The Ontario Securities Commission

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

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Chapter 1

Notices

1.1 Notices

1.1.1 Caldwell Investment Management Ltd. – Notice of Correction

FILE NO.: 2018-36

NOTICE OF CORRECTION

IN THE MATTER OF
CALDWELL INVESTMENT MANAGEMENT LTD.

(2018), 41 OSCB 8183; 2018 ONSEC 50. In the Reasons and Decision in this matter, the hearing date was incorrectly shown as "September 29, 2018". The hearing date should read: "September 27, 2018".

(2018), 41 OSCB 8169. The first recital of the Order which reads: "WHEREAS on September 29, 2018" should read: "WHEREAS on September 27, 2018".

1.2 Notices of Hearing

1.2.1 Joseph Debus – ss. 8, 21.7

FILE NO.: 2019-16

IN THE MATTER OF
JOSEPH DEBUS

NOTICE OF HEARING
s. 8 and s. 21.7 of the
Securities Act, RSO 1990, c S.5

PROCEEDING TYPE: Application for Hearing and Review

HEARING DATE AND TIME: May 22, 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 April 16, 2019 made by the party named above to review a decision of the Investment Industry Regulatory Organization of Canada.

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 dès que possible si le participant demande qu'une instance soit tenue entièrement ou partiellement en français.

Dated at Toronto this 1st day of May, 2019.

"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 Statement of Allegations

1.3.1 Shane David Yawrenko and Umbrella Merchant Services Inc. – ss. 127(1), 127(10)

FILE NO.: 2019-17

IN THE MATTER OF
SHANE DAVID YAWRENKO and
UMBRELLA MERCHANT SERVICES INC.

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 dated May 2, 2019.

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

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Dated at Toronto this 6th day of May 2019

"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
SHANE DAVID YAWRENKO and
UMBRELLA MERCHANT SERVICES INC.

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

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

A. ORDER SOUGHT

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

   (a) against Shane David Yawrenko (**Yawrenko**) that:

      i. pursuant to paragraphs 2 and 2.1 of subsection 127(1) of the Act, trading in any securities or derivatives, or acquisition of securities, by Yawrenko cease until August 17, 2023, except that he may trade in securities or derivatives through a registrant who has first been given copies of the Settlement Agreement and Undertaking between Yawrenko, Umbrella Merchant Services Inc. (**Umbrella**) and the Alberta Securities Commission (the **ASC**) dated August 17, 2018 (the **Settlement Agreement**), and the order of the Commission in this proceeding, if granted;

      ii. pursuant to paragraph 3 of subsection 127(1) of the Act, all exemptions contained in Ontario securities law do not apply to Yawrenko until August 17, 2023;

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

      iv. pursuant to paragraphs 8 and 8.2 of subsection 127(1) of the Act, Yawrenko be prohibited from becoming or acting as a director or officer of any issuer or registrant until August 17, 2023; and

      v. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Yawrenko be prohibited until August 17, 2023 from becoming or acting as a registrant or promoter;

   (b) against Umbrella that:

      i. pursuant to paragraph 3 of subsection 127(1) of the Act, all exemptions contained in Ontario securities law do not apply to Umbrella until August 17, 2023;

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

B. FACTS

Staff make the following allegations of fact:

3. On August 17, 2018, Yawrenko and Umbrella (together, the **Respondents**) entered into the Settlement Agreement with the ASC.

4. Pursuant to the Settlement Agreement, the Respondents each agreed to be made subject to sanctions, conditions, restrictions or requirements within the province of Alberta.

(i) The ASC Proceeding

Agreed Facts

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

Parties

(a) Yawrenko is an individual who resides in Edmonton, Alberta.

(b) Yawrenko is and was the sole director and guiding mind of Umbrella. As such, Yawrenko authorized, permitted or acquiesced in the conduct of Umbrella as described within the Settlement Agreement.

(c) Umbrella was incorporated in Alberta on April 30, 2013 with its registered office in Edmonton, Alberta.

Circumstances

(d) Umbrella purported to be in the business of raising money for a business venture in Mexico related to point-of-sale technology and advertising for taxi cabs.

(e) Between May 2013 and July 2016, Umbrella raised approximately $2,139,500 from at least 33 investors, most of whom were Alberta residents, in exchange for common shares of Umbrella.

(f) Yawrenko met with prospective investors, promoted and negotiated the sale of Umbrella shares, and handled or provided directions for invested capital. In exchange for their invested capital, the investors signed a subscription agreement for common shares of Umbrella.

(g) The Umbrella shares were securities. The sale of Umbrella shares were trades as defined in the Alberta *Securities Act*, RSA 2000 c S-4 (the **Alberta Act**). As first trades in securities that had not been previously issued, the trades were distributions as defined in the Alberta Act.

(h) At no time did the Respondents file a preliminary prospectus or prospectus with the ASC's Executive Director or receive a receipt for same.

(i) Exemptions were not available to at least half of the investors who invested in Umbrella.

Admitted Breaches of Alberta Securities Laws

(j) Based on the Agreed Facts, the Respondents admitted that they breached section 110(1) of the Alberta Act by distributing securities without having filed and received a receipt for a preliminary prospectus or a prospectus, and without an exemption from that requirement for some of those distributions.

Circumstances Relevant to Settlement

(k) Neither of the Respondents has been previously sanctioned by the ASC.

(l) The Settlement Agreement saved the ASC the time and expense associated with a contested hearing under the Alberta Act.

(ii) Settlement and Undertakings

6. Based on the Agreed Facts and Admitted Breaches:

(a) the Respondents agreed and undertook to the ASC's Executive Director to jointly and severally pay to the ASC the amount of $55,000 in settlement of all allegations against them;

(b) Yawrenko agreed and undertook to the ASC's Executive Director to refrain for a period of five years from the date of the Settlement Agreement from:

i. trading in and purchasing securities or derivatives, except trades made through a registrant who has first been given a copy of the Settlement Agreement;

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

iii. becoming or acting as a director or officer (or both) of any issuer, registrant or investment fund manager in Alberta or elsewhere in Canada and to resign any positions he has as a director or officer, or both, of any issuer, registrant, or investment fund manager;

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

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

(c) Umbrella undertook and agreed to the ASC's Executive Director to refrain from using any of the prospectus and registration exemptions contained in Alberta securities laws for a period of five years from the date of the Settlement Agreement.

C. JURISDICTION OF THE ONTARIO SECURITIES COMMISSION

7. Pursuant to the Settlement Agreement, the Respondents each agreed to be made subject to sanctions, conditions, restrictions or requirements within the province of Alberta.

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

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

10. 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 2nd day of May, 2019.

Alvin Qian
Litigation Counsel
Enforcement Branch
Tel: (416) 263-3784
Email: aqian@osc.gov.on.ca

1.4 Notices from the Office of the Secretary

1.4.1 Caldwell Investment Management Ltd.

FOR IMMEDIATE RELEASE
May 1, 2019

CALDWELL INVESTMENT MANAGEMENT LTD.,
File No. 2018-36

TORONTO – Take notice that the hearing in the above named matter scheduled to be heard on June 13, 2019 will now proceed on July 11, 2019 at 10:00 a.m.

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 Joseph Debus

FOR IMMEDIATE RELEASE
May 1, 2019

JOSEPH DEBUS,
File No. 2019-16

TORONTO – The Office of the Secretary issued a Notice of Hearing to consider the Application dated April 16, 2019 made by the party named above to review a decision of the Investment Industry Regulatory Organization of Canada.

The hearing will be held on May 22, 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 May 1, 2019 and the Application dated April 16, 2019 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 Shane David Yawrenko and Umbrella Merchant Services Inc.

FOR IMMEDIATE RELEASE
May 6, 2019

SHANE DAVID YAWRENKO and
UMBRELLA MERCHANT SERVICES INC.,
File No. 2019-17

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

A copy of the Notice of Hearing dated May 6, 2019 and Statement of Allegations dated May 2, 2019 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
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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Portland Investment Counsel Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief granted from section 13.5(2)(b) of NI 31-103 to permit Inter-Fund trading between pooled funds and managed accounts managed by the same manager – Relief subject to conditions, including IRC approval and pricing requirements – certain trades involving exchange-traded securities permitted to occur at last sale price as defined in the Universal Market Integrity Rules – Exemption also granted from conflict of interest trading prohibition in paragraph 13.5(2)(b) to permit in-specie subscriptions and redemptions by separately managed accounts and pooled funds – relief subject to conditions.

Applicable Legislative Provisions

National Instrument 31-103 Registration Requirements and Exemptions, ss. 13.5 and 15.1.

March 6, 2019

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
PORTLAND INVESTMENT COUNSEL INC.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for a decision (the **Exemption Sought**) pursuant to section 15.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) exempting the Filer from the prohibitions in paragraph 13.5(2)(b) of NI 31-103 (the **Trading Prohibition**) which prohibit 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 the securities of any issuer from or to the investment portfolio of an associate of a responsible person or any investment fund for which a responsible person acts as an adviser, to permit:

a) a Pooled Fund (as defined below) to purchase securities from, or sell securities to, another Pooled Fund;

b) a Managed Account (as defined below) to purchase securities from, or sell securities to, a Pooled Fund,

and, in each case, for the purchase and sale described above of exchange-traded securities to occur at the Last Sale Price (as defined below) in lieu of the Closing Sale Price (as defined below);

(a purchase or sale of securities described in paragraphs (a) and (b) above being referred to herein as an **Inter-Fund Trade**);

c) the purchase by a Managed Account of securities of a Pooled Fund, and the redemption of securities of a Pooled Fund held by a Managed Account, and as payment:

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

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

d) the purchase by a Pooled Fund of securities of another Pooled Fund, and the redemption of securities held by a Pooled Fund in another Pooled Fund, and as payment:

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

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

(a purchase or redemption described in paragraph (c) or (d) above being referred to herein as an **In Specie Transaction**).

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

a) the Ontario Securities Commission (the **OSC**) 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 all of the provinces and territories of Canada (together with Ontario, the **Jurisdictions**).

Interpretation

Terms defined in the Legislation, MI 11-102, National Instrument 14-101 *Definitions*, NI 31-103, National Instrument 81-102 *Investment Funds* (**NI 81-102**), National Instrument 81-106 *Investment Fund Continuous Disclosure* or National Instrument 81-107 *Independent Review Committee for Investment Funds* (**NI 81-107**) have the same meanings in this decision, unless otherwise defined. In addition:

Closing Sale Price means the closing sale price contemplated by the definition of "current market price of the security" in subparagraph 6.1(1)(a)(i) of NI 81-107 on that trading day;

Last Sale Price means the last sale price, as defined in the Market Integrity Rules of the Investment Industry Regulatory Organization of Canada, prior to the execution of the trade on that trading day where the securities involved in the Inter-Fund Trade are exchange-traded securities (which term shall include Canadian and foreign exchange-traded securities);

Managed Account means an existing or future account over which the Filer has discretionary authority for a client; and

Pooled Fund means an existing or future investment fund of which the Filer is the investment fund manager and to which neither NI 81-102 nor NI 81-107 apply.

Representations

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

The Filer

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

2. The Filer is registered as follows:

a) in the provinces of Alberta, Newfoundland and Labrador, Ontario and Quebec in the category of investment fund manager;

b) in each of the provinces and territories of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Ontario, Prince Edward Island, Québec and Saskatchewan as an adviser in the category of portfolio manager;

c) in each of the provinces and territories of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Québec and Saskatchewan as a dealer in the category of exempt market dealer; and

d) in Ontario as a dealer in the category of mutual fund dealer.

3. The Filer acts, or will act, as the:

a) investment fund manager of each Pooled Fund;

b) portfolio adviser to each Pooled Fund; and

c) adviser to each Managed Account.

4. The Filer acts, or may act, as the trustee of those Pooled Funds that are structured as trusts. Accordingly, each such Pooled Fund is, or may be, an associate of the Filer.

5. An entity related to the Filer acts, or may act, as the general partner to those Pooled Funds that are structured as a limited partnership.

6. The Filer is not in default of the securities legislation of any Jurisdiction.

Pooled Funds

7. Each Pooled Fund is, or will be, an investment fund established under the laws of Ontario or another Jurisdiction.

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

9. The securities of each Pooled Fund are, or will be, distributed on a private placement basis pursuant to the securities legislation of the Jurisdictions and no Pooled Fund is, or will be, a reporting issuer under the securities legislation of any Jurisdiction.

10. Each existing Pooled Fund is not in default of the securities legislation of any Jurisdiction.

Managed Accounts

11. Each Managed Account is, or will be, managed pursuant to an investment management agreement or other documentation 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 in securities for the Managed Account without obtaining the specific consent of the client to execute the trade.

12. The investment management agreement or other documentation in respect of each Managed Account contains, or will contain, authorization from the client for the Filer to make Inter-Fund Trades and/or enter into In Specie Transactions.

Independent Review Committee

13. Though the Pooled Funds are not, and will not be, subject to the requirements of NI 81-107, each Pooled Fund will have an IRC at the time the Pooled Fund makes an Inter-Fund Trade. The mandate of the IRC of each Pooled Fund will include approving Inter-Fund Trades.

14. If the IRC of a Pooled Fund becomes aware of an instance where the Filer did not comply with the terms of this decision or a condition imposed by securities legislation or the IRC in its approval, the IRC of the Pooled Fund will, as soon as practicable, notify in writing the securities regulatory authority or regulator in the Jurisdiction under which the Pooled Fund is organized.

Inter-Fund Trades

15. When the Filer engages in an Inter-Fund Trade it will follow the following procedures:

a) in respect of a purchase or a sale of a security by a Pooled Fund or Managed Account as applicable (*Portfolio A*), the portfolio manager 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 sale or a purchase of a security by another Pooled Fund or Managed Account as applicable (*Portfolio B*), the portfolio manager 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 or trader 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 **CCO**) to execute the trade as an Inter-Fund Trade;

d) once the portfolio manager or trader on the trading desk has confirmed the approval of the CCO, the portfolio manager 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 portfolio manager 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 only for 30 days unless the portfolio manager cancels the order sooner; and

f) the portfolio manager or the trader on the trading desk will advise the CCO of the price at which the Inter-Fund Trade occurred.

In Specie Transactions

16. When acting for a Managed Account of a client, the Filer wishes to be able, in accordance with the investment objectives and 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.

17. In acting on behalf of a Pooled Fund, the Filer wishes to be able, in accordance with the investment objectives and 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.

18. The Filer has determined that effecting the In Specie Transactions of securities between a Pooled Fund and a Managed Account or between a Pooled Fund and another Pooled Fund will allow the Filer to manage each asset class more effectively and reduce transaction costs for the client or the Pooled Funds, as applicable. For example, In Specie Transactions may:

a) reduce market impact costs, which can be detrimental to clients and/or the Pooled Funds; and

b) allow a portfolio manager to retain within its control institutional-size blocks of securities that otherwise would need to be broken and re-assembled.

19. The only cost which will be incurred by a Pooled Fund or a Managed Account for an In Specie Transaction is a nominal administrative charge levied by the custodian of the Pooled Fund in recording the trades and/or any commission charged by the dealer executing the trade.

20. At the time of each In Specie Transaction, the Filer will have in place policies and procedures governing such transactions, including the following:

a) the Filer has obtained, or will obtain, the written consent of the relevant client before it engages in any In Specie Transaction in connection with the purchase or redemption of securities of a Pooled Fund for the Managed Account;

b) the portfolio securities transferred in an In Specie Transaction will be consistent with the investment criteria of the Pooled Fund or Managed Account, as the case may be, acquiring the portfolio securities;

c) the portfolio securities transferred in In Specie Transactions will be valued on the same valuation day using the same valuation principles as are used to calculate the net asset value for the purpose of the issue price or redemption price of securities of the Pooled Fund;

d) with respect to the purchase of securities of a Pooled Fund, the portfolio securities transferred to the Pooled Fund in an In Specie Transaction as purchase consideration for those securities will be valued as if the portfolio securities were assets of the Pooled Fund and as if the Pooled Fund was subject to subparagraph 9.4(2)(b)(iii) of NI 81-102;

e) with respect to the redemption of securities of a Pooled Fund, the portfolio securities transferred in consideration for the redemption price of those securities will have a value at least 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 of the securities as if the Pooled Fund was subject to paragraph 10.4(3)(b) of NI 81-102;

f) the valuation of any illiquid securities which would be the subject of an In Specie Transaction will be carried out according to the Filer's policies and procedures for the fair valuation of portfolio securities, including illiquid securities. Should any In Specie Transaction involve the transfer of an exchange-traded security that is an "illiquid asset" (as defined in NI 81-102), 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 securities are the subject of an in specie redemption, the illiquid securities will be transferred on a basis that fairly represents the portfolio of the Pooled Fund. The Filer will not cause any Pooled Fund to accept an in specie subscription or pay out redemption proceeds in specie if, at the time of the proposed In Specie Transaction, illiquid securities represent more than an immaterial portion of the portfolio of the Pooled Fund. The valuation of any illiquid securities which would be the subject of an In Specie Transaction will be carried out according to the Filer's policies and procedures for the fair value of portfolio securities, including illiquid securities; and

h) the Filer will keep written records of each In Specie Transaction, including records of each purchase and redemption of portfolio securities and the terms thereof for a period of at least five years commencing after the end of the financial year in which the trade occurred, the most recent two years in a reasonably accessible place.

21. In Specie Transactions will be subject to:

a) compliance with the written policies and procedures of the Filer respecting In Specie Transactions that are consistent with applicable securities legislation and the Exemption Sought; and

b) the oversight of the Filer to ensure that the In Specie Transactions represent the business judgment of the Filer acting in its discretionary capacity with respect to the Pooled Funds and the Managed Accounts, uninfluenced by considerations other than the best interests of the Pooled Funds and Managed Accounts. Any issues detected in the oversight and review by the Filer will be reported in the CCO's annual report to the board of directors of the Filer.

Reasons for the Exemption Sought

22. Since the Filer is, or may be, the trustee of those Pooled Funds that are structured as trusts, each such Pooled Fund is, or may be, an associate of the Filer. Since the Filer is the adviser to the Pooled Funds, the Filer is a responsible person of each Pooled Fund. The Filer is a responsible person of each Managed Account. Accordingly, each Pooled Fund is, or may be, an "associate" of a "responsible person" of another Pooled Fund or Managed Account as such terms are defined in the Legislation.

23. Pursuant to the Trading Prohibition, a Pooled Fund or a Managed Account, as applicable, may be restricted from making Inter-Fund Trades and In Specie Transactions with another Pooled Fund if:

a) the second Pooled Fund is an associate of a responsible person of the first Pooled Fund or of the Managed Account, as applicable, which will be the case on each occasion that the second Pooled Fund is structured as a trust and the Filer is the trustee of the second Pooled Fund; or

b) a responsible person of the first Pooled Fund or the Managed Account, as applicable, is an adviser to the second Pooled Fund, which will be the case for each second Pooled Fund.

24. The Filer, as the adviser to a Pooled Fund or Managed Account, cannot rely upon the exemption from paragraph 13.5(2)(b) of NI 31-103 codified in subsection 6.1(4) of NI 81-107 because such codified relief is not available in the context of the Pooled Funds and Managed Accounts.

25. Absent the granting of the Exemption Sought, the Filer may be prohibited from engaging in Inter-Fund Trades and In Specie Transactions due to the Trading Prohibition. The Trading Prohibition is similar to the restriction that is contained in subsection 4.2(1) of NI 81-102. However, there is no statutory relief from the Trading Prohibition equivalent to subsection 4.3(1) of NI 81-102 for purchases and sales of securities with available public quotations. Subsection 6.1(4) of NI 81-107 provides relief from the Trading Prohibition but only if, among other conditions:

    a) the trade involves two investment funds to which NI 81-107 applies; and

    b) the Inter-Fund Trade occurs at the closing market price which, in the case of exchange-traded securities, does not include the Last Sale Price.

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:

Inter-Fund Trades

1. In connection with Inter-Fund Trades:

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

    b) the Filer refers the Inter-Fund Trade to the IRC of the Pooled Fund involved in the manner contemplated by section 5.1 of NI 81-107, and the Filer complies 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) 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 investment 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; and

    e) if the Inter-Fund Trade involves exchange-traded securities, 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), the trade may be executed at the Last Sale Price.

In Specie Transactions

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

    a) if the transaction involves the purchase of securities in a Pooled Fund, the IRC of the Pooled Fund has approved the In Specie Transaction on behalf of the Pooled Fund in accordance with the terms of subsection 5.2(2) of NI 81-107;

    b) the Filer and the IRC complies with section 5.4 of NI 81-107 in respect of any standing instructions the IRC provides in connection with the In Specie Transaction;

    c) the Filer obtains the prior written consent of the client of the Managed Account before it engages in the In Specie Transaction;

    d) the Pooled Fund would, at the time of payment, be permitted to purchase the portfolio securities;

    e) the portfolio securities are acceptable to the portfolio manager of the Pooled Fund and meet the investment criteria of the Pooled Fund;

    f) the value of the portfolio securities is at least equal to the issue price of the securities of the Pooled Fund for which they are used as payment, valued as if the portfolio securities were portfolio assets of that Pooled Fund;

g) the account statement next prepared for the Managed Account describes the portfolio securities delivered to the Pooled Fund and the value assigned to such portfolio securities; and

h) the Pooled Fund keeps written records of each In Specie Transaction in a financial year of the Pooled Fund, reflecting details of the portfolio securities delivered to the Pooled Fund and the value assigned to such portfolio securities, for at least 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 securities of a Pooled Fund:

a) if the transaction involves the redemption of securities in a Pooled Fund, the IRC of the Pooled Fund has approved the In Specie Transaction on behalf of the Pooled Fund in accordance with the terms of subsection 5.2(2) of NI 81-107;

b) the Filer and the IRC complies with section 5.4 of NI 81-107 in respect of any standing instructions the IRC provides in connection with the In Specie Transaction;

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

d) the portfolio securities meet the investment criteria of the Managed Account acquiring the portfolio securities and are acceptable to the Filer;

e) the value of the portfolio securities is equal to the amount at which those portfolio securities were valued by the Pooled Fund in calculating the net asset value per unit or share used to establish the redemption price;

f) the account statement next prepared for the Managed Account describes the portfolio securities received from the Pooled Fund and the value assigned to such portfolio securities; and

g) the Pooled Fund keeps 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 securities, for at least 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 securities of a Pooled Fund:

a) if the transaction involves the purchase of securities in a Pooled Fund, the IRC of the Pooled Fund has approved the In Specie Transaction on behalf of the Pooled Fund in accordance with the terms of subsection 5.2(2) of NI 81-107;

b) the Filer and the IRC comply with section 5.4 of NI 81-107 in respect of any standing instructions the IRC provides in connection with the In Specie Transaction;

c) the Pooled Fund acquiring the portfolio securities would, at the time of payment, be permitted to purchase the portfolio securities;

d) the portfolio securities are acceptable to the portfolio manager of the Pooled Fund acquiring the portfolio securities and meet the investment objective of such Pooled Fund;

e) the value of the portfolio securities is at least equal to the issue price of the units or shares of the Pooled Fund issuing the units or shares for which they are used as payment, valued as if the portfolio securities were portfolio assets of that Pooled Fund;

f) each Pooled Fund keeps 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 at least 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 securities of a Pooled Fund:

a) if the transaction involves the redemption of securities in a Pooled Fund, the IRC of the Pooled Fund has approved the In Specie Transaction on behalf of the Pooled Fund in accordance with the terms of subsection 5.2(2) of NI 81-107;

b) the Filer and the IRC comply with section 5.4 of NI 81-107 in respect of any standing instructions the IRC provides in connection with the In Specie Transaction;

c) the portfolio securities are acceptable to the portfolio manager of the Pooled Fund and are consistent with the investment objective of the Pooled Fund acquiring the portfolio securities;

d) 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;

e) each Pooled Fund keeps written records of each In Specie Transaction in a financial year of the Pooled Fund, reflecting details of the portfolio securities delivered by the Pooled Fund and the value assigned to such securities, for at least five years after the end of the financial year, the most recent two years in a reasonably accessible place.

6. The Filer does not receive any compensation in respect of any In Specie Transaction and, in respect of any delivery of portfolio securities further to an In Specie Transaction, the only charges paid by the Managed Account or the applicable Pooled Fund is the commission charged by the dealer executing the trade (if any) and/or any administrative charges levied by the custodian.

"Neeti Varma"
Manager (Acting)
Investment Funds & Structured Products Branch
Ontario Securities Commission

2.1.2 DowDuPont Inc.

Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Securities Act, s. 53 – Prospectus Requirements – Distributions by an issuer to its shareholders in securities of another company that it owns (e.g. spin-off transactions) – The issuer will distribute the shares of the other company as a dividend to the issuer's shareholders; the other company is not a reporting issuer; the issuer has a *de minimis* connection to Canada; as a result of the transfer, the shareholders of the issuer will hold their interests in the subsidiary directly as opposed to indirectly through their shareholdings of the issuer.

Applicable Legislative Provisions

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

March 22, 2019

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
DOWDUPONT INC.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the **Legislation**) for an exemption (the **Exemption Sought**) from the prospectus requirement in section 53 of the *Securities Act* (Ontario) in connection with the proposed distributions (collectively, the **Spin-Offs**) by the Filer of (i) the shares of common stock (**Dow Shares**) of Dow Inc. (**Dow**), a wholly-owned subsidiary of the Filer, and, (ii) subsequently, shares of common stock (**Corteva Shares**) of Corteva, Inc. (**Corteva**), a wholly-owned subsidiary of the Filer; by way of a dividend *in specie* to holders (**Filer Shareholders**) of shares of common stock of the Filer (**Filer Shares**) resident in Canada (**Filer Canadian Shareholders**).

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

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

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

Interpretation

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

Representations

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

1. The Filer is a corporation incorporated in Delaware with principal executive offices in Midland, Michigan, U.S.A. and Wilmington, Delaware, U.S.A. The Filer is a holding company with businesses in the materials science, agriculture and specialty products sectors.

2. The Filer is not a reporting issuer, and currently has no intention of becoming a reporting issuer, under the securities laws of any jurisdiction of Canada.

3. The authorized capital stock of the Filer consists of 5 billion Filer Shares, US$0.01 par value per share, and 250 million shares of preferred stock, US$0.01 par value per share. As of January 31, 2019, there were 2,254,762,058 Filer Shares and no preferred shares issued and outstanding.

4. The Filer Shares are listed on the New York Stock Exchange (**NYSE**) and trade under the symbol "DWDP". Other than the foregoing listing on the NYSE, no securities of the Filer are listed or posted for trading on any exchange or market in Canada or outside of Canada. The Filer has no present intention of listing its securities on any Canadian stock exchange.

5. The Filer is subject to the 1934 Act.

6. Based on a geographic breakdown snapshot of registered holders prepared for the Filer by Computershare Trust Company, NA (the Filer's transfer agent), as of January 31, 2019 there were 789 registered Filer Canadian Shareholders, representing approximately 0.91% of the registered shareholders of the Filer worldwide, and holding 307,192 Filer Shares, representing approximately 0.01% of the outstanding Filer Shares. The Filer does not expect these numbers to have materially changed since that date.

7. Based on a geographic analysis of beneficial shareholders prepared for the Filer by Broadridge Financial Solutions, Inc., as of January 29, 2019, there were 88,087 beneficial Filer Canadian Shareholders, representing approximately 5.20% of the beneficial holders of Filer Shares worldwide, and holding approximately 60,597,741 Filer Shares, representing approximately 2.69% of the outstanding Filer Shares. The Filer does not expect these numbers to have materially changed since that date.

8. Based on the information above, the number of registered and beneficial Filer Canadian Shareholders and the proportion of Filer Shares held by such shareholders are *de minimis*.

9. On November 1, 2018, the Filer announced a new share repurchase program of US$3 billion, which it expects to complete by the date of the Dow Spin-Off (defined below). Based on the market capitalization of the Filer Shares of approximately US$123.3 billion (using the number of issued and outstanding Filer Shares as of January 31, 2019 and the closing price of the Filer Shares on the NYSE on March 8, 2019), the Filer expects the number of registered and beneficial Filer Canadian Shareholders and the proportion of Filer Shares held by such shareholders after completion of such share repurchase to continue to be de minimis.

10. The Filer is proposing to separate through a series of transactions, (i) its materials science business (the **New Dow Business**) into its wholly owned subsidiary, Dow (and its subsidiaries), and (ii) its agriculture business (the **Corteva Agriscience™ Business**) into its wholly owned subsidiary, Corteva (and its subsidiaries). These transactions in addition to certain related transactions, are expected to result in the Spin-Offs by the Filer, *pro rata* to the Filer Shareholders by way of a dividend in specie, of all of the Dow Shares (the **Dow Spin-Off)** and all of the Corteva Shares (the **Dow Spin-Off**) outstanding immediately prior to each respective Spin-Off.

11. Dow is a corporation incorporated in Delaware with principal executive offices in Midland, Michigan, U.S.A. It is currently a wholly-owned subsidiary of the Filer that, at the time of the Dow Spin-Off, will hold, directly and through its subsidiaries, the New Dow Business.

12. Corteva is a corporation incorporated in Delaware with principal executive offices in Wilmington, Delaware, U.S.A. It is currently a wholly-owned subsidiary of the Filer that, at the time of the Corteva Spin-Off, will hold, directly and through its subsidiaries, the Corteva Agriscience™ Business.

13. As of the date hereof, all of the issued and outstanding Dow Shares and Corteva Shares, being 100 Dow Shares and 100 Corteva Shares, are held directly by the Filer, and no other shares or classes of stock of Dow or Corteva are issued and outstanding.

14. The distribution agent will distribute to each Filer Shareholder entitled to Dow Shares or Corteva Shares in connection with the Spin-Offs, the number of whole Dow Shares or Corteva Shares, respectively, to which the Filer Shareholder is entitled in the form of a book-entry authorization. The Filer will not distribute fractional shares of Dow Shares or Corteva Shares in connection with the Spin-Offs. Instead, the distribution agent will aggregate the respective fractional shares into whole shares, sell such whole shares in the open market at prevailing market prices and distribute the aggregate net

cash proceeds (i.e., net of brokerage fees and other costs) of the sales pro rata to each Filer Shareholder who would otherwise have been entitled to receive fractional shares (net of any required withholding applicable taxes). Interest will not be paid on the amounts of payment made in lieu of fractional Dow Shares or Corteva Shares.

15. Filer Shareholders will not be required to pay any consideration for the Dow Shares or the Corteva Shares, or to surrender or exchange Filer Shares or take any other action to receive their Dow Shares or Corteva Shares. The Spin-Offs will occur automatically and without any investment decision on the part of Filer Shareholders.

16. Subject to the satisfaction of certain conditions, it is currently anticipated that: (a) the Dow Spin-Off will become effective on April 1, 2019, and following the Dow Spin-Off, Dow will cease to be a subsidiary of the Filer; and (b) the Corteva Spin-Off will become effective on June 1, 2019, and following the Corteva Spin-Off, Corteva will cease to be a subsidiary of the Filer.

17. Each of Dow and Corteva intend to file applications to list the Dow Shares and the Corteva Shares, respectively, on a U.S. stock exchange (the **U.S. Exchange**).

18. After the completion of the Spin-Offs, the Filer Shares will continue to be listed and traded on the NYSE.

19. Neither Dow nor Corteva is a reporting issuer in any jurisdiction in Canada nor are their securities listed on any stock exchange in Canada. Neither Dow nor Corteva has any present intention to become a reporting issuer in any jurisdiction of Canada or to list its securities on any stock exchange in Canada after the completion of the Spin-Offs.

20. The Spin-Offs will be effected under the laws of the State of Delaware.

21. Because the Spin-Offs will be effected by way of a dividend of Dow Shares and Corteva Shares to Filer Shareholders, no shareholder approval of the Spin-Offs is required (or being sought) under Delaware law.

22. In connection with the Spin-Offs, each of Dow and Corteva has filed with the SEC a registration statement on Form 10 under the 1934 Act, detailing the proposed respective Spin-Off. Dow filed its registration statement on September 7, 2018 and subsequently filed amendments thereto on October 19, 2018, November 19, 2018, February 11, 2019 and March 8, 2019, which registration statement was declared effective by the SEC on March 12, 2019. Corteva filed its registration statement on October 18, 2018 and subsequently filed an amendment thereto on December 19, 2018. Corteva will file further amendment(s) to its registration statement (the **Corteva Registration Statement**) closer to the date of the Corteva Spin-Off.

23. Filer Shareholders will receive (and in the case of Corteva, after the SEC has completed its review of the Corteva Registration Statement) a notice of internet availability of an information statement with respect to each of Dow and Corteva (collectively, the **Information Statements**) detailing the terms and conditions of the respective Spin-Off. All materials relating to the Spin-Offs sent by or on behalf of the Filer, Dow and Corteva in the United States (including relating to the Information Statement) will be sent concurrently to Filer Canadian Shareholders.

24. The Information Statements will contain respective prospectus level disclosure about Dow and Corteva, as the case may be.

25. Filer Canadian Shareholders who receive Dow Shares and/or Corteva Shares pursuant to the Spin-Offs will have the benefit of the same rights and remedies in respect of the disclosure documentation received in connection with the Spin-Offs that are available to Filer Shareholders resident in the United States.

26. Following the completion of the Spin-Offs, Dow and Corteva will be subject to the requirements of the 1934 Act and the rules and regulations of the respective U.S. stock exchange(s) on which the Dow Shares or the Corteva Shares are listed for trading. Dow and Corteva will send concurrently to holders of Dow Shares and Corteva Shares, respectively, resident in Canada the same disclosure materials required to be sent under applicable United States securities laws to holders of Dow Shares and Corteva Shares, respectively, resident in the United States.

27. There will be no active trading market for the Dow Shares or the Corteva Shares in Canada following the respective Spin-Off and none is expected to develop. Consequently, it is expected that any resale of Dow Shares or Corteva Shares distributed in connection with the Spin-Offs will occur through the facilities of the applicable U.S. Exchange or any other exchange or market outside of Canada on which the Dow Shares or the Corteva Shares may be quoted or listed at the time that the trade occurs or to a person or company outside of Canada.

28. The Spin-Offs to Filer Canadian Shareholders would be exempt from the prospectus requirement pursuant to subsection 2.31(2) of National Instrument 45-106 Prospectus Exemptions but for the fact that neither Dow nor Corteva is a reporting issuer under the securities legislation of any jurisdiction in Canada.

29. None of the Filer, Dow nor Corteva is in default of any securities legislation in any jurisdiction of Canada.

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 the first trade in the Dow Shares and the Corteva Shares acquired pursuant to the Spin-Offs will be deemed to be a distribution that is subject to section 2.6 of National Instrument 45-102 *Resale of Securities*.

"Tim Moseley"
Vice-Chair
Ontario Securities Commission

"Cecilia Williams
Commissioner
Ontario Securities Commission

2.1.3 Maple Leaf Angels Corporation

Headnote

Application for relief from excess working capital requirement and related Form 31-103F1 delivery requirement, trade confirmation requirement and account statement requirements contained in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations.

The Filer is a not-for-profit, non-share-capital angel investor organization registered as an exempt market dealer in Ontario. The Filer's mandate is to connect accredited investors and early-stage seed companies, enabling innovative companies to grow and realize their potential. The Filer operates a limited business model and does not conduct the full range of activities typically associated with exempt market dealer. Apart from facilitating contact between its members and potential target companies, providing a forum for members to discuss and evaluate potential investments, and providing access to an on-line repository of company information and due diligence materials, the Filer does not provide any financial services to any persons. The Filer does not hold any investor or issuer funds or other client assets of any kind at any time.

As a not-for-profit corporation, the Filer's activities are required to be carried on without the purpose of gain for its members, and any profits are to be used in furtherance of its purposes. As a non-share-capital corporation, the Filer does not have shareholders and instead has one class of voting members. The Filer does not have any equity or debt capital. The Filer's sources of revenue include federal and provincial grants, sponsorships and membership fees. Grants from government agencies account for the majority of the Filer's operating budget. The Filer is not permitted to raise debt capital as such an event would put the Filer in breach of the terms of the Filer's government grants.

The Filer has applied for relief from the excess working capital requirement and related Form 31-103F1 delivery requirement as the Filer is unable to issue equity or debt capital to satisfy this requirement due to its not-for-profit, non-share capital form of organization and the terms of its government grants. The Filer has also applied for relief from the trade confirmation requirement and account statement requirement, due to the limited nature of the Filer's business activities. Relief granted subject to certain terms and conditions, including a five-year sunset provision, based on the unique facts and circumstances of the Filer.

Applicable Legislative Provisions

Instrument Cited

National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 12.1, 12.12, 14.12, 14.14, 15.1.

April 30, 2019

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

AND

IN THE MATTER OF
MAPLE LEAF ANGELS CORPORATION
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction (the **Decision Maker**) has received an application (the Application) from the Filer for a decision under the securities legislation of the Jurisdiction (the **Legislation**) and specifically pursuant to section 15.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) for relief from the following (collectively the **Relief Sought**):

(a) the requirement in section 12.1 [*Capital requirements*] of NI 31-103 that a registered firm maintain excess working capital, as calculated in accordance with Form 31-103F1 *Calculation of Excess Working Capital* (**Form 31-103F1**), in excess of the minimum capital prescribed for the registered firm, being, in the case of a registered dealer, $50,000 (the **excess working capital requirement**);

(b) the requirement in section 12.12 [*Delivering financial information – dealer*] of NI 31-103 that a registered dealer deliver a completed Form 31-103F1 showing the calculation of its excess working capital as at the end of the financial year and as at the end of the immediately preceding year (the **Form 31-103F1 delivery requirement**);

(c) the requirement in section 14.12 [*Content and delivery of trade confirmation*] of NI 31-103 that a registered dealer that has acted for a client in connection with a purchase or sale of a security promptly deliver to the client a written confirmation of the transaction setting out certain prescribed information (the **trade confirmation requirement**); and

(d) the requirement in section 14.14 [*Account statements*] of NI 31-103 that a registered dealer deliver to a client a statement containing certain prescribed information at least once every three months or, if the client has requested to receive statements on a monthly basis, for each one-month period (the **account statement requirement**, and collectively with the excess working capital requirement, the Form 31-103F1 delivery requirement and the trade confirmation requirement, the **31-103 Requirements**).

Interpretation

Defined terms contained in National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are defined in this decision (the **Decision**).

Representations

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

1. The Filer is a non-share capital corporation incorporated under the *Canada Corporations Act* (the **CCA**) on September 6, 2007 and continued under the *Canada Not-For-Profit Act* (**NFP Act**) on June 19, 2014. The Filer is a not-for-profit organization under the *Income Tax Act* (Canada). The Filer's head office is in Toronto, Ontario.

2. The Filer operates as a membership organization, with its membership limited to investors who are "accredited investors", as defined in National Instrument 45-106 *Prospectus Exemptions* (**NI 45-106**).

3. As a not-for-profit corporation, the Filer's activities are required to be carried on without the purpose of gain for its members, and any profits or other accretions to the Filer are to be used in furtherance of its purposes.

4. The Filer currently has

   (a) 55 members;

   (b) a board of directors, currently consisting of eight individuals; and

   (c) three officers or employees, including Prathna Ramesh, the Filer's Managing Director, Probal Lala, the Filer's Board Chairman, and Frank Jessop, the Filer's Treasurer.

5. Members of the Filer's board of directors serve without remuneration.

6. The Ultimate Designated Person (**UDP**), Chief Compliance Officer (**CCO**) and sole Dealing Representative (**DR**) of the Filer is Prathna Ramesh, the Filer's Managing Director.

7. The Filer's mandate is to connect accredited investors and early-stage seed companies, enabling innovative companies to grow and realize their potential.

8. The Filer's members are sophisticated investors who seek to invest in high-risk, early-stage private operating companies (**Target Companies**) primarily in the information technology, manufacturing, alternative energy, finance and services sectors. The Target Companies will typically but not exclusively have less than $1 million in annual revenues.

9. The Filer's objective is to provide members a forum to review Target Companies for potential investment. The Filer may also facilitate meetings between its members and the Target Company's management to better enable members to evaluate the prospects of such Target Company.

10. If any of the Filer's members are interested in investing in such Target Companies, they may invest their own money directly in such Target Companies. The members will conduct their own due diligence on such Target Companies before deciding whether and how much they wish to invest in such Target Companies. This type of investing is commonly known as "angel investing", and accordingly, the members of the Filer are sometimes referred to as "angel investors".

11. The members of the Filer generally structure their investments in Target Companies by way of one or more of the following: (i) preferred shares; (ii) common shares; (iii) convertible debentures; (iv) structured loans, (v) warrants and options and (vi) "simple agreements for future equity" (**SAFEs**). The structures are negotiated by the members and the Target Companies in each case and will depend on the requirements of the Target Company as well as the requirements and expectations of the members as investors. The Filer does not recommend any structure or investment vehicle to the members.

12. Apart from facilitating contact between its members and potential Target Companies, providing a forum for members to discuss and evaluate potential investments, and providing access to an on-line repository of company information and due diligence materials, the Filer does not provide any financial services to any persons.

13. Since the Filer's members are sophisticated investors with extensive business experience, the members may discuss the relative merits of potential Target Company investments among themselves. However, the Filer does not promote any investment or provide any advice on the suitability of any investment opportunities, nor does it carry on any other advising activity.

14. The Filer charges its members an annual membership fee which members are required to pay in order to maintain good standing as members of the Filer. The Filer's members may attend events at which members can receive education about angel investing, network with other angel investors and review business proposals of potential Target Companies.

15. The Filer's other sources of revenue include the following:

    (a) federal and provincial grants,

    (b) sponsorships, and

    (c) Maple Leaf Angels Capital Corporation (**MLACC**) management fees.

16. The Filer operates within a larger angel investment ecosystem that geographically covers all of Ontario. These angel networks work in collaboration with other organizations within the broader innovation mandate of the province, including the Regional Innovation Centers and the Ontario Network of Entrepreneurs (**ONE**). These angel investor organizations operate provincially under the Ontario Ministry of Research and Innovation's Angel Network Program and are further supported by the Federal Economic Development Agency for Southern Ontario (**FedDev Ontario**) through the Investing in Business Innovation program. Grants from these government agencies account for the majority of the Filer's operating budget.

17. MLACC, a wholly-owned subsidiary of the Filer, is the general partner for Maple Leaf Angels 48 Fund I Limited Partnership and Maple Leaf Angels 48 Fund II Limited Partnership and may in the future be the general partner of additional limited partnerships (collectively, the **MLA48 Funds**). The MLA48 Funds are and will be limited partnerships comprised of several of the Filer's members who wish to invest collectively in seed and early stage companies. The MLA48 Funds' objective is to make investment decisions within 48 hours and offer companies coaching and mentorship, networking opportunities, and access to follow-on funding from the MLA48 Funds and the Filer's members. The Filer intends to deploy a new MLA48 Fund every 18 months, created upon similar terms to prior MLA48 Funds, with MLACC acting as the General Partner.

18. MLACC receives an annual management fee from each MLA48 Fund for acting as general partner, which only recovers a portion of the administrative costs for operating the MLA48 Funds, including set-up costs and insurance premiums, and does not generate any profit for either the Filer or MLACC.

19. To date the Filer's members have

    (a) invested over $30 million in over 55 companies; and

    (b) participated in 14 successful exits.

20. The Filer maintains a website at www.mapleleafangels.com. The Filer's members can log in to a password-protected website to view information about potential transactions in a virtual deal room. The Filer's website primarily services as a repository of information and does not operate as a "crowdfunding" or similar type of portal. The Filer's members make their investments directly with the Target Companies and not through the Filer's website. Information in the virtual deal room and other information about prospective offerings is not accessible to members of the public.

21. The Filer's activities are similar to those of a private investment club for accredited investors who wish to discuss the relative merits of potential Target Company investments among themselves and benefit from other members' investment

experience and expertise. The Filer is not able to rely on the dealer registration exemption in section 8.10 [*private investment club*] of NI 31-103 (the **private investment club exemption**) since, among other reasons,

(a) the Filer is not structured as a private investment fund;

(b) the Filer may have, from time to time, more than 50 members;

(c) although the membership of the Filer is limited to individuals who are accredited investors, in view of the Filer's solicitation of prospective members through its website and other promotional activities, some of the members could be considered members of the public; and

(d) the Filer pays remuneration to certain officers and directors for management and administration services.

22. Although the Filer is not able to rely on the conditions in the private investment club exemption, the Filer submits that it operates a limited business model that is generally analogous to a private investment club for accredited investors.

23. Other than as described above, the Filer does not promote any investment or provide any advice on the suitability of any investment opportunities, nor does it carry on any other advising activity.

24. The Filer does not engage in any direct trading or settlement of securities in respect of any particular securities offerings.

25. The Filer does not hold any investor or issuer funds or other client assets of any kind at any time, either in connection with an offering of securities or otherwise.

26. Subject to the matter to which this Decision relates, the Filer is not in default of the Legislation.

Request for relief from the excess working capital requirement and Form 31-103F1 delivery requirement

27. The Filer submits that compliance with the excess working capital requirement and Form 31-103F1 delivery requirements would be inconsistent with its status as a not-for-profit, non-share capital organization that is prohibited from raising debt capital due to the conditions in its government grants and that the cost of such compliance would outweigh the benefits to its members.

28. As a non-share-capital corporation, the Filer does not have shareholders and instead has one class of voting members. The Filer does not have any equity or debt capital.

29. The Filer is not permitted to raise debt capital as such an event would put the Filer in breach of the terms of the Filer's government grants. Specifically, under the grant agreement between Angel Investors Ontario (formerly known as the Network of Angel Organizations – Ontario) and Maple Leaf Angels, the Filer is not permitted to "create or incur a liability for borrowed money. ...". Similarly, under the Filer's agreement with FedDev Ontario, the Filer is required to be a non-share-capital, not-for-profit entity.

30. As a non-share capital corporation incorporated under the NFP Act, the recommended best practice is that the Filer file audited annual financial statements with Corporations Canada not less than 21 days prior to its Annual General Meeting and deliver its financial statements to its members (the **NFP Act financial statement requirements**). As a registered dealer, the Filer is required under section 12.12 of NI 31-103 to deliver its annual audited financial statements to the regulator no later than the 90th day after the end of its financial year (the **31-103 financial statement requirements**). The Filer currently has a March 31st financial year end. The Filer is in compliance with its NFP Act financial statement requirements and 31-103 financial statement requirements.

31. The Filer understands that the excess working capital requirement serves a number of important objectives, including

(a) providing protection against insolvency due to liabilities exceeding the realizable value of assets, thereby providing protection to client assets and minimizing disruption to clients in the event of a firm's insolvency;

(b) ensuring the liquidity of a firm which will allow it to meet its day-to-day obligations; and

(c) providing the regulator with sufficient time to intervene to facilitate an orderly wind down, if necessary and serving as a red flag/signal to the regulator that the firm may have potential problems which will help in the assessment of the solvency of a registrant and their fitness for registration.

32. The Filer submits that, in view of its not-for-profit, non-share capital form of organization and the terms of its government grants that prohibit the Filer from raising debt capital, the costs of compliance with the excess working capital requirement and Form 31-103F1 delivery requirements would outweigh the benefits to its members.

Request for relief from trade confirmation and account statement requirements

33. Similarly, the Filer submits that compliance with the trade confirmation requirement and the account statement requirement is inconsistent with its operations and that the cost of such compliance would outweigh the benefits to its members.

34. The trade confirmation requirement in section 14.12 of NI 31-103 applies to "a registered dealer that has acted on behalf of a client in connection with a purchase or sale of a security".

35. The Filer's activities on behalf of a member in connection with a purchase or sale are more limited than a conventional dealer since

    (a) the Filer's role is generally limited to facilitating meetings between issuers and investors, providing a forum for members to discuss and evaluate potential investments, and providing access to an on-line repository of company information and due diligence materials; and

    (b) the Filer does not hold or have access to any client funds or securities.

Decision

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

The decision of the Decision Maker under the Legislation is that the Relief Sought is granted, provided that and for so long as:

(a) unless otherwise exempted by this Decision or by a further decision of the Decision Maker, the Filer complies with all requirements of a registered dealer under Ontario securities law;

(b) the Filer deals fairly, honestly and in good faith with its members and prospective members;

(c) the Filer has its head office in Ontario;

(d) the Filer remains a non-share capital corporation organized under the NFP Act and a not-for-profit organization under the *Income Tax Act* (Canada);

(e) the Filer's primary sources of funding remain as set out in paragraphs 14 and 15 above;

(f) the Filer's mandate and activities remain substantially as set out above in paragraphs 7 to 13, 16 and 17 above;

(g) the Filer has established, maintains and applies policies and procedures reasonably designed to ensure that membership in the Filer and participation in events sponsored by the Filer is limited to accredited investors;

(h) the Filer establishes, maintains and applies policies and procedures reasonably designed to ensure that the Filer, its representatives, and any member involved in evaluating or conducting due diligence in connection with an offering provides written disclosure to all members of any existing or potential conflict of interest in accordance with Division 2 of Part 13 of NI 31-103;

(i) except as set out in paragraphs 7 to 13, 16 and 17, neither the Filer nor any representative of the Filer provides a recommendation or advice to any member or prospective member in connection with an offering or potential offering;

(j) except as set out in paragraphs 7 to 13, 16 and 17, the Filer is not involved in the negotiation, documentation, financing and transaction closing of any investment;

(k) the Filer does not hold, handle or have access to any funds or securities of any investor or issuer;

(l) the Filer maintains

    (i) a copy of all information posted by the Filer, its members or issuers on its website;

(ii) information it is required to keep under applicable securities law,

for at least seven years in a safe location and in a durable form and agrees to deliver to the Commission at such time or times as the Commission may require, any of the books, records and documents (including the information posted on the website) of the Filer.

(m) the Filer provides each member with a copy of its audited financial statements not less than 21 days prior to its Annual General Meeting;

(n) the Filer provides each member with a copy of this Decision;

(o) the Filer notifies the Director in writing

(i) at least 30 days prior to any material change in the Filer's business operations, business model or capital structure, including any material addition to or modification of the services it provides to issuers or investors; and

(ii) within 30 days of becoming aware that grants from the government agencies referred to in paragraph 16 above will no longer account for the majority of the Filer's operating budget;

(p) this Decision may be amended by the Director from time to time upon prior written notice to the Filer;

(q) this Decision shall expire on the earlier of:

(i) five years after the date hereof; and

(ii) 90 days after any material changes in the Filer's business, operations or capital.

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

2.1.4 Brompton Funds Limited and Taylor North American Equity Opportunities Fund

Headnote

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

Applicable Legislative Provisions

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

December 5, 2018

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

AND

IN THE MATTER OF
THE PROCESS FOR APPLICATIONS FOR APPROVAL
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
BROMPTON FUNDS LIMITED
(the Filer)

AND

TAYLOR NORTH AMERICAN EQUITY OPPORTUNITIES FUND
(TOF)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of TOF for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) granting approval under subsection 5.5(1)(b) of National Instrument 81-102 *Investment Funds* (**NI 81-102**) to merge (the **Merger**) TOF and Brompton Global Dividend Growth ETF (**BDIV**), with BDIV as the continuing fund (the **Approval Sought**).

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

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

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

Interpretation

Defined terms contained in NI 81-102, National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning in this decision unless they are defined in this decision.

Representations

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

The Filer

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

2. Brompton's head office is located at Suite 2930, Bay Wellington Tower, Brookfield Place, 181 Bay Street, Toronto, Ontario M5J 2T3.

3. The Filer is registered under NI 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* as an investment fund manager, portfolio manager, commodity trading manager and an exempt market dealer in Ontario and is also registered as an investment fund manager in Newfoundland and Labrador and Quebec.

4. The Filer is a wholly-owned subsidiary of Brompton Corp.

5. The Filer is the manager and promoter of each of TOF and BDIV (the **Funds**).

6. The Filer is not in default of any requirement of securities legislation in any of the Jurisdictions.

Taylor North American Equity Opportunities Fund

7. TOF is a closed-end investment fund established under the laws of the Province of Ontario that is governed by an amended and restated declaration of trust dated October 16, 2013 (the **TOF Declaration of Trust**) with TSX Trust Company as trustee (the **Trustee**).

8. TOF was qualified by a prospectus dated May 29, 2012.

9. TOF's issued and outstanding units currently trade on the Toronto Stock Exchange (**TSX**) under the ticker symbol "TOF.UN".

10. As at November 28, 2018, TOF had an aggregate net asset value of approximately $11.9 million.

11. TOF is a reporting issuer under applicable securities legislation of the Jurisdictions. TOF is not in default of securities legislation in the Jurisdictions.

The Continuing Fund

12. BDIV is an exchange traded fund established under the laws of the Province of Ontario that is governed by a master declaration of trust dated as of October 5, 2018 with the Trustee as trustee (the **BDIV Declaration of Trust**).

13. BDIV was qualified by a prospectus dated October 5, 2018.

14. BDIV's issued units currently trade on the TSX under the ticker symbol "BDIV".

15. As at November 28, 2018, BDIV had an aggregate net asset value of approximately $16.8 million.

16. BDIV is a reporting issuer under applicable securities legislation of the Jurisdictions. BDIV is not in default of securities legislation in the Jurisdictions.

The Proposed Merger

17. As a result of the TOF's current small size (approximately $11.9 million as at November 28, 2018), it is becoming increasingly difficult for the Filer to efficiently execute the TOF's investment strategy while maintaining portfolio diversification and a reasonable management expense ratio. Accordingly, the Filer intends to merge TOF into BDIV.

18. As required by National Instrument 81-107 *Independent Review Committee for Investment Funds* (**NI 81-107**), the Filer presented the terms of the Merger which raise a conflict of interest for the purposes of NI 81-107 and the process proposed for completion of the Merger to TOF's Independent Review Committee (**IRC**) on October 15, 2018 for its review and recommendation. The IRC reviewed the proposed transactions and has determined that the proposed Merger, if implemented, would achieve a fair and reasonable result for TOF.

19. The board of directors of the Filer approved the Merger. A press release and notice of meeting in respect of the proposed Merger were filed on SEDAR on October 15, 2018 and October 16, 2018, respectively. The units of TOF continue to trade on the TSX.

20. Unitholders of TOF were asked to approve the Merger at the special meeting (the **Meeting**) of the unitholders of TOF that was held on November 30, 2018. As BDIV will be the continuing fund after the completion of the Merger and the Merger will not result in any changes to BDIV for its current unitholders, BDIV is not required under either applicable securities laws or the BDIV Declaration of Trust to hold a special meeting of its unitholders in order to approve the Merger.

21. In connection with the Meeting, a notice of meeting and a management information circular and a related form of proxy (the **Meeting Materials**) were mailed to unitholders of TOF on November 8, 2018, and subsequently filed on SEDAR, in accordance with all applicable securities laws.

22. The Meeting Materials provided unitholders of TOF with information about, among other things, basic information about each of TOF and BDIV including redemption features, the management fees of BDIV and the tax consequences of the Merger. The Meeting Materials also described the various ways in which unitholders can obtain a copy of the most recent interim and annual financial statements and management reports of fund performance for each of the Funds, at no cost. Accordingly, unitholders of TOF had an opportunity to consider this information prior to voting on the Merger.

23. A summary of the IRC's recommendation was included in the Meeting Materials sent to unitholders of TOF as required by section 5.1(2) of NI 81-107.

24. The unitholders of TOF approved the Merger. A Report of Voting Results in respect of the Meeting was filed on SEDAR on November 30, 2018.

25. Subject to the approval of the TSX and the Approval Sought, it is expected that the Merger will take place on or about January 16, 2019 (the **Merger Date**). BDIV will continue to operate as it currently operates under the BDIV Declaration of Trust.

26. If the necessary approvals are obtained, the following steps will be carried out to effect the Merger:

    (a) The units of TOF will be delisted from the TSX on or about the Merger Date.

    (b) Prior to implementing the Merger, the portfolio manager of the Fund is expected to liquidate the portfolio of the Fund.

    (c) TOF will transfer all or substantially all of its net assets to BDIV in consideration for the issuance by BDIV to TOF of a number of units of BDIV determined based on the Exchange Ratio (as defined herein) established as of the close of trading on the second business day immediately preceding the Merger Date. The exchange ratio (**Exchange Ratio**) will be calculated based on the relative net asset value of the units of TOF and the units of BDIV.

    (d) Immediately following the transfer of the assets of TOF to BDIV and the issuance of units of BDIV to TOF, all units of TOF will be automatically redeemed and each holder of units of TOF participating in the Merger will receive such number and class of units of BDIV as is equal to the number and class of units of TOF held multiplied by the Exchange Ratio.

    (e) Holders of units of TOF will become unitholders of units of BDIV.

    (f) Following the Merger, BDIV will continue as a TSX-listed exchange-traded fund and TOF will be wound up as soon as reasonably practicable.

27. The Filer will pay all costs and reasonable expenses relating to the solicitation of proxies and holding the Meeting in connection with the Merger as well as the costs of implementing the Merger.

28. Pursuant to the TOF Declaration of Trust, unitholders of TOF will be permitted to exercise their annual redemption right prior to the Merger Date to require TOF to redeem their applicable units of TOF at their net asset value at the time of such redemption. In particular, unitholders of TOF surrendering their units for redemption on or before December 14, 2018 will have their units redeemed on December 28, 2018. Unitholders of TOF can wait until after the result of the Meeting is announced before choosing to exercise their annual redemption right.

29. The Merger is expected to be effected on a tax-deferred basis.

30. Brompton will not receive any compensation in respect of the acquisition, sale or redemptions of the units of BDIV or TOF.

31. TOF and BDIV have the same valuation procedures.

32. The assets of TOF to be acquired by BDIV as a result of the Merger are currently, or will be, acceptable to the Filer prior to the effective date of the Merger.

33. If approved, the Merger is expected to constitute a "qualifying exchange" as defined in section 132.2 of the *Income Tax Act* (Canada), thereby allowing the assets of TOF to be transferred to BDIV for proceeds of disposition equal to the tax cost of such assets. In such circumstances, there should be no taxable income to TOF arising from the transfer. Therefore, there should be no need to make any distributions to unitholders of TOF as a result of the transfer and there should be no tax liability to unitholders of TOF resulting from the transfer. TOF's loss carryforwards, if any, will be lost as a result of the Merger and will not be available to be applied against future income or gains of BDIV.

34. The Filer believes that the Merger will be beneficial to unitholders of TOF for the following reasons:

(a) **Exposure to Global Dividend Growth Equities and Monthly Income:** BDIV invests in an actively managed portfolio composed of large capitalization global equities that have a history of or, in the Manager's view, potential for dividend growth. Global dividend growth equities have historically outperformed the broader global equity market with lower volatility. BDIV currently has a monthly distribution of approximately 6.0% per annum.

(b) **Lower Management Fee for Unitholders:** The management fee rate for BDIV is 0.75% of the net assets of BDIV, as compared to TOF's management fee rate of 1.0% of the net assets of TOF. BDIV does not pay a trailer fee or a performance fee, both of which are currently paid by TOF.

(c) **Lower Management Expense Ratio:** The management expense ratio for units of units of BDIV is expected to be a maximum of approximately 0.95%, which is approximately 1.63% lower than the management expense ratio for the units of TOF.

(d) I**ncreased Trading Liquidity:** The units of BDIV are listed for trading on the TSX under the symbol "BDIV". As an exchange-traded fund, approved dealers acting as market makers for BDIV are able to offer or bid for large volumes of units of BDIV on a stock exchange, as approved dealers have the ability to create or redeem units of BDIV daily in large blocks directly from BDIV. This is expected to result in significantly improved liquidity relative to the current trading liquidity of the units of TOF, allowing an investor to buy or sell large amounts of units of BDIV without materially affecting the market price of BDIV.

(e) **Better Trading Price Relative to Net Asset Value per Unit and Reduced Bid/Ask Spread:** The Manager anticipates that an improvement in the trading price of the units of TOF (relative to net asset value per unit of TOF) will provide a meaningful increase in value for unitholders of TOF. As at October 12, 2018, prior to the announcement of the Meeting, TOF had a 3.6% discount to net asset value. Market makers are able to price their bids and asks for BDIV units very tightly around their estimate of net asset value. It is expected that BDIV's bid/ask spreads will be significantly reduced from TOF's bid/ask spread. This is beneficial to investors because a smaller bid/ask spread is expected to result in a lower effective cost to buy or sell units of BDIV.

(f) **The Merger is Expected to be Effected on a Tax-Deferred Basis:** Subject to the assumptions and qualifications set forth under "Tax Considerations Regarding the Merger" in the management information circular of TOF dated October 31, 2018 and appended hereto as Appendix "B", the Merger and issuance of units of BDIV will not result in a taxable event to unitholders of TOF.

(g) **Unitholders of TOF will be offered an Accelerated Annual Redemption:** If the Merger is approved by the unitholders of TOF, TOF will offer an accelerated annual redemption on December 28, 2018, payable on January 15, 2019. If the Merger is not approved, the Filer will likely terminate TOF. If the Filer were to terminate TOF, its unitholders would be required to redeem their units of TOF at 100% of their net asset value. Pursuant to the Merger, unitholders of TOF will have the option of (i) redeeming their units of TOF at 100% of their net asset value, or (ii) accepting the exchange of their units of TOF for units of BDIV. Accordingly, the Merger will provide greater optionality, and is therefore more beneficial, to unitholders of TOF than its primary alternative, such alternative being the termination of TOF.

(h) **BDIV will Continue offer Former Unitholders of TOF Substantial Exposure to North American Equities:** In determining the continuing fund in respect of the Merger, the Filer examined the constituent securities of the portfolios of the each of the investment funds that it manages to identify a continuing fund that would continue to offer unitholders of TOF strong exposure to North American equity securities, while also providing portfolio diversification in order to reduce the volatility to which such unitholders were exposed. As 70% of the constituent securities of BDIV are made up of North American equities, with the balance being European equities, the Filer determined that BDIV would be an appropriate choice as the continuing fund in respect of the Merger, as unitholders of TOF will continue to have exposure to similar securities after completion of the Merger.

(i) **Costs and Expenses of the Merger:** All costs of the Merger will be borne by the Filer and not by TOF, BDIV or either of their respective unitholders.

35. The foregoing reasons for the Merger were set out in the Meeting Materials along with certain prospectus-level disclosure concerning BDIV, including information regarding investment objectives and restrictions and risk factors applicable to an investment in BDIV.

36. Approval from the Principal Regulator is required pursuant to subsection 5.5(1)(b) of NI 81-102 because the Merger satisfies the requirements for pre-approved reorganizations and transfers set out in subsection 5.6(1) of NI 81-102, except that a reasonable person would not consider TOF and BDIV to have substantially similar investment objectives as required by subsection 5.6(1)(a)(ii) of NI 81-102.

Decision

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

The decision of the Principal Regulator under the Legislation is that the Approval Sought is granted.

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

2.1.5 ICPP Funds Ltd.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief from the conflict of interest restrictions in the Securities Act (Ontario) to permit fund-on-fund structures involving pooled funds under common management subject to conditions.

Applicable Legislative Provisions

Securities Act (Ontario), R.S.O. 1990, c. S.5, as am., ss. 111(2)(b), 111(2)(c), 111(4), 113.

April 12, 2019

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

AND

IN THE MATTER OF
ICPP FUNDS LTD.
(the Filer)

AND

IN THE MATTER OF
THE TOP FUNDS (as defined below)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on its behalf and on behalf of ICPP Payout Fund (the **Initial Top Fund**) and any other investment fund which is not a reporting issuer under the securities legislation of the principal regulator (the **Legislation**) and may be established, advised or managed by the Filer, or its affiliate, in the future (the **Future Top Funds**, and together with the Initial Top Fund, the **Top Funds**), which invests its assets in ICPP Accumulation Fund (the **Initial Underlying Fund**) or any other investment fund which is not a reporting issuer under the Legislation and may be established, advised or managed by the Filer, or its affiliate, in the future (the **Future Underlying Funds**, and together with the Initial Underlying Fund, the **Underlying Funds**), for a decision under the Legislation exempting the Filer and the Top Funds from the restriction in the Legislation which prohibits:

(a) an investment fund from knowingly making an investment in a person or company in which the investment fund, alone or together with one or more related investment funds, is a substantial security holder;

(b) an investment fund from knowingly making an investment in an issuer in which:

(i) any officer or director of the investment fund, its management company or distribution company or an associate of any of them, or

(ii) any person or company who is a substantial securityholder of the investment fund, its management company or its distribution company,

has a significant interest; and

(c) an investment fund, its management company or its distribution company from knowingly holding an investment described in paragraph (a) or (b) above

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

Interpretation

Unless otherwise defined herein, terms used in this decision have the respective meanings given to them in National Instrument 14-101 *Definitions*.

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 Ontario with its head office located in Oakville, Ontario.

2. The Filer is registered with the Ontario Securities Commission as an adviser in the category of portfolio manager, as an exempt market dealer and as an investment fund manager.

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

Top Funds

4. The Initial Top Fund is a trust established under the laws of Ontario pursuant to a master declaration of trust dated as of December 31, 2016. The Future Top Funds will be structured as trusts, limited partnerships or corporations under the laws of Ontario or another jurisdiction of Canada.

5. Each of the Top Funds will be an "investment fund" as defined in securities legislation of the jurisdictions in which the Top Funds are distributed.

6. The Filer is or will be the portfolio manager and the investment fund manager for the Top Funds established under the laws of Ontario, or another jurisdiction of Canada. The Filer is also the trustee of the Initial Top Fund. The Filer or a third party will act as trustee of Future Top Funds which are structured as trusts. The Filer may also act as a distributor of the securities of the Top Funds not otherwise sold through another registered dealer.

7. The Filer currently has no intention of filing a prospectus on behalf of any of the Top Funds or of having any Top Fund become a reporting issuer in any Canadian jurisdiction. Securities of each Top Fund are, or will be, offered on a private placement basis to qualified investors pursuant to available prospectus exemptions under National Instrument 45-106 *Prospectus Exemptions*. (**NI 45-106**).

8. Units of the Initial Top Fund are sold by offering memorandum to institutional clients, including registered pension plans and segregated fund trusts of insurance companies.

9. The investment objectives of the Initial Top Fund are to provide long-term capital growth and income. The Initial Top Fund intends to achieve its investment objectives by investing in the Initial Underlying Fund and iShares Canadian Universe Bond Index ETF. The Initial Top Fund intends to invest approximately 50% of its assets in the Initial Underlying Fund and approximately 50% of its assets in iShares Canadian Universe Bond Index ETF.

10. The Initial Top Fund is not, and each Future Top Fund will not be, a reporting issuer in any jurisdiction of Canada. The Initial Top Fund is not in default of securities legislation of any jurisdiction of Canada.

Underlying Funds

11. The Initial Underlying Fund is a trust established under the laws of Ontario pursuant to a master declaration of trust dated as of December 31, 2016. The Future Underlying Funds will be structured as limited partnerships, trusts or corporations under the laws of Ontario, or another jurisdiction of Canada.

12. Each of the Underlying Funds will be an "investment fund" as defined in securities legislation of the jurisdictions in which the Top Funds are distributed.

13. The Filer is or will be the portfolio manager and the investment fund manager for the Underlying Funds established under the laws of Ontario, or another jurisdiction of Canada. The Filer is also the trustee of the Initial Underlying Fund. The Filer or a third party will act as trustee of Future Underlying Funds which are structured as trusts. The Filer may also act as a distributor of the securities of the Underlying Funds not otherwise sold through another registered dealer.

14. Each of the Underlying Funds has, or will have, separate investment objectives, strategies and/or restrictions.

15. The investment objectives of the Initial Underlying Fund are to provide long-term capital growth and income. The Initial Underlying Fund intends to achieve its investment objectives by investing predominantly in large capitalization stocks listed on major Canadian and U.S. stock exchanges.

16. The Filer currently has no intention of filing a prospectus on behalf of any of the Underlying Funds or of having any Underlying Fund become a reporting issuer in any Canadian jurisdiction. Securities of each Underlying Fund are, or will be, offered on a private placement basis to qualified investors pursuant to available prospectus exemptions under NI 45-106.

17. The Initial Underlying Fund is not, and each Future Underlying Fund will not be, a reporting issuer in any jurisdiction of Canada. The Initial Underlying Fund is not in default of securities legislation of any jurisdiction of Canada.

18. Each Underlying Fund has, or is expected to have, other investors in addition to the Top Fund.

Fund-on-Fund Structure

19. The Initial Top Fund has been, and the Future Top Funds will be, created by the Filer to allow investors in a Top Fund to obtain indirect exposure to the investment portfolio of an Underlying Fund and its investment strategies through, primarily, direct investments by the Top Fund in securities of the Underlying Fund (the **Fund-on-Fund Structure**). Rather than operating the investment portfolio of the Initial Top Fund as a separate pool, the Filer wishes to make use of economies of scale by managing only one investment pool, in the Initial Underlying Fund.

20. Investing in the Underlying Funds will allow the Top Funds to achieve their investment objectives in a cost efficient manner and will not be detrimental to the interests of other securityholders of the Underlying Funds.

21. An investment by a Top Fund in an Underlying Fund provides greater diversification for a Top Fund in particular asset classes on a more cost efficient basis than a Top Fund would be able to achieve on its own.

22. An investment by a Top Fund in an Underlying Fund is, or will be, compatible with the investment objectives of the Top Fund. Any investment made by a Top Fund in an Underlying Fund will be aligned with the investment objectives, investment strategy, risk profile and other principal terms of the Top Fund.

23. A Top Fund will invest in one or more Underlying Funds. This Fund-on-Fund Structure will be used where the Filer determines that the investment objective of a Top Fund is best achieved by investing in either one Underlying Fund, or through exposure to different investment styles and broader diversification provided by investing in multiple Underlying Funds, either alongside other securities or not. One or more of such Underlying Funds may be changed to other Underlying Funds from time to time depending on whether the Filer concludes that different Underlying Funds would better achieve the investment objective of a Top Fund. The amounts invested from time to time in any Underlying Fund by one or more Top Funds may exceed 20% of the outstanding voting securities of the Underlying Fund.

24. Each of the Underlying Funds and their investments are considered to be liquid. While the Underlying Funds are not restricted from purchasing and holding "illiquid assets" (as defined in National Instrument 81-102 *Investment Funds* (**NI 81-102**)), the Filer manages or will manage the portfolios of each Underlying Fund to ensure there is sufficient liquidity to provide for redemptions of securities by securityholders of the Top Funds. No Underlying Fund will hold more than 10% of its net asset value (**NAV**) in illiquid assets (as defined in NI 81-102).

25. An investment in an Underlying Fund by a Top Fund will be effected at an objective price. According to the Filer's policies and procedures, an objective price for this purpose will be the NAV per security of the applicable class or series of the applicable Underlying Fund.

26. The Top Funds and the Underlying Funds have, or will have, matching valuation dates. The Initial Top Fund and the Initial Underlying Fund are valued monthly.

27. Prior to the time of purchase of securities of a Top Fund, an investor will be provided with additional disclosure concerning the Top Fund that contains disclosure about the relationships and potential conflicts of interest between the Top Fund and the Underlying Fund.

28. Such additional disclosure of each Top Fund will describe the Top Funds' intent, or ability, to invest some or all of its assets in securities of the Underlying Funds and that the Underlying Funds are also managed and advised by the Filer or its affiliate.

29. An Underlying Fund will be valued no less frequently than a Top Fund.

30. An Underlying Fund will be redeemable no less frequently than a Top Fund.

31. No Underlying Fund will be a Top Fund.

32. Each of the Top Funds and the Underlying Funds are subject to those provisions of National Instrument 81-106 *Investment Fund Continuous Disclosure* (**NI 81-106**) applicable to investment funds that are not reporting issuers and will prepare annual audited financial statements and interim unaudited financial statements in accordance with NI 81-106 and will otherwise comply with the requirements of NI 81-106, as applicable.

33. In the absence of the Requested Relief, the Top Funds would be constrained by the investment restrictions in Canadian securities legislation in terms of the degree to which they could implement the Fund-on-Fund Structure. Specifically, the Top Funds would be prohibited from: (i) becoming a substantial securityholder of the Underlying Funds, either alone or together with related investment funds; and (ii) a Top Fund investing in an Underlying Fund in which an officer or director of the Filer has a significant interest and/or a Top Fund investing in an Underlying Fund in which a person or company who is a substantial securityholder of the Top Fund or the Filer, has a significant interest.

34. The Fund-on-Fund Structure represents the business judgement of responsible persons uninfluenced by considerations other than the best interests of the investment funds concerned.

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) securities of the Top Funds are distributed in Canada solely pursuant to exemptions from the prospectus requirements under Canadian securities legislation;

(b) the investment by a Top Fund in an Underlying Fund is compatible with the investment objectives of the Top Fund;

(c) an investment in an Underlying Fund by a Top Fund will be effected at an objective price, calculated in accordance with section 14.2 of NI 81-106

(d) a Top Fund will not invest in an Underlying Fund, unless the Underlying Fund complies with the provisions of NI 81-106 that apply to a "mutual fund in Ontario" as defined in the *Securities Act* (Ontario);

(e) no Top Fund will purchase or hold a security of an Underlying Fund unless, at the time of the purchase of securities of the Underlying Fund, the Underlying Fund holds no more than 10% of its NAV in securities of other mutual funds, unless the Underlying Fund:

  (i) is a "clone fund" (as defined by NI 81-102),

  (ii) purchases or holds securities of a "money market fund" (as defined by NI 81-102), or

  (iii) purchases or holds securities that are "index participation units" (as defined by NI 81-102) issued by an investment fund;

(f) no management fees or incentive fees are payable by a Top Fund that, to a reasonable person, would duplicate a fee payable by an Underlying Fund for the same service;

(g) no sales fee or redemption fees are payable by a Top Fund in relation to its purchases or redemptions of securities of an Underlying Fund that, to a reasonable person, would duplicate a fee payable by an investor in the Top Fund other than brokerage fees incurred for the purchase or sale of an index participation unit issued by an investment fund;

(h) the Filer does not cause the securities of an Underlying Fund held by a Top Fund to be voted at any meeting of holders of such securities, except that the Filer may arrange for the securities the Top Fund holds of an Underlying Fund to be voted by the beneficial owners of securities of the Top Fund who are not the Filer or an officer, director or substantial securityholder of the Filer;

(i) when purchasing and/or redeeming securities of an Underlying Fund, the Filer shall, as investment fund manager of the applicable Top Fund and Underlying Fund, act honestly, in good faith and in the best interests of the Top Fund and Underlying Fund, respectively, and shall exercise the care and diligence that a reasonably prudent person would exercise in comparable circumstances;

(j) the offering memorandum, where available, or other disclosure document of a Top Fund, will be provided to investors in a Top Fund prior to the time of investment and will disclose:

(i) that the Top Fund may purchase securities of the applicable Underlying Fund;

(ii) that the Filer is the investment fund manager and/or portfolio manager of both the Top Fund and the Underlying Fund;

(iii) that the Top Fund may invest all, or substantially all, of its assets in securities of an Underlying Fund;

(iv) the fees, expenses and any performance or special incentive distributions payable by an Underlying Fund in which a Top Fund invests;

(v) the process or criteria used to select the Underlying Fund, if applicable;

(vi) for each officer, director and/or substantial securityholder of the Filer, or of a Top Fund, that has a significant interest in an applicable Underlying Fund, and officers and directors and substantial securityholders who together in aggregate hold a significant interest in an applicable Underlying Fund, the approximate amount of the significant interest they hold, on an aggregate basis, expressed as a percentage of the applicable Underlying Fund's NAV, and the potential conflicts of interest which may arise from such relationship;

(vii) that investors are entitled to receive from the Filer, on request and free of charge, a copy of the offering memorandum or other similar disclosure document of the Underlying Fund (if available); and

(viii) that investors are entitled to receive from the Filer, on request and free of charge, the annual audited financial statements and interim financial reports relating to the Underlying Fund in which the Top Fund invests; and

(k) the Filer shall annually inform investors in a Top Fund of their right to receive from the Filer, on request and free of charge, a copy of the offering memorandum or other similar disclosure document of each Underlying Fund, if available, and the annual audited financial statements and interim financial reports relating to each Underlying Fund in which the Top Fund invests.

"Grant Vingoe"
Vice-Chair

"Heather Zordel"
Commissioner

2.1.6 Cargojet Inc.

Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief from the take-over bid requirements in Part 2 of NI 62-104 to allow for take-over bid thresholds to be calculated based on the aggregate number of voting securities outstanding, as opposed to on a per-class basis - issuer is subject to foreign ownership restrictions in its governing federal legislation and has implemented a dual class share structure solely to ensure compliance with foreign ownership restrictions in the aviation industry; both classes of shares are freely tradable, have identical economic attributes and are automatically and mandatorily inter-convertible based on the shareholder's Canadian or non-Canadian status – relief granted to allow offerors to calculate their ownership position by combining the outstanding classes of shares for the purposes of determining whether take-over bid requirements are triggered.

Relief from the early warning requirements to allow early warning thresholds to be calculated based on the aggregate number of voting shares outstanding, as opposed to on a per-class basis - issuer is subject to foreign ownership restrictions in its governing federal legislation and has implemented a dual class share structure solely to ensure compliance with foreign ownership restrictions in the aviation industry; both classes of shares are freely tradable, have identical economic attributes and are automatically and mandatorily inter-convertible based on the shareholder's Canadian or non-Canadian status – relief granted to allow acquirors to calculate their ownership position by combining the outstanding classes of shares for the purposes of determining whether early warning requirements are triggered.

Relief from the requirement to issue and file a news release in section 5.4 of NI 62-104 to provide that the threshold triggering the requirement for an acquiror to file a news release during a take-over bid or an issuer bid is to be calculated based on the aggregate number of voting shares outstanding, as opposed to on a per-class basis - issuer is subject to foreign ownership restrictions in its governing federal legislation and has implemented a dual class share structure solely to ensure compliance with foreign ownership restrictions in the aviation industry; both classes of shares are freely tradable, have identical economic attributes and are automatically and mandatorily inter-convertible based on the shareholder's Canadian or non-Canadian status – relief granted to allow acquirors to calculate their ownership position by combining the outstanding classes of shares for the purposes of determining whether the requirement to file a news release during a take-over bid or issuer bid is triggered.

Relief so that an eligible institutional investor subject to early warning requirements may rely on alternative eligibility criteria from those set forth in section 4.5 of NI 62-103 in order to benefit from the exemption contained in section 4.1 of NI 62-103 - issuer is subject to foreign ownership restrictions in its governing federal legislation and has implemented a dual class share structure solely to ensure compliance with foreign ownership restrictions in the aviation industry; both classes of shares are freely tradable, have identical economic attributes and are automatically and mandatorily inter-convertible based on the shareholder's Canadian or non-Canadian status – relief granted to allow eligible institutional investors to calculate their ownership position by combining the outstanding classes of common shares for the purposes of determining whether they are eligible for the reporting exemption in section 4.1 of NI 62-103.

Relief so that the issuer can provide disclosure on significant shareholders in its information circular on a combined basis, rather than for each class of voting shares – issuer is subject to foreign ownership restrictions in its governing federal legislation and has implemented a dual class share structure solely to ensure compliance with foreign ownership restrictions in the aviation industry; both classes of shares are freely tradable, have identical economic attributes and are automatically and mandatorily inter-convertible based on the shareholder's Canadian or non-Canadian status – relief granted to allow issuer to provide disclosure on holders of its voting shares on a combined basis in its information circular.

Applicable Legislative Provisions

National Instrument 62-104 Take-Over Bids and Issuer Bids, Part 2, ss. 5.2, 5.4 and 6.1.
National Instrument 62-103 The Early Warning System and Related Take-Over Bid and Insider Reporting Issues, ss. 4.1, 4., 11.1.
National Instrument 51-102 Continuous Disclosure Obligations, s. 13.1.

May 1, 2019

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
CARGOJET INC.
(the "Filer")

DECISION

Background

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

(a) an offer to acquire either outstanding common shares of the Filer (the "**Common Shares**") or variable voting shares of the Filer (the "**Variable Voting Shares**", and together with the Common Shares, the "**Shares**") which, in either case, would constitute a take-over bid under the Legislation as a result of the securities subject to the offer to acquire, together with the offeror's securities of that class, representing in the aggregate 20% or more of the outstanding Common Shares or Variable Voting Shares, as the case may be, at the date of the offer to acquire, be exempt from the requirements set out in Part 2 of National Instrument 62-104 *Take-Over Bids and Issuer Bids* ("**NI 62-104**") applicable to take-over bids (the "**TOB Relief**");

(b) an acquiror who triggers the disclosure and filing obligations pursuant to the early warning requirements contained in the Legislation with respect to either the Common Shares or Variable Voting Shares, as the case may be, be exempt from such requirements (the "**Early Warning Relief**");

(c) an acquiror who acquires, during a take-over bid or an issuer bid, beneficial ownership of, or control or direction over, either Common Shares or Variable Voting Shares that, together with the acquiror's securities of that class, would constitute 5% or more of the outstanding Common Shares or Variable Voting Shares, as the case may be, be exempt from the requirement to issue and file a news release set out in section 5.4 of NI 62-104 (the "**News Release Relief**"); and

(d) the Filer be exempt from the disclosure requirements in Item 6.5 of Form 51-102F5 *Information Circular* ("**Form 51-102F5**") (the "**Alternative Disclosure Relief**", and collectively with the TOB Relief, the Early Warning Relief, and the News Release Relief, the "**Exemption Sought**").

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

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

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

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102, NI 62-103, and NI 62-104, including, without limitation, "offeror", "offeror's securities", "offer to acquire", "acquiror", "acquiror's securities", "eligible institutional investor", and "security-holding percentage", have the same meaning if used in this decision unless otherwise defined. For the purposes of this decision, the terms below have the following meanings:

"Canadian" has the meaning ascribed to that term in the CTA; and

"CTA" means *Canada Transportation Act*, as it may be amended from time to time.

Representations

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

1. The Filer is a corporation existing under the *Business Corporations Act* (Ontario) and in good standing.

2. The Filer is a reporting issuer in all of the provinces and territories of Canada, and is not in default of the securities legislation in any of these jurisdictions.

3. The Filer's registered and executive office is located at 2281 North Sheridan Way, Mississauga, Ontario, L5K 2S3.

4. The Filer's authorized share capital consists of: (a) an unlimited number of Common Shares; (b) an unlimited number of Variable Voting Shares; and (c) an unlimited number of preferred shares, issuable in series. As of April 12, 2019, there were 13,027,437 Common Shares, 437,370 Variable Voting Shares, and no preferred shares issued and outstanding.

5. Each of the Common Shares and the Variable Voting Shares are currently listed on the Toronto Stock Exchange (the "**TSX**") under the symbols "CJT" and "CJT.A", respectively, and are expected to be listed on the TSX under the single symbol "CJT" effective on or about May 8, 2019. The Filer is not in default of any of the requirements of the TSX Company Manual.

6. The Filer is a leading provider of time sensitive overnight air cargo services in Canada.

7. The Filer is subject to the requirements of the CTA. The CTA requires that air carriers which provide domestic services be controlled in fact by Canadians, and permits non-Canadians to hold a maximum of 49% of the voting interests in a licensed domestic carrier, provided that no single non-Canadian holds more than 25% of such voting interests and provided that non-Canadian air service providers do not, in the aggregate, hold more than 25% of the voting interests in a Canadian airline.

8. Pursuant to the articles of the Filer (the "**Articles**"), the Common Shares can only be held, beneficially owned or controlled, directly or indirectly, by Canadians. Each issued and outstanding Common Share will be automatically converted into one Variable Voting Share, without any further act on the part of the Filer or the holder, if such Common Share is or becomes held, beneficially owned or controlled, directly or indirectly, by a person who is a member of a class of persons who under Canadian law is restricted from holding a specified percentage (or part) of all the issued and outstanding shares of the Filer, as a body corporate to which such restrictions apply.

9. Pursuant to the Articles, the Variable Voting Shares can only be held, beneficially owned or controlled, directly or indirectly, other than by way of security, by persons who are non-Canadians. Each outstanding Variable Voting Share will be automatically converted into one Common Share, without any further act on the part of the Filer or the holder, if: (a) such Variable Voting Share is or becomes beneficially owned or controlled, directly or indirectly, by a Canadian; or (b) the holder of such Variable Voting Share becomes a member of any class of persons, which class of persons is not restricted under the laws of Canada from owning shares of the Filer or from holding a specified percentage (or part) of all the issued and outstanding shares in the capital of the Filer.

10. Each Common Share confers the right to one vote. Each Variable Voting Share confers the right to one vote unless: (a) the number of issued and outstanding Variable Voting Shares exceeds 25% of the total number of all issued and outstanding Shares; or (b) the total number of votes cast by or on behalf of holders of Variable Voting Shares at any meeting exceeds 25% of the total number of votes cast at such meeting. If either of the aforementioned thresholds would otherwise be surpassed at any time, the vote attached to each Variable Voting Share decreases automatically and without further act or formality to equal the maximum permitted vote per Variable Voting Share such that: (a) the Variable Voting Shares as a class do not carry more than 25% of the aggregate votes attached to all issued and outstanding Shares; and (b) the total number of votes cast by or on behalf of holders of Variable Voting Shares at any meeting does not exceed 25% of the total number of votes cast at such meeting.

11. Aside from the differences in voting rights set out in paragraph 10, the Variable Voting Shares and Common Shares are the same in all other respects, including with regard to the right to receive dividends, if any, and the right to receive the property and assets of the Filer in the event of dissolution, liquidation, or winding up of the Filer.

12. The Articles contain coattail provisions pursuant to which Variable Voting Shares may be converted into Common Shares in the event an offer is made to purchase Common Shares and the offer is one which is required to be made to all or

substantially all the holders of Common Shares. The Articles also contain coattail provisions pursuant to which Common Shares may be converted into Variable Voting Shares in the event an offer is made to purchase Variable Voting Shares and the offer is one which is required to be made to all or substantially all the holders of Variable Voting Shares.

13. The Filer's dual class structure was implemented solely to ensure compliance with the requirements of the CTA; it has no other purpose.

14. An investor does not control or choose which class of Shares it acquires and holds. There are no unique features of either class of Shares which an existing or potential investor can choose to acquire, exercise or dispose of; the class of Shares ultimately available to an investor is solely a function of the investor's Canadian or non-Canadian residency status only. Moreover, if, after having acquired Shares, a holder's Canadian or non-Canadian residency status changes, such Shares will convert accordingly and automatically, without formality or regard to any other consideration.

15. The Variable Voting Shares are not considered "restricted voting securities" or "restricted voting shares" for the purposes of the Legislation.

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 Filer publicly discloses the terms of the Exemption Sought in a news release filed on SEDAR promptly following the issuance of this decision;

(b) the Filer discloses the terms and conditions of the Exemption Sought in all of its annual information forms and management information circulars filed on SEDAR following the issuance of this decision and in any other filing where the characteristics of the Shares are described;

(c) with respect only to the TOB Relief, the Common Shares or Variable Voting Shares, as the case may be, subject to the offer to acquire of an offeror, together with the Common Shares and Variable Voting Shares beneficially owned, or over which control or direction is exercised, by the offeror or any person acting jointly or in concert with the offeror, would not constitute, at the date of the offer to acquire, in the aggregate 20% or more of the outstanding Common Shares and Variable Voting Shares on a combined basis;

(d) with respect only to the Early Warning Relief,

(i) the acquiror complies with the early warning requirements, except that, for the purpose of determining the percentage of outstanding Common Shares or Variable Voting Shares, as the case may be, that the acquiror has acquired or disposed of beneficial ownership, or acquired or ceased to have control or direction over, the acquiror calculates the percentage using (A) a denominator comprised of all of the outstanding Common Shares and Variable Voting Shares, determined in accordance with subsection 1.8(2) of NI 62-104, on a combined basis, as opposed to a per-class basis, and (B) a numerator including, as acquiror's securities, all of the Common Shares and Variable Voting Shares that constitute acquiror's securities; or

(ii) in the case of an acquiror that is an eligible institutional investor, the acquiror complies with the requirements of the alternative monthly reporting system set out in Part 4 of NI 62-103 to the extent it is not disqualified from filing reports thereunder pursuant to section 4.2 of NI 62-103, except that, for purposes of determining the acquiror's securityholding percentage, the acquiror calculates its securityholding percentage using (A) a denominator comprised of all of the outstanding Common Shares and Variable Voting Shares, determined in accordance with subsection 1.8(2) of NI 62-104, on a combined basis, as opposed to a per-class basis, and (B) a numerator including all of the Common Shares and Variable Voting Shares owned or controlled by the eligible institutional investor;

(e) with respect only to the News Release Relief, the Common Shares or Variable Voting Shares, as the case may be, that the acquiror acquires beneficial ownership of, or control or direction over, together with the securities of the Filer beneficially owned, or over which control or direction is exercised, by the acquiror or any person acting jointly or in concert with the acquiror, would not constitute 5% or more of the outstanding Common Shares and Variable Voting Shares, as the case may be, calculated using (i) a denominator comprised of all of the outstanding Common Shares and Variable Voting Shares, determined in accordance with subsection 1.8(2) of NI 62-104, on a combined basis, as opposed to a per-class basis, and (ii) a numerator including as acquiror's securities, all of the Common Shares and Variable Voting Shares that constitute acquiror's securities;

(f) with respect only to the Alternative Disclosure Relief, the Filer provides the disclosure required by Item 6.5 of Form 51-102F5, except that for purposes of determining the percentage of voting rights attached to the Common Shares or Variable Voting Shares, the Filer calculates the voting percentage using (i) a denominator comprised of all of the outstanding Common Shares and Variable Voting Shares on a combined basis, as opposed to a per-class basis, and (ii) a numerator including all of the Common Shares and Variable Voting Shares beneficially owned, or over which control or direction is exercised, directly or indirectly, by any person who, to the knowledge of the Filer's directors or executive officers, beneficially owns, controls or directs, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to the outstanding Common Shares and Variable Voting Shares on a combined basis, as opposed to a per-class basis.

"Naizam Kanji"
Director, Office of Mergers & Acquisitions
Ontario Securities Commission

2.1.7 Aleafia Health Inc. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – application for wholly-owed subsidiary (Amalco) of parent company (Parent) for a decision under section 13.1 of National Instrument 51-102 Continuous Disclosure Obligations (NI 51-102) exempting Amalco from the requirements of NI 51-102; for a decision under Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (MI 52-109) exempting Amalco from the requirements of MI 52-109; for a decision under National Instrument 55-104 Insider Reporting Requirements and Exemptions (NI 55-104) exempting the insider of Amalco from the insider reporting requirements; for a decision under section 121(2)(a)(ii) of the Securities Act (Ontario) (Act) exempting the insiders of Amalco from the insider reporting requirements of the Act; and for a decision under National Instrument 55-102 System for Electronic Disclosure by Insiders exempting the insiders of Amalco from the requirement to file an insider profile; Amalco is a wholly-owned subsidiary of Parent; Amalco is a reporting issuer and has convertible securities outstanding; convertible securities entitle holder to acquire common shares of Parent; convertible securities do not qualify as "designated exchangeable securities" under exemption in section 13.3 of NI 51-102; relief granted on conditions substantially similar to the conditions contained in section 13.3 of NI 51-102.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 107, 121(2)(a)(ii).
National Instrument 51-102 Continuous Disclosure Obligations, ss. 13.1, 13.3.
Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, s. 4.5.
National Instrument 55-102 System for Electronic Disclosure by Insiders, s. 6.1.
National Instrument 55-104 Insider Reporting Requirements and Exemptions, s. 10.1.

April 26, 2019

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
ALEAFIA HEALTH INC. (ALEAFIA),
EMBLEM CORP. (EMBLEM),
11208578 CANADA INC. (ALEAFIA SUBCO) AND
EMBLEM CORP.
(AMALCO, AND TOGETHER WITH ALEAFIA, EMBLEM AND ALEAFIA SUBCO, THE FILERS)

DECISION

Background

The securities regulatory authority in Ontario (**Decision Maker**) has received an application from the Filers for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) that:

- Amalco be exempt from the continuous disclosure obligations under National Instrument 51-102 *Continuous Disclosure Obligations* (**NI 51-102**) (the **Continuous Disclosure Requirements**);

- Amalco be exempt from the requirements for certification of disclosure in annual and interim filings under Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (**MI 52-109**) (the **Certification Requirements**);

- the insiders of Amalco be exempt from the requirement to file an insider profile under National Instrument 55-102 *System for Electronic Disclosure by Insiders* (**NI 55-102**) in respect of securities of Amalco (the **Insider Profile Requirements**); and

- the insiders of Amalco be exempt from the insider reporting requirements under National Instrument 55-104 *Insider Reporting Requirements and Exemptions* (**NI 55-104**) and related Legislation in respect of securities of Amalco (the **Insider Reporting Requirements**)

(collectively, 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;

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

(c) the decision is the decision of the principal regulator and evidences that decision of the securities regulatory authority or regulator in each of the other Jurisdictions.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined. For greater certainty, references to Emblem shall be read to include its successor entities.

Representations

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

Emblem

2. On December 5, 2016, in connection with the completion of a business combination between Saber Capital Co. (now Emblem), Saber Acquisition Corp. and 9045538 Canada Inc. pursuant to a statutory plan of arrangement, Emblem was continued under the *Canada Business Corporations Act* (the **CBCA**).

3. The head office of Emblem was located at 36 York Mills Road, Suite 500, Toronto, Ontario M2P 2E9.

4. As of March 13, 2019, Emblem was a reporting issuer under the securities legislation of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland and Labrador.

5. As of March 13, 2019, Emblem was an electronic filer under National Instrument 13-101 *System for Electronic Document Analysis and Retrieval* (**SEDAR**) (**NI 13-101**).

6. As of March 13, 2019, the authorized share capital of Emblem consisted of an unlimited number of common shares (**Emblem Shares**). As of March 13, 2019, there were 132,294,852 Emblem Shares issued and outstanding.

7. As of March 13, 2019, there were also issued and outstanding:

(i) options to purchase an aggregate of 5,343,333 Emblem Shares (**Emblem Options**);

(ii) 10,916,599 warrants to purchase Emblem Shares at an exercise price of $1.75 with an expiry date of December 6, 2019 issued pursuant to a warrant indenture (the **2019 Warrant Indenture**) between Emblem and Computershare Trust Company of Canada (**Computershare**) dated December 6, 2016 (the **2019 Warrants**);

(iii) 7,785,734 warrants to purchase Emblem Shares at an exercise price of $2.15 with an expiry date of November 16, 2020 issued pursuant to a warrant indenture (the **November 2020 Warrant Indenture**) between Emblem and Computershare dated November 16, 2017 (the **November 2020 Warrants**);

(iv) 14,024,391 warrants to purchase Emblem Shares at an exercise price of $2.70 with an expiry date of February 2, 2020 issued pursuant to a warrant indenture (the **February 2020 Warrant Indenture**) between Emblem and Computershare dated February 2, 2018 (the **February 2020 Warrants**, and together with the 2019 Warrants and the November 2020 Warrants, the **Listed Emblem Warrants**);

(v) unlisted warrants to purchase an aggregate of 14,145,488 Emblem Shares (the **Unlisted Emblem Warrants**, and together with the Listed Emblem Warrants, the **Emblem Warrants**);

(vi) compensation options to purchase (A) an aggregate of 1,278,836 Emblem Shares and (B) warrants to purchase an aggregate of 1,278,836 Emblem Shares (the **Compensation Options**); and

(vii) debentures issued pursuant to a trust indenture (the **Trust Indenture**) between Emblem and Computershare dated February 2, 2018 convertible into an aggregate of 9,444,235 Emblem Shares (the **Debentures**).

8. As of March 13, 2019, the Emblem Shares were listed on the TSX Venture Exchange (**TSXV**) under the symbol “EMC” and the 2019 Warrants, November 2020 Warrants and February 2020 Warrants were listed on the TSXV under the symbols “EMC.WT”, “EMC.WT.A” and “EMC.WT.B”, respectively.

Aleafia

9. Aleafia was continued into Ontario under the *Business Corporations Act* (Ontario) on June 27, 2018.

10. The head office of Aleafia is located at 8810 Jane Street, 2nd Floor, Concord, Ontario L4K 2M9.

11. Aleafia is a reporting issuer in the provinces of Ontario, British Columbia, Alberta, Saskatchewan, Manitoba, Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland and Labrador.

12. Aleafia is an electronic filer under NI 13-101.

13. As of March 13, 2019, the authorized share capital of Aleafia consisted of an unlimited number of common shares (**Aleafia Shares**). As of March 13, 2019, there were 158,798,501 Aleafia Shares issued and outstanding.

14. As of March 13, 2019, there were also issued and outstanding:

(i) options to purchase an aggregate of 14,290,000 Aleafia Shares; and

(ii) warrants to purchase an aggregate of 8,372,190 Aleafia Shares

15. The Aleafia Shares are listed on the TSX under the symbol "ALEF".

The Plan of Arrangement

16. Aleafia entered into a definitive agreement (the **Arrangement Agreement**) with Emblem on December 18, 2018, which provided the terms and conditions under which Aleafia would acquire all of the issued and outstanding Emblem Shares. The acquisition was implemented by way of a court-approved plan of arrangement under the CBCA (the **Arrangement**). Under the Arrangement, in exchange for each Emblem Share, Aleafia issued to shareholders of Emblem (**Emblem Shareholders**) 0.8377 of an Aleafia Share (the **Share Consideration**), subject to the terms of the Arrangement. As a as a result of the Arrangement, Emblem became a wholly-owned subsidiary of Aleafia.

17. On January 30, 2019, Emblem obtained an interim order from the Ontario Superior Court of Justice (Commercial List) (the **Court**) specifying certain requirements and procedures for a special meeting of the Emblem Shareholders for the purpose of approving the Arrangement (**Emblem Meeting**).

18. On March 6, 2019, Emblem Shareholders approved the Arrangement with an affirmative vote of approximately 93.46% of the votes validly cast at the Emblem Meeting.

19. On March 8, 2019, Emblem received final approval of the Court for the Arrangement.

20. The Arrangement was completed on March 14, 2019.

21. Under the Arrangement, among other things, the following occurred:

(i) Aleafia acquired all of the issued and outstanding Emblem Shares held by dissenting Emblem Shareholders;

(ii) Emblem and Aleafia Subco amalgamated to form Amalco;

(iii) Aleafia received one common share of Amalco in exchange for each common share of Aleafia Subco previously held by it;

(iv) each Emblem Share (other than those held by dissenting Emblem Shareholders) entitled the holder thereof to receive the Share Consideration; and

(v) each Emblem Option was deemed to be exchanged for an option to purchase 0.8377 of an Aleafia Share (each a **Replacement Aleafia Option**) in accordance with the Arrangement and each such Emblem Option was cancelled.

22. On completion of the Arrangement and the associated amalgamation of Emblem and Aleafia Subco to form Amalco, Amalco became a reporting issuer in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador as Emblem, one of the amalgamating companies, was a reporting issuer in such jurisdictions, for a period of at least twelve months prior to the Arrangement. Consequently, Amalco and its insiders are required to comply with the Continuous Disclosure Requirements, the Certification Requirements, the Insider Profile Requirements and the Insider Reporting Requirements, respectively.

23. Upon completion of the Arrangement, the Emblem Warrants remain outstanding as warrants of Amalco that upon exercise entitle the holder thereof to receive the Share Consideration.

24. Upon completion of the Arrangement, the Compensation Options remain outstanding as compensation options of Amalco that upon exercise entitle the holder thereof to receive the Share Consideration and warrants exercisable to receive the Share Consideration.

25. Upon completion of the Arrangement, Aleafia assumed all of the covenants and obligations of the Debentures such that, upon conversion thereof, each holder is entitled to receive the Share Consideration

26. On March 15, 2019, the TSXV issued its final bulletin approving: (i) the listing of all Aleafia Shares issued or to be issued as a result of the Arrangement (including those Aleafia Shares to be issued upon exercise of Aleafia Replacement Options, Emblem Warrants, Compensation Options and upon conversion of the Debentures); and (ii) the continued listing of the Listed Emblem Warrants.

27. Aleafia has reserved 53,794,960 Aleafia Shares for issuance upon the exercise of the outstanding Aleafia Replacement Options, Emblem Warrants and Compensation Options and upon conversion of the Debentures.

28. In connection with the Arrangement, Emblem mailed to the Emblem Shareholders a management information circular (**Circular**) containing prospectus-level disclosure of the business and affairs of each of Emblem and Aleafia and information on the Arrangement, a copy of which has been posted on SEDAR under Emblem's profile.

29. Emblem also mailed the Circular to holders of Emblem Options, Emblem Warrants, Compensation Options and Debentures, providing them with prior notice of the Arrangement and the impact on such securities.

30. As a result of the Arrangement, the only securities of Amalco that are listed for trading on a published market are the Listed Emblem Warrants.

31. On March 18, 2019, the Emblem Shares were delisted from the TSXV.

32. On March 19, 2019, following the delisting of the Aleafia Shares from the TSXV on March 18, 2019, the Aleafia Shares commenced trading on the Toronto Stock Exchange.

33. As required by the terms of the 2019 Warrant Indenture, the November 2020 Warrant Indenture and the February 2020 Warrant Indenture, Aleafia and Amalco have entered into supplemental warrant indentures with Computershare Trust Company of Canada with respect to the Listed Emblem Warrants.

34. As required by the terms of the warrant indentures in respect of and/or certificates representing, as applicable, the Unlisted Emblem Warrants, Aleafia is bound by the terms and covenants thereof and upon exercise of such Unlisted Emblem Warrants, holders will also be entitled to receive the Share Consideration.

35. As required by the terms of the certificates representing the Compensation Options, Aleafia is bound by the terms and covenants thereof and upon exercise of such Compensation Options, holders will also be entitled to receive the Share Consideration and warrants exercisable to receive the Share Consideration.

36. As required by the terms of the Trust Indenture, Aleafia will be bound by the terms and covenants thereof and upon conversion of the Debentures, holders will be entitled to receive the Share Consideration.

37. As a result of the Arrangement, the only securities of Amalco that are held by persons other than Aleafia are the outstanding Emblem Warrants, Compensation Options and Debentures, which are exercisable for, or convertible into, the Share Consideration and warrants exercisable to receive the Share Consideration, as applicable.

38. Amalco cannot rely on the exemption available in s. 13.3 of NI 51-102 for issuers of exchangeable securities because the Emblem Warrants, Compensation Options and Debentures are not "designated exchangeable securities" as defined in NI 51-102; none of the holders of the Emblem Warrants, Compensation Options or Debentures will have voting rights in respect of Aleafia, in their capacity as warrantholders, compensation optionholders or debentureholders, respectively.

39. None of the warrant indentures, the supplemental warrant indentures or certificates governing the Emblem Warrants, certificates governing the Compensation Options or the Trust Indenture governing the Debentures requires Emblem or any successor to deliver to holders of Emblem Warrants, Compensation Options or Debentures, respectively, any continuous disclosure materials of Emblem or any successor.

40. Each of the Filers is not in default of any requirement under securities legislation in the jurisdictions in which it is a reporting issuer.

41. Amalco has no intention of accessing the capital markets in the future by issuing any further securities to the public and has no intention of issuing any securities to the public other than those that are outstanding on completion of the Arrangement.

42. It is information relating to Aleafia, and not to Amalco, that is of primary importance to holders of Emblem Warrants, Compensation Options and Debentures as outstanding Emblem Warrants, Compensation Options and Debentures shall be exercisable for/convertible into only the Share Consideration; in addition, as Amalco is a wholly-owned subsidiary of Aleafia, Aleafia will consolidate Amalco with Aleafia for the purposes of financial statement reporting; as such, the disclosure required by the Continuous Disclosure Requirements applicable to Amalco would not be meaningful or of any significant benefit to the holders of the Emblem Warrants, Compensation Options or Debentures and would impose a significant cost on Amalco.

Decision

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

1. The decision of the Decision Maker under the Legislation is that the Continuous Disclosure Requirements do not apply to Amalco provided that:

    (a) Aleafia is the beneficial owner of all of the issued and outstanding voting securities of Amalco;

    (b) Aleafia is a reporting issuer in a designated Canadian jurisdiction (as defined in NI 51-102) and has filed all documents it is required to file under NI 51-102;

    (c) Amalco does not issue any securities, and does not have any securities outstanding other than:

        (i) the Emblem Warrants;

        (ii) the Compensation Options;

        (iii) the Debentures;

        (iv) securities issued to and held by Aleafia or an affiliate of Aleafia;

        (v) debt securities issued to and held by banks, loan corporations, loan and investment corporations, savings companies, trust corporations, treasury branches, savings or credit unions, financial services cooperatives, insurance companies or other financial institutions; or

        (vi) securities issued under exemptions from the prospectus requirement in section 2.35 of National Instrument 45-106 *Prospectus Exemptions*;

(d) Amalco files in electronic format:

(i) if Aleafia is a reporting issuer in the local jurisdiction, a notice indicating that it is relying on the continuous disclosure documents filed by Aleafia and setting out where those documents can be found in electronic format; or

(ii) copies of all documents Aleafia is required to file under securities legislation, other than in connection with a distribution, at the same time as the filing by Aleafia of those documents with a securities regulatory authority or regulator;

(e) Aleafia concurrently sends to all holders of Emblem Warrants, Compensation Options and Debentures all disclosure materials that would be required to be sent to holders of similar warrants, compensation options or debentures of Aleafia in the manner and at the time required by securities legislation;

(f) Aleafia complies with securities legislation in respect of making public disclosure of material information on a timely basis; and

(g) Aleafia immediately issues in Canada and files any news release that discloses a material change in its affairs.

2. The further decision of the Decision Maker under the Legislation is that the Certification Requirements do not apply to Amalco provided that:

(a) Amalco is not required to, and does not, file its own Interim Filings and Annual Filings (as those terms are defined under NI 52-109);

(b) Amalco files in electronic format under its SEDAR profile either: (i) copies of Aleafia's annual certificates and interim certificates at the same time as Aleafia is required under NI 52-109 to file such documents; or (ii) a notice indicating that it is relying on Aleafia's annual certificates and interim certificates and setting out where those documents can be found for viewing on SEDAR; and

(c) Amalco is exempt from or otherwise not subject to the Continuous Disclosure Requirements and Amalco and Aleafia are in compliance with the conditions set out in paragraph 1 above.

3. The further decision of the Decision Maker under the Legislation is that the Insider Profile Requirements and Insider Reporting Requirements do not apply to any insider of Amalco in respect of securities of Amalco provided that:

(a) if the insider is not Aleafia;

(i) the insider does not receive, in the ordinary course, information as to material facts or material changes concerning Amalco before the material facts or material changes are generally disclosed; and

(ii) the insider is not an insider of Aleafia in any capacity other than by virtue of being an insider of Amalco;

(b) Aleafia is the beneficial owner of all of the issued and outstanding voting securities of Amalco;

(c) if the insider is Aleafia, the insider does not beneficially own any Emblem Warrants, Compensation Options or Debentures other than securities acquired through the exercise of the Emblem Warrants or Compensation Options or conversion of the Debentures and not subsequently traded by the insider or those beneficially owned as of the closing of the Arrangement;

(d) Aleafia is a reporting issuer in a designated Canadian jurisdiction;

(e) Amalco has not issued any securities, and does not have any securities outstanding, other than:

(i) the Emblem Warrants;

(ii) the Compensation Options;

(iii) the Debentures;

(iv) securities issued to and held by Aleafia or an affiliate of Aleafia;

(v) debt securities issued to and held by banks, loan corporations, loan and investment corporations, savings companies, trust corporations, treasury branches, savings or credit unions, financial services cooperatives, insurance companies or other financial institutions; or

(vi) securities issued under exemptions from the prospectus requirement in Section 2.35 of NI 45-106; and

(f) Amalco is exempt from or otherwise not subject to the Continuous Disclosure Requirements and Amalco and Aleafia are in compliance with the conditions set out in paragraph 1 above.

As to the Exemption Sought (other than from the statutory Insider Reporting Requirements):

"Winnie Sanjoto"
Manager, Corporate Finance

As to the Exemption Sought from the statutory Insider Reporting Requirements:

"Cecilia Williams"
Commissioner
Ontario Securities Commission

"Lawrence Haber"
Commissioner
Ontario Securities Commission

2.1.8 Algonquin Power & Utilities Corp. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Application for exemptive relief to permit issuer and underwriter, acting as agent for the issuer, to enter into an equity distribution agreement to make "at the market" (ATM) distributions of common shares over the facilities of the TSX, the NYSE, or other Canadian marketplace – ATM distributions to be made pursuant to shelf prospectus procedures in Part 9 of NI 44-102 Shelf Distributions – issuer will issue a press release and file agreements on SEDAR – application for relief from prospectus delivery requirement – delivery of prospectus not practicable in circumstances of an ATM distribution – relief from prospectus delivery requirement has effect of removing two-day right of withdrawal and remedies of rescission or damages for non-delivery of the prospectus – application for relief from certain prospectus form requirements – relief granted to permit modified forward-looking certificate language – relief granted on terms and conditions set out in decision document – decision will terminate 25 months after the issuance of a receipt for the shelf prospectus. Decision and application also held in confidence by decision makers until the earlier of the entering into of an equity distribution agreement, waiver of confidentiality or 90 days from the date of the decision.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 71, 147.
National Instrument 44-101 Short Form Prospectus Distributions, Part 8 and Item 20 of Form 44-101F1.
National Instrument 44-102 Shelf Distributions, ss. 5.5, 6.3 and 6.7, Part 9 and ss. 2.1 and 2.2 of Appendix A.
National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions.

February 26, 2019

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
ALGONQUIN POWER & UTILITIES CORP.
(the Issuer),

AND

RBC DOMINION SECURITIES INC.,
J.P. MORGAN SECURITIES CANADA INC.,
MERRILL LYNCH CANADA INC.,
SCOTIA CAPITAL INC. AND
TD SECURITIES INC.
(collectively, the Canadian Agents)

AND

RBC CAPITAL MARKETS, LLC,
J.P. MORGAN SECURITIES LLC,
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED,
SCOTIA CAPITAL (USA) INC. AND
TD SECURITIES (USA) LLC
(collectively, the U.S. Agents, and together with the Canadian Agents, the Agents, and together with the issuer, the Filers)

DECISION

Background

The Ontario Securities Commission (the **Decision Maker**), being the principal regulator in the Jurisdiction, has received an application (the **Application**) from the Filers for a decision under the securities legislation of the Jurisdiction (the **Legislation**) for the following relief (the **Exemptions Sought**):

(a) that the requirement that a dealer, not acting as agent of the purchaser, who receives an order or subscription for a security offered in a distribution to which the prospectus requirement applies, send or deliver to the purchaser the latest prospectus (including the applicable prospectus supplement(s) in the case of a base shelf prospectus) and any amendment to the prospectus (the **Prospectus Delivery Requirement**) does not apply to the Agents or any other TSX participating organization or other marketplace participant acting as selling agent for the Agents (each, a **Selling Agent**) in connection with any at-the-market distribution (each, an **ATM Distribution** and collectively, the **ATM Offering**), as defined in National Instrument – 44-102 *Shelf Distributions* (**NI 44-102**) of common shares (**Common Shares**) of the Issuer in Canada and the United States (**U.S.**) pursuant to one or more substantially identical equity distribution agreements (each, an **Equity Distribution Agreement**) to be entered into between the Issuer and the Agents; and

(b) that the requirements to include in a base shelf prospectus or prospectus supplement or an amendment thereto:

(i) a forward-looking issuer certificate of the Issuer in the form specified in section 2.1 or section 2.4, as applicable, of Appendix A to NI 44-102;

(ii) a forward-looking underwriter certificate in the form specified by section 2.2 or section 2.4, as applicable, of Appendix A to NI 44-102; and

(iii) a statement respecting purchasers' statutory rights of withdrawal and remedies of rescission or damages in substantially the form prescribed in Item 20 of Form 44-101F1 – *Short Form Prospectus*;

(collectively, the **Prospectus Form Requirements**) do not apply to the Shelf Prospectus (as defined below), the Prospectus Supplement (as defined below) or an amendment thereto provided that the Issuer includes in the Prospectus Supplement or an amendment thereto the form of issuer certificate and form of underwriter certificate and include in the Prospectus Supplement or an amendment thereto the revised description of a purchaser's statutory rights of withdrawal and remedies for rescission or damages described below, in each case (other than with respect to the underwriter certificate) superseding and replacing the corresponding language in the Shelf Prospectus solely with regards to an ATM Offering.

The Decision Maker has also received a request from the Filers for a decision that the Application and this decision (together, the **Confidential Material**) be kept confidential and not be made public until the earliest of: (a) the date on which the Filers first enter into an Equity Distribution Agreement; (b) the date any of the Filers advise the Decision Maker that there is no longer any need for the Confidential Material to remain confidential; and (c) the date that is 90 days after the date of this decision (the **Confidentiality Relief**).

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

(a) pursuant to subsection 3.6(3)(b) National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions*, as the Issuer's head office is located in Ontario, the Ontario Securities Commission is the principal regulator for the Application;

(b) the Filers have provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador (collectively and together with the Jurisdiction, the **Reporting Jurisdictions**); and

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

Interpretation

Terms defined in National Instrument 14-101 – *Definitions*, National Instrument 13-101 – *System for Electronic Document Analysis and Retrieval* (**SEDAR**), in MI 11-102 or in NI 44-102 have the same meaning if used in this decision, unless otherwise defined herein. All dollar figures in this decision refer to Canadian dollars.

Representations

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

The Issuer

1. The Issuer is a corporation existing under the *Canada Business Corporations Act*. The head office of the Issuer is located in Oakville, Ontario.

2. The Issuer is a reporting issuer in each province of Canada and is not in default of securities legislation in any jurisdiction of Canada.

3. The Common Shares are listed on the Toronto Stock Exchange (the **TSX**) and on the New York Stock Exchange (the **NYSE**) in each case under the trading symbol "AQN".

4. The Issuer is subject to reporting obligations under the U.S. *Securities Exchange Act of 193*4, as amended (the **U.S. Exchange Act**), and files its continuous disclosure documents with the Securities and Exchange Commission (the **SEC**) in the U.S.

5. The Issuer filed a short form base shelf prospectus (the **Shelf Prospectus**) in the Reporting Jurisdictions and a corresponding registration statement and base shelf prospectus under the U.S. *Securities Act of 1933*, as amended, on Form F-10 with the SEC on September 18, 2018 under the multi-jurisdictional disclosure system qualifying the distribution from time to time of subscription receipts, preferred shares, Common Shares, unsecured debt securities, warrants to purchase Common Shares (collectively, the **Securities**), and units comprised of some or all of the Securities having an aggregate offering price of up to US$3,000,000,000 (or the equivalent in Canadian dollars or other currencies).

6. The Ontario Securities Commission issued a receipt for the Shelf Prospectus on September 19, 2018, which receipt was deemed pursuant to MI 11-102 to have been issued by the securities regulatory authority in each of the other Reporting Jurisdictions.

The Agents

7. RBC Dominion Securities Inc. is a corporation incorporated under the laws of Canada with its head office in Toronto, Ontario.

8. J.P. Morgan Securities Canada Inc. is a corporation incorporated under the laws of Canada with its head office in Toronto, Ontario.

9. Merrill Lynch Canada Inc. is a corporation incorporated under the laws of Canada with its head office in Toronto, Ontario.

10. TD Securities Inc. is a corporation incorporated under the laws of the Province of Ontario with its head office in Toronto, Ontario.

11. Scotia Capital Inc. is a corporation incorporated under the laws of Ontario with its head office in Toronto, Ontario.

12. Each of the Canadian Agents is registered as an investment dealer under the securities legislation of each province and territory of Canada, is a member of the Investment Industry Regulatory Organization of Canada, and is a participating organization of the TSX.

13. RBC Capital Markets, LLC is a limited liability company formed under the laws of the State of Minnesota with its head office in New York, New York.

14. J.P. Morgan Securities LLC is a limited liability corporation formed under the laws of the State of Delaware with its head office in New York, New York.

15. Merrill Lynch, Pierce, Fenner & Smith Incorporated is a corporation formed under the laws of the State of Delaware with its head office in New York, New York.

16. TD Securities (USA) LLC is a company formed under the laws of the State of Delaware with its head office in New York, New York.

17. Scotia Capital (USA) Inc. is a corporation formed under the laws of State of New York with its head office in New York, New York.

18. Each of the U.S. Agents is a broker-dealer registered with the SEC under the U.S. Exchange Act.

19. None of the Agents are in default of any requirements under applicable securities legislation in any of the jurisdictions of Canada.

Proposed ATM Distribution

20. Subject to mutual agreement on terms and conditions, the Filers propose to enter into Equity Distribution Agreements for the purpose of ATM Offerings involving the periodic sale of Common Shares by the Issuer through the Agents, as agents, under the shelf prospectus procedures prescribed by Part 9 of NI 44-102.

21. If an Equity Distribution Agreement is entered into, the Issuer will immediately do both of the following:

    (a) issue and file a news release pursuant to section 3.2 of NI 44-102 announcing the Equity Distribution Agreement and indicating that the Shelf Prospectus and the Prospectus Supplement (defined below) have been filed on SEDAR and specifying where and how purchasers of Common Shares under the applicable ATM Offering may obtain copies; and

    (b) file the Equity Distribution Agreement on SEDAR.

22. Prior to making an ATM Distribution, the Issuer will have filed, in each province of Canada and with the SEC, a prospectus supplement describing the terms of the applicable ATM Offering, including the terms of the Equity Distribution Agreement, and otherwise supplementing the disclosure in the Shelf Prospectus (the **Prospectus Supplement,** and together with the Shelf Prospectus, as supplemented or amended and including any documents incorporated by reference therein (which shall include any Designated News Release) (as defined below), the **Prospectus**).

23. Under the proposed Equity Distribution Agreements, the Issuer may conduct one or more ATM Offerings subject to the 10% limitation set out in subsection 9.1(1) of NI 44-102.

24. The Issuer will conduct ATM Distributions only through one or more of the Agents (as agent) directly or via a Selling Agent, and only through methods constituting "at-the-market distributions" within the meaning of NI 44-102, including sales made on (i) the TSX, (ii) the NYSE, or (iii) another "marketplace" within the meaning of National Instrument 21-101 – *Marketplace Operation* upon which the Common Shares are listed, quoted or otherwise traded (each, a **Marketplace**).

25. The Canadian Agents will act as the sole agents of the Issuer in connection with an ATM Distribution directly or through one or more Selling Agents on a Canadian Marketplace, and will be paid an agency fee or commission by the Issuer in connection with such sales. If sales are effected through a Selling Agent, the Selling Agent will be paid a seller's commission for effecting the trades on behalf of the Canadian Agents. The Canadian Agents will each sign an agent's certificate, in the form set out in paragraph 42 below, in the Prospectus Supplement.

26. A purchaser's rights and remedies under applicable securities legislation against the Canadian Agents, as agents of an ATM Distribution through a Canadian Marketplace, will not be affected by a decision to effect the sale directly or through a Selling Agent.

27. The aggregate number of Common Shares sold on one or more Canadian Marketplaces pursuant to an ATM Distribution on any trading day will not exceed 25% of the trading volume of the Common Shares on all Canadian Marketplaces on that day.

28. Each Equity Distribution Agreement will provide that, at the time of each sale of Common Shares pursuant to an ATM Distribution, the Issuer will represent to the Agents that the Prospectus contains full, true and plain disclosure of all material facts relating to the Issuer and the Common Shares being distributed. The Issuer will, therefore, be unable to proceed with sales pursuant to an ATM Distribution when it is in possession of undisclosed information that would constitute a material fact or a material change in respect of the Issuer or the Common Shares.

29. During the period after the date of the Prospectus Supplement and before the termination of any ATM Distribution, if the Issuer disseminates a news release disclosing information that, in the Issuer's determination, constitutes a "material fact" (as such term is defined in the Legislation), the Issuer will identify such news release as a "designated news release" for the purposes of the Prospectus. This designation will be made on the face page of the version of such news release filed on SEDAR (any such news release, a **Designated News Release**). The Prospectus Supplement will provide that any such Designated News Release will be deemed to be incorporated by reference into the Prospectus. A Designated News Release will not be used to update disclosure in the Prospectus by the Issuer in the event of a "material change" (as such term is defined in the Legislation).

30. If, after the Issuer delivers a sell notice to the Agents directing the Agents to sell Common Shares on the Issuer's behalf pursuant to an Equity Distribution Agreement (a **Sell Notice**), the sale of the Common Shares specified in the Sell Notice, taking into consideration prior sales under previous ATM Distributions, would constitute a material fact or material change, the Issuer will suspend sales under the Equity Distribution Agreement until either: (a) it has filed a Designated News Release or material change report, as applicable, or amended the Prospectus; or (b) circumstances have changed such that a sale would no longer constitute a material fact or material change.

31. In determining whether the sale of the number of Common Shares specified in a Sell Notice would constitute a material fact or material change, the Issuer will take into account a number of factors, including, without limitation:

    (a) the parameters of the Sell Notice, including the number of Common Shares proposed to be sold and any price or timing restrictions that the Issuer may impose with respect to the particular ATM Distribution;

    (b) the percentage of the outstanding Common Shares that the number of Common Shares proposed to be sold pursuant to the Sell Notice represents;

    (c) sales under earlier Sell Notices;

    (d) trading volume and volatility of the Common Shares;

    (e) recent developments in the business, operations or capital of the Issuer; and

    (f) prevailing market conditions generally.

32. It is in the interest of the Issuer and the Agents to minimize the market impact of sales under an ATM Distribution. Therefore, the Agents will closely monitor the market's reaction to trades made on any Marketplace pursuant to an ATM Distribution in order to evaluate the likely market impact of future trades. The Agents have experience and expertise in managing sell orders to limit downward pressure on trading prices. If the Agents have concerns as to whether a particular sell order placed by the Issuer may have a significant effect on the market price of the Common Shares, the Agents will recommend against effecting the trades pursuant to the applicable Sell Notice at that time.

Disclosure of Common Shares Sold in ATM Offerings

33. The Issuer will disclose the number and average price of Common Shares sold pursuant to ATM Distributions, as well as gross proceeds, commissions and net proceeds, in its annual and interim financial statements and management discussion and analysis filed on SEDAR.

Prospectus Delivery Requirement

34. Pursuant to the Prospectus Delivery Requirement, a dealer effecting a trade of securities offered under a prospectus is required to deliver a copy of the prospectus (including the applicable prospectus supplement(s) in the case of a base shelf prospectus) to the purchaser within prescribed time limits.

35. Delivery of a prospectus is not practicable in the circumstances of an ATM Distribution, because neither the Agents nor a Selling Agent effecting the trade will know the identity of the purchasers.

36. The Prospectus will be filed and readily available electronically via SEDAR to all purchasers under ATM Distributions. As stated in paragraph 21 above, the Issuer will issue a news release that specifies where and how copies of the Prospectus may be obtained.

37. The liability of an issuer or an underwriter (or others) for a misrepresentation in a prospectus pursuant to the civil liability provisions of the Legislation will not be affected by the grant of an exemption from the Prospectus Delivery Requirement because purchasers of securities offered by a prospectus during the period of distribution have a right of action for damages or rescission, without regard to whether or not the purchaser relied on the misrepresentation or in fact received a copy of the prospectus.

Withdrawal Right and Right of Action for Non-Delivery

38. Pursuant to the Legislation, an agreement to purchase a security in respect of a distribution to which the prospectus requirement applies is not binding on the purchaser if the dealer from whom the purchaser purchases the security receives, not later than midnight on the second day (exclusive of Saturdays, Sundays and holidays) after receipt by the purchaser of the latest prospectus or any amendment to the prospectus, a notice in writing evidencing the intention of the purchaser not to be bound by the agreement of purchase (the **Withdrawal Right**).

39. Pursuant to the Legislation, a purchaser of securities to whom a prospectus was required to be sent or delivered in compliance with the Prospectus Delivery Requirement, but was not so sent or delivered, has a right of action for rescission or damages against the dealer who did not comply with the Prospectus Delivery Requirement (the **Right of Action for Non-Delivery**).

40. Neither the Withdrawal Right nor the Right of Action for Non-Delivery is workable in the context of the ATM Offering because of the impracticability of delivering the Prospectus to a purchaser of Common Shares thereunder.

Modified Certificates and Statements

41. To reflect the fact that the ATM Offering is a continuous distribution, the Prospectus Supplement and any amendment thereto will include the following issuer certificate (with appropriate modifications in respect of the filing of an amendment prescribed by section 2.4 of Appendix A to NI 44-102), such issuer certificate to supersede and replace the issuer certificate in the Shelf Prospectus solely with regard to the ATM Offering:

> *The short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, as of the date of a particular distribution of securities under the prospectus, will, as of that date, constitute full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of each of the provinces of Canada.*

42. The Prospectus Supplement and any amendment thereto will include the following underwriter certificate (with appropriate modifications in respect of the filing of an amendment prescribed by section 2.4 of Appendix A to NI 44-102):

> *To the best of our knowledge, information and belief, the short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, as of the date of a particular distribution of securities under the prospectus, will, as of that date, constitute full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of each of the provinces of Canada.*

43. A different statement of purchasers' rights than that required by the Legislation is necessary so that the Prospectus Supplement will accurately reflect the relief granted from the Prospectus Delivery Requirement. Accordingly, the Prospectus Supplement will state the following, with the date reference completed:

> *Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities and with remedies for rescission or, in some jurisdictions, revisions of the price, or damages if the prospectus, prospectus supplements relating to securities purchased by a purchaser and any amendment are not delivered to the purchaser, provided that the remedies are exercised by the purchaser within the time limit prescribed by securities legislation. However, purchasers of Common Shares under an at-the-market distribution by the Issuer will not have the right to withdraw from an agreement to purchase the Common Shares and will not have remedies of rescission or, in some jurisdictions, revisions of the price, or damages for non-delivery of the prospectus supplement, the accompanying prospectus and any amendment thereto relating to Common Shares purchased by such purchaser because the prospectus supplement, the accompanying prospectus and any amendment thereto relating to the Common Shares purchased by such purchaser will not be delivered as permitted under a decision dated ●, 2019 and granted pursuant to National Policy 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions.*
>
> *Securities legislation in certain of the provinces of Canada further provides purchasers with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus, prospectus supplements relating to securities purchased by a purchaser and any amendment contains a misrepresentation, provided that the remedies are exercised by the purchaser within the time limit prescribed by securities legislation. Any remedies under securities legislation that a purchaser of Common Shares under an at-the-market distribution by the Issuer may have against the Issuer or*

the Agents for rescission or, in some jurisdictions, revisions of the price, or damages if the prospectus supplement, the accompanying prospectus and any amendment thereto relating to securities purchased by a purchaser and any amendment contain a misrepresentation will remain unaffected by the non-delivery and the decision referred to above.

A purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province and the decision referred to above for the particulars of these rights or consult with a legal adviser.

44. The Prospectus Supplement will disclose that, solely with regards to the ATM Offering, the statement prescribed in paragraph 43 above supersedes and replaces the statement of purchasers' rights contained in the Shelf Prospectus.

Decision

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

The decision of the Decision Maker under the Legislation is that the Exemptions Sought are granted, provided:

(a) at least one of the following is true:

(i) during the 60-day period ending not earlier than 10 days prior to the commencement of an ATM Offering, the Common Shares have traded, in total, on one or more Marketplaces, as reported on a consolidated market display:

(A) an average of at least 100 times per trading day, and

(B) with an average trading value of at least $1,000,000 per trading day;

(ii) at the commencement of an ATM Offering, the Common Shares are subject to Regulation M under the U.S. Exchange Act and are an "actively-traded security" as defined thereunder;

(b) the Issuer complies with the disclosure requirements set out in paragraphs 33 and 41 through 44 above; and

(c) the Issuer and the Agents respectively comply with the representations made in paragraphs 21, 24, 25 and 27 through 32 above.

This decision will terminate on October 19, 2020 (being the date that is 25 months from the date of the receipt for the Shelf Prospectus).

The further decision of the Decision Maker is that the Confidentiality Relief in respect of the Exemptions Sought is granted.

As to the Exemptions Sought from the Prospectus Delivery Requirement and the Confidentiality Relief:

"Garnet Fenn"
Commissioner
Ontario Securities Commission

"Cecilia Williams"
Commissioner
Ontario Securities Commission

As to the Exemptions Sought from the Prospectus Delivery Requirement, the Prospectus Form Requirements and the Confidentiality Relief:

"Winnie Sanjoto"
Manager, Corporate Finance
Ontario Securities Commission

2.1.9 Ninepoint Gold Bullion Fund et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Exemptive relief granted to permit the Royal Canadian Mint, Dillon Gage Inc. and its subsidiary to be appointed as sub-custodians to hold the bullion of current and future funds for whom CIBC Mellon acts as custodian inside Canada, subject to certain conditions – National Instrument 81-102 Investment Funds.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 6.1(3)(b), 6.2, 19.1.

April 30, 2019

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
THE FUNDS (as defined below)

AND

IN THE MATTER OF
NINEPOINT GOLD BULLION FUND
(the Representative Fund)

AND

IN THE MATTER OF
NINEPOINT PARTNERS LP
(the Representative Manager)

AND

IN THE MATTER OF
CIBC MELLON TRUST COMPANY
(CIBC Mellon) (collectively, the Filers)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filers for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for an exemption pursuant to section 19.1 of National Instrument 81-102 *Investment Funds* (**NI 81-102**) from:

(a) clause 6.1(3)(b) of NI 81-102, to permit the Mint and the Sub-Custodian to the Mint, respectively, which are persons or companies that are not described in sections 6.2 or 6.3 of NI 81-102, to be appointed as sub-custodians of the Funds to hold the Funds' bullion; and

(b) section 6.2 of NI 81-102 to permit the Mint and the Sub-Custodian to the Mint, as applicable, to be appointed as sub-custodians of the Funds to hold the Funds' bullion in Canada.

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

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

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

(b) the Filers have 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 other province and territory in Canada (together with Ontario, the **Jurisdictions**).

Interpretation

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

"bullion" means physical silver, gold, platinum or palladium bullion.

"Custodian" means CIBC Mellon or any entity that is an affiliate and acts as successor custodian and that meets the requirements in NI 81-102 for a custodian.

"Funds" means the Representative Fund and each of the other public investment funds now, or in the future, that has appointed, or will appoint, the Custodian to act as custodian under NI 81-102 that holds, or intends to hold, bullion in its investment portfolio and that is, or will be, managed by a Manager.

"Manager" means the Representative Manager and each of the investment fund managers of the Funds.

"Mint" means The Royal Canadian Mint.

"Mint Business Day" means any day other than a Saturday, a Sunday or a holiday observed by the Mint or the Sub-Custodian to the Mint.

"Sub-Custodian to the Mint" means the person or entity listed in Schedule "A" that operates a vault and that is, or will be, appointed as a sub-custodian to the Mint in respect of which the representations relating to a Sub-Custodian to the Mint set out below are applicable.

Representations

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

The Managers

1. The Representative Manager is a limited partnership formed and organized under the laws of the Province of Ontario. The head office of the Representative Manager is located in Toronto, Ontario. The general partner of the Representative Manager is Ninepoint Partners GP Inc. (the **General Partner**), which is a corporation incorporated under the laws of the Province of Ontario. The General Partner is a wholly-owned, direct subsidiary of Ninepoint Financial Group Inc. Ninepoint Financial Group Inc. is a corporation incorporated under the laws of the Province of Ontario. Ninepoint Financial Group Inc. is the sole limited partner of the Representative Manager and the sole shareholder of the General Partner.

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

3. The Representative Manager is the manager and portfolio adviser of the Representative Fund.

4. Each of the Managers has been, or will be, formed and organized under the laws of Canada or a Jurisdiction. Each of the Managers is, or will be, registered under the securities legislation of one or more of the Jurisdictions in such registration categories as are necessary to carry on its business. Each of the Managers is, or will be, the investment fund manager of one or more of the applicable Funds

The Funds

5. The Representative Fund is an open-ended mutual fund trust established under the laws of Ontario. The units of the Representative Fund are qualified for distribution pursuant to a simplified prospectus, annual information form and Fund Facts dated April 23, 2018 that have been prepared and filed in accordance with the securities legislation of each applicable Jurisdiction.

6. The investment objective of the Representative Fund is to seek to provide a secure, convenient alternative for investors seeking to hold gold. The Representative Fund invests primarily in unencumbered, fully allocated gold bullion and permitted gold certificates, the underlying interest of which is gold.

7. The Representative Fund has obtained exemptive relief from Canadian securities regulatory authorities to invest up to 100% of its net asset value, taken at the market value at the time of investment, in gold and/or permitted gold certificates. The Representative Fund's investment in gold is made in accordance with the conditions described in the exemptive relief and as described in the simplified prospectus of the Representative Fund.

8. Each of the Funds is, or will be, an investment fund established under the laws of Canada or a Jurisdiction. The securities of each of the Funds are, or will be, qualified pursuant to a prospectus or a simplified prospectus, as applicable, that have been prepared and filed with the securities legislation of one or more Jurisdictions such that it will be a reporting issuer under the securities legislation in one or more of the Jurisdictions.

9. The investment objective and/or strategies of each of the Funds specifies, or will specify, that the Fund may invest in bullion. The investment by each of the Funds in bullion is, or will be, made in accordance with the securities legislation of each applicable Jurisdiction or in accordance with an exemption granted by Canadian securities regulatory authorities. Each of the Fund's investments in bullion are, or will be, as described in the prospectus or simplified prospectus of the Fund.

10. Prior to the date hereof, the Representative Fund relied on exemptive relief from the Canadian securities regulatory authorities in relation to its custodian arrangements for bullion in a decision dated December 10, 2015 (the **Prior Relief**). As a result of the Requested Relief, the Representative Fund will cease to rely on the Prior Relief upon appointment of the Custodian by the Manager pursuant to paragraph 14.

CIBC Mellon

11. CIBC Mellon is a Canadian trust company existing under the *Trust and Loans Companies Act* (Canada) and is regulated and supervised by the Office of the Superintendent of Financial Institutions. CIBC Mellon provides custodial services to a number of public investment funds in Canada.

12. The head office of CIBC Mellon is located in Toronto, Ontario.

13. Each of CIBC Mellon, the Representative Manager and the Representative Fund is not in default of securities legislation in any of the Jurisdictions.

Appointment of the Custodian

14. The Representative Manager has appointed, or will appoint, the Custodian to act as the custodian of the portfolio assets for the Representative Fund. Each of the Managers has appointed, or will appoint, the Custodian to act as the custodian of the portfolio assets for the applicable Funds. The Custodian acts as the custodian of the portfolio assets for the Representative Fund pursuant to the terms of a custodial services agreement dated April 16, 2018 (as amended and supplemented from time to time) (the **Custodial Services Agreement**), and the Custodian acts, or will act, as the custodian of the portfolio assets for the Funds pursuant to agreements (such agreements include the Custodial Services Agreement, other trust agreements or custodian agreements (collectively, the **Fund Custodian Agreements**)), that comply with all of the requirements in Part 6 of NI 81-102, other than the matters covered in the Requested Relief.

15. CIBC Mellon is unable to store a Fund's bullion as it does not currently own a vault facility which could accommodate a Fund's bullion. There are a limited number of custodians that meet the requirements in NI 81-102 and which have the vault space, facilities, operational infrastructure and expertise to hold bullion on behalf of clients.

Appointment of the Mint

16. As a result, CIBC Mellon has appointed, or will appoint, the Mint to be a sub-custodian to CIBC Mellon and to hold each Fund's bullion pursuant to a precious metals storage and custody agreement relating to bullion entered into between CIBC Mellon and the Mint (the **Storage and Custody Agreement**). Each Manager, on behalf of each Fund, has provided, or will provide, written consent to such appointment. The Storage and Custody Agreement will comply with the requirements of Part 6 of NI 81-102, other than the matters covered in the Requested Relief. The head office of the Mint is located in Ottawa, Ontario.

17. The Mint is not in default of securities legislation in any of the Jurisdictions.

18. In order to meet the bullion custody supply needs of its public investment fund clients in Canada and in considering the options available to the Funds for custody of their bullion, the appointment by the Custodian of the Mint as sub-custodian to the Custodian in respect of the bullion owned by the Funds is the most efficient and cost-effective means of providing storage for the Funds' bullion and represents the least operational and custodial risk for the Funds in terms of transporting, storing and managing bullion. The Mint is the appropriate choice to provide bullion custodial services to each Fund because the Mint is experienced in providing bullion storage and custodial services, and is familiar with the requirements relating to the physical handling and storage of bullion.

19. The Custodian has experience in providing bullion custody services to public investment fund clients. The Custodian has appointed, or will appoint, the Mint as its sub-custodian as described in paragraph 16.

20. The Mint is established pursuant to the *Royal Canadian Mint Act* (Canada) (the "**Mint Act**") and is a Canadian Crown corporation. Pursuant to section 5 of the Mint Act the Mint is an agent of Her Majesty in right of Canada and, as such, its obligations generally constitute unconditional obligations of the Government of Canada. The Mint is responsible for the minting and distribution of Canada's circulation coins. As part of its operations, the Mint maintains secure storage facilities located in Canada that it owns and operates, and provides storage space to third parties.

21. The Mint had shareholders' equity of (i) C$128,226,000 as at December 31, 2017, the date of its most recent audited annual financial statements that have been made public, and (ii) C$ 143,788,000 as at September 29, 2018, the date of its most recent interim unaudited financial statements that have been made public, each significantly in excess of the requirement in section 6.2 of NI 81-102.

Appointment of the Sub-Custodian to the Mint

22. Due to physical storage capacity constraints and having regard to the amount of bullion which the Funds may acquire, there may not be sufficient space in the vault facilities of the Mint to store all of the Funds' physical bullion. As a result, the Mint may be required to use the services of sub-custodians to store and hold all or a portion of each Fund's physical bullion.

23. The number of entities in Canada which are eligible to act as sub-custodians for the physical storage of bullion is limited. Of these eligible entities, some already have exclusive relationships with other investment funds for storage purposes whereas others simply may not have the excess capacity that the Funds may need to store physical bullion. These capacity constraints have been intensified due to the increased demand for physical commodities and the corresponding need to arrange for safe-keeping.

24. The Mint intends to appoint the Sub-Custodian to the Mint, if necessary, to hold all or a portion of the bullion of each of the Funds in the vault facilities operated by the Sub-Custodian to the Mint located in Canada. As a result of the foregoing, the Mint may be required to hold all or a portion of the Funds' bullion that it does not hold directly in its own vaults in the vaults of the Sub-Custodian to the Mint located in Canada. Each Manager, on behalf of each Fund, will provide written consent to such appointment.

25. The custody arrangements with respect to the holding of the Funds' physical bullion by the Sub-Custodian to the Mint will be governed by the terms of the agreement between the Mint and the Sub-Custodian to the Mint (the **Mint Sub-Custodian Agreement**), the terms of which will comply with the requirements of Part 6 of NI 81-102, other than the matters covered in the Requested Relief.

26. The Mint and the Sub-Custodian to the Mint are not entities that are currently approved to act as a sub-custodian for portfolio assets held in Canada, as the Mint and the Sub-Custodian to the Mint is not, among other things, a bank listed in Schedule I, II or III of the *Bank Act* (Canada) or a trust company incorporated under the laws of Canada.

27. The Sub-Custodian to the Mint has experience in the precious metals storage business. The Sub-Custodian to the Mint is a leading provider of secure logistics for valuables, including diamonds, jewellery, precious metals, securities, currency and secure data, serving banks, retailers, governments, mines, refiners and metal traders. Specifically:

    (a) International Depository Services of Canada Inc. is an LBMA Associate Member, an IIROC-approved precious metals custodian and a wholly owned subsidiary of Dillon Gage Inc., an international bullion wholesaler and LBMA Associate Member. International Depository Services of Canada Inc. is or will be a Sub-Custodian to the Mint and operates vaults in Toronto, Canada.

28. The Sub-Custodian to the Mint has either: (i) not less than the amount of shareholder's equity required under NI 81-102 (the **Shareholder Equity Threshold**) for entities qualified to act as a sub-custodian for portfolio assets held in Canada or (ii) an affiliate that does meet the Shareholder Equity Threshold which has, or will before the Sub-Custodian to the Mint acts as the Sub-Custodian to the Mint under this order, guaranteed all of the custodial obligations of the Sub-Custodian to the Mint (a **Guaranteed Sub-Custodian**). Schedule "A" identifies which of the above requirements the Sub-Custodian to the Mint currently meets.

29. The Storage and Custody Agreement provides that the Mint will monitor the Sub-Custodian to the Mint on a regular basis (at least annually) to ensure that the Sub-Custodian to the Mint either meets the Shareholder Equity Threshold or is a Guaranteed Sub-Custodian.

30. The Representative Manager, each Manager, the Custodian and the Mint believe that the Sub-Custodian to the Mint has the resources and experience required and is an appropriate sub-custodian for the Funds' physical bullion held in Canada, because the Sub-Custodian to the Mint is experienced in providing bullion storage and custodial services, and is familiar with the requirements relating to the physical handling and storage of bullion.

Custodial Arrangements

31. All physical bullion owned by each Fund will be stored in the vault facilities of either the Mint located in Canada or the Sub-Custodian to the Mint located in Canada on a fully allocated and segregated basis. The Custodian, the Mint and the Sub-Custodian to the Mint shall at all times record and identify in the books and records of the Custodian, the Mint and the Sub-Custodian to the Mint that such bullion constitutes the property of the Funds, which in the case of the Custodian, the Mint and the Sub-Custodian to the Mint will be done through the use of a unique account identifier on a per Fund basis.

32. Under the Storage and Custody Agreement and the Mint Sub-Custodian Agreement, the custodial arrangements will be structured in a descending order such that monitoring, instructions, directions, information and other communications will flow from the Custodian, to the Mint and then to the Sub-Custodian to the Mint and vice versa in the case of reporting, instructions, directions, information and other communications ascending up through the custodial structure.

33. If a Fund's bullion is to be stored at the Mint's or the Sub-Custodian to the Mint's facility, under the Storage and Custody Agreement, the Custodian will give written notice to the Mint of its intention to have bullion delivered to and stored at the Mint's or the Sub-Custodian to the Mint's facility, as the case may be. Then a written notice to the same effect will be given by the Mint to the Sub-Custodian to the Mint, if applicable. The notice will specify the amount, weight, type, assay characteristics, bar numbers and bar brands of the precious metal being delivered. The Mint reserves the right to refuse delivery in the event of storage capacity limitations at either its own vault or at the vault facilities of the Sub-Custodian to the Mint. Upon receiving the bullion, the Mint or the Sub-Custodian to the Mint, as applicable, will verify the characteristics of the bullion against the information on the notice. After verification, the Mint will issue a "receipt of deposit" that confirms the count, weight, type, assay characteristics (as identified on the respective bars, and, with respect to other forms of precious metal, on the respective packaging), bar numbers and bar brands of the bullion received (each, a **Receipt of Deposit**). In the event of a discrepancy arising during the verification process, the Mint will promptly notify the Custodian and will also provide prompt notice to the Manager.

34. The Mint or the Sub-Custodian to the Mint will be required by the Storage and Custody Agreement or the Mint Sub-Custodian Agreement, as applicable, to keep each Fund's fully allocated bullion identifiable as the Fund's property under specifically identified account numbers as directed by the Custodian and will keep it physically segregated at all times from any other property belonging to the Mint or any of its customers. The Mint will provide a monthly inventory statement to the Custodian, and the Custodian and the Manager will reconcile the inventory statement with its records of the Fund's bullion holdings.

35. The Mint is not authorized to deliver stored bullion out of safekeeping by the Mint or to authorize the delivery of stored bullion out of safekeeping by the Sub-Custodian to the Mint, without first receiving written instruction from the Custodian or obtaining the written approval of the Custodian to such delivery based on forms specified by the Mint or the Sub-Custodian to the Mint indicating the purpose of the delivery and giving direction with respect to the specific amount. The

Sub-Custodian to the Mint is not authorized to deliver stored bullion out of safekeeping by the Sub-Custodian to the Mint without first receiving a written instruction from the Mint or obtaining the written approval of the Mint to such delivery based on forms specified by the Mint or the Sub-Custodian to the Mint indicating the purpose of the delivery and giving direction with respect to the specific amount. In each case, such instructions and approvals are referred to as a **Delivery Direction**.

36. The Custodian will not issue a Delivery Direction to the Mint unless it is directed by the Manager and the Fund, in the form specified in the agreement between the Fund and the Custodian.

37. Under the Storage and Custody Agreement, the Mint has the right to reject bullion delivered to it if the bullion contains a hazardous substance or if such bullion is or becomes unsuitable or undesirable for metallurgical, environmental or other reasons.

38. All bullion bars purchased by the Funds will be certified by the relevant vendor as bullion conforming to the good delivery standards of the LBMA, the London Platinum and Palladium Market or another internationally recognized bullion trading body.

39. The Representative Manager, each Manager and the Custodian believe that the Fund Custodian Agreement is consistent with industry practice. The Representative Manager, each Manager, the Custodian and the Mint believe that the Storage and Custody Agreement, the Mint Sub-Custodian Agreement and the custodial arrangements with the Custodian, the Mint and the Sub-Custodian to the Mint in connection with the Funds' bullion are consistent with industry practice.

Supervision of the Custodian, the Mint and the Sub-Custodian to the Mint

40. The Manager is responsible for oversight of the work performed by the Custodian relating to the custody of portfolio assets of the Fund. In this regard, each Manager will oversee the Custodian, including, through the Custodian, any custodial functions that are performed by any sub-custodians appointed by the Custodian or any sub-custodians, and the selection and appointment of any sub-custodian by the Custodian, and will conduct ongoing reviews of the quality of the Custodian's services. Each Manager will have the same access to the records of the Custodian as it would if the Manager itself performed the activities and maintained the records.

41. The Custodian may appoint sub-custodians to hold the portfolio assets of the Funds from time to time. The Custodian is responsible for oversight of the sub-custodians in accordance with its standard of care, relating to the custody of portfolio assets of the Fund. The Custodian will have the same access to the records of the sub-custodian as it would if the Custodian itself performed the activities and maintained the records.

42. The Custodian operates a Continuous Risk Assessment Model, which evaluates its sub-custodians by reviewing legal, financial, agent bank, market, operational and other areas of risk to ensure both the safety of assets and the efficient processing of same is maintained at all times. The model is evaluated on an ongoing basis by internal and external audit teams and applicable regulatory bodies.

43. The relationship between the Custodian and the Mint will be primarily one whereby the Custodian is (a) responsible for oversight of the work performed by the Mint and (b) sub-contracts the vault facilities of the Mint for the purposes of storing a Fund's bullion. The Mint will be appointed the sub-custodian of the applicable Fund in Canada, pursuant to a written agreement between the Custodian and the Mint that complies with the requirements of Part 6 of NI 81-102, other than the matters covered in the Requested Relief. The Custodian will be responsible for ensuring that, with regard to the Mint, adequate safeguards are in place, including, in the experience and judgment of the Custodian, satisfactory insurance arrangements. Under the relevant Fund Custodian Agreement, the Custodian is required to use reasonable care in the selection and monitoring of sub-custodians. Pursuant to this obligation, the Custodian has engaged in, and on a periodic basis (at least every two years) thereafter, will engage in a review of the facilities, procedures, records, creditworthiness and level of insurance coverage of the Mint to satisfy itself as to the continuing appropriateness of using the Mint as sub-custodian of the Funds' physical bullion. The Funds will rely upon the Custodian to satisfy itself as to the appropriateness of the use or continued use of the Mint as a sub-custodian of each Fund's bullion.

44. The relationship between the Mint and the Sub-Custodian to the Mint will be primarily one whereby the Mint is (a) responsible for oversight of the work performed by the Sub-Custodian to the Mint and (b) sub-contracts the vault facilities of the Sub-Custodian to the Mint for the purposes of storing a Fund's bullion. The Sub-Custodian to the Mint will be appointed the sub-custodian of the applicable Fund in Canada pursuant to a written agreement between the Mint and the Sub-Custodian to the Mint that complies with the requirements of Part 6 of NI 81-102, other than the matters covered in the Requested Relief. The Mint must have obtained the consent of the Custodian prior to the Sub-Custodian to the Mint being appointed. The Mint will remain responsible for ensuring that, with regard to the Sub-Custodian to the Mint, adequate safeguards are in place, including, in the experience and judgment of the Mint, satisfactory insurance arrangements. Under the Storage and Custody Agreement, the Mint is required to use reasonable care in the selection

and monitoring of Sub-Custodian to the Mint. Pursuant to this obligation, the Mint has engaged in, and on a periodic basis (at least every two years) thereafter, will engage in a review of the facilities, procedures, records, creditworthiness and level of insurance coverage of the Sub-Custodian to the Mint to satisfy itself as to the continuing appropriateness of using the Sub-Custodian to the Mint as sub-custodian of the Funds' physical bullion. The Funds and the Custodian will rely upon the Mint, which is in the business of precious metals storage, to satisfy itself as to the appropriateness of the use or continued use of the Sub-Custodian to the Mint as a sub-custodian of each Fund's bullion.

45. Under the Storage and Custody Agreement, the Mint is required to use reasonable care in the selection and monitoring of the Sub-Custodian to the Mint. Pursuant to this obligation, the Custodian and the Mint will monitor the most recent audited financial statements of the Sub-Custodian to the Mint or their respective affiliates or subsidiaries, in order to ensure that the shareholders' equity of such entities is sufficient with what the Custodian and the Mint believe to be appropriate for an entity acting as custodian of physical bullion and, in any event at sufficient levels in order to meet the Custodian and the Mint's own internal requirements as though the Custodian and the Mint were seeking to deposit their own physical bullion with such sub-custodians. The Custodian and the Mint will also consider the insurance coverage obtained by the Sub-Custodian to the Mint in connection with the Sub-Custodian to the Mint's bullion custody activities.

46. The Mint is required under the Storage and Custody Agreement to ensure that the terms of the agreement between itself and the Sub-Custodian to the Mint are consistent with the terms of the Storage and Custody Agreement.

Audit Rights

47. In relation to each Fund, the sub-custodial activities of the Mint and the Sub-Custodian to the Mint will be limited to holding the Fund's bullion.

48. Each of the Custodian and the Manager will exercise their audit rights under the Storage and Custody Agreement on an on-going basis in order to satisfy itself that the Mint is in substantial compliance with the terms of the Storage and Custody Agreement, and, in particular, that the bullion of the Funds held by the Mint (i) is held by the Mint at vault facilities that are accepted as warehouses for the LBMA or are, in the opinion of the Mint, of a similar standard, (ii) is physically segregated and specifically identified as specified in paragraphs 31 and 34, (iii) has not sustained loss, damage or destruction, and (iv) remains the subject of a subsisting policy of insurance which covers the Mint's liability for the loss, damage or destruction of such bullion in amounts which the Mint deems appropriate in its experience and judgement acting reasonably.

49. Each of the Custodian and the Mint will exercise their audit rights under the Storage and Custody Agreement and the Mint Sub-Custodian Agreement, respectively, on a periodic basis (at least every two years, or more frequently should any material fact come to the Mint or the Custodian's attention that leads it to reasonably conclude that further evaluation should be undertaken) in order to satisfy itself that the Sub-Custodian to the Mint is in substantial compliance with the terms of the Mint Sub-Custodian Agreement, and, in particular, that the bullion of the Funds that the Mint has transferred to the Sub-Custodian to the Mint on behalf of the Fund (i) is held by the Sub-Custodian to the Mint at vault facilities that are accepted as warehouses for the LBMA, or are, in the opinion of the Mint and the Custodian, of a similar standard, (ii) is physically segregated and specifically identified as specified in paragraphs 31 and 34, (iii) has not sustained loss, damage or destruction, and (iv) remains the subject of a subsisting policy of insurance which covers the Sub-Custodian to the Mint's liability for the loss, damage or destruction of such bullion in amounts which the Mint deems appropriate in its experience and judgment acting reasonably. For the sake of clarity, it is understood that the Custodian's audit rights with respect to the Sub-Custodian to the Mint, as specified in the Storage and Custody Agreement, have been arranged by the Mint under the Mint Sub-Custodian Agreement; the Custodian does not have a direct contractual relationship with the Sub-Custodian to the Mint providing for such audit rights.

50. Each Fund will have the right to physically count and have the Fund's auditor subject the Fund's bullion to audit procedures at the vault facilities at the Mint and the Sub-Custodian to the Mint upon request on any Mint Business Day during the Mint's or the Sub-Custodian to the Mint's regular business hours, provided that the Fund has given the Mint, who shall make arrangements with the Sub-Custodian to the Mint, where required, a minimum of five business days' prior written notice and that such physical count or audit procedures do not interrupt the routine operation of the Mint's or the Sub-Custodian to the Mint's facility. The Mint has the right to reschedule the physical audit in the event that the Mint or the Sub-Custodian to the Mint, as the case may be, determines, acting reasonably, that the audit would disrupt the routine operation of the Mint's or the Sub-Custodian to the Mint's facility.

51. The Manager and the Custodian will ensure that bullion held by the Mint or the Sub-Custodian to the Mint will be subject to a physical count and inventory reconciliation by a representative (including an agent) of the Manager and the Custodian, as applicable, annually and periodically on a spot-inspection basis (subject to the notice provisions described in paragraph 50), as well as subject to audit procedures by each Fund's external auditor on at least an annual basis on prior notice.

52. The Storage and Custody Agreement requires that if a Fund's representative (including a director or officer or representative, including an agent, of the Manager) is accessing the Mint's or the Sub-Custodian to the Mint's facility, such representative must be accompanied by at least one representative of the Custodian or at least one representative of the Mint or of the Sub-Custodian to the Mint, as applicable, or if bullion is held by another custodian or sub-custodian, that custodian or its sub-custodians, as the case may be.

Insurance

53. The Custodian's ability to recover from the Mint is not contingent upon the Mint's ability to claim on its own insurance or the Sub-Custodian to the Mint's ability to claim on its own insurance.

54. Each Manager believes that the insurance carried by the Custodian, the insurance carried by the Mint, together with its status as a Canadian Crown corporation with its obligations generally constituting unconditional obligations of the Government of Canada, and the insurance carried by the Sub-Custodian to the Mint, provides each Fund with such protection in the event of loss or theft of the Fund's bullion stored at the Mint or at the Sub-Custodian to the Mint that is consistent with the protection afforded by other custodians that store precious metals bullion commercially and is sufficient.

55. The Mint has confirmed that it has arranged for insurance coverage in respect of any bullion held by the Mint in amounts which the Mint deems appropriate in its experience and judgment, acting reasonably. The Mint has confirmed that pursuant to the terms of its existing relationship with the Sub-Custodian to the Mint, the Sub-Custodian to the Mint has arranged for insurance coverage in respect of any bullion held by the Mint through the vault facilities of the Sub-Custodian to the Mint in amounts which the Mint deems appropriate in its experience and judgment, acting reasonably. The Custodian has discussed with the Mint the level of insurance coverage obtained by the Mint and the Sub-Custodian to the Mint, and the risks insured against by the Mint and the Sub-Custodian to the Mint, and believes that the level of insurance will be sufficient and appropriate for the applicable Fund.

56. By no later than the date of the final receipt of the next simplified prospectus of the Fund (after a Fund first relies on this decision), each Fund will disclose, in its annual information form, the material details of the Fund's custodial and sub-custodial arrangements.

57. Each of the Custodian, the Mint and the Sub-Custodian to the Mint is required to ensure that its own insurance coverage is in an amount that it deems appropriate.

Liability and Standard of Care

58. The Custodian shall indemnify and hold harmless the Fund in respect of all direct loss, damage or expense (a Loss) arising out of any negligence, willful misconduct, fraud or lack of good faith or breach of the standard of care by the Custodian in respect of the services contemplated under the Fund Custodian Agreements. The Custodian has the right under the Storage and Custody Agreement to seek recourse against the Mint in the event such Loss was as a result of a failure by the Mint or the Sub-Custodian to the Mint, to comply with the standard of care, subject to the limitations of liability set out in the Storage and Custody Agreement. The Mint has the right under the Mint Sub-Custodian Agreement to seek recourse against the Sub-Custodian to the Mint in the event such Loss was as a result of a failure by the Sub-Custodian to the Mint to comply with the standard of care, subject to the limitations of liability set out in the Mint Sub-Custodian Agreement.

59. Pursuant to the Fund Custodian Agreements, the Custodian has agreed to exercise (i) the same degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances or (ii) at least the same degree of care as it exercises with respect to its own property of a similar kind if this is a higher degree of care than the degree of care described in (i) hereto.

60. Pursuant to the Storage and Custody Agreement, the Mint has agreed to exercise (i) the same degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances or (ii) at least the same degree of care as it exercises with respect to its own property of a similar kind if this is a higher degree of care than the degree of care described in (i) hereto. The Custodian has satisfied itself that the degree of care to which the Mint is subject under the Storage and Custody Agreement is no less than the degree of care to which the Custodian is subject under the Custodial Services Agreement.

61. The agreement pursuant to which the Mint appoints the Sub-Custodian to the Mint to act as sub-custodian includes a similar standard of care in respect of the obligations of the Sub-Custodian to the Mint as the standard of care set out for the Mint in the Storage and Custody Agreement. The Mint has satisfied itself that the degree of care to which the Sub-Custodian to the Mint is subject under such agreement is no less than the degree of care to which the Mint is subject under the Storage and Custody Agreement.

62. Upon the Mint sending a Receipt of Deposit to the Custodian, the Mint's liability to the Custodian will commence with respect to such bullion and the Mint will bear all risk of loss, destruction and/or damage to the bullion owned by the Fund in the Mint's custody (or in the custody of the Sub-Custodian to the Mint), subject to certain limitations generally based on events beyond the Mint's reasonable control, including, without limitation, acts or omissions or the failure to cooperate by the Custodian and/or third parties, chemical, biological, electromagnetic or nuclear weapons or incidents, terrorism, government confiscation, fire or other casualty, act of God, strike, lockout or other labour disturbance, riot, war or other violence, or any law, order or requirement of any governmental agency or authority. To the extent that the Mint is liable, the Mint has contractually agreed to replace or pay for lost, damaged or destroyed bullion in the Fund's account while in the Mint's or the Sub-Custodian to the Mint's care, custody and control. Under the Storage and Custody Agreement, the Mint's liability terminates with respect to any bullion: (i) at the expiration of the 90 day prior notice of termination for convenience of the Storage and Custody Agreement, whether or not the Fund's bullion thereafter remains in the Mint's or the Sub-Custodian to the Mint's possession and control; (ii) 90 days following the termination of the Storage and Custody Agreement for default, whether or not the Fund's bullion thereafter remains in the Mint's or the Sub-Custodian to the Mint's possession and control; (iii) upon transfer of such bullion to a different customer's account at the Mint or the Sub-Custodian to the Mint; or (iv) upon remittance of the bullion to the Custodian's carrier or representative in the event that the Mint returns the bullion for the reasons specified in the Storage and Custody Agreement.

63. Upon the Sub-Custodian to the Mint sending a Receipt of Deposit to the Mint, the Sub-Custodian to the Mint's liability to the Mint will commence with respect to such bullion and the Sub- Custodian to the Mint will bear all risk of loss, destruction and/or damage to the bullion owned by the Fund in the Sub-Custodian to the Mint's custody, subject to certain limitations generally based on events beyond the Sub-Custodian to the Mint's reasonable control, including, without limitation, acts or omissions or the failure to cooperate by the Mint and/or third parties, chemical, biological, electromagnetic or nuclear weapons or incidents, terrorism, government confiscation, fire or other casualty, act of God, strike or labour dispute, war or other violence, or any law, order or requirement of any governmental agency or authority. To the extent that the Sub-Custodian to the Mint is liable, the Sub-Custodian to the Mint has contractually agreed to replace or pay for lost, damaged or destroyed bullion in the Fund's account while in the Sub-Custodian to the Mint's care, custody and control. Under the Mint Sub-Custodian Agreement, the Sub-Custodian to the Mint's liability terminates with respect to any bullion: (i) at the expiration of the 90 day prior notice of termination for convenience of the Mint Sub-Custodian Agreement, whether or not the Fund's bullion, thereafter remains in the Sub-Custodian to the Mint's possession and control; (ii) 90 days following the termination of the Mint Sub-Custodian Agreement for default, whether or not the Fund's bullion thereafter remains in the Sub-Custodian to the Mint's possession and control; (iii) upon transfer of such bullion to a different customer's account at the Sub-Custodian to the Mint; or (iv) upon remittance of the bullion to the Mint's carrier or representative in the event that the Sub-Custodian to the Mint returns the bullion for the reasons specified in the Mint Sub-Custodian Agreement.

64. Each Fund will not be responsible for any losses or damages to the Fund arising out of any breach of standard of care by the Custodian, the Mint or the Sub-Custodian to the Mint.

65. The Custodian, the Mint and the Sub-Custodian to the Mint are not entitled to an indemnity from the Funds in the event that any of the Custodian, the Mint and the Sub-Custodian to the Mint breaches its standard of care.

66. Should the Custodian discover a physical loss, damage or destruction of a Fund's bullion in the Mint's custody, care and control, the Custodian must give written notice to the Mint within five business days after the discovery of any such loss, damage or destruction and will also give written notice to the Fund's Manager. For any discrepancy in the quantity of bullion on an inventory statement, the Custodian must give the Mint written notice of the loss regarding such discrepancy within 60 days after the receipt of the inventory statement in which the discrepancy first appears and will also give written notice to the Fund's Manager. The Mint will, at its discretion, as soon as practicable (subject to applicable limitations of liability as referred to in paragraph 62): (i) replace, or restore to its original state in the event of partial damage, as the case may be, the Fund's bullion that was lost, destroyed or damaged based on the advised weight and assay characteristics provided in the initial notice; (ii) compensate the Custodian for the monetary value of the bullion that was lost or destroyed based on the advised weight and assay characteristics provided in the initial notice and the market value of such bullion that was lost or destroyed as of the first trading date following the discovery by the Mint of the loss, damage or destruction or, if first discovered by the Custodian, the date of receipt by the Mint of the relevant notice of loss from the Custodian; or (iii) replace a portion of the lost or damaged bullion and compensate the Custodian for the monetary value of the remaining portion of the lost or damaged bullion based on the advised weight and assay characteristics provided in the initial notice and the market value of such bullion that was lost or destroyed as of the first trading date following the discovery by the Mint of the loss, damage or destruction or, if first discovered by the Custodian, the date of receipt by the Mint of the relevant notice of loss from the Custodian If the Custodian fails to give such notice in accordance with the terms of the Storage and Custody Agreement, all claims against the Mint will be deemed to have been waived. In addition, no action, suit or other proceeding to recover any loss, damage or destruction may be brought against the Mint if a notice of loss, damage or destruction has been given in accordance with the terms of the Storage and Custody Agreement but an action, suit or proceeding has not been commenced within 24 months from the time of discovery of the loss, damage or destruction. The above represents the Custodian's sole and exclusive remedy with respect to any and all claims, demands, losses, costs, destruction and/or damage for the physical loss, destruction and/or

damage of a Fund's bullion. The Storage and Custody Agreement also provides that the Mint will not be responsible for any special, incidental, consequential, indirect or punitive losses or damages (including lost profits or lost savings), whether or not the Mint had knowledge that such losses or damages might be incurred.

67. Should the Mint discover a physical loss, damage or destruction of a Fund's bullion in the Sub-Custodian to the Mint's custody, care and control, the Mint must give written notice to the Sub-Custodian to the Mint within five business days after the discovery of any such loss, damage or destruction and will also give written notice to the Custodian who will give written notice to the Fund's Manager. For any discrepancy in the quantity of bullion on an inventory statement, the Mint must give the Sub-Custodian to the Mint written notice of the loss regarding such discrepancy within 60 days after the receipt of the inventory statement in which the discrepancy first appears and will also give written notice to the Custodian who will give written notice to the Fund's Manager. The Sub-Custodian to the Mint will, at its discretion, as soon as practicable (subject to applicable limitations of liability referred to in paragraph 63) : (i) replace, or restore to its original state in the event of partial damage, as the case may be, the Fund's bullion that was lost, destroyed or damaged based on the advised weight and assay characteristics provided in the initial notice; (ii) compensate the Mint for the monetary value of the bullion that was lost or destroyed based on the advised weight and assay characteristics provided in the initial notice and the market value of such bullion that was lost or destroyed as of the first trading date following the discovery by the Sub-Custodian to the Mint of the loss, damage or destruction or, if first discovered by the Mint, the date of receipt by the Sub-Custodian to the Mint of the relevant notice of loss from the Mint; or (iii) replace a portion of the lost or damaged bullion and compensate the Mint for the monetary value of the remaining portion of the lost or damaged bullion based on the advised weight and assay characteristics provided in the initial notice and the market value of such bullion that was lost or destroyed as of the first trading date following the discovery by the Sub-Custodian to the Mint of the loss, damage or destruction or, if first discovered by the Mint, the date of receipt by the Sub-Custodian to the Mint of the relevant notice of loss from the Mint. If the Mint fails to give such notice in accordance with the terms of the Mint Sub-Custodian Agreement, all claims against the Sub-Custodian to the Mint will be deemed to have been waived. In addition, no action, suit or other proceeding to recover any loss, damage or destruction may be brought against the Sub-Custodian to the Mint if a notice of loss, damage or destruction has been given in accordance with the terms of the Mint Sub-Custodian Agreement but an action, suit or proceeding has not been commenced within 24 months from the time of discovery of the loss, damage or destruction. The Sub-Custodian to the Mint will not be responsible for any special, incidental, consequential, indirect or punitive losses or damages (including lost profits or lost savings), whether or not the Sub-Custodian to the Mint had knowledge that such losses or damages might be incurred.

Termination and Changes to the Custodial Arrangements

68. The Custodian may terminate the sub-custodial relationship with the Mint by giving written notice to the Mint of its intent to terminate the Storage and Custody Agreement if (i) the Mint is in default in carrying out any of its obligations under the Storage and Custody Agreement that is not cured within ten business days following the Custodian giving written notice to the Mint of such default; (ii) the Mint is dissolved or adjudged bankrupt, or a trustee, receiver or conservator of the Mint or of its property is appointed, or an application for any of the foregoing is filed; or (iii) the Mint is in breach of any representation or warranty contained in the Storage and Custody Agreement. The obligations of the Mint with respect to each Fund include, but are not limited to, maintaining an inventory of the Fund's bullion stored with the Mint, providing a monthly inventory to the Custodian, maintaining the Fund's bullion physically segregated, allocated and specifically identifiable as the Fund's property under specifically identified account numbers as directed by the Custodian, and taking good care, custody and control of the Fund's bullion.

69. The Custodian believes that all of the obligations of the Mint as described in paragraph 68 are material and anticipates that it would terminate the Mint as sub-custodian if the Mint breaches any such obligations and does not cure such breach within ten business days of the Custodian giving written notice to the Mint of such breach. Prior to terminating the sub-custodial relationship with the Mint, the Custodian or the Fund will appoint a replacement sub-custodian for bullion that complies with the requirements under NI 81-102.

70. The Manager has determined that it would be in the best interests of each Fund to receive the Requested Relief.

Decision

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

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

(a) The Mint meets the Shareholder Equity Threshold and, as noted on Schedule A, the Sub-Custodian to the Mint either: (i) meets the Shareholder Equity Threshold, or (ii) is a Guaranteed Sub-Custodian. The Mint will monitor the Sub-Custodian to the Mint on a regular basis (at least annually) to ensure that it either meets the Shareholder Equity Threshold or is a Guaranteed Sub-Custodian.

(b) The Custodian will provide to the Principal Regulator for the Funds on an annual basis beginning 60 days after the date upon which the Requested Relief is first relied upon by the Funds, either (i) a current list of all such Funds that are relying on the Requested Relief, or (ii) an update to the list of such Funds or confirmation that there has been no change to such list.

(c) The Funds and the Mint are limited to using the Mint or the Sub-Custodian to the Mint as sub-custodian for the Funds' bullion only, which will be held by the Mint or the Sub-Custodian to the Mint.

(d) The Custodian will obtain, at least annually, a report from the Mint, confirming that the Mint has, to the best of its ability, monitored the most recent audited financial statements of the Sub-Custodian to the Mint and is satisfied that the shareholders' equity of such entities is sufficient with what the Mint believes to be appropriate for an entity acting as custodian of physical bullion and, in any event at sufficient levels in order to meet the Mint's own internal requirements as though the Mint were seeking to deposit its own physical bullion with the Sub-Custodian to the Mint.

(e) In respect of the periodic compliance reports to be prepared by the Custodian pursuant to paragraphs 6.7(1)(b), 6.7(1)(c)(ii) and 6.7(2)(c) of NI 81-102, as such paragraphs will not be applicable given the nature of the relief granted herein, the Custodian shall include a statement in such reports regarding the completion of its review process for the Mint and the Mint's review process for the Sub-Custodian of the Mint and that the Custodian is of the view that the Mint, and the Mint is of the view that the Sub-Custodian to the Mint, continue to be appropriate sub-custodians to hold the Funds' bullion in Canada.

(f) Prior to a Fund relying on this Decision, the Custodian provides to the Fund:

(i) a copy of this Decision;

(ii) a disclosure statement informing the Fund of the implications of this Decision; and

(iii) a form of acknowledgment of the matters referred to in paragraph (g) below, to be signed and returned by the Fund to the Custodian.

(g) A Fund and its Manager seeking to rely on this Decision will, prior to doing so:

(i) acknowledge receipt of a copy of this Decision providing the Requested Relief;

(ii) appoint the Custodian as its custodian under NI 81-102;

(iii) consent to the Custodian providing to staff of the Principal Regulator for the Fund on an annual basis the name of the Fund so long as it relies on this Decision; and

(iv) deliver to the Custodian a signed acknowledgement and agreement binding the Fund to the foregoing.

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

SCHEDULE "A"

Name of Parent Company	Name of Sub-Custodian to the Mint which is the Subsidiary operating the vault in question	Location of Vault Facilities
Dillon Gage Inc.(1)	International Depository Services of Canada Inc.(2)	Toronto, Canada

(1) Meets the Shareholder Equity Threshold requirement.

(2) Does not meet the Shareholder Equity Threshold requirement and is a Guaranteed Sub-Custodian with guarantee provided by Dillon Gage Inc.

2.2 Orders

2.2.1 Agellan Commercial Real Estate Investment Trust

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).

March 8, 2019

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
AGELLAN COMMERCIAL REAL ESTATE INVESTMENT TRUST
(the "Filer")

ORDER

Background

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

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

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

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

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.

"Winnie Sanjoto"
Manager, Corporate Finance
Ontario Securities Commission

2.2.2 0799714 B.C. Ltd.

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).

March 18, 2019

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

AND

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

AND

IN THE MATTER OF
0799714 B.C. LTD.
(the Filer)

ORDER

Background

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

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

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

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

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

Interpretation

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

Representations

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

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

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

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

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

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

Order

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

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

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

2.2.3 Sniper Resources Ltd. – s. 144

Headnote

Section 144 – Application by an issuer for a partial revocation of a cease trade order issued by the Commission – cease trade order issued because the issuer had failed to file certain continuous disclosure materials required by Ontario securities law – relief requested for a private placement – issuer to bring its continuous disclosure up to date and file for a full revocation order.

Statutes Cited

Securities Act, R.S.O., c. S.5, as am., s. 144.

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

AND

IN THE MATTER OF
SNIPER RESOURCES LTD.

ORDER
(Section 144)

WHEREAS the securities of Sniper Resources Ltd. (the **Applicant**) are subject to a cease trade order made by the Director dated February 11, 2016, pursuant to paragraph 2 of subsection 127(1) and subsection 127(4.1) of the Act (the **Cease Trade Order**), directing that all trading in the securities of the Applicant cease until the Cease Trade Order is revoked by the Director;

AND WHEREAS the Applicant has applied to the Ontario Securities Commission (the Commission) for a partial revocation of the Cease Trade Order pursuant to section 144 of the Act;

AND UPON the Applicant having represented to the Commission that:

1. The Applicant was incorporated in the province of British Columbia under the *Business Corporations Act* (British Columbia) on July 6, 2006.

2. The Applicant's registered office and principal place of business is located at 3374 West 19th Avenue, Vancouver, British Columbia, V6S 1C2.

3. The Applicant is a reporting issuer under the securities legislation of the provinces of Ontario, British Columbia, and Alberta. The Applicant is not a reporting issuer in any other jurisdiction in Canada.

4. The Applicant's authorized share capital consists of an unlimited number of common shares (**Common Shares**). The Applicant currently has 65,658,218 Common Shares issued and outstanding. Other than the issued and outstanding Common Shares, the Applicant has no securities outstanding.

5. The Applicant's securities are not listed on any stock exchange or quotation system.

6. In addition to the Cease Trade Order, the Applicant's securities are also subject to a cease trade order dated February 5, 2016 issued by the Executive Director of the British Columbia Securities Commission (the **BCSC**), pursuant to subsection 164(1) of the *Securities Act* (British Columbia), directing that all trading in the securities of the Applicant cease until the order is revoked by the Executive Director (the **BC Cease Trade Order**).

7. The BC Cease Trade Order and the Cease Trade Order are reciprocated in Alberta pursuant to section 198.1 of the *Securities Act* (Alberta), Alberta's statutory reciprocal order provision.

8. The Cease Trade Order was issued as a result of the Applicant's failure to file the following continuous disclosure materials as required by Ontario securities law:

    (a) audited financial statements for the year ended September 30, 2015;

(b) management's discussion and analysis (**MD&A**) relating to the audited annual financial statements for the year ended September 30, 2015; and

(c) the certification of the foregoing filings as required by National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (**NI 52-109**)

(collectively, the **Unfiled Documents**).

9. The Unfiled Documents were not filed as a result of financial difficulties.

10. Subsequent to the failure to file the Unfiled Documents, the Applicant also failed to file the following documents:

(a) annual audited financial statements for the years ended September 30, 2016, September 30, 2017, and September 30, 2018;

(b) unaudited interim financial statements for all the interim periods ended between December 31, 2015 to June 30, 2018;

(c) MD&A relating to the financial statements referred to in subparagraphs (a) and (b) above; and

(d) certificates required to be filed in respect of the financial statements referred to in subparagraphs (a) and (b) above under NI 52-109

(together with the Unfiled Documents, the **Unfiled Continuous Disclosure**).

11. The Applicant is seeking a partial revocation of the Cease Trade Order to be able to complete a private placement in the province of Ontario and other provinces (the **Private Placement**) of up to 145,000,000 Common Shares at a price of $0.001 per Common Share, to raise an estimated aggregate gross proceeds of $145,000.

12. The Applicant is also seeking a partial revocation of the BC Cease Trade Order, and has filed an application with the BCSC, dated January 3, 2019, for a partial revocation of the BC Cease Trade Order.

13. The Private Placement will be conducted on a prospectus exempt basis with subscribers in Ontario and other provinces who satisfy the requirements of section 2.5 *Family, friends and business associates* of National Instrument 45-106 *Prospectus Exemptions* (**NI 45-106**) or who are accredited investors (as defined in section 73.3 of the Act and NI 45-106).

14. The Applicant intends to prepare and file the Unfiled Continuous Disclosure and pay all outstanding fees within a reasonable period of time following the completion of the Private Placement. The Applicant also intends to apply to the applicable securities regulators to have the Cease Trade Order and the BC Cease Trade Order fully revoked.

15. Other than the failure to file the Unfiled Continuous Disclosure, the Applicant is not in default of any of the requirements of the Act or the rules and regulations made pursuant thereto. The Applicant's SEDAR and SEDI profiles are up to date.

16. The Applicant intends to allocate the proceeds from the Private Placement as follows:

Description	**Cost**
Accounting, audit and legal fees associated with the preparation and filing of the relevant continuous disclosure documents, as well as the preparation of the materials for the annual meeting, the Private Placement, and the applications for the partial revocation order and the full revocation order;	$55,000
Filing fees associated with obtaining the partial revocation order and the full revocation order, including fees payable to the applicable regulators, including the Commission;	$40,000
Legacy accounts payable, including accounting and legal fees, consulting fees and outstanding transfer agent fees; and	$25,000
Working capital and general and administrative expenses.	$25,000
Total:	$145,000

17. The Applicant reasonably believes that the Private Placement will be sufficient to bring its continuous disclosure obligations up to date and pay all related outstanding fees and provide it with sufficient working capital to continue its business.

18. As the Private Placement would involve a trade of securities and acts in furtherance of trades, the Private Placement cannot be completed without a partial revocation of the Cease Trade Order.

19. The Private Placement will be completed in accordance with all applicable laws.

20. Prior to completion of the Private Placement, the Applicant will:

    (a) provide any subscriber to the Private Placement with:

        (i) a copy of the Cease Trade Order;

        (ii) a copy of this order; and

    (b) obtain from each subscriber a signed and dated acknowledgment which clearly states that all of the Applicant's securities, including the securities issued in connection with the Private Placement, will remain subject to the Cease Trade Order and the BC Cease Trade Order, and that the issuance of a partial revocation order does not guarantee the issuance of a full revocation order in the future.

21. Upon issuance of this order, the Applicant will issue a press release announcing the order and the intention to complete the Private Placement. Upon completion of the Private Placement, the Applicant will issue a press release and file a material change report. As other material events transpire, the Applicant will issue appropriate press releases and file material change reports as applicable.

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

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

IT IS ORDERED, pursuant to Section 144 of the Act, that the Cease Trade Order is partially revoked solely to permit the trades in securities of the Applicant (including for greater certainty, acts in furtherance of trades in securities of the Applicant) that are necessary for and are in connection with the Private Placement, provided that:

(a) prior to completion of the Private Placement, the Applicant will:

    (i) provide to each subscriber under the Private Placement a copy of the Cease Trade Order;

    (ii) provide to each subscriber under the Private Placement a copy of this order; and

    (iii) obtain from each subscriber under the Private Placement a signed and dated acknowledgment, which clearly states that all of the Applicant's securities, including the securities issued in connection with the Private Placement, will remain subject to the Cease Trade Order, and the BC Cease Trade Order, and that the issuance of a partial revocation order does not guarantee the issuance of a full revocation order in the future.

(b) The Applicant will make available a copy of the written acknowledgements referred to in paragraph (a)(iii) to staff of the Commission on request; and

(c) This order will terminate on the earlier of the closing of the Private Placement and 60 days from the date hereof.

DATED this 28th day of January, 2019.

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

2.2.4 BitRush Corp.

Headnote

Section 144 of the Securities Act (Ontario) – application for partial revocation of a failure-to-file cease trade order – issuer cease traded due to failure to file certain continuous disclosure documents required by Ontario securities law – issuer has applied for a variation of the cease trade order to permit the issuer to issue shares from treasury pursuant to a court order and to permit the issuer to proceed with a shares-for-debt transaction followed by a private placement to accredited investors – partial revocation granted subject to conditions.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 127 and 144.
National Policy 11-207 Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions.

IN THE MATTER OF
BITRUSH CORP.
(the Issuer)

PARTIAL REVOCATION ORDER
Under the securities legislation of Ontario
(the Legislation)

Background

1. The Issuer is subject to a failure-to-file cease trade order (the **FFCTO**) issued by the Ontario Securities Commission (the **Principal Regulator**) dated December 2, 2016.

2. The Issuer has applied to the Principal Regulator for a partial revocation of the FFCTO.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* or in National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions* have the same meaning if used in this order, unless otherwise defined.

Representations

3. This decision is based on the following facts represented by the Issuer:

    a. The Issuer is a corporation amalgamated under the laws of the Province of Ontario effective on January 21, 1999.

    b. The Issuer's head office and registered office is located at 100 King Street West (56th floor), Toronto, Ontario M5X 1C9, Canada.

    c. The Issuer is a reporting issuer in the Province of Ontario and is not a reporting issuer or equivalent under the securities legislation of any other jurisdiction in Canada.

    d. The Issuer's authorized capital consists of an unlimited number of (i) common shares (**Common Shares**), of which 58,063,064 Common Shares are currently issued and outstanding, and (ii) Class A non-voting Preferred Shares and Class A non-voting, non-cumulative Preferred Shares, none of which are issued and outstanding.

    e. The Common Shares are listed for trading on the Canadian Securities Exchange under the trading symbol "BRH", but trading in the Common Shares has remained suspended since December 2, 2016 upon and as a result of the issuance of the FFCTO.

    f. The FFCTO was issued due to the failure of the Issuer to file its certification of the filings for the period ended September 30, 2016 as required by National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*. No further financial statements or certifications have been filed since that time, and, except for certain documents as filed on SEDAR, no other continuous disclosure documents required by applicable securities legislation have been filed by the Issuer since that time.

    g. The Issuer suffered financial distress as a result of the actions and conduct of the Issuer's former Chief Executive

Officer (the **Former CEO**) which conduct the Ontario Superior Court of Justice (the **SCJ**) found to be in breach of the Former CEO's fiduciary duties and to have caused the affairs of the Issuer to be conducted in a manner that was oppressive and prejudicial to, and unfairly disregarded, the Issuer and its shareholders, as further set out in the order of the SCJ dated June 29, 2018 (the **SCJ Order**). As a result of the costs of the court action (the **Legal Action**) brought by the Issuer against the Former CEO and others, the Issuer has lacked the funds necessary to prepare, file, or deliver any outstanding and/or subsequent financial statements or information or other continuous disclosure documents required by applicable securities legislation.

h. The SCJ Order requires that certain Common Shares held by MezzaCap Investments Ltd. (**MezzaCap**), a company controlled by the Former CEO be cancelled (of which 68,894,175 Common Shares have been cancelled representing all of the Common Shares held by MezzaCap) and that the Issuer issue a certain number of shares from treasury to the parties named in the SCJ Order, as further described in paragraph j.

i. The Issuer is seeking to effect a financing transaction to enable the Issuer to bring itself into compliance with its continuous disclosure obligations and fund operations, one or more of which transactions, or the actions associated therewith, may constitute a contravention of the FFCTO. More specifically, the Issuer proposes to complete a brokered or non-brokered private placement of its securities (the **Private Placement**) with accredited investors (as such term is defined in National Instrument 45-106 – *Prospectus Exemptions*) resident in the Province of Ontario (each a **Potential Investor**) to raise gross proceeds of up to $500,000. The Issuer is proposing to sell units (**Units**) or convertible debentures or promissory notes that would be convertible into Units at the option of the holder. It is anticipated that each Unit will be comprised of one (1) Common Share and one half (1/2) of a common share purchase warrant (a **Warrant**), for a subscription price of no less than $0.05 per Unit. It is anticipated that each whole Warrant will entitle the investor to purchase one additional Common Share, on or before the date that is three (3) years from the date the Common Shares resume trading on the Canadian Securities Exchange, at an exercise price of no less than $0.10 per Common Share. The Warrants may contain a feature enabling the Issuer to accelerate the expiry date for the Warrants upon notice to the Warrant holders and the Issuer reserves the right to alter the terms of the Private Placement based on dealer or investor requirements.

j. The Issuer seeks to effect the issuances from treasury of an aggregate of 10,356,910 Common Shares as mandated by the SCJ in the SCJ Order, of which 4,500,000 Common Shares are to be issued to Dr. Joachim Kalcher and 5,856,910 Common Shares are to be issued to HSRC Investment Pte Ltd. (**HSRC**) (collectively, the **Mandated Issuances**).

k. The Issuer seeks to effect certain shares-for-debt transactions pursuant to which each of HSRC (which is currently owed a total of approximately $380,000 representing funds advanced to the Issuer to pursue the Legal Action), Crawley MacKewn Brush LLP, Barristers & Solicitors (which is currently owed a total of $260,000 representing unpaid outstanding legal fees incurred by the Issuer in the Legal Action), Just In-Genius Inc. (which is currently owed a total of approximately $235,000 representing funds advanced to the Issuer for the payment of various Issuer invoices related to the ongoing operation of the Issuer and other then unpaid fees incurred by the Issuer) and Echelon Wealth Partners Inc. (which is owed approximately $50,000 representing an outstanding and unpaid invoice for the preparation and delivery of its valuation report in the Legal Action) would exchange an aggregate of up to approximately $925,000 owed to them (the **Debt**) for an aggregate of up to 18,500,000 Common Shares in full satisfaction of the Debt, representing an exchange price of $0.05 per share, subject to any required approval of the Canadian Securities Exchange (the **Shares-for-Debt Issuances**).

l. The Issuer proposes to use the proceeds of the Private Placement as follows:

   i. $200,000 – Legal, accounting, administrative, and audit fees of Issuer and capital raising fees associated with Private Placement;

   ii. $30,000 – Fees and penalties for late filing of continuous disclosure materials and for applying for a full revocation of the FFCTO;

   iii. $70,000 – CSE relisting, transfer agency and associated fees;

   iv. $20,000 – D&O Insurance;

   v. $160,000 – General ongoing Issuer and AdBit ad platform operations and administration including legal, consultant, advisors, and Board fees and Cyber and E&O Insurance fees; and

   vi. $20,000 – Working capital.

m. The Mandated Issuances will restore the share capital of the Issuer as ordered by the SCJ pursuant to the SCJ Order and the Shares-for-Debt Issuances will ensure that the Issuer conserves the cash it raises in the Private Placement to be used as described in paragraph I.

n. To the knowledge of the Issuer, no current insiders of the Issuer will participate or invest in the Private Placement.

o. As the Private Placement, the Mandated Issuances and the Shares-for-Debt Issuances will involve trades in securities of the Issuer (including, for greater certainty, acts in furtherance of trades in securities of the Issuer, as applicable), they cannot be completed without a variation of the Cease Trade Order.

p. The Private Placement trades are expected to take place in Ontario and the Shares-for-Debt Issuances will take place in Ontario (except for the Shares-for-Debt Issuance to HSRC which will be made from Ontario into a jurisdiction outside of Canada and the United States), while the Mandated Issuances will be made from Ontario in jurisdictions outside of Canada and the United States.

q. The Private Placement, the Mandated Issuances and the Shares-for-Debt Issuances will be completed in accordance with applicable securities legislation. The Issuer will rely on the prospectus exemptions provided in section 2.3 of Ontario Securities Rule 72-503 – *Distributions Outside Canada* with respect to the Mandated Issuances and the Shares-for-Debt Issuance to HSRC and section 2.14 of National Instrument 45-106 – *Prospectus Exemptions* with respect to the other Shares-for-Debt Issuances that will take place in Ontario.

r. The Issuer believes that the proceeds of the Private Placement will be sufficient to bring its continuous disclosure obligations up to date and pay all related outstanding fees and that the completion of the Mandated Issuances and the Shares-for-Debt Issuances will benefit the Issuer in attracting potential investors and raising funds in the Private Placement.

s. Prior to completion of the Private Placement each Potential Investor and, in the case of the Mandated Issuances and the Shares-for-Debt Issuances prior to the completion thereof, each creditor, will:

   i. receive a copy of the FFCTO;

   ii. receive a copy of this Order; and

   iii. receive written notice from the Issuer, and provide a written acknowledgment to the Issuer, that the granting of this Order does not guarantee the issuance of any full revocation orders in the future and that all of the Issuer's securities, including the securities issued in connection with the Private Placement, the Mandated Issuances and/or the Shares-for-Debt Issuances will remain subject to the FFCTO until it is revoked.

t. The Issuer is not in default of any requirements of the Cease Trade Order or the Legislation or the rules and regulations made pursuant thereto, other than the deficiencies outlined in paragraph 3.f. above.

u. Upon the issuance of this Order, the Issuer will issue a press release announcing the Order and the intention to complete the Private Placement, the Mandated Issuances and the Shares-for-Debt Issuances. Upon completion of each of the Private Placement, the Mandated Issuances and the Shares-for-Debt Issuances, the Issuer will issue a press release and file a material change report.

v. Within a reasonable time following the completion of the Private Placement, the Issuer will file its continuous disclosure documents as required by the Legislation to bring its continuous disclosure record up to date in compliance with its obligations as a reporting issuer under the Legislation.

w. The Issuer intends, within a reasonable time following the completion of the Private Placement, to apply to the Commission for a full revocation of the Cease Trade Order.

x. The Issuer is not considering, nor is it involved in any discussion relating to a reverse take-over, merger, amalgamation or other form of combination or transaction similar to any of the foregoing.

Order

4. The Principal Regulator is satisfied that a partial revocation order of the FFCTO meets the test set out in the Legislation for the Principal Regulator to make the decision.

5. The decision of the Principal Regulator under the Legislation is that the FFCTO is partially revoked to permit the Private Placement trades, the Mandated Issuances and the Shares-for-Debt Issuances, provided that:

   a. Prior to completion of the Private Placement each Potential Investor and, in the case of the Mandated Issuances and the Shares-for-Debt Issuances prior to the completion thereof, each creditor, will:

      i. receive a copy of the FFCTO;

      ii. receive a copy of this Order; and

      iii. receive written notice from the Issuer, and provide a written acknowledgment to the Issuer, that the granting of this Order does not guarantee the issuance of any full revocation orders in the future and that all of the Issuer's securities, including the securities issued in connection with the Private Placement, the Mandated Issuances and/or the Shares-for-Debt Issuances will remain subject to the FFCTO until it is revoked.

   b. The Issuer undertakes to make available a copy of the written acknowledgment to staff of the Principal Regulator on request; and

   c. this Order will terminate on the earlier of:

      i. completion of the Private Placement; and

      ii. 180 days from the date hereof.

DATED at Toronto this 29th day of April, 2019.

"Marie-France Bourret"
Acting Manager, Corporate Finance
Ontario Securities Commission

2.2.5 Authorization Order – s. 3.5(3)

IN THE MATTER OF
THE SECURITIES ACT,
RSO 1990, c S.5
(the "Act")

AND

IN THE MATTER OF
AN AUTHORIZATION PURSUANT TO SUBSECTION 3.5(3) OF THE ACT

AUTHORIZATION ORDER
(Subsection 3.5(3))

WHEREAS a quorum of the Ontario Securities Commission (the "Commission") may, pursuant to subsection 3.5(3) of the Act, in writing authorize any member of the Commission to exercise any of the powers and perform any of the duties of the Commission, including the power to conduct contested hearings on the merits.

AND WHEREAS, by an authorization order made on February 8, 2019, pursuant to subsection 3.5(3) of the Act (the "**Prior Authorization**"), the Commission authorized each of MAUREEN JENSEN, D. GRANT VINGOE, TIMOTHY MOSELEY, GARNET W. FENN, LAWRENCE P. HABER, POONAM PURI and M. CECILIA WILLIAMS acting alone, subject to subsection 3.5(4) of the Act,

(a) to exercise the powers of the Commission to grant adjournments and set dates for hearings, to hear and determine procedural matters, including making an order under section 147 of the Act to exempt a person or company from any time limit imposed by Ontario securities law,

(b) to make and give any orders, directions, appointments, applications, consents and determinations under sections 5, 11, 12, 17, 19, 20, 122, 126, 128, 129, 144, 146, 152 and 153 of the Act that the Commission is authorized to make or give,

(c) to exercise the powers of the Commission under subsections 8(2) and (3) of the Act, including those powers conferred on the Commission because of subsection 21.7(2) of the Act,

(d) to exercise the powers of the Commission under sections 104 and 127 of the Act, and

(e) to provide the opinion contemplated by subsection 140(2) of the Act,

including to exercise the power to conduct contested hearings on the merits.

IT IS ORDERED that the Prior Authorization is hereby revoked;

THE COMMISSION HEREBY AUTHORIZES, pursuant to subsection 3.5(3) of the Act, each of MAUREEN JENSEN, D. GRANT VINGOE, TIMOTHY MOSELEY, MARY ANNE DE MONTE-WHELAN, GARNET W. FENN, LAWRENCE P. HABER, CRAIG HAYMAN, RAYMOND KINDIAK, POONAM PURI, M. CECILIA WILLIAMS, and HEATHER ZORDEL acting alone, subject to subsection 3.5(4) of the Act,

(a) to exercise the powers of the Commission to grant adjournments and set dates for hearings, to hear and determine procedural matters, including making an order under section 147 of the Act to exempt a person or company from any time limit imposed by Ontario securities law,

(b) to make and give any orders, directions, appointments, applications, consents and determinations under sections 5, 11, 12, 17, 19, 20, 122, 126, 128, 129, 144, 146, 152 and 153 of the Act that the Commission is authorized to make or give,

(c) to exercise the powers of the Commission under subsections 8(2) and (3) of the Act, including those powers conferred on the Commission because of subsection 21.7(2) of the Act,

(d) to exercise the powers of the Commission under sections 104 and 127 of the Act, and

(e) to provide the opinion contemplated by subsection 140(2) of the Act,

including to exercise the power to conduct contested hearings on the merits.

DATED at Toronto, this 30th day of April, 2019.

"M. Cecilia Williams"
Commissioner

"Garnet W. Fenn"
Commissioner

2.2.6 ICC Labs Inc.

Headnote

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – Cease to be a reporting issuer in BC and Ontario – The securities of the issuer are beneficially owned by more than 50 persons and are not traded through any exchange or market – Following an arrangement, all of the issuer's common shares were acquired by another company; all of the issuer's other outstanding securities are exercisable for securities of the acquirer; the acquirer is a reporting issuer and in compliance with its continuous disclosure obligations; the issuer filed notice of its application to cease to be a reporting issuer; securities of the issuer are not traded through any exchange or market.

Applicable Legislative Provisions

Securities Act (Ontario), s. 1(10)(a)(ii).

April 15, 2019

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

AND

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

AND

IN THE MATTER OF
ICC LABS INC.
(the Filer)

ORDER

Background

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

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

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

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

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

Interpretation

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

Representations

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

1. the Filer was incorporated on October 19, 2010 as a capital pool company under the *Business Corporations Act* (British Columbia) (BCBCA);

2. prior to the Arrangement (as defined below), the Filer's head office was located at Suite 700 – 595 Burrard Street, P.O. Box 49290, Vancouver, British Columbia, V7Z 1S8;

3. the common shares in the capital of the Filer (the ICC Shares) traded on the TSX Venture Exchange (the TSX-V) under the symbol "ICC"; no other securities of the Filer were listed on any exchange;

4. Aurora Cannabis Inc. (Aurora) is a corporation existing under the BCBCA; the authorized share capital of Aurora consists of an unlimited number of common shares (the Aurora Shares); the Aurora Shares are listed on the Toronto Stock Exchange and the New York Stock Exchange under the symbol "ACB" and on the Frankfurt Stock Exchange under the trading symbol "21P";

5. immediately prior to the Effective Time (as defined below), the Filer had the following issued and outstanding securities: (i) 147,605,409 ICC Shares (inclusive of 6,528,686 ICC Shares converted from in-the-money options to purchase ICC Shares); (ii) 10,443,660 common share purchase warrants of ICC (the ICC Warrants); (iii) 16,698 compensation warrants of ICC (the ICC Compensation Options and, together with the ICC Shares and the ICC Warrants, the ICC Securities) convertible into 25,047 ICC Shares; the ICC Compensation Options are not transferable;

6. to the best of the Filer's knowledge and belief and based on a geographic distribution report obtained pursuant to subsection 2.5(2) of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*, as of January 11, 2019, there was 1 holder of ICC Compensation Options who is resident in Ontario and there were 54 holders of ICC Warrants, 25 of which were in Ontario (holding 444,695 ICC Warrants representing 4.3% of the total aggregate ICC Warrants), 14 of which were in Alberta (holding 218,850 ICC Warrants representing 2.12% of the total aggregate ICC Warrants), 10 of which were in British Columbia (holding 68,745 ICC Warrants representing 0.66% of the total aggregate ICC Warrants), 0 of which was in the United States, and 5 of which were in other foreign jurisdictions (holding 9,606,250 ICC Warrants representing 92.92% of the total aggregate ICC Warrants);

7. effective at 12:01 a.m. (Eastern Standard Time) on November 22, 2018 (the Effective Time), Aurora acquired all of the issued and outstanding ICC Shares by way of a statutory plan of arrangement under the BCBCA (the Arrangement);

8. the notice of special meeting of holders of ICC Shares (the ICC Shareholders) and management information circular of the Filer was delivered to the ICC Shareholders entitled to vote at the special meeting of the ICC Shareholders that took place on November 6, 2018 to consider the Arrangement;

9. under the Arrangement, Aurora acquired all of the ICC Shares, for consideration consisting of approximately 0.2161 Aurora Shares for each outstanding ICC Share (the Share Consideration); additionally, Aurora assumed all of the ICC Warrants and all of the ICC Compensation Options as follows:

   (a) pursuant to the terms of the Arrangement and supplemental common share purchase warrant indenture dated December 10, 2018 between the Filer, Aurora and TSX Trust Company (the Supplemental Debenture) which governs the ICC Warrants, the holders of ICC Warrants became entitled to receive, and Aurora became obligated to provide, upon exercise of the ICC Warrants, such number of Aurora Shares which the holder would have been entitled to receive if the holder exercised their ICC Warrants immediately prior to the Effective Time;

   (b) pursuant to the terms of the Arrangement and certificates representing the ICC Compensation Options (the ICC Compensation Option Certificates), each holder of an ICC Compensation Option became entitled to receive, and Aurora became obligated to provide, upon the exercise of the ICC Compensation Options, i) such number of Aurora Shares which the holder would have been entitled to receive if the holder had exercised their ICC Compensation Options immediately prior to the Effective Time, and ii) one-half of one ICC Warrant for each ICC Compensation Option exercised by such holder;

10. the Filer is not required to remain a reporting issuer pursuant to the terms of the Supplemental Indenture and the ICC Compensation Option Certificates; the treatment of the ICC Warrants and ICC Compensation Options in the Arrangement is consistent with the terms of the Supplemental Indenture and the ICC Compensation Option Certificates, as applicable; as a result of such treatment, the ICC Warrants and ICC Compensation Options represent the right to receive Aurora Shares and not the ICC Shares; as a result, no consents or approvals were required from the holders of the ICC Warrants and the ICC Compensation Options;

11. in connection with the Arrangement, additional Aurora Shares were authorized for issuance upon exercise of the ICC Warrants and ICC Compensation Options;

12. the ICC Shares were delisted from the TSX-V effective at the close of business on November 27, 2018;

13. Aurora is a reporting issuer in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador; as such, Aurora is subject to continuous disclosure requirements; Aurora's continuous disclosure is relevant to holders of ICC Warrants and ICC Compensation Options as such holders are entitled to receive Aurora Shares upon exercise of such securities;

14. Aurora is not in default of securities legislation in any jurisdiction;

15. the Filer is not an OTC issuer as that term is defined under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*;

16. the Filer has no intention to seek public financing by way of an offering of securities;

17. no securities of the Filer, including any 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;

18. the Filer is not a reporting issuer in any jurisdiction of Canada other than the jurisdictions identified in this order; the Filer is applying for an order that it has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is currently a reporting issuer;

19. the Filer is not in default of any securities legislation in any jurisdiction, other than an obligation (arising after the Arrangement) to file on or before November 29, 2018, its interim financial statements and its management discussion and analysis in respect of such statements for the period ended September 30, 2018, as required under National Instrument 51-102 *Continuous Disclosure Obligations* and the related certificates as required under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (collectively, the Interim Filings);

20. the Filer is not eligible to use the simplified procedure under National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications* as it is in default for failure to file the Interim Filings and because the ICC Securities are not 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; and

21. upon the granting of the Order Sought, the Filer will not be a reporting issuer or the equivalent in any jurisdiction in Canada.

Order

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

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

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

2.2.7 ValOro Resources Inc.

Headnote

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

Applicable Legislative Provisions

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

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

AND

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

AND

IN THE MATTER OF
VALORO RESOURCES INC.
(the Filer)

ORDER

Background

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

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

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

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

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

Interpretation

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

Representations

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

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

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

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

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

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

Order

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

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

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

April 29, 2019

2.2.8 The Flowr Corporation – s. 1(11)(b)

Headnote

Subsection 1(11)(b) – Order that the issuer is a reporting issuer for the purposes of Ontario securities law – Issuer is already a reporting issuer in British Columbia, Alberta and Saskatchewan – Issuer's securities listed for trading on the TSX Venture Exchange – Continuous disclosure requirements in British Columbia, Alberta and Saskatchewan are substantially the same as those in Ontario – Issuer has a significant connection to Ontario.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(11)(b).

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

AND

IN THE MATTER OF
THE FLOWR CORPORATION
(the Applicant)

ORDER
(Section 1(11)(b))

UPON the application of the Applicant to the Ontario Securities Commission (the "**Commission**") for an order pursuant to subsection 1(11)(b) of the Act that, for the purposes of Ontario securities law, the Applicant is a reporting issuer in Ontario;

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

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

1. The Applicant was incorporated under the *Business Corporations Act* (Alberta) on June 1, 2016, under the name "The Needle Capital Corp" and changed its name to "The Flowr Corporation" pursuant to articles of amendment dated September 20, 2018. At the Applicant's Annual and Special General Meeting held on April 13, 2018, the Applicant received shareholder approval to certain special resolutions with respect to the Applicant continuing under the laws of the Province of Ontario pursuant to the *Business Corporations Act* (Ontario). The Applicant continued into the Province of Ontario on September 25, 2018.

2. The head office and registered office of the Applicant is located at 100 Allstate Parkway, Suite 201, Markham, Ontario, L3R 6H3.

3. The authorized capital of the Applicant consists of an unlimited number of common shares, of which 86,700,302 common shares are issued and outstanding as of the date hereof.

4. The Applicant is a reporting issuer under the *Securities Act* (Alberta) (the "**Alberta Act**"), the *Securities Act* (British Columbia) (the "**B.C. Act**") and the *Securities Act* (Saskatchewan) (the "**Saskatchewan Act**"). The Applicant became a reporting issuer in Alberta, British Columbia and Saskatchewan on June 16, 2017.

5. The Applicant is not currently a reporting issuer in any jurisdiction other than Alberta, British Columbia and Saskatchewan.

6. The Applicant's principal regulator is the Alberta Securities Commission. The Commission will be the principal regulator of the Applicant once it has obtained reporting issuer status in Ontario. Upon granting of this Order, the Applicant will amend its SEDAR profile to indicate that the Commission is its principal regulator.

7. The Applicant is not on the lists of defaulting reporting issuers maintained pursuant to the Alberta Act, the B.C. Act or the Saskatchewan Act and is not in default of any of its obligations under the Alberta Act, the B.C. Act or the Saskatchewan Act, or the rules and regulations made thereunder.

8. The Applicant is subject to the continuous disclosure requirements of the Alberta Act, the B.C. Act and the Saskatchewan Act. The continuous disclosure requirements of the Alberta Act, the B.C. Act and the Saskatchewan Act are substantially the same as the continuous disclosure requirements under the Act.

9. The continuous disclosure materials filed by the Applicant are available on the System for Electronic Document Analysis and Retrieval ("**SEDAR**"). The Applicant's first electronic filing on SEDAR occurred on April 26, 2017.

10. The common shares of the Applicant are listed and posted for trading on the TSX Venture Exchange (the "**Exchange**") under the trading symbol "FLWR". The Applicant has applied to list its common shares on the NASDAQ Capital Market.

11. The Applicant is not in default of any of the rules, regulations or policies of the Exchange.

12. Pursuant to the policies of the Exchange, a listed-issuer, which is not otherwise a reporting issuer in Ontario, must assess whether it has a "significant connection to Ontario" (as defined in the policies of the Exchange) and, upon becoming aware that it has a significant connection to Ontario, promptly make a bona fide application to the Commission to be deemed a reporting issuer in Ontario.

13. The Applicant has determined that it has a significant connection to Ontario for the reasons that: (i) based on a Non-Objecting Beneficial Owners List provided by Computershare Investor Services Inc., as of October 23, 2018, approximately 48% of the Applicant's shares were held by non-objecting beneficial owners (as defined in National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*) who are residents of Ontario; (ii) the Applicant continued into the Province of Ontario on September 25, 2018; and (iii) the Applicant's head and registered office is located in Markham, Ontario.

14. Neither the Applicant, nor any of its officers or directors, nor any of its controlling shareholders has:

    (a) been the subject of any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority;

    (b) entered into a settlement agreement with a Canadian securities regulatory authority; or

    (c) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

15. Other than as set out in representation 17, neither the Applicant, nor any of its officers or directors, nor any of its controlling shareholders, is or has been subject to:

    (a) any known ongoing or concluded investigation by a Canadian securities regulatory authority, or a court or regulatory body, other than a Canadian securities regulatory authority, that would be likely to be considered important to a reasonable investor making an investment decision; or

    (b) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or the appointment of a receiver, receiver manager or trustee, within the preceding 10 years.

16. Other than as set out in representation 18, neither the Applicant, nor any of its officers or directors, nor any of its controlling shareholders, is or has been at the time of such event an officer or director of any other issuer which is or has been subject to:

    (a) any cease trade or similar orders, or orders that denied access to any exemptions under Ontario securities law, for a period of more than 30 consecutive days, within the preceding 10 years; or

    (b) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or the appointment of a receiver, receiver-manager or trustee, within the preceding 10 years.

17. Thomas Flow was declared bankrupt on April 6, 2011. On January 7, 2012, Thomas Flow was discharged pursuant to subsection 168.1(1) of the *Bankruptcy and Insolvency Act*, (Canada) from all debts, except those matters referred to in subsection 178(1) of the *Bankruptcy and Insolvency Act*, (Canada).

18. Francesco Tallarico was the Chief Legal Officer and Secretary of Concordia International Corp. ("**Concordia**"), a reporting issuer in Canada and listed on the Toronto Stock Exchange. In September 2018, Concordia completed a solvent debt restructuring pursuant to the provisions of the *Canada Business Corporations Act*, whereby Concordia reduced its debt by approximately US$2.4 billion.

19. The Filer has provided an undertaking to the Commission stating that, in complying with its reporting issuer obligations, and for as long as the Filer is a reporting issuer and The Flowr Group (Okanagan) Inc. ("**Flowr Okanagan**") would be treated as an operating entity if the Filer were an income trust, that:

    (a) The Filer will treat The Flowr Canada Holdings ULC ("**Flowr ULC**") and Flowr Okanagan as subsidiaries of the Filer; however, if generally accepted accounting principles ("**GAAP**") used by the Filer prohibit the consolidation of the financial information of Flowr ULC and Flowr Okanagan and the Filer, then for as long as Flowr ULC and Flowr Okanagan represent significant assets of the Filer, the Filer will provide shareholders with separate audited annual financial statements and interim financial reports and management's discussion and analysis for Flowr ULC and Flowr Okanagan, prepared in accordance with the same GAAP as the Filer's financial statements and interim financial reports and in accordance with National Instrument 51-102 – *Continuous Disclosure Obligations*, or its successor;

    (b) for so long as Flowr ULC and Flowr Okanagan represent significant assets of the Filer, then the Filer will take the appropriate measures to direct each person who would be an "insider" (as defined in the *Securities Act* (Ontario)) of either Flowr ULC or Flowr Okanagan or a "person or company in a special relationship" (as defined in the *Securities Act* (Ontario)) with either Flowr ULC or Flowr Okanagan, if either Flowr ULC or Flowr Okanagan was a reporting issuer, as applicable, to comply with statutory prohibitions against insider trading under applicable Canadian securities laws;

    (c) for so long as Flowr ULC and Flowr Okanagan represent significant assets of the Filer, then the Filer will take the appropriate measures to direct each person who would be a "reporting insider" (as that term is defined in National Instrument 55-104 – *Insider Reporting Requirements and Exemptions* ("**NI 55-104**")) of either Flowr ULC or Flowr Okanagan, if either Flowr ULC or Flowr Okanagan was a reporting issuer, as applicable, to file insider reports about trades in the securities of the Filer (including securities which are exchangeable into securities of the Filer); and

    (d) the Filer will annually certify as to its compliance with the above undertakings and file the certificate on SEDAR concurrently with the filing of its annual financial statements.

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

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

IT IS HEREBY ORDERED pursuant to subsection 1(11)(b) of the Act that the Applicant is a reporting issuer for the purposes of Ontario securities laws.

DATED at Toronto, Ontario on this 25th day of April 2019.

"Michael Balter"
Manager, Corporate Finance
Ontario Securities Commission

3.2 Director's Decisions

3.2.1 Wells Asset Management System Inc. and Dale Richard Wells – s. 31

IN THE MATTER OF
STAFF'S RECOMMENDATION TO SUSPEND THE REGISTRATION OF
WELLS ASSET MANAGEMENT SYSTEM INC., AND
DALE RICHARD WELLS

OPPORTUNITY TO BE HEARD BY THE DIRECTOR
UNDER SECTION 31 OF THE SECURITIES ACT (ONTARIO)

Decision

1. For the reasons outlined below, my decision is to suspend the registration of Wells Asset Management System Inc. (**WAMS**), and Dale Richard Wells (**Wells**) (collectively, the **Registrants**).

Background

2. The Alberta Securities Commission (**ASC**) is the Registrants' principal regulator because its head office is located in Alberta and Wells' working office is in Alberta.

3. On June 5, 2018 the ASC informed the Registrants that due to the significant deficiencies set out in the May 14, 2018 report outlining findings of a compliance review (the **Report**) issued by the British Columbia Securities Commission and ASC staff's assessment of these findings, ASC staff were prepared to recommend to the Executive Director of the ASC that the registration of the Registrants be suspended or terminated.

4. On July 12, 2018, the Registrants, with independent legal advice, consented to terms and conditions on their registration, the suspension of their registration and waived their right to an opportunity to be heard with the ASC. The terms and conditions imposed a six-month transition period that permitted WAMS to complete an orderly transfer of the funds and managed accounts to another registrant with suspension becoming effective no later than January 31, 2019.

5. On January 30, 2019, the ASC suspended WAMS' and Wells' registrations. Their registrations were automatically suspended in British Columbia, Manitoba and Saskatchewan pursuant to s. 4A.6 of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**). Ontario has not adopted MI 11-102 so the suspension did not automatically take effect in Ontario.

6. By letter dated February 7, 2019, staff (**Staff**) of the Ontario Securities Commission (**OSC**) advised the Registrants that it would be otherwise objectionable for the Registrants to continue to be registered under the *Securities Act* (Ontario) (the **Act**), when their principal regulator suspended their registrations. Therefore, Staff have recommended to the Director that WAMS' registration in the categories of investment fund manager, portfolio manager and dealer in the category of exempt market dealer, and Wells' individual registration as ultimate designed person, chief compliance officer and advising representative, be suspended.

Law and Reasons

7. Section 28 of the Act provides that the Director may revoke or suspend the registration of a person or company if it appears to the Director that the person or company is not suitable for registration under the Act, or that the registration is otherwise objectionable.

8. Section 31 of the Act provides that before the Director makes a determination, the Registrants are entitled to an opportunity to be heard (**OTBH**). This OTBH was conducted in writing and written submissions were submitted by Joyce Taylor, Legal Counsel, OSC and Wells.

9. The Registrants submit that while they agreed to the terms and conditions, consented to suspension of their registration and waived the right to an opportunity to be heard with the ASC, they did so to "… save the unitholders from likely losses

as a result of further forced liquidation.[1]" Some of the WAMS investment funds were invested in the Crystal Wealth investment funds and had already sustained losses as a result of the liquidation of Crystal Wealth[2] funds following temporary orders of the OSC (*In the Matter of Crystal Wealth Management Systems Limited*, (2017) 40 OSCB 3709 and 40 OSCB 3714).

10. Further the Registrants submit that "… no one has reviewed, discussed or clarified any of the allegations against Wells.[3]" The Registrants are requesting that the OSC Director, through an OTBH process, conduct a full review. The Registrants submitted written responses and documents disputing the findings in the Report.

11. Staff submits that the decision to suspend the registration of the Registrants by their principal regulator supports Staff's position that ongoing registration in Ontario is otherwise objectionable.

12. Further, Staff submits that it will not promote confidence in Ontario's capital markets if a firm and individual whose registrations are suspended in all Canadian jurisdictions in which they were registered, were permitted to maintain ongoing registration in Ontario.

13. The securities regulatory regime requires registration in all jurisdictions where registerable activity is conducted. Since the Registrants' registration is suspended in Alberta, they are not permitted to legally conduct registerable activity in that jurisdiction.

14. In *Re Jory Capital Inc.* (2012), 35 OSCB 11217 at para. 6, the Director observed that he was "concerned that it would be inconsistent with the OSC's mandate to provide investor protection and to foster fair and efficient capital markets and confidence in capital markets to permit [a firm suspended by its principal regulator] to remain registered in Ontario."

15. In my view, allowing WAMS and Wells to continue to be registered in Ontario while its registration is suspended in Alberta and all other Canadian jurisdictions in which it was registered, would be objectionable and inconsistent with the OSC's mandate.

16. Therefore, my decision is that the ongoing registration of the Registrants in Ontario is objectionable. I accept Staff's recommendation to suspend the Registrants, effective immediately.

17. The Registrants have also requested that the Director conduct a full review of the findings of the Report which precipitated the actions taken by the ASC. I have reviewed the materials submitted by the Registrants and considered their request.

18. The purpose of an OTBH is to provide a registrant or applicant a process to present their position on the registration action being recommended by Staff. Therefore, in my opinion, this is not the appropriate forum to review the assessment made by ASC staff of the Report and, ultimately, the actions taken by the Registrant's principal regulator.

"Debra Foubert", J.D.
Director, Compliance and Registrant Regulation Branch
Ontario Securities Commission
Dated: April 29, 2019

1 Letter from Dale Wells to Director or the OSC (March 20, 2019), page 1.

2 Letter from Dale Wells to Director or the OSC (March 20, 2019), page 1.

3 Letter from Dale Wells to Director or the OSC (March 20, 2019), page 2.

Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

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

Failure to File Cease Trade Orders

Company Name	Date of Order	Date of Revocation
Agility Health, Inc.	06 May 2019	
Atlanta Gold Inc.	06 May 2019	
Berkley Renewables Inc.	06 May 2019	
Blockchain Power Trust	06 May 2019	
Calyx Ventures Inc.	06 May 2019	
Canamex Gold Corp.	06 May 2019	
CAT Strategic Metals Corporation	06 May 2019	
Cheetah Canyon Resources Corp.	06 May 2019	
Clarocity Corporation	06 May 2019	
Compel Capital Inc.	06 May 2019	
Corsurex Resource Corp.	06 May 2019	
CryptoStar Corp.	06 May 2019	
Current Water Technologies Inc.	06 May 2019	
Divestco Inc.	06 May 2019	
DNI Metals Inc.	07 May 2019	
Dundee Energy Limited	06 May 2019	
Empower Clinics Inc.	06 May 2019	
Environmental Waste International Inc.	06 May 2019	
First Mexican Gold Corp.	06 May 2019	
GoverMedia Plus Canada Corp.	06 May 2019	
Gravitas Financial Inc.	06 May 2019	
Imex Systems Inc.	06 May 2019	
Knick Exploration Inc.	07 May 2019	
Kraken Robotics Inc.	06 May 2019	
Mercal Capital Corp.	06 May 2019-	
MJardin Group, Inc.	06 May 2019	

Company Name	Date of Order	Date of Revocation
Natcore Technology Inc.	06 May 2019	
Northern Sphere Mining Corp.	06 May 2019	
ONEnergy Inc.	06 May 2019	
Pennine Petroleum Corporation	06 May 2019	
Petrocapita Income Trust	06 May 2019	
Rosita Mining Corporation	06 May 2019	
RYU Apparel Inc.	06 May 2019	
St-Georges Eco-Mining Corp.	06 May 2019	
Strategic Oil & Gas Ltd.	06 May 2019	
Sweet Natural Trading Co. Limited	06 May 2019	
Tenth Avenue Petroleum Corp.	06 May 2019	
The Mint Corporation	06 May 2019	
Tower One Wireless Corp	06 May 2019	
Tribute Resources Inc.	06 May 2019	
Vivione Biosciences Inc.	06 May 2019	
Walton Big Lake Development L.P.	06 May 2019	
Wayland Group Corp.	06 May 2019	

4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order	Date of Lapse
Blocplay Entertainment Inc.	03 May 2019	
Dionymed Brands Inc.	03 May 2019	
HyperBlock Inc.	02 May 2019	
Organto Foods Inc.	02 May 2019	
Reservoir Capital Corp.	02 May 2019	
TREE OF KNOWLEDGE INTERNATIONAL CORP.	01 May 2019	

4.2.2 Outstanding Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
Performance Sports Group Ltd.	19 October 2016	31 October 2016	31 October 2016		

Company Name	Date of Order	Date of Lapse
Blocplay Entertainment Inc.	03 May 2019	
Dionymed Brands Inc.	03 May 2019	

Company Name	Date of Order	Date of Lapse
HyperBlock Inc.	02 May 2019	
Katanga Mining Limited	15 August 2017	
Namaste Technologies Inc.	04 April 2019	
Organto Foods Inc.	02 May 2019	
Reservoir Capital Corp.	02 May 2019	
TREE OF KNOWLEDGE INTERNATIONAL CORP.	01 MAY 2019	

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Request for Comments

6.1.1 Proposed Amendments to National Instrument 44-102 Shelf Distributions and Change to Companion Policy 44-102CP Shelf Distributions relating to At-the-Market Distributions

CSA/ACVM Canadian Securities Administrators Autorités canadiennes en valeurs mobilières

CSA Notice and Request for Comment
Proposed Amendments to National Instrument 44-102 *Shelf Distributions* and Change to Companion Policy 44-102CP *Shelf Distributions* relating to At-the-Market Distributions

May 9, 2019

Introduction

The Canadian Securities Administrators (**CSA** or **we**) are publishing, for a 90-day comment period, proposed amendments to National Instrument 44-102 *Shelf Distributions* (**NI 44-102**) and a proposed change to Companion Policy 44-102CP *Shelf Distributions* (**44-102CP**). We are proposing amendments to Part 9 of NI 44-102 (the **Proposed Amendments**) to replace relief that has historically been required by issuers conducting at-the-market (**ATM**) distributions of equity securities.

This notice contains the following annexes:

- Annex A – Proposed Amendments to NI 44-102
- Annex B – Proposed Change to Companion Policy 44-102CP
- Annex C – Local Matters

This notice will also be available on the following website of CSA jurisdictions:

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

Substance and Purpose

Part 9 of NI 44-102 contemplates the distribution of equity securities by way of an ATM distribution using the shelf procedures. Part 9 of NI 44-102 does not currently provide an exemption for the prospectus delivery requirement. Because of the nature of ATM distributions, issuers are required to request exemptive relief (**ATM Orders**) from certain prospectus-related requirements if they wish to conduct ATM distributions in Canada. The Proposed Amendments are aimed at reducing the regulatory burden for issuers who wish to conduct ATM distributions, without compromising investor protection. The Proposed Amendments adopt the terms found in ATM Orders, so that issuers would not have to apply for exemptive relief to conduct ATM distributions.

Background

The Proposed Amendments are informed by comment letters received respecting ATM distributions in response to CSA Consultation Paper 51-404 *Considerations for Reducing Regulatory Burden for Non-Investment Fund Reporting Issuers* as summarized in CSA Staff Notice 51-353 *Update on CSA Consultation Paper 51-404 Considerations for Reducing Regulatory Burden for Non-Investment Fund Reporting Issuers*.

NI 44-102 was adopted in 2000. The requirements of Part 9, together with the conditions that appear in ATM Orders (collectively, the **ATM Requirements**) form the regulatory framework for ATM distributions in Canada. The ATM Requirements were derived in part from rules previously adopted by the U.S. Securities and Exchange Commission (**SEC**), where ATM distributions have been conducted since the early 1980s.

ATM distributions in Canada are not as common as they are in the U.S. market. Industry participants have observed that the lack of ATM distributions in Canada may be due to restrictions and obligations imposed by the ATM Requirements. In particular, we understand that certain requirements originally applicable to U.S. ATM distributions, and upon which some of the ATM Requirements were based, have since been relaxed or abandoned by the SEC.

Summary of the Proposed Amendments

The Proposed Amendments include:

- An exemption for the underwriter from the requirement to deliver a prospectus to purchasers in a distribution of securities;

- An exemption for the issuer and underwriter from certain of the prospectus form requirements, including a relaxation of the form of statement of rights.

The Proposed Amendments contain several requirements for issuers and underwriters conducting ATM distributions taken from the ATM Orders. Additionally, the Proposed Amendments contain a requirement that an issuer must disclose on the cover page of its base shelf prospectus that it may qualify an ATM distribution.

The Proposed Amendments contemplate two different approaches (labelled as Option 1 and Option 2 in Annex A) to conducting ATM distributions. Once the CSA has reviewed the comments received with respect to Options 1 and 2, the CSA will select one of these two options to include in the amendments to Part 9 of NI 44-102.

Option 1: Limit ATMs to circumstances in which liquidity would be expected

The first approach allows an issuer to distribute securities under an ATM prospectus, as that term is defined in the Proposed Amendments, only if (i) the aggregate number of securities of the class distributed on one or more ATM exchanges under the ATM prospectus on any trading day does not exceed 25% of the trading volume of that class on all marketplaces on that day (the **25% Daily Cap**) or (ii) the securities are "highly liquid securities", as defined in the Proposed Amendments.

The 25% Daily Cap is a requirement that has been typically imposed in the ATM Orders. Its purpose was to reduce the risk that an ATM distribution would have a material impact on the price of the securities being distributed. This risk is also reduced where an ATM distribution only involves the issuance of "highly liquid securities."

As with certain of the ATM Orders under the Proposed Amendments, issuers distributing highly liquid securities would not be required to file a monthly report disclosing certain information about the ATM distribution, provided that the same disclosure is made on a quarterly basis.

Under Option 1, issuers that do not have highly liquid securities will be subject to the 25% Daily Cap. The benefits of the exemptions in the Proposed Amendments to such issuers may be limited if the daily trading volume of their securities is low. We acknowledge that such issuers are more likely to be small to mid-size issuers.

Option 2: No liquidity requirements

The second approach is to impose neither the 25% Daily Cap nor the "highly liquid securities" requirement. Arguably, issuers are already incentivized not to conduct ATM distributions that will have a material impact on the market price of their securities. Additionally, an investment dealer must be involved to facilitate the ATM distribution onto the marketplace. The investment dealer, who is expected to have the experience and expertise in managing orders to limit negative impact on market integrity, is also prohibited from engaging in conduct that may disrupt a fair and orderly market.

Removal of 10% Aggregate Cap

Currently, section 9.1 of NI 44-102 provides that the market value of equity securities distributed under a single ATM distribution prospectus supplement may not exceed 10% of the aggregate market value of the issuer's outstanding equity securities of the same class (the **10% Aggregate Cap**). We understand that the 10% Aggregate Cap has been an impediment to the establishment of ATM distributions in Canada and, accordingly, the Proposed Amendments remove it. Its removal does not adversely affect investor protection because the dilution concerns underlying the 10% Aggregate Cap are addressed by other factors, including existing prospectus and continuous disclosure requirements and the requirement to engage an underwriter in the ATM distribution.

Removal of Instalment Receipts

Part 9 of NI 44-102 currently permits issuers to use ATM Distributions to issue instalment receipts convertible into equity securities. However, there does not appear to be a market demand for ATM distributions of instalment receipts in Canada. As a result, the Proposed Amendments do not contemplate instalment receipts.

The proposed changes to 44-102CP correspond to the Proposed Amendments.

Request for Comments

We welcome comments on the Proposed Amendments. In particular, we would like to receive feedback on the following questions:

General Questions

1. Is a "highly liquid securities" test or the 25% Daily Cap necessary to reduce the impact on the market price of an issuer's securities? Please explain.

2. The Proposed Amendments only permit distributions of equity securities. Should the issuance of debt securities under an ATM distribution be permitted? If yes, please explain the market need and suggest appropriate exemptions and conditions.

*Non-redeemable investment funds (**NRIFs**) and exchange-traded mutual funds (**ETFs**)*

The Proposed Amendments would permit ATM distributions by NRIFs or by ETFs that are not in continuous distribution (**ETFNCDs**). The Proposed Amendments do not remove the ETF Facts delivery requirement that applies to dealers transacting in securities of ETFs in continuous distribution. We have not otherwise added any conditions particular to NRIFs or ETFNCDs. NRIFs and ETFNCDs are already or will be subject to some operational requirements under National Instrument 81-102 *Investment Funds* that they must comply with on an on-going basis such as the requirements to not issue new securities at a price less than the fund's net asset value per security or to not invest in illiquid assets making more than 20% of their net asset value.

3. Do you think that permitting NRIFs and ETFNCDs to conduct ATM distributions is warranted, based on differences in their distribution model and investor base compared to ETFs in continuous distribution?

4. If the CSA permits NRIFs and ETFNCDs to use ATM distributions, what additional conditions, if any, should apply?

5. Net asset value (**NAV**) is calculated daily, if using specified derivatives or selling short, or, otherwise, weekly. How frequently should the NAV be calculated with respect to ATM distributions?

6. Under new restrictions that came into force on January 3, 2019, NRIFs are generally limited to having 25% of assets in illiquid assets. However, illiquid assets are difficult to value. We have concerns that the NAV in some cases may be "stale" and may not reflect the economic value of the underlying assets. Should we restrict NRIFs with significant illiquid assets from conducting ATM distributions? What should the threshold be?

Please submit your comments in writing on or before August 7, 2019.

Address your submission to all of the CSA as follows:

British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
Financial and Consumer Services Commission (New Brunswick)
Department of Justice and Public Safety, Prince Edward Island
Nova Scotia Securities Commission
Superintendent of Securities, Newfoundland and Labrador
Superintendent of Securities, Northwest Territories
Superintendent of Securities, Yukon
Superintendent of Securities, Nunavut

Deliver your comments **only** to the addresses listed below. Your comments will be distributed to the other participating CSA jurisdictions.

The Secretary
Ontario Securities Commission
20 Queen Street West
22nd Floor
Toronto, Ontario
M5H 3S8
Fax: 416-593-2318
comments@osc.gov.on.ca

Me Anne-Marie Beaudoin
Corporate Secretary
Autorité des marchés financiers
800, rue du Square-Victoria, 4e étage
C.P. 246, Place Victoria
Montréal (Québec) H4Z 1G3
Fax : 514-864-6381
consultation-en-cours@lautorite.qc.ca

Comments Received will be Publicly Available

We cannot keep submissions confidential because securities legislation in certain provinces requires publication of a summary of the written comments received during the comment period. Please note that comments received will be made publicly available and posted on websites of the Alberta Securities Commission at www.albertasecurities.com, the Ontario Securities Commission at www.osc.gov.on.ca and the Autorité des marchés financiers at www.lautorite.qc.ca, and may be posted on the websites of certain other securities regulatory authorities. You should not include personal information directly in the comments to be published. It is important that you state on whose behalf you are making the submission.

Questions

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ANNEX A

PROPOSED AMENDMENTS TO NATIONAL INSTRUMENT 44-102 *SHELF DISTRIBUTIONS*

1. National Instrument 44-102 Shelf Distributions is amended by this Instrument.

2. Part 9 is replaced with the following:

PART 9 – AT-THE-MARKET DISTRIBUTIONS OF EQUITY SECURITIES UNDER SHELF

9.1 Definitions

In this Part

"ATM exchange" means

(a) a short form eligible exchange, or

(b) a marketplace outside of Canada;

"ATM prospectus" means

(a) a short form prospectus that is a base shelf prospectus for an at-the-market distribution,

(b) a shelf prospectus supplement to a base shelf prospectus referred to in paragraph (a), and

(c) a shelf prospectus supplement establishing an at-the-market distribution;

"highly-liquid security" means, in relation to an at-the-market distribution, a listed security or quoted security that:

(a) has traded, in total, on one or more marketplaces, as reported on a consolidated market display during a 60-day period ending not earlier than 10 days prior to the distribution:

(i) an average of at least 100 times per trading day, and

(ii) with an average trading value of at least $1,000,000 per trading day; or

(b) at the time of the distribution is subject to Regulation M under the 1934 Act and is considered to be an "actively-traded security" under that regulation.

"investment dealer" has the meaning ascribed to it in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*;

"marketplace" has the meaning ascribed to it in National Instrument 21-101 *Marketplace Operation*.

9.2 Provisions not applicable to at-the-market distributions

(1) The following provisions do not apply to an issuer distributing a security under an ATM prospectus:

(a) section 7.2 of NI 41-101;

(b) Item 20 of Form 44-101F1;

(c) item 8 of section 5.5 of this Instrument.

(2) The following provisions do not apply to an investment dealer acting as an underwriter in connection with the distribution of a security under an ATM prospectus:

(a) section 6.7 or a similar provision under securities legislation;

(b) item 8 of section 5.5 of this Instrument.

9.3 Requirements for issuers and underwriters conducting at-the-market distributions

(1) An issuer may distribute a security under an ATM prospectus as part of an at-the-market distribution if all of the following apply:

[OPTION 1 – LIQUIDITY TEST:

(a) either:

(i) the security being distributed is a highly-liquid security, or

(ii) the aggregate number of securities of the class distributed on all ATM exchanges under the ATM prospectus on the day of the distribution does not exceed 25% of the trading volume of that class on all marketplaces on that day;]

[OPTION 2 – NO LIQUIDITY TEST: paragraph (a) will not be adopted]

(b) the security being distributed is an equity security;

(c) the security is distributed through an investment dealer acting as an underwriter in connection with the distribution;

(d) with respect to any agreement with an investment dealer referred to in paragraph (c) to distribute the security, the issuer

(i) has issued and filed a news release

(A) announcing that the issuer has entered into the agreement,

(B) indicating that an ATM prospectus has been filed, or will be filed, on SEDAR, and

(C) specifying where and how a purchaser of a security under the at-the-market distribution may obtain a copy of the agreement and the ATM prospectus; and

(ii) has filed a copy of the agreement on SEDAR;

(e) the ATM prospectus discloses the material terms of any agreement referred to in paragraph (d);

(f) the issuer distributes the security through an ATM exchange;

(g) the issuer has disclosed the distribution if it constitutes a material fact or material change;

(h) the cover page of the base shelf prospectus states that it may qualify an at-the-market distribution;

(i) the ATM prospectus states in substantially the following words:

"Securities legislation in some provinces [and territories] of Canada provides purchasers of securities with the right to withdraw from an agreement to purchase securities and with remedies for rescission or, in some jurisdictions, revisions of the price, or damages if the prospectus, prospectus supplements relating to securities purchased by a purchaser and any amendment are not delivered to the purchaser, provided that the remedies are exercised by the purchaser within the time limit prescribed by securities legislation. However, purchasers of [describe securities] distributed under an at-the-market distribution by [name of issuer] do not have the right to withdraw from an agreement to purchase the [describe securities] and do not have remedies of rescission or, in some jurisdictions, revisions of the price, or damages for non-delivery of the prospectus supplement, the accompanying prospectus and any amendment thereto relating to [describe securities] purchased by such purchaser because the prospectus supplement, the accompanying prospectus and any amendment thereto relating to the [describe securities] purchased by such purchaser will not be delivered, as permitted under Part 9 of National Instrument 44-102 Shelf Distributions.

Securities legislation in some provinces [and territories] of Canada further provides purchasers with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus, prospectus supplements relating to securities purchased by a purchaser and any amendment contains a misrepresentation. Those remedies must be exercised by the purchaser within the time limit prescribed by securities legislation. Any remedies under securities legislation that a purchaser of [describe securities] distributed under an at-the-market distribution by [name of issuer] may have against [name of issuer] or its agents for rescission or, in some jurisdictions, revisions of the price, or damages if the prospectus supplement, the accompanying prospectus and any amendment thereto relating to securities purchased by a purchaser and any amendment contain a misrepresentation will remain unaffected by the non-delivery of the prospectus referred to above.

A purchaser should refer to any applicable securities legislation for the particulars of these rights and should consult a legal adviser.";

(j) if there has been any previous statement of a purchaser's rights contained in a previous version of the ATM prospectus, the issuer discloses in the ATM prospectus that, solely with regards to the at-the-market distribution, the statement of rights required to be included in the ATM prospectus under paragraph (i) supersedes and replaces the previous statement;

(k) the ATM prospectus states:

"No underwriter of the at-the-market distribution, nor any person or company acting jointly or in concert with an underwriter, may enter into any transaction that is intended to stabilize or maintain the market price of the securities or securities of the same class as the securities distributed under the ATM prospectus, including selling an aggregate number or principal amount of securities that would result in the underwriter creating an over-allocation position in the securities.";

(l) the ATM prospectus includes the certificates required under Part 5 of NI 41-101 or other securities legislation in the form required under section 9.5 or 9.6 of this Instrument, as applicable.

(2) An underwriter of an at-the-market distribution, or a person or company acting jointly or in concert with the underwriter, must not enter into any transaction that is intended to stabilize or maintain the market price of the same class of securities distributed under the at-the-market distribution, including for greater certainty, trading a security that would result in the underwriter creating an over-allocation position in that class of securities.

9.4 Reporting

(1) Subject to subsection (2), for each month during which the issuer distributes securities under an ATM prospectus, the issuer, within 7 days after the end of the month, files a report on SEDAR, disclosing

(a) the number and average price of the securities distributed under the ATM prospectus, and

(b) the aggregate gross and net proceeds raised, and the aggregate commissions paid or payable, under the ATM prospectus to date.

(2) If each security distributed under an ATM prospectus is a highly-liquid security at the time of the at-the-market distribution, subsection (1) does not apply to the distribution if, in its annual financial statements, interim financial reports, and management discussion and analysis filed on SEDAR, for the year and period immediately following the distribution, the issuer discloses

(a) the number and average price of the securities distributed under the ATM prospectus, and

(b) the aggregate gross and net proceeds raised, and the aggregate commissions paid or payable, under the ATM prospectus to date.

9.5 Form of certificates – base shelf prospectus establishing an at-the-market distribution

(1) If a base shelf prospectus establishes an at-the-market distribution, the issuer certificate form required under paragraph 9.3(1)(l) must state the following:

"This short form prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of a particular distribution of securities under the prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of [insert name of each jurisdiction in which qualified]."

(2) If a base shelf prospectus establishes an at-the-market distribution, the underwriter certificate form required under paragraph 9.3(1)(l) must state the following:

"To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of a particular distribution of securities under the prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of [insert name of each jurisdiction in which qualified]."

(3) For an amendment to a base shelf prospectus that includes the form of certificates required under subsections (1) and (2), if the amendment does not restate the base shelf prospectus,

(a) the issuer certificate form must state the following:

"The short form prospectus dated [insert date] as amended by this amendment, together with the documents incorporated in this prospectus by reference, will, as of the date of a particular distribution of securities under the prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of [insert name of each jurisdiction in which qualified]. "

(b) the underwriter certificate form must state the following:

"To the best of our knowledge, information and belief, the short form prospectus dated [insert date] as amended by this amendment, together with the documents incorporated in this prospectus by reference, will, as of the date of a particular distribution of securities under the prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of [insert name of each jurisdiction in which qualified]."

(4) For an amended and restated base shelf prospectus in respect of a base shelf prospectus that includes the certificates required under subsections (1) and (2),

(a) the issuer certificate form must state the following:

"This amended and restated short form prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of a particular distribution of securities under the prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of [insert name of each jurisdiction in which qualified]."

(b) the underwriter certificate form must state the following:

"To the best of our knowledge, information and belief, this amended and restated short form prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of a particular distribution of securities under the prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of [insert name of each jurisdiction in which qualified]."

9.6 Form of certificates – shelf prospectus supplement establishing an at-the-market distribution

(1) If the form of certificate required under subsection 9.5(1) was not included in the corresponding base shelf prospectus, the issuer certificate form required under paragraph 9.3(1)(l) must, in a shelf prospectus supplement that establishes an at-the-market distribution, state the following:

"The short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, will, as of the date of a particular distribution of securities under the prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and the supplement(s) as required by the securities legislation of [insert name of jurisdiction in which qualified]."

(2) If the form of certificate required under subsection 9.5(2) was not included in the corresponding base shelf prospectus, the underwriter certificate form required under paragraph 9.3(1)(l) must, in a shelf prospectus supplement that establishes an at-the-market distribution, state the following:

"To the best of our knowledge, information and belief, the short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, will, as of the date of a particular distribution of securities under the prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and the supplement(s) as required by the securities legislation of [insert name of jurisdiction in which qualified]."

(3) For an amendment to a shelf prospectus supplement in respect of a shelf prospectus supplement that includes the certificates required under subsections (1) and (2), if the amendment does not restate the shelf prospectus supplement,

(a) the issuer certificate form must state the following:

"The short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing as it amends the shelf prospectus supplement dated [insert date], will, as of the date of a particular distribution of securities under the prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and the supplement(s) as required by the securities legislation of [insert name of jurisdiction in which qualified]."

(b) the underwriter certificate form must state the following:

"To the best of our knowledge, information and belief, the short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing as it amends the shelf prospectus supplement dated [insert date], will, as of the date of a particular distribution of securities under the prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and the supplement(s) as required by the securities legislation of [insert name of jurisdiction in which qualified]."

(4) For an amended and restated shelf prospectus supplement in respect of a shelf prospectus supplement that includes the certificates required under subsections (1) and (2),

(a) the issuer certificate form must state the following:

"The short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, will, as of the date of a particular distribution of securities under the prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and the supplement(s) as required by the securities legislation of [insert name of jurisdiction in which qualified]."

(b) the underwriter certificate form must state the following:

"To the best of our knowledge, information and belief, the short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, will, as of the date of a particular distribution of securities under the prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and the supplement(s) as required by the securities legislation of [insert name of jurisdiction in which qualified]."

3. These amendments come into force on ●.

ANNEX B

PROPOSED CHANGES TO COMPANION POLICY 44-102CP *TO NATIONAL INSTRUMENT 44-102 SHELF DISTRIBUTIONS*

1. Companion Policy 44-102CP to National Instrument 44-102 Shelf Distributions is changed by this Document.

2. The following Part is added:

PART 5 – AT-THE-MARKET DISTRIBUTIONS OF EQUITY SECURITIES UNDER SHELF

5.1 Purpose

The purpose of Part 9 of NI 44-102 is to provide exemptions from certain regulatory requirements, subject to conditions, so that issuers and underwriters may distribute securities under an ATM prospectus.

5.2 Definition of highly-liquid security

It is the issuer's responsibility to determine if a security is a highly-liquid security. The definition of "highly-liquid security" is intended to be identical in substance to the one found in IIROC's Universal Market Integrity Rules (UMIR) except that, in relation to an at-the-market distribution, the determination is made at the time of each at-the-market distribution. The definition includes the expression "consolidated market display", which is also defined in UMIR. To assist an issuer in making such a determination, IIROC maintains a list of highly-liquid securities. The definition of "consolidated market display" and the list of highly-liquid securities prepared by IIROC are available on IIROC's website at www.iiroc.ca.

5.3 Disclosure of Intention to Qualify At-the-Market Distribution

(1) Paragraph 9.3(1)(h) of Part 9 of NI 44-102 requires that an issuer disclose on the cover page of its base shelf prospectus that the prospectus may qualify an at-the-market distribution. An at-the-market distribution cannot be established by shelf prospectus supplement unless the base shelf prospectus has met this requirement. The securities regulatory authorities are of the view that a base shelf prospectus that is intended to qualify an at-the-market distribution may result in additional review respecting sufficiency of proceeds, an issuer's business or a recent reverse take-over of former shell companies. In connection with this review, the securities regulatory authorities may consider a number of factors, including

(a) the number of securities that may be qualified by the base shelf prospectus;

(b) the total number of issued and outstanding securities of the same class; and

(c) the trading volume of the securities of the same class.

(2) An issuer should qualify the statements required by paragraphs 2 and 3 of section 5.5 of NI 44-102 in its base shelf prospectus to indicate that delivery is not required where an exemption from the delivery requirements referred to in these provisions is available.

5.4 Material Fact or Material Change

(1) In determining whether a proposed distribution of securities under an ATM prospectus would constitute a material fact or material change under paragraph 9.3(1)(g) of NI 44-102, the issuer should take into account a number of factors including

(a) the parameters of the proposed distribution, including the number of securities proposed to be distributed and any price or timing restrictions that the issuer may impose with respect to the proposed distribution;

(b) the percentage of the outstanding securities of the same class that the number of securities proposed to be distributed represents;

(c) previous, and cumulative, distributions of securities under the ATM prospectus;

(d) whether the investment dealer has advised the issuer that the proposed distribution may have a significant impact on the market price of securities of the same class;

(e) trading volume and volatility of securities of the same class;

(f) recent developments in the business, operations or capital of the issuer; and

(g) prevailing market conditions generally.

(2) The issuer will have an interest in minimizing the market impact of an at-the-market distribution. If a proposed distribution of securities under an ATM prospectus could have a significant impact on the market price of securities of the same class as the securities proposed to be distributed, the proposed distribution may disrupt a fair and orderly market. The investment dealer selected by the issuer will have experience and expertise in managing orders to limit any negative effect on market integrity. An investment dealer is prohibited from engaging in conduct that may disrupt a fair and orderly market under IIROC rules and standards of conduct.

5.5 Selling Agent

It is best practice to include language in an ATM prospectus that a purchaser's rights and remedies under applicable securities legislation against the dealer underwriting or acting as an agent for the issuer in an at-the-market distribution will not be affected by that dealer's decision to effect the distribution directly or through a selling agent.

5.6 Designated News Releases

To ensure an ATM prospectus includes full, true and plain disclosure of all material facts related to the securities distributed under the ATM prospectus, the issuer may file a designated news release rather than filing a prospectus supplement or an amended prospectus. If an issuer disseminates a news release disclosing information that, in the issuer's determination, constitutes a "material fact", the issuer should identify the news release as a "designated news release" for the purposes of the ATM prospectus. This designation should be made on the face page of the version of the news release filed on SEDAR. An ATM prospectus should provide that any such designated news release will be deemed to be incorporated by reference into the ATM prospectus.

5.7 Prospectus Certificates

The certificates required to be filed under paragraph 9.3(1)(l) of NI 44-102 in the form required under sections 9.5 and 9.6 of NI 44-102, as applicable, are forward looking certificates confirming that the ATM prospectus provides full, true and plain disclosure of all material facts relating to the securities distributed under the ATM prospectus as of the date of each distribution under an ATM prospectus. For promoters of an at-the-market distribution, the certificate of promoter required under Part 5 of NI 41-101 should be in the form required by section 9.5 or 9.6 of NI 44-102, as applicable.

5.8 Filing Jurisdictions

Issuers are required to file a prospectus in every jurisdiction where a distribution will occur. However, because purchases in an at-the-market distribution are made directly on a securities exchange, it is difficult to determine where a distribution will occur because issuers and dealers are unable to determine where a purchaser is located at the time of the trade. As a result, it is possible that purchasers under an at-the-market distribution can be located in any jurisdiction of Canada.

3. These changes become effective on ●.

ANNEX C

LOCAL MATTERS
ONTARIO SECURITIES COMMISSION

Introduction

The CSA are proposing the following changes:

- proposed amendments to National Instrument 44-102 *Shelf Distributions*, and
- a proposed change to Companion Policy 44-102CP *Shelf Distributions*.[1]

Please refer to the main body of the CSA notice in which this Annex is included.

Description of Anticipated Costs and Benefits of Proposed NI 44-102 Amendments.

1. Overview

As stated in the Notice, the Proposed Amendments have been informed by comments received in response to CSA Consultation Paper 51-404 *Considerations for Reducing Regulatory Burden for Non-Investment Fund Reporting Issuers* (**CSA Consultation Paper 51-404**). The Proposed Amendments aim to replace relief that has been required by issuers conducting ATM distributions of equity securities and liberalize the current ATM distribution regime in Canada.

The Proposed Amendments will reduce the regulatory burden for issuers and agents who wish to conduct ATM distributions, as these stakeholders will no longer have to incur costs associated with obtaining relief, such as application and legal fees, estimated to be approximately $15,000 per application. The speed at which issuers and agents will be able to conduct ATM distributions will also be improved as such distributions will be readily available to market participants who qualify to distribute ATM securities under the Proposed Amendments.

In addition, the Proposed Amendments are expected to increase the number of ATM distributions conducted in Canada, which will in turn benefit Canadian exchanges and certain Canadian investment dealers.

Investor protection is not expected to be compromised, as the relevant investor protection conditions currently found in the exemptive relief orders have been incorporated into the Proposed Amendments.

We are of the view that the regulatory costs associated with the Proposed Amendments are minimal and are outweighed by the benefits of the Proposed Amendments to stakeholders.

2. Affected Stakeholders

2.1 Reporting Issuers

Reporting issuers will benefit from the Proposed Amendments as they will no longer have to incur legal and regulatory expenses associated with applications for exemptive relief. ATM distributions will also be readily available to qualifying issuers, thereby eliminating the time delay associated with the application process.

2.2 Investment Dealers

Investment Dealers will also benefit from the Proposed Amendments in the same manner as reporting issuers. Under the existing regime, investment dealers without a U.S. affiliate are also at a competitive disadvantage because issuers that are cross-listed may elect to issue securities by way of an ATM distribution in the U.S. only, due to the complexity of the Canadian ATM model. By removing the costs and time delays associated with the Canadian regime, the Proposed Amendments are expected to encourage ATM distributions in Canada which would result in an additional benefit for certain investment dealers.

2.3 Exchanges

The Canadian exchanges, namely the TSX, TSXV, CSE and Neo/Aequitas will also benefit from the Proposed Amendments. Much as with the investment dealers noted at section 2.2, Canadian exchanges are at a disadvantage to their U.S. counterparts with respect to ATM distributions. Cross-listed issuers often decide to conduct ATM distributions solely over a U.S. exchange in

[1] The proposed change provides guidance in the application of the Proposed Amendments.

order to avoid the costs and delays associated with the existing regime in Canada. The Proposed Amendments are expected to encourage ATM distributions in Canada, which could result in an increase in revenue for Canadian exchanges.

3. Non-Affected Stakeholders

3.1 Investors

The impact of the Proposed Amendments on investors (both institutional and retail), has also been considered. We note that the Proposed Amendments have been informed by stakeholder comments received as a result of CSA Consultation Paper 51-404, including from investor advocacy groups. The Proposed Amendments also include relevant conditions from the ATM exemptive relief orders aimed at protecting investors. We are of the view that institutional and retail investors will be neither negatively nor positively affected by the Proposed Amendments considering that no substantive changes have been made to the investor protection conditions included in historical relief orders.

4. Description of Anticipated Costs and Benefits of the Proposed Revisions

There are currently approximately 2,629 listed issuers in Canada[2] of which 261 issuers are cross-listed on a U.S. exchange.[3]

At the end of 2017 there were approximately 3,600 publicly listed companies in the U.S.[4] and for year ended December 31, 2017, approximately 290 ATM distributions were announced. Considering that only 3 ATM distributions were announced in Canada in 2017, it appears that a larger proportion of U.S. listed issuers make use of ATM distributions than Canadian issuers.

Stakeholders have informed the CSA that Canadian reporting issuers are at a competitive disadvantage to their counterparts in the U.S. under the existing ATM distribution framework.[5] Stakeholders have also indicated that cross-listed issuers have incentive to pursue financing by way of a U.S. only ATM offering.[6]

Since 2010, 24 Canadian reporting issuers have conducted 30 ATM distributions and committed to raising approximately $2.76 billion in capital. This is compared to approximately 1435 distributions announced by 885 issuers in the U.S. with a total commitment amount of $245 billion during the same period.

Of the 30 ATM distributions by Canadian issuers, 5 were in Canada only, 3 were conducted in both Canada and the U.S. and 22 were conducted in the U.S. only. A chart detailing the commitment amounts in each jurisdiction can be found at Figure 1.

Figure 1.

ATM Distributions by Canadian Reporting Issuers since 2010		
Jurisdiction	**Total number of ATMs**	**Total Commitments**
Canada	5	$1.33 billion
Cross-Border	3	$610 million
U.S.	22	$822 million
Total	**30**	**$2.76 billion**

A significant number of cross-listed issuers appear to have conducted ATM distributions exclusively in the U.S. since 2010 and these distributions represent approximately one-third of total commitments under such distributions during the same period.

We further note that the OSC has granted approximately 32 applications for exemptive relief for ATM distributions since 2010. The difference between the number of decisions granted and the number of issuers that have offered securities under an ATM distribution can be accounted for by the fact that, under the current regime, issuers and investment dealers must obtain relief if (i)

2 This figure is based on (i) 804 TSX (excluding exchange-traded funds and closed-end funds) and 1,707 TSXV listed issuers as of December 31, 2018; (ii) 112 CSE listed issuers as of December 21, 2018 and (iii) 6 NEO Aequitas listed issuers as of December 21, 2018. Please see the December 2018 MiG Report and related MiG Lists for further information regarding TSX and TSXV issuers https://www.tsx.com/listings/current-market-statistics consulted on January 15, 2019.

3 This figure includes issuers listed on Nasdaq, NYSE, NYSE Markets, and the OTC Markets.

4 Bloomberg Editorial Board, "Where Have All the Public Companies Gone?", Bloomberg Opinion, April 9, 2018 https://www.bloomberg.com/opinion/articles/2018-04-09/where-have-all-the-u-s-public-companies-gone consulted on January 11, 2019.

5 CSA Staff Notice 51-353 p. 13.

6 CSA Staff Notice 51-353 p. 13. Please also see Comerford, Jason; Lando, Rob; and Chai, Jie, "*At-the-market (ATM) offerings using the Multijurisdictional Disclosure System (MJDS): How the MJDS can turn your U.S. listing into an automated teller machine (the other kind of ATM)"* dated April 30, 2018. https://www.osler.com/en/resources/cross-border/2018/at-the-market-atm-offerings-using-the-multijurisdictional-disclosure-system-mjds consulted on January 7, 2019.

an issuer anticipates distributing securities by way of an ATM and (ii) prior to the two parties entering into an equity distribution agreement. If an issuer does not end up conducting an ATM distribution or if the two parties do not enter into an equity distribution agreement, then the relief will not be used.

Direct Effects

We have estimated that it takes on average, approximately 16 hours to process a routine application for ATM relief. Based on this figure, we have assumed that external legal counsel may require approximately 32 hours for this type of application. Typically, a lawyer with approximately 2 to 5 years' experience would represent an issuer on an ATM application and the national average hourly rate for a lawyer with this level of experience is $251.40.[7] Based on these assumptions, the total amount in legal fees per ATM application is approximately $8,000.

In addition to the fees incurred to retain counsel, filers must also pay a $7,000 application fee to the OSC in accordance with Appendix C of OSC Rule 13-502 *Fees*. Accordingly, an issuer and investment dealer that wish to distribute securities by way of an ATM will incur a total cost of approximately $15,000 per relief application.

The above-noted cost does not include any cost associated with time spent by an issuer's and an investment dealer's management. We note that management is typically involved in the review and approval of a relief application and the associated cost will vary based on an executive's salary and prior experience with ATM applications. This time should be considered in the overall cost of the relief.

We note that under the current regime, an ATM order is valid only for the duration of a base shelf prospectus which, pursuant to NI 44-102, is 25 months. Consequently, the cost noted above may represent a recurring expense for market participants.

The Proposed Amendments will eliminate the above-noted costs completely resulting in an immediate benefit to issuers and investment dealers.

Indirect Effects

Part of the complexity inherent in the existing Canadian ATM distributions model can be attributed to the time required to obtain relief.[8] Accordingly, another benefit that will result from the Proposed Amendments, but which is less easily quantified, is the speed within which an issuer will be able to bring an ATM offering to market. Again, staff requires approximately 16 hours to process a routine ATM application. This time is typically spread out over the course of several weeks and involves multiple steps including, but not limited to: (i) reviewing an application; (ii) issuing comments to filing counsel, (iii) resolving outstanding issues; (iv) drafting recommendations and (v) securing time with Commission panel members responsible for granting the relief. The OSC service standard for routine applications is 40 business days[9] and it is not uncommon for the review process to take this amount of time. Under the Proposed Amendments, issuers will no longer be subject to application processing times as ATM distributions will be readily available to market participants who qualify under the Proposed Amendments. This will allow issuers to raise capital more quickly and efficiently than under the existing framework.

Considering that there are approximately 524 Canadian issuers with highly-liquid securities,[10] we are of the view that approximately 20% of reporting issuers in Canada could benefit from the Proposed Amendments, if Option 1 is implemented. 100% of issuers could benefit from the Proposed Amendments if Option 2 is implemented. However, the actual use of ATM distributions will depend on market conditions and the capital needs of individual qualifying firms.

Rule-making authority

In Ontario, the following provisions of the *Securities Act* (the Act) provide the Commission with authority to make the Proposed Amendments:

- Subparagraphs 16 (iii) and (ix) of subsection 143(1) of the Act authorize the Commission to make rules in respect of, or varying the Act to facilitate, expedite or regulate in respect of, the distribution of securities, including by establishing:

7 Bruineman, Marg. "*The right price*: Canadian Lawyer*'s 2018 Legal Fees Survey shows some bright spots for law firms despite a highly competitive market*" Canadian Lawyer, April 2018 https://www.canadianlawyermag.com/staticcontent/AttachedDocs/CL_Apr_18_LegalFeesSurvey.pdf consulted on January 7, 2019.

8 *Ibid* note 5.

9 Please see the OSC's service commitment for more information: http://www.osc.gov.on.ca/en/About_service-standards_index.htm consulted on January 7, 2019.

10 Please see IIROC's list of highly-liquid securities http://www.iiroc.ca/industry/rulebook/Pages/Highly-Liquid-Stocks.aspx consulted on January 7, 2019.

- requirements in respect of distributions of securities on a continuous or delayed basis, and
- provisions for varying withdrawal rights

- Paragraph 53 of subsection 143(1) of the Act authorizes the Commission to make rules providing for exemptions from or varying the requirements of section 71.

Alternatives Considered

An alternative considered was to maintain the *status quo*, which requires issuers to obtain exemptive relief prior to issuing securities by way of an ATM distribution. For the reasons stated in the cost-benefit analysis above, we are of the view that the *status quo* imposes an undue regulatory burden on market participants and the benefit of adopting the Proposed Amendments outweighs any associated regulatory cost.

Reliance on Unpublished Studies

In developing the Proposed Amendments, we are not relying on any significant unpublished study, report or other written material.

Chapter 7

Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as as in Carswell's internet service SecuritiesSource (see www.carswell.com).

This chapter contains a weekly summary of insider transactions of Ontario reporting issuers in the System for Electronic Disclosure by Insiders (SEDI). The weekly summary contains insider transactions reported during the seven days ending Sunday at 11:59 pm.

To obtain Insider Reporting information, please visit the SEDI website (www.sedi.ca).

Chapter 11

IPOs, New Issues and Secondary Financings

INVESTMENT FUNDS

Issuer Name:
Mackenzie Canadian Balanced Fund
Mackenzie Canadian Resource Fund
Principal Regulator – Ontario
Type and Date:
Amendment #3 to Final Simplified Prospectus dated April 29, 2019
Received on May 1, 2019
Offering Price and Description:
–
Underwriter(s) or Distributor(s):
Quadrus Investment Services Ltd.
Quadrus Investment Services Inc.
Promoter(s):
Mackenzie Financial Corporation
Project #2767715

Issuer Name:
Renaissance Global Resource Fund
Principal Regulator – Ontario
Type and Date:
Amendment #1 to Final Simplified Prospectus dated May 2, 2019
Received on May 2, 2019
Offering Price and Description:
–
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
CIBC Asset Management Inc.
Project #2796618

Issuer Name:
Brompton North American Financials Dividend ETF
Principal Regulator – Ontario
Type and Date:
Amendment #1 to Final Long Form Prospectus dated April 29, 2019
Received on April 30, 2019
Offering Price and Description:
–
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
Brompton Funds Limited
Project #2809968

Issuer Name:
Mackenzie Canadian Balanced Fund
Mackenzie Canadian Resource Fund
Mackenzie US Dividend Registered Fund
Mackenzie US Strategic Income Fund
Principal Regulator – Ontario
Type and Date:
Amendment #3 to Final Simplified Prospectus dated April 29, 2019
Received on May 1, 2019
Offering Price and Description:
–
Underwriter(s) or Distributor(s):
Quadrus Investment Services Ltd.
LBC Financial Services Inc
Promoter(s):
Mackenzie Financial Corporation
Project #2804068

Issuer Name:
Mackenzie Canadian Resource Fund
Principal Regulator – Ontario
Type and Date:
Amendment #1 to Final Simplified Prospectus dated April 29, 2019
Received on May 1, 2019
Offering Price and Description:
–
Underwriter(s) or Distributor(s):
LBC Financial Services Inc.
Promoter(s):
Mackenzie Financial Corporation
Project #2827888

Issuer Name:
Purpose MLP & Infrastructure Income Fund (to be renamed Purpose Enhanced Premium Yield Fund)
Principal Regulator – Ontario
Type and Date:
Amendment #5 to Final Simplified Prospectus dated May 29, 2019
Received on May 2, 2019
Offering Price and Description:
–
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
Purpose Investments Inc.
Project #2764789

Issuer Name:
Mackenzie Canadian Balanced Fund
Mackenzie Canadian Resource Fund
Principal Regulator – Ontario
Type and Date:
Amendment #3 to Final Simplified Prospectus dated April 29, 2019
NP 11-202 Receipt dated May 3, 2019
Offering Price and Description:
–
Underwriter(s) or Distributor(s):
Quadrus Investment Services Ltd.
Quadrus Investment Services Inc.
Promoter(s):
Mackenzie Financial Corporation
Project #2767715

Issuer Name:
Brompton North American Financials Dividend ETF
Principal Regulator – Ontario
Type and Date:
Amendment #1 to Final Long Form Prospectus dated April 29, 2019
NP 11-202 Receipt dated April 30, 2019
Offering Price and Description:
–
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
Brompton Funds Limited
Project #2809968

Issuer Name:
Franklin Canadian Core Equity Fund
Franklin Emerging Markets Core Equity Fund
Franklin International Core Equity Fund
Franklin Select U.S. Equity Fund (formerly, Franklin U.S. Core Equity Fund)
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated May 1, 2019
NP 11-202 Receipt dated May 3, 2019
Offering Price and Description:
Series O securities @ net asset value
Underwriter(s) or Distributor(s):
Franklin Templeton Investments Corp.
Promoter(s):
Franklin Templeton Investments Corp.
Project #2886693

Issuer Name:
Franklin Conservative Income ETF Portfolio
Franklin Core ETF Portfolio
Franklin Growth ETF Portfolio
Principal Regulator – Ontario
Type and Date:
Amendment #1 to Final Simplified Prospectus dated April 22, 2019
NP 11-202 Receipt dated April 30, 2019
Offering Price and Description:
Series A, F, FT, O and T securities
Underwriter(s) or Distributor(s):
FTC Investor Services Inc.
Franklin Templeton Investments Corp.
Promoter(s):
Franklin Templeton Investments Corp.
Project #2862415

Issuer Name:
Mackenzie Canadian Balanced Fund
Mackenzie Canadian Resource Fund
Mackenzie US Dividend Registered Fund
Mackenzie US Strategic Income Fund
Principal Regulator – Ontario
Type and Date:
Amendment #3 to Final Simplified Prospectus dated April 29, 2019
NP 11-202 Receipt dated May 3, 2019
Offering Price and Description:
–
Underwriter(s) or Distributor(s):
Quadrus Investment Services Ltd.
LBC Financial Services Inc
Promoter(s):
Mackenzie Financial Corporation
Project #2804068

Issuer Name:
Mackenzie Canadian Resource Fund
Principal Regulator – Ontario
Type and Date:
Amendment #1 to Final Simplified Prospectus dated April 29, 2019
NP 11-202 Receipt dated May 3, 2019
Offering Price and Description:
–
Underwriter(s) or Distributor(s):
LBC Financial Services Inc.
Promoter(s):
Mackenzie Financial Corporation
Project #2827888

Issuer Name:
Manulife Strategic Income Fund
Manulife Strategic Investment Grade Global Bond Fund
Manulife U.S. Dollar Strategic Income Fund
Principal Regulator – Ontario
Type and Date:
Amendment #6 to Final Simplified Prospectus dated April 24, 2019
NP 11-202 Receipt dated May 6, 2019
Offering Price and Description:
–
Underwriter(s) or Distributor(s):
Manulife Securities Incorporated/Manulife Securities Investment Services Inc.
Promoter(s):
N/A
Project #2783412

Issuer Name:
Ninepoint Alternative Health Fund (formerly Ninepoint UIT Alternative Health Fund)
Ninepoint Concentrated Canadian Equity Fund
Ninepoint Diversified Bond Class
Ninepoint Diversified Bond Fund
Ninepoint Energy Fund
Ninepoint Enhanced Balanced Fund
Ninepoint Enhanced Equity Class
Ninepoint Enhanced U.S. Equity Class
Ninepoint Focused Global Dividend Class
Ninepoint Global Infrastructure Fund
Ninepoint Global Real Estate Fund
Ninepoint Gold and Precious Minerals Fund
Ninepoint High Interest Savings Fund (formerly, Ninepoint Short-Term Bond Fund)
Ninepoint International Small Cap Fund
Ninepoint Resource Class
Ninepoint Silver Equities Class
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated April 26, 2019
NP 11-202 Receipt dated April 30, 2019
Offering Price and Description:
Series A, Series F, Series I and Series D Securities Series T, Series FT, Series P, Series PT, Series PF, Series PFT, Series Q, Series QT, Series QF and Series QFT Units
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #2889042

Issuer Name:
Ninepoint Gold Bullion Fund
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated April 26, 2019
NP 11-202 Receipt dated April 30, 2019
Offering Price and Description:
Series A, Series F, Series I and Series D Units @ net asset value
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
Ninepoint Partners GP Inc.
Project #2889038

Issuer Name:
Ninepoint Silver Bullion Fund
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated April 26, 2019
NP 11-202 Receipt dated April 30, 2019
Offering Price and Description:
Series A, Series F, Series I and Series D Units @ net asset value
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
Ninepoint Partners GP Inc.
Project #2889039

Issuer Name:
Veritas Canadian Equity Fund
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated April 29, 2019
NP 11-202 Receipt dated May 1, 2019
Offering Price and Description:
Class A, Class F and Class I Units
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
Veritas Asset Management Inc.
Project #2895968

Issuer Name:
Mackenzie Emerging Markets Bond Index ETF (CAD-Hedged)
Mackenzie Emerging Markets Local Currency Bond Index ETF
Principal Regulator – Ontario
Type and Date:
Combined Preliminary and Pro Forma Long Form Prospectus dated Apr 30, 2019
NP 11-202 Preliminary Receipt dated May 1, 2019
Offering Price and Description:
Units
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #2908847

NON-INVESTMENT FUNDS

Issuer Name:
AcuityAds Holdings Inc.
Principal Regulator – Ontario
Type and Date:
Preliminary Short Form Prospectus dated May 3, 2019
NP 11-202 Preliminary Receipt dated May 6, 2019
Offering Price and Description:
$8,001,100.00 – 5,162,000 Common Shares
Price: C$1.55 per Common Share
Underwriter(s) or Distributor(s):
HAYWOOD SECURITIES INC.
CORMARK SECURITIES INC.
PARADIGM CAPITAL INC.
ECHELON WEALTH PARTNERS INC.
EIGHT CAPITAL
Promoter(s):
–
Project #2908417

Issuer Name:
BuzBuz Capital Corp.
Principal Regulator – Ontario
Type and Date:
Final CPC Prospectus dated April 30, 2019
NP 11-202 Receipt dated May 2, 2019
Offering Price and Description:
$250,000.00 – 2,500,000 Common Shares
Price: C$0.10 per Common Share
Underwriter(s) or Distributor(s):
Canaccord Genuity Corp.
Promoter(s):
–
Project #2881168

Issuer Name:
Conscience Capital Inc.
Principal Regulator – Ontario
Type and Date:
Preliminary CPC Prospectus dated April 29, 2019
NP 11-202 Preliminary Receipt dated May 1, 2019
Offering Price and Description:
Minimum Offering: $1,000,000.00 or 10,000,000 Common Shares
Maximum Offering: $1,500,000.00 or 15,000,000 Common Shares
Price: C$0.10 per Common Share
Underwriter(s) or Distributor(s):
PI Financial Corp.
Promoter(s):
John-David A. Belfontaine
Project #2907212

Issuer Name:
Engagement Labs Inc.
Principal Regulator – Quebec
Type and Date:
Preliminary Short Form Prospectus dated May 1, 2019
NP 11-202 Preliminary Receipt dated May 2, 2019
Offering Price and Description:
$1,800,000.00 – 30,000,000 Units
Minimum Offering of $1,500,000.00
30,000,000 Units comprised of 30,000,000 Common Shares and 30,000,000 Warrants at a price of C$0.06 per Unit
Underwriter(s) or Distributor(s):
Gravitas Securities Inc.
Promoter(s):
–
Project #2910611

Issuer Name:
Greenbrook TMS Inc.
Principal Regulator – Ontario
Type and Date:
Preliminary Short Form Prospectus dated May 3, 2019
NP 11-202 Preliminary Receipt dated May 3, 2019
Offering Price and Description:
C$11,375,000.00 – 3,500,000 Common Shares
Underwriter(s) or Distributor(s):
BLOOM BURTON SECURITIES INC.
CLARUS SECURITIES INC.
DESJARDINS SECURITIES INC.
GMP SECURITIES L.P.
Promoter(s):
–
Project #2907391

Issuer Name:
Heritage Cannabis Holdings Corp. (formerly Umbral Energy Corp.)
Principal Regulator – British Columbia
Type and Date:
Final Short Form Prospectus dated May 1, 2019
NP 11-202 Receipt dated May 1, 2019
Offering Price and Description:
$15,052,000.00 – 28,400,000 Units
C$0.53 per Unit
Underwriter(s) or Distributor(s):
CORMARK SECURITIES INC.
PI FINANCIAL CORP.
DESJARDINS SECURITIES INC.
CANACCORD GENUITY CORP.
Promoter(s):
–
Project #2902533

Issuer Name:
HUSKY ENERGY INC.
Principal Regulator – Alberta
Type and Date:
Final Shelf Prospectus dated May 1, 2019
NP 11-202 Receipt dated May 1, 2019
Offering Price and Description:
$3,000,000,000.00 Common Shares Preferred Shares Debt Securities Subscription Receipts Warrants Units
Underwriter(s) or Distributor(s):
–
Promoter(s):
–
Project #2903390

Issuer Name:
MJ Innovation Capital Corp.
Principal Regulator – Ontario
Type and Date:
Preliminary CPC Prospectus dated May 1, 2019
NP 11-202 Preliminary Receipt dated May 2, 2019
Offering Price and Description:
$400,000.00 or 2,000,000 Common Shares
Price: C$0.20 per Common Share
Agent's Warrants (as defined herein)
Incentive Stock Options (as defined herein)
Underwriter(s) or Distributor(s):
Canaccord Genuity Corp
Promoter(s):
Bryan Van Engelen
Project #2910654

Issuer Name:
PKS Capital Corp.
Principal Regulator – British Columbia
Type and Date:
Preliminary CPC Prospectus dated April 30, 2019
NP 11-202 Preliminary Receipt dated April 30, 2019
Offering Price and Description:
Offering: $250,000.00 or 2,500,000 Common Shares
Price: C$0.10 per Common Share
Underwriter(s) or Distributor(s):
Richardson GMP Limited
Promoter(s):
–
Project #2908806

Issuer Name:
Roosevelt Capital Group Inc.
Principal Regulator – Alberta
Type and Date:
Preliminary CPC Prospectus dated May 3, 2019
NP 11-202 Receipt dated May 6, 2019
Offering Price and Description:
Minimum Offering: $750,000.00 (7,500,000 Common Shares)
Maximum Offering: $1,500,000.00 (15,000,000 Common Shares)
Price: C$0.10 per common share
Underwriter(s) or Distributor(s):
MACKIE RESEARCH CAPITAL CORP.
Promoter(s):
Bruce Bent
John Ross Gamble
Project #2911970

Issuer Name:
Seabridge Gold Inc.
Principal Regulator – Ontario
Type and Date:
Final Shelf Prospectus dated April 29, 2019
NP 11-202 Receipt dated May 1, 2019
Offering Price and Description:
C$100,000,000.00 – COMMON SHARES
Underwriter(s) or Distributor(s):
–
Promoter(s):
–
Project #2867312

Issuer Name:
Surge Energy Inc.
Principal Regulator – Alberta
Type and Date:
Final Short Form Prospectus dated May 1, 2019
NP 11-202 Receipt dated May 1, 2019
Offering Price and Description:
$30,000,000.00
6.75% Series 2 Convertible Unsecured Subordinated Debentures Due June 30, 2024
Price: C$1,000.00 per Offered Debenture
Underwriter(s) or Distributor(s):
NATIONAL BANK FINANCIAL INC.
BMO NESBITT BURNS INC.
SCOTIA CAPITAL INC.
TD SECURITIES INC.
CORMARK SECURITIES INC.
CIBC WORLD MARKETS INC.
GMP SECURITIES L.P.
MACQUARIE CAPITAL MARKETS CANADA LTD.
CANACCORD GENUITY CORP.
PETERS & CO. LIMITED
RAYMOND JAMES LTD.
LAURENTIAN BANK SECURITIES INC.
Promoter(s):
–
Project #2904946

Issuer Name:
VALEO PHARMA INC.
Principal Regulator – Quebec
Type and Date:
Preliminary Short Form Prospectus dated April 30, 2019
NP 11-202 Preliminary Receipt dated April 30, 2019
Offering Price and Description:
[*] Units
Price: C$[*] per Unit
Underwriter(s) or Distributor(s):
MACKIE RESEARCH CAPITAL CORPORATION
ECHELON WEALTH PARTNERS INC.
Promoter(s):
MANITEX CAPITAL INC.
Project #2908717

Issuer Name:
Wheaton Precious Metals Corp. (formerly Silver Wheaton Corp.)
Principal Regulator – British Columbia
Type and Date:
Final Shelf Prospectus dated May 3, 2019
NP 11-202 Receipt dated May 3, 2019
Offering Price and Description:
US$2,000,000,000
Common Shares, Preferred Shares, Debt Securities, Subscription Receipts, Units, Warrants
Underwriter(s) or Distributor(s):
–
Promoter(s):
–
Project #2900093

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Change in Registration Category	IPSol Capital Inc.	From: Portfolio Manager, Investment Fund Manager and Commodity Trading Manager To: Commodity Trading Manager	April 22, 2019
Voluntary Surrender	IPSol Capital Inc.	Commodity Trading Manager	April 26, 2019
New Registration	Honeytree Investment Management Ltd.	Portfolio Manager	May 3, 2019
New Registration	Trans-Canada Capital Inc.	Investment Fund Manager, Portfolio Manager and Exempt Market Dealer	April 30, 2019

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