines confidence in the capital markets.[13]

[30] The Settlement Agreement records as mitigating factors that Mr. Lee voluntarily repaid $10,000 to the investors prior to BC Staff's involvement in the matter, and that Mr. Lee cooperated with BC's Executive Director.

[31] Staff submits that Mr. Lee's conduct warrants an order designed to protect Ontario investors, by limiting Mr. Lee's participation in Ontario's capital markets. Staff submits that the sanctions it requests are proportionate to Mr. Lee's conduct and appropriate in the circumstances.

[32] I agree. It is important that this Commission impose sanctions that will protect Ontario investors by specifically deterring Mr. Lee from engaging in similar or other misconduct in Ontario, and by acting as a general deterrent to other like-minded persons. I accept Staff's submission that it would be in the public interest to order sanctions that are substantially similar to those set out in paragraphs [2](a) through (d) above.

[33] The BC Order's prohibition against Mr. Lee trading in or purchasing securities or exchange contracts provided for an exception, pursuant to which Mr. Lee may trade and purchase securities or exchange contracts for his own account (including one RRSP account, one TFSA account and one RESP account) through a registered dealer, if he gives the registered dealer a copy of the Settlement Agreement. Staff's requested order in this proceeding contemplates a similar exception. I shall so order.

D. Differences between BC and Ontario sanctions

[34] Due to differences between Ontario's Act and the BC Act, some of the sanctions I impose cannot be identical to those imposed in the BCSC Order.

[35] The BCSC prohibited Mr. Lee from trading in or purchasing "exchange contracts". Subsection 127(1) of the Act does not expressly refer to exchange contracts. The BC Act defines "exchange contract" to mean a futures contract or option that meets certain specified requirements. As a result, Staff seeks an order permanently prohibiting Mr. Lee from trading in derivatives. In my view, when considering the factors described above that support the making of orders prohibiting trading, there is no reason to distinguish between securities and derivatives. In the circumstances of this case, it is equally in the public interest to protect Ontario investors and the capital markets by prohibiting Mr. Lee from trading in derivatives. I will therefore make the order requested by Staff.

[36] Before concluding, I note Staff's submissions that its requested order would refer explicitly to "registrant, including an investment fund manager" to avoid any potential ambiguity, notwithstanding that the Act requires investment fund managers to be registered unless they are exempted from registration. Staff bases that request on the Commission's reasons in *Lim (Re)*.[14] I prefer and adopt the Commission's reasons in *Inverlake Property Investment Group Inc (Re)*[15] and *Vantooren (Re)*,[16] in which the Commission found such a distinction unnecessary, given that the definition of "registrant" in subsection 1(1) of the Act includes an investment fund manager, by virtue of subsection 25(4) of the Act. As a result, the order I shall issue refers to a registrant, which term include an investment fund manager.

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11 Paragraph 5 of section 2.1 of the Act.

12 *Belteco Holdings Inc. (Re)*, (1998) 21 OSCB 7743 at 7746-7747; *MCJC Holdings (Re)*, (2002) 25 OSCB 1133 at 1136.

13 *Black Panther (Re)*, 2017 ONSEC 8, (2017) 40 OSCB 3727 at para 48.

14 2018 ONSEC 39, (2018) 41 OSCB 6045 at para 23.

15 2018 ONSEC 35, (2018) 41 OSCB 5309 at para 39.

16 2018 ONSEC 36, (2018) 41 OSCB 5603 at para 30.

V. CONCLUSION

[37] For the reasons set out above, I find that it is in the public interest to impose the sanctions requested by Staff. I will therefore order that:

a. pursuant to paragraphs 2 and 2.1 of subsection 127(1) of the Act, Mr. Lee be permanently prohibited from trading in any securities or derivatives, and from acquiring any securities, except that he may trade securities or derivatives, and may acquire securities, for his own account (including one RRSP account, one TFSA account and one RESP account) through a registered dealer who has been provided with a copy of the order in this proceeding;

b. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law shall not apply to Mr. Lee permanently;

c. pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act, Mr. Lee resign any positions he holds as a director or officer of any issuer or registrant;

d. pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act, Mr. Lee be prohibited permanently from becoming or acting as a director or officer of any issuer or registrant; and

e. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Mr. Lee be prohibited permanently from becoming or acting as a registrant or promoter.

Dated at Toronto this 4th day of December, 2018.

“Timothy Moseley”

3.1.2 Questrade Wealth Management Inc. – ss. 127(1), 127.1

IN THE MATTER OF
QUESTRADE WEALTH MANAGEMENT INC.

ORAL REASONS FOR APPROVAL OF A SETTLEMENT
(Subsection 127(1) and Section 127.1 of the
***Securities Act*, RSO 1990, c S.5)**

Citation: Questrade Wealth Management Inc, 2018 ONSEC 58
Date: 2018-12-10
File No. 2018-63

Hearing:	November 27, 2018	
Decision:	November 27, 2018	
Panel:	Robert P. Hutchison	Commissioner and Chair of the Panel
	Deborah Leckman	Commissioner
	Lawrence P. Haber	Commissioner
Appearances:	Jamie Gibson Raphael T. Eghan	For Staff of the Commission
	Jennifer Teskey	For Questrade Wealth Management Inc.

ORAL REASONS FOR APPROVAL OF A SETTLEMENT

The following reasons have been prepared for publication in the Ontario Securities Commission Bulletin, based on reasons delivered orally in the hearing, and as edited and approved by the Panel, to provide a public record.

[1] I would like to start by thanking the parties and their counsel for their cooperation in bringing this matter to hopefully a beneficial and efficient end, and we appreciate their efforts in that regard.

I. BACKGROUND

A. Questrade, PIQ and One Capital

[2] Just to summarize the background, from our perspective, as has been outlined by Mr. Gibson, Questrade is an Ontario corporation that is registered with the Commission as an Investment Fund Manager, an Exempt Market Dealer and a Portfolio Manager.

[3] In July 2017, at the time of the conduct at issue with respect to the Settlement Agreement, Questrade had the two primary lines of business that were described. It acted as a Portfolio Manager of its online investment service, Portfolio IQ (**PIQ**), and also managed eight exchange traded mutual funds, the ETFs that were referred to (the **Questrade ETFs**).

[4] The conduct at issue in this settlement proceeding relates solely to Questrade's activities and obligations as a Portfolio Manager of the PIQ portfolios. As a Portfolio Manager, Questrade has and had a discretionary authority over trading in the PIQ portfolios.

[5] Questrade also engaged a Nevada company, One Capital Management LLC (**One Capital**), to provide sub-advisor services for the PIQ portfolios. One Capital is also registered with the Commission as a Portfolio Manager.

[6] Notwithstanding One Capital's role as a sub-advisor for the PIQ portfolios, Questrade has and had ultimate responsibility for identifying and responding to conflicts of interest and determining whether trades are suitable with respect to the PIQ portfolios.

B. The Transaction and July Trade

[7] I will briefly describe the transaction. In November 2016, Questrade began negotiating a transaction (the **Transaction**) that would involve selling Questrade ETFs to another Ontario investment fund manager, WisdomTree Asset Management Canada, Inc. (**WisdomTree**). WisdomTree managed its own collection of exchange traded mutual funds (the **WisdomTree ETFs**).

[8] During negotiations, WisdomTree advised that it wanted Questrade to purchase WisdomTree ETFs for the PIQ portfolios before WisdomTree would agree to finalize the Transaction.

[9] Questrade and WisdomTree agreed that WisdomTree would meet with Questrade's sub-advisor, One Capital, to discuss purchasing WisdomTree ETFs. In mid-July 2017, One Capital advised Questrade that One Capital intended to recommend significant investments in WisdomTree ETFs. At this time, Questrade did not obtain any analysis from One Capital demonstrating why the recommended WisdomTree ETFs were suitable for PIQ clients.

[10] Ultimately, on July 27, 2017, One Capital sent instructions to Questrade to purchase WisdomTree's ETFs for the PIQ portfolios. In response to the instruction from One Capital, Questrade arranged phones calls with One Capital to get more information about the proposed trade. One Capital provided oral assurances on those phone calls, but no documentation.

[11] The following day, on July 28, Questrade purchased approximately $15 million in fixed income WisdomTree ETFs for the PIQ portfolios (which has been referred to as the **July Trade** in the materials). This involved replacing iShares fixed income ETFs, which represented 23% of the PIQ portfolios, with WisdomTree ETFs.

[12] At the time, WisdomTree's fixed income ETFs had been launched only one month earlier and the management expense ratios for the new WisdomTree ETFs were higher and the spreads were wider than those of the iShares ETFs.

[13] In deciding to execute the July Trade, Questrade's ordinary compliance process was not followed. Questrade obtained no written analysis from its sub-advisor, One Capital, that demonstrated why the trade was suitable for PIQ clients.

[14] It was not until August 22, 2017, nearly one month after the July Trade, that Questrade completed a review of the July Trade and concluded that the July Trade was in the best interests of its PIQ clients.

II. CONDUCT CONTRARY TO THE PUBLIC INTEREST

[15] Questrade has admitted that it acted contrary to the public interest by failing to take appropriate steps to determine whether a conflict of interest existed before investing client money.

[16] In doing so, Questrade failed to meet the high standards of conduct expected of a registrant when identifying and responding to conflicts of interest, which potentially put PIQ clients at risk that the July Trade was not in their best interests.

[17] It is essential to investor protection and market integrity that registered portfolio managers diligently identify and respond to conflicts of interest pursuant to their obligations under section 13.4 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Portfolio managers must have in place proper procedures to anticipate and respond in advance to conflicts of interest that may arise. They must take reasonable steps to identify and respond to a conflict of interest before investing client money so as to ensure that they are acting in the best interest of their clients. Portfolio managers who are not able to demonstrate that they took appropriate steps to identify and respond to conflicts of interest will face regulatory consequences.

III. THE TERMS OF THE SETTLEMENT AGREEMENT

[18] The parties have come to a settlement agreement, which I gather has been executed, and the terms of the Settlement Agreement between Questrade and Staff include that an order be issued by the Commission requiring that:

a. Questrade be reprimanded;

b. Questrade pay $100,000 in costs to the Commission; and

c. an undertaking by Questrade to make a voluntary payment of $2.9 million to the Commission.

[19] The Panel has been advised that the costs and the first instalment of the voluntary payment have been received by the Commission.

IV. ANALYSIS

[20] The role of the Panel in considering a settlement agreement is to determine whether the sanctions proposed fall within a range of reasonable outcomes and should be approved as being in the public interest. It is important to note that a negotiated agreement will not generally yield the same sanctions that might follow a fully contested hearing. A settlement is based on the facts agreed to by the parties, which may or may not be the facts that the Panel would find after a contested hearing.

[21] In our view, as I have indicated, this Settlement Agreement is reasonable and its approval is in the public interest. Questrade's willingness to make a voluntary payment of $2.9 million is a clear acknowledgement of the seriousness of Questrade's misconduct. This payment, in combination with other agreed sanctions, will serve to deter not only Questrade, but other registrants from engaging in similar misconduct.

[22] This settlement will also emphasize to industry participants the importance of establishing and following a rigorous process to anticipate and respond to conflicts of interest to avoid putting investors at risk.

[23] In coming to this conclusion, the Panel took note of a number of mitigating factors that have been raised by the parties including the fact that Staff is not alleging dishonest or wilful misconduct. We understand that.

[24] Questrade will provide Staff with the results of an independent consultant's review of the suitability of WisdomTree ETFs for all clients in all affected PIQ portfolios.

[25] Questrade has provided prompt, detailed and candid cooperation to Staff, and Questrade, on its own initiative, took steps to improve its system of compliance relating to the identification, avoidance, management and mitigation of conflicts of interest, and has reported, I understand, these improvements to Staff.

[26] Finally, the Settlement Agreement includes a reprimand of Questrade. It should be understood that the Panel imposed the reprimand of Questrade on the basis of it being a strong statement of disapproval of Questrade's conduct, which is the subject of this hearing. We trust that Questrade, through its personnel, its directors, officers and employees, whatever their position, accept and understand the reprimand on that basis.

[27] We would like to acknowledge the presence of Mr. Edward Kholodenko, which allows the Panel to convey to Questrade and Mr. Kholodenko directly the importance of these matters.

[28] So for the reasons outlined, we approve the Settlement Agreement on the terms proposed by the parties. An order will be issued following this hearing in substantially the form proposed by the parties. The published reasons shall substantially reflect what I've read and will follow.

Approved by the Panel on this 10th day of December, 2018.

"Robert P. Hutchison"

"Deborah Leckman"

"Lawrence P. Haber"

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

Failure to File Cease Trade Orders

Company Name	Date of Order	Date of Revocation
Bougainville Ventures Inc.	04 December 2018	
Greenbank Capital Inc.	04 December 2018	
LottoGopher Holdings Inc.	05 December 2018	

4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order	Date of Lapse
Blocplay Entertainment Inc.	04 December 2018	

4.2.2 Outstanding Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date ofPermanent Order	Date ofLapse/ 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
Blocplay Entertainment Inc.	04 December 2018	
Katanga Mining Limited	15 August 2017	

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Chapter 7

Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as as in Carswell's internet service SecuritiesSource (see www.carswell.com).

This chapter contains a weekly summary of insider transactions of Ontario reporting issuers in the System for Electronic Disclosure by Insiders (SEDI). The weekly summary contains insider transactions reported during the seven days ending Sunday at 11:59 pm.

To obtain Insider Reporting information, please visit the SEDI website (www.sedi.ca).

Chapter 11

IPOs, New Issues and Secondary Financings

INVESTMENT FUNDS

Issuer Name:
Blockchain Technologies ETF
Harvest Banks & Buildings Income ETF
Harvest Equal Weight Global Utilities Income ETF
Harvest European Leaders Income ETF
Harvest Global Gold Giants Index ETF
Harvest Global Resource Leaders ETF
Harvest US Bank Leaders Income ETF
Principal Regulator – Ontario
Type and Date:
Combined Preliminary and Pro Forma Long Form Prospectus dated November 30, 2018
NP 11-202 Preliminary Receipt dated December 4, 2018
Offering Price and Description:
Class A Units
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
Harvest Portfolios Group Inc.
Project #2853875

Issuer Name:
E Split Corp.
Principal Regulator – Alberta (ASC)
Type and Date:
Preliminary Shelf Prospectus (NI 44-102) dated December 3, 2018
NP 11-202 Preliminary Receipt dated December 4, 2018
Offering Price and Description:
Maximum: $200,000,000
Preferred Shares $10.02 and Class A Shares $11.12
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
Middlefield Limited
Project #2854158

Issuer Name:
Franklin FTSE Canada All Cap Index ETF
Franklin FTSE Europe ex U.K. Index ETF
Franklin FTSE Japan Index ETF
Franklin FTSE U.S. Index ETF
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated December 6, 2018
NP 11-202 Preliminary Receipt dated December 6, 2018
Offering Price and Description:
Units
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
Franklin Templeton Investments Corp
Project #2854744

Issuer Name:
RBC Emerging Markets Balanced Fund
RBC Emerging Markets Equity Focus Fund
Principal Regulator – Ontario
Type and Date:
Preliminary Simplified Prospectus dated December 6, 2018
NP 11-202 Preliminary Receipt dated December 6, 2018
Offering Price and Description:
–
Underwriter(s) or Distributor(s):
Royal Mutual Funds Inc. (Series A)
RBC Global Asset Management Inc. (other than Series A)
Promoter(s):
RBC Global Asset Management Inc.
Project #2854807

Issuer Name:
Vanguard All-Equity ETF Portfolio
Vanguard Balanced ETF Portfolio
Vanguard Conservative ETF Portfolio
Vanguard Conservative Income ETF Portfolio
Vanguard Global Liquidity Factor ETF
Vanguard Global Minimum Volatility ETF
Vanguard Global Momentum Factor ETF
Vanguard Global Value Factor ETF
Vanguard Growth ETF Portfolio
Principal Regulator – Ontario
Type and Date:
Combined Preliminary and Pro Forma Long Form Prospectus dated December 7, 2018
NP 11-202 Preliminary Receipt dated December 7, 2018
Offering Price and Description:
–
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
Vanguard Investments Canada Inc.
Project #2855040

Issuer Name:
BMO Global Growth TACTIC Fund
BMO Global Water Solutions TACTIC Fund
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated November 30, 2018
NP 11-202 Receipt dated December 7, 2018
Offering Price and Description:
Class A, Class D, Class F, Class I and Class X units @ net asset value
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
Promoter(s):
N/A
Project #2833088

Issuer Name:
BMO PineBridge Preferred Securities TACTIC Fund
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated November 30, 2018
NP 11-202 Receipt dated December 7, 2018
Offering Price and Description:
units @ net asset value
Underwriter(s) or Distributor(s):
–
Promoter(s):
N/A
Project #2833092

Issuer Name:
TD Diversified Monthly Income Fund
TD Balanced Growth Fund
TD U.S. Blue Chip Equity Fund
TD Global Equity Focused Fund
TD Asian Growth Fund
TD Emerging Markets Fund
TD Precious Metals Fund
TD Canadian Bond Index Fund
TD Nasdaq® Index Fund
TD Retirement Conservative Portfolio
TD Retirement Balanced Portfolio
TD Advantage Balanced Income Portfolio
TD Comfort Conservative Income Portfolio
TD Comfort Balanced Income Portfolio
TD Comfort Balanced Portfolio
TD Comfort Balanced Growth Portfolio
TD Comfort Growth Portfolio
TD Comfort Aggressive Growth Portfolio
TD Fixed Income Pool
Principal Regulator – Ontario
Type and Date:
Amendment #1 to Final Simplified Prospectus dated November 22, 2018
NP 11-202 Receipt dated December 4, 2018
Offering Price and Description:
D-Series, H8 Series, T8 Series, FT5 Series and FT8 Series units
Underwriter(s) or Distributor(s):
TD Investment Services Inc.
TD Waterhouse Canada Inc.
Promoter(s):
TD Asset Management Inc.
Project #2785920

Issuer Name:
Fidelity U.S. Focused Stock Fund
Fidelity U.S. All Cap Fund
Fidelity AsiaStar® Fund
Fidelity Far East Fund
Fidelity Global Concentrated Equity Fund
Fidelity Global Natural Resources Fund
Fidelity Global Asset Allocation Fund
Fidelity Tactical Strategies Fund
Fidelity Growth Portfolio
Fidelity ClearPath® 2040 Portfolio
Fidelity ClearPath® 2055 Portfolio
Fidelity ClearPath® Income Portfolio
Fidelity American High Yield Fund
Fidelity U.S. Money Market Fund
Principal Regulator – Ontario
Type and Date:
Amendment #1 to Final Simplified Prospectus dated November 28, 2018
NP 11-202 Receipt dated December 4, 2018
Offering Price and Description:
Series A, B, E1, E1T5, E2, E2T5, E3, E3T5, E4, E4T5, F, F5, F8, O, P1, P1T5, P2, P2T5, P3, P3T5, P4, S5, S8, T5, T8 units
Underwriter(s) or Distributor(s):
Fidelity Investments Canada ULC
Fidelity Investments Canadaz ULC
Fidelity Investments Canada Limited
Promoter(s):
N/A
Project #2822465

Issuer Name:
Fidelity Canadian Disciplined Equity® Class
North American Equity Class
Fidelity U.S. Focused Stock Class
Fidelity Event Driven Opportunities Currency Neutral Class
Fidelity Global Disciplined Equity® Class
Fidelity Global Concentrated Equity Class
Principal Regulator – Ontario
Type and Date:
Amendment #2 to Final Simplified Prospectus and Amendment #4 Annual Information Form dated November 28, 2018
NP 11-202 Receipt dated December 4, 2018
Offering Price and Description:
Series A, B, E1, E1T5, E2, E2T5, E3, E4, F, F5, F8, P1, P1T5, P2, P3, P4, P5, S5, S8, T5 and T8 shares
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
Fidelity Investments Canada ULC
Project #2729743

Issuer Name:
Fidelity Global Growth and Value Class (formerly, Fidelity Core Global Equity Class)
Principal Regulator – Ontario
Type and Date:
Amendment #1 to Final Simplified Prospectus dated November 28, 2018
NP 11-202 Receipt dated December 4, 2018
Offering Price and Description:
Series A, B, E1, E1T5, E2, E2T5, E3, E3T5, E4, E5, F, F5, F8, P1, P1T5, P2, P2T5, P3, P3T5, P4, P5, S5, S8, T5 and T8 shares
Underwriter(s) or Distributor(s):
Fidelity Investments Canada ULC
Promoter(s):
Fidelity Investments Canada ULC
Project #2767463

Issuer Name:
Franklin Target Return Fund
Principal Regulator – Ontario
Type and Date:
Amendment #2 to Final Long Form Prospectus dated November 19, 2018
NP 11-202 Receipt dated December 7, 2018
Offering Price and Description:
Series A Units, Series F Units, Series PF Units, Series O Units and Series PA Units
Underwriter(s) or Distributor(s):
Franklin Templeton Investments Corp.
Promoter(s):
Franklin Templeton Investments Corp.
Project #2732278

Issuer Name:
Horizons Global Risk Parity ETF
Horizons Managed Global Opportunities ETF
Horizons Active Global Dividend ETF
Horizons Active Emerging Markets Dividend ETF
Horizons Active Cdn Dividend ETF
Horizons Active US Dividend ETF
Horizons Active Floating Rate Senior Loan ETF
Horizons Active A.I. Global Equity ETF
Horizons Global Currency Opportunities ETF
Horizons Active Intl Developed Markets Equity ETF
Principal Regulator – Ontario
Type and Date:
Amendment #2 to Final Long Form Prospectus dated December 3, 2018
NP 11-202 Receipt dated December 7, 2018
Offering Price and Description:
–
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
Horizons ETFs Management (Canada) Inc.
Project #2718407

Issuer Name:
TD Managed Income Portfolio
TD Managed Income & Moderate Growth Portfolio
TD Managed Balanced Growth Portfolio
TD Managed Aggressive Growth Portfolio
TD Managed Maximum Equity Growth Portfolio
Principal Regulator – Ontario
Type and Date:
Amendment #1 to Final Simplified Prospectus dated November 22, 2018
NP 11-202 Receipt dated December 4, 2018
Offering Price and Description:
D-Series
Underwriter(s) or Distributor(s):
TD Waterhouse Canada Inc.
TD Investment Services Inc.
Promoter(s):
TD Asset Management Inc.
Project #2822091

NON-INVESTMENT FUNDS

Issuer Name:
12 Exploration Inc.
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated December 6, 2018
NP 11-202 Preliminary Receipt dated December 7, 2018
Offering Price and Description:
4,000,000 COMMON SHARES
$0.15 PER COMMON SHARE
Underwriter(s) or Distributor(s):
Industrial Alliance Securities Inc.
Promoter(s):
Thomas Obradovich
Project #2854859

Issuer Name:
Alignvest Acquisition II Corporation
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated December 3, 2018
NP 11-202 Preliminary Receipt dated December 4, 2018
Offering Price and Description:
No securities are being offered pursuant to this prospectus.
Underwriter(s) or Distributor(s):
–
Promoter(s):
ALIGNVEST II CORPORATION
Project #2853949

Issuer Name:
Aqueren Capital Corp.
Principal Regulator – Ontario
Type and Date:
Preliminary CPC Prospectus dated December 7, 2018
NP 11-202 Preliminary Receipt dated December 10, 2018
Offering Price and Description:
$500,000.00 – 5,000,000 Common Shares
Price: $0.10 per Common Share
Underwriter(s) or Distributor(s):
Canaccord Genuity Corp.
Promoter(s):
John Varghese
Project #2855184

Issuer Name:
Bold Capital EnterprisesLtd.
Principal Regulator – Quebec
Type and Date:
Preliminary CPC Prospectus dated December 5, 2018
NP 11-202 Preliminary Receipt dated December 5, 2018
Offering Price and Description:
MINIMUM OFFERING: $200,000.00 (2,000,000 Common Shares)
MAXIMUM OFFERING: $500,000.00 (5,000,000 Common Shares)
Price: $0.10 per Common Share
Underwriter(s) or Distributor(s):
Leede Jones Gable Inc.
Promoter(s):
Nabil Ishak
Project #2854440

Issuer Name:
Cardiol Therapeutics Inc.
Principal Regulator – Ontario
Type and Date:
Amendment #3 dated December 10, 2018 to Preliminary Long Form Prospectus dated November 9, 2018
NP 11-202 Preliminary Receipt dated December 10, 2018
Offering Price and Description:
3,000,000 UNITS (CDN $15,000,000.00)
CDN $5.00 Per Unit
Underwriter(s) or Distributor(s):
ALTACORP CAPITAL INC.
RAYMOND JAMES LTD.
MACKIE RESEARCH CAPITAL CORPORATION
ECHELON WEALTH PARTNERS INC.
PARADIGM CAPITAL INC.
Promoter(s):
David Elsley
Anthony Bolton
Eldon Smith
Project #2822718

Issuer Name:
Heritage Cannabis Holdings Corp. (formerly Umbral Energy Corp.)
Principal Regulator – British Columbia
Type and Date:
Preliminary Short Form Prospectus dated December 7, 2018
Received on December 7, 2018
Offering Price and Description:
$7,500,000.00
30,000,000 Units Issuable upon Exercise or Deemed Exercise of 30,000,000 Special Warrants
Underwriter(s) or Distributor(s):
Cormack Securities Inc.
Canaccord Genuity Corp.
Promoter(s):
–
Project #2855242

Issuer Name:
Kraken Robotics Inc.
Principal Regulator – British Columbia
Type and Date:
Preliminary Short Form Prospectus dated December 7, 2018
NP 11-202 Preliminary Receipt dated December 7, 2018
Offering Price and Description:
$6,000,000.00
15,000,000 Common Shares
$0.40 per Common Share
Underwriter(s) or Distributor(s):
Clarus Securities Inc.
Beacon Securities Limited
Promoter(s):
–
Project #2855165

Issuer Name:
MLI Marble Lending Inc.
Principal Regulator – British Columbia
Type and Date:
Amendment #1 dated December 4, 2018 to Preliminary Long Form Prospectus dated October 4, 2018
NP 11-202 Preliminary Receipt dated December 5, 2018
Offering Price and Description:
OFFERING of a Minimum of 15,000,000 Units ($3,000,000.00) up to a Maximum of 30,000,000 Units ($6,000,000.00) at $0.20 per Unit
Underwriter(s) or Distributor(s):
Leede Jones Gable Inc.
Promoter(s):
Michele Marrandino
Project #2828969

Issuer Name:
Monterey Minerals Inc. (formerly 1001886 B.C. Ltd.)
Principal Regulator – British Columbia
Type and Date:
Amendment #1 dated December 6, 2018 to Preliminary Long Form Prospectus dated September 7, 2018
NP 11-202 Preliminary Receipt dated December 7, 2018
Offering Price and Description:
No securities are being offered pursuant to this Prospectus
Underwriter(s) or Distributor(s):
–
Promoter(s):
–
Project #2820562

Issuer Name:
National Access Cannabis Corp. (formerly Brassneck Capital Corp.)
Principal Regulator – Ontario
Type and Date:
Preliminary Short Form Prospectus dated December 7, 2018
NP 11-202 Preliminary Receipt dated December 10, 2018
Offering Price and Description:
$21,150,000.00 aggregate principal amount of 8.0% Convertible Secured Senior Debentures issuable upon deemed exercise of 21,150 Special Warrants
Underwriter(s) or Distributor(s):
Cormack Securities Inc.
Canaccord Genuity Corp.
Beacon Securities Limited
Infor Financial Inc.
PI Financial Corp.
Promoter(s):
–
Project #2855121

Issuer Name:
Prize Exploration Inc.
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated December 5, 2018
NP 11-202 Preliminary Receipt dated December 7, 2018
Offering Price and Description:
Offering: $300,000.00 or 3,000,000 Common Shares
Offering Price: $0.10 per Common Share
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
Promoter(s):
Yaron Conforti
Project #2854904

Issuer Name:
Saputo Inc.
Principal Regulator – Quebec
Type and Date:
Preliminary Shelf Prospectus dated December 3, 2018
NP 11-202 Preliminary Receipt dated December 4, 2018
Offering Price and Description:
$2,000,000,000.00
Medium Term Notes (Unsecured)
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
Desjardins Securities Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
TD Securities Inc.
Merrill Lynch Canada Inc.
MUFG Securities (Canada) Ltd
Rabo Securities Canada Inc.
Promoter(s):
–
Project #2853850

Issuer Name:
Sproutly Canada, Inc. (formerly, Stone Ridge Exploration Corp.)
Principal Regulator – British Columbia
Type and Date:
Preliminary Short Form Prospectus dated December 3, 2018
NP 11-202 Preliminary Receipt dated December 4, 2018
Offering Price and Description:
$20,760,000.00
15,400,000 Equity Units issuable upon exercise of 15,400,000 Equity Special Warrants, 10,750 CD Units issuable upon exercise of 10,750 CD Special Warrants, 1,078,000 Broker Equity Warrants issuable upon exercise of 1,078,000 Broker Equity Special Warrants and 788,333 Broker CD Warrants issuable upon exercise of 788,333 Broker CD Special Warrants
Underwriter(s) or Distributor(s):
Canaccord Genuity Corp.
Eight Capital Corp.
Haywood Securities Inc.
Promoter(s):
Keith Dolo
Aman Bains
Project #2853916

Issuer Name:
Stuhini Exploration Ltd.
Principal Regulator – British Columbia
Type and Date:
Preliminary Long Form Prospectus dated December 5, 2018
NP 11-202 Preliminary Receipt dated December 5, 2018
Offering Price and Description:
4,000,000 Common Shares at a price of $0.20 per Common Share
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
Promoter(s):
David O'Brien
Barry Hanslit
Project #2854482

Issuer Name:
Winston Capital Group Inc.
Principal Regulator – Alberta (ASC)
Type and Date:
Preliminary CPC Prospectus dated December 5, 2018
NP 11-202 Preliminary Receipt dated December 7, 2018
Offering Price and Description:

$500,000.00
5,000,000 common shares
Price: $0.10 per common share
Underwriter(s) or Distributor(s):
Mackie Research Capital Corp.
Promoter(s):
Bruce Bent
Project #2854615

Issuer Name:
XAU Resources Inc.
Principal Regulator – Ontario
Type and Date:
Preliminary CPC Prospectus dated December 4, 2018
NP 11-202 Preliminary Receipt dated December 4, 2018
Offering Price and Description:
Minimum Offering: $400,000.00 (4,000,000 common shares)
Maximum Offering: $600,000.00 (6,000,000 common shares)
Price: $0.10 per Offered Share
Underwriter(s) or Distributor(s):
Hampton Securities Limited
Promoter(s):
Gairat Gary Bay
Project #2854162

Issuer Name:
ACME Resources Corp.
Type and Date:
Final Long Form Prospectus dated December 5, 2018
Receipted on December 6, 2018
Offering Price and Description:
No securities are being offered pursuant to this Prospectus.
Underwriter(s) or Distributor(s):
–
Promoter(s):
–
Project #2795304

Issuer Name:
BELLUS Health Inc.
Principal Regulator – Quebec
Type and Date:
Amendment #1 dated December 30, 2018 to Final Shelf Prospectus dated November 23, 2017
NP 11-202 Receipt dated December 6, 2018
Offering Price and Description:
$60,000,000.00
Common Shares
Preferred Shares
Debt Securities
Warrants
Subscription Receipts
Units
Underwriter(s) or Distributor(s):
–
Promoter(s):
–
Project #2693603

Issuer Name:
FireFox Gold Corp.
Principal Regulator – British Columbia
Type and Date:
Final Long Form Prospectus dated December 6, 2018
NP 11-202 Receipt dated December 7, 2018
Offering Price and Description:
Minimum Offering: $2,000,000.00 (5,000,000 Offered Units)
Maximum Offering: $5,000,000.00 (12,500,000 Offered Units)
Price: $0.40 per Offered Unit
Underwriter(s) or Distributor(s):
PI Financial Corp.
Canaccord Genuity Corp.
M Partners Inc.
Promoter(s):
Carl Lofberg
Patrick Highsmith
Project #2829969

Issuer Name:
Fortis Inc.
Principal Regulator – Ontario
Type and Date:
Final Shelf Prospectus dated December 6, 2018
NP 11-202 Receipt dated December 7, 2018
Offering Price and Description:
$2,500,000,000.00
COMMON SHARES
FIRST PREFERENCE SHARES
SECOND PREFERENCE SHARES
SUBSCRIPTION RECEIPTS
DEBT SECURITIES
Underwriter(s) or Distributor(s):
–
Promoter(s):
–
Project #2851629

Issuer Name:
Rubicon Minerals Corporation
Principal Regulator – Ontario
Type and Date:
Final Shelf Prospectus dated December 10, 2018
NP 11-202 Receipt dated December 10, 2018
Offering Price and Description:
$100,000,000.00
Common Shares
Debt Securities
Subscription Receipts
Warrants
Units
Underwriter(s) or Distributor(s):
–
Promoter(s):
–
Project #2839641

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Amalgamation	Broadview Capital Management Inc. and Ewing Morris & Co. Investment Partners Ltd. To form: Ewing Morris & Co. Investment Partners Ltd.	Investment Fund Manager, Portfolio Manager, Exempt Market Dealer	December 1, 2018
Change in Registration Category	RBC Investease Inc./RBC Investivite Inc.	From: Portfolio Manager To: Restricted Portfolio Manager	December 5, 2018
Consent to Suspension (Pending Surrender)	The Funding Portal Inc.	Exempt Market Dealer	December 4, 2018
Consent to Suspension (Pending Surrender)	Analytic Investors, LLC	Portfolio Manager	December 7, 2018
Consent to Suspension (Pending Surrender)	Niagara Capital Partners Ltd.	Investment Fund Manager and Exempt Market Dealer	December 7, 2018
New Registration	Cassidy Asset Management Inc.	Portfolio Manager and Exempt Market Dealer	December 10, 2018
Consent to Suspension (Pending Surrender)	EnTrust Focus Partners LP	Investment Fund Manager and Portfolio Manager	December 10, 2018

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Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.1 SROs

13.1.1 IIROC – Housekeeping Amendments to Sample Auditor's Reports in Form 1 – Notice of Commission Deemed Approval

NOTICE OF COMMISSION DEEMED APPROVAL

INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA (IIROC)

HOUSEKEEPING AMENDMENTS TO SAMPLE AUDITOR'S REPORTS IN FORM 1

The Ontario Securities Commission did not object to the classification of IIROC's proposed housekeeping amendments to the sample independent auditor's reports in Form 1 to reflect the adoption of new auditor reporting standards, Canadian Auditing Standard 700. As a result, the proposed housekeeping amendments are deemed to be approved and are effective immediately.

In addition, the Alberta Securities Commission, the Autorité des marchés financiers, the British Columbia Securities Commission, the Financial and Consumer Affairs Authority of Saskatchewan, the Financial and Consumer Services Commission of New Brunswick, the Manitoba Securities Commission, the Northwest Territories Office of the Superintendent of Securities, the Nova Scotia Securities Commission, the Nunavut Securities Office, the Office of the Superintendent of Securities, Service Newfoundland and Labrador, the Office of the Yukon Superintendent of Securities, and the Prince Edward Island Office of the Superintendent of Securities did not object to the amendments.

A copy of IIROC's Notice of Approval/Implementation and the text of the approved amendments can be found at www.osc.gov.on.ca.

13.1.2 IIROC – Proposed Amendments Respecting the Provision of Price Improvement by a Dark Order – Request for Comment

REQUEST FOR COMMENT

INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA (IIROC)

PROPOSED AMENDMENTS RESPECTING THE PROVISION OF PRICE IMPROVEMENT BY A DARK ORDER

IIROC is publishing for public comment proposed amendments to the Universal Market Integrity Rules (UMIR) respecting the provision of price improvement by a dark order (the Proposed Amendments).

The Proposed Amendments modify the dark order price improvement requirements when trading against certain orders by adding a minimum order value of $30,000, in addition to the current threshold of 50 standard trading units. The Proposed Amendments use a combination of both a minimum dollar value and a minimum volume threshold to better identify small orders and more effectively achieve IIROC's policy objective to support price discovery.

A copy of the IIROC Notice is published on our website at www.osc.gov.on.ca. The comment period ends on March 15, 2019.

Chapter 25

Other Information

25.1 Exemptions

25.1.1 CWB Wealth Management Ltd. – s. 8.1 of OSC Rule 13-502 Fees

Headnote

Application pursuant to section 6.4(1) of OSC Rule 13-502 Fees – Exemption based on specific facts, from requirement to pay late fees in connection with late filing of annual and interim financial statements by certain mutual funds.

Statutes Cited

National Instrument 81-106 Investment Fund Continuous Disclosure, ss. 2.2, 2.4.

Rules Cited

Ontario Securities Commission Rule 13-502 Fees, s. 6.4(1) and Appendix D, Item 4(a).

December 5, 2018

Borden Ladner Gervais LLP
1200 Waterfront Centre
200 Burrard St, P.O. Box 48600
Vancouver, BC, Canada V7X 1T2

Attention: Robert Wallis

Dear Sirs/Mesdames:

Re: CWB Wealth Management Ltd. (the Applicant)

Application under section 8.1 of Ontario Securities Commission Rule 13-502 *Fees* (OSC Rule 13-502)

Application No. 2018/0546

By letter dated October 2, 2018 (the **Application**), you applied to the Director (the **Director**) of the Ontario Securities Commission (the **Commission**) on behalf of the Applicant for an exemption (the **Fee Exemption**) under section 8.1 of Rule 13-502 from the requirement to pay a late fee (the **Late Fee**) under section 6.4(1) of OSC Rule 13-502 in respect of the filing in Ontario of the annual financial statements for the CWB Core Equity Fund, CWB Core Fixed Income Fund, CWB Onyx Growth Solution, CWB Onyx Global Equity Fund, CWB Onyx Diversified Income Fund, CWB Onyx Conservative Solution, CWB Onyx Canadian Equity Fund and CWB Onyx Balanced Solution (collectively, the **Funds**) for the year ended December 31, 2017 (the Annual **Financial Statement**) and the interim financial reports for the Funds for the six-month period ended June 30, 2017 (the **Interim Financial Reports** and together with the Annual Financial Statements, the **Disclosure Documents**).

From our review of the Application and other information communicated to staff, we understand the relevant facts and representations to be as follows:

1. The Applicant is a corporation incorporated under the *Business Corporations Act* (Alberta). The head office of the Applicant is located in Edmonton, Alberta. The Applicant is the investment fund manager and trustee of the Funds.

2. The Funds are mutual fund trusts established under the laws of the Province of Alberta. The Funds are currently in default for non-payment of the Late Fee and have been noted in default for this reason on the Commission's Reporting Issuer List.

3. Under section 2.2 of National Instrument 81-106 *Investment Fund Continuous Disclosure* (**NI 81-106**), the Annual Financial Statements were required to be filed in British Columbia, Alberta, Saskatchewan, Manitoba and Ontario (the **Reporting Jurisdictions**) on or before April 2, 2018, and under section 2.4 of NI 81-106, the Interim Financial Reports were required to be filed in the Reporting Jurisdictions on or before August 29, 2017.

4. The Disclosure Documents were filed in British Columbia, Alberta, Saskatchewan and Manitoba through SEDAR prior to the applicable filing deadlines; however, when completing those filings through SEDAR, the Commission was inadvertently not included as a recipient agency of the Disclosure Documents.

5. It was brought to the attention of the Applicant that the Commission was not included as a recipient agency of the Disclosure Documents on June 20, 2018, and the Commission was added as a recipient agency of the Disclosure Documents on June 21, 2018.

6. The Disclosure Documents became publicly available at the time they were filed in British Columbia, Alberta, Saskatchewan and Manitoba, so no investors or prospective investors were impacted by the late addition of the Commission as a recipient agency of the Disclosure Documents.

7. Absent the Fee Exemption, the Applicant would be required to pay the Late Fee in the amount set forth in Row A of Appendix D of OSC Rule 13-502. Appendix D of OSC Rule 13-502 imposes the late fee at a rate of $100 per business day and caps such late fee at a maximum of $5,000 per issuer per calendar year.

8. As the Disclosure Documents were filed more than 50 business days after their respective deadlines, each Fund is subject to the maximum late fee set forth in Row A of Appendix D of OSC Rule 13-502 of $5,000 for each of the 2017 and 2018 calendar years.

Decision

This letter confirms that, based on the information provided in the Application, the facts and representations above, and for the purposes described in the Application, the Director is satisfied that it would not be prejudicial to the public interest to grant the Fee Exemption.

The decision of the Director, pursuant to section 8.1 of OSC Rule 13-502, is that each Fund is exempted from paying the $5,000 Late Fee in respect of the 2017 and 2018 calendar years, totaling $80,000 in Late Fees for all of the Funds, incurred in connection with the late filing of the Funds' Disclosure Documents.

DATED at Toronto on this 5th day of December, 2018

Yours truly,

"Raymond Chan"
Acting Director, Investment Funds & Structured Products Branch
Ontario Securities Commission

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