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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Notices

1.1 Notices

1.1.1 Notice of Administrative Arrangement for the Transfer of Personal Data with EEA Authorities

NOTICE OF ADMINISTRATIVE ARRANGEMENT FOR THE TRANSFER OF PERSONAL DATA WITH EEA AUTHORITIES

The Ontario Securities Commission has recently entered into the Administrative Arrangement for the transfer of personal data (the "Administrative Arrangement") as a signatory to Appendix B.

The Administrative Arrangement sets out safeguards that will be provided to personal data that are transferred between the European Economic Area (EEA) Authorities in Appendix A and the non-EEA Authorities in Appendix B, which will enable the OSC to continue receiving such information for enforcement and supervisory purposes in light of new laws on personal data that have come into force in the European Union.

The Administrative Arrangement is subject to the approval of the Minister of Finance, and was delivered to the Minister of Finance on 10 May 2019.

Questions may be referred to:

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ADMINISTRATIVE ARRANGEMENT FOR THE TRANSFER OF PERSONAL DATA BETWEEN EACH OF THE EUROPEAN ECONOMIC AREA ("EEA") AUTHORITIES SET OUT IN APPENDIX A AND EACH OF THE NON-EEA AUTHORITIES SET OUT IN APPENDIX B

each an "Authority", together the "Authorities",

acting in good faith, will apply the safeguards specified in this administrative arrangement ("Arrangement") to the transfer of personal data between them,

recognizing the importance of the protection of personal data and of having robust data protection regimes in place,

having regard to Article 46(3) (b) of the Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC ("General Data Protection Regulation" or "GDPR")[1],

having regard to Article 48(3) (b) of the Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC ("Regulation 2018/1725")[2],

having regard to the relevant legal framework for the protection of personal data in the jurisdiction of the Authorities and acknowledging the importance of regular dialogue between the EEA Authorities and their national Data Protection Authorities, or the European Data Protection Supervisor ("EDPS") in the case of the European Securities and Markets Authority ("ESMA"),

having regard to the need to process personal data to carry out the public mandate and exercise of official authority vested in the Authorities, and

having regard to the need to ensure efficient international cooperation between the Authorities acting in accordance with their mandates as defined by applicable laws to safeguard investors or customers and foster integrity and confidence in the securities and derivatives markets,

have reached the following understanding:

I. Purpose and Scope

This Arrangement is limited to transfers of personal data between an EEA Authority set out in Appendix A and a non-EEA Authority set out in Appendix B, in their capacity as public Authorities, regulators and/or supervisors of securities and/or derivatives markets.

The Authorities are committed to having in place appropriate safeguards for the processing of such personal data in the exercise of their respective regulatory mandates and responsibilities.

Each Authority confirms that it can and will act consistent with this Arrangement and that it has no reason to believe that existing applicable legal requirements prevent it from doing so.

This Arrangement is intended to supplement existing information sharing arrangements or memoranda that may exist between one or more EEA Authorities and one or more non-EEA Authorities, and to be applicable in different contexts, including information that may be shared for supervisory or enforcement related purposes.

While this Arrangement is specifically intended to provide safeguards for personal data transfers, it is not the only means by which personal data may be transferred, nor does it prohibit an Authority from transferring personal data pursuant to a relevant agreement, another relevant arrangement, or a process separate to this Arrangement, for example pursuant to an applicable adequacy decision.

Effective and enforceable data subject rights are available to Data Subjects under applicable legal requirements in the jurisdiction of each Authority, however this Arrangement does not create any legally binding obligations, confer any legally binding rights, nor supersede domestic law. The Authorities have implemented, within their respective jurisdictions, the safeguards set out in Section III of this Arrangement in a manner consistent with applicable legal requirements. Authorities provide safeguards to protect personal data through a combination of laws, regulations and their internal policies and procedures.

[1] OJ L119/1, 04/05/2016.

[2] OJ L295/39, 21/11/2018.

II. Definitions

For the purposes of this Arrangement:

(a) **"applicable legal requirements"** means the relevant legal framework for the protection of personal data applicable to each Authority;

(b) **"criminal data"** means personal data relating to criminal convictions and offences or related security measures;

(c) **"onward transfer"** means the transfer of personal data by a receiving Authority to a third party in another country who is not an Authority participating in this Arrangement and when that transfer is not covered by an adequacy decision from the European Commission;

(d) **"personal data"** means any information relating to an identified or identifiable natural person ("Data Subject") within the scope of this Arrangement; an identifiable natural person is one who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that natural person;

(e) **"personal data breach"** means a breach of data security leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, personal data transmitted, stored or otherwise processed;

(f) **"processing"** means any operation or set of operations performed on personal data, whether or not by automated means, such as collection, recording, organisation, structuring, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, restriction, erasure or destruction;

(g) **"professional secrecy"** means the general legal obligation of an Authority not to disclose non-public information received in an official capacity;

(h) **"profiling"** means automated processing of personal data consisting of the use of personal data to evaluate certain personal aspects relating to a natural person;

(i) **GDPR Data Subject Rights:** The GDPR generally provides the following Data Subject Rights:

i. **"right not to be subject to automated decisions, including profiling"** means a Data Subject's right not to be subject to legal decisions being made concerning him or her based solely on automated processing;

ii. **"right of access"** means a Data Subject's right to obtain from an Authority confirmation as to whether or not personal data concerning him or her are being processed, and where that is the case, to access the personal data;

iii. **"right of erasure"** means a Data Subject's right to have his or her personal data erased by an Authority where the personal data are no longer necessary for the purposes for which they were collected or processed, or where the data have been unlawfully collected or processed;

iv. **"right of information"** means a Data Subject's right to receive information on the processing of personal data relating to him or her in a concise, transparent, intelligible and easily accessible form;

v. **"right of objection"** means a Data Subject's right to object, on grounds relating to his or her particular situation, at any time to processing of personal data concerning him or her by an Authority, except in cases where there are compelling legitimate grounds for the processing that override the grounds put forward by the Data Subject or for the establishment, exercise or defence of legal claims;

vi. **"right of rectification"** means a Data Subject's right to have the Data Subject's inaccurate personal data corrected or completed by an Authority without undue delay;

vii. **"right of restriction of processing"** means a Data Subject's right to restrict the processing of the Data Subject's personal data where the personal data are inaccurate, where the processing is unlawful, where the Authority no longer needs the personal data for the purposes for which they were collected or where the personal data cannot be deleted;

(j) **"sharing of personal data"** means the sharing of personal data by a receiving Authority with a third party in its country, or in the case of ESMA the sharing of personal data with a third party within the jurisdictions of the EEA Authorities.

III. Personal data protection safeguards

1. Purpose limitation: The Authorities have regulatory mandates and responsibilities which include protecting investors or customers and fostering integrity and confidence in securities and/or derivatives markets. Personal data are transferred between the Authorities to support these responsibilities and are not transferred for other purposes such as for marketing or commercial reasons.

The transferring Authority will transfer personal data only for the legitimate and specific purpose of assisting the receiving Authority to fulfil its regulatory mandate and responsibilities, which include regulating, administering, supervising, enforcing and securing compliance with the securities or derivatives laws in its jurisdiction. The receiving Authority will not further process the personal data in a manner that is incompatible with these purposes, nor with the purpose that may be set out in any request for the information.

2. Data quality and proportionality: The transferring Authority will only transfer personal data that are adequate, relevant and limited to what is necessary for the purposes for which they are transferred and further processed.

The transferring Authority will ensure that to the best of its knowledge the personal data that it transfers are accurate and, where necessary, up to date. Where an Authority becomes aware that personal data it has transferred to, or received from, another Authority is incorrect, it will advise the other Authority about the incorrect data. The respective Authorities will, having regard to the purposes for which the personal data have been transferred and further processed, supplement, erase, block, correct or otherwise rectify the personal data, as appropriate.

3. Transparency: Each Authority will provide general notice to Data Subjects about: (a) how and why it may process and transfer personal data; (b) the type of entities to which such data may be transferred; (c) the rights available to Data Subjects under the applicable legal requirements, including how to exercise those rights; (d) information about any applicable delay or restrictions on the exercise of such rights, including restrictions that apply in the case of cross-border transfers of personal data; and (e) contact details for submitting a dispute or claim.

This notice will be effected by the publishing of this information by each Authority on its website along with this Arrangement.

Individual notice will be provided to Data Subjects by EEA Authorities in accordance with notification requirements and applicable restrictions in the GDPR and the national legal framework applicable in the jurisdiction of the EEA Authorities, or in the case of ESMA in accordance with Regulation 2018/1725 as may be further amended, repealed or replaced.

4. Security and confidentiality: Each receiving Authority will have in place appropriate technical and organisational measures to protect personal data that are transferred to it against accidental or unlawful access, destruction, loss, alteration, or unauthorised disclosure. Such measures will include appropriate administrative, technical and physical security measures. These measures may include, for example, marking information as personal data, restricting who has access to personal data, providing secure storage of personal data, or implementing policies designed to ensure personal data are kept secure and confidential.

In the case where a receiving Authority becomes aware of a personal data breach, it will inform the transferring Authority as soon as possible and use reasonable and appropriate means to remedy the personal data breach and minimize the potential adverse effects.

5. Safeguards Relating to GDPR Data Subject Rights:

The Authorities will apply the following safeguards to personal data transferred under this Arrangement:

The Authorities will have in place appropriate measures which they will follow, such that, upon request from a Data Subject, an Authority will (1) identify any personal data it has transferred to another Authority pursuant to this Arrangement, (2) provide general information, including on an Authority's website, about safeguards applicable to transfers to other Authorities, and (3) provide access to the personal data and confirm that the personal data are complete, accurate and, if applicable, up to date.

Each Authority will allow a Data Subject who believes that his or her personal data are incomplete, inaccurate, outdated or processed in a manner that is not in accordance with applicable legal requirements or consistent with the safeguards set out in this Arrangement to make a request directly to such Authority for any rectification, erasure, restriction of processing, or blocking of the data.

Each Authority, in accordance with the applicable legal requirements, will address in a reasonable and timely manner a request from a Data Subject concerning the rectification, erasure, restriction of processing or objection to processing of his or her personal data. An Authority may take appropriate steps, such as charging reasonable fees to cover administrative costs or declining to act on a request, where a Data Subject's requests are manifestly unfounded or excessive.

Each Authority may use automated means to more effectively fulfil its mandate. However, no Authority will take a legal decision concerning a Data Subject based solely on automated processing of personal data, including profiling, without human involvement.

Safeguards relating to GDPR Data Subject Rights are subject to an Authority's legal obligation not to disclose confidential information pursuant to professional secrecy or other legal obligations. These safeguards may be restricted to prevent prejudice or harm to supervisory or enforcement functions of the Authorities acting in the exercise of the official authority vested in them, such as for the monitoring or assessment of compliance with applicable laws or prevention or investigation of suspected offenses; for important objectives of general public interest, as recognised in the jurisdiction of the receiving Authority and, where necessary under the applicable legal requirements, of the transferring Authority, including in the spirit of reciprocity of international cooperation; or for the supervision of regulated individuals and entities. The restriction should be necessary and provided by law, and will continue only for as long as the reason for the restriction continues to exist.

6. Onward transfers and sharing of personal data:

6.1 Onward transfer of personal data

An Authority receiving personal data pursuant to this Arrangement will only onward transfer the personal data to a third party with the prior written consent of the transferring Authority, and if the third party provides appropriate assurances that are consistent with the safeguards in this Arrangement.

6.2 Sharing of personal data

(1) An Authority receiving personal data pursuant to this Arrangement will only share the personal data with the prior written consent of the transferring Authority, and if the third party provides appropriate assurances that are consistent with the safeguards in this Arrangement.

(2) Where assurances contemplated under the first paragraph cannot be provided by the third party, the personal data may be shared with the third party in exceptional cases if sharing the personal data is for important reasons of public interest, as recognised in the jurisdiction of the receiving Authority and, where necessary under the applicable legal requirements, of the transferring Authority, including in the spirit of reciprocity of international cooperation, or if the sharing is necessary for the establishment, exercise or defense of legal claims.

(3) Where sharing of personal data is for the purpose of conducting a civil or administrative enforcement proceeding, assisting in a self-regulatory organization's surveillance or enforcement activities, assisting in a criminal prosecution, or conducting any investigation for any general charge applicable to the violation of the provision specified in the request where such general charge pertains to a violation of the laws and regulations administered by the receiving Authority, including enforcement proceedings which are public, a receiving Authority may share personal data with a third party (such as public bodies, courts, self-regulatory organizations and participants in enforcement proceedings) without

requesting consent from the transferring Authority, nor obtaining assurances, if the sharing is for purposes that are consistent with the purpose for which the data were initially transferred or with the general framework of the use stated in the request, and is necessary to fulfil the mandate and responsibilities of the receiving Authority and/or the third party. When sharing personal data received under this Arrangement with a self-regulatory organisation, the receiving Authority will ensure that the self-regulatory organization is able and will comply on an ongoing basis with the confidentiality protections set forth in Section III (4) of this Arrangement.

(4) A receiving Authority may share personal data with a third party without requesting consent from the transferring Authority, nor obtaining assurances, in a situation where the sharing of personal data follows a legally enforceable demand or is required by law. The receiving Authority will notify the transferring Authority prior to the sharing and include information about the data requested, the requesting body and the legal basis for sharing. The receiving Authority will use its best efforts to limit the sharing of personal data received under this Arrangement, in particular through the assertion of all applicable legal exemptions and privileges.

7. **Limited data retention period:** The Authorities will retain personal data for no longer than is necessary and appropriate for the purpose for which the data are processed. Such retention period will comply with the applicable laws, rules and/or regulations governing the retention of such data in the jurisdiction of the receiving Authority.

8. **Redress:** Each Authority acknowledges that a Data Subject who believes that an Authority has failed to comply with the safeguards as set forth in this Arrangement, or who believes that his or her personal data have been subject to a personal data breach, may seek redress against that Authority to the extent permitted by applicable legal requirements. This redress may be exercised before any competent body, which may include a court, in accordance with the applicable legal requirements of the jurisdiction where the alleged non-compliance with the safeguards in this Arrangement occurred. Such redress may include monetary compensation for damages.

In the event of a dispute or claim brought by a Data Subject concerning the processing of the Data Subject's personal data against the transferring Authority, the receiving Authority or both Authorities, the Authorities will inform each other about any such disputes or claims, and will use best efforts to settle the dispute or claim amicably in a timely fashion.

If an Authority or the Authorities are not able to resolve the matter with the Data Subject, the Authorities will use other methods by which the dispute could be resolved unless the Data Subject's requests are manifestly unfounded or excessive. Such methods will include participation in non-binding mediation or other non-binding dispute resolution proceedings initiated by the Data Subject or by the Authority concerned. Participation in such mediation or proceedings may be done remotely (such as by telephone or other electronic means).

If the matter is not resolved through cooperation by the Authorities, nor through non-binding mediation or other non-binding dispute resolution proceedings, the receiving Authority will report this to the assessment group and to the transferring Authority, as outlined in Section IV of this Arrangement. In situations where a Data Subject raises a concern and a transferring Authority is of the view that a receiving Authority has not acted consistent with the safeguards set out in this Arrangement, a transferring Authority will suspend the transfer of personal data under this Arrangement to the receiving Authority until the transferring Authority is of the view that the issue is satisfactorily addressed by the receiving Authority, and will inform the Data Subject thereof.

IV. Oversight

1. Each Authority will conduct periodic reviews of its own policies and procedures that implement this Arrangement and of their effectiveness, the results of which will be communicated to the assessment group described in paragraph IV (4) below. Upon reasonable request by another Authority, an Authority will review its personal data processing policies and procedures to ascertain and confirm that the safeguards in this Arrangement are being implemented effectively. The results of the review will be communicated to the Authority that requested the review.

2. In the event that a receiving Authority is unable to effectively implement the safeguards in this Arrangement for any reason, it will promptly inform the transferring Authority and the assessment group described in paragraph IV (4) below, in which case the transferring Authority will temporarily suspend the transfer of personal data under this Arrangement to the receiving Authority until such time as the receiving Authority informs the transferring Authority that it is again able to act consistent with the safeguards.

3. In the event that a receiving Authority is not willing or able to implement the outcome of the non-binding mediation or other non-binding dispute resolution proceeding referred to in Section III (8) of this Arrangement, it will promptly inform the transferring Authority and the assessment group described in paragraph IV (4) below.

4. An assessment group ("Assessment Group") established as a sub-committee of the Authorities by the International Organization of Securities Commissions ("IOSCO") will conduct periodic reviews on implementation of the safeguards in this Arrangement, and will consider best practices with a view to continuing to enhance the protections of personal data where appropriate. Following notice and opportunity to be heard, if the Assessment Group determines that there has been a demonstrated change in the willingness or ability of an Authority to act consistent with the provisions of this Arrangement, the Assessment Group will inform all other Authorities thereof. For purposes of its review, the Assessment Group will have due regard to the information provided by a receiving Authority not being willing or able to implement the outcome of the non-binding mediation or other non-binding dispute resolution proceeding referred to in Section III (8) of this Arrangement. Personal data pertaining to Data Subjects involved in any such proceedings will in principle be anonymized before being provided to the Assessment Group. In addition, the Assessment Group may develop recommendations with respect to the enhancement of the Authority's policies and procedures for the protection of personal data.

5. The Assessment Group will make written recommendations to an Authority where the Assessment Group finds material deficiencies in the policies and procedures that the Authority has in place to implement the safeguards. If the Assessment Group determines that material deficiencies are not being addressed and that there has been a demonstrated change in the willingness or ability of the Authority to act consistent with this Arrangement, following notice and an opportunity to be heard, it may recommend to the AA Decision Making Group ("AA DMG") that the Authority's participation in this Arrangement be discontinued. Any decision of the AA DMG may be appealed by an Authority or by the Assessment Group to the IOSCO Board members that are Authorities.

6. In situations where a transferring Authority is of the view that a receiving Authority has not acted consistent with the safeguards set out in this Arrangement, a transferring Authority will suspend the transfer of personal data to the receiving Authority under this Arrangement until the issue is satisfactorily addressed by the receiving Authority. In the event that a transferring Authority suspends the transfer of personal data to a receiving Authority under this paragraph IV (6) or under paragraph IV (2) above, or resumes transfers after any such suspension, it will promptly inform the Assessment Group, which will in turn inform all other Authorities.

V. Revision and discontinuation

1. The Authorities may consult and revise by mutual consent the terms of this Arrangement in the event of substantial change in the laws, regulations or practices affecting the operation of this Arrangement.

2. An Authority may discontinue its participation in this Arrangement, vis-à-vis another Authority or Authorities, at any time. It should endeavour to provide 30 days' written notice to the other Authority or Authorities of its intent to do so. Any personal data already transferred pursuant to this Arrangement will continue to be treated consistent with the safeguards provided in this Arrangement.

3. The European Data Protection Board ("EDPB"), or the EDPS in the case of ESMA, will be notified by IOSCO of any proposed material revisions to, or discontinuation of, this Arrangement.

ADMINISTRATIVE ARRANGEMENT FOR THE TRANSFER OF PERSONAL DATA BETWEEN EACH OF THE EUROPEAN ECONOMIC AREA ("EEA") AUTHORITIES SET OUT IN APPENDIX A AND EACH OF THE NON-EEA AUTHORITIES SET OUT IN APPENDIX B

Appendix A Signatory ☐ or Appendix B Signatory ☒ (please select)

Name of the Signatory:

Ontario Securities Commission (Ontario, Canada)

Name and Signature of the Authorized Representative:

"Maureen Jensen"
Maureen Jensen
Chair and Chief Executive Officer, Ontario Securities Commission

Date of Signature:

May 10, 2019

1.3 Notices of Hearing with Related Statements of Allegations

1.3.1 NextBlock Global Limited and Alex Tapscott – ss. 127, 127.1

FILE NO.: 2019-8

IN THE MATTER OF
NEXTBLOCK GLOBAL LIMITED AND
ALEX TAPSCOTT

NOTICE OF HEARING
Sections 127 and 127.1 of the
Securities Act, RSO 1990, c S.5

PROCEEDING TYPE: Public Settlement Hearing

HEARING DATE AND TIME: Monday, May 13, 2019 at 10:00 a.m.

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

PURPOSE

The purpose of this hearing is to consider whether it is in the public interest for the Commission to approve the Settlement Agreement dated April 9, 2019 between Staff of the Commission and the respondents in respect of the Statement of Allegations filed by Staff of the Commission dated May 8, 2019.

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 9th 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
NEXTBLOCK GLOBAL LIMITED and
ALEX TAPSCOTT

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

A. ORDER SOUGHT

1. Staff of the Enforcement Branch ("**Enforcement Staff**") of the Ontario Securities Commission (the "**Commission**") request that the Commission make an order pursuant to subsection 127(1) and (2) and section 127.1 of the *Securities Act*, RSO 1990, c S.5 (the "**Act**") to approve the settlement agreement dated April 1, 2 and 9, 2019 between NextBlock Global Limited ("**NextBlock**") and Alex Tapscott ("**Tapscott**"), collectively (the "**Respondents**") and Enforcement Staff.

B. FACTS

Enforcement Staff make the following allegations of fact:

OVERVIEW

2. To make informed investment decisions, investors rely on disclosure from an issuer and its directors and officers. All issuers, including those in the exempt market, must ensure that materials provided to investors contain fair and accurate information. Misleading statements in offering memoranda, such as investor slide decks, deprive investors of the opportunity to make fully informed investment decisions and undermine confidence in Ontario's capital markets.

3. NextBlock Global Limited ("**NextBlock**") and Alex Tapscott ("**Tapscott**"), collectively (the "**Respondents**"), made misleading statements in offering memoranda provided to over 100 prospective investors in a private placement that raised approximately $20 million from 113 accredited investors. These offering memoranda took the form of investor slide decks and represented certain prominent figures in the blockchain space as NextBlock's advisors when these individuals had not agreed to act as its advisors and had not consented to being included in the investor slide decks. As a result of this conduct, NextBlock and Tapscott breached subsection 122(1)(b) of the Act.

THE RESPONDENTS

4. NextBlock is an Ontario corporation based in Toronto. NextBlock was formed in June of 2017 to invest in blockchain companies and digital assets.

5. Tapscott is a co-founder of NextBlock and has been a director and its Chief Executive Officer since its inception. Tapscott, from December 2008 to June 2015, was registered with the Commission as a Dealing Representative (formerly Salesperson).

CONDUCT CONTRARY TO THE PUBLIC INTEREST AND ONTARIO SECURITIES LAW

6. In June and July, 2017, Tapscott and other NextBlock principals solicited investment in NextBlock through a private placement of convertible debentures to accredited investors (the "**First Private Placement**").

7. In connection with promoting the First Private Placement, Tapscott and others at NextBlock provided over 100 prospective investors with slide deck presentations that described the business and affairs of NextBlock (the "Investor **Decks**"). The Investor Decks constituted offering memoranda under Ontario securities law.

8. The Investor Decks were the only materials describing NextBlock's business provided to prospective investors in the First Private Placement.

9. As CEO, Tapscott was ultimately responsible for the Investor Decks, and took the lead in corresponding with prospective investors.

10. The Investor Decks provided to prospective investors included a slide that listed prominent figures in the blockchain space and represented these individuals as NextBlock's advisors (the "**Advisor Slide**"). At all times, the Advisor Slide listed at least one and as many as four individuals that had not agreed to act as advisors to NextBlock and had not consented to being named in the Investor Decks. One of these individuals had never been approached to act for NextBlock in any capacity.

11. The representation by Tapscott and NextBlock in the Investor Decks that these four prominent figures in the blockchain community were advisors to NextBlock was untrue and misleading (the "**Misleading Statements**").

12. Investors in the First Private Placement that received the Investor Decks containing these Misleading Statements were deprived of the opportunity to make a fully informed investment decision.

13. The First Private Placement closed on July 26, 2017 with NextBlock raising approximately $20 million from 113 accredited investors (the "**Debenture Holders**"). The Debenture Holders resided primarily in Ontario. Tapscott and principals of NextBlock personally, or through their corporations, invested approximately $3 million of the $20 million of the First Private Placement.

14. Following the First Private Placement, NextBlock had intended to obtain a public listing through a Reverse Take-Over ("**RTO**") and for the Debenture Holders to convert their interest in NextBlock to publicly tradeable shares. NextBlock had also planned a $50 million second private placement of subscription receipts concurrent with the RTO (the "**Second Private Placement**").

15. In the summer and fall of 2017, NextBlock took steps to pursue the RTO and Second Private Placement including by engaging Canaccord Genuity Group Inc. ("**Canaccord**") and CIBC World Markets Inc. ("**CIBC**") as lead agents in connection with the Second Private Placement.

16. The Second Private Placement attracted significant interest from accredited investors generating approximately $200 million in orders by the end of October 2017.

17. However, beginning on November 1, 2017, Forbes.com published a series of articles about the Misleading Statements in the Investor Decks that were provided to prospective investors in the First Private Placement. These articles included denials from the four individuals referred to in paragraph 10 that they were ever advisors to NextBlock.

18. The Forbes articles precipitated a series of events that culminated in NextBlock abandoning the Second Private Placement.

19. Between November 1, 2017 and November 5, 2017, CIBC resigned, Canaccord decided not to move forward as lead agent, and investors representing orders of approximately $187 million backed out of the Second Private Placement. Following these events, NextBlock announced that it would no longer pursue the RTO and Second Private Placement.

20. On November 5, 2017, NextBlock informed investors that it would return their principal investment and any profits to them. On November 26, 2017, NextBlock initiated wind-up proceedings and later brought a plan of arrangement before the Ontario Superior Court of Justice with a view to winding up NextBlock and making distributions to investors in the First Private Placement.

21. Due to a significant increase in the value of its investments, NextBlock generated significant profits. As a result, in connection with the plan of arrangement, the Debenture Holders received the return of their initial investment of approximately $20 million, as well as additional distributions of approximately $28 million, representing approximately a 140% profit on their investment.

22. As part of the wind-up and plan of arrangement, Tapscott has voluntarily declined approximately $3 million in carried interest that he was entitled to based on NextBlock's profits. This amount was retained by NextBlock and formed part of the distributions to the Debenture Holders.

23. As set out above, NextBlock and Tapscott made statements in offering memoranda required to be filed or furnished under Ontario securities law that, in a material respect and at the time and in light of the circumstances under which the statements were made, were misleading or untrue or did not state a fact that was required to be stated or that was necessary to make the statements not misleading, contrary to subsection 122(1)(b) of the Act.

C. BREACHES AND CONDUCT CONTRARY TO THE PUBLIC INTEREST

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

    a. the Respondents made statements in offering memoranda required to be filed or furnished under Ontario securities law that, in a material respect and at the time and in light of the circumstances under which the statements were made, were misleading or untrue or did not state a fact that was required to be stated or that was necessary to make the statements not misleading, contrary to subsection 122(1)(b) of the Act; and

    b. the Respondents acted in a manner contrary to the public interest.

Enforcement Staff reserve the right to make such other allegations as Enforcement Staff may advise and the Commission may permit.

DATED at Toronto, May 8, 2019

Carlo Rossi
Senior Litigation Counsel
Enforcement Branch
Ontario Securities Commission
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Tel: (416) 204-8987
Email: crossi@osc.gov.on.ca

Lawyer for Staff of the Ontario Securities Commission

1.4 Notices from the Office of the Secretary

1.4.1 BDO Canada LLP

FOR IMMEDIATE RELEASE
May 7, 2019

BDO CANADA LLP,
File No. 2018-59

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

A copy of the Order dated May 7, 2019 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

1.4.2 Issam El-Bouji

FOR IMMEDIATE RELEASE
May 7, 2019

ISSAM EL-BOUJI,
File No. 2018-28

TORONTO – Take notice that the dates for the hearing on the merits in the above-named matter have changed.

The hearing on the merits shall commence at 11:00 a.m. on June 5, 2019 and continue at 9:30 a.m. on June 6 and 7, 2019

The hearing dates May 8, 9, 10, 22, and June 3, 2019 are vacated.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

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

1.4.3 BDO Canada LLP

FOR IMMEDIATE RELEASE
May 8, 2019

BDO CANADA LLP,
File No. 2018-59

TORONTO – Take notice that an attendance in the above-named matter is scheduled to be heard on June 13, 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)

1.4.4 NextBlock Global Limited and Alex Tapscott

FOR IMMEDIATE RELEASE
May 9, 2019

NEXTBLOCK GLOBAL LIMITED AND
ALEX TAPSCOTT, File No. 2019-8

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

The hearing will be held on May 13, 2019 at 10:00 a.m. on the 17th floor of the Commission's offices located at 20 Queen Street West, Toronto.

A copy of the Notice of Hearing dated May 9, 2019 and Statement of Allegations dated May 8, 2019 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

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1-877-785-1555 (Toll Free)

1.4.5 Paramount Equity Financial Corporation et al.

FOR IMMEDIATE RELEASE
May 8, 2019

PARAMOUNT EQUITY FINANCIAL CORPORATION,
SILVERFERN SECURED MORTGAGE FUND,
SILVERFERN SECURED MORTAGE LIMITED PARTNERSHIP,
GTA PRIVATE CAPITAL INCOME FUND,
GTA PRIVATE CAPITAL INCOME LIMTED PARTNERSHIP,
SILVERFERN GP INC.,
PARAMOUNT EQUITY INVESTMENTS INC.,
PARAMOUNT ALTERNATIVE CAPITAL CORPORATION,
PACC AINSLIE CORPORATION,
PACC COSTIGAN CORPORATION,
PACC CRYSTALLINA CORPORATION,
PACC DACEY CORPORATION,
PACC GOULAIS CORPORATION,
PACC HARRIET CORPORATION,
PACC MAJOR MACK CORPORATION,
PACC MAPLE CORPORATION,
PACC MULCASTER CORPORATION,
PACC REGENT CORPORATION,
PACC SCUGOG CORPORATION,
PACC SECHELT CORPORATION,
PACC SHAVER CORPORATION,
PACC SIMCOE CORPORATION,
PACC THOROLD CORPORATION,
PACC WILSON CORPORATION,
NIAGARA FALLS FACILITY INC.,
TRILOGY MORTGAGE GROUP INC.,
TRILOGY EQUITIES GROUP LIMITED PARTNERSHIP,
MARC RUTTENBERG,
RONALD BRADLEY BURDON and
MATTHEW LAVERTY,
File No. 2019-12

TORONTO – Take notice that an attendance in the above-named matter is scheduled to be heard on May 22, 2019 at 2:15 p.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)

1.4.6 Money Gate Mortgage Investment Corporation et al.

FOR IMMEDIATE RELEASE
May 13, 2019

MONEY GATE MORTGAGE INVESTMENT CORPORATION, MONEY GATE CORP., MORTEZA KATEBIAN and PAYAM KATEBIAN, File No. 2017-79

TORONTO – Take notice that the hearing in the above named matter scheduled to be heard on May 14 and 15, 2019 at 10:00 a.m. will be heard on May 14, 2019 at 9:00 a.m. and May 15, 2019 at 9:30 a.m.

The hearing on the merits will continue on May 16, 2019 at 8:30 a.m. and June 27 and 28, 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)

1.4.7 NextBlock Global Limited and Alex Tapscott

FOR IMMEDIATE RELEASE
May 14, 2019

NEXTBLOCK GLOBAL LIMITED AND ALEX TAPSCOTT, File No. 2019-8

TORONTO – The Commission issued an Order approving the Settlement Agreement reached between Staff of the Commission and NextBlock Global Limited and Alex Tapscott in the above named matter.

A copy of the Order dated May 13, 2019, Settlement Agreement dated April 9, 2019 and Oral Reasons for Approval of Settlement dated May 13, 2019 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

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For investor inquiries:

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

Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 LCH Limited

Headnote

NI 94-102 – derivatives – customer clearing and protection of customer collateral and positions – Applicant seeking to extend the exception in section 32(3) of the rule to apply to certain third-party permitted depositories – relief granted, subject to conditions.

Applicable Legislative Provisions

National Instrument 94-102 Derivatives: Customer Clearing and Protection of Customer Collateral and Positions, s. 32(3).

May 9, 2019

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

AND

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

AND

IN THE MATTER OF
LCH LIMITED
(the Filer)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) in Ontario pursuant to section 49 of National Instrument 94-102 *Derivatives: Customer Clearing and Protection of Customer Collateral and Positions* (**NI 94-102**) and in Québec pursuant to section 86 of the *Derivatives Act* (Québec), CQLR, c. I-14.01, for a relief from certain requirements on the use of customer collateral by a regulated clearing agency under Part 5, paragraph 32(3) of NI 94-102. More specifically, the Filer seeks to deposit initial margin con-sisting only of non-cash customer collateral delivered by a participant to the Filer with a permitted depository, which is subject to a lien in favour of the permitted depository as a condition for holding such customer collateral, and therefore requires the relief requested under paragraph 32(3) of NI 94-102 (the **Exemptive Relief Sought**).

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

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

(b) the decision is the decision of the principal regulator and evidences the decision of each other Decision Maker.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and NI 94-102 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 incorporated under the laws of England and Wales with its head office located in London, United Kingdom, where the Filer is recognized as a central counterparty and super-vised by the Bank of England and authorized (or otherwise recognised) as a central counterparty to offer services and activities in the European Union in accordance with the European Markets Infra-structure Regulation (**EMIR**).

2. The Filer is recognized as a clearing agency by the OSC to offer SwapClear, ForexClear and RepoClear clearing services to Ontario-resident participants of the Filer. The Filer is also recognized as a clearing house by the Autorité des Marchés Financiers to offer SwapClear, RepoClear and ForexClear clearing services to Québec-resident participants of the Filer.

3. Such clearing services, offered via the Filer, are also available to local customer in Ontario and in Québec accessing those services through clearing intermediaries.

4. The Filer is a regulated clearing agency under NI 94-102.

5. The Filer is not in default under the Legislation.

6. The Filer offers clearing services in accordance with NI 94-102 under two types of clearing models: i) an English law governed service available in the

SwapClear and ForexClear services (generally known as the **international clearing model** or the principal-to-principal clearing model) under which participants can clear non-US domiciled customer business; and ii) a New York law governed service available in the SwapClear and ForexClear services (generally known as the US model or the agency clearing model), under which participants can clear US domiciled and non-US domiciled customer business. Both models are available to local customers.

7. Under the international clearing model, a local customer may elect to have its collateral segregated in accordance with 'individual client segregation' account structure, which offers additional protections pertaining to porting risk and enhanced segregation possibilities compared to the 'omnibus client segregation' account structure (also available under the international model). In addition, the local customer has the option to deposit initial margin consisting solely of non-cash customer collateral in a separate custody account in the name of the Filer at a permitted depository, which is accounted for separately from any other assets held for the Filer (the **Filer's custody account**).

8. Some of the permitted depositories used by the Filer under the international clearing model are located in jurisdictions where it is common place for such permitted depositories to have a lien over the Filer's custody account regarding the custody account services provided by such permitted depositories.

9. Part 5, paragraph 32(3) of NI 94-102 allows a regulated clearing agency to permit a lien on customer collateral in respect of a cleared derivative that secures an obligation resulting from the cleared derivative in favour of the regulated clearing agency or a clearing intermediary. This provision does not, however, extend to liens in favour of a permitted depository.

10. Pursuant to an agreement between the Filer and each participant, and an agreement between the Filer and each permitted depository, the scope of any such lien over the Filer's custody account described in paragraph 7 is limited to any unpaid fees owed by the Filer to the permitted depository arising from the provision of custody account services by such permitted depository in respect of the Filer's custody account.

11. In the event a permitted depository exercises its lien in respect of the Filer's custody account, the Filer is obligated for any amount of any shortfall promptly to the local customer and is required to have sufficient liquid assets in order to do so. As part of its comprehensive risk management framework, the Filer maintains an appropriate minimum amount of financial resources, as required by the applicable regulatory requirements and regularly monitors its performance against financial resource requirements. Under no circumstance, would the Filer distribute the shortfall across its customers, reflect a loss in a customer's account, or require its customers to post additional margin to cover the shortfall.

12. Further, the Filer's custody account is consistent with the Principles for financial market infrastructures (the **PFMI Principles**) issued by the Bank for International Settlement's Committee on Payments and Market Infrastructure and the International Organization of Securities Commissions and specifically with PFMI Principle 15 and with NI 94-102 in terms of risk management. In accordance with PFMI Principle 15, the Filer maintains 6 months of operating expenses in liquid assets in order to cover general business losses. Therefore, the Filer would be able to use its available financial resources to cover any fee payment to its permitted depository in respect of the Filer's custody account.

13. In order to fully comply with the applicable requirements of NI 94-102 and to ensure that the international clearing model is available to the current and prospective local customers, the Filer requests that the Exemptive Relief Sought be granted.

Decision

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

The decision of the Decision Makers under the Legislation is that the Exemptive Relief Sought is granted, provided that the lien placed by a permitted depository over the Filer's Custody account in respect of non-cash collateral of local customers is exclusively limited to unpaid fees owed by the Filer to such permitted depository for custody account services provided by such permitted depository in respect of the Filer's custody account.

"Kevin Fine"
Director, Derivatives Branch
Ontario Securities Commission

2.1.2 Vision Capital Corporation and Vision Alternative Income Fund

Headnote

Relief to operate the fund as an alternative mutual fund subject to a sunset provision. Relief permitting processing of purchases on a monthly basis and processing or redemptions on a quarterly basis subject to conditions, including Fund Facts disclosure.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 2.1(1), 2.6, 2.6.1(1)(c), 2.6.1(2) and (3), 2.7(1), (2) and (3), 2.8, 2.11, 6.1(1), 7.1, 9.3(1), 10.3(1), 10.4(1), 19.1.

December 19, 2018

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

AND

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

AND

IN THE MATTER OF
VISION CAPITAL CORPORATION
(the Filer)

AND

IN THE MATTER OF
VISION ALTERNATIVE INCOME FUND
(the Fund)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Fund for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**), pursuant to section 19.1 of National Instrument 81-102 *Investment Funds* (**NI 81-102**), exempting the Fund from the following provisions of NI 81-102:

(i) subsection 2.1(1), to permit the Fund to invest more than 10% of its net asset value in the securities of a single issuer (**Single Issuer Relief)**;

(ii) to permit the Fund to purchase, sell or use specified derivatives and/or debt-like securities other than in compliance with subsections 2.7(1), (2) and (3), section 2.8 and section 2.11 of NI 81-102 (**Specified Derivatives Relief**);

(iii) section 2.6 to permit the Fund to borrow cash to use for investment purposes in excess of the limits set out in subsection 2.6(a) and to grant a security interest over its portfolio assets in connection therewith (**Cash Borrowing Relief)**;

(iv) subsections 2.6.1(1)(c) and 2.6.1(2) and (3) to permit the Fund to borrow securities from a borrowing agent to sell securities short whereby: (i) the aggregate market value of all securities of the issuer of the securities sold short by the Fund may exceed 5% of the net asset value of the Fund; (ii) the aggregate market value of all securities sold short by the Fund may exceed 20% of the net asset value of the Fund; (iii) the Fund is not required to hold cash cover in connection with short sales of securities by the Fund; and (iv) the Fund is permitted to use the cash from short sales to enter into long positions in securities (**Short Selling Relief**);

(v) subsection 6.1(1), to permit the Fund to deposit with its lender, assets over which it has granted a security interest in connection with the Cash Borrowing Relief (**Cash Borrowing Custody Relief)**;

(vi) section 7.1, to permit the Fund to pay, or enter into arrangements that would require it to pay, a fee that is determined by the performance of such Fund that is based on the cumulative total return of the Fund for the period that began immediately after the last period for which such fee was paid (**Incentive Fee Relief)**;

(vii) subsection 9.3(1), to permit the Fund to process purchase orders for its units, as described in its simplified prospectus and Fund Facts, on a monthly basis at their class net asset value per unit calculated as at the last Valuation Date (as defined below) of the calendar month in which the purchase order for such units is received (**Purchase Relief)**;

(viii) subsection 10.3(1), to permit the Fund to process redemption orders for its units, as described in its simplified prospectus and Fund Facts:

(A) initially, on a Valuation Date that is no more than 6 months after the date on which the receipt was issued for its initial prospectus (the **Initial Redemption Date**). Redemption orders for units received at least 20 business days prior to the Initial Redemption Date will be redeemed at their class net asset value per unit determined on the Initial Redemption Date; and

(B) following the date referred to in (A) above, and on at least 20 business days prior written notice, on a quarterly basis, redeeming such units at their class net asset value per unit calculated on the last Valuation Date of each calendar quarter in which the redemption order for such units is received (**Redemption Relief**); and

(ix) subsection 10.4(1), to permit the Fund to pay the redemption proceeds for units that are the subject of a redemption order no later than 15 business days after the Valuation Date on which the redemption price was calculated (**Redemption Payment Relief)**

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

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

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

(ii) 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 (the **Other Jurisdictions**).

Interpretation

Terms defined in NI 81-102, National Instrument 81-101 *Mutual Fund Prospectus Disclosure* (**NI 81-101**), 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:

Background

1. The Filer will be the manager, portfolio manager, trustee and promoter of the Fund. The Filer is registered as a portfolio manager, investment fund manager and exempt market dealer in the provinces of Ontario, British Columbia, Alberta and Manitoba, as an investment fund manager in the Province of Newfoundland and Labrador, and as an investment fund manager and exempt market dealer in the Province of Quebec.

2. The Fund will be a mutual fund established under the laws of the Province of Ontario and will be governed by the provisions of NI 81-102, subject to any relief therefrom granted by the securities regulatory authorities.

3. Units of the Fund, initially offered in Classes A, F, A-US, F-US and I, will be offered by simplified prospectus, subject to NI 81-101, filed in all of the provinces and territories in Canada and, accordingly, the Fund will be a reporting issuer in all of the provinces and territories in Canada.

4. The proposed investment objective of the Fund is to provide consistent long-term capital appreciation and to provide investors with an attractive risk-adjusted rate of return with low downside volatility and drawdowns. The Fund will attempt to meet its objectives by using alternative investment strategies, including primarily equity long/short and equity market neutral strategies and utilizing derivatives to invest and trade primarily in real estate focused securities. The alternative investment strategies will be used to gain exposure to a broad range of asset classes, including primarily equities, fixed-income securities, equity ETFs and/or convertible securities issued by real estate operating companies and/or real estate investment trusts primarily in North America and selectively globally. The Fund's aggregate gross exposure (as defined in subsection 2.9.1(2) of the Proposed Amendments, as defined below) to be calculated as the sum of the following must not exceed 300% of the Fund's net asset value: (i) the aggregate value of the Fund's indebtedness under any borrowing agreements entered into pursuant to the Cash Borrowing Relief; (ii) the aggregate market value of securities sold short by the Fund pursuant to the Short Selling Relief; and (iii) the aggregate notional value of the Fund's specified derivatives positions excluding any specified derivatives used for hedging purposes. The fundamental investment objective of the Fund will not change without the consent of a majority of the voting unitholders of the Fund.

5. The Fund may take both long and short positions in foreign currencies in order to hedge currency exposure of the Fund, its investment portfolio or a particular class of units.

6. The Fund is expected to invest in a variety of derivatives and may take both long and short positions. The Fund's use of derivatives may include futures (including index futures, equity futures, bond futures and interest rate futures), currency forwards, options and swaps (including equity swaps, swaps on index futures, total return swaps, and interest rate swaps). In its use of derivatives, the Fund will aim to contribute to the target return and the volatility objectives of the Fund.

7. The Fund may use leverage through a combination of one or more of the following: (i) borrowing cash for investment purposes; (ii) physical short sales of equity securities, fixed-income securities or other portfolio assets; and/or (iii) through the use of specified derivatives.

8. The Fund's net asset value will be calculated at the close of regular trading, normally 4:00 p.m. (Eastern Time), on a day the Toronto Stock Exchange is open (a **Valuation Date**).

9. The Filer will determine the Fund's risk rating using the CSA's *Mutual Fund Risk Classification Methodology For Use In Fund Facts and ETF Facts* as set out in Appendix F of NI 81-102 (the **Risk Methodology**). Given that the Fund does not have an established ten-year track record, the Filer will determine the risk rating based on the standard deviation of a reference index selected in accordance with Item 5 of the Risk Methodology (the **Reference Index**). The Filer will assess the reasonableness of using the Reference Index on at least a quarterly basis. This will include monitoring the correlation between the Fund and the applicable Reference Index over time. In conducting this analysis, the Filer will also consider whether it is appropriate to exercise the discretion accorded by the Risk Methodology to increase the risk rating of the particular Fund.

10. The Filer and its affiliates may also manage future mutual funds and non-redeemable investment funds that will be subject to NI 81-102 (collectively, the **Top Funds**). A Top Fund may seek to invest a portion of its net assets in the Fund provided that such investment is consistent with the Top Fund's investment objectives and the requirements of NI 81-102.

11. Prior to allowing a Top Fund managed by the Filer to invest in the Fund, the Filer will implement policies and procedures to monitor a Top Fund's compliance with the investment limits that will apply to a Top Fund's investment in the Fund (the **Top Fund Policies**). To the extent that a Top Fund is managed by an affiliate of the Filer, the Filer will obtain an undertaking from the affiliate confirming that it has also implemented Top Fund Policies and that the affiliate will monitor and adhere to the restrictions on Top Fund investments that are set out in this decision (the **Undertaking**).

12. The Filer will observe the standards regarding proficiency for the distribution of alternative mutual funds reflected in the final publication package for the proposed amendments to NI 81-102 scheduled, subject to ministerial approval requirements, to come into force on January 3, 2019 (the **Proposed Amendments**).

13. The Filer will take steps to ensure the Fund is only distributed through dealers that are registered with the Investment Industry Regulatory Organization of Canada (**IIROC**) or to Top Funds managed by the Filer or its affiliates. In order to be eligible to distribute the Fund, each dealer will be required to sign an agreement with the Filer confirming its registration status with IIROC.

14. The Filer is not, and the Fund will not be, in default of the securities legislation in any of the Jurisdictions.

15. The Filer respectfully submits that it would not be prejudicial to the public interest to grant the Requested Relief, including for the reasons provided in this decision.

Fund Disclosure of Alternative Strategies

16. The Filer proposes to file a simplified prospectus in respect of the Fund that:

    (a) identifies the Fund as an alternative mutual fund;

    (b) discloses within the Fund's investment objectives, the asset classes and strategies used which are outside the scope of the existing NI 81-102;

    (c) discloses within the Fund's investment objectives the maximum amount of leverage to be employed;

    (d) discloses within the Fund's investment strategies the maximum amount the Fund may borrow, together with a description of how borrowing will be used in conjunction with the Fund's other strategies and a summary of the Fund's borrowing arrangements; and

    (e) discloses, in connection with the Fund's investment strategies that may be used which are outside the current scope of NI 81-102, how such strategies may affect investors' chance of losing money on their investment in the Fund.

17. The Filer proposes to file an annual information form in respect of the Fund that:

    (a) identifies the Fund as an alternative mutual fund; and

    (b) discloses the name of each person or company that has lent money to the Fund including whether such person or company is an affiliate or associate of the manager of the Fund.

18. The Filer proposes to file a fund facts document in respect of the Fund that:

    (a) identifies the Fund as an alternative mutual fund; and

    (b) includes cover page text box disclosure to highlight how the Fund differs from other mutual funds in terms of its investment strategies and the assets it is permitted to invest in.

19. The Filer will include within the Fund's financial statements and management reports of fund performance disclosure regarding actual use of leverage within the Fund for the applicable period referenced therein.

20. The Filer will ensure that the proposed disclosure in respect of the Fund accurately describes its investment strategies while emphasizing the particular strategies which are outside the current scope of NI 81-102.

Single Issuer Relief

21. The Fund's investment strategies will allow it to invest up to 20% of its net asset value in securities of an issuer.

22. Subsection 2.1(1) of NI 81-102, does not permit a mutual fund to purchase a security of an issuer, enter into a specified derivatives transaction or purchase index participation units if, immediately after the transaction, more than 10% of its net asset value would be invested in securities of any issuer.

23. The Filer believes that it is in the best interest of the Fund to be permitted to invest up to 20% of its net assets in one issuer, as such investments will allow the Fund to fully express the convictions of the Fund's portfolio manager.

Specified Derivatives Relief

24. The investment strategy of the Fund contemplates flexible use of specified derivatives for hedging and/or non-hedging purposes. The Fund has the ability to opportunistically use options, swaps, futures and forward contracts and/or other derivatives under different market conditions.

25. Under subsections 2.7(1), (2) and (3) of NI 81-102, a mutual fund cannot purchase an option (other than a clearing corporation option) or a debt-like security or enter into a swap or a forward contract unless, at the time of the transaction, the option, debt-like security, swap or contract has a designated rating or the equivalent debt of the counterparty or of a person or company that has fully and unconditionally guaranteed the obligations of the counterparty in respect of the

option, debt-like security, swap or contract, has a designated rating (the **Designated Rating Requirement**). The policy rationale behind this is to address, at least in part, a mutual fund's counterparty credit risk by ensuring that counterparties that enter into certain types of derivatives with mutual funds meet a minimum credit rating.

26. The Filer is seeking to have the operational flexibility to deal with a variety of over- the-counter derivative counterparties, including scenarios where at the time of the transaction, the specified derivative or equivalent counterparty (or its guarantor) will not have a designated rating. The Filer submits that this flexibility will provide more competitive pricing and give the Fund access to a wider variety of over-the-counter products.

27. The Filer submits that any increased credit risk which may arise due to an exemption from the Designated Rating Requirements is counterbalanced by the fact that the Fund's mark-to-market exposure to any specified derivatives counterparty (other than for positions in cleared specified derivatives) must not exceed 10% of its net asset value for a period of 30 days or more.

28. Under section 2.8 of NI 81-102, a mutual fund must not purchase a debt-like security that has an options component, unless, immediately after the purchase, not more than 10% of its net asset value would be made up of those instruments held for purposes other than hedging. Section 2.8 also imposes a series of requirements for mutual funds to cover their specified derivatives positions for purposes other than hedging, using a combination of cash, cash equivalents, the underlying interest of the specified derivative and/or the right to acquire the underlying interest of the specified derivative (the **Option and Cover Requirements**).

29. Commodity pools, the predecessor to alternative mutual funds, are not subject to the Option and Cover Requirements or to section 2.11 of NI 81-102. The Filer submits that the Fund should also be exempt from the Designated Rating Requirement, the Option and Cover Requirements and from section 2.11 of NI 81-102.

Cash Borrowing Relief and Cash Borrowing Custody Relief

30. The investment strategies of the Fund will permit the Fund to borrow cash in excess of certain limits currently prescribed in section 2.6 of NI 81-102.

31. The Fund's investment strategy has the ability to borrow cash in excess of the limits currently described in section 2.6 of NI 81-102 and the Filer's current expectation is that the Fund may engage in cash borrowing at launch.

32. Subsection 2.6(a) of NI 81-102 restricts investment funds from borrowing cash or providing a security interest over portfolio assets unless the transaction is a temporary measure to accommodate redemptions, the security interest is required to enable the investment fund to effect a specified derivative transaction or short sale under NI 81-102, the security interest secures a claim for the fees and expenses of the custodian or sub-custodian of the investment fund, or, in the case of an exchange-traded mutual fund, the transaction is to finance acquisition of its portfolio securities and the outstanding amount of all borrowings is repaid on the closing of its initial public offering.

33. Subsection 6.1(1) of NI 81-102 requires that, except as provided in the specified exceptions, all portfolio assets of a mutual fund shall be held under the custodianship of one custodian that satisfies the requirements of section 6.2 of NI 81-102.

34. The Proposed Amendments give investment funds the ability to borrow up to 50% of their net asset value to use for investment purposes in order to facilitate a wider array of investment strategies and also add to the specified exceptions to subsection 6.1(1) of NI 81-102 that an investment fund may deposit with its lender portfolio assets over which it has granted a security interest in connection with a borrowing agreement to which section 2.6 of NI 81-102 applies.

35. The Filer believes that it is in the best interests of the Fund to be permitted to borrow cash to meet its investment objectives and strategies and to be permitted to deposit with its lender, assets over which it has granted a security interest in connection with the Cash Borrowing Relief.

Short Sale Relief

36. The investment strategies of the Fund will permit it to:

    (a) sell securities short, provided the aggregate market value of securities of any one issuer sold short by the Fund does not exceed 10% of the net asset value of the Fund, and the aggregate market value of all securities sold short by the Fund does not exceed 50% of its net asset value;

    (b) sell a security short without holding cash cover; and

(c) sell a security short and use the cash from a short sale to enter into a long position in a security, other than a security that qualifies as cash cover.

37. The Fund may engage in physical short sales from time to time.

38. Subsection 2.6.1 of NI 81-102 requires that a fund may only sell a security short if, at the time the fund sells the security short, the fund has borrowed or arranged to borrow the security to be sold under the short sale, if the aggregate market value of all securities of the issuer of the securities sold short by the fund does not exceed 5% of the net asset value of the fund, and if the aggregate market value of all securities sold short by the fund does not exceed 20% of the net asset value of the fund.

39. The Filer believes that it is in the best interests of the Fund to be permitted to sell securities short in excess of the current limits, in a manner that is consistent with the Proposed Amendments.

Incentive Fee Relief

40. The Fund will be permitted to pay, or enter into arrangements that would require it to pay, an incentive fee that is determined by the performance of the Fund that is based on the cumulative total return of the Fund for the period that began immediately after the last period for which such incentive fee was paid.

41. The method of calculating the incentive fee payable by the Fund shall be described in the simplified prospectus in respect of the Fund.

42. The Filer believes that the proposed incentive fee structure for the Fund aligns the interests of the manager or portfolio advisor with that of the investors.

43. The Filer believes that it is in the best interests of the Fund to be permitted to pay, or enter into arrangements that would require it to pay, a fee that is determined by the performance of the Fund in a manner that is consistent with the Proposed Amendments.

Purchase Relief, Redemption Relief and Redemption Payment Relief

44. The Filer will calculate the net asset value for the Fund on a daily basis in order to meet its obligations under NI 81-106 regarding the use of derivatives, including the obligation to daily mark-to-market the value of its derivatives.

45. Subsections 9.3(1) and 10.3(1) of NI 81-102 require that the purchase price and redemption price of a security of a mutual fund to which a purchase order and redemption order pertains, respectively, be the net asset value per security next determined after receipt by the fund of the purchase order and redemption order, respectively.

46. As described in the Fund's simplified prospectus and Fund Facts, the Fund will:

(a) process purchase orders for its units on a monthly basis at their class net asset value per unit calculated as at the last Valuation Date of the calendar month in which the purchase order for such units is received; and

(b) process redemption orders for its units:

(i) initially, on the Initial Redemption Date. Redemption orders for units received at least 20 business days prior to the Initial Redemption Date will be redeemed at their class net asset value per unit determined on the Initial Redemption Date; and

(ii) following the date referred to in (i) above, and on at least 20 business days prior written notice, on a quarterly basis, redeeming such units at their class net asset value per unit calculated on the last Valuation Date of each calendar quarter in which the redemption order for such units is received.

47. As described in the Fund's simplified prospectus, the Fund will pay the redemption proceeds for units that are the subject of a redemption order no later than 15 business days after the Valuation Date on which the redemption price was calculated.

48. The Filer has structured its mutual fund operations so that it can consolidate all purchase orders into one efficient monthly processing transaction and all redemption orders into one efficient quarterly transaction. The Filer has determined that effecting such purchases and redemptions on a monthly and quarterly basis, respectively, strikes the best balance between the needs of a unitholder to invest or access its assets in a timely and orderly manner, and the need to minimize the impact of such transactions on other unitholders in the Fund.

49. The Filer believes that quarterly redemptions will mitigate excessive portfolio turnovers to boost the Fund's net asset value due to lower transaction costs in the form of brokerage commissions and the bid-ask spread. Further, it has determined that quarterly redemptions will protect the Fund from having to reduce positions at less than ideal times during potentially challenging market conditions. This will ensure that all unitholders of the Fund will be treated fairly in instances where the Fund is not able to unwind its portfolio holdings in an orderly manner to honour the redemption requests at the time.

50. The Proposed Amendments give an alternative mutual fund the ability, if disclosed in its simplified prospectus and otherwise in accordance with NI 81-102, to require that that units of the fund may not be redeemed for a period up to 6 months after the date on which the receipt is issued for the initial prospectus of the alternative mutual fund and the ability to pay the redemption proceeds for any units that are the subject of a redemption order no later than 15 business days after the Valuation Date on which the redemption price was established. The Filer believes that it is in the best interests of the Fund to be permitted to so proceed.

Decision

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

1. the Filer will file a standalone simplified prospectus, annual information form and fund facts document for the Fund, which will include the following disclosure:

    (a) the simplified prospectus and annual information form will indicate on the cover page that the Fund is an alternative mutual fund;

    (b) within the simplified prospectus, the Filer will include disclosure within the Fund's investment objectives on the asset classes that the Fund may invest in and the investment strategies that the Fund may engage in pursuant to the Requested Relief and which are outside the scope of NI 81-102;

    (c) within the simplified prospectus, the Filer will include disclosure in the Fund's investment objectives describing the maximum amount of leverage to be employed by the Fund;

    (d) within the simplified prospectus, the Filer will include disclosure in the Fund's investment strategy on the maximum amount of borrowing and short selling that the Fund may engage in, together with a description of how borrowing and short selling will be used in conjunction with the Fund's other strategies;

    (e) within the simplified prospectus, the Filer will include disclosure in the Fund's investment strategies explaining how the investment strategies that the Fund may engage in pursuant to the exemptive relief which are outside the scope of NI 81-102 may affect investors' chance of losing money on their investment in the Fund;

    (f) the annual information form will disclose under Item 10 of Form 81-101F2 the name of each person or company that has lent money to the Fund including whether such person or company is an affiliate or associate of the Filer; and

    (g) the fund facts document will include text box disclosure above Item 2 of Part I of Form 81-101F3 identifying the Fund as an alternative mutual fund and highlighting how the Fund differs from other mutual funds in terms of its investment strategies and the assets it is permitted to invest in.

2. The Filer will disclose in the Fund's annual and interim financial statements and the Fund's Management Report of Fund Performance:

    (a) the lowest and highest level of leverage experienced by the Fund in the reporting period covered by the financial statements;

    (b) a brief explanation of the sources of leverage used (e.g. borrowing, short selling or use of derivatives);

    (c) a description of how the Fund calculates leverage; and

    (d) the significance to the Fund of the lowest and highest levels of leverage.

3. In the case of the Single Issuer Relief, the Fund must not purchase a security of an issuer, enter into a specified derivatives transaction or purchase an index participation unit if, immediately after the transaction, more than 20% of its net asset value would be invested in securities of any one issuer, provided, however, this limitation shall not apply in respect of (i) a government security; (ii) a security issued by a clearing corporation; (iii) a security issued by an investment fund if the purchase is made in accordance with the requirements of section 2.5 of NI 81-102; or (iv) an index participation unit that is a security of an investment fund.

4. In the case of the Specified Derivatives Relief:

   (a) the Fund's aggregate gross exposure calculated as the sum of the following, must not exceed 300% of the Fund's net asset value: (i) the aggregate value of the Fund's indebtedness under any borrowing agreements entered into pursuant to the Cash Borrowing Relief; (ii) the aggregate market value of securities sold short by the Fund pursuant to the Short Selling Relief; and (iii) the aggregate notional value of the Fund's specified derivatives positions excluding any specified derivatives used for "hedging purposes" as defined in NI 81-102;

   (b) in determining the Fund's compliance with the restriction contained in 4(a) above, the Fund must also include in its calculation its proportionate shares of securities of any underlying investment funds for which a similar calculation is required;

   (c) the Fund must determine its compliance with the restriction contained in 4(a) above, as of the close of business of each day on which the Fund calculates a net asset value; and

   (d) if a Fund's aggregate gross exposure as determined in subsection 4(a) above exceeds three times the Fund's net asset value, the Fund must, as quickly as is commercially reasonable, take all necessary steps to reduce the aggregate gross exposure to three times the Fund's net asset value or less.

5. In the case of the Cash Borrowing Relief:

   (a) the Fund may only borrow from an entity described in section 6.2 of NI 81-102, except that the requirement set out in subsection 6.2(3)(a) of NI 81-102 will be satisfied if the company has equity, as reported in its most recent audited financial statements that have been made public or that will be made available to the Fund and its custodian upon request, of not less than $10,000,000;

   (b) if the lender is an affiliate of the Filer, the independent review committee must approve the applicable borrowing agreement under subsection 5.2(2) of NI 81-107;

   (c) the borrowing agreement entered into is in accordance with normal industry practice and on standard commercial terms for the type of transaction; and

   (d) the total value of cash borrowed must not exceed 50% of the Fund's net asset value.

6. In the case of the Short Selling Relief:

   (a) the aggregate market value of all securities sold short by the Fund does not exceed 50% of the net asset value of the Fund; and

   (b) the aggregate market value of all securities of the issuer of the securities sold short by the Fund does not exceed 10% of the net asset value of the Fund.

7. In the case of the Incentive Fee Relief:

   The Fund must not pay, or enter into arrangements that would require it to pay, an incentive fee that is determined by the performance of the Fund unless:

   (a) the payment of the incentive fee is based on the cumulative total return of the Fund for the period that began immediately after the last period for which such incentive fee was paid; and

   (b) the method of calculating the incentive fee payable by the Fund shall be described in the simplified prospectus in respect of the Fund.

8. In the case of the Purchase Relief, the Fund:

   (a) processes, and discloses in its simplified prospectus and in the "Quick Facts" section of its Fund Facts that it processes, purchase orders for its units on a monthly basis at their class net asset value per unit calculated as at the last Valuation Date of the calendar month in which the purchase order for such units is received (the **Purchase Processing Frequency**); and

   (b) discloses in the "Who should invest in the Fund?" section of the Part B of its simplified prospectus and in the "Who is this Fund for?" section of its Fund Facts the Purchase Processing Frequency and that the Fund is only suitable for investors who can accept the Purchase Processing Frequency.

9. In the case of the Redemption Relief, the Fund:

   (a) processes, and discloses in its simplified prospectus and in the "Quick Facts" section of its Fund Facts that it processes, redemption orders for its units as follows (the **Redemption Processing Frequency**):

      (i) initially, on the Initial Redemption Date. Redemption orders for units received at least 20 business days prior to the Initial Redemption Date will be redeemed at their class net asset value per unit determined on the Initial Redemption Date; and

      (ii) following the date referred to in (i) above, and on at least 20 business days prior written notice, on a quarterly basis, redeeming such units at their class net asset value per unit calculated on the last Valuation Date of each calendar quarter in which the redemption order for such units is received; and

   (b) discloses in the "Who should invest in the Fund?" section of the Part B of its simplified prospectus and in the "Who is this Fund for?" section of its Fund Facts the Redemption Processing Frequency and that the Fund is only suitable for investors who can accept the Redemption Processing Frequency.

10. In the case of the Redemption Payment Relief, the Fund discloses in its simplified prospectus that it pays, and does pay, the redemption proceeds for securities that are the subject of a redemption order no later than 15 business days after the Valuation Date on which the redemption price was calculated.

11. In the case of the Cash Borrowing Relief and the Short Selling Relief:

   (a) the Fund must not borrow cash pursuant to the Cash Borrowing Relief or sell securities short pursuant to the Short Selling Relief, if immediately after entering into a cash borrowing or short selling transaction, the aggregate value of cash borrowed combined with the aggregate market value of all securities sold short by the Fund would exceed 50% of the Fund's net asset value; and

   (b) if the aggregate value of cash borrowed combined with the aggregate market value of all securities sold short by the Fund exceeds 50% of the Fund's net asset value, the Fund must, as quickly as commercially reasonable take all necessary steps to reduce the aggregate value of cash borrowed combined with the aggregate market value of securities sold short to 50% or less of the Fund's net asset value.

Distribution

12. The Filer will ensure the Fund is only distributed through dealers that are registered with IIROC.

13. The Filer will not distribute securities of the Fund to other mutual funds other than the Top Funds.

14. In the case of Top Funds managed by the Filer, the Filer will ensure that such Top Funds will not purchase securities of the Fund if, immediately after the transaction, more than 10% of the net asset value of the Top Funds, taken at market value at the time of the transaction, would consist of securities of the Fund.

15. For Top Funds managed by an affiliate of the Filer, the Filer will obtain the Undertaking from its affiliate affirming that the affiliate will ensure that the Top Funds it manages will abide by the investment limits set out in condition 14 above.

16. The Filer will provide the Principal Regulator with notification of all affiliates from which it has obtained an Undertaking.

Term

17. This decision, except with respect to the Purchase Relief and the Redemption Relief to the extent not contemplated by the Proposed Amendments, shall expire upon the earlier of: (i) the coming into force of the Proposed Amendments or substantially similar rules; and (ii) five years from the date of this decision.

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

2.1.3 Pembroke Private Wealth Management Ltd. and GBC Corporate Bond Fund (previously named "The Pembroke Corporate Bond Fund")

Headnote

National Policy 11-203 – Relief granted from 15.3(2), 15.6(1)(a)(i) and 15.6(1)(d) of National Instrument 81-102 Investment Funds to permit a mutual fund, that has not distributed securities under a simplified prospectus in a jurisdiction for 12 consecutive months, to include in their sales communications performance data for the period when the fund was not a reporting issuer – relief also granted from section 2.1 of National Instrument 81-101 Mutual Fund Prospectus Disclosure for the purposes of the relief requested from Item 5 of Part I of Form 81-101F3 Contents of Fund Facts Document, to permit the mutual fund to include in its fund facts for series O, the past performance data for the period when the fund was not a reporting issuer.

National Policy 11-203 – relief granted from section 4.4 of National Instrument 81-106 Investment Fund Continuous Disclosure for the purposes of the relief requested from Form 81-106F1 Contents of Annual and Interim Management Report of Fund Performance, items 3.1(7), 4.1(1), 4.1(2), 4.2(1), 4.3(1) and 4.3(2) of Part B of Form 81-106F1, and Items 3(1) and 4 of Part C of Form 81-106F1, to permit a mutual fund to include in annual and interim management reports of fund performance the financial highlights and past performance of the fund that are derived from the fund's annual financial statements that pertain to time periods when the fund was not a reporting issuer.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 15.3(2), 15.6(1)(a)(i), 15.6(1)(d), 19.1.
National Instrument 81-101 Investment Fund Prospectus Disclosure, s. 2.1.
Form 81-101F3 Contents of Fund Facts Document, Item 5 of Part I.
National Instrument 81-106 Investment Fund Continuous Disclosure, ss. 4.4, 17.1.
Form 81-106F1 Contents of Annual and Interim Management Report of Fund Performance, Items 3.1(7), 4.1.(1), 4.1(2), 4.2(1), 4.3(1), and 4.3(2) of Part B, and Items 3(1) and 4 of Part C.

TRANSLATION

May 1, 2019

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

AND

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

AND

IN THE MATTER OF
PEMBROKE PRIVATE WEALTH MANAGEMENT LTD.
(the Filer)

AND

IN THE MATTER OF
THE GBC CORPORATE BOND FUND
(previously named "The Pembroke Corporate Bond Fund")
(the Fund)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application (the **Application**) from the Filer on behalf of the Fund for a decision under the securities legislation of the Jurisdictions (the **Legislation**) exempting units of the Fund from:

a) Sections 15.3(2), 15.6(1)(a)(i) and 15.6(1)(d) of *Regulation 81-102 respecting Investment Funds*, CQLR, c. V-1.1, r. 39 (**Regulation 81-102**) to permit the Fund to include performance data in sales communications notwithstanding that

i) the performance data will relate to a period prior to the Fund offering its securities under a simplified prospectus; and

ii) the Fund has not distributed its securities under a simplified prospectus for 12 consecutive months,

b) Section 2.1 of *Regulation 81-101 respecting Mutual Fund Prospectus Disclosure*, CQLR, c. V-1.1, r.38 (**Regulation 81-101**) to meet the requirements from Form 81-101F3 *Contents of Fund Facts Document* (**Form 81-101F3**), and

c) Items 5(2), 5(3) and 5(4) and Instructions (1) and (5) of Part I of Form 81-101F3 in respect of the requirement to comply with sections 15.3(2), 15.6(1)(a)(i) and 15.6(1)(d) of Regulation 81-102 to permit the Fund to include in its fund facts the past performance data of the Fund notwithstanding that:

i) such performance data relates to a period prior to the Fund offering its securities under a simplified prospectus; and

ii) the Fund has not distributed its securities under a simplified prospectus for 12 consecutive months,

d) Section 4.4 of *Regulation 81-106 respecting Investment Fund Continuous Disclosure*, CQLR, c. V-1.1, r. 42 (**Regulation 81-106**) from Form 81-106F1 *Contents of Annual and Interim Management Report of Fund Performance* (**Form 81-106F1**); and

e) Items 3.1(7) and 4.1(1) in respect of the requirement to comply with section 15.3(2) of Regulation 81-102, 4.1(2), 4.2(1), 4.3(1) and 4.3(2) of Part B of Form 81-106F1 and Items 3(1) and 4 of Part C of Form 81-106F1 to permit the Fund to include, in its annual and interim management reports of fund performance (**MRFPs**), past performance data notwithstanding that such performance data relates to a period prior to the Fund offering its securities under a simplified prospectus,

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

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

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

b) the Filer has provided notice that section 4.7(1) of *Regulation 11-102 respecting Passport System*, CQLR, c. V-1.1, r. 1 (**Regulation 11-102**) is intended to be relied upon by the Filer in the following jurisdictions: Alberta, British Columbia, Prince Edward Island, Manitoba, New Brunswick, Nova Scotia, Saskatchewan and Newfoundland and Labrador (the **Notified Passport Jurisdictions**);

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

Interpretation

Terms defined in *Regulation 14-101 respecting Definitions*, CQLR, c. V-1.1, r. 3 and Regulation 11-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

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

1. The Fund is an open-ended mutual fund trust created under the laws of Ontario on January 1, 2009.

2. The Filer is a corporation incorporated under the laws of Canada having its head office in Montreal, Quebec.

3. The Filer is registered under securities legislation in Quebec, Ontario and Newfoundland & Labrador as an investment fund manager and in Quebec, Alberta, British Columbia, Prince Edward Island, Manitoba, New Brunswick, Nova Scotia, Ontario, Saskatchewan and Newfoundland & Labrador as a dealer in the category of mutual fund dealer. The Filer is the investment fund manager, promoter and trustee of the Fund.

4. Canso Investment Counsel Ltd. (**Canso**), a registered portfolio manager in each of the Jurisdictions and the Notified Passport Jurisdictions, has been appointed as the portfolio manager of the Fund. Since the Fund commenced operations, Canso has been the portfolio manager of the Fund.

5. Units of the Fund were previously only distributed to investors in the Jurisdictions and Notified Passport Jurisdictions on a prospectus-exempt basis in accordance with *Regulation 45-106 respecting Prospectus Exemptions*, CQLR, V-1.1, r. 21.

6. In order to commence distributing its units pursuant to a simplified prospectus, the Fund filed on February 27, 2019 a preliminary simplified prospectus and annual information form, as well as fund facts. A receipt for the final simplified prospectus (the **Prospectus**) and annual information form of the Fund was issued on April 8, 2019. The Fund has become a reporting issuer in each of the Jurisdictions and the Notified Passport Jurisdictions and has become subject to the requirements of Regulation 81-102. The Fund has also become subject to the requirements of Regulation 81-106.

7. The Filer and the Fund are not in default of securities legislation in any of the Jurisdictions and the Notified Passport Jurisdictions.

8. Since the Fund commenced operations as a mutual fund, it has complied with its obligation to prepare and send audited annual and unaudited interim financial statements to all holders of its securities in accordance with Regulation 81-106.

9. Since the Fund commenced operations, it has complied with the investment restrictions and practices contained in Regulation 81-102, including not using leverage in the management of its portfolio.

10. Since the Fund commenced operations, the Fund has not paid any management fees to the Filer and such fees have been paid directly by investors in the Fund. This will still be the case now that the Fund is a reporting issuer.

11. The Fund will be managed substantially similarly after it becomes a reporting issuer as it was prior to becoming a reporting issuer. As a result of the Fund becoming a reporting issuer:

    a) the Fund's investment objectives will not change, other than to provide additional detail as required by Regulation 81-101;

    b) the day-to-day administration of the Fund in respect of its units will not change other than to comply with the additional regulatory requirements associated with being a reporting issuer (none of which impact the portfolio management of the Fund) and to provide additional features that are available to investors of mutual funds managed by the Filer, as described in the Prospectus; and

    c) the intention of the Filer is to absorb expenses of the Fund to maintain the existing management expense ratio (**MER**) of the Fund at approximately the same level of the Fund prior to becoming a reporting issuer. Any such expense absorption may be discontinued in the future, however the Filer does not expect any material increase in MER once the absorption stops.

12. The Filer proposes to present the performance data of the Fund in sales communications and fund facts for a period prior to it becoming a reporting issuer.

13. Without the Exemption Sought, the sales communications and fund facts pertaining to the Fund cannot include performance data that relates to a period prior to the Fund becoming a reporting issuer.

14. Without the Exemption Sought, sales communications pertaining to the Fund would not be permitted to include performance data until the Fund has distributed securities under a simplified prospectus in a jurisdiction for 12 consecutive months.

15. The Filer proposes to include in the fund facts for the Fund, past performance data in the chart required by items 5(2), 5(3) and 5(4) under the sub-headings "Year-by-year returns", "Best and worst 3-month returns" and "Average return" related to periods prior to the Fund becoming a reporting issuer in a jurisdiction.

16. Without the Exemption Sought, the MRFP of the Fund cannot include financial highlights and performance data that relates to a period prior to the Fund becoming a reporting issuer.

17. The past performance data and other financial data of the Fund for the time period before it became a reporting issuer is significant and meaningful information that can assist existing and prospective investors in making an informed decision whether to purchase units of the Fund.

Decision

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

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

a) any sales communication and any fund facts that contain performance data of the Fund relating to a period prior to when the Fund was a reporting issuer discloses:

   i) that the Fund was not a reporting issuer during such period;

   ii) that the expenses of the Fund would have been higher during such period had the Fund been subject to the additional regulatory requirements applicable to a reporting issuer;

   iii) performance data of the Fund for 10, 5, 3 and one year periods;

b) the information contained under the heading "Fund Expenses Indirectly Borne by Investors" in Part B of the simplified prospectus of the Fund based on the MER for the Fund for the financial year ended December 31, 2019 be accompanied by disclosure that:

   i) the information is based on the MER of the Fund for its last completed financial year when its units were offered privately during part of such financial year;

   ii) the MER of the Fund may increase as a result of the Fund offering its units under the simplified prospectus;

c) any MRFP that includes performance data of the Fund relating to a period prior to when the Fund was a reporting issuer discloses:

   i) that the Fund was not a reporting issuer during such period;

   ii) that the expenses of the Fund would have been higher during such period had the Fund been subject to the additional regulatory requirements applicable to a reporting issuer;

   iii) that the financial statements of the Fund for such period are posted on the Fund's website and are available to investors upon request;

   iv) performance data of the Fund for 10, 5, 3 and one year periods;

d) the Filer posts the financial statements of the Fund for the past 10 years on the Fund's website and makes those financial statements available to investors upon request.

"Hugo Lacroix"
Acting Superintendent Securities Markets

2.2 Orders

2.2.1 BDO Canada LLP

FILE NO.: 2018-59

IN THE MATTER OF
BDO CANADA LLP

Timothy Moseley, Vice-Chair and Chair of the Panel

May 7, 2019

ORDER

WHEREAS on May 3, 2019, the Ontario Securities Commission held a hearing at the offices of the Commission, located at 20 Queen Street West, 17th Floor, Toronto, Ontario in relation to a disclosure motion brought by BDO Canada LLP (**BDO**);

ON READING the motion materials filed by BDO and Staff of the Commission (**Staff**) and on hearing the submissions of BDO and the representatives for Staff;

IT IS ORDERED, with reasons to follow, that BDO's disclosure motion is dismissed.

"Timothy Moseley"

2.2.2 FX Connect Multilateral Trading Facility – s. 147

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

AND

IN THE MATTER OF
FX CONNECT MULTILATERAL TRADING FACILITY

ORDER
(Section 147 of the Act)

WHEREAS State Street Global Markets International Limited (the "**Applicant**") has filed an application on behalf of FX Connect Multilateral Trading Facility ("**FX Connect MTF**") dated 11 December 2018 (**Application**) with the Ontario Securities Commission (**Commission**) requesting an interim order pursuant to section 147 of the Act exempting FX Connect MTF from the requirement to be recognised as an exchange under subsection 21(1) of the Act (**Exchange Relief**);

AND WHEREAS FX Connect MTF has represented to the Commission that:

1.1 FX Connect MTF is operated by the Applicant, a member of the State Street Group.

1.2 FX Connect MTF is an electronic trading platform operated as a multilateral trading facility ("**FX Connect MTF**") registered with the Financial Conduct Authority ("**FCA**") in the United Kingdom. FX Connect MTF offers request for quote ("**RFQ**") trading in certain instruments related to foreign currencies (spot, deliverable and non-deliverable forwards and swaps) and related trade support services to its subscribers ("**Members**"). It is understood that, as of the date of the application, exchange relief is not required in respect of foreign currencies spot.

1.3 The Applicant is subject to regulatory supervision by the FCA and is required to comply with the FCA's regulatory framework set out in the FCA Handbook, which includes, among other things, rules on (i) the conduct of business (including rules regarding client categorisation, communication with clients and other investor protections and client agreements), (ii) market conduct (including rules applicable to firms operating an MTF), and (iii) systems and controls (including rules on outsourcing, governance, record-keeping and conflicts of interest). The FCA requires the Applicant to comply at all times with a set of threshold conditions for authorisation, including requirements that the Applicant is "fit and proper" to be authorised and that it has appropriate resources for the activities it carries on. The Applicant is subject to prudential regulation, including minimum regulatory capital requirements, and is capitalised in excess of regulatory requirements. The Applicant is required to maintain a permanent and effective compliance function. The Applicant's Compliance function, and specifically the FX Connect MTF Chief Compliance Officer, is responsible for implementing and maintaining adequate policies and procedures designed to ensure that the Applicant (and all associated staff) comply with their obligations under the FCA rules. These policies and procedures are set forth in the State Street Global Markets Global Core Compliance Manual and associated internal policies and procedures;

1.4 An MTF is obliged under the FCA Handbook to have requirements governing the conduct of Members, to monitor compliance with those requirements and report to the FCA (a) significant breaches of FX Connect MTF's Rules, (b) disorderly trading conditions, and (c) conduct that may involve market abuse. The Applicant may also notify the FCA when a Member's access is terminated, temporarily suspended or subject to condition(s). As required by the FCA Handbook, the Applicant has implemented a trade surveillance program. As part of the program, the Applicant conducts real-time market monitoring of trading activity on the FX Connect MTF to identify disorderly trading and market abuse or anomalies. The market surveillance program is designed to maintain a fair and orderly market for FX Connect MTF Members.

1.5 All Members, including Members in Ontario ("**Ontario Members**") are required to ensure they meet the necessary eligibility criteria for use of FX Connect MTF. Ontario Members must ensure they meet all applicable Ontario regulatory requirements with respect to trading on FX Connect MTF. Ontario Members are required to sign an addendum containing Canada specific representations, warranties and covenants around their type of entity and status. Ontario Members are required to notify the Applicant immediately if they cease to meet the criteria of an Eligible Counterparty. Members must also supply any information requested by the FX Connect MTF or Applicant to enable monitoring of responsibilities with respect to eligibility and operational criteria;

1.6 Because FX Connect MTF regulates the conduct of its Members, it is considered by the Commission to be an exchange;

1.7 Because FX Connect MTF has Members located in Ontario, it would be considered by the Commission to be carrying on business as an exchange in Ontario and would be required to be recognised as such or exempted from recognition pursuant to section 21 of the Act;

1.8 FX Connect MTF has no physical presence in Ontario and does not otherwise carry on business in Ontario except as described above; and

1.9 The Applicant intends to file a full application to the Commission for a subsequent order exempting it from the requirement to be recognised as an exchange pursuant to section 147 of the Act (**Subsequent Order**);

AND WHEREAS the products traded on FX Connect MTF are not commodity futures contracts as defined in the *Commodity Futures Act* (Ontario) and FX Connect MTF is not considered to be carrying on business as a commodity futures exchange in Ontario;

AND WHEREAS FX Connect MTF has acknowledged to the Commission that the scope of the Exchange Relief and the terms and conditions imposed by the Commission set out in Schedule "A" to this order may change as a result of the Commission's monitoring of developments in international and domestic capital markets or FX Connect MTF's activities, or as a result of any changes to the laws in Ontario affecting trading in derivatives or securities;

AND WHEREAS based on the Application, together with the representations made by and acknowledgements of FX Connect MTF to the Commission, the Commission has determined that the granting of the Exchange Relief would not be prejudicial to the public interest;

IT IS HEREBY ORDERED by the Commission that, pursuant to section 147 of the Act, FX Connect MTF is exempt on an interim basis from recognition as an exchange under subsection 21(1) of the Act,

PROVIDED THAT:

1. This Order terminates on the earlier of (i) May 11, 2020 and (ii) the effective date of the Subsequent Order;

2. FX Connect MTF complies with the terms and conditions contained in Schedule "A."; and

3. FX Connect MTF shall file a full application to the Commission for the Subsequent Order by August 12, 2019.

DATED May 10, 2019

"Lawrence Haber"

"Heather Zordel"

SCHEDULE "A"

TERMS AND CONDITIONS

Regulation and Oversight of the Applicant

1. The Applicant will maintain its permission to operate as a multilateral trading facility (MTF) with the U.K. Financial Conduct Authority (FCA) and will continue to be subject to the regulatory oversight of the FCA.

2. The Applicant will continue to comply with the ongoing requirements applicable to it as the operator of an MTF authorised by the FCA.

3. The Applicant will promptly notify the Commission if its permission to operate an MTF has been revoked, suspended, or amended by the FCA, or the basis on which its permission to operate an MTF has been granted has significantly changed.

4. The Applicant must do everything within its control, which includes cooperating with the Commission as needed, to carry out its activities as an exchange exempted from recognition under subsection 21(1) of the Act in compliance with Ontario securities law.

Access

5. The Applicant will not provide direct access to a Member in Ontario (each an Ontario Member) unless the Ontario Member is appropriately registered as applicable under Ontario securities laws or is exempt from or not subject to those requirements, and qualifies as an "eligible counterparty" (either "per se" or "elective"), as defined by the FCA in the FCA's Conduct of Business Sourcebook, Chapter 3 "Client Categorisation".

6. The Applicant may reasonably rely on a written representation from the Ontario Member that specifies either that it is appropriately registered as applicable under Ontario securities laws or is exempt from or not subject to those requirements.

7. For each Ontario Member provided direct access to FX Connect MTF, the Applicant will require, as part of its application documentation or continued access to FX Connect MTF, the Ontario Member to represent that it is appropriately registered as applicable under Ontario securities laws or is exempt from or not subject to those requirements.

8. The Applicant will require Ontario Members to notify the Applicant if their registration as applicable under Ontario securities laws has been revoked, suspended, or amended by the Commission or if they are no longer exempt from or become subject to those requirements and, following notice from the Ontario Member and subject to applicable laws, the Applicant will promptly restrict the Ontario Member's access to FX Connect MTF if the Ontario Member is no longer appropriately registered or exempt from those requirements.

9. The Applicant must make available to Ontario Members appropriate training for each person who has access to trade on the Applicant's facilities.

Trading by Ontario Users

10. The Applicant will not provide access to an Ontario Member to trade in products other than swaps and security-based swaps, as defined in section 1a(47) of the United States Commodity Exchange Act, as amended, without prior Commission approval.

Submission to Jurisdiction and Agent for Service

11. With respect to a proceeding brought by the Commission arising out of, related to, concerning or in any other manner connected with the Commission's regulation and oversight of the activities of the Applicant in Ontario, the Applicant will submit to the non-exclusive jurisdiction of (i) the courts and administrative tribunals of Ontario and (ii) an administrative proceeding in Ontario.

12. The Applicant will file with the Commission a valid and binding appointment of an agent for service in Ontario upon whom the Commission may serve a notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal, penal or other proceeding arising out of or relating to or, concerning the Commission's regulation and oversight of the Applicant's activities in Ontario.

Disclosure

13. The Applicant will provide to its Ontario Members disclosure that:

    (a) rights and remedies against the Applicant may only be governed by the laws of the United Kingdom, rather than the laws of Ontario and may be required to be pursued in the United Kingdom rather than in Ontario; and

    (b) the rules applicable to trading on FX Connect MTF may be governed by the laws of the United Kingdom rather than the laws of Ontario.

Prompt Notice or Filing

14. The Applicant will promptly notify staff of the Commission of any of the following:

    (a) any material change to its business or operations or the information provided in the Application, including, but not limited to:

        (i) changes to the regulatory oversight by the FCA;

        (ii) the corporate governance structure of the Applicant;

        (iii) the access model, including eligibility criteria, for Ontario Members;

        (iv) systems and technology; and

        (v) the clearing and settlement arrangements for FX Connect MTF;

    (b) any condition or change in circumstances whereby the Applicant is unable or anticipates it will not be able to continue to meet the any of the relevant rules or regulations of the FCA, as set forth in the FCA Handbook;

    (c) any known investigations of, or disciplinary action against the Applicant by the FCA or any other regulatory authority to which it is subject;

    (d) any matter known to the Applicant that may materially affect its financial or operational viability, including, but not limited to, any significant system failure or interruption; and

    (e) any default, insolvency, or bankruptcy of a FX Connect MTF Member known to the Applicant or its representatives that may have a material, adverse impact upon FX Connect MTF or any Ontario Member.

15. The Applicant will promptly provide staff of the Commission with the following information to the extent it is required to provide to or file such information with the FCA:

    (a) details of any material legal proceeding instituted against the Applicant;

    (b) notification that the Applicant has instituted a petition for a judgment of bankruptcy or insolvency or similar relief, or to wind up or liquidate the Applicant or has a proceeding for any such petition instituted against it; and

    (c) the appointment of a receiver or the making of any voluntary arrangement with creditors.

Quarterly Reporting

16. The Applicant will maintain the following updated information and submit such information in a manner and form acceptable to the Commission on a quarterly basis (within 30 days of the end of each calendar quarter), and at any time promptly upon the request of staff of the Commission:

    (a) a current list of all Ontario Members;

    (b) a list of all Ontario Members against whom disciplinary action has been taken in the last quarter by FX Connect MTF, or, to the best of FX Connect MTF's knowledge, by FCA with respect to such Ontario Users' activities on FX Connect MTF;

(c) a list of all investigations by FX Connect MTF relating to Ontario Members;

(d) a list of all Ontario applicants for status as a participant who were denied such status or access to FX Connect MTF during the quarter, together with the reasons for each such denial;

(e) a list of all products available for trading during the quarter, identifying any additions, deletions, or changes since the prior quarter;

(f) for each product,

(i) the total trading volume and value originating from Ontario Members, presented on a per Ontario User basis, and

(ii) the proportion of worldwide trading volume and value on FX Connect MTF conducted by Ontario Members, presented in the aggregate for such Ontario Members; and

(g) a list outlining each incident of a material systems failure, malfunction or delay that occurred at any time during the quarter for any system relating to trading activity, including trading, routing or data, specifically identifying the date, duration and reason for the failure, malfunction or delay, and noting any corrective action taken.

Annual Reporting

17. The Applicant will file with the Commission any annual financial report or financial statements (audited or unaudited) of the Applicant provided to or filed with the FCA promptly after filing with the FCA.

Information Sharing

18. The Applicant will provide such information as may be requested from time to time by, and otherwise cooperate with, the Commission or its staff, subject to any applicable privacy or other laws (including solicitor-client privilege) governing the sharing of information and the protection of personal information.

2.2.3 ZCL Composites Inc.

Headnote

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

Applicable Legislative Provisions

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

Citation: *Re ZCL Composites Inc.*, 2019 ABASC 75 Date: 20190510

May 10, 2019

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

AND

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

AND

IN THE MATTER OF
ZCL COMPOSITES INC.
(the Filer)

ORDER

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **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 Alberta Securities Commission is the principal regulator for this application;

(b) the Filer has provided notice that sub-section 4C.5(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia and Québec; and

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

Interpretation

Terms defined in National Instrument 14-101 *Definitions* or 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 security holders 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 security where trading data is publicly reported;

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

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

Order

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

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

"Timothy Robson"
Manager, Legal
Corporate Finance

2.2.4 Pershing Gold Corporation

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).

May 13, 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
PERSHING GOLD CORPORATION
(the filer)

ORDER

Background

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

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

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

2. the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 – *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, 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.

“Marie-France Bourret”
Acting Manager, Corporate Finance
Ontario Securities Commission

2.2.5 Big 8 Split Inc.

Headnote

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – Application for an order than the issuer is not a reporting issuer under applicable securities laws – issuer in default of securities legislation – relief granted.

Applicable Legislative Provisions

Securities Act (Ontario), s. 1(10)(a)(ii).

April 30, 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
BIG 8 SPLIT INC.
(the Filer)

ORDER

Background

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

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

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

(b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in all of the Provinces and Territories of Canada (other than Ontario).

Interpretation

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

Representations

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

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

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

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

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

5. the Filer has no current intention to seek public financing by way of an offering of its securities in Canada;

6. the Filer is not in default of securities legislation in any jurisdiction, other than the obligation of the Filer to file: (i) its annual financial statements for the financial year ended December 15, 2018; and (ii) its annual management report of fund performance for the financial year ended December 15, 2018;

7. the Filer is not eligible to use the the simplified procedure under National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications* because of the Defaults; and

8. upon granting of the Order Sought, the Filer will not be a reporting issuer in any jurisdiction in Canada.

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.

"M. Cecilia Williams"
Commissioner
Ontario Securities Commission

"Garnet W. Fenn"
Commissioner
Ontario Securities Commission

2.3 Orders with Related Settlement Agreements

2.3.1 NextBlock Global Limited and Alex Tapscott – ss. 127, 127.1

FILE NO.: 2019-8

IN THE MATTER OF
NEXTBLOCK GLOBAL LIMITED and
ALEX TAPSCOTT

Timothy Moseley, Vice-Chair and Chair of the Panel

May 13, 2019

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

WHEREAS on May 13, 2019, the Ontario Securities Commission held a hearing at the offices of the Commission, located at 20 Queen Street West, 17th Floor, Toronto, Ontario, to consider the Joint Request for a Settlement Hearing filed by Alex Tapscott (**Tapscott**), NextBlock Global Limited (**NextBlock**) and Staff of the Commission (**Staff**) for approval of a settlement agreement entered into on April 9, 2019 (the **Settlement Agreement**);

ON READING the Statement of Allegations dated May 8, 2019 and the Settlement Agreement, and on hearing the submissions of the representatives for NextBlock, Tapscott, and Staff, and on considering the undertaking of Tapscott dated May 13, 2019 attached as Annex I to this Order;

IT IS ORDERED THAT:

1. the Settlement Agreement is approved;

2. NextBlock shall:

   a. pay an administrative penalty in the amount of $700,000, pursuant to paragraph 9 of subsection 127(1) of the *Securities Act*, RSO 1990, c S.5 (the **Act**), which amount is to be designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b)(i) or (ii) of the Act; and

   b. pay costs in the amount of $100,000 for the investigation, pursuant to s.127.1 of the Act;

3. Tapscott shall:

   a. pay an administrative penalty in the amount of $300,000, pursuant to paragraph 9 of subsection 127(1) of the *Securities Act*, RSO 1990, c S.5 (the **Act**), which amount is to be designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b)(i) or (ii) of the Act.

“Timothy Moseley”

ANNEX I

UNDERTAKING OF ALEX TAPSCOTT

IN THE MATTER OF
NEXTBLOCK GLOBAL LIMITED and
ALEX TAPSCOTT

UNDERTAKING TO THE ONTARIO SECURITIES COMMISSION

1. This Undertaking is given in connection with the settlement agreement dated April 1, 2 and 9, 2019 (the "**Settlement Agreement**") between Alex Tapscott ("**Tapscott**") and Staff ("**Staff**") of the Commission. All terms shall have the same meanings in this Undertaking as in the Settlement Agreement.

2. Tapscott undertakes to the Commission to:

   (a) publish the Open Letter (as defined in the Settlement Agreement) about the impact and consequences of his misconduct in a national publication within one week of the approval of the Settlement Agreement, unless an alternative timeline is agreed to by Staff; and

   (b) deliver an Ethics Presentation (as defined in the Settlement Agreement) on the impact and consequences of his misconduct to students at three Canadian business schools in the context of an ethics course within 18 months of the approval of the Settlement Agreement, unless a substantially similar alternative is agreed to by Staff.

DATED at Toronto, Ontario this 13th day of May, 2019.

"Steven Sofer"
Witness: Steven Sofer

"Alex Tapscott"
ALEX TAPSCOTT

IN THE MATTER OF
NEXTBLOCK GLOBAL LIMITED and
ALEX TAPSCOTT

SETTLEMENT AGREEMENT

PART I – INTRODUCTION

1. To make informed investment decisions, investors rely on disclosure from an issuer and its directors and officers. All issuers, including those in the exempt market, must ensure that materials provided to investors contain fair and accurate information. Misleading statements in offering memoranda, such as investor slide decks, deprive investors of the opportunity to make fully informed investment decisions and undermine confidence in Ontario's capital markets.

2. NextBlock Global Limited ("**NextBlock**") and Alex Tapscott ("**Tapscott**"), collectively (the "**Respondents**"), made misleading statements in offering memoranda provided to over 100 prospective investors in a private placement that raised approximately $20 million from 113 accredited investors. These offering memoranda took the form of investor slide decks and represented certain prominent figures in the blockchain space as NextBlock's advisors when these individuals had not agreed to act as its advisors and had not consented to being included in the investor slide decks. As a result of this conduct, NextBlock and Tapscott breached subsection 122(1)(b) of the *Securities Act*, RSO 1990, c S.5, as amended (the "**Act**").

PART II – JOINT SETTLEMENT RECOMMENDATION

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

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

Part III – AGREED FACTS

A. THE RESPONDENTS

5. NextBlock is an Ontario corporation based in Toronto. NextBlock was formed in June of 2017 to invest in blockchain companies and digital assets.

6. Tapscott is a co-founder of NextBlock and has been a director and its Chief Executive Officer since its inception. Tapscott, from December 2008 to June 2015, was registered with the Commission as a Dealing Representative (formerly Salesperson).

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

7. In June and July 2017, Tapscott and other NextBlock principals solicited investment in NextBlock through a private placement of convertible debentures to accredited investors (the "**First Private Placement**").

8. In connection with promoting the First Private Placement, Tapscott and others at NextBlock provided over 100 prospective investors with slide deck presentations that described the business and affairs of NextBlock (the "**Investor Decks**"). The Investor Decks constituted offering memoranda under Ontario securities law.

9. The Investor Decks were the only materials describing NextBlock's business provided to prospective investors in the First Private Placement.

10. As CEO, Tapscott was ultimately responsible for the Investor Decks, and took the lead in corresponding with prospective investors.

11. Investor Decks provided to prospective investors included a slide that listed prominent figures in the blockchain space and represented these individuals as NextBlock's advisors (the "**Advisor Slide**"). At all times, the Advisor Slide listed at least one and as many as four individuals that had not agreed to act as advisors to NextBlock and had not consented to being named in the Investor Decks. One of these individuals had never been approached to act for NextBlock in any capacity.

12. The representation by Tapscott and NextBlock in the Investor Decks that these four prominent figures in the blockchain community were advisors to NextBlock was untrue and misleading (the "**Misleading Statements**").

13. Investors in the First Private Placement that received the Investor Decks containing these Misleading Statements were deprived of the opportunity to make a fully informed investment decision.

14. The First Private Placement closed on July 26, 2017 with NextBlock raising approximately $20 million from 113 accredited investors (the "**Debenture Holders**"). The Debenture Holders resided primarily in Ontario. Tapscott and principals of NextBlock personally, or through their corporations, invested approximately $3 million of the $20 million of the First Private Placement.

15. Following the First Private Placement, NextBlock had intended to obtain a public listing through a Reverse Take-Over ("**RTO**") and for the Debenture Holders to convert their interest in NextBlock to publicly tradeable shares. NextBlock had also planned a $50 million second private placement of subscription receipts concurrent with the RTO (the "**Second Private Placement**").

16. In the summer and fall of 2017, NextBlock took steps to pursue the RTO and Second Private Placement including by engaging Canaccord Genuity Group Inc. ("**Canaccord**") and CIBC World Markets Inc. ("**CIBC**") as lead agents in connection with the Second Private Placement.

17. The Second Private Placement attracted significant interest from accredited investors generating approximately $200 million in orders by the end of October 2017.

18. However, beginning on November 1, 2017, Forbes.com published a series of articles about the Misleading Statements in the Investor Decks that were provided to prospective investors in the First Private Placement. These articles included denials from the four individuals referred to in paragraph 11 that they were ever advisors to NextBlock.

19. The Forbes articles precipitated a series of events that culminated in NextBlock abandoning the Second Private Placement.

20. Between November 1, 2017 and November 5, 2017, CIBC resigned, Canaccord decided not to move forward as lead agent, and investors representing orders of approximately $187 million backed out of the Second Private Placement. Following these events, NextBlock announced that it would no longer pursue the RTO and Second Private Placement.

21. On November 5, 2017, NextBlock informed investors that it would return their principal investment and any profits to them. On November 26, 2017, NextBlock initiated wind-up proceedings and later brought a plan of arrangement before the Ontario Superior Court of Justice with a view to winding up NextBlock and making distributions to investors in the First Private Placement.

22. Due to a significant increase in the value of its investments, NextBlock generated significant profits. As a result, in connection with the plan of arrangement, the Debenture Holders received the return of their initial investment of approximately $20 million, as well as additional distributions of approximately $28 million, representing approximately a 140% profit on their investment.

23. As part of the wind-up and plan of arrangement, Tapscott has voluntarily declined approximately $3 million in carried interest that he was entitled to based on NextBlock's profits. This amount was retained by NextBlock and formed part of the distributions to the Debenture Holders.

24. As set out above, NextBlock and Tapscott made statements in offering memoranda required to be filed or furnished under Ontario securities law that, in a material respect and at the time and in light of the circumstances under which the statements were made, were misleading or untrue or did not state a fact that was required to be stated or that was necessary to make the statements not misleading, contrary to subsection 122(1)(b) of the Act.

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

25. The Respondents acknowledge and admit that they:

    (a) made statements in offering memoranda required to be filed or furnished under Ontario securities law that, in a material respect and at the time and in light of the circumstances under which the statements were made, were misleading or untrue or did not state a fact that was required to be stated or that was necessary to make the statements not misleading, contrary to subsection 122(1)(b) of the Act; and

    (b) acted in a manner contrary to the public interest.

PART V – RESPONDENTS' POSITION

26. The Respondents request that the settlement hearing panel consider the mitigating circumstances set out in paragraphs 27 to 35. Staff do not object to the mitigating circumstances set out by the Respondents below.

27. NextBlock and Tapscott acknowledge that the four individuals referred to at paragraph 11 were not advisors to NextBlock and should not have been held out as such in the Investor Decks. However, NextBlock and Tapscott request that the Panel consider that the Advisors Slide listed individuals that Tapscott and others at NextBlock knew personally.

28. As set out above, following the decision not to proceed with the Second Private Placement, NextBlock and Tapscott immediately took steps to wind-up NextBlock and make distributions to investors in the First Private Placement.

29. As part of this process, Tapscott has voluntarily declined approximately $3 million in carried interest that he was entitled to based on NextBlock's profits. This amount was retained by NextBlock and formed part of the distributions to the Debenture Holders. Tapscott also elected not to receive a salary during this period.

30. In the end, the Debenture Holders received a return of their initial investment in the amount of approximately $20 million, and so far have also received additional distributions of approximately $28 million, representing a 140% profit on their investment. NextBlock may distribute additional available funds to the Debenture Holders in accordance with the order of Justice Hainey dated June 19, 2018 authorizing the plan of arrangement.

31. NextBlock and Tapscott cooperated with Staff throughout its investigation including by voluntarily producing documents relevant to Staff's investigation.

32. Tapscott has no prior disciplinary record with any securities regulatory authority, including the Commission.

33. NextBlock and Tapscott have sought to reach an early resolution of this matter, prior to the commencement of proceedings in this matter.

34. Tapscott, on his own initiative, offered to prepare and did prepare an open letter about the impact and consequences of his misconduct (the "**Open Letter**"). Tapscott has undertaken to publish the Open Letter in a national publication within one week of the approval of the Settlement Agreement, unless an alternative timeline is agreed to by Staff.

35. Tapscott has also volunteered to deliver presentations on the impact and consequences of his misconduct, consistent with the Open Letter, to students at three Canadian business schools in the context of an ethics course, or other substantially similar alternative as agreed to by Staff (the "**Ethics Presentations**"). Tapscott has undertaken to deliver the Ethics Presentations within 18 months of the approval of the Settlement Agreement, unless a substantially similar alternative is agreed to by Staff.

PART VI – TERMS OF SETTLEMENT

36. The Respondents agree to the terms of settlement set forth below.

37. The Respondents consent to the Order, pursuant to which it is ordered that:

    (a) this Settlement Agreement be approved;

    (b) NextBlock shall:

        (i) pay an administrative penalty in the amount of $700,000, pursuant to paragraph 9 of subsection 127(1) of the Act, which amount is to be designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b) of the Act; and

        (ii) pay costs in the amount of $100,000 for the investigation, pursuant to section 127.1 of the Act.

    (c) Tapscott shall:

        (i) pay an administrative penalty in the amount of $300,000, pursuant to paragraph 9 of subsection 127(1) of the Act, which amount is to be designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b) of the Act;

38. The Respondents agree to pay the administrative penalties and costs referred to above by separate wire transfers to the Commission before the commencement of the Settlement Hearing.

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

40. Tapscott has given an undertaking (the "Undertaking") to the Commission in the form attached as Schedule "B" to this Settlement Agreement, under which Tapscott undertakes to (i) publish the Open Letter within one week of the approval of the Settlement Agreement, unless an alternative timeline is agreed to by Staff; and (ii) deliver the Ethics Presentations within eighteen months of the approval of the Settlement Agreement, unless a substantially similar alternative is agreed to by Staff.

PART VII – FURTHER PROCEEDINGS

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

42. The Respondents acknowledge that, if the Commission approves this Settlement Agreement and the Respondents fail to comply with any term in it, Staff or the Commission, as the case may be, is entitled to bring any proceedings necessary to, among other things, recover the amounts set out in sub-paragraphs 37(b)(i) and (ii), and (c)(i) above.

43. The Respondents waive any defences to a proceeding referenced in paragraphs 41 or 42 that are based on the limitation period in the Act, provided that no such proceeding shall be commenced later than six years from the date of the occurrence of the last failure to comply with this Settlement Agreement or the Undertaking.

PART VIII – PROCEDURE FOR APPROVAL OF SETTLEMENT

44. The parties will seek approval of this Settlement Agreement at a public hearing (the "**Settlement Hearing**") before the Commission, which shall be held on a date determined by the Secretary to the Commission in accordance with this Settlement Agreement and the Commission's *Rules of Procedure* (2014), 37 O.S.C.B. 4168.

45. The Respondents will attend the Settlement Hearing in person.

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

47. If the Commission approves this Settlement Agreement:

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

    (b) the parties will not make any public statement that is inconsistent with this Settlement Agreement or with any additional agreed facts submitted at the Settlement Hearing.

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

PART IX – DISCLOSURE OF SETTLEMENT AGREEMENT

49. If the Commission does not make the Order:

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

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

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

PART X – EXECUTION OF SETTLEMENT AGREEMENT

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

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

DATED at Toronto, Ontario this 1st day of April, 2019.

"*Usman Sheikh"*
Witness: Usman Sheikh

"Alex Tapscott"
ALEX TAPSCOTT

NEXTBLOCK GLOBAL LIMITED

By: *"Dennis Bennie"*
Dennis Bennie
Director

DATED at Toronto, Ontario, this 2nd day of April, 2019.

ONTARIO SECURITIES COMMISSION

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

April 9, 2019

SCHEDULE "A"

FORM OF ORDER

FILE NO.: 2019-9

IN THE MATTER OF
NEXTBLOCK GLOBAL LIMITED and
ALEX TAPSCOTT

Timothy Moseley, Vice-Chair and Chair of the Panel

[*Day and date Order made*]

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

WHEREAS on [*date*], the Ontario Securities Commission held a hearing at the offices of the Commission, located at 20 Queen Street West, 17th Floor, Toronto, Ontario, to consider the Joint Request for a Settlement Hearing filed by Alex Tapscott (**Tapscott**), NextBlock Global Limited (**NextBlock**) and Staff of the Commission (**Staff**) for approval of a settlement agreement dated [*date*] (the **Settlement Agreement**);

ON READING the Statement of Allegations dated [*date*] and the Settlement Agreement, and on hearing the submissions of the representatives for NextBlock, Tapscott, and Staff, and on considering the undertaking of Tapscott dated [*date*] attached as Annex I to this Order;

IT IS ORDERED THAT:

1. the Settlement Agreement is approved;

2. pursuant to clause 9(1)(b) of the *Statutory Powers Procedure Act*, RSO 1990, c S.22 (SPPA) and Rules 22(2)(b) and (3)(b) of the Ontario Securities Commission *Rules of Procedure and Forms* (2017), 40 OSCB 8988 (the **Rules of Procedure**), the Open Letter (as defined in the Settlement Agreement) filed in connection with the confidential settlement conference will not form part of the public record of this proceeding until the earlier of (i) counsel for Staff and for Tapscott jointly advising the Registrar that the Open Letter has been published in a national publication as set out in the undertaking of Tapscott dated [*date*] attached as Annex I to this Order or (ii) 10 days from the date of this order;

3. NextBlock shall:

   a. pay an administrative penalty in the amount of $700,000, pursuant to paragraph 9 of subsection 127(1) of the *Securities Act*, RSO 1990, c S.5 (the **Act**), which amount is to be designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b)(i) or (ii) of the Act; and

   b. pay costs in the amount of $100,000 for the investigation, pursuant to s.127.1 of the Act;

4. Tapscott shall:

   a. pay an administrative penalty in the amount of $300,000, pursuant to paragraph 9 of subsection 127(1) of the *Securities Act*, RSO 1990, c S.5 (the **Act**), which amount is to be designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b)(i) or (ii) of the Act.

_____
Timothy Moseley

ANNEX I

UNDERTAKING OF ALEX TAPSCOTT

IN THE MATTER OF
NEXTBLOCK GLOBAL LIMITED and
ALEX TAPSCOTT

UNDERTAKING TO THE ONTARIO SECURITIES COMMISSION

1. This Undertaking is given in connection with the settlement agreement dated April 1, 2019 (the "**Settlement Agreement**") between Alex Tapscott ("**Tapscott**") and Staff ("**Staff**") of the Commission. All terms shall have the same meanings in this Undertaking as in the Settlement Agreement.

2. Tapscott undertakes to the Commission to:

   (a) publish the Open Letter (as defined in the Settlement Agreement) about the impact and consequences of his misconduct in a national publication within one week of the approval of the Settlement Agreement, unless an alternative timeline is agreed to by Staff; and

   (b) deliver an Ethics Presentations (as defined in the Settlement Agreement) on the impact and consequences of his misconduct to students at three Canadian business schools in the context of an ethics course within 18 months of the approval of the Settlement Agreement, unless a substantially similar alternative is agreed to by Staff.

DATED at _____, this _____ day of _____, 2019.

_____ _____
Witness: **ALEX TAPSCOTT**

SCHEDULE "B"

FORM OF UNDERTAKING

IN THE MATTER OF
NEXTBLOCK GLOBAL LIMITED and
ALEX TAPSCOTT

UNDERTAKING TO THE ONTARIO SECURITIES COMMISSION

1. This Undertaking is given in connection with the settlement agreement dated April 1, 2019 (the "**Settlement Agreement**") between Alex Tapscott ("**Tapscott**") and Staff ("**Staff**") of the Commission. All terms shall have the same meanings in this Undertaking as in the Settlement Agreement.

2. Tapscott undertakes to the Commission to:

   (a) publish the Open Letter (as defined in the Settlement Agreement) about the impact and consequences of his misconduct in a national publication within one week of the approval of the Settlement Agreement, unless an alternative timeline is agreed to by Staff; and

   (b) deliver an Ethics Presentations (as defined in the Settlement Agreement) on the impact and consequences of his misconduct to students at three Canadian business schools in the context of an ethics course within 18 months of the approval of the Settlement Agreement, unless a substantially similar alternative is agreed to by Staff.

DATED at _____, this _____ day of _____, 2019.

_____ _____
Witness: ALEX TAPSCOTT

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions

3.1.1 NextBlock Global Limited and Alex Tapscott – ss. 127, 127.1

IN THE MATTER OF
NEXTBLOCK GLOBAL LIMITED and
ALEX TAPSCOTT

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

Citation: *NextBlock Global Limited (Re)*, 2019 ONSEC 14
Date: 2019-05-13
File No.: 2019-8

Hearing:	May 13, 2019	
Decision:	May 13, 2019	
Panel:	Timothy Moseley	Vice-Chair and Chair of the Panel
Appearances:	Carlo Rossi	For Staff of the Commission
	James D.G. Douglas Veronica Sjolin	For NextBlock Global Limited
	Steven Sofer Usman Sheikh (by telephone)	For Alex Tapscott

REASONS AND DECISION

The following reasons have been prepared for publication in the Ontario Securities Commission Bulletin, based on the reasons delivered orally at the hearing, and as edited and approved by the Panel, to provide a public record.

[1] Staff of the Commission has made various allegations against NextBlock Global Limited (**NextBlock**) and against Alex Tapscott. The purpose of today's hearing is to consider a settlement agreement between Staff and the respondents relating to those allegations.

[2] Mr. Tapscott is a co-founder and director of NextBlock and its chief executive officer. Prior to his involvement with NextBlock, he was registered with the Commission as a Dealing Representative.

[3] In the summer of 2017, Mr. Tapscott and other principals of NextBlock solicited investment in NextBlock through a private placement of convertible debentures to accredited investors. To promote those investments, Mr. Tapscott and others at NextBlock distributed slide deck presentations. The respondents have admitted that those slide decks constituted offering memoranda under Ontario securities law.

[4] One of the slides represented that certain prominent individuals in the blockchain space were advisors to NextBlock. Not all of those individuals had agreed to act as advisors. One individual had not even been approached to do so. The representation in the slide deck was false.

[5] After the slide deck was distributed, the private placement closed. NextBlock raised approximately $20 million from 113 investors. NextBlock began to take steps to complete a reverse take-over and a second private placement. However, before those transactions could be completed, the false representation regarding advisors came to light. NextBlock ultimately decided not to proceed with the reverse take-over or the second private placement. NextBlock has since initiated wind-up proceedings and has submitted a plan of arrangement to the Superior Court of Justice.

[6] NextBlock and Mr. Tapscott have admitted that they made statements in offering memoranda that, in a material respect and at the time were misleading or untrue. That conduct is contrary to clause 122(1)(b) of the *Securities Act*.[1]

[7] The settlement agreement sets out a number of mitigating factors. I will not repeat all of them. I will highlight that all the investors in the private placement have had their initial investment returned to them, and have received a significant profit. In addition, Mr. Tapscott has foregone approximately $3 million in carried interest and elected not to receive a salary during the relevant period. Furthermore, NextBlock and Mr. Tapscott cooperated with Staff of the Commission throughout its investigation. Finally, Mr. Tapscott has no prior disciplinary record with any securities regulatory authority.

[8] Staff and the respondents have agreed to various sanctions and other measures, and to the payment of costs by NextBlock. While the terms of the settlement have been agreed to by the parties, I must decide whether the settlement should be approved.

[9] The principal terms of the settlement are as follows:

a. NextBlock is to pay an administrative penalty of $700,000, and costs of $100,000, and those funds have now been paid, pending approval of this settlement;

b. Mr. Tapscott is to pay an administrative penalty of $300,000, and has paid that amount, pending approval of this settlement;

c. Mr. Tapscott has written an open letter in which he speaks about the impact and consequences of his misconduct, and he will seek to have that open letter published nationally within the next week; and

d. Mr. Tapscott has volunteered to deliver presentations consistent with his open letter, to students at three Canadian business schools, in the context of an ethics course or something similar, within the next 18 months.

[10] The Commission's role at a settlement hearing is to determine whether the negotiated result falls within a range of reasonable outcomes, and whether it would be in the public interest to make the order requested.

[11] I have reviewed this settlement in detail, and I conducted a confidential settlement conference with counsel for all parties. I asked questions of counsel and I heard their submissions. With the benefit of that session and my review, I conclude that it would be in the public interest to approve this settlement.

[12] In making that decision, I recognize that the agreement is the product of negotiation between Staff and the respondents, all ably represented by counsel. The Commission respects the negotiation process and accords significant deference to the resolution reached by the parties.

[13] I have also taken account of the fact that approval of this settlement would resolve the matter promptly, efficiently and with certainty. A settlement avoids the expenditure of significant resources that would be associated with a contested hearing.

[14] In my view, the terms of the settlement properly reflect the principles applicable to sanctions, including recognition of the seriousness of the misconduct and the importance of fostering investor protection and confidence in the capital markets.

[15] The payment of costs helps to reduce the burden on market participants to pay for investigations and enforcement proceedings.

[16] I also conclude that the terms of the settlement adequately address the need for specific and general deterrence. I did have some hesitation coming to this conclusion with respect to Mr. Tapscott, for reasons that warrant some explanation.

[17] In an enforcement proceeding, where an individual who is an officer and director is found to have contravened Ontario securities law, it is common to see among the imposed sanctions a prohibition against that individual acting as an officer or director for a period of time. Such a prohibition often flows naturally and reflects the preventative nature of the Commission's public interest jurisdiction.

[1] RSO 1990, c S.5.

[18] The agreed-upon sanctions in this case do not include a prohibition against Mr. Tapscott acting as an officer or director. Such a prohibition might well be called for, particularly because Mr. Tapscott was a registrant for a number of years. He is experienced in the securities industry and he ought to have known better.

[19] In submitting that the sanctions are appropriate nonetheless, the parties emphasize, among other things, Mr. Tapscott's clear acknowledgment of responsibility for his serious misconduct, as is reflected in the open letter and as will be demonstrated in his presentations to business students. In addition, I note that this is an emerging industry, and that this settlement, if approved, would send a clear message to others in the industry.

[20] I observe also that even though Mr. Tapscott was a director and officer at the relevant time, his admitted misconduct was not necessarily in his capacity as a director and officer of NextBlock. This is so because an employee could be authorized to make representations on behalf of his or her employer, without having to be a director or officer.

[21] Considering all of those circumstances, I am prepared to accede to the joint request for approval of this settlement, despite the absence of a prohibition against Mr. Tapscott acting as a director or officer. While an individual in a future similar case might encounter more difficulty avoiding such a ban, I conclude that the sanctions in this case, taken together, fall within a reasonable range. This settlement is in the public interest.

[22] I will therefore issue an order substantially in the form of the draft attached to the settlement agreement.

[23] The parties have asked that the open letter referred to in the settlement, and included in the material I have reviewed, remain confidential and unavailable to the public for a short period of time. I accept the joint submission on that point. In my view, the desirability of avoiding disclosure of the open letter for a short time outweighs the desirability of adhering to the principle that hearings and materials be open and available to the public. Therefore, pursuant to section 9(1)(b) of the *Statutory Powers Procedure Act*[2] and Rule 22 of the Ontario Securities Commission *Rules of Procedure and Forms*,[3] I will order that the open letter not form part of the public record until the earlier of May 23, 2019, or the date on which counsel for Staff and counsel for Mr. Tapscott jointly advise the Registrar that the open letter has been published in a national publication as set out in Mr. Tapscott's undertaking dated May 13, 2019.

Dated at Toronto this 13th day of May, 2019.

"Timothy Moseley"

2 RSO 1990, c S.22.

3 (2017) 40 OSCB 8988.

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Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

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

Failure to File Cease Trade Orders

Company Name	Date of Order	Date of Revocation
Current Water Technologies Inc.	06 May 2019	07 May 2019
Goldspot Discoveries Corp.	10 May 2019	
Kraken Robotics Inc.	06 May 2019	13 May 2019
MJardin Group, Inc.	06 May 2019	07 May 2019
The Mint Corporation	06 May 2019	08 May 2019
Rosita Mining Corporation	06 May 2019	09 May 2019
RYU Apparel Inc.	06 May 2019	13 May 2019

4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order	Date of Lapse
THERE IS NOTHING TO REPORT THIS WEEK.		

4.2.2 Outstanding Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
Performance Sports Group Ltd.	19 October 2016	31 October 2016	31 October 2016		

Company Name	Date of Order	Date of Lapse
Blocplay Entertainment Inc.	03 May 2019	
Dionymed Brands Inc.	03 May 2019	
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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Chapter 5

Rules and Policies

5.1.1 Notice of Amendments and Changes to OSC Rule 13-502 Fees and OSC Rule 13-503 (Commodity Futures Act) Fees and Corresponding Companion Policies

NOTICE OF AMENDMENTS AND CHANGES TO
OSC RULE 13-502 *FEES*,
OSC RULE 13-503 *(COMMODITY FUTURES ACT) FEES*, AND
CORRESPONDING COMPANION POLICIES

Making of Amending Instruments and Change Documents

On April 30, 2019, the Commission approved amending instruments (**Amending Instruments**) to amend OSC Rule 13-502 *Fees* (**OSC Rule 13-502**) and OSC Rule 13-503 *(Commodity Futures Act) Fees* (**OSC Rule 13-503**) (each a **Fee Rule**). On the same date, the Commission approved change documents to make corresponding changes to the Companion Policies for OSC Rule 13-502 and OSC Rule 13-503.

Delivery of Amending Instruments to Minister

The Commission delivered the Amending Instruments to the Minister of Finance on May 9, 2019. If the Minister approves the amendments within 60 days, they will come into force fifteen days after the Minister's approval. If no action is taken by the Minister under subsection 143.3(3) of the *Securities Act* (**OSA**) and subsection 68(3) of the *Commodity Futures Act* (**CFA**), the amendments come into force on July 23, 2019.

Substance and Purpose of Amending Instruments

Moratorium on OBA Late Fees

The Commission has decided to implement a time-limited moratorium on the collection of late fees associated with the late disclosure of outside business activities (**OBAs**).

Registrants have commented that the scope of OBAs that are required to be reported under Item 10 may be unclear. We acknowledge these comments and the need for greater clarity regarding OBA reporting.

While the moratorium is in place, the Commission will review National Instrument 33-109 *Registration Information* (**NI 33-109**) to determine, amongst other things, whether the OBA disclosure regime could be streamlined. Any amendments to the OBA reporting regime will require a CSA initiative.

OSC Rule 33-506 *(Commodity Futures Act) Registration Information* (**OSC Rule 33-506**) will also be reviewed. OSC Rule 33-506 corresponds to NI 33-109.

The authority for the amendments is paragraph 143(1)43 of the OSA and paragraph 65(1)25 of the CFA. Under subsections 143.2(5) of the OSA and 67(5) of the CFA, the amendments were not required to be published for comment. Given that the Companion Policy changes follow the rule amendments, there is also no requirement for publication for comment of the Companion Policy changes because the changes to the Companion Policy are not material in light of the amendments made to the rules.

Calculation of OBA Late Fees

The Fee Rules currently contemplate late fees of $100 per business day for the late filing of an OBA disclosure, subject to a maximum aggregate late fee of $5,000 for all documents required to be filed or delivered by a firm in a calendar year, unless the firm had Ontario specified revenue for the previous financial year of $500 million or more, in which case the maximum aggregate is $10,000.

We will not require registrants to pay the $100 per day late fee in respect of updating Item 10 for the period beginning January 1, 2019 to the earlier of: (i) the first date that an amendment to NI 33-109 or OSC Rule 33-506 comes into force that sets out the circumstances in which outside business activity is required to be disclosed; and (ii) December 31, 2021.

OBAs and Regulatory Burden Reduction

The amendments described above are linked with the Burden Reduction Task Force (the **Task Force**) established by the Commission in coordination with the Ministry of Finance.

The Task Force is intended to focus our efforts and to identify steps that can be taken to enhance competitiveness for Ontario businesses by saving time and money for issuers, registrants, investors and other market participants.

The Task Force has a mandate to consider and act on any suggestions to eliminate unnecessary rules and processes while protecting investors and the integrity of our markets.

On January 14, 2019, OSC staff issued OSC Staff Notice 11-784 *Burden Reduction* (**SN 11-784**). SN 11-784 sought suggestions on ways to further reduce unnecessary regulatory burden. The deadline to provide suggestions and comment was March 1, 2019.

Partially in response to the comments received because of SN 11-784, the Commission identified the OBA disclosure regime as a potential area of improvement and burden reduction.

As NI 33-109 is a national instrument, any material changes to the OBA reporting regime will require a CSA initiative.

Continued Obligation to Report OBAs

The amendments to the Fee Rule revise the way OBA late fees are calculated. They do not relieve registrants from the obligation to report OBAs under paragraph 4.1(b) of NI 33-109 or the corresponding provision of OSC Rule 33-506.

By requiring disclosure related to OBAs we are better able to monitor the risks of outside business activities relating to conflicts of interest, and where necessary, take regulatory action.

Registrants and permitted individuals are reminded that the disclosure regime in NI 33-109 and OSC Rule 33-506 is unchanged. All OBAs must continue to be disclosed until such time as the OBA disclosure regime may be revised.

Authority for Amending Instruments

Paragraph 143(1)43 of the OSA provides authority for making the amendments to OSC Rule 13-502.

Paragraph 65(1)25 of the CFA provides authority for making the amendments to OSC Rule 13-503.

Annexes

Annexes A and B contain the Amending Instruments. Annexes C and D contain the Change Documents.

Questions

If you have questions, please contact:

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ANNEX A

AMENDMENTS TO OSC RULE 13-502 *FEES*

1. OSC Rule 13-502 Fees is amended by this Instrument.

2. Section 1.1 is amended by adding the following definitions:

"OBA amendment" means an amendment to NI 33-109 that sets out circumstances in which outside business activity is required to be disclosed;

"specified day" means

(a) in relation to the late filing of Form 33-109F5 for the purposes of amending item 10 of Form 33-109F4, a business day occurring:

(i) before January 1, 2019, or

(ii) after the date that is the earlier of:

(A) the date that the first OBA amendment comes into force, and

(B) December 31, 2021, and

(b) in any other case, any business day;

3. Column B of Row A of Appendix D is amended by replacing "every business day***" with "***every specified day***".***

4. This Instrument comes into force on the date determined under subsection 143.4(1) or (2) of the Act, as the case may be.

ANNEX B

AMENDMENTS TO OSC RULE 13-503 *(COMMODITY FUTURES ACT) FEES*

1. OSC Rule 13-503 (Commodity Futures Act) Fees is amended by this Instrument.

2. Section 1.1 is amended by adding the following definition:

"OBA amendment" means an amendment to OSC Rule 33-506 *(Commodity Futures Act) Registrant Information* that sets out circumstances in which outside business activity is required to be disclosed;

"specified day" means

(a) in relation to the late filing of Form 33-506F5 for the purposes of amending item 10 of Form 33-506F4, a business day occurring:

(i) before January 1, 2019, or

(ii) after the date which is the earlier of:

(A) the date that the first OBA amendment comes into force, and

(B) December 31, 2021, and

(b) in any other case, any business day;

3. Column B of Row A of Appendix D is amended by replacing "every business day***" with "***every specified day***".***

4. This Instrument comes into force on the date determined under subsection 69(1) or (2) of the Act, as the case may be.

ANNEX C

CHANGES TO COMPANION POLICY 13-502CP *FEES*

1. Companion Policy 13-502CP Fees is changed by this Document.

2. The following is added immediately after section 7.1:

7.1.1 Moratorium on OBA Late Fee – (1) Under paragraph 4.1(b) of National Instrument 33-109 *Registration Information*, a change to information previously submitted in Item 10 of Form 33-109F4 is required to be filed within 10 days of the change. The change is made by submitting a completed Form 33-109F5. Subject to the exceptions in subsection (2) and a cap contained in Appendix D, a late filing of Form 33-109F5 gives rise to a late fee of $100 per business day under subparagraph (e)(i) of Row A of Appendix D.

(2) Registrants have commented that the scope of outside business activities (**OBAs**) that are required to be reported under Item 10 may be unclear. We acknowledge these comments and the need for greater clarity regarding OBA reporting. Amendments to the OBA reporting regime will require a CSA initiative. To reduce regulatory burden while the reporting regime is considered, we will not require registrants to pay the $100 per day late fee in respect of updating Item 10 for the period beginning January 1, 2019 to the earlier of: (i) the first date that an amendment to NI 33-109 comes into force that sets out the circumstances in which outside business activity is required to be disclosed; and (ii) December 31, 2021. In this regard, see the definitions of “OBA amendment” and “specified day” in section 1.1, read with revised text in Column B of Row A of Appendix D.

3. This change comes into effect on the date that the definition of “OBA amendment” in Annex A comes into force.

ANNEX D

CHANGES TO COMPANION POLICY 13-503CP *(COMMODITY FUTURES ACT) FEES*

1. Companion Policy 13-503CP (Commodity Futures Act) Fees is changed by this Document.

2. The following is added immediately after subsection 5.1(1):

(1.1) Under subsection 4.1(1) of OSC Rule 33-506 *Registration Information*, a change to information previously submitted in Item 10 of Form 33-506F4 is required to be filed within 10 days of the change. The change is made by submitting a completed Form 33-506F5. Subject to the exceptions in subsection (1.2) and a cap contained in Appendix C, a late filing gives rise to a late fee of $100 per business day under subparagraph (e)(i) of Row A of Appendix C.

(1.2) Registrants have commented that the scope of outside business activities (**OBAs**) that are required to be reported under Item 10 may be unclear. We acknowledge these comments and the need for greater clarity regarding OBA reporting. To reduce regulatory burden while the reporting regime is considered, we will not require registrants to pay the $100 per day late fee in respect of updating Item 10 for the period beginning January 1, 2019 to the earlier of: (i) the first date that an amendment to NI 33-109 comes into force that sets out the circumstances in which outside business activity is required to be disclosed; and (ii) December 31, 2021. In this regard, see the definitions of “OBA amendment” and “specified day” in section 1.1, read with revised text in Column B of Row A of Appendix C.

3. This change comes into effect on the date that the definition of “OBA amendment” in Annex B comes into force.

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:
Renaissance U.S. Equity Growth Fund
Principal Regulator – Ontario
Type and Date:
Amendment #2 to Final Simplified Prospectus dated May 13, 2019
Received on May 13, 2019
Offering Price and Description:
–
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
CIBC Asset Management Inc.
Project #2796618

Issuer Name:
Imperial U.S. Equity Pool
Principal Regulator – Ontario
Type and Date:
Amendment #2 to Final Simplified Prospectus dated May 13, 2019
Received on May 13, 2019
Offering Price and Description:
–
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
Canadian Imperial Bank of Commerce
Project #2834443

Issuer Name:
CIBC U.S. Equity Fund
Principal Regulator – Ontario
Type and Date:
Amendment #2 to Final Simplified Prospectus dated May 13, 2019
Received on May 13, 2019
Offering Price and Description:
–
Underwriter(s) or Distributor(s):
CIBC Securities Inc.
Promoter(s):
N/A
Project #2771903

Issuer Name:
Renaissance Global Resource Fund
Principal Regulator – Ontario
Type and Date:
Amendment #1 to Final Simplified Prospectus dated May 2, 2019
NP 11-202 Receipt dated May 7, 2019
Offering Price and Description:
–
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
CIBC Asset Management Inc.
Project #2796618

Issuer Name:
Purpose Enhanced Premium Yield Fund (formerly, Purpose MLP & Infrastructure Income Fund)
Principal Regulator – Ontario
Type and Date:
Amendment #5 to Final Simplified Prospectus dated April 29, 2019
NP 11-202 Receipt dated May 13, 2019
Offering Price and Description:
–
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
Purpose Investments Inc.
Project #2764789

Issuer Name:
Vanguard Global Balanced Fund
Vanguard Global Dividend Fund
Vanguard International Growth Fund
Vanguard Windsor U.S. Value Fund
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated May 7, 2019
NP 11-202 Receipt dated May 8, 2019
Offering Price and Description:
Series F and I Units
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
Vanguard Investments Canada Inc.
Project #2888274

Issuer Name:
Desjardins Global High Yield Bond Fund
Desjardins SocieTerra Global Bond Fund
Societerra 100 per cent Equity Portfolio
Wise 100 per cent Equity ETF Portfolio
Principal Regulator – Quebec
Type and Date:
Preliminary Simplified Prospectus dated May 7, 2019
NP 11-202 Receipt dated May 9, 2019
Offering Price and Description:
A-Class Units, F-Class Units, C-Class Units, I-Class Units
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #2913567

Issuer Name:
Horizons Absolute Return Global Currency ETF
Horizons Global Uranium Index ETF
Horizons Morningstar Hedge Fund Index ETF
Horizons Seasonal Rotation ETF
Principal Regulator – Ontario
Type and Date:
Combined Preliminary and Pro Forma Long Form Prospectus dated May 9, 2019
NP 11-202 Receipt dated May 13, 2019
Offering Price and Description:
Class A Units, Class E Units
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #2903933

Issuer Name:
CI Canadian Dividend Private Pool
CI Global Equity Core Private Pool
Principal Regulator – Ontario
Type and Date:
Preliminary Simplified Prospectus dated May 10, 2019
NP 11-202 Receipt dated May 10, 2019
Offering Price and Description:
Class A units, Class F units, Class I units
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #2915169

Issuer Name:
Purpose Silver Bullion Fund
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated May 6, 2019
NP 11-202 Receipt dated May 7, 2019
Offering Price and Description:
ETF Non-Currency Hedged Units
ETF Currency Hedged Units
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #2912310

NON-INVESTMENT FUNDS

Issuer Name:
AIM4 Ventures Inc.
Principal Regulator – Ontario
Type and Date:
Final CPC Prospectus dated May 7, 2019
NP 11-202 Receipt dated May 8, 2019
Offering Price and Description:
$500,000.00 or 5,000,000 Common Shares
Price: C$0.10 per Common Share
Underwriter(s) or Distributor(s):
HAYWOOD SECURITIES INC.
Promoter(s):
–
Project #2901394

Issuer Name:
Aurora Cannabis Inc.
Principal Regulator – Alberta
Type and Date:
Final Shelf Prospectus dated May 10, 2019
NP 11-202 Receipt dated May 10, 2019
Offering Price and Description:
US$750,000,000.00 – Common Shares, Warrants, Subscription Receipts, Debt Securities, Units
Underwriter(s) or Distributor(s):
–
Promoter(s):
–
Project #2886251

Issuer Name:
CE Brands Inc.
Principal Regulator – Alberta
Type and Date:
Final CPC Prospectus dated May 3, 2019
NP 11-202 Receipt dated May 7, 2019
Offering Price and Description:
Minimum Offering: $200,000.00 (2,000,000 Common Shares)
Maximum Offering: $500,000.00 (5,000,000 Common Shares)
Price: C$0.10 per Common Share
Underwriter(s) or Distributor(s):
Integral Wealth Securities Limited
Promoter(s):
David Henderson
Project #2872442

Issuer Name:
Emera Incorporated
Principal Regulator – Nova Scotia
Type and Date:
Preliminary Shelf Prospectus May 9, 2019
NP 11-202 Preliminary Receipt dated May 9, 2019
Offering Price and Description:
$600,000,000.00 – Common Shares
Underwriter(s) or Distributor(s):
–
Promoter(s):
–
Project #2914469

Issuer Name:
Inner Spirit Holdings Ltd.
Principal Regulator – Alberta
Type and Date:
Preliminary Short Form Prospectus dated May 7, 2019
NP 11-202 Preliminary Receipt dated May 7, 2019
Offering Price and Description:
Up to $7,500,000.00 12% Senior Secured Convertible Debenture Units
Price: C$1,000.00 per Secured Convertible Debenture Unit
Underwriter(s) or Distributor(s):
ACUMEN CAPITAL FINANCE PARTNERS LIMITED
CANACCORD GENUITY CORP.
Promoter(s):
Darren Bondar
Christopher Gulka
Craig Steinberg
Project #2912899

Issuer Name:
Khiron Life Sciences Corp.
Principal Regulator – Ontario
Type and Date:
Preliminary Short Form Prospectus dated May 10, 2019
NP 11-202 Preliminary Receipt dated May 10, 2019
Offering Price and Description:
$25,000,900.00 – 8,621,000 COMMON SHARES
Underwriter(s) or Distributor(s):
CANACCORD GENUITY CORP.
BMO NESBITT BURNS INC.
ALTACORP CAPITAL INC.
SCOTIA CAPITAL INC.
Promoter(s):
–
Project #2915276

Issuer Name:
Mercer Park Brand Acquisition Corp.
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated May 7, 2019
NP 11-202 Receipt dated May 8, 2019
Offering Price and Description:
U.S.$350,000,000.00
35,000,000 Class A Restricted Voting Units
Price: U.S.$10.00 per Class A Restricted Voting Unit
Underwriter(s) or Distributor(s):
Canaccord Genuity Corp.
Promoter(s):
Mercer Park CB II, L.P.
Project #2903092

Issuer Name:
Polymet Mining Corp.
Principal Regulator – Ontario
Type and Date:
Preliminary Short Form Prospectus dated May 6, 2019
NP 11-202 Preliminary Receipt dated May 7, 2019
Offering Price and Description:
US$265,000,000.00
Offering of Rights to subscribe for up to [*] Common Shares at a Subscription Price of US$[*] per Common Share
Underwriter(s) or Distributor(s):
–
Promoter(s):
–
Project #2912459

Issuer Name:
Summit Industrial Income REIT
Principal Regulator – Ontario
Type and Date:
Preliminary Shelf Prospectus dated May 8, 2019
NP 11-202 Preliminary Receipt dated May 9, 2019
Offering Price and Description:
$1,000,000,000.00 – Units, Debt Securities, Subscription Receipts
Underwriter(s) or Distributor(s):
–
Promoter(s):
–
Project #2914151

Issuer Name:
Westleaf Inc.
Principal Regulator – Alberta
Type and Date:
Amended and Restated Final Short Form Prospectus dated May 2, 2019
Received on May 2, 2019
Offering Price and Description:
9.5% UNSECURED CONVERTIBLE DEBENTURE UNITS
PRICE: C$1,000.00 PER CONVERTIBLE DEBENTURE UNIT
Underwriter(s) or Distributor(s):
CANACCORD GENUITY CORP.
GMP SECURITIES L.P.
Promoter(s):
SCOTT HURD
TAYLOR ETHANS
STEPHEN MASON
PATRICK WHELAN
Project #2901016

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Voluntary Surrender	Lincluden Mutual Fund Dealer Inc.	Mutual Fund Dealer	May 1, 2019
Change in Registration Category	Our Family Office Inc.	From: Portfolio Manager and Exempt Market Dealer To: Investment Fund Manager, Portfolio Manager and Exempt Market Dealer	May 8, 2019
Name Change	From: Manulife Asset Management Investments Inc./Investissements Gestion d'Actifs Manuvie inc. To: Manulife Investment Management Distributors Inc./Distribution Gestion de placements Manuvie inc.	Exempt Market Dealer	May 7, 2019
Name Change	From: Manulife Asset Management Limited/Gestion d'Actifs Manuvie Limitee To: Manulife Investment Management Limited/Gestion de placements Manuvie Limitee	Investment Fund Manager, Portfolio Manager and Commodity Trading Manager	May 7, 2019
Voluntary Surrender	HNW Management Inc./Management HNW	Portfolio Manager	May 6, 2019

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Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.2 Marketplaces

13.2.1 FX Connect Multilateral Trading Facility – Application for Exemptive Relief – Notice of Commission Interim Order

FX CONNECT MULTILATERAL TRADING FACILITY ("FX CONNECT MTF")

APPLICATION FOR EXEMPTIVE RELIEF

NOTICE OF COMMISSION INTERIM ORDER

On May 10, 2019, the Commission issued an order (**Order**) to FX Connect MTF pursuant to section 147 of the *Securities Act* (Ontario) (the **Act**) exempting FX Connect MTF on an interim basis from the requirement to be recognized as an exchange under section 21 of the OSA. The Order expires on the earlier of (i) May 11, 2020 and (ii) the effective date of a subsequent order exempting FX Connect MTF from the requirement to be recognized as an exchange under section 147 of the Act.

A copy of the Order is published in Chapter 2 of this Bulletin.

13.3 Clearing Agencies

13.3.1 CDCC – Proposed Amendments to the Rules and Operations Manual to Shorten Time Frames for Monthly Options Expiry – OSC Staff Notice of Request for Comment

OSC STAFF NOTICE OF REQUEST FOR COMMENT

CANADIAN DERIVATIVES CLEARING CORPORATION (CDCC)

PROPOSED AMENDMENTS TO THE RULES AND OPERATIONS MANUAL TO SHORTEN TIME FRAMES FOR MONTHLY OPTIONS EXPIRY

The Ontario Securities Commission is publishing for public comment the amendments to CDCC's Operations Manual and to sections A-102 and B-307 of CDCC's Rules. The purpose of the proposed amendments is to shorten the time frames for the monthly options expiry.

The comment period ends June 17, 2019.

A copy of the CDCC Notice is published on our website at http://www.osc.gov.on.ca.

13.3.2 CDS – Technical Amendments to CDS Procedures – Housekeeping Changes – April 2019 – Notice of Effective Date

NOTICE OF EFFECTIVE DATE

TECHNICAL AMENDMENTS TO CDS PROCEDURES

HOUSEKEEPING CHANGES – APRIL 2019

The Ontario Securities Commission is publishing *Notice of Effective Date – Technical Amendments to CDS Procedures – Housekeeping Changes – April 2019*. The CDS procedure amendments were reviewed and granted non-disapproval by CDS's Strategic Development Review Committee (SDRC) on April 25, 2019.

A copy of the CDS Notice is on our website http://www.osc.gov.on.ca.

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