The Ontario Securities Commission

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The Ontario Securities Commission
Cadillac Fairview Tower
22nd Floor, Box 55
20 Queen Street West
Toronto, Ontario
M5H 3S8

416-593-8314 or Toll Free 1-877-785-1555

Contact Centre – Inquiries, Complaints:

Office of the Secretary:

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One Corporate Plaza
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416-609-3800 or 1-800-387-5164

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TTY: 1-866-827-1295

Fax: 416-593-2318

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Chapter 1

Notices

1.1 Notices

1.1.1 Northwest & Ethical Investments L.P. et al. – Notice of Correction

NOTICE OF CORRECTION

IN THE MATTER OF
NORTHWEST & ETHICAL INVESTMENTS L.P. ET AL.

There was an error in *Re Northwest & Ethical Investments L.P. et al.* (2019), 42 OSCB 1519 (the **Decision**), published in the February 21, 2019 issue of the Bulletin.

Although the NEI International Equity Fund applied for the Exemption Sought (as defined in the Decision), it was inadvertently omitted from the list of Funds in the Decision.

February 8, 2019

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

AND

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

AND

IN THE MATTER OF
NORTHWEST & ETHICAL INVESTMENTS L.P.
(the Filer)

AND
NEI JANTZI SOCIAL INDEX FUND,
NEI U.S. EQUITY FUND,
NEI SELECT INCOME PORTFOLIO,
NEI SELECT GROWTH & INCOME RS PORTFOLIO,
NEI SELECT GROWTH & INCOME PORTFOLIO,
NEI SELECT MAXIMUM GROWTH RS PORTFOLIO AND
NEI INTERNATIONAL EQUITY FUND
(the Funds)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Funds for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that the time limit for the renewal of the simplified prospectus of the Funds dated April 25, 2018, as amended and restated on October 29, 2018 (the **Prospectus**) be extended to those time limits that would apply if the lapse date of the Prospectus was June 18, 2019 (the **Exemption Sought**).

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

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

(b) the Filer has provided notice that 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 (together with Ontario, the **Canadian Jurisdictions**).

Interpretation

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

Representations

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

1. The Filer is a limited partnership formed under the laws of Ontario which acts through its general partner Northwest & Ethical Investments Inc., a corporation formed under the laws of Canada, with its head office in Ontario.

2. The Filer is registered as a portfolio manager and commodity trading manager in Ontario, an exempt market dealer in British Columbia, Ontario, Québec and Saskatchewan, and as an investment fund manager in British Columbia, Newfoundland and Labrador, Ontario and Québec.

3. The Filer is the investment fund manager of the Funds.

4. Each of the Funds is an open-ended mutual fund trust established under the laws of Ontario and is a reporting issuer as defined in the securities legislation of each of the Canadian Jurisdictions.

5. Neither the Filer nor any of the Funds are in default of securities legislation in any of the Canadian Jurisdictions.

6. The Funds currently distribute securities in the Canadian Jurisdictions under the Prospectus.

7. Pursuant to subsection 62(1) of the *Securities Act* (Ontario) (the **Act**), the lapse date of the Prospectus is April 25, 2019 (the **Lapse Date**). Accordingly, under subsection 62(2) of the Act, the distribution of securities of each of the Funds would have to cease on the Lapse Date unless: (i) the Fund files a *pro forma* simplified prospectus at least 30 days prior to the Lapse Date; (ii) the final simplified prospectus is filed no later than 10 days after the Lapse Date; and (iii) a receipt for the final simplified prospectus is obtained within 20 days of the Lapse Date.

8. The Filer is the investment fund manager of 31 other mutual funds as listed in Schedule "A" (the **Other Funds**) that currently distribute their securities under a simplified prospectus with a lapse date of June 18, 2019 (the **Other Funds Prospectus**).

9. The Filer wishes to combine the Prospectus with the Other Funds Prospectus into a prospectus dated on or about June 18, 2019 in order to reduce renewal, printing and related costs. Offering the Funds and the Other Funds under one prospectus would facilitate the distribution of the Funds in the Canadian Jurisdictions under the same prospectus and enable the Filer to streamline disclosure across the Filer's fund platform. As the Funds and the Other Funds are managed by the Filer, offering them under the same prospectus will allow investors to more easily compare their features.

10. It would be impractical to alter and modify all the dedicated systems, procedures and resources required to prepare the renewal simplified prospectuses, annual information forms and fund facts documents of the Other Funds (the **Other Funds Renewal Prospectus Documents**), and unreasonable to incur the costs and expenses associated therewith, so that the Other Funds Renewal Prospectus Documents can be filed earlier with the renewal simplified prospectus, annual information form and fund facts documents of the Funds.

11. If the Exemption Sought is not granted, it will be necessary to renew the Prospectus twice within a short period of time in order to consolidate the Prospectus with the Other Funds Prospectus.

12. There have been no material changes in the affairs of each of the Funds since the date of the Prospectus. Accordingly, the Prospectus and current fund facts document(s) of each of the Funds represent current information regarding such Fund.

13. Given the disclosure obligations of the Funds, should a material change in the affairs of any of the Funds occur, the Prospectus and current fund facts document(s) of the applicable Fund(s) will be amended as required under the Legislation.

14. New investors in the Funds will receive delivery of the most recently filed fund facts document(s) of the applicable Fund(s). The Prospectus will still be available upon request.

15. The Exemption Sought will not affect the accuracy of the information contained in the Prospectus or the respective fund facts document(s) of each of the Funds, and therefore will not be prejudicial to the public interest.

Decision

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

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

"Stephen Paglia"
Manager, Investment Funds and Structured Products
Ontario Securities Commission

SCHEDULE "A'

THE OTHER FUNDS

NEI Money Market Fund
NEI Canadian Bond Fund
NEI Global Total Return Bond Fund
NEI Global High Yield Bond Fund
NEI Conservative Yield Portfolio
NEI Balanced Yield Portfolio
NEI Balanced RS Fund
NEI Tactical Yield Portfolio
NEI Growth & Income Fund
NEI Canadian Dividend Fund
NEI Canadian Equity RS Fund
NEI Canadian Equity Fund
NEI U.S. Dividend Fund
NEI U.S. Equity RS Fund
NEI Canadian Small Cap Equity RS Fund
NEI Canadian Small Cap Equity Fund
NEI Global Dividend RS Fund
NEI Global Value Fund
NEI Global Equity RS Fund
NEI Global Equity Fund
NEI International Equity RS Fund
NEI Environmental Leaders Fund
NEI Emerging Markets Fund
NEI Select Income RS Portfolio
NEI Select Income & Growth RS Portfolio
NEI Select Income & Growth Portfolio
NEI Select Balanced RS Portfolio
NEI Select Balanced Portfolio
NEI Select Growth RS Portfolio
NEI Select Growth Portfolio
NEI Select Maximum Growth Portfolio

1.1.2 Paramount Equity Financial Corporation et al.

IN THE MATTER OF
PARAMOUNT EQUITY FINANCIAL CORPORATION,
SILVERFERN SECURED MORTGAGE FUND,
SILVERFERN SECURED MORTGAGE LIMITED PARTNERSHIP,
GTA PRIVATE CAPITAL INCOME FUND,
GTA PRIVATE CAPITAL INCOME LIMITED PARTNERSHIP,
SILVERFERN GP 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,
TRILOGY MORTGAGE GROUP INC.,
TRILOGY EQUITIES GROUP LIMITED PARTNERSHIP,
MARC RUTTENBERG,
RONALD BRADLEY BURDON and
MATTHEW LAVERTY

File No. 2019-12

NOTICE OF WITHDRAWAL

Staff of the Enforcement Branch of the Ontario Securities Commission withdraws the Statement of Allegations against Paramount Equity Investments Inc. and Niagara Falls Facility Inc. as shown in the Amended Statement of Allegations dated May 24, 2019, attached hereto.

[Editor's Note: The Amended Statement of Allegations is attached to the Order in this issue of the Bulletin at page 4805.]

DATED this 28th day of May, 2019.

Paul H. LeVay
Stockwoods LLP
77 King Street West, Suite 4130
Toronto, ON M5k 1H1
Tel: (416) 593-2493
Email: paullv@stockwoods.ca

Litigation Counsel for Staff of the Ontario Securities Commission

1.4 Notices from the Office of the Secretary

1.4.1 Martin Bernholtz

FOR IMMEDIATE RELEASE
May 21, 2019

MARTIN BERNHOLTZ,
File No. 2018-16

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

A copy of the Order dated May 21, 2019, Settlement Agreement dated May 16, 2019 and Oral Reasons for Approval of Settlement dated May 21, 2019 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

1.4.2 Joseph Debus

FOR IMMEDIATE RELEASE
May 22, 2019

JOSEPH DEBUS,
File No. 2019-16

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

A copy of the Order dated May 22, 2019 is available at www.osc.gov.on.ca.

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1.4.3 Paramount Equity Financial Corporation et al.

FOR IMMEDIATE RELEASE
May 24, 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 – The Commission issued an Order in the above named matter.

A copy of the Order dated May 24, 2019 and the Amended Statement of Allegations dated May 24, 2019 are available at www.osc.gov.on.ca.

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1.4.4 Trilogy Mortgage Group Inc. and Trilogy Equities Group Limited Partnership

FOR IMMEDIATE RELEASE
May 27, 2019

TRILOGY MORTGAGE GROUP INC. and
TRILOGY EQUITIES GROUP LIMITED PARTNERSHIP,
File No. 2018-21

TORONTO – The Commission issued its Reasons and Decision in the above noted matter.

A copy of the Reasons and Decision dated May 24, 2019 are available at www.osc.gov.on.ca.

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GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

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1.4.5 Issam El-Bouji

FOR IMMEDIATE RELEASE
May 27, 2019

ISSAM EL-BOUJI,
File No. 2018-28

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

A copy of the Order dated May 27, 2019 is available at www.osc.gov.on.ca.

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GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

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1.4.6 Paramount Equity Financial Corporation et al.

FOR IMMEDIATE RELEASE
May 28, 2019

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

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

A copy of the Notice of Withdrawal dated May 28, 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:

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

Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 ZED Network Inc.

Headnote

CSA Regulatory Sandbox – Application for relief from the dealer registration and prospectus requirement – prospectus relief to allow the Filer to distribute tokens to Registered MTOs and the trade of tokens, from time to time, to Registered MTOs – dealer registration relief in respect of the distribution of tokens – relief granted subject to certain conditions set out in the decision, including investment limits and suitability for accredited investors – prospectus relief, with respect to initial distributions only, and registration relief is time-limited to allow the Filer to operate in a test environment and will expire in twenty-four (24) months – relief granted based on the particular facts and circumstances of the application with the objective of fostering capital raising by innovative businesses in Canada – decision should not necessarily be viewed as a precedent for other filers in the jurisdictions of Canada.

Statute Cited

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(1), 25, 53, 74.

Instruments Cited

Multilateral Instrument 11-102 Passport System, s. 4.7.
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, s. 13.3.

May 21, 2019

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

AND

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

AND

IN THE MATTER OF
ZED NETWORK INC.
(the Filer)

DECISION

Background

The Canadian Securities Administrators (the **CSA**) operate a regulatory sandbox to support financial technology businesses seeking to offer innovative products, services and applications in Canada (the **CSA Regulatory Sandbox**). The CSA Regulatory Sandbox allows firms to obtain exemptive relief from certain requirements of securities legislation that may be an impediment to their innovative business models, provided that investor protection is not compromised.

The Filer wishes to create a blockchain token-based foreign exchange remittance network system intended to be used by (i) money transfer operators (**MTOs**) registered as money services businesses in Canada with the Financial Transactions and Reports Analysis Centre of Canada (**FINTRAC Registered MTOs**), and (ii) MTOs appropriately registered or authorized to operate as money services businesses, or its equivalent, in accordance with the laws of foreign jurisdictions, as applicable (**Foreign Registered MTOs**, and together with FINTRAC Registered MTOs, **Registered MTOs**).

In the context of the CSA Regulatory Sandbox, the Filer submitted its business model and subsequently filed an application to be exempted from certain requirements under applicable securities legislation. This Decision should not be viewed as a precedent for other filers in the Jurisdictions (as defined below) or in any other jurisdictions.

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

(a) the prospectus requirements under the Legislation in respect of: (i) the distribution, from time to time, of Tokens (as defined below) of the Filer to FINTRAC Registered MTOs; or (ii) the trade of Tokens, from time to time, to Registered MTOs (the **Prospectus Relief**), and

(b) the dealer registration requirements under the Legislation in respect of the distribution of Tokens, in each of the Jurisdictions (as defined below) (the **Registration Relief**, and together with the Prospectus Relief, the **Exemption Sought**).

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

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

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

Interpretation

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

Representations

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

The Filer

1. The Filer is a corporation incorporated under the laws of Ontario with its head office located at 100 College Street, Suite 150, Toronto, Ontario, M5G 1L5, Canada as part of the University of Toronto's Creative Destruction Lab at Entrepreneurship ONRamp.

2. The Filer is a start-up company in the global foreign exchange and remittance industry and provides a software as a service platform (the **ZED Network**), which can be used to instantaneously transmit value through "mining"-free ZED tokens issued by the Filer (the **Tokens**) across the globe without reliance on an intermediary.

3. The Filer is not a reporting issuer under applicable securities laws of any of the Jurisdictions and has no present intention of becoming a reporting issuer in any of the Jurisdictions.

4. The Filer is not in default of securities legislation of any of the Jurisdictions and will not be, as a result of the Token Generation Event (as defined below), in default of securities legislation in any jurisdiction in which it intends to offer the Tokens.

5. All of the issued and outstanding shares of the Filer are currently beneficially owned, controlled or directed by Alan Safahi or members of his immediate family.

6. The Filer is distributing the Tokens in order to raise capital, create liquidity and establish a user base in order to carry out its business plan of establishing the ZED Network.

7. Foreign exchange, payment and remittance transactions conducted via the ZED Network will not include either forward sales or options transactions.

8. The ZED Network is configured, through a process referred to as "integration", to interact with the Stellar network (the **Stellar Network**), an open-source distributed payments blockchain infrastructure.

9. Through integration with the Stellar Network and use of the Tokens, the Filer intends to address certain shortcomings of the foreign exchange and remittance industry to allow small and medium sized Registered MTOs to overcome banking, technology, cash flow and competitive issues.

Registered MTOs

10. The Tokens are primarily designed to be transferred among Registered MTOs to effect foreign exchange, payment and remittance transactions in the ordinary course of business.

11. Registered MTOs are expected to be the primary users of the ZED Network as part of their foreign exchange and remittance business.

12. A transaction on the ZED Network involves, directly or indirectly, four parties: the sending customer, the sending Registered MTO (**Sending MTO**), the receiving Registered MTO (**Receiving MTO**) and the receiving customer. The transaction will consist of a sending customer transacting with the Sending MTO in order to send fiat currency from the sending customer to a receiving customer through a Receiving MTO. This transaction may also include conversion of the fiat currency provided by the sending customer to another fiat currency to be received by the receiving customer. Accordingly, there are three separate transactions taking place between different counterparties, as follows: (i) a sending customer transfers fiat currency to a Sending MTO, (ii) the Sending MTO transfers an equivalent amount of Tokens (equal in value to the fiat currency provided by the sending customer, subject to applicable fees charged by the Filer) to the Receiving MTO, and (iii) the Receiving MTO transfers an equivalent amount of fiat currency (equal in value to the Tokens provided by the Sending MTO), which can be either the same as the fiat currency provided by the sending customer or a different fiat currency, to the receiving customer.

13. The Filer expects that Registered MTOs will benefit from joining the ZED Network as it is designed to increase competition, efficiency and accessibility while reducing costs associated with the foreign exchange, payment and remittance business. Additionally, Registered MTOs participating on the ZED Network will be provided with access to a complete suite of AML and identity verification tools.

14. The Filer expects that Registered MTOs will join the ZED Network and purchase Tokens for use in the ordinary course of business and to take advantage of the benefits of the ZED Network. The Tokens are neither intended nor marketed by the Filer to be purchased by Registered MTOs for speculation.

15. On current estimates, it is anticipated that only a small portion of Tokens authorized for issuance would be held or acquired by Canadian residents.

16. Any business in Canada that offers foreign exchange dealing or money transferring services is a “money services business”. All money services businesses are required to be registered with FINTRAC and are subject to its requirements. Accordingly, all FINTRAC Registered MTOs trading in the Tokens will be subject to FINTRAC requirements.

17. Registered MTOs are commercially sophisticated and knowledgeable about money services businesses and understand the key risks associated with such a business. By virtue of their experience in the foreign exchange and remittance industry, Registered MTOs have a better understanding of the nature of the business and its associated risks than the general public.

18. Money transfer operators in Canada that are not registered as a money services business with FINTRAC will not be permitted to join or use the ZED Network and will not be eligible to purchase or trade in Tokens except in accordance with applicable securities laws.

19. The FINTRAC requirements include a comprehensive and effective compliance program, which provides the basis for meeting all obligations under the *Proceeds of Crime (Money-Laundering) and Terrorist Financing Act* (Canada) (the **PCMLTFA**).

20. Through this compliance program, FINTRAC Registered MTOs are subject to know-your-client (**KYC**) requirements and must verify the identity of clients for certain activities and transactions in accordance with the PCMLTFA. FINTRAC Registered MTOs are also subject to FINTRAC’s record keeping requirements. Finally, FINTRAC Registered MTOs are required to complete reports about certain transactions and property, which reports are submitted to FINTRAC and are subject to quality review.

21. Registered MTOs that offer funds transfer services or foreign or currency exchange services to persons in Quebec will also be required to hold a license issued by the Autorité des marchés financiers (the **AMF**) pursuant to the provisions of the *Money-Services Businesses Act* (Québec) (the **Québec MSB Act**). MTOs licensed under the Québec MSB Act are subject to disclosure, recordkeeping and KYC requirements. Accordingly, all Registered MTOs trading in the Tokens that do business in Quebec will be required to hold a license issued by the AMF.

22. Foreign Registered MTOs will be required to be registered or authorized as money transfer businesses, or its equivalent, in accordance with the laws of the relevant foreign jurisdictions, to the extent applicable.

23. Where applicable, the Filer will perform an online check of each MTOs status as a Registered MTO during the initial application review and at least once annually following integration.

24. All Registered MTOs will enter into a master services agreement (the **MTO Services Agreement**), governing their business relationship with the Filer and their use of the ZED Network and ancillary services provided by the Filer. The MTO Services Agreement outlines the obligations of Registered MTOs, all applicable fees payable by Registered MTOs and contains representations and warranties of the Filer and the Registered MTO relating to intellectual property rights and confidentiality, data protection and privacy, disclaimers and limitation of liability, indemnification and dispute resolution.

25. The Filer will establish, maintain and apply policies and procedures that establish a system of controls and supervision designed to manage the risks associated with the Filer's business, including risks resulting from use of the Stellar Network, cybersecurity breaches and potential conflicts of interest between the Filer and Registered MTOs.

26. Some, but not necessarily all, Registered MTOs meet the definition of accredited investor.

The Offering

27. The Filer intends to create, issue and distribute up to a maximum of 100 billion Tokens. The Filer expects that up to 21 billion Tokens will be sold and distributed through SAFTs and sales to accredited investors and Registered MTOs in the Filer's limited token generation event (the **Token Generation Event**); a total of 15 billion Tokens will be retained by the Filer and distributed to certain members of management, the board of directors, strategic advisors, software developers, and staff of the Filer (**Employees**); a total of 49 billion Tokens will be reserved to fund the Filer's bounty program, designed to reward partners, developers, and the community for supporting the ZED Network; and a total of 15 billion Tokens will be released within the first 5 years of the Token Generation Event, beginning on the first anniversary of the Token Generation Event closing, and repeating each year on such anniversary date.

28. Current or future Employees may be granted Tokens from the 15 billion Tokens retained by the Filer as they achieve certain milestones (on a quarterly or annual basis) which will be mutually agreed upon by the Filer and the Employees.

29. Tokens issued to Employees will be at a deemed price of US$0.03 and subject to a one-year hold period from the date of issuance.

30. The Filer will implement policies requiring its insiders, employees and consultants to not trade in Tokens with knowledge of any adverse material fact or adverse material change (as such terms are defined in the *Securities Act* (Ontario)) with respect to the Filer that has not been generally disclosed.

31. In order to purchase and trade in the Tokens, Registered MTOs and accredited investors will be obligated to enter into a token purchase agreement (the **Token Purchase Agreement**) with the Filer.

32. The Filer will make commercially reasonable efforts, on its own behalf or through a third-party service provider, to monitor and oversee the Filer's bounty program and the bounty program participants to ensure compliance with the rules of the program and that the bounty program participants are not engaging in registerable activity.

33. In the initial phase of the launch of the ZED Network, the Filer will act as a market maker for the Tokens by placing large cash deposits into Receiving MTO's bank accounts against which the Receiving MTO may instantly convert Tokens to local currency. Accordingly, the Filer would act as a market maker only in the sense of guaranteeing buyback of the Tokens from Receiving MTOs if and to the extent necessary to ensure that Tokens remain sufficiently liquid for the functioning of the ZED Network.

34. At the launch of the ZED Network and until the Filer undertakes an offering in the U.S. under Regulation A or Regulation A+, or files a registration statement in the U.S. (a **U.S. Public Offering**), Tokens issued by the Filer will be at a price of US$0.03, a price determined by the board of directors of the Filer. The Filer's services will be provided to parties joining and participating on the ZED Network for administration fees and transfer fees, which will be a combination of fixed fees and transaction-based fees and which are disclosed in the MTO Services Agreement.

35. The Filer is selling the Tokens, through Simple Agreements for Future Tokens (**SAFTs**) and subsequently directly, to raise capital to launch and advance the ZED Network in accordance with its business plan.

36. At the time when the ZED Network is ready for launch, in order to establish the initial user base and to create liquidity, the Filer intends to distribute Tokens to the holders of the SAFTs in accordance with their agreements and subject to the applicable legislation of the relevant jurisdictions, and also to sell Tokens (i) in Canada, to accredited investors and qualified employees pursuant to the applicable securities legislation of the Jurisdictions and to Registered MTOs, (ii) in the U.S., pursuant to a U.S. Public Offering, and (iii) outside of the U.S. and Canada, where permitted under the applicable securities laws of the relevant foreign jurisdictions.

37. No dealer or other registrant is, or is expected to be, involved in the offering of Tokens.

38. Any of the Filer's employees involved in soliciting sales of Tokens are not employed to raise capital as the principal purpose of their employment, will not spend the majority of their time raising capital in this manner and their compensation will not be based primarily on the amount of capital they raise for the Filer. Any solicitation of investors by officers, directors or other employees of the Filer will be solely incidental to their primary roles with the Filer.

39. For each purchaser in Canada under a Token Purchase Agreement who is not verified as a Registered MTO and who represents itself as an accredited investor, the Filer will conduct a comprehensive onboarding process which will determine the identity of such purchaser and whether such purchaser is an accredited investor, and:

    (i) subject to clause (ii) below, if such purchaser is an accredited investor and either (a) seeks to purchase Tokens having a then-current value in excess of US$25,000 in a single acquisition under a Token Purchase Agreement or (b) seeks to purchase Tokens, which purchase would result in such purchaser having acquired, in any one calendar year, Tokens having a then-current value in excess of US$50,000, then the Filer will comply with the know-your-client and suitability requirements of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) as if the Filer was a registered dealer;

    (ii) clause (i) above does not apply if such purchaser is a permitted client (as such term is defined in section 1.1 of NI 31-103) (**permitted client**), who has waived in writing the know-your-client and suitability requirements of NI 31-103.

40. The Filer will comply with available prospectus exemptions and applicable securities legislation in connection with the issuance of Tokens in Canada to accredited investors and qualified employees.

Limited Access to the ZED Network

41. The ZED Network is ready to be launched with full functionality in a pilot capacity, at which point a select group of participants in the pilot phase will immediately have the ability to use the ZED Network and the Tokens.

42. The funds raised in the Token Generation Event will be used to support the growth of the ZED Network by providing liquidity for the Tokens and to attract additional Registered MTOs to use the ZED Network.

43. At the time of launching the ZED Network, the Tokens will only be able to be transferred among either existing Token holders or new parties who join the ZED Network by satisfying the KYC and AML risk management requirements of the ZED Network, which will require new parties in Canada to either satisfy the relevant accredited investor or qualified employee purchaser standards under the Legislation or to be Registered MTOs. Thus, the ZED Network will represent a closed system for transfer of the Tokens.

44. Pursuant to the Token Purchase Agreement, all Registered MTOs will be required to immediately notify the Filer in the event they cease to be Registered MTOs, in which case they acknowledge that trading in Canada of their Tokens, including with Registered MTOs, will become subject to registration and prospectus requirements, or exemptions therefrom, under applicable securities legislation of the Jurisdictions.

45. All Sending MTOs are required to verify registration of the relevant Receiving MTOs prior to completing a transfer of Tokens from the Sending MTO to the Receiving MTO on the ZED Network.

46. If any MTO on the ZED Network ceases to be a Registered MTO, it will not be able to continue sending or receiving remittances from or to other Registered MTOs on the ZED Network.

47. The Token Purchase Agreement will include disclosure respecting the risks associated with trading in the Tokens, use of the ZED Network and any other services provided by the Filer in relation thereto.

48. The Token Purchase Agreement will require each purchaser to abide by certain Token transfer restrictions, including the restriction on trade of the Tokens only to parties on the ZED Network.

49. Following the initial distribution of Tokens at the launch of the ZED Network and a U.S. Public Offering, the future value of the Tokens will be as established by the secondary market, not by the Filer, and is expected to be a function of the Tokens' utility for facilitating foreign exchange, payment and remittance transactions across currencies, similar to international currency cross rates.

50. There is no market for the common shares or Tokens of the Filer and the Filer has no present intention of listing its common shares or Tokens on any marketplace (as the term is defined in National Instrument 21-101 *Marketplace Operation*).

51. The Filer has no present intention of listing its Tokens on any organized market or crypto-asset trading platform, except in accordance with applicable securities laws.

52. FINTRAC Registered MTOs, that are not also accredited investors, to which the Filer issues Tokens will be provided with a contractual right of action against the Filer with respect to any misrepresentation included in the Token Purchase Agreement equivalent to the statutory right provided by section 130.1 of the *Securities Act* (Ontario) (the **Contractual Right of Action**). The Token Purchase Agreement will contain a description of the Contractual Right of Action and a statement that the Contractual Right of Action is in addition to any other right or remedy available at law to the FINTRAC Registered MTO.

53. The Filer will disclose to Registered MTOs utilizing the ZED Network that purchases of Tokens on the ZED Network on a resale basis will be afforded less protection under applicable securities legislation than purchasing Tokens directly from the Filer.

Decision

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

The Decision of the principal regulator in the Jurisdiction under the Legislation is that the Exemption Sought is granted, provided that the following conditions are met:

1. For each purchaser in Canada under a Token Purchase Agreement who is not verified as a Registered MTO and who represents itself as an accredited investor, the Filer will conduct a comprehensive onboarding process, which will determine the identity of such purchaser and whether such purchaser is an accredited investor, and:

    (i) subject to clause (ii) below, if such purchaser is an accredited investor and either (a) seeks to purchase Tokens having a then-current value in excess of US$25,000 in a single acquisition under a Token Purchase Agreement or (b) seeks to purchase Tokens, which purchase would result in such purchaser having acquired, in any one calendar year, Tokens having a then-current value in excess of US$50,000, then the Filer will comply with the know-your-client and suitability requirements of NI 31-103 as if the Filer was a registered dealer;

    (ii) clause (i) above does not apply if such purchaser is a Permitted Client, who has waived in writing the know-your-client and suitability requirements of NI 31-103.

2. The Filer will deal fairly, honestly and in good faith with all purchasers of Tokens.

3. The Filer will establish, maintain and apply policies and procedures that establish a system of controls and supervision designed to manage the risks associated with the Filer's business, including risks resulting from use of the Stellar Network, cybersecurity breaches and potential conflicts of interest between the Filer and Registered MTOs.

4. Neither the Filer nor any of its directors, officers, employees, agents or representatives will make recommendations or provide investment advice to any purchaser of Tokens, including representations regarding the potential future increase in value of the Tokens.

5. The Filer will not operate a marketplace as the term is defined in subsection 1(1) of the Securities Act (Ontario) and National Instrument 21-101 *Marketplace Operation*.

6. Every Token holder will be provided with a copy of the Token Purchase Agreement.

7. FINTRAC Registered MTOs, that are not also accredited investors, to which the Filer issues Tokens will be provided with the Contractual Right of Action.

8. Tokens issued to Employees will be subject to a one-year hold period from the date of issuance.

9. The Filer notifies holders of Tokens of the following events, within 10 days of the occurrence of such event:

   - a discontinuation of the Filer's business;
   - the Filer receiving notice of any regulatory related investigations or proceedings in any jurisdiction in which it intends to offer the Tokens; and
   - a change of control of the Filer;

   provided that this obligation of the Filer will only apply until the earliest of the following events: (a) the Filer becomes a reporting issuer; (b) the Filer has completed a winding up or dissolution; and (c) the Tokens of the Filer are beneficially owned, directly or indirectly, by fewer than 51 holders worldwide.

10. The Filer publishes the following information on its website on a quarterly basis:

    - number of Tokens in circulation;
    - value of Tokens in circulation;
    - number of Registered MTOs on the ZED Network;
    - number of transactions completed;
    - total value of transactions;
    - jurisdictions of operation of participating Registered MTOs; and
    - unaudited cash reserves of the Filer;

    and, on an annual basis, audited cash reserves of the Filer.

11. The Filer will document and, in a manner that a reasonable purchaser would consider fair and effective, respond to each complaint relating to the Token Generation Event.

12. The Filer will provide the Principal Regulator with:

    - quarterly reporting (within 10 days of the end of each quarter) which includes the information required by Schedule 1 of Form 45-106F1 in respect of distributions to Registered MTOs; and
    - any report, document or information that may be requested for the purpose of monitoring compliance with securities legislation and the conditions of this Decision, on a timely basis, in a format acceptable by the Principal Regulator.

13. The first trade of Tokens acquired by a Registered MTO pursuant to this Decision, to a person other than a Registered MTO or the Filer, is deemed to be a distribution under the Legislation.

14. This Decision may be amended by the Principal Regulator from time to time upon written notice to the Filer.

15. The Prospectus Relief, with respect to the issuance of Tokens by the Filer only, shall expire twenty-four (24) months after the date of the Decision.

16. The Registration Relief shall expire twenty-four (24) months after the date of the Decision.

"Grant Vingoe"
Vice-Chair
Ontario Securities Commission

"Tim Moseley"
Vice-Chair
Ontario Securities Commission

2.1.2 V.F. Corporation

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief from prospectus requirements to allow company to spin off shares of its U.S. subsidiary to investors on a *pro rata* basis and by way of a dividend *in specie* – distribution not covered by legislative exemptions –company is a public company in the U.S. but is not a reporting issuer in Canada – company has a *de minimis* presence in Canada – no investment decision required from Canadian shareholders in order to receive shares of the subsidiary.

Applicable Legislative Provisions

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

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
V.F. CORPORATION
(the Filer)

DECISION

Background

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

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

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

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

Interpretation

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

Representations

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

1. The Filer is a Pennsylvania corporation that designs, produces, procures, markets and distributes branded lifestyle apparel, footwear and related products. The Filer's principal executive office is located at 105 Corporate Center Boulevard, Greensboro, North Carolina, 27408.

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

3. The authorized share capital of the Filer consists of 1,200,000,000 Filer Shares, no par value per share, and 25,000,000 shares of preferred stock, U.S.$1.00 par value per share. As of April 26, 2019, there were 397,104,508 Filer Shares and no preferred shares issued and outstanding.

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

5. The Filer is subject to the 1934 Act and the rules, regulations and orders promulgated thereunder.

6. According to a registered shareholder report prepared for the Filer by Computershare Inc., as of April 26, 2019, there were 13 registered Filer Canadian Shareholders, representing approximately 0.41% of the registered shareholders of the Filer worldwide and holding approximately 2,256 Filer Shares, representing approximately 0.0006% of the outstanding Filer Shares. The Filer does not expect these numbers to have materially changed since that date.

7. According to a beneficial ownership report prepared for the Filer by Broadridge Financial Solutions, Inc., as of April 24, 2019, there were 4,167 beneficial Filer Canadian Shareholders, representing approximately 0.73% of the beneficial holders of Filer Shares worldwide and holding approximately 5,914,994 Filer Shares, representing approximately 1.49% of the outstanding Filer Shares. The Filer does not expect these numbers to have materially changed since that date.

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

9. Kontoor is a North Carolina corporation and a wholly-owned subsidiary of the Filer. Kontoor's principal executive office is located at 400 N. Elm Street, Greensboro, North Carolina, 27401.

10. All of the issued and outstanding Kontoor Shares are held by the Filer. No other securities of Kontoor are issued and outstanding.

11. On August 13, 2018, the Filer announced the proposed separation of its jeanswear and *VF Outlet™* businesses from its remaining businesses. This separation will be effected by way of a pro rata distribution of all of the outstanding Kontoor Shares to Filer Shareholders pursuant to the Spin-Off. The Filer will distribute 100% of the Kontoor Shares to the Filer Shareholders at a rate of one Kontoor Share for every seven Filer Shares.

12. The distribution agent for the distribution will distribute to each Filer Shareholder entitled to Kontoor Shares in connection with the Spin-Off the number of whole Kontoor Shares to which the Filer Shareholder is entitled in the form of a book-entry credit. No fractional Kontoor Shares will be issued in connection with the Spin-Off. The distribution agent will aggregate fractional shares into whole shares, sell the whole shares in the open market at prevailing prices and distribute the net cash proceeds from the sales pro rata to each Filer Shareholder who would otherwise have been entitled to receive a fractional share in the distribution. Recipients of cash in lieu of fractional shares will not be entitled to any interest on the amounts of cash payments made in lieu of fractional shares.

13. Filer Shareholders will not be required to pay any cash, deliver any other consideration or surrender or exchange their Filer Shares, or take any other action in order to receive Kontoor Shares in connection with the Spin-Off. The Spin-Off will occur automatically without any investment decision on the part of Filer Shareholders.

14. Subject to the satisfaction of certain conditions, it is currently anticipated that the Spin-Off will become effective on or about May 22, 2019.

15. Following completion of the Spin-Off, Filer Shareholders as of the record date for the Spin-Off will own 100% of the Kontoor Shares, and Kontoor will cease to be a subsidiary of the Filer and will become an independent, publicly-traded company.

16. Following completion of the Spin-Off, the Filer Shares will continue to be listed for trading on the NYSE.

17. The Kontoor Shares have been approved for listing on the NYSE under the symbol "KTB".

18. Kontoor is not a reporting issuer in any jurisdiction of Canada nor are its securities listed on any stock exchange in Canada. Kontoor has no current intention of becoming a reporting issuer in any jurisdiction of Canada or to list its securities on any stock exchange in Canada after completion of the Spin-Off.

19. The Spin-Off is being effected in accordance with the laws of Pennsylvania.

20. Because the Spin-Off will be effected by way of a dividend of Kontoor Shares to Filer Shareholders, no shareholder approval of the Spin-Off is required or being sought under the laws of Pennsylvania or any applicable United States federal securities laws.

21. On April 1, 2019, Kontoor filed a registration statement on Form 10 with the SEC detailing the proposed Spin-Off, and subsequently filed amendments thereto on April 18, 2019 and April 30, 2019 (the registration statement, as so amended, is referred to as the **Registration Statement**). The Registration Statement was declared effective by the SEC on May 7, 2019.

22. Filer Shareholders will receive a notice of internet availability of an information statement with respect to Kontoor (the **Information Statement**) detailing the terms and conditions of the Spin-Off. All materials relating to the Spin-Off sent by or on behalf of the Filer to Filer Shareholders resident in the United States (including the Information Statement) have been sent concurrently to Filer Canadian Shareholders.

23. The Information Statement contains prospectus-level disclosure about Kontoor.

24. Filer Canadian Shareholders who receive Kontoor Shares pursuant to the Spin-Off will have the benefit of the same rights and remedies in respect of the disclosure documentation received in connection with the Spin-Off that are available to Filer Shareholders resident in the United States.

25. Following completion of the Spin-Off, Kontoor will be subject to the requirements of the 1934 Act and the rules and regulations of the NYSE. Kontoor will send concurrently to holders of Kontoor Shares resident in Canada the same disclosure materials required to be sent under applicable United States securities laws to holders of Kontoor Shares resident in the United States.

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

27. The Spin-Off to Filer Canadian Shareholders would be exempt from the prospectus requirement pursuant to subsection 2.31(2) of National Instrument 45-106 *Prospectus Exemptions* but for the fact that Kontoor is not a reporting issuer under the securities legislation of any jurisdiction in Canada.

28. Neither the Filer nor Kontoor is in default of any securities legislation in any jurisdiction of Canada.

Decision

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

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted provided that the first trade in Kontoor Shares acquired pursuant to the Spin-Off will be deemed to be a distribution that is subject to section 2.6 of National Instrument 45-102 *Resale of Securities*.

DATED at Toronto this 14th day of May, 2019.

"Lawrence Haber"
Commissioner
Ontario Securities Commission

"Mary Anne De Monte-Whelan"
Commissioner
Ontario Securities Commission

2.1.3 Caldwell Investment Management Ltd.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief granted from paragraph 13.5(2)(b) of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations to permit a one-time sale of certain portfolio assets for cash from a pooled fund to a related corporate issuer in connection with a timely termination and wind-up of the fund, subject to certain conditions.

Applicable Legislative Provisions

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

May 3, 2019

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

AND

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

AND

IN THE MATTER OF
CALDWELL INVESTMENT MANAGEMENT LTD.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the **Legislation**) exempting the Filer from section 13.5(2)(b)(ii) of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) which prohibits an adviser from knowingly causing an investment portfolio managed by it, including an investment fund for which it acts as an adviser, to purchase or sell a security from or to the investment portfolio of an associate of a "responsible person", as such term is defined in NI 31-103, in order to permit Caldwell ICM Market Strategy Trust (the **Trust**) to sell its portfolio holdings in certain issuers (the **Specified Holdings**) to Urbana Corporation (the **Corporation**), which is a related party of the Filer, in connection with the proposed wind-up of the Trust (the **Exemption Sought**).

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

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

b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Quebec and Newfoundland and Labrador (together with Ontario, the **Jurisdictions**).

Interpretation

Defined terms contained in National Instrument 14-101 *Definitions* have the same meaning in this decision unless otherwise defined.

Representations

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

The Filer

1. The Filer was incorporated under the laws of Ontario on August 23, 1990. The head office, registered office and principal business address of the Filer is located in Toronto, Ontario.

2. The Filer is registered as a portfolio manager and investment fund manager in Ontario, Quebec, Alberta, British Columbia, Manitoba and Saskatchewan. The Filer is registered as an investment fund manager in Newfoundland and Labrador.

3. The Filer is the trustee, investment fund manager and portfolio manager of the Trust.

4. The Filer provides portfolio management services to the Corporation.

5. The Filer is a wholly-owned subsidiary of Caldwell Financial Ltd., a company controlled by an individual who is also a principal holder of the Corporation's common shares. This individual is the Chairman, a director, and a portfolio manager of the Filer as well as the Chief Executive Officer and a director of the Corporation.

6. The Filer is not a reporting issuer in any jurisdiction of Canada.

The Corporation

7. The Corporation is a corporation incorporated under the *Business Corporations Act* (Ontario). The Corporation's common shares and non-voting class A shares are listed on the Toronto Stock Exchange and on the Canadian Securities Exchange. The Corporation is subject to the Canadian securities regulatory requirements applicable to reporting issuers that are not investment funds. The strategy of the Corporation is to seek out, and invest in, private investment opportunities for capital appreciation and to invest in publicly traded securities to provide growth, income and liquidity. The Corporation has the scope to invest in any sector in any region. As of April 18, 2019, the Corporation's total net assets were in excess of $224 million (approximately $4.49 per share), and the trading price of the Corporation's common shares was approximately $2.40 per share.

The Trust

8. The Trust is an open-end pooled fund established under the laws of the Province of Ontario and governed pursuant to a Declaration of Trust (the **Declaration of Trust**) dated as of January 29, 2007. The investment objective of the Trust is to generate long-term capital growth through both traditional and non-traditional investments and strategies. The investment strategies of the Trust include participating in private placements by public companies and investing in securities of unlisted companies and other illiquid entities.

9. The Trust is not a reporting issuer in any jurisdiction in Canada and securities of the Trust are only distributed to investors pursuant to applicable prospectus exemptions under National Instrument 45-106 *Prospectus Exemptions*.

10. All of the units of the Trust were sold by a member of the Mutual Fund Dealers Association of Canada (the **Initial Dealer**), to its accredited investor clients in reliance on available prospectus exemptions. In 2018, the Initial Dealer ceased to be registered under securities laws and assigned its customer accounts to another dealer (the **New Dealer**).

The Wind-Up

11. On or about August 16, 2018, the New Dealer recommended to its clients that are unitholders of the Trust to redeem their units in the Trust.

12. Subsequent to the redemption recommendation by the New Dealer, the pace and quantum of unitholder redemption requests increased significantly after September 2018.

13. The Filer has determined that, in light of the New Dealer redemption recommendation to its clients, the liquidation and wind-up of the Trust and the distribution to Trust unitholders of all or substantially all of the assets of the Trust would be in the best interests of the Trust and its unitholders (the **Wind-Up)**.

14. In November 2018, Trust unitholders were provided with written notice informing them of the intention to terminate the Trust, suspend redemptions and begin the Wind-Up process of liquidating the Trust's holdings.

The Portfolio Sale

15. A significant share of the Trust's assets is invested in securities that cannot be readily converted to cash at prices that approximate the values that the Filer believes reflect fair value for such securities. Accordingly, the Filer anticipates needing up to November 2019 to achieve a 100% cash position in the Trust.

16. The Filer has had discussions with management of the Corporation about the possibility of raising cash by selling the four Specified Holdings to the Corporation (the **Portfolio Sale**), each of which the Corporation is familiar with because the Corporation holds two of the Specified Holdings in its portfolio and one of those two Specified Holdings holds the remaining two Specified Holdings.

17. The board of the Corporation, including its independent directors, has unanimously approved the Portfolio Sale (the **Corporation Board Approval**).

18. The Specified Holdings are securities of private companies that are not traded on an exchange and are not liquid. Consequently, the Portfolio Sale will help to maximize the amount of cash to be distributed to the unitholders of the Trust as part of the Wind-Up.

19. The Declaration of Trust grants the Filer discretion regarding the manner in which interim distributions are made. The Filer is of the view that it will be neither practical nor economical to make an interim distribution "in kind" to Trust unitholders of any of the Trust's portfolio holdings, including the Specified Holdings. The Declaration of Trust contemplates that, on wind-up, all net assets of the Trust are to be distributed to unitholders in cash and not by way of "in kind" distributions of securities.

Generally

20. None of the Filer, the Corporation or the Trust is in default of securities legislation in any of the Jurisdictions.

21. The Filer is a "responsible person" as that term is defined in NI 31-103. The Corporation is an associate of the Filer through the ownership position by an individual in both the Filer and the Corporation. In the absence of the Exemption Sought, the Portfolio Sale would engage the self-dealing restrictions in Section 13.5(2)(b) of NI 31-103 and would therefore be prohibited.

22. The Filer has determined that disposing of the Specified Holdings by selling them to the Corporation for cash is appropriate for the Trust to maximize the amount of cash that can promptly be distributed to Trust unitholders in connection with the Wind-up.

23. The Filer has determined that, in light of the liquidity needs of the Trust and the illiquid nature of the Specified Holdings, pursuing the Portfolio Sale to the Corporation would be more likely to maximize the amount of cash that will ultimately be distributed to the unitholders of the Trust as part of the Wind-Up than engaging in a process of seeking expressions of interest from other third parties.

24. The decision to sell the Specified Holdings on behalf of the Trust's portfolio to the Corporation has been made based on the judgment of responsible persons uninfluenced by considerations other than the best interests of the Trust and the Corporation and the investors in the Trust and the Corporation.

25. The sale by the Trust to the Corporation of the Specified Holdings will be regulated as a "related party transaction" as defined in section 1.1 of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (**MI 61-101**), but will not engage the requirements in Part 5 of MI 61-101 because the Trust is not a reporting issuer. The acquisition by the Corporation from the Trust of the Specified Holdings pursuant to the Portfolio Sale will be regulated as a "related party transaction", but will not engage the requirements in sections 5.3, 5.4 and 5.6 of MI 61-101 because the fair market value of the Specified Holdings that are the subject of the Portfolio Sale does not exceed 25% of the Corporation's current market capitalization.

26. Neither the Trust nor the Corporation is subject to National Instrument 81-107 *Independent Review Committee for Investment Funds* and so an independent review committee (**IRC**) would not review the Portfolio Sale in the ordinary course. If an IRC were to review the Portfolio Sale, it would necessarily have to base its conclusions largely on the Independent Valuation Report which is already available. As a result, IRC review of the Portfolio Sale to supplement the Independent Valuation Report was not considered necessary under the circumstances.

27. The Filer is of the view that the Portfolio Sale will avoid the cost and delay associated with seeking an alternative purchaser and that the increased costs associated with an alternative sale process will negatively impact the Trust's net asset value. As well, there is no assurance that such a process will result in any sale or a sale of the Specified Holdings at a sale price that is higher than the price to be obtained under the Portfolio Sale.

28. The Specified Holdings will be sold by the Trust to the Corporation at fair value. An independent external auditor has provided valuation support in respect of the fair value of three of the four Specified Holdings by conducting a review in accordance with the Practice Standards of the Canadian Institute of Chartered Business Valuators (the **Independent Valuation Report**). The fourth Specified Holding was not covered by the Independent Valuation Report because live bid/offer and last sale information is publicly available in respect of this holding. The Independent Valuation Report concludes that based on the scope of review and subject to the assumptions, restrictions and qualifications set out therein, the Filer's valuation conclusions regarding the Specified Holdings covered by the Independent Valuation Report are reasonable and suitable for their stated purpose.

29. The Filer will receive no remuneration with respect to the sale of the Specified Holdings by the Trust to the Corporation. With respect to the delivery of securities, the only expenses incurred by the Trust are nominal administrative charges levied by the registrar and transfer agent of the Trust for recording the trades.

30. The Trust has been audited since inception and will have final audited financial statements prepared for the year ended December 31, 2019.

Decision

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

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

1. The Specified Holdings are securities of a private company that are not traded on an exchange. The Specified Holdings will be sold by the Trust to the Corporation at fair value.

2. The Specified Holdings held by both the Trust and the Corporation are fair valued in the Trust and the Corporation's portfolios at the same price.

3. The Independent Valuation Report concludes that the Filer's valuation conclusions regarding the three Specified Holdings covered by the Independent Valuation Report are reasonable and suitable for their stated purpose.

4. There have been no material changes to the Specified Holdings that are the subject of the Independent Valuation Report that would impact the value of those assets since the date of the Independent Valuation Report.

5. The Filer's valuation of the fourth Specified Holding not covered by the Independent Valuation Report will be consistent with the most recent publicly available pricing of those securities.

6. The Corporation Board Approval has not been revoked.

7. The Filer receives no remuneration with respect to the sale of the Specified Holdings by the Trust to the Corporation. With respect to the delivery of securities, the only expenses incurred by the Trust are nominal administrative charges levied by the custodian and/or recordkeeper of the trust for recording the trades and/or any charges by a dealer in transferring the securities.

8. The Specified Holdings are paid for in cash by the Corporation and the cash proceeds from the Portfolio Sale will be paid to the Trust unitholders as an interim distribution as soon as is practicable following completion of the Portfolio Sale, in connection with the Wind-Up.

9. The Filer will keep written records of the transactions reflecting details of the portfolio securities delivered by the Trust to the Corporation under the Portfolio Sale and the value assigned to such securities, for five years after the effective date of the Trust's termination in a reasonably accessible place.

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

2.1.4 Mount Logan Capital Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief from provisions in section 8.4 of National Instrument 51-102 Continuous Disclosure Obligations (NI 51-102) permitting the filer to include alternative financial disclosure in the business acquisition report pursuant to section 13.1 of NI 51-102.

Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations, ss. 8.4, 13.1.

May 21, 2019

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

AND

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

AND

IN THE MATTER OF
MOUNT LOGAN CAPITAL INC.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the "**Legislation**") for an exemption (the "**Exemption Sought**") from the financial statement requirements in Section 8.4 of National Instrument 51-102 *Continuous Disclosure Obligations* ("**NI 51-102**") for the business acquisition report ("**BAR**") to be prepared and filed with the applicable Canadian securities regulatory authorities in connection with the indirect acquisition by the Filer of an interest in certain senior secured loans and debt instruments from a U.S. based loan provider (the "**Loan Provider**") (the interest in the loans and debt instruments indirectly acquired are referred to herein as the "**Indirect Acquired Loans**") and the direct acquisition by the Filer of an interest in certain loans and debt instruments sourced from BC Partners Advisors, L.P. (the interest in the loans and debt instruments directly acquired are referred to herein as the "**Direct Acquired Loans**" and together with the Indirect Acquired Loans, the "**Acquired Loans**"). The acquisition of the Indirect Acquired Loans (the "**Indirect Loan Acquisitions**") and the acquisition of the Direct Acquired Loans (the "**Direct Loan Acquisitions**" and together with the Indirect Loan Acquisitions, the "**Acquisitions**") were completed pursuant to a series of transactions for the purpose of expanding the Filer's investment strategy from a focus on natural resource lending to a broader lending-oriented credit platform.

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

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

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

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102 and NI 51-102 have the same meanings if used in this decision, unless otherwise defined.

Representations

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

The Filer

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

2. The head office of the Filer is located in New York, New York and the registered office of the Filer is located in Toronto, Ontario.

3. The Filer is a reporting issuer in each of the Jurisdictions and is not in default of securities legislation in any Jurisdiction, except as noted herein.

4. The common shares of the Filer are listed on the NEO Exchange under the symbol "MLC".

5. The Filer's financial year end is December 31.

The Arrangement and the Acquisitions

6. On July 27, 2018, the Filer (in its prior name, being "**Marret Resource Corp.**") entered into an arrangement agreement (the "**Arrangement Agreement**") with, *inter alia*, BC Partners Investment Holdings Limited ("**BCPIHL**") providing for a court-approved plan of arrangement to be carried out under Section 182 of the *Business Corporations Act* (Ontario) pursuant to which, among other things, the Filer would expand its investment strategy from a focus on natural resource lending to a broader lending-oriented credit platform (the "**Arrangement**").

7. In connection with, and prior to the completion of, the Arrangement, the Filer completed a private placement (the "**Financing**") of 73,738,548 subscription receipts (the "**Subscription Receipts**") for aggregate gross proceeds of approximately $40.5 million, which proceeds were deposited in escrow pending the satisfaction of certain conditions as set out in the subscription receipt agreement governing the terms of the Subscription Receipts.

8. On October 19, 2018, and prior to the completion of the Arrangement, Great Lakes Senior MLC I LLC, a wholly-owned subsidiary of BCPIHL formed under the laws of the State of Delaware for the purpose of facilitating the Arrangement ("**SPV**"), entered into definitive agreements (collectively, the "**SPV Loan Agreements**") pursuant to which it would acquire the Indirect Acquired Loans.

9. On October 19, 2018, and following the entering into of the SPV Loan Agreements, the Arrangement was completed pursuant to which, among other things, each Subscription Receipt was ultimately converted into one common share of the Filer, the net proceeds of the Financing were released to the Filer and the Filer acquired all of the issued and outstanding securities of SPV in exchange for the issuance to BCPIHL of common shares of the Filer.

10. Immediately following the completion of the Arrangement, the Filer (through its wholly-owned subsidiary SPV) completed the acquisition of the Indirect Acquired Loans which consisted of an interest in loans and debt instruments in the aggregate principal amount of approximately US$16 million having the following principal terms:

	Sector	Cost (US$)	Face Value (US$)	Maturity	Rate
Loan 1[1]	Consumer	$3,704,857	$3,740,578	May 2024	L+475
Loan 2	Industrials	$2,278,101	$2,300,000	July 2024	L+425
Loan 3	Consumer	$3,723,387	$3,740,578	July 2025	L+425
Loan 4	Industrials	$3,709,997	$3,740,578	May 2024	L+450
Loan 5	Industrials	$2,593,690	$2,618,404	June 2024	L+425

(1) – Loan 1 also includes a separate unfunded Delayed Draw Term Loan with a par value of approximately US$325,000.

11. Immediately following the completion of the acquisition of the Indirect Acquired Loans, the Filer directly completed the acquisition of the Direct Acquired Loans which consisted of an interest in loans and debt instruments in the aggregate principal amount of approximately US$7.2 million and approximately C$5.1 million having the following principal terms:

	Sector	Cost	Face Value	Maturity	Rate
Loan 1	Information Technology	US$4,937,500	US$5,000,000	July 2024	L+750
Loan 2	Healthcare	US$2,275,855	US$2,310,549	September 2024	L+600
Loan 3	Industrials	C$5,112,361	C$5,112,361	May 2028	11.0%

Nature of the Acquisitions and Available Financial Information

12. The Filer understands that staff of the principal regulator is of the view that the Acquisitions constitute the acquisition of a "business" within the meaning of Part 8 of NI 51-102. Based on such view of staff of the principal regulator and given the Filer's financial results, the Acquisitions would constitute a "significant acquisition" for the Filer within the meaning of Part 8 of NI 51-102 and the Filer is required to file a BAR in accordance with Part 8 of NI 51-102.

13. Pursuant to Part 8 of NI 51-102, the Filer was required to file the BAR on or before January 2, 2019 (the "**Required Filing Date**"). As a result of not filing the BAR on or before the Required Filing Date, the Filer was noted in default on the list of reporting issuers maintained by the Ontario Securities Commission (the "**Reporting Issuer List**").

14. The Filer understands that: (i) the Filer will be in default of the requirement to file the BAR for the period commencing on the Required Filing Date and ending on the date that the BAR is filed in accordance with this decision; and (ii) the Filer will no longer be noted in default on the Reporting Issuer List following the filing of the BAR in accordance with this decision.

15. Sections 8.4(1) and 8.4(3) of NI 51-102 require that a reporting issuer include in the BAR certain annual financial statements and, if applicable, interim financial statements in respect of the business acquired. Section 8.4(5) of NI 51-102 requires that a reporting issuer include in the BAR certain pro forma financial statements of the Filer (collectively, the "**Required Financial Statements**").

16. Neither the Filer nor SPV acquired any physical facilities, marketing systems, sales forces, customers, operating rights, production techniques, trade names or other assets from the vendors of the Acquired Loans in connection with the Acquisitions. Such items remained with the vendors of the Acquired Loans following the Acquisitions.

17. Neither the Filer nor SPV acquired a separate entity, a subsidiary or a division of either vendor of the Acquired Loans. Each Acquired Loan constitutes an interest in a larger credit facility in respect of the applicable borrower (each, a "**Credit Facility**") and the interest of the Filer or SPV, as applicable, in each Credit Facility is in the range of approximately 1% to 8%.

18. The financial information in respect of each Acquired Loan necessary to produce the Required Financial Statements for the Acquisitions has not been made available to the Filer, nor does the Filer have a right to obtain such information. Accordingly, there is limited information available to the Filer in respect of each Acquired Loan.

19. The nature of the Acquired Loans, including that each Acquired Loan was only recently originated, make it impracticable to produce the Required Financial Statements in respect of the Acquisitions. As the Acquired Loans consist of a collection of unrelated loans and debt instruments which are not attributable to any one stand-alone legal entity and were at no time consolidated for accounting purposes prior to the completion of the Acquisitions, no historical financial statements in respect of the Acquired Loans have been, or can be, prepared.

20. In lieu of the Required Financial Statements, the Filer proposes to include in the BAR alternative financial information (the "**Alternative Financial Information**") in respect of the Acquisitions as follows:

    (a) An audited statement of assets acquired as at October 19, 2018 that:

        (i) is comprised of the Acquired Loans, such information to be presented in a single statement;

        (ii) includes a statement that the statement of assets acquired has been prepared in accordance with International Financial Reporting Standards;

        (iii) includes a description of the significant accounting policies used to prepare the statement of assets acquired;

(iv) is accompanied by an independent auditor's report that reflects that the statement was prepared in accordance with the basis of accounting disclosed in the notes to the statement; and

(v) includes a description of the key terms of each Acquired Loan.

21. The Filer submits that the Exemption Sought would not be prejudicial to the public interest because the Alternative Financial Information will provide investors with the information material to their understanding of the Acquisitions and the Filer believes that the presentation of financial statements prepared strictly in compliance with Section 8.4 of NI 51-102 would not be more meaningful or relevant to investors than the Alternative Financial Information.

Decision

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

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted provided that the BAR for the Acquisitions includes the Alternative Financial Information.

"Marie-France Bourret"
Manager, Corporate Finance
Ontario Securities Commission

2.1.5 AGF Investments Inc.

Headnote

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

Applicable Legislative Provisions

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

May 13, 2019

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

AND

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

AND

IN THE MATTER OF
AGF INVESTMENTS INC.
(the Filer)

AND

THE TERMINATING FUNDS
(as defined below)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Terminating Funds for a decision under the securities legislation of the Jurisdiction (the **Legislation**) approving the mergers (each a **Merger**, and collectively, the **Mergers**) of each of the Terminating Funds into applicable Continuing Funds (as defined below) pursuant to paragraph 5.5(1)(b) of National Instrument 81-102 *Investment Funds* (**NI 81-102**) (the **Approval Sought**).

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

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

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

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined. The following additional terms shall have the following meanings:

Continuing Fund means each of AGFiQ Dividend Income Fund, AGF Fixed Income Plus Fund, AGF Canadian Money Market Fund, AGF Global Equity Fund, AGF American Growth Fund, AGF Elements Balanced Portfolio, AGF Elements Conservative Portfolio, AGF Elements Growth Portfolio, AGF Elements Global Portfolio and AGF Elements Yield Portfolio;

Fund or **Funds** means, individually or collectively, the Terminating Funds and the Continuing Funds;

IRC means the independent review committee for the Funds;

Terminating Fund means each of Harmony Canadian Equity Pool, Harmony Canadian Fixed Income Pool, Harmony Money Market Pool, Harmony Overseas Equity Pool, Harmony U.S. Equity Pool, Harmony Balanced Growth Portfolio, Harmony Balanced Portfolio, Harmony Conservative Portfolio, Harmony Growth Plus Portfolio, Harmony Growth Portfolio, Harmony Maximum Growth Portfolio and Harmony Yield Portfolio;

Terminating Pool means each of Harmony Canadian Equity Pool, Harmony Canadian Fixed Income Pool, Harmony Money Market Pool, Harmony Overseas Equity Pool and Harmony U.S. Equity Pool;

Terminating Portfolio means each of Harmony Balanced Growth Portfolio, Harmony Balanced Portfolio, Harmony Conservative Portfolio, Harmony Growth Plus Portfolio, Harmony Growth Portfolio, Harmony Maximum Growth Portfolio and Harmony Yield Portfolio;

MF Series means Mutual Fund Series securities of the Continuing Funds;

NI 81-106 means National Instrument 81-106 *Investment Fund Continuous Disclosure*;

NI 81-107 means National Instrument 81-107 *Independent Review Committee for Investment Funds*; and

Tax Act means the *Income Tax Act* (Canada).

Representations

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

The Filer

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

2. The Filer is the manager and trustee of the Funds and the portfolio manager of the Continuing Funds. The Filer is the portfolio manager of the Terminating Portfolios and of certain of the Terminating Pools, which also may have third party portfolio managers.

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

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

The Funds

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

6. Securities of the Terminating Funds are currently qualified for sale in the Canadian Jurisdictions under a simplified prospectus, annual information form and fund facts documents dated June 27, 2018, as amended (the **Harmony Offering Documents**). Securities of the Continuing Funds are currently qualified for sale in each of the Canadian Jurisdictions under a simplified prospectus, annual information form and fund facts documents dated April 18, 2019 (the **AGF Offering Documents** and together with the Harmony Offering Documents, collectively, the **Offering Documents**).

7. Each of the Funds is a reporting issuer under the applicable securities legislation of the Canadian Jurisdictions.

8. The Funds are not in default of any requirement of the securities legislation of any of the Canadian Jurisdictions.

9. Other than circumstances in which the securities regulatory authority of a Canadian Jurisdiction has expressly exempted a Fund therefrom, each of the Funds follows the standard investment restrictions and practices established under NI 81-102.

10. All of the Continuing Funds have substantially similar valuation procedures to those of the Terminating Funds. The net asset value for each series of the Funds is calculated on each day that the Toronto Stock Exchange is open for business in accordance with the Funds' valuation policy and as described in the Offering Documents.

The Terminating Funds

11. As described in the Harmony Offering Documents, the Terminating Funds are offered as part of the Harmony Investment Program. The Harmony Investment Program includes the Terminating Pools and the Terminating Portfolios.

12. The Terminating Pools offer Embedded Series securities and Wrap Series securities. The Terminating Portfolios offer Embedded Series securities, Series F securities, Series T securities, Series V securities and Wrap Series securities, as applicable.

13. The Terminating Portfolios invest directly in, or obtain exposure to, one or more of the Terminating Pools.

14. Except Harmony Money Market Pool, the Terminating Pools, with respect to Embedded Series securities, pay a fixed management fee, a variable portfolio management fee, and an administration fee for certain registrar and transfer agency expenses, as well as certain operating expenses. Harmony Money Market Pool, with respect to Embedded Series securities, pays a variable portfolio management fee and an administration fee for certain registrar and transfer agency expenses, as well as certain operating expenses.

15. The Terminating Portfolios, with respect to Embedded Series securities, Series F securities, Series T securities, and Series V securities, as applicable, pay a fixed management fee and an administration fee for certain registrar and transfer agency expenses, as well as certain operating expenses. No portfolio management fees are borne directly by the Terminating Portfolios. Each Terminating Portfolio bears indirectly the portfolio management fees attributable to the underlying Terminating Pool(s) that the Terminating Portfolio invests in or obtains exposure to.

16. No service fee is payable for Embedded Series securities, Series F securities, Series T securities, and Series V securities, as applicable, of the Terminating Funds.

17. The Terminating Pools, with respect to Wrap Series, pay a variable portfolio management fee and an administration fee for certain registrar and transfer agency expenses, as well as certain operating expenses.

18. Wrap Series securityholders of the Terminating Pools (except Harmony Money Market Pool) agree to pay a negotiated service fee to their registered dealer on a quarterly basis. No service fee is payable by Wrap Series securityholders of Harmony Money Market Pool. The fee rate depends on the agreement between the securityholder and their registered dealer, and is based on the average total net asset value of the securityholder's Wrap Series securities during the quarter. For investor support and other services that the Filer provides to the securityholder's registered dealer, the Filer also retains a portion of the service fee.

19. The Terminating Portfolios, with respect to Wrap Series, pay an administration fee for certain registrar and transfer agency expenses, as well as certain operating expenses. No portfolio management fees are borne directly by the Terminating Portfolios. However, each Terminating Portfolio bears indirectly the portfolio management fees attributable to the underlying Terminating Pool(s) that the Terminating Portfolio invests in or obtains exposure to.

20. Wrap Series securityholders of the Terminating Portfolios agree to pay a negotiated service fee to their registered dealer on a quarterly basis. The fee rate depends on the agreement between the securityholder and their registered dealer, and is based on the average total net asset value of the securityholder's Wrap Series securities during the quarter. For investor support and other services that the Filer provides to the securityholder's registered dealer, the Filer also retains a portion of the service fee.

The Continuing Funds

21. The Continuing Funds offer MF Series securities, Series F securities, Series T securities, Series V securities and Series Q securities, as applicable.

22. The Continuing Funds, with respect to MF Series securities, Series F securities, Series T securities, and Series V securities, pay a fixed management fee, which fee includes compensation for portfolio management services provided to the Continuing Fund, and an administration fee for certain registrar and transfer agency expenses, as well as certain operating expenses.

23. No service fee is payable for MF Series securities, Series T securities, and Series V securities of the Continuing Funds.

24. Series Q securityholders of the Continuing Funds pay a management fee, which fee includes compensation for portfolio management services provided to the Continuing Fund, directly to the Filer based on a tiered management fee schedule. No administration fee is payable in respect of Series Q of the Continuing Funds.

25. A Series Q securityholder of a Continuing Fund also pays a negotiated service fee to their dealer on a quarterly basis, which can be nil, based on the average net asset value of the securityholder's Series Q securities during the quarter.

26. The Continuing Funds, with respect to Series F securities, pay a fixed management fee, which fee includes compensation for portfolio management services provided to the Continuing Fund, and an administration fee for certain registrar and transfer agency expenses, as well as certain operating expenses. No service fee is payable for Series F of the applicable Continuing Fund, although Series F securityholders may pay a fee to their dealer for the fee-for-service or wrap account program. This fee is negotiated between the securityholder and the dealer.

Securities to be received by Terminating Fund Securityholders

Embedded Series securities, Series F securities, Series T securities, Series V securities and Wrap Series securities of the Terminating Funds

27. Except in the case of Wrap Series securityholders of the Terminating Funds, securityholders of each series of a Terminating Fund will receive the same series of securities of the corresponding Continuing Fund as they currently own. Embedded Series securityholders of a Terminating Fund will receive MF Series securities of the corresponding Continuing Fund, which the Filer considers to be equivalent.

28. Except in the case of Harmony Money Market Pool, securityholders of Embedded Series securities, Series F securities, Series T securities and Series V securities of the Terminating Funds will experience an overall decrease in combined fees (management fee plus variable portfolio management fee, if applicable, plus administration fee) upon implementation of the Mergers, due to the existing, lower overall combined fees (management fee plus administration fee) of the corresponding series of the Continuing Funds compared to the Terminating Funds. Certain series of the Continuing Funds pay an administration fee that is higher than the administration fee paid with respect to the corresponding series of the Terminating Funds. However, excluding Harmony Money Market Pool, any such increase is offset by the lower management fee payable with respect to the series of the Continuing Funds received by the securityholder as a result of the Mergers. As a result, with the exception of Harmony Money Market Pool, securityholders of the Terminating Funds will receive securities of the Continuing Funds that have a combined management fee and administration fee that is lower than the combined management fee, portfolio management fee, if applicable, and an administration fee charged in respect of the series of securities of the Terminating Funds that they currently hold.

29. In the case of Harmony Money Market Pool, securityholders of Embedded Series will experience an overall increase in combined fees (variable portfolio management fee plus administration fee) upon implementation of the Mergers, due to the existing, higher overall combined fees (management fee plus administration fee) of the corresponding MF Series of the Continuing Fund compared to this Terminating Fund.

Wrap Series securities of the Terminating Funds

30. Wrap Series securityholders of each Terminating Fund (except Harmony Money Market Pool) will receive Series Q securities of the corresponding Continuing Fund. As described above, Wrap Series securityholders of the Terminating Fund agree to pay a negotiated service fee to their registered dealer on a quarterly basis, a portion of which is retained by the Filer, a variable portfolio management fee and an administration fee. Series Q securityholders of the Continuing Funds pay a management fee, which fee includes compensation for portfolio management services provided to the Fund, directly to the Filer based on a tiered management fee schedule. Series Q securityholders of the Continuing Funds also pay a separate negotiated service fee to their registered dealer.

31. Series Q securities of the Continuing Funds are designed for investors who meet certain minimum investment requirements and who have agreed with their dealer that they wish to purchase a series of securities offering reduced overall costs, including a reduced management fee via a tiered management fee schedule. Management fees are paid directly by Series Q securityholders to the Filer and a negotiated service fee is paid by Series Q securityholders to their dealer. No administration fee is paid with respect to Series Q. There are no minimum investment requirements specific to Wrap Series securities of the Terminating Funds.

32. Generally, a household (which may consist of a single investor) will qualify and continue to qualify for the Series Q securities if it meets one of the following minimum investment requirements: (i) maintain the higher of a book value or market value of at least $100,000 in each Continuing Fund; or (ii) maintain the higher of an aggregate book value or market value of at least $250,000 in all AGF Group of Funds (which include, but are not limited to, the Continuing Funds, except AGF Canadian Money Market Fund). If the higher of the book value or market value falls below these minimums, the Series Q securities held by the investor(s) within the household may be switched to an equivalent value of MF Series of the same Continuing Fund(s).

33. If, upon implementation of the Merger, the higher of the book value or market value of the household falls below the minimum investment requirements for Series Q securities, the Series Q securities of the Continuing Fund(s) held by such securityholder(s) within the household may be switched to an equivalent value of MF Series securities of the same Continuing Fund(s). The Filer will contact the household's registered dealer and/or investment advisor before processing the switch(es). The switch(es) will not be processed if the household increases their investment to the minimum investment amount within 30 calendar days of the household's registered dealer and/or investment advisor being notified.

34. The term "household" shall have the meaning determined by the Filer from time to time and currently refers to a single investor holding any series (except Series D, Series I, Series O and Series S securities) of the AGF Group of Funds (except AGF Canadian Money Market Fund) within one or multiple accounts, plus accounts belonging to their spouse and family members residing at the same address, as well as corporate, partnership or trust accounts for which the investor and other members of the household beneficially own more than 50% of the voting equity. Currently, the minimum investment requirements are based on the household assets in aggregate instead of assets of each member of the household.

35. Wrap Series securityholders of Harmony Money Market Pool will receive Series F securities of the corresponding Continuing Fund. Wrap Series securityholders of Harmony Money Market Pool pay a variable portfolio management fee and an administration fee. Series F securityholders of the applicable Continuing Fund pay a management fee, which fee includes compensation for portfolio management services provided to the Continuing Fund, and an administration fee.

36. Series F securities of the Continuing Funds are intended for investors who are participants in a fee-for-service or wrap account program sponsored by certain dealers. Series F securityholders may pay a fee to their dealer for the fee-for-service or wrap account program. This fee is negotiated between the securityholder and their dealer.

37. Except in the case of Harmony Money Market Pool and certain Wrap Series securityholders of Harmony Canadian Fixed Income Pool, Wrap Series securityholders of the Terminating Funds will experience an overall decrease in combined fees (portion of service fee retained by the Filer, plus variable portfolio management fee, if applicable, plus administration fee) upon implementation of the Mergers, due to the existing, lower overall fee (only management fee) of Series Q of the Continuing Funds compared to the Terminating Funds.

38. In the case of Wrap Series securityholders of Harmony Canadian Fixed Income Pool that purchased Wrap Series securities under a front-end sales charge option, certain of these securityholders may experience an overall increase in combined fees (portion of service fee retained by the Filer, plus variable portfolio management fee, plus administration fee) upon implementation of the Merger, due to the existing, higher overall fee (only management fee) of the corresponding Series Q of the Continuing Fund compared to this Terminating Fund. Any increase may be offset for certain of these Wrap Series securityholders as Series Q securityholders benefit from a reduced management fee via a tiered management fee schedule based on their investments, therefore it is possible that these Wrap Series securityholders may experience an overall lower combined fee as a result of the Merger.

39. In the case of Harmony Money Market Pool, Wrap Series securityholders will experience an overall increase in combined fees (variable portfolio management fee plus administration fee) upon implementation of the Merger, due to the existing, higher overall combined fees (management fee plus administration fee) of the corresponding Series F of the Continuing Fund compared to this Terminating Fund.

Sales Charge Options and Securities to be Received by Securityholders of the Terminating Funds

40. Securityholders that purchased securities of the Terminating Funds under the front-end option or that were not subject to a sales charge will receive securities of the applicable Continuing Fund that are not subject to a sales charge. Except for Wrap Series securityholders, securityholders that purchased securities of the Terminating Funds under the low load option or the deferred sales charge option will receive securities of the applicable Continuing Fund that are subject to the same low load or deferred sales charge schedule with the same timing as the securities they currently own in the Terminating Funds. A Wrap Series securityholder's deferred sales charge schedule (including a low load schedule) will be eliminated on the Merger Date as neither Series F securities nor Series Q securities of the Continuing Funds have deferred sales charge options. As a result, if the Mergers are implemented, the Series F securities and Series Q securities of the Continuing Funds received by such securityholders will be held under the front-end sales charge option. No charges, fees or commissions will be payable by Wrap Series securityholders of the Terminating Funds as a result of this change of purchase option.

Reason for Approval Sought

41. Regulatory approval of the Mergers is required because each Merger does not satisfy all of the criteria for pre-approved reorganizations and transfers set out in section 5.6 of NI 81-102. The pre-approval criteria are not satisfied in the following ways:

    (a) the fundamental investment objectives of Harmony Canadian Equity Pool, Harmony Overseas Equity Pool, Harmony Growth Portfolio and Harmony Yield Portfolio are not, or may not be considered to be, "substantially similar" to the investment objective of its corresponding Continuing Fund;

    (b) the fee structure of the Embedded Series securities of each Terminating Pool is not, or may be considered not to be, "substantially similar" to the fee structure of the MF Series securities of its corresponding Continuing Fund;

    (c) the fee structure of the Wrap Series securities of each Terminating Fund (except Harmony Money Market Pool) is not, or may be considered not to be, "substantially similar" to the fee structure of Series Q securities of its corresponding Continuing Fund;

    (d) the fee structure of the Wrap Series securities of Harmony Money Market Pool is not, or may be considered not to be, "substantially similar" to the fee structure of Series F securities of its Continuing Fund; and

    (e) the Merger of each of Harmony Canadian Equity Pool into AGFiQ Dividend Income Fund, Harmony Canadian Fixed Income Pool into AGF Fixed Income Plus Fund, Harmony Money Market Pool into AGF Canadian Money Market Fund, Harmony Overseas Equity Pool into AGF Global Equity Fund, Harmony U.S. Equity Pool into AGF American Growth Fund and Harmony Maximum Growth Portfolio into AGF Elements Global Portfolio (each a **Taxable Merger**, and collectively, the **Taxable Mergers**) will not be completed as "qualifying exchanges" or as tax-deferred transactions under the Tax Act.

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

The Proposed Mergers

43. The Filer intends to reorganize the Funds as follows:

    (a) Harmony Canadian Equity Pool will merge into AGFiQ Dividend Income Fund;

    (b) Harmony Canadian Fixed Income Pool will merge into AGF Fixed Income Plus Fund;

    (c) Harmony Money Market Pool will merge into AGF Canadian Money Market Fund;

    (d) Harmony Overseas Equity Pool will merge into AGF Global Equity Fund;

    (e) Harmony U.S. Equity Pool will merge into AGF American Growth Fund;

    (f) Harmony Balanced Growth Portfolio will merge into AGF Elements Balanced Portfolio;

    (g) Harmony Balanced Portfolio will merge into AGF Elements Balanced Portfolio;

(h) Harmony Conservative Portfolio will merge into AGF Elements Conservative Portfolio;

(i) Harmony Growth Plus Portfolio will merge into AGF Elements Growth Portfolio;

(j) Harmony Growth Portfolio will merge into AGF Elements Growth Portfolio;

(k) Harmony Maximum Growth Portfolio will merge into AGF Elements Global Portfolio; and

(l) Harmony Yield Portfolio will merge into AGF Elements Yield Portfolio.

44. The Taxable Mergers will be effected on a taxable basis, while the other Mergers will be effected on a tax-deferred basis.

45. In accordance with NI 81-106, a press release announcing the proposed Mergers was issued and filed via SEDAR on April 17, 2019. A material change report and amendments to the Harmony Offering Documents of the Terminating Funds with respect to the proposed Mergers were filed via SEDAR on April 17, 2019.

46. As required by NI 81-107, the Filer presented the terms of the Mergers to the IRC for its review. The IRC determined that the Mergers, if implemented, will achieve a fair and reasonable result for each of the Funds.

47. Securityholders of each Terminating Fund will be asked to approve the applicable Merger at a special meeting to be held on or about June 11, 2019 (the **Meeting**).

48. The Filer is of the view that none of the Mergers will be a "material change" for any of the Continuing Funds, as the assets of each Continuing Fund are larger than the assets of its corresponding Terminating Fund.

49. By way of a decision dated November 4, 2016, the Filer was granted relief (the **Notice-and-Access Relief**) from the requirement set out in paragraph 12.2(2)(a) of NI 81-106 to send a printed management information circular to securityholders while proxies are being solicited, and, subject to certain conditions, instead allows a notice-and-access document (as described in the Notice-and-Access Relief) to be sent to such securityholders. In accordance with the Filer's standard of care owed to the Funds pursuant to securities legislation, the Filer will only use the notice-and-access procedure for a particular meeting where it has concluded that it is appropriate and consistent with the purposes of notice-and-access (as described in the Companion Policy to National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*) to do so, also taking into account the purpose of the meeting and whether the Funds would obtain a better participation rate by sending the management information circular with the other proxy-related materials.

50. Pursuant to the requirements of the Notice-and-Access Relief, a notice-and-access document and form of proxy in connection with the Meeting, along with the most recent fund facts document(s) of the relevant series of the Continuing Funds, were mailed to securityholders of the Terminating Funds commencing on May 7, 2019, and were concurrently filed via SEDAR. The management information circular (together with the notice-and-access document and form of proxy, the **Meeting Materials**), which the notice-and-access document describes how to obtain, was also filed via SEDAR at the same time.

51. The Meeting Materials describe all relevant facts concerning the Mergers, including the investment objectives, strategies and fee structure of the Funds, the tax implications and other consequences of the Mergers, as well as the IRC's recommendation of the Mergers, so that securityholders of the Terminating Funds may make an informed decision before voting on whether to approve the Mergers. The Meeting Materials also describe the various ways in which securityholders can obtain a copy of the AGF Offering Documents, and the most recent interim and annual financial statements and management reports of fund performance of the Continuing Funds.

52. Each of the Continuing Funds (other than AGF American Growth Fund) is, and is expected to continue to be at all material times, a mutual fund trust under the Tax Act and, accordingly, units of the Continuing Funds (other than AGF American Growth Fund) are "qualified investments" under the Tax Act for registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax free savings accounts (collectively referred to as **Registered Plans**). Following the Merger of Harmony U.S. Equity Pool into AGF American Growth Fund, AGF American Growth Fund is expected to be a mutual fund trust under the Tax Act. Accordingly, following the Merger Date, units of AGF American Growth Fund are expected to be "qualified investments" for Registered Plans.

53. When considering a merger of two or more funds, the Filer undertakes a thoughtful and extensive process to ensure its fund line up meets the changing needs of investors. Once the Filer determines it is appropriate to no longer continue offering a particular mandate, the Filer selects the appropriate continuing fund to receive the assets of the merging fund

by considering both qualitative and quantitative factors. The qualitative factors considered include the comparability of investment objectives, investment strategies, risk rating, investment philosophy and portfolio construction. When considering quantitative factors, the Filer reviews fund performance, the investment performance correlation between the potential merging funds and continuing funds, any overlap in investment holdings, the asset allocation/sector allocation/geographic allocation of each fund, fees for each series, the difference in assets under management between the funds, a taxation analysis at both the fund and unitholder level and any unique factors that would be applicable for the given merger. Once each of these items has been reviewed, the Filer formalizes the analysis and recommends a continuing fund with which to proceed forward.

54. The Filer has determined that it would not be appropriate to effect a Taxable Merger as a "qualifying exchange" within the meaning of section 132.2 of the Tax Act or as a tax-deferred transaction for the following reasons:

    (a) to the extent that unitholders in the applicable Merging Fund have an accrued capital loss on their units, effecting a Taxable Merger on a taxable basis will afford them the opportunity to realize that loss and use it against current capital gains or even carry it forward or back as permitted under the Tax Act;

    (b) effecting a Taxable Merger on a taxable basis would preserve the loss carry-forwards in the applicable Continuing Fund; and

    (c) effecting a Taxable Merger on a taxable basis is not expected to have a tax impact on the applicable Continuing Fund.

55. If all required approvals for the Mergers are obtained, it is intended that the Mergers will occur after the close of business on or about June 28, 2019 and no later than December 31, 2019 (the **Merger Date**). The Filer therefore anticipates that securityholders of each Terminating Fund will become securityholders of the applicable Continuing Fund after the close of business on the Merger Date.

56. The assets of each Terminating Fund to be acquired by its applicable Continuing Fund are currently or will, on the Merger Date, be acceptable to the portfolio manager of the Continuing Fund and are, or will be, consistent with the investment objectives of the Continuing Fund.

57. The Filer will pay for the costs of the Mergers. These costs consist mainly of brokerage charges associated with any merger related trades, legal, proxy solicitation, printing, mailing and regulatory fees.

58. No sales charges will be payable by unitholders of the Terminating Funds in connection with the Mergers.

59. In light of the disclosure in the Circular, securityholders of the Terminating Funds have sufficient information necessary to determine whether the proposed Mergers are appropriate for them.

60. Securityholders of each Terminating Fund will continue to have the right to redeem securities of the applicable Terminating Fund at any time up to the close of business on the business day immediately before the Merger Date.

Merger Steps

61. The proposed Mergers will be structured as follows:

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

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

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

    (d) On the Merger Date, substantially all of the Terminating Funds' assets will be transferred to the applicable Continuing Fund (after reserving sufficient assets to satisfy its estimated liabilities, if any, as of the Merger Date) in exchange for securities of the applicable Continuing Fund having an aggregate net asset value equal to the aggregate value of the assets transferred by the applicable Terminating Funds, and the securities of the Continuing Funds will be issued at the applicable series net asset value per security of the Continuing Fund determined as of the close of business on the Merger Date.

(e) Immediately thereafter, the securities of the Terminating Funds will be redeemed at their applicable series net asset value and such amount will be paid to securityholders of the Terminating Funds by transferring securities of an equivalent series of the applicable Continuing Fund to each Terminating Fund securityholder (except for Wrap Series securityholders of the Terminating Funds) in an amount equal to the redemption proceeds. In the case of Wrap Series securityholders of the Terminating Funds (except for Harmony Money Market Pool), the securityholders will receive Series Q securities of the applicable Continuing Funds. In the case of Wrap Series securityholders of Harmony Money Market Pool, these securityholders will receive Series F securities of AGF Canadian Money Market Fund.

(f) Following the completion of the Mergers, the Terminating Funds will be wound up and terminated.

(g) Any outstanding unit certificates (if applicable) of the Terminating Funds will be cancelled.

Benefits of the Mergers

62. The Filer believes that the Mergers are beneficial to securityholders of each Terminating Fund and Continuing Fund for the following reasons:

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

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

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

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

(e) the Continuing Funds, as a result of their greater size, can spread the operating expenses over a larger asset base, which may positively impact the management expense ratio of each Continuing Fund;

(f) as each Continuing Fund has either the same or lower risk rating than its corresponding Terminating Fund, securityholders of the Terminating Fund will become investors in a Continuing Fund that has a risk profile that is the same as, or lower than, the risk profile of the Terminating Fund; and

(g) with the exception of Harmony Money Market Pool and certain Wrap Series securityholders of Harmony Canadian Fixed Income Pool, securityholders of the Terminating Funds will receive securities of the Continuing Funds that have a combined management fee and/or administration fee, if applicable, that is lower than the combined management fee, portfolio management fee, if applicable, and an administration fee charged in respect of the series of securities of the Terminating Funds that they currently hold.

Decision

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

The decision of the principal regulator under the Legislation is that the Approval Sought is granted with respect to each Merger, provided that the Filer obtains the prior approval of the securityholders of the Terminating Fund for the Merger at a special meeting held for that purpose.

“Darren McKall”
Investment Funds and Structured Products
Ontario Securities Commission

2.1.6 Ninepoint Partners LP et al.

Headnote

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

Applicable Legislative Provisions

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

May 3, 2019

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

AND

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

AND

IN THE MATTER OF
NINEPOINT PARTNERS LP
(the Filer)

AND

NINEPOINT ENHANCED BALANCED CLASS,
NINEPOINT FOCUSED U.S. DIVIDEND CLASS
(each, a Terminating Fund and collectively, the Terminating Funds)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Terminating Funds for a decision under the securities legislation of the Jurisdiction (the **Legislation**) for approval of the proposed merger (collectively, the **Mergers**, and each, a **Merger**) of Ninepoint Enhanced Balanced Class into Ninepoint Enhanced Balanced Fund, and the proposed merger of Ninepoint Focused U.S. Dividend Class into Ninepoint Global Infrastructure Fund (together with Ninepoint Enhanced Balanced Fund, the **Continuing Funds**, and each, a **Continuing Fund**) under paragraph 5.5(1)(b) of National Instrument 81-102 *Investment Funds* (**NI 81-102**) (the **Approval Sought**).

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

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

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

Interpretation

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

Representations

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

The Filer

1. The Filer is a limited partnership organized under the laws of the Province of Ontario with its head office located in Toronto, Ontario.

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

3. The Filer is the investment fund manager of the Terminating Funds and the Continuing Funds (collectively, the **Funds**, and each a **Fund**).

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

The Funds

5. The Terminating Funds are a separate class of shares of Ninepoint Corporate Class Inc. (the **Corporation**), a mutual fund corporation governed under the laws of Ontario.

6. The Continuing Funds are open-ended mutual fund trusts established under the laws of Ontario.

7. The securities of the Funds are currently qualified for sale under an amended and restated simplified prospectus, annual information form and fund facts documents dated October 1, 2018, as amended (collectively, the **Offering Documents**).

8. Each of the Funds is a reporting issuer under the applicable securities legislation in the Canadian Jurisdictions.

9. The Funds are not in default of any requirement of securities legislation in any of the Canadian Jurisdictions.

10. Other than circumstances in which the securities regulatory authority of a province or territory of Canada has expressly exempted a Fund therefrom, each of the Funds follows the standard investment restrictions and practices established under NI 81-102.

11. The net asset value for each series of the Funds is calculated on a daily basis in accordance with the Funds' valuation policy and as described in the Offering Documents.

Reasons for Approval Sought

12. Regulatory approval of the Mergers is required because each Merger does not satisfy all of the criteria for pre-approved reorganizations and transfers set out in section 5.6 of NI 81-102. The pre-approval criteria are not satisfied in the following ways:

    (a) In connection with the merger of Ninepoint Focused U.S. Dividend Class into Ninepoint Global Infrastructure Fund, the fundamental investment objectives of Ninepoint Global Infrastructure Fund are not, or may not be considered to be, "substantially similar" to the investment objectives of Ninepoint Focused U.S. Dividend Class;

    (b) In connection with the merger of Ninepoint Focused U.S. Dividend Class into Ninepoint Global Infrastructure Fund, the fee structure of Series A1 and Series F1 of Ninepoint Focused U.S. Dividend Class is not, or may not be considered to be "substantially similar" to the fee structure of Series A and Series F, respectively, of Ninepoint Global Infrastructure Fund; and

(c) The Mergers will not be completed as a "qualifying exchange" under the *Income Tax Act* (Canada) (the **Tax Act**).

13. The investment objectives of Ninepoint Enhanced Balanced Class and its respective Continuing Fund are as follows:

Terminating Fund: **Ninepoint Enhanced Balanced Class**	**Continuing Fund:** **Ninepoint Enhanced Balanced Fund**
The investment objective of Ninepoint Enhanced Balanced Class is to achieve long term capital growth and income. The Fund invests primarily in equities and fixed-income securities of Canadian issuers, and may invest a portion of its assets in foreign equities and fixed-income securities. The Fund will seek to enhance income generation by employing investment strategies such as short selling and options trading.	The investment objective of Ninepoint Enhanced Balanced Fund is to achieve long term capital growth and current income. The Fund invests primarily in Canadian equities, fixed-income securities of Canadian issuers, and foreign equities and foreign fixed-income securities.

14. The investment objectives of Ninepoint Focused U.S. Dividend Class and its respective Continuing Fund are as follows:

Terminating Fund: **Ninepoint Focused U.S. Dividend Class**	**Continuing Fund:** **Ninepoint Global Infrastructure Fund**
The investment objective of Ninepoint Focused U.S. Dividend Class is to provide consistent income and capital appreciation by investing primarily in a diversified portfolio of dividend yielding U.S. equities.	The investment objective of Ninepoint Global Infrastructure Fund is primarily to maximize risk adjusted long-term returns and secondarily to achieve a high level of income. The Fund focuses on achieving growth of capital through securities selection and pursues a long-term investment program with the aim of generating capital gains. The Fund seeks to provide a moderate level of volatility and a low degree of correlation to other asset classes through diversifying across a relatively concentrated group of global infrastructure stocks.

15. The management fee rate of each series of each Terminating Fund is the same as the management fee of the corresponding series of its applicable Continuing Fund, except in the case of Series A1 and Series F1 shares of Ninepoint Focused U.S. Dividend Class, which have management fees of 1.95% and 0.95%, respectively. As Ninepoint Global Infrastructure Fund does not have corresponding Series A1 and Series F1 units, Series A1 and Series F1 securityholders will receive Series A and Series F units, respectively, of Ninepoint Global Infrastructure Fund, which have management fees of 2.00% and 1.00%, respectively, as a result of the Merger.

16. The Mergers will be effected on a taxable basis and will not be completed as a "qualifying exchange" under the Tax Act, since a tax-deferred merger is not possible under the Tax Act given the structure of the Funds.

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

The Proposed Mergers

18. The Filer intends to reorganize the Funds as follows:

(a) Ninepoint Enhanced Balanced Class will merge into Ninepoint Enhanced Balanced Fund; and

(b) Ninepoint Focused U.S. Dividend Class will merge into Ninepoint Global Infrastructure Fund.

19. Securityholders of each Terminating Fund will continue to have the right to redeem securities of the Terminating Fund at any time up to the close of business on the business day immediately before the effective date of the Mergers.

20. No sales charges will be payable by securityholders of the Terminating Funds in connection with the Mergers.

21. Securities of the Terminating Funds and the Continuing Funds are, and are expected to continue to be at all material times, "qualified investments" under the Tax Act for registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax free savings accounts.

22. As required by National Instrument 81-107 *Independent Review Committee for Investment Funds*, an Independent Review Committee (the **IRC**) has been appointed for the Funds. The Filer presented the potential conflict of interest matters related to the proposed Mergers to the IRC for a decision. The IRC reviewed the potential conflict of interest matters related to the proposed Mergers and provided its positive recommendation on March 21, 2019, and April 16, 2019, after determining that each proposed Merger, if implemented, would achieve a fair and reasonable result for each Fund.

23. In accordance with National Instrument 81-106 *Investment Fund Continuous Disclosure*, a press release announcing the proposed Mergers was issued and filed by the Terminating Funds via SEDAR on March 22, 2019. A material change report with respect to the proposed Mergers was filed via SEDAR on March 22, 2019.

24. The Filer has concluded that the Mergers will not be a "material change" for either of the Continuing Funds.

25. A notice of meeting, a management information circular, a proxy and fund facts document(s) for the Continuing Funds in connection with special meetings of securityholders will be mailed to securityholders of the Terminating Funds commencing on or about May 1, 2019 and will be concurrently filed via SEDAR.

26. Securityholders of the Terminating Funds will be asked to approve the Mergers at special meetings to be held on or about May 23, 2019.

27. The Mergers will also be approved by the sole common voting shareholder of the Corporation, as required under applicable corporate law.

28. The Filer will pay for the costs of the Mergers. These costs consist mainly of brokerage charges associated with the merger-related trades that occur both before and after the effective date of the Mergers, and legal, proxy solicitation, printing, mailing and regulatory fees.

29. Securityholders that purchased securities of a Terminating Fund under the low load purchase option will receive securities of the applicable Continuing Fund that are subject to the same deferred sales charges as the securities they own in the Terminating Fund.

30. The Mergers have been approved by the board of directors of each of the Filer and the Corporation.

31. If all required approvals for the Mergers are obtained, it is intended that the Mergers will occur after the close of business on or about May 31, 2019 (the **Effective Date**). The Filer therefore anticipates that each securityholder of each Terminating Fund will become a securityholder of the applicable Continuing Fund after the close of business on the Effective Date.

32. The tax implications of the Mergers, differences between being a securityholder of a mutual fund corporation and a securityholder of a mutual fund trust, differences between the investment objectives as well as the differences between the fee structures of each Terminating Fund and the applicable Continuing Funds and the IRC's recommendation of the Mergers will be described in the management information circular so that the securityholders of the applicable Terminating Funds can consider this information before voting on the Mergers. The meeting materials will also describe the various ways in which investors can obtain a copy of the simplified prospectus, annual information form and fund facts document(s) for the applicable Continuing Fund and its most recent interim and annual financial statements and management reports of fund performance.

33. In light of the disclosure in the management information circular, securityholders of the Terminating Funds have all the information necessary to determine whether the proposed Mergers are appropriate for them.

Merger Steps

34. The proposed Mergers of each Terminating Fund into the applicable Continuing Fund will be structured as follows:

    (a) Prior to effecting each Merger, the Terminating Fund will sell securities in its portfolio that do not meet the investment objectives and investment strategies of the applicable Continuing Fund. As a result, the Terminating Fund may temporarily hold cash or cash equivalents and may not be fully invested in accordance with its investment objectives for a brief period of time prior to the Merger being effected.

(b) The Corporation may declare, pay, and automatically reinvest ordinary dividends or capital gains dividends to securityholders of the Terminating Fund, where determined fair and equitable.

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

(d) The portfolio securities, cash and other assets of the Terminating Fund will be transferred by the Corporation to the Continuing Fund in exchange for units of the Continuing Fund.

(e) The Continuing Fund will not assume any liabilities of the Terminating Fund and the Corporation will retain sufficient assets to satisfy the Terminating Fund's estimated liabilities, if any, as of the Effective Date of the applicable Merger.

(f) Securities of the Continuing Fund received by the securityholders of the Terminating Fund will have an aggregate net asset value equal to the aggregate net asset value of the securities of the Terminating Fund which are being redeemed. In exchange for their current securities, securityholders of each series of each Terminating Fund, other than Series A1 and Series F1 of Ninepoint Focused U.S. Dividend Class, will receive securities of the equivalent series of the Continuing Fund. Series A1 and Series F1 securityholders of Ninepoint Focused U.S. Dividend Class will receive securities of Series A and Series F, respectively, of the Continuing Fund.

(g) The articles of incorporation, as amended, of the Corporation will be further amended so that all of the issued and outstanding securities of the Terminating Fund will be cancelled and the securities of the Continuing Fund held by the Corporation will be distributed to each securityholder of the Terminating Fund in exchange for their securities in the Terminating Fund on a dollar-for-dollar basis, as applicable.

Benefits of the Mergers

35. The Filer believes that the Mergers are beneficial to securityholders of each Terminating Fund and Continuing Fund for the following reasons:

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

(b) there is significant overlap between the portfolio holdings of Ninepoint Enhanced Balanced Class and the portfolio holdings of the corresponding Continuing Fund, and thus the Merger will contribute towards reducing duplication and redundancy across the fund line-up;

(c) the Mergers provide securityholders of the Terminating Funds with options to (a) switch to another investment, (b) redeem their investment, and (c) maintain an investment with the Filer in the Continuing Fund without having to initiate a switch with the advisor, which provides the securityholders of the Terminating Funds with flexibility, convenience and potential cost savings;

(d) following the Mergers, each of the Continuing Funds will have a portfolio of greater value, which may allow for increased portfolio diversification opportunities if desired; and

(e) following the Mergers, each of the Continuing Funds, as a result of its greater size, may benefit from its larger profile in the marketplace.

Decision

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

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

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

2.1.7 Picton Mahoney Asset Management

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief from the conflict of interest restrictions in the Securities Act (Ontario) to permit fund-of-fund structures where top funds are pooled funds that are not reporting issuers and underlying funds are pooled funds or public funds under common management subject to conditions.

Applicable Legislative Provisions

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

March 29, 2019

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

AND

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

AND

IN THE MATTER OF
PICTON MAHONEY ASSET MANAGEMENT
(the Filer)

AND

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

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer, on behalf of the Filer, each of the funds listed in Schedule "A" and any other investment fund that will not be a reporting issuer in any jurisdiction of Canada that may be established, advised or managed by the Filer in the future (collectively, the **Top Funds**) for:

(a) a decision to revoke and replace the Prior Relief (as defined below, the **Revoke and Replace Decision**);

(b) for an order pursuant to the securities legislation of Ontario and Alberta (the **Legislation**), exempting the Filer and the Top Funds from the restriction which prohibits:

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

(ii) an investment fund in Ontario, or a mutual fund in Alberta, from knowingly making an investment in an issuer in which:

A. any officer or director of the investment fund or mutual fund, as applicable, its management company or distribution company or an associate of any of them, or

B. any person or company who is a substantial security holder of the investment fund or mutual fund, as applicable, its management company or its distribution company, has a significant interest, and

(iii) a mutual fund, its management company or its distribution company from knowingly holding an investment described in paragraphs (i) and (ii) above.

to permit the Filer to cause the Top Funds to purchase and hold securities of Underlying Funds (defined below) (together with the Revoke and Replace Decision, the **Requested Relief**).

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

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

2. the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in Alberta (together with the Jurisdiction, the **Passport Jurisdictions**).

Interpretation

Terms defined in the Legislation, MI 11-102, National Instrument 14-101 *Definitions*, National Instrument 31-103 Registration *Requirements, Exemptions and Ongoing Registrant Obligations*, National Instrument 81-102 *Investment Funds* (**NI 81-102**) and National Instrument 81-106 *Investment Fund Continuous Disclosure* (**NI 81-106**) have the same meanings in this decision, unless otherwise defined.

Fund means a Public Fund or a Pooled Fund;

NI 81-107 means National Instrument 81-107 *Independent Review Committee for Investment Funds*;

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

Public Fund means an existing or future investment fund of which the Filer is the investment fund manager and to which NI 81-102 and NI 81-107 apply; and

Underlying Fund means a Fund in which a Pooled Fund holds securities.

Representations

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

Filer

1. The Filer is a general partnership formed under the laws of the Province of Ontario with its head office located in Toronto, Ontario.

2. The Filer is registered as (i) an investment fund manager in Ontario, Québec and Newfoundland and Labrador; (ii) an adviser in the category of portfolio manager in British Columbia, Saskatchewan, Manitoba, Ontario, Québec and Prince Edward Island; (iii) a dealer in the category of exempt market dealer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Newfoundland and Labrador, and Prince Edward Island; and (iv) a commodity trading manager in Ontario.

3. The Filer is, or will be, the investment fund manager and portfolio manager for the Funds. As such, the Filer is responsible for managing the assets of the Funds, has complete discretion to invest and reinvest the Funds' assets, and is responsible for executing all portfolio transactions.

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

5. Pursuant to a decision dated February 17, 2015 (the **Prior Relief**), the Filer obtained relief to permit the Top Funds to invest in Underlying Funds that are Pooled Funds. The Filer is seeking to expand the Prior Relief to allow the Top Funds to invest in Underlying Funds that are Public Funds. At the time of the Prior Relief, the Filer did not manage any Public Funds and, as such, investments in Underlying Funds that are Public Funds was not contemplated in the Prior Relief.

Top Funds

6. Each Top Fund is or will be an open-ended trust established under the laws of the Province of Ontario by declaration of trust, as the same may be amended, restated or supplemented from time to time (the **Master Trust Declaration**).

7. Pursuant to the Master Trust Declaration, the Filer acts or will act as the trustee of the Top Funds and has or will have authority to manage the business and affairs of the Top Funds and to bind the Top Funds.

8. Each of the Top Funds is or will be sold pursuant to available exemptions from the prospectus requirement in accordance with National Instrument 45-106 Prospectus Exemptions (NI 45-106) or such other exemptions available in the Act (as defined below).

9. Each of the Top Funds is or will be an investment fund for the purposes of the *Securities Act* (Ontario) (the **Act**) or a mutual fund for the purposes of the *Securities Act* (Alberta), but no Top Fund is or will be a reporting issuer in any jurisdiction of Canada.

10. The existing Top Funds are not in default of securities legislation of any jurisdiction of Canada.

11. The Master Trust Declaration of each of the Top Funds describes, or will describe, the investment objectives and investment restrictions applicable to the Top Funds, and also describes the fees, compensation and expenses payable by the Top Funds, the calculation of net asset value (**NAV**), distributions, the powers and duties of the investment fund manager and all other matters material to each of the Top Funds, including the fact that in pursuing its investment objectives, each Top Fund may invest all, or less than all, its assets in one or more Underlying Funds as an investment strategy.

Underlying Funds

12. Each Underlying Fund is or will be an open-ended trust established under the laws of the Province of Ontario by declaration of trust, as the same may be amended, restated or supplemented from time to time (the **Declaration of Trust**).

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

14. Each Public Fund is, or will be, a reporting issuer under the securities legislation of one or more Passport Jurisdictions and the securities of each Public Fund are, or will be, qualified for distribution pursuant to a prospectus and, if applicable, annual information form and fund facts document that have been, or will be, prepared and filed in accordance with the securities legislation of those Passport Jurisdictions.

15. Pursuant to the Declaration of Trust, the Filer, or a third party trustee, acts or will act as the trustee of the Underlying Funds and the Filer has or will have authority to manage the business and affairs of the Underlying Funds and to bind the Underlying Funds.

16. Each of the Underlying Funds has or will have separate investment objectives, strategies and/or restrictions, as described in the Declaration of Trust.

17. Each of the Underlying Funds calculates and will calculate its NAV and offer redemptions at least at the same frequency as the applicable Top Fund.

18. The existing Underlying Funds are not in default of securities legislation of any jurisdiction of Canada.

Fund-on-Fund Structure

19. The Filer has determined it would be in the best interests of the Top Funds to invest all or a portion of their assets in securities of Underlying Funds to achieve the desired diversification and investment profile. All of the investments by Top Funds in securities of Underlying Funds described herein are referred to as **Fund-on-Fund Investments**. The Filer believes that Fund-on-Fund Investments provide an efficient and cost-effective manner of pursuing portfolio diversification on behalf of a Top Fund rather than through the direct purchase of securities and that such investments will not be detrimental to the interests of other securityholders of the Underlying Funds.

20. No Underlying Fund will be a Top Fund in a Fund-on-Fund Investment.

21. Not more than 10% of the net asset value of each Underlying Fund will be invested in securities of other investment funds except to the extent the Underlying Fund:

    a. is a "clone fund" (as defined in NI 81-102);

    b. purchases or holds securities of a "money market fund" (as defined in NI 81-102); or

    c. purchases or holds securities that are "index participation units" (as defined by NI 81-102).

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

23. Each Fund-on-Fund Investment will be effected at an objective price calculated in accordance with the Filer's policies and procedures, being NAV per security of the applicable class or series of the applicable Underlying Fund, calculated in accordance with section 14.2 of NI 81-106.

24. No management fees or incentive fees will be payable by a Top Fund that, to a reasonable person, would duplicate a fee payable by an Underlying Fund for the same service.

25. No sales fee or redemption fees will be payable by a Top Fund in relation to its purchases or redemptions of securities of an Underlying Fund that, to a reasonable person, would duplicate a fee payable by an investor in the Top Fund.

26. The Filer will not cause the securities of an Underlying Fund held by a Top Fund to be voted at any meeting of the holders of such securities, except that the Filer may arrange for the securities the Top Fund holds in the Underlying Fund to be voted by the beneficial owners of the securities of the Top Fund, who are not the Filer or an officer, director or substantial security holder of the Filer.

27. Underlying Funds that are not reporting issuers will be managed to ensure there is sufficient liquidity to provide for redemptions of securities by securityholders of the Top Funds and each Underlying Fund will not hold greater than 10% of its assets in "illiquid assets" as defined in NI 81-102.

28. Underlying Funds that are reporting issuers will be managed in accordance with the liquidity restrictions contained in NI 81-102.

29. A disclosure document, including an offering memorandum where available, of a Top Fund will be provided to each new investor in a Top Fund prior to the time of the investor's investment, which discloses:

    (a) that the Top Fund may purchase securities of Underlying Funds from time to time;

    (b) that the Filer, or an affiliate of the Filer, is the investment fund manager and portfolio manager of both the Top Fund and the Underlying Funds;

    (c) the approximate or maximum percentage of net assets of the Top Fund that the Top Fund intends to invest in securities of Underlying Funds;

    (d) the fees and expenses payable by the Underlying Funds that the Top Fund may invest in, including any incentive fees;

    (e) the process or criteria used to select the Underlying Fund;

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

    (g) that investors are entitled to receive from the Filer, on request and free of charge:

        i. a copy of the offering memorandum or other similar disclosure document of each Underlying Fund, if available; and

ii. the annual audited financial statements and interim financial reports (if any) relating to each Underlying Fund in which the Top Fund invests.

The disclosure document described above will be provided to each investor in a Top Fund prior their purchase of units in the Top Fund.

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

31. The amounts invested, from time to time in an Underlying Fund by one or more of the Top Funds, may exceed 20% of the outstanding voting securities of any single Underlying Fund. Accordingly, each Top Fund could, either alone or together with Future Top Funds, become a substantial securityholder of an Underlying Fund. The Top Funds are, or will be, related investment funds by virtue of the common management by the Filer.

32. In addition, the Fund-on-Fund Investments may result in a Top Fund investing in an Underlying Fund (i) in which an officer or director of the Top Fund, of the Filer or of any associate of them, has a significant interest, and/or (ii) where a person or company who is substantial securityholder of the Top Fund or the Filer, has a significant interest.

33. Each Top Fund and Underlying Fund subject to NI 81-106 prepares, or will prepare, annual audited financial statements and interim unaudited financial statements in accordance with NI 81-106 and will otherwise comply with the requirements of NI 81-106 applicable to them.

34. A Top Fund's investments in an Underlying Fund represents the business judgment of a responsible person uninfluenced by considerations other than the best interests of the Top Fund.

35. In the absence of the Requested Relief, a Top Fund would be precluded from purchasing and holding securities of an Underlying Fund that is a reporting issuer due to investment restrictions contained in the Legislation.

Decision

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

The decision of the principal regulator under the Legislation is that:

1. the Prior Relief is revoked; and

2. the Requested Relief is granted, provided that:

   (a) securities of a Top Fund are distributed in Canada solely pursuant to exemptions from the prospectus requirement under applicable securities legislation;

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

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

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

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

      (i) is a “clone fund” (as defined in NI 81-102);

      (ii) purchases or holds securities of a “money market fund” (as defined by NI 81-102); or

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

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

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

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

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

(j) a disclosure document, including an offering memorandum where available, of a Top Fund will be provided to each new investor in a Top Fund prior to the time of the investor's investment, which discloses:

i) that the Top Fund may purchase securities of Underlying Funds from time to time;

ii) that the Filer, or an affiliate of the Filer, is the investment fund manager and portfolio manager of both the Top Fund and the Underlying Funds;

iii) the approximate or maximum percentage of net assets of the Top Fund that the Top Fund intends to invest in securities of Underlying Funds;

iv) the fees and expenses payable by the Underlying Funds that the Top Fund may invest in, including any incentive fees;

v) the process or criteria used to select the Underlying Fund;

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

vii) that investors are entitled to receive from the Filer, on request and free of charge:

i. a copy of the offering memorandum or other similar disclosure document of each Underlying Fund, if available; and

ii. the annual audited financial statements and interim financial reports (if any) relating to each Underlying Fund in which the Top Fund invests; and

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

"D. Grant Vingoe"
Vice Chair
Ontario Securities Commission

"M. Cecilia Williams"
Commissioner
Ontario Securities Commission

SCHEDULE "A"

List of Funds

Picton Mahoney Market Neutral Equity Fund
Picton Mahoney Global Market Neutral Equity Fund
Picton Mahoney Income Opportunities Fund
Picton Mahoney Concentrated Opportunistic Long Short Fund
Picton Mahoney Diversified Strategies Fund
Picton Mahoney Long Short Equity Fund
Picton Mahoney Global Long Short Equity Fund
Picton Mahoney 130/30 Alpha Extension Canadian Equity Fund
Picton Mahoney World 130/30 Canadian Equity Fund
Picton Mahoney Special Situations Fund

2.1.8 Connor, Clark & Lunn Funds Inc. et al.

Headnote

Passport System for Exemptive Relief Applications – exemption from section 2.1(2) of National Instrument 81-101 Mutual Fund Prospectus Disclosure to permit a delay in filing a file final prospectus.

Applicable Legislative Provisions

National Instrument 81-101 Mutual Fund Prospectus Disclosure, s. 2.1(2).

February 21, 2019

Connor, Clark & Lunn Funds Inc.

C/O, Attention: Michael Burns, McMillan LLP

Dear Sirs/Mesdames:

Re: Connor, Clark & Lunn Funds Inc. (the Filer)

Preliminary Simplified Prospectus, Annual Information Form and Fund Facts dated November 9, 2018

CC&L Alternative Global Equity Fund,
CC&L Alternative Canadian Equity, and
CC&L Alternative Income Fund (collectively, the Funds)

Application under section 6.1 of National Instrument 81-101 – Mutual Fund Prospectus Disclosure (NI 81-101) for an extension of the 90-day period under subsection 2.1(2) of NI 81-101

Application No. 2019/0094; SEDAR Project No. 2840931

By letter dated February 19, 2019 (the Application), the Filer, as the manager of the Funds, applied on behalf of the Funds to the Director of the Ontario Securities Commission (the Director) under section 6.1 of NI 81-101 for relief from subsection 2.1(2) of NI 81-101, which prohibits a mutual fund from filing a prospectus more than 90 days after the date of the receipt for the preliminary simplified prospectus.

This letter confirms that, based on the information and representations made in the Application, and for the purposes described in the Application, the Director intends to grant the requested exemption to be evidenced by the issuance of a receipt for the Funds' prospectus filed on February 15, 2019.

Yours very truly,

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

2.2 Orders

2.2.1 Joseph Debus

FILE NO.: 2019-16

IN THE MATTER OF
JOSEPH DEBUS

M. Cecilia Williams, Commissioner and Chair of the Panel

May 22, 2019

ORDER

WHEREAS on May 22, 2019, the Ontario Securities Commission (the **Commission**) held a hearing at the offices of the Commission, located at 20 Queen Street West, 17th Floor, Toronto, Ontario, in relation to the Application by Joseph Debus (**Debus**) to review a decision of the Investment Industry Regulatory Organization of Canada (**IIROC**) dated March 18, 2019;

ON READING the Application and on hearing the submissions of Staff of IIROC, Staff of the Commission, and Debus;

IT IS ORDERED THAT the first attendance in this matter is adjourned to August 21, 2019, at 10:00 a.m. or such other date and time as may be agreed to by the parties and set by the Office of the Secretary.

“M. Cecilia Williams”

2.2.2 Big 8 Split Inc. – s. 1(6) of the OBCA

Headnote

Applicant deemed to have ceased to be offering its securities to the public under the OBCA – issuer in default of securities legislation – relief granted.

Statutes Cited

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

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

AND

IN THE MATTER OF
BIG 8 SPLIT INC.
(the Applicant)

ORDER
(Subsection 1(6) of the OBCA)

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

AND WHEREAS the Applicant has represented to the Commission that:

1. the Applicant is an "offering corporation" as defined in the OBCA;

2. on December 14, 2018, all of the issued and outstanding Class D Capital Shares (**Capital Shares**) and Class D Preferred Shares (**Preferred Shares**) were redeemed (the **Redemption**);

3. following the Redemption, the only issued and outstanding shares of the Applicant are Class E Shares now owned by Big 8 Split Trust, and no other shares are currently issued and outstanding;

4. the Applicant has no intention to seek public financing by way of an offering of securities; and

5. on April 30, 2018, the Commission granted an application under National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications* and ordered, pursuant to subclause 1(10) (a) (ii) of the *Securities Act* (Ontario) that the Applicant is not a reporting issuer; and

6. as a result of the Commission's order, the Applicant is not a reporting issuer or the equivalent in any jurisdiction of Canada.

AND WHEREAS the Commission being satisfied to do so would not be prejudicial to the public interest;

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

DATED at Toronto on May 5, 2019.

"Heather Zordel"
Commissioner
Ontario Securities Commission

"Lawrence P. Haber"
Commissioner
Ontario Securities Commission

2.2.3 Paramount Equity Financial Corporation et al.

FILE NO.: 2019-12

IN THE MATTER OF
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

D. Grant Vingoe, Vice-Chair and Chair of the Panel

May 24, 2019

ORDER

WHEREAS on May 22, 2019, the Ontario Securities Commission (**Commission**) held a hearing at the offices of the Commission, located at 20 Queen Street West, 17th Floor, Toronto, Ontario, with respect to the First Attendance;

ON HEARING the submissions of the representatives for Staff of the Commission (**Staff**) and no one appearing on behalf of the respondents, although properly served as appears from the Amended Affidavit of Service of Elizabeth Giacomini, dated April 25, 2019;

IT IS ORDERED THAT:

1. The Statement of Allegations is to be amended, as attached at Appendix "I", and Paramount Equity Investments Inc. and Niagara Falls Facility Inc. are removed as respondents;

2. Staff shall disclose to each respondent non-privileged relevant documents and things in the possession or control of Staff by no later than May 24, 2019, except to Marc Ruttenberg and Ronald Bradley Burdon, to whom Staff shall disclose non-privileged relevant documents once they have been provided an address for delivery by each of these individuals;

3. The respondents shall serve and file a motion, if any, regarding Staff's disclosure or seeking disclosure of additional documents by no later than August 9, 2019;

4. Staff shall file and serve a witness list, and serve a summary of each witnesses' anticipated evidence on the respondents by no later than August 16, 2019; and

5. The Second Attendance in this matter is scheduled for August 21, 2019 at 10:00 a.m., or on such other date or time as may be agreed to by the parties and set by the Office of the Secretary.

"D. Grant Vingoe"

APPENDIX "I"

IN THE MATTER OF
PARAMOUNT EQUITY FINANCIAL CORPORATION,
SILVERFERN SECURED MORTGAGE FUND,
SILVERFERN SECURED MORTGAGE LIMITED PARTNERSHIP,
GTA PRIVATE CAPITAL INCOME FUND,
GTA PRIVATE CAPITAL INCOME LIMITED 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

AMENDED 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 the following orders:

   (a) As against the **Paramount Group** (as defined below):

      (i) that it cease trading in any securities or derivatives permanently or for such period as is specified by the Commission, pursuant to subsection 127(1)(2) of the *Securities Act*, RSO 1990, c.S.5, as amended (the "**Act**");

      (ii) that it be prohibited from acquiring any securities permanently or for such period as is specified by the Commission, pursuant to subsection 127(1)(2.1) of the Act;

      (iii) that any exemption contained in Ontario securities law not apply to it permanently or for such period as is specified by the Commission, pursuant to subsection 127(1)(3) of the Act;

      (iv) that it be reprimanded, pursuant to subsection 127(1)(6) of the Act;

      (v) that it be prohibited from becoming or acting as a registrant, or promoter permanently or for such period as is specified by the Commission, pursuant to subsection 127(1)(8.5) of the Act; and

      (vi) such other order as the Commission considers appropriate in the public interest.

(b) As against **Trilogy** (as defined below):

(i) that the Order of the Commission dated September 10, 2018, which extended its initial Order of April 16, 2018 that Trilogy temporarily cease trading in securities be extended until the conclusion of this hearing pursuant to subsection 127(1)(2) and (8) of the Act;

(ii) that it cease trading in any securities or derivatives permanently or for such period as is specified by the Commission, pursuant to subsection 127(1)(2) of the Act;

(iii) that it be prohibited from acquiring any securities permanently or for such period as is specified by the Commission, pursuant to subsection 127(1)(2.1) of the Act;

(iv) that any exemption contained in Ontario securities law not apply to it permanently or for such period as is specified by the Commission, pursuant to subsection 127(1)(3) of the Act;

(v) that it be reprimanded, pursuant to subsection 127(1)(6) of the Act;

(vi) that it be prohibited from becoming or acting as a registrant, or promoter permanently or for such period as is specified by the Commission, pursuant to subsection 127(1)(8.5) of the Act;

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

(viii) that it pay costs of the Commission investigation and the hearing, pursuant to section 127.1 of the Act; and

(ix) such other order as the Commission considers appropriate in the public interest.

(c) As against each of Marc Ruttenberg, Ronald Bradley Burdon and Matthew Laverty, the **Principals** (as defined below):

(i) that he cease trading in any securities or derivatives permanently or for such period as is specified by the Commission, pursuant to subsection 127(1)(2) of the Act;

(ii) that he be prohibited from acquiring any securities permanently or for such period as is specified by the Commission, pursuant to subsection 127(1)(2.1) of the Act;

(iii) that any exemption contained in Ontario securities law not apply to him permanently or for such period as is specified by the Commission, pursuant to subsection 127(1)(3) of the Act;

(iv) that he be reprimanded, pursuant to subsection 127(1)(6) of the Act;

(v) that he resign any position he may hold as a director or officer of any issuer, pursuant to subsection 127(1)(7) of the Act;

(vi) that he be prohibited from becoming or acting as a director or officer of any issuer permanently or for such period as is specified by the Commission, pursuant to subsection 127(1)(8) of the Act;

(vii) that he resign any position he may hold as a director or officer of any registrant, pursuant to subsection 127(1)(8.1) of the Act;

(viii) that he be prohibited from becoming or acting as a director or officer of any registrant permanently or for such period as is specified by the Commission, pursuant to subsection 127(1)(8.2) of the Act;

(ix) that he be prohibited from becoming or acting as a registrant, or promoter permanently or for such period as is specified by the Commission, pursuant to subsection 127(1)(8.5) of the Act;

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

(xi) that he pay costs of the Commission investigation and the hearing, pursuant to section 127.1 of the Act; and

(xii) such other order as the Commission considers appropriate in the public interest.

B. FACTS

Enforcement Staff make the following allegations of fact:

OVERVIEW

2. This proceeding involves fraud, misleading investors, unregistered trading, and the illegal distribution of securities of Mortgage Investment Entities ("**MIEs**").

3. MIEs are mortgage-financing businesses that pool together money from investors to lend as mortgages. Each mortgage is meant to be secured by real property. The mortgage is registered in the name of the MIE or an entity created by the MIE for the benefit of the MIE investors. MIEs must comply with Ontario securities law when engaging in the distribution of securities in the exempt market.

4. The Respondents engaged in egregious violations of securities law, misleading investors and misusing investor funds for personal gain. The Commission applied for and had a receiver appointed to shut down these activities by the Paramount Group and the Principals. The Principals then engaged in similar conduct through Trilogy, and the Commission issued a cease trade order to stop that activity. This improper and fraudulent behaviour is an affront to investors that undermines public confidence in the fairness and efficiency of Ontario's capital markets. This fraudulent behaviour must be definitively and permanently stopped.

5. Between September 2014 and December 1, 2016, the Paramount Group raised approximately $78 million from over 500 investors through pooled MIEs by engaging in unregistered trading and through illegal distributions.

6. Investors were told their money would be invested in second residential mortgages. Instead, approximately $50 million of their funds were invested in higher risk land and property development projects ("**Multi-Res Projects**"). Paramount Group and the Principals of the mortgage investment entities' manager engaged in hidden self-dealing by paying approximately $3.87 million in fees on these projects to the Principals and by the Principals either taking an indirect 50% ownership interest in such projects or agreeing to do so as described below.

7. The Paramount Group also used funds reserved to pre-pay interest on mortgages for its own purposes, without disclosing this to investors.

8. With respect to one Multi-Res Project, PACC Angus, the Paramount Group and its principals surreptitiously cycled investor funds advanced by the Silverfern Fund as a loan on this project back to themselves in the guise of a loan from an entity described as Aleria Capital Inc. ("**Aleria**"), which was ~~a corporation~~ controlled by one of the Principals by one of the Principals by one of the Principals, Ronald Bradley Burdon, to PEFC (as defined below). In the course of doing so, they conferred a financial benefit on a business associate, Enzo Mizzi ("**Mizzi**"), for no apparent business purpose.

9. In May 2017, the OSC applied for and obtained a receivership order over the Paramount Group. Following this, and in or after February 2018 to April 24, 2018, Trilogy employed a website to offer securities to the public. Trilogy made misleading statements to investors, including grossly inflating the appraised value of certain properties and failing to disclose that the owners of certain properties were in receivership. Further, Trilogy was not registered, nor did it comply with the disclosure requirements of Ontario securities law. Trilogy was assisted in these breaches of Ontario securities law by the same Principals who were the directing minds of the Paramount Group. Fortunately, there is no evidence that any money was obtained from investors before Trilogy was cease traded by the Commission.

10. The activity of the Paramount Group and the Principals outlined below constitutes a fraud perpetrated against the Silverfern Fund investors. Trilogy and the Principals made misleading statements to investors and failed to disclose material facts and material risks to potential investors. The Paramount Group, Trilogy and the Principals engaged in significant non-compliance with the registration and disclosure provisions of Ontario securities law. Their conduct breached securities law and undermined the integrity of the capital markets. It was conduct contrary to the public interest.

THE RESPONDENTS

11. Paramount Equity Financial Corporation ("**PEFC**"), Silverfern Secured Mortgage Fund ("**Silverfern Fund**"), Silverfern Secured Mortgage Limited Partnership ("**Silverfern LP**"), GTA Private Capital Income Fund ("**GTA Fund**", together with the Silverfern Fund, the "**Funds**"), GTA Private Capital Income Limited Partnership ("**GTA LP**"), and Silverfern GP Inc. are collectively referred to herein as the "**Paramount Group**".

12. PEFC is an Ontario corporation which, had its head office in Stouffville, Ontario and was licensed as a mortgage broker with the Financial Services Commission of Ontario.

13. Silverfern GP Inc. is an Ontario corporation which had its head office in Stouffville, Ontario. It was the general partner of the Silverfern Fund and the GTA Fund.

14. The Silverfern Fund is a trust pursuant to a Declaration of Trust dated September 2, 2014. As outlined below, investors in the Silverfern Fund acquired ownership in limited partner units of Silverfern LP. Legal ownership of the fund units was held by the Principals, as defined below.

15. The GTA Fund is a trust pursuant to a Declaration of Trust dated May 5, 2015. Investors in the GTA Fund acquired ownership in limited partner units of GTA LP. Legal ownership of the fund units was held by the Principals, as defined below.

16. Paramount Alternative Capital Corporation ("**PACC**") is the parent company to a number of companies that have "PACC" in their name (the "**PACC Affiliates**"). The function of these companies was to hold co-ownership interests in Multi-Res Projects, which were structured as joint ventures in which PACC or a PACC Affiliate was either granted a 50% interest or there was an intention to make such a grant. It would appear that certain intended PACC Affiliates were never incorporated. Attached as Appendix A is a chart outlining PACC's ownership of certain PACC Affiliates.

17. Trilogy Mortgage Group Inc. ("**TMG**") and Trilogy Equities Group Limited Partnership ("**TEGLP**") (collectively, "**Trilogy**") are entities that offered securities to the public and solicited investors via a website (the "**Website**") as set out below.

18. Marc Ruttenberg ("**Ruttenberg**") is the founder, and was the Chief Executive Officer and a director of PEFC. He was also PEFC's principal broker. He was a director and officer of Silverfern GP Inc and a trustee of the Silverfern Fund and the GTA Fund. Ruttenberg was a director and a 40% indirect owner of PACC and of the PACC Affiliates. He was also a *de facto* officer and director of Trilogy.

19. Ronald Bradley Burdon ("**Burdon**") was an officer and a de facto director of PEFC. He was a director and officer of Silverfern GP Inc. Burdon was a trustee of the Silverfern Fund and the GTA Fund. Burdon was a director and a 40% indirect owner of PACC and of the PACC Affiliates. He was also a *de facto* officer and director of Trilogy.

20. Matthew Laverty ("**Laverty**") was an officer and a *de facto* director of PEFC. He was a trustee of the Silverfern Fund and the GTA Fund. Laverty was a 20% indirect owner of PACC and of the PACC Affiliates. He was also a de facto officer and director of Trilogy.

21. Collectively, Ruttenberg, Burdon and Laverty are referred to herein as the **Principals**.

BACKGROUND

22. Ruttenberg began operating PEFC as a mortgage broker in 2006. PEFC began to arrange second mortgages on single-family properties, with PEFC performing the administration of these mortgages.

23. In September 2014, the Principals established the Silverfern Fund. The funds raised from investors were pooled and were to be used to lend to various borrowers on the security of second residential mortgages in various markets across Canada.

24. In May 2015, the Principals established the GTA Fund for a group of investors that did not want their investment funds co-mingled with other investors. This group of investors required that their pooled funds only be used in residential second mortgages in the Greater Toronto Area.

25. PEFC promoted and administered the Funds. It was responsible for mortgage origination, underwriting and administration and for investor relations.

26. Notwithstanding that the Silverfern Fund monies were to be invested in second residential mortgages, a majority of investor funds were used to finance Multi-Res Projects. These carried higher risk for the Silverfern Fund.

27. On application to the Ontario Superior Court by the Commission pursuant to s. 129 of the *Securities Act*, Grant Thornton Limited ("**GTL**") was appointed interim receiver over the Paramount Group, PACC and certain PACC Affiliates on June 7, 2017 and full receiver on August 2, 2017. GTL has been realizing on the security held over the various Multi-Res Projects. It is clear that there will be significant shortfalls and that many investors in the Funds will suffer material losses. The period between September 2014, when the Paramount Group began to raise funds through mortgage investment entities, and August 2, 2017 when the receivership order was made is referred to herein as the *Paramount Relevant Period*.

28. At some point in or after February 2018, Trilogy began offering securities to the public and was soliciting investors via the Website. The Website was later removed on or about April 24, 2018 at the request of OSC Staff (February 2018 to April 24, 2018 is referred to herein as the "**Trilogy Relevant Period**"). As outlined below, Trilogy misled investors through statements on the Website about the nature of certain real estate development projects for which it solicited investments. Staff applied for and received a Temporary Cease Trade Order with respect to Trilogy on April 16, 2018. The Temporary Cease Trade Order remains in place and has been extended to March 31, 2019. Based on Staff's investigation, it appears that the formation of TEGLP was never completed and that there were never any investors in Trilogy.

ALLEGATIONS INVOLVING THE PARAMOUNT GROUP

Acts, practices and a course of conduct that have perpetrated a fraud upon investors

29. The conduct described below involves misrepresentations, omissions and non-disclosures as well as unauthorized and hidden uses of investor funds. This either caused economic loss to the Silverfern Fund investors or gave rise to an increased risk of economic loss to them. In consequence, these actions constitute a fraud perpetrated upon the Silverfern Fund and its investors contrary to subsection 126.1(1)(b) of the Act.

(a) Nature and risk profile of the investment in the Silverfern Fund

30. The Paramount Group and the Principals made statements to investors regarding the nature and risk profile of their investment in the Silverfern Fund that were untrue, misleading or omitted necessary information to prevent statements from being misleading.

31. The constating legal documents of the Silverfern Fund, as well as materials provided to investors refer to the Silverfern Fund's proceeds being used to invest in second residential mortgages of up to 85% loan to value ratio ("**LTV**") and, in certain cases, higher ratio residential mortgages, provided that such higher ratio mortgages shall not exceed 50% of the Silverfern Fund's total mortgage portfolio. They state that the Silverfern Fund's investment objective is focused on capital preservation and to build a diversified portfolio of mortgage assets that generates attractive, stable returns to unitholders.

32. The written materials provided to investors in the Silverfern Fund, which included fund fact sheets, power point presentations, web-based material and video presentations, describe the Fund as investing in residential second mortgages in Canada. They describe investment in the Silverfern Fund using words such as "predictable, steady returns", "low volatility", "high-returning annuity/GIC alternative", "safety", "capital preservation" and "stable returns".

33. Ruttenberg made representations to investors that were similar to the statements outlined in paragraphs 29 and 30.

34. The subscription agreements for the Silverfern Fund prepared by the Paramount Group and provided to certain investors described the use of proceeds as going to fund second residential mortgages.

35. In fact, as of February 16, 2017, the Silverfern Fund had investments totaling approximately $70 million, of which only approximately $21 million were second residential mortgages, with the balance invested in Multi-Res Projects.

36. The investment in Multi-Res Projects included second, third and/or fourth mortgages on land or development projects seeking to re-zone, construct, and/or convert properties into multiple residential units ("**Multi-Res Mortgages**"), although in two cases (the PACC Angus Project, as defined below, and Levante Living Project), no mortgages were registered in respect of the advances made. The Multi-Res Mortgages and other advances were different in nature from the second residential mortgages promised to investors in the Silverfern Fund and carried significant additional risk in comparison to what was represented to investors. The additional risk included the following:

    a. In many cases, the value of the total mortgage debt exceeded the 'as is' value of the property. The ranking of the mortgage also left insufficient value in the property to cover the debt. In two cases, no mortgages were registered.

    b. No, or insufficient income was generated by the projects to service the debt.

    c. Many of the projects were speculative, with recovery dependent upon resale of the development at a sufficient price to repay the loan.

    d. The fees and "soft costs" were often significant and without clear controls.

e. With many of the Multi-Res Mortgages, the mortgage term was for more than one year. Prepaid interest for the first year was added to the principal amount of the mortgage; no provision was made for the payment of interest in the following period with the resulting risk of no revenue available to pay interest; and

f. Most of the Multi-Res Mortgages were related to entities controlled by one individual, Mizzi. This increased risk due to concentration.

37. These risks, inherent in the Multi-Res Mortgages, were not disclosed to investors.

38. PEFC represented that, with respect to the investments in the Silverfern Fund, it would exercise diligence in selecting mortgage investments, manage and service the mortgage loans and ensure that proper underwriting and credit assessment processes were followed. Investors were told this would be the case. In fact, the risk to investors in the Silverfern Fund was compounded by the substandard mortgage underwriting practices and inaccurate books and records and financial controls of PEFC, which was not disclosed to investors.

(b) Hidden self-dealing – failure to disclose interest in Multi-Res Projects and fees paid to Paramount Group and Principals

39. With respect to most of the Multi-Res Projects, PACC, one of the PACC Affiliates, or a contemplated but not yet incorporated PACC Affiliate, received or was intended to receive a 50% co-ownership interest in the joint ventures that owned these development projects, and thereby acquired an equity interest and the right of profit participation in the joint ventures (the "**PACC Co-Ownership Interests**"). In this manner, the Principals acquired or intended to acquire an indirect 50% interest in the Multi-Res Projects, although they do not appear to have invested any of their own funds in these projects. Instead, the PACC Co-Ownership Interests were acquired or planned for acquisition as a result of approximately $50 million of mortgages being funded with investor money from the Silverfern Fund.

40. The Paramount Group and the Principals intentionally withheld disclosure of the actual or intended PACC Co-Ownership Interests from investors. There is no disclosure of these interests in any of the marketing materials for the Silverfern Fund. The Silverfern Fund OM, dated April 30, 2016, does not include reference to them. Instead, it stated that the Silverfern Fund will avoid making investments in entities that are not at arm's length in amounts which exceed an amount equal to 25% of the book value of its mortgage investments. It also stated that the fund has no present intention to create any borrowing exposure to entities that are not at arm's length to the Fund or PEFC. Both statements were untrue.

41. The Paramount Group and the Principals also initially withheld information about the existence, nature and degree of the PACC Co-Ownership Interests from OSC Staff. On December 8, 2016, Ruttenberg advised Staff, in an examination under oath, that there were only two PACC mortgages that were related to PEFC or its affiliates. This was later confirmed in writing on December 16, 2016. In his examination, Ruttenberg references the 25% threshold outlined in the Silverfern Fund OM and advised that it had only been exceeded once (in 2015) and that it was currently below 25%. On January 26, 2017, PEFC advised that it received a minority interest in borrowers. Finally, in response to further inquiries by Staff, on February 2, 2017, PEFC provided the truth: a list that showed that the PACC Co-Ownership Interest was 50% in most of the Multi-Res Projects.

42. In addition, $3.87 million in undisclosed brokerage or lending fees on the Multi-Res Mortgages and other advances on Multi-Res Projects were paid to a PACC Affiliate or in respect of a not yet incorporated PACC Affiliate. None of the PACC Affiliates were licensed mortgage brokers. These fees were in addition to sourcing and brokerage fees paid to PEFC. The Paramount Group confirmed to Staff that these fees were allocated amongst the Principals according to their percentage ownership of the PACC Affiliates which was 40% to each of Ruttenberg and Burdon and 20% to Laverty, subject, in certain cases, to a holdback. Approximately $2.55 million of the monies used to pay these fees came from the Silverfern Fund. The fees were not disclosed to Silverfern Fund investors, nor was the fact that they were allocated to the Principals.

43. The Paramount Group and the Principals deliberately or recklessly withheld information from the Silverfern Fund investors concerning their own interests in the Multi-Res Projects and the fees from the Multi-Res Mortgages as set out above, in order to be able to direct Silverfern Fund monies to their own benefit, and to the detriment of investors. It is clear that there will be significant shortfalls and that many investors in the Funds will suffer material losses. They have perpetrated a fraud on the Silverfern Fund investors contrary to subsection 126.1(1)(b) of the Act.

(c) Misuse of Prepaid Funds Account

44. According to the terms of the Multi-Res Mortgages, prepaid interest representing one year of interest payments and what was described as buy-down rate fees was added to the principal amount for the purpose of paying interest in the first year of the mortgage. The amount of the prepaid interest and fees was advanced by the Silverfern Fund and then

paid back to PEFC to be held in trust to pay the interest and fees for the first year of the mortgages. These monies were commingled into a PEFC account with other funds related to PEFC's business, rather than being segregated for the purpose intended. PEFC and the Principals used at least $1.5 million of the funds in this PEFC account for their own purposes, including to cover operating costs and to pay back over $1 million in PEFC loans from individuals, rather than being held in trust to pay interest and fees on the Multi-Res Mortgages.

45. The foregoing information was withheld from Silverfern Fund investors. The conduct permitted the Paramount Group and the Principals to divert monies intended to fund prepaid interest for their own benefit to the detriment of the Silverfern Fund investors.

(d) Advances on the Angus Multi-Res Project

44. The Paramount Group and the Principals caused approximately $2.36 million in Silverfern Fund monies to be diverted to the benefit of the Principals and their business associate, Mizzi, for no valid business purpose. In particular:

(a) Approximately $2.36 million of investor funds from the Silverfern Fund were advanced to 21830366 Ontario Inc. ("**218 Ontario**"), an entity controlled by Mizzi, which was the borrower on a Multi-Res Project in Angus, Ontario (the "**PACC Angus Project**") in May and June 2016. These funds were ostensibly presented as a mortgage advance on the PACC Angus Project. However, no mortgage or other documents were ever registered for this transaction.

(b) Of the approximate $2.36 million:

(i) $1.75 million was redirected to PEFC under the guise of a loan from Aleria, a company controlled by Burdon. According to PEFC's financial records, the $1.75 million advanced was used by PEFC to replenish the bank account that held the prepaid interest and fees. In June 2017, Aleria demanded repayment of approximately $1.78 million from PEFC by July 5, 2017. On August 2, 2017, GTL learned that Aleria had taken possession of two vehicles owned by PEFC, apparently pursuant to its general security agreement; and

(ii) approximately $610,000 was conferred upon Mizzi and/or 218 Ontario, for no apparent reason;

45. Further, $190,000 in 'repayments' on the loan to Aleria were also made to 218 Ontario (rather than to Aleria) between August and November 2016 from the undisclosed brokerage or lending fees on the Multi-Res Mortgages. The notations in the financial records show the payments as being in respect of loan repayments from Ruttenberg connected to specific PACC transactions or the loan to Aleria.

Representation to Silverfern Fund investors relevant to deciding whether to enter into or maintain a trading relationship

46. The conduct by the Paramount Group and the Principals, outlined below, is contrary to subsection 44(2) of the Act and is therefore contrary to Ontario Securities law.

47. The Paramount Group, through the Principals and referral agents, made certain statements, or omitted to provide certain information, to Silverfern Fund investors that a reasonable investor would consider relevant in deciding whether to enter into or maintain a trading relationship. This included:

(a) The statements and omissions described above with respect to the nature and risk profile of the Silverfern Fund investments;

(b) The omission to disclose the actual or intended PACC Co-Ownership Interests; and

(c) The omission to disclose the fees, and other compensation received by the Principals through PACC and the PACC Affiliates.

Trading in Securities without registration

48. During the Paramount Relevant Period, the Paramount Group and the Principals raised over $70 million from over 500 investors in the Silverfern Fund and over $5 million from 6 investors in the GTA Fund without being registered and without being eligible for an exemption from the dealer registration requirement, contrary to Ontario securities law and, in particular, contrary to subsection 25(1) of the Act.

49. In addition, they used a network of referral agents to sell units of the Funds to investors. These agents were not registered with the Commission.

50. Units in the Funds were sold to investors. The investors' funds were pooled and were to be used to make loans secured by mortgages. Investors received units in the Funds. Thus, the units of the Funds are securities as that term is defined in subsection 1(1) of the Act.

51. Marketing materials were prepared by PEFC and were provided to prospective investors in the Funds. Such materials included term sheets, PowerPoint presentations, web pages, investor testimonials, and fund fact sheets. Investors were provided subscription agreements and unit certificates in connection with their purchases of units in the Funds. The unit certificates and the Silverfern Fund OM, as defined below, were signed by the Principals.

52. In marketing and selling the units of the Funds to the public, and in operating the Funds, the Paramount Group were acting as a dealer and as such were required to be registered under the Act.

53. In addition, Ruttenberg and Laverty engaged directly in marketing and selling units of the Funds to the public and were therefore engaged, and held themselves out as engaged, in the business of trading in securities and as such was required to be registered under the Act.

54. PEFC was paid approximately $700,000 in management fees by the Silverfern Fund. Ruttenberg and Laverty each received commissions or referral fees from the Silverfern Fund, and all of the Principals through their ownership interests in PACC and the PACC Affiliates were paid fees in respect of mortgages funded by the Silverfern Fund and were either provided with, or promised, an ownership interest in Multi-Res Projects.

55. PEFC made 11 offerings of the Silverfern Fund between June 1, 2016 and November 15, 2016, raising approximately $39 million of the approximately $70 million raised in respect of this fund, despite having received legal advice that sales should be effected through a registered entity.

56. On November 11, 2016, Staff wrote to PEFC to advise that it may be conducting unregistered trading and that it should cease accepting any new client funds and contact Staff immediately. On November 25, 2016, PEFC acknowledged to Staff that it was now aware that its offerings should have been made through a registered dealer. However, notwithstanding this, PEFC closed a $5.2 million offering of the Silverfern Fund on November 15, 2016, four days after Staff's letter.

57. On December 1, 2016, the Paramount Group provided an undertaking to the Commission that it would cease trading the Funds' units. The undertaking was broadened on March 9, 2017.

58. On April 7, 2017, PEFC sent a letter to all investors in the Funds and to the referral agents acknowledging that the units should have been sold through a registered entity or individual.

Illegal distributions

59. During the Paramount Relevant Period, the Paramount Group and the Principals engaged in distributions of securities without having filed or received a receipt for a prospectus, contrary to Ontario securities law and, in particular, contrary to subsection 53(1) of the Act.

60. During the Paramount Relevant Period, no prospectus was filed by any member of the Paramount Group, whether in respect of the Silverfern Fund or otherwise.

61. During the Paramount Relevant Period, units in the Silverfern Fund were distributed in purported reliance upon the accredited investor, family, friends and business associates and minimum amount prospectus exemptions. In June 2016, a Silverfern Fund Offering Memorandum (the "**Silverfern Fund OM**") was filed with the Commission dated April 30, 2016. After that point, investors were also subscribed with reliance upon the offering memorandum exemption.

62. On November 25, 2016, PEFC also advised Staff that it had taken steps to ensure that all investors comply with exemption requirements, including implementing screening procedures with a complete Know Your Client checklist and suitability checklists. This was not true. For a number of the investors where the Paramount Group purported to rely upon the accredited investor exemption set out in section 2.3 of NI 45-106, those investors did not meet the requirements of the accredited investor definition in the National Instrument.

63. Based on the 45-106F1 filings made by the Paramount Group, for at least eleven distributions of units of the Silverfern Fund, there was inappropriate reliance upon the family, friends and business associates prospectus exemption available pursuant to section 2.5 of NI 45-106 as a commission was paid to a director, officer, founder, or control

person of the issuer or an affiliate of the issuer in connection with the distributions: in nine cases to Ruttenberg and in two cases to Laverty, contrary to subsection 2.5(2) of NI 45-106. In addition, Ruttenberg advised certain investors that they could rely on the friends and family exemption, in circumstances where he knew or ought to have known that they could not.

ALLEGATIONS INVOLVING TRILOGY

Trilogy and the Principals made statements that they knew or ought reasonably to have known were misleading or untrue

64. As outlined above, the Paramount Group had provided an undertaking to the Commission in December 2016, which it broadened in March 2017, that it would cease trading in the Funds' units. On May 25, 2017 the Commission commenced the receivership application in respect of the Paramount Group. GTL was appointed interim receiver on June 7, 2017. Thus, by the beginning of the Trilogy Relevant Period, the Principals were well aware of the concerns of the Commission and of the Ontario Superior Court with respect to their activities.

65. Nonetheless, they participated in Trilogy's launch of the Website and in the Trilogy activities, as outlined below. In so doing, Trilogy and the Principals made statements that they knew or ought reasonably to have known in a material respect, at the time and in light of the circumstances under which they were made, were misleading or untrue or did not state facts necessary to make the statements not misleading and would reasonably be expected to have a significant effect on the value of the securities being offered by Trilogy, contrary to subsection 126.2(1) of the Act.

67. On the Website, Trilogy marketed investment opportunities in a property located in Cambridge, Ontario (the "**Cambridge Property**") and in a property in Toronto, Ontario (the "**Wilson Property**") that had been the subject of Multi-Res Mortgages invested in by the Paramount Group.

68. The Website stated that there was an "as is" appraisal valuing the Cambridge Property at $8.4 million. GTL was appointed as receiver over the Cambridge Property on April 10, 2018. An appraisal for the Cambridge Property, prepared for the Paramount Group showed an estimated property value of $8.4 million based on an approved development with a gross floor area of approximately 339,106 square feet. As of April 10, 2018, the specified approvals had not been granted for this property. Despite this, under "Project Status" for the Cambridge Property on the Website, Trilogy stated that there was an "as is" appraisal valuing the Cambridge Property at $8.4 million. In fact, the value of the Cambridge property was significantly lower than $8.4 million.

69. The Website also failed to disclose:

    (a) that the owner of the Cambridge Property was put into receivership on April 10, 2018,

    (b) the ongoing receivership proceedings relating to the Wilson property;

    (c) that GTL had made a demand loan related to the Cambridge property on November 23, 2017, and another related to the Wilson property on March 7, 2018, neither of which were paid.

Trading in Securities without registration

70. During the Trilogy Relevant Period, Trilogy and the Principals engaged in, and held themselves out to be engaged in, the business of trading in securities to the public despite the fact that they were not registered with the Commission, nor were they eligible for an exemption from the dealer registration requirement. They used the Website to promote the sale of investments in mortgages secured against real estate to investors. They represented that they offered a full range of investment options, including those suitable for RRSPs, LIRAs and TFSAs and that investors could contact Trilogy to obtain offering memoranda and subscription agreements.

71. In so doing, Trilogy and the Principals were acting as a dealer and as such were required either to be registered under the Act or to be eligible for a recognized registration exemption. Despite this, they actively marketed the investments without being registered and without being eligible for a registration exemption, contrary to Ontario securities law and, in particular, to subsection 25(1) of the Act.

Illegal distributions

72. Based on the representations on the Website, Trilogy and the Principals were promoting that a security was available to be acquired. They advised that an offering memoranda and subscription agreement were available, and that investment could be made through an exempt market dealer or financial advisor. At no time had Trilogy or the Principals engaged an exempt market dealer.

73. No prospectus or preliminary prospectus was filed with the Commission by Trilogy and no receipt for them has ever been issued by the Director as required by subsection 53(1) of the Act with respect to trades offered on the Website by Trilogy. No exemptions from the prospectus requirements were available, and no exemptive relief was sought.

74. Thus, during the Trilogy Relevant Period, Trilogy and the Principals engaged in distributions of securities without having filed or received a receipt for a prospectus, contrary to Ontario securities law and, in particular, contrary to subsection 53(1) of the Act.

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

75. Enforcement Staff allege the following breaches of Ontario securities law and/or conduct contrary to the public interest by the Paramount Group, PACC and the PACC Affiliates and their Principals during the Paramount Relevant Period:

(a) The Paramount Group, PACC and the PACC Affiliates, and their Principals directly or indirectly engaged or participated in acts, practices or courses of conduct relating to the securities of the Silverfern Fund that they knew or reasonably ought to have known perpetrated a fraud on persons contrary to subsection 126.1(b) of the Act;

(b) The Principals, as actual or de facto officers and/or directors of the Paramount Group, PACC and the PACC Affiliates, authorized, permitted, and/or acquiesced in the breaches of subsection 126.1(b) of the Act by the Paramount Group, PACC and the PACC Affiliates and thereby failed to comply with Ontario securities law pursuant to section 129.2 of the Act;

(c) The Paramount Group and the Principals made certain statements, or omitted to provide certain information, to Silverfern Fund investors that a reasonable investor would consider relevant in deciding whether to enter into or maintain a trading relationship contrary to subsection 44(2) of the Act;

(d) The Paramount Group and the Principals engaged in, and held themselves out to be engaged in, the business of trading in securities to the public while being unregistered to do so contrary to subsection 25(1) of the Act;

(e) The Paramount Group and the Principals failed to file a prospectus or preliminary prospectus with respect to trades of units of the Silverfern Fund contrary to subsection 53(1) of the Act, in circumstances where no prospectus exemptions were available pursuant to Part XVII of the Act;

(f) The Principals, as actual or de facto officers and/or directors of the Paramount Group, authorized, permitted, and/or acquiesced in the breaches of subsections 25(1), 53(1), and 44(2) of the Act by the Paramount Group and thereby failed to comply with Ontario securities law pursuant to 129.2 of the Act; and

(g) Further, and in any event, the conduct described above is contrary to the public interest.

76. Enforcement Staff allege the following breaches of Ontario securities law and/or conduct contrary to the public interest by Trilogy and the Principals during the Trilogy Relevant Period:

(a) Trilogy and the Principals made statements that they knew or ought reasonably to have known in a material respect, at the time and in light of the circumstances under which they were made, were misleading or untrue or did not state facts necessary to make the statements not misleading and would reasonably be expected to have a significant effect on value of the security being offered, contrary to subsection 126.2(1) of the Act;

(b) Trilogy and the Principals engaged in, and held themselves out to be engaged in, the business of trading in securities to the public while not being registered to do so contrary to subsection 25(1) of the Act;

(c) Trilogy and the Principals failed to file a prospectus or preliminary prospectus with respect to proposed trades in securities contrary to subsection 53(1) of the Act, in circumstances where no prospectus exemptions were available pursuant to Part XVII of the Act;

(d) The Principals, as actual or de facto officers and/or directors of Trilogy, authorized, permitted, and/or acquiesced in the breaches of subsections 25(1), 53(1), and 126.2(1) of the Act by Trilogy and thereby failed to comply with Ontario securities law pursuant to section 129.2 of the Act; and

(e) Further, and in any event, the conduct described above is contrary to the public interest.

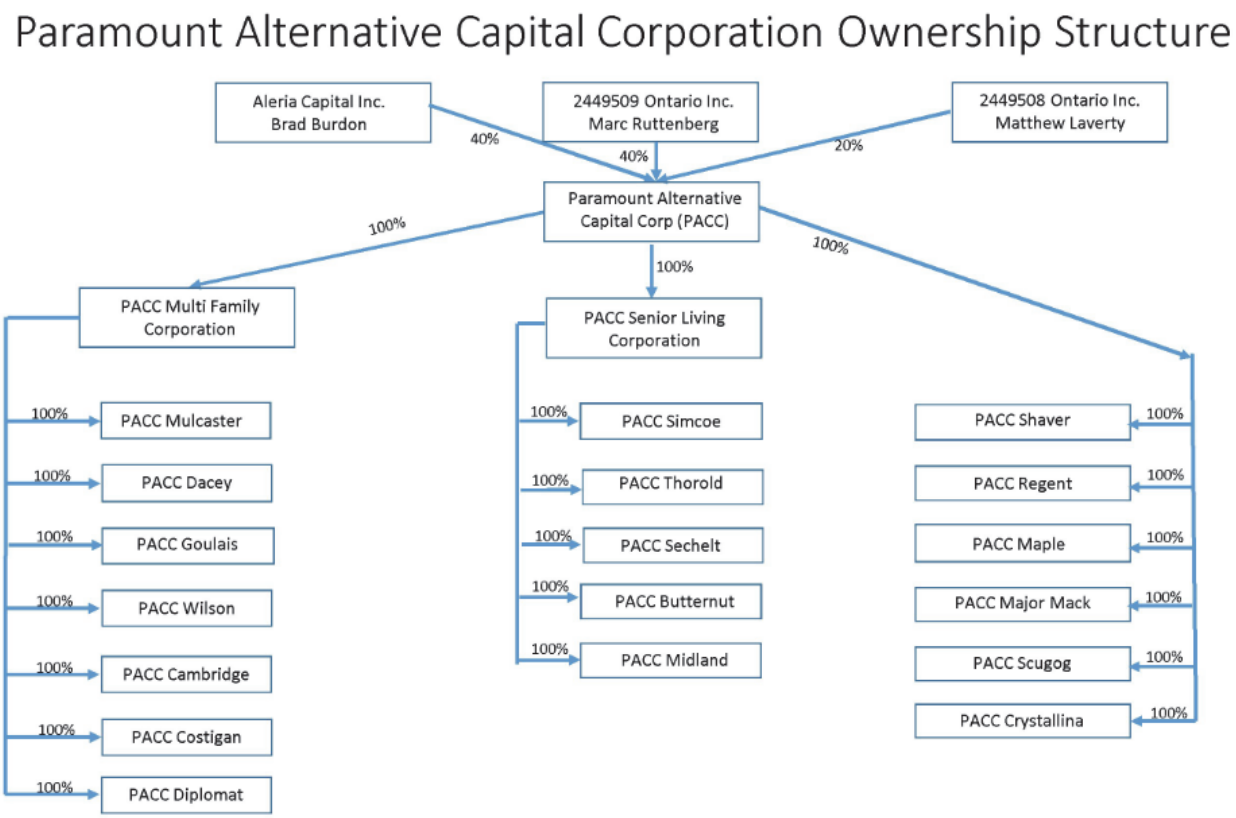
Enforcement Staff reserve the right to make such other allegations as Enforcement Staff may advise and the Commission may permit.

DATED at Toronto, March 29, May 24, 2019.

Paul H. Le Vay
Stockwoods LLP
77 King Street West, Suite 4130
Toronto, ON M5k 1H1
Tel: (416) 593-2493
Email: paullv@stockwoods.ca

Litigation Counsel for Staff of the Ontario Securities Commission

APPENDIX "A"


Paramount Alternative Capital Corporation Ownership Structure
Aleria Capital Inc.
Brad Burdon
2449509 Ontario Inc.
Marc Ruttenberg
2449508 Ontario Inc.
Matthew Laverty
40%
40%
20%
Paramount Alternative Capital Corp (PACC)
100%
100%
100%
PACC Multi Family Corporation
PACC Senior Living Corporation
100% PACC Mulcaster
100% PACC Dacey
100% PACC Goulais
100% PACC Wilson
100% PACC Cambridge
100% PACC Costigan
100% PACC Diplomat
100% PACC Simcoe
100% PACC Thorold
100% PACC Sechelt
100% PACC Butternut
100% PACC Midland
PACC Shaver 100%
PACC Regent 100%
PACC Maple 100%
PACC Major Mack 100%
PACC Scugog 100%
PACC Crystallina 100%

2.2.4 Issam El-Bouji

FILE NO.: 2018-28

IN THE MATTER OF
ISSAM EL-BOUJI

D. Grant Vingoe, Vice-Chair and Chair of the Panel

May 27, 2019

ORDER

WHEREAS the Ontario Securities Commission held a hearing in writing to consider a motion brought by the Respondent, Issam El-Bouji, seeking, among other things, an order striking certain paragraphs of the Responding Factum of Staff dated April 29, 2019 and the Affidavit of Michael Denyszyn sworn April 18, 2019 filed by Staff of the Commission;

ON READING the submissions filed by the Respondent and Staff of the Commission;

IT IS ORDERED THAT:

The Respondent's motion is dismissed, with reasons to follow.

"D. Grant Vingoe"

2.2.5 Acreage Holdings, Inc. – s. 9.1 of National Instrument 61-101 Protection of Minority Security Holders in Special Transactions

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions – application for relief from requirement to obtain separate minority approval for each of filer's subordinate voting shares and proportionate voting share – classes intended to be identical, but for proportionate rights – no difference of interest between holders of each class of shares in connection with the proposed business combination transaction, different class are not affected in a differing – safeguards include independent committee, fairness opinions – applicable corporate statue and filer's constating documents provide that shareholders will vote as a single class other than in certain circumstances which are not present in connection with proposed transaction.

Applicable Legislative Provisions

National Instrument 61-101 Protection of Minority Security Holders in Special Transactions, ss. 8.1(1), 9.1(2).

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

AND

IN THE MATTER OF
ACREAGE HOLDINGS, INC.

ORDER
(Section 9.1 of Multilateral Instrument 61-101)

UPON the application (the "**Application**") of Acreage Holdings, Inc. (formerly, Applied Investments Management Corp.) (the "**Filer**") for an order pursuant to section 9.1 of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") exempting the Filer from the requirements in subsection 8.1(1) of MI 61-101 to obtain minority approval for the Transaction (as defined below) from the holders of each affected class of shares of the Filer, in each case voting separately as a class (the "**Minority Approval Requirements**");

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

AND UPON the Filer having represented to the Commission that:

1. The Filer was incorporated under the *Business Corporations Act* (Ontario) on July 12, 1989 as "Applied Inventions Management Inc.". On August 29, 2014, the Filer's name was changed from Applied Inventions Management Inc. to "Applied Inventions Management Corp." ("**AIM**"). On November 14, 2018, High Street Capital Partners LLC ("**HSCP**") completed a reverse takeover of the Filer, concurrent with which the Filer continued into British Columbia as "Acreage Holdings, Inc." under the *Business Corporations Act* (British Columbia) (the "**RTO**").

2. The Filer's head office is located at 366 Madison Avenue, New York, New York 10017, and its registered and records office is 2800 Park Place, 666 Burrard Street, Vancouver, British Columbia, V6C 27Z.

3. The Filer is a reporting issuer in Ontario and British Columbia. The Filer is not in default of its obligations under the securities legislation in any of the jurisdictions of Canada.

4. The Filer operates primarily in the cannabis industry, with a focus on the cultivating, processing, distributing and retailing of top quality cannabis, cannabis derivative products and branded products in the United States.

5. The authorized share capital of the Filer consists of an unlimited number of Class A subordinate voting shares, carrying one vote per share (the "**Subordinate Voting Shares**"), an unlimited number of Class B proportionate voting shares, carrying 40 votes per share (the "**Proportionate Voting Shares**") and an unlimited number of Class C multiple voting shares, carrying 3,000 votes per share (the "**Multiple Voting Shares**"). The Multiple Voting Shares are all held by Kevin Murphy, Founder and Chief Executive Officer of the Filer.

6. As at May 13, 2019, the outstanding share capital of the Filer (the "**Filer Shares**") consists of: (i) 57,458,462 Subordinate Voting Shares; (ii) 743,143.6551 Proportionate Voting Shares; and (iii) 168,000 Multiple Voting Shares.

7. As at May 13, 2019, the issued and outstanding Subordinate Voting Shares, Proportionate Voting Shares and Multiple Voting Shares represent approximately 9.1%, 5.6% and 85.3%, respectively, of the aggregate voting rights attached to the outstanding Filer Shares.

8. The Filer is a "**Foreign Private Issuer**" as defined in Rule 405 under the United States *Securities Act of 1933* and Rule 3b-4 under the United States *Securities Exchange Act of 1934*.

9. If more than 50% of the outstanding voting securities of the Filer (as determined under Rule 405 of the United States *Securities Act of 1933*) are directly or indirectly held of record by residents of the United States (the "**Threshold**"), the Filer will no longer meet the definition of a Foreign Private Issuer, which may have adverse consequences with respect to the Filer's ability to raise capital in private placements or Canadian prospectus offerings.

10. In December 2016, the United States Securities and Exchange Commission (the "**SEC**") issued a Compliance and Disclosure Interpretation to clarify that issuers with multiple classes of voting stock carrying different voting rights may, for the purposes of calculating compliance with the Threshold, examine either (i) the combined voting power of its share classes, or (ii) the number of voting securities, in each case held of record by U.S. residents. Based on this interpretation, each issued and outstanding Proportionate Voting Share and each issued and outstanding Multiple Voting Share is counted as one voting security and each issued and outstanding Subordinate Voting Shares is counted as one voting security for the purposes of determining the Threshold.

11. As such, the Proportionate Voting Shares were created for the sole purpose of ensuring that the Filer maintains its Foreign Private Issuer status under United States securities laws. The share structure of the Filer was approved on the basis of ensuring that the Filer would hold Foreign Private Issuer status by all shareholders of AIM and all unit holders of HSCP, in conjunction with the RTO.

12. The holders of the Subordinate Voting Shares, Proportionate Voting Shares and Multiple Voting Shares have the same rights and obligations, and no holder of Filer Shares is entitled to any privilege, priority or preference in relation to any other such holder, subject to the following:

    (a) The Subordinate Voting Shares are listed on the Canadian Securities Exchange (the "**CSE**") under the symbol "ACRG.U", are quoted on the OTCQX® Best Market by OTC Markets Group (the "**OTCQX**") under the symbol "ACRGF" and are traded on the Open Market of the Frankfurt Stock Exchange ("**FRA**") under the symbol "0VZ". The Proportionate Voting Shares and the Multiple Voting Shares are not listed or posted for trading on any stock exchange.

    (b) Each Proportionate Voting Share is convertible into 40 Subordinate Voting Shares. Each Multiple Voting Share is convertible into one Subordinate Voting Share.

    (c) In the event of the liquidation, dissolution or winding-up of the Filer, whether voluntary or involuntary, or in the event of any other distribution of assets of the Filer among its shareholders for the purpose of winding up its affairs, the holders of Proportionate Voting Shares are entitled to participate *pari passu* with the holders of Subordinate Voting Shares and Multiple Voting Shares in an amount equal to the amount of such distribution per Subordinate Voting Share and Multiple Voting Share, multiplied by 40.

    (d) No dividend may be declared on the Subordinate Voting Shares unless the Filer simultaneously declares dividends on the Proportionate Voting Shares in an amount equal to the dividend declared on the Subordinate Voting Shares, multiplied by 40, or on the Multiple Voting Shares in the amount of the dividend declared on the Subordinate Voting Shares.

    (e) No Multiple Voting Shares are permitted to be transferred by the holder thereof without the prior written consent of the Filer's board of directors (the "**Board**").

13. By their terms, the Proportionate Voting Shares and Subordinate Voting Shares were intended to be identical, but for the proportionate (a) voting, (b) conversion, and (c) participation on liquidation, dissolution or winding-up rights, outlined in Paragraph 12.

14. Canopy Growth Corporation ("**Canopy Growth**") is a corporation governed by the *Canada Business Corporations Act*.

15. Canopy Growth is a reporting issuer or the equivalent thereof in each of the provinces of Canada, excluding Québec, and its common shares are listed on the Toronto Stock Exchange under the symbol "WEED", and on the New York Stock Exchange under the symbol "CGC".

16. The head office of Canopy Growth is located at 1 Hershey Drive, Smiths Falls, Ontario, Canada, K7A 0A8.

17. On April 18, 2019, the Filer entered into an arrangement agreement (the "**Arrangement Agreement**") with Canopy Growth pursuant to which the Filer agreed to complete an arrangement (the "**Arrangement**") under the Business Corporations Act (British Columbia) (the "**BCBCA**"), which will result in, among other things, the articles of the Filer (the "**Filer Articles**") being altered to provide Canopy Growth with the right (the "**Canopy Growth Call Option**") to acquire all of the issued and outstanding Filer Shares in consideration for the payment of an aggregate of USD$300,000,000 (the "**Aggregate Option Premium**") to holders of the Filer Shares and holders of certain securities exchangeable for Filer Shares (with the payment to holders of Proportionate Voting Shares being adjusted as though each Proportionate Voting Share was converted into 40 Subordinate Voting Shares in accordance with the terms of the Proportionate Voting Shares), and the issuance to each holder of the Filer's Subordinate Voting Shares (following the automatic conversion of each Proportionate Voting Share and Multiple Voting Share into Subordinate Voting Shares in accordance with the terms of the Arrangement) of 0.5818 of a common share in the capital of Canopy Growth (each whole share, a "**Canopy Share**") for each Filer Subordinate Voting Share held (the "**Transaction**").

18. The Transaction is a "business combination" for purposes of MI 61-101 and is therefore subject to the applicable requirements of MI 61-101, on the basis that Kevin Murphy, the founder and Chief Executive Officer of the Filer constitutes an "interested party" in accordance with MI 61-101 and is entitled to receive a "collateral benefit" as a consequence of the Transaction, as such term is defined in MI 61-101. Such requirements include, among other things, obtaining approval for the Transaction by a majority of votes cast by the holders of each class of Filer Shares, excluding the votes attached to Filer Shares beneficially owned, or over which control or direction is exercised, by any party specified in subsection 8.1(2) of MI 61-101 (the "**Disinterested Shareholders**"), at a shareholder meeting held by the Filer. The Disinterested Shareholders include the holders of Subordinate Voting Shares and Proportionate Voting Shares, with the exception of Kevin Murphy, the Chief Executive Officer of the Filer, Murphy Capital LLC, an entity over which Mr. Murphy exercises direction or control, and The Kevin Murphy 2018 Annuity Trust. In aggregate, these persons hold approximately 12.4% of the Proportionate Voting Shares, and all of the Multiple Voting Shares. The Multiple Voting Shares will be excluded from the vote of the Disinterested Shareholders.

19. MI 61-101 was adopted to ensure the fair treatment of all security holders and the perception of such in the context of insider bids, issuer bids, business combinations and related party transactions.

20. The approval of the Transaction is subject to a number of mechanisms to ensure that the collective interests of the holders of Filer Shares are protected, including the following:

    (a) the creation of a special committee composed of independent directors (the "**Special Committee**") whose mandate was to review the terms and conditions of the Transaction. In order to properly fulfill its mandate, the Special Committee retained the services of independent legal and financial advisors. The Special Committee unanimously recommended to the Filer's Board that the Transaction be approved;

    (b) the Filer will prepare and deliver to its shareholders an information circular (the "**Information Circular**") in accordance with applicable securities law requirements that will provide shareholders with sufficient information to enable them to make an informed decision in respect of the Transaction;

    (c) the Board and the Special Committee thereof has each obtained a fairness opinion from each of Canaccord Genuity Corp. and INFOR Financial Inc., respectively, stating that, as of the date of the respective opinions and subject to the assumptions, limitations, and qualifications on which such opinions are based, the consideration to be received by holders of Filer Shares pursuant to the Transaction is fair, from a financial point of view, to the holders of Filer Shares (collectively, the "**Fairness Opinions**");

    (d) the approval of the Transaction by the majority of votes cast by the Disinterested Shareholders voting together as a single class (each Subordinate Voting Share carrying one vote and each Proportionate Voting Share carrying 40 votes);

    (e) a right of dissent to the benefit of Disinterested Shareholders; and

    (f) approval of the Supreme Court of British Columbia of the Arrangement

    (together, the "**Safeguard Measures**").

21. The Board and the Special Committee are of the view that the Safeguard Measures are the optimal mechanisms to ensure that the public interest is well protected and that holders of the Filer Shares are treated fairly and in accordance with their voting and economic entitlements under the Filer's constating documents.

22. Under the BCBCA, there is no entitlement to separate class votes with respect to the approval of an arrangement. The Filer Articles provide holders of each class of Filer Shares to vote by separate special resolution to alter or amend the Filer Articles if same would prejudice or interfere with any rights or special rights attached to the class of Filer Shares, or affect the rights of the holders of such class of Filer Shares on a per share basis as provided in the Filer Articles. The Filer has determined that the alteration of the Filer Articles in accordance with the Arrangement would not prejudice or interfere with any rights or special rights attached to the Subordinate Voting Shares or the Proportionate Voting Shares, or affect the rights of the holders of such shares on a per share basis as provided in the Articles. The Filer has further determined that the Arrangement does not affect holders of Subordinate Voting Shares in a manner that is different from its effect on the holders of Proportionate Voting Shares.

23. Separate class votes by the holders of Subordinate Voting Shares and Proportionate Voting Shares would have the effect of granting disproportionate importance to one class of Filer Shares over another. Despite the fact that Disinterested Shareholders holding Proportionate Voting Shares would represent 28.9% of the total vote of Disinterested Shareholders on an aggregate basis, holders of Proportionate Voting Shares representing 14.5% of the total vote of Disinterested Shareholders could be afforded a veto right in respect of the Transaction that could be exercised against all other Disinterested Shareholders. Such an outcome would not be in accordance with the reasonable expectations of the holders of Filer Shares.

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

IT IS ORDERED pursuant to section 9.1 of MI 61-101 that the Filer be exempt from the Minority Approval Requirements in connection with Transaction, provided that the following mechanisms are implemented and remain in place:

1. a special meeting of the Filer's shareholders is held in order for the Disinterested Shareholders of the Filer to consider and, if deemed advisable, approve the Transaction, such approval to be obtained with the Disinterested Shareholders of the Filer voting together as a single class of the Filer;

2. the Information Circular is prepared and delivered by the Filer to its shareholders in accordance with applicable securities law requirements; and

3. the Fairness Opinions are included in their entirety in the Information Circular.

DATED at Toronto this 17th day of May, 2019.

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

2.2.6 Semafo (Holding) Limited (formerly Savary Gold Corp.)

Headnote

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

Applicable Legislative Provisions

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

May 24, 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
SEMAFO (HOLDING) LIMITED
(formerly Savary Gold Corp.)
(the Filer)

ORDER

Background

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

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

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

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

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 in any other country on a marketplace as defined in National Instrument 21-101 – *Marketplace Operation* or on 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 that the Order Sought is granted.

"Winnie Sanjoto"
Manager, Corporate Finance
Ontario Securities Commission

2.2.7 SDX Energy 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 SDX Energy Inc.*, 2019 ABASC 86

May 27, 2019

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

AND

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

AND

IN THE MATTER OF
SDX ENERGY 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 subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador; and

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

Interpretation

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

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

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

2.3 Orders with Related Settlement Agreements

2.3.1 Martin Bernholtz – ss. 127, 127.1

FILE NO.: 2018-16

IN THE MATTER OF
MARTIN BERNHOLTZ

Timothy Moseley, Vice-Chair and Chair of the Panel
Garnet W. Fenn, Commissioner
Heather Zordel, Commissioner

May 21, 2019

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

WHEREAS on May 21, 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 Application made jointly by Martin Bernholtz (the **Respondent**) and Staff of the Commission (**Staff**) for approval of a settlement agreement entered into on May 16, 2019 (the **Settlement Agreement**);

ON READING the Joint Application for a Settlement Hearing, including the Statement of Allegations dated March 28, 2018, and the Settlement Agreement, and on hearing the submissions of the representatives for the Respondent and Staff, and considering the Consent of the parties to an Order in substantially this form;

IT IS ORDERED THAT:

1. the Settlement Agreement is approved, pursuant to subsection 127(1) of the *Securities Act*, RSO 1990, c S.5 (the **Act**);

2. the voluntary payment of $225,000 made by the Respondent is designated for allocation or use by the Commission in accordance with subclause 3.4(2)(b)(i) or (ii) of the Act;

3. trading in any securities or derivatives by the Respondent cease for a period of three years commencing on the date that is 45 days from the date of this Order, pursuant to paragraph 2 of subsection 127(1) of the Act;

4. the acquisition of any securities by the Respondent is prohibited for a period of three years and 45 days commencing on the date of this Order, pursuant to paragraph 2.1 of subsection 127(1) of the Act;

5. the Respondent is reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act;

6. the Respondent immediately resign any position that the Respondent holds as a director or officer of any reporting issuer or registrant, pursuant to paragraphs 7 and 8.1 of subsection 127(1) of the Act;

7. the Respondent is prohibited from becoming or acting as a director or officer of any reporting issuer or a registrant for a period of seven years, pursuant to paragraphs 8 and 8.2 of subsection 127(1) of the Act; and

8. the Respondent pay costs in the amount of $75,000, pursuant to section 127.1 of the Act.

“Timothy Moseley”

“Garnet Fenn”

“Heather Zordel”

FILE NO. 2018-16

IN THE MATTER OF
MARTIN BERNHOLTZ

SETTLEMENT AGREEMENT

PART I – INTRODUCTION

1. It is essential to the integrity of Ontario's capital markets that directors of public companies exhibit the highest standard of conduct. This case involves Martin Bernholtz ("Bernholtz" or the "Respondent"), a director of a publicly traded company who sold shares of the company in advance of overnight marketed offerings by the company and then reinvested for more shares in the offerings. The Respondent failed to obtain the required pre-approval and to take sufficient care as to the risk that he may have possessed material non-public information at the time he sold the company shares, which was conduct that fell below the high standard expected of him and was contrary to the public interest.

2. This matter concerns trading by Bernholtz between February and March 2016 (the "Material Time").

3. The parties shall jointly file a request that the Ontario Securities Commission (the "Commission") issue a Notice of Hearing (the "Notice of Hearing") to announce that it will hold a hearing (the "Settlement Hearing") to consider whether, pursuant to sections 127 and 127.1 of the *Securities Act* (the "Act"), it is in the public interest for the Commission to make certain orders against the Respondent in respect of the conduct described herein.

PART II – JOINT SETTLEMENT RECOMMENDATION

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

5. For the purposes of the Proceeding, and any other regulatory proceeding commenced by a securities regulatory authority, the Respondent agrees with the facts set out in Part III of this Settlement Agreement and the conclusion in Part IV of this Settlement Agreement.

PART III – AGREED FACTS

A. Background

(1) Titan Medical Inc.

6. Titan Medical Inc. ("Titan") is a public company incorporated in Ontario.

7. The shares of Titan are listed on the Toronto Stock Exchange ("TSX") under the symbol "TMD".

8. Titan's primary business is the design, development and commercialization of new robotic surgical technologies.

(2) Martin Bernholtz

9. Bernholtz is a resident of Markham, Ontario.

10. Bernholtz had been a director of Titan from July 2008 until March 2018, when he resigned.

B. Facts

11. Titan generates no revenue and relies on the public offering of its common shares and warrants to fund its development process.

12. The Board of Directors of Titan (the "Board") receives notice of anticipated public offerings in advance.

(1) February 2016 Offering

13. On January 29, 2016, Bernholtz and other members of the Board were advised by Stephen Randall ("Randall"), the Chief Financial Officer of Titan, of a public offering that was planned to "commence as early as Tuesday, February 2 but no later than Thursday, February 11". No details of possible price or quantum were provided.

14. On February 1, 2016, Bernholtz sold 110,400 Titan shares at share prices of $1.34 to $1.39 for total proceeds of $147,973.32.

15. On February 2, 2016, in response to an enquiry from IIROC Market Surveillance, Titan issued a press release announcing that it was not aware of any material undisclosed development at this time that would cause the recent movement in the company's share price.

16. On February 3, 2016, the share price of Titan opened at $1.54. At 3:55 p.m., Titan issued a press release announcing an overnight marketed public offering (the "February 2016 Offering"), comprised of its common shares and common share purchase warrants. The share price of Titan closed at $1.45 at the end of the trading day.

17. On February 4, 2016, the share price of Titan opened at $1.03, went to a high of $1.09 and closed at a low of $0.95.

18. On February 5, 2016, the share price of Titan opened at $0.88. At 10:08 a.m., Titan issued a press release announcing that the February 2016 Offering would consist of 8,888,889 units issued at a price of $0.90 per unit for aggregate proceeds of $8,000,000. Each unit would consist of one common share and one common share purchase warrant, which would be exercisable to purchase one common share at a price of $1.00 for a period of five years after the public offering. The share price of Titan closed at $0.80 at the end of the trading day.

19. Information regarding the February 2016 Offering had not been generally disclosed prior to the press releases on February 3 and February 5, 2016.

20. On February 11, 2016, Bernholtz purchased 200,000 Titan units at the price of $0.90 per unit, for a total purchase price of $180,000 pursuant to the February 2016 Offering.

21. If the 110,400 Titan shares had not been sold in advance of the announcement of the February Offering, they would have been worth approximately $55,000 less in the days following the announcement of the February Offering.

(2) March 2016 Offering

22. On March 16, 2016, Bernholtz attended a meeting of the Board where the Board was advised of a public offering that was planned to commence "[l]ate this week or early week of March 21, 2016".

23. On March 17, 2016, Bernholtz sold 22,200 Titan shares at the share price of $1.36 for total proceeds of $30,192.

24. On March 18, 2016, Bernholtz further sold 12,800 Titan shares at the share price of $1.23 for total proceeds of $15,744.

25. On March 21, 2016, Bernholtz further sold 233,900 Titan shares at share prices of $1.08 to $1.20 for total proceeds of $271,489.

26. In total during this period, Bernholtz sold 268,900 Titan shares for total proceeds of $317,425.

27. On March 21, 2016, the share price of Titan closed at $1.08. After the market closed, Titan issued a press release announcing its intention to undertake an overnight marketed public offering (the "March 2016 Offering"), comprised of its common shares and common share purchase warrants.

28. On March 22, 2016, before the market opened, Titan issued a further press release announcing that the March 2016 Offering would consist of units issued at a price of $1.00 per unit. Each unit would consist of one common share and one common share purchase warrant, which would be exercisable to purchase one common share at a price of $1.20 for a period of five years after the public offering. The share price of Titan on March 22, 2016 opened at $0.85 and closed at $0.92.

29. Information regarding the March 2016 Offering had not been generally disclosed prior to the press releases on March 21 and March 22, 2016.

30. On March 28, 2016, Bernholtz purchased 400,000 Titan units at the price of $1.00 per unit, for a total purchase price of $400,000 pursuant to the March 2016 Offering.

31. If the 268,900 Titan shares had not been sold in advance of the announcement of the March Offering, they would have been worth approximately $78,000 less in the days following the announcement of the March Offering. Bernholtz held all of his Titan shares as the share price dropped by more than 80% over the next year.

(3) Titan Insider Trading Policy

32. Titan's Insider Trading Policy (the "Insider Trading Policy") prohibited directors, officers and employees and any person in a special relationship with Titan from buying or selling securities of Titan while having material information that has not yet been made public and required directors and officers to seek approval from Titan prior to trading shares of Titan.

33. During the Material Time, Bernholtz was aware of the Insider Trading Policy and the fact that it applied to him.

34. Bernholtz failed to seek approval prior to trading shares of Titan during the Material Time. Similarly, Bernholtz failed to inform Titan of the trades during the Material Time after they were completed.

C. Respondent's Position and Mitigating Factors

35. The Respondent requests that the Settlement Hearing panel consider the following mitigating circumstances. Staff do not object to the mitigating circumstances set out by the Respondent.

(a) By the Respondent agreeing to this settlement, the Commission will not have to expend further resources that would have been incurred in a contested hearing;

(b) The Respondent sold the Titan shares to permit him to buy into the offerings to show support for Titan but did not sufficiently consider the risks of selling in the circumstances;

(c) The Respondent acknowledges that he should have conducted a more careful assessment of the materiality of the information he possessed. He accepts that the more prudent course of conduct would have been to not trade Titan securities in advance of the February and March 2016 Offerings. He also acknowledges that he should have complied with Titan's Insider Trading Policy; and

(d) The Respondent has not been the subject of any prior Commission proceedings or orders.

PART IV – CONDUCT CONTRARY TO THE PUBLIC INTEREST

36. Bernholtz was the director of a publicly traded company. He occupied a position of high responsibility and trust. By engaging in the foregoing conduct, he failed to abide by that high standard. He was obliged to be carefully attuned to trading issues and the possible materiality of information that came to his attention. In this case, he failed to sufficiently assess the materiality of his knowledge of the pending offerings before the details were announced.

37. As a director of a public company, Bernholtz was also obliged to assiduously follow company policies and regulations respecting the reporting of his trades. Titan had a rigorous pre-trade approval process. This process was designed, among other reasons, to ensure that Titan employees did not trade while in possession of non-public material information. In this case, Bernholtz failed to pre-clear his trades in compliance with Titan's Insider Trading Policy.

38. Bernholtz's failure to abide by Titan's Insider Trading Policy and his failure to conduct a more careful assessment of the materiality of the information concerning the financings engages the fundamental purposes and principles in subsections 1.1(a) and (b) and subsection 2.1(2)(iii) of the Act.

PART V – TERMS OF SETTLEMENT

39. The Respondent agrees to the terms of settlement set forth below.

40. The Respondent consents and agrees to make a voluntary payment in the amount of $225,000.

41. The Respondent agrees to the terms of settlement listed below and to the Order in substantially the form attached as Schedule "A" to this Settlement Agreement, to be made by the Commission pursuant to section 127 and section 127.1 of the Act, the terms of which include that:

(a) this Settlement Agreement be approved;

(b) the voluntary payment of $225,000 by the Respondent is designated for allocation or use by the Commission in accordance with paragraph 3.4(2)(b)(i) or (ii) of the Act;

(c) trading in any securities or derivatives by the Respondent cease for a period of three (3) years commencing on the date that is 45 days from the date of the Order, pursuant to paragraph 2 of subsection 127(1) of the Act;

(d) the acquisition of any securities by the Respondent be prohibited for a period of three (3) years and 45 days commencing on the date of the Order, pursuant to paragraph 2.1 of subsection 127(1) of the Act;

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

(f) the Respondent immediately resigns any position that the Respondent holds as a director or officer of any reporting issuer or registrant, pursuant to paragraphs 7 and 8.1 of subsection 127(1) of the Act;

(g) the Respondent be prohibited from becoming or acting as a director or officer of any reporting issuer or registrant for a period of seven (7) years, pursuant to paragraphs 8 and 8.2 of subsection 127(1) of the Act; and

(h) the Respondent pays costs in the amount of $75,000, pursuant to section 127.1 of the Act.

42. The Respondent consents to a regulatory order made by any provincial or territorial securities regulatory authority in Canada containing any or all of the sanctions set out in subparagraphs 41(c) through 41(g). These sanctions may be modified to reflect the provisions of the relevant provincial or territorial securities law.

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

44. The Respondent agrees to make the voluntary payment specified in subparagraph 41(b) and the costs payment specified in subparagraph 41(h) by separate bank drafts or certified cheques payable to the Ontario Securities Commission prior to the issuance of any Commission order approving this settlement Agreement.

PART VI – FURTHER PROCEEDINGS

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

46. The Respondent acknowledges that, if the Commission approves this Settlement Agreement and the Respondent fails to comply with any term in it, the Commission is entitled to bring any proceedings necessary.

47. The Respondent waives any defences to a proceeding referenced in paragraph 45 or 46 that are based on the limitation period in the Act, provided that no such proceeding shall be commenced later than six years from the date of the occurrence of the last failure to comply with this Settlement Agreement.

PART VII – PROCEDURE FOR APPROVAL OF SETTLEMENT

48. The parties will seek approval of this Settlement Agreement at the Settlement Hearing before the Commission, which shall be held on a date determined by the Secretary to the Commission in accordance with this Settlement Agreement and the Commission's *Rules of Procedure* (2017), 40 O.S.C.B. 8988.

49. The Respondent will attend the Settlement Hearing in person.

50. 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.

51. If the Commission approves this Settlement Agreement:

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

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

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

PART VIII – DISCLOSURE OF SETTLEMENT AGREEMENT

53. If the Commission does not make the Order:

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

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

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

PART IX – EXECUTION OF SETTLEMENT AGREEMENT

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

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

DATED at Toronto, Ontario this 15th day of May, 2019.

"*C. Batulis"*
Witness:

"Martin Bernholtz"
Martin Bernholtz

DATED at Toronto, Ontario, this 16th day of May, 2019.

STAFF OF THE ONTARIO SECURITIES COMMISSION

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

SCHEDULE "A"

FILE NO.: 2018-16

IN THE MATTER OF
MARTIN BERNHOLTZ

Timothy Moseley, Vice-Chair and Chair of the Panel
Garnet W. Fenn, Commissioner
Heather Zordel, Commissioner

May ___, 2019

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

WHEREAS on _____, 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 approval of a settlement agreement dated _____, 2019 (the **Settlement Agreement**) between Martin Bernholtz (the **Respondent**) and Staff of the Commission (**Staff**);

ON READING the Statement of Allegations dated March 28, 2018, and the Settlement Agreement and on hearing the submissions of representatives of Staff and the Respondent;

IT IS ORDERED THAT:

1. this Settlement Agreement is approved;

2. the voluntary payment of $225,000 made by the Respondent is designated for allocation or use by the Commission in accordance with subclause 3.4(2)(b)(i) or (ii) of the of the *Securities Act*, RSO 1990, c S.5 (the **Act**);

3. trading in any securities or derivatives by the Respondent cease for a period of three (3) years commencing on the date that is 45 days from the date of the Order, pursuant to paragraph 2 of subsection 127(1) of the Act;

4. the acquisition of any securities by the Respondent be prohibited for a period of three (3) years and 45 days commencing on the date of the Order, pursuant to paragraph 2.1 of subsection 127(1) of the Act;

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

6. the Respondent immediately resign any position that the Respondent holds as a director or officer of any reporting issuer or registrant, pursuant to paragraphs 7 and 8.1 of subsection 127(1) of the Act;

7. the Respondent be prohibited from becoming or acting as a director or officer of any reporting issuer or a registrant for a period of seven (7) years, pursuant to paragraphs 8 and 8.2 of subsection 127(1) of the Act; and

8. the Respondent pay costs in the amount of $75,000, pursuant to section 127.1 of the Act.

_____
Timothy Moseley

_____
Garnet W. Fenn

_____
Heather Zordel

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions

3.1.1 Martin Bernholtz – ss. 127, 127.1

IN THE MATTER OF
MARTIN BERNHOLTZ

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

Citation: *Bernholtz (Re)*, 2019 ONSEC 16
Date: 2019-05-21
File No.: 2018-16

Hearing:	May 21, 2019	
Decision:	May 21, 2019	
Panel:	Timothy Moseley	Vice-Chair and Chair of the Panel
	Garnet Fenn	Commissioner
	Heather Zordel	Commissioner
Appearances:	Matthew H. Britton	For Staff of the Commission
	Kevin Richard	For Martin Bernholtz

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] Martin Bernholtz is a former director of Titan Medical Inc. (**Titan**). In 2016, he sold shares of Titan at times when he knew that Titan would soon be commencing a public offering. That information had not been generally disclosed. Staff of the Commission and Mr. Bernholtz have agreed that this conduct was contrary to the public interest, and they have jointly submitted a settlement agreement for our approval. We conclude that it would be in the public interest to approve that settlement agreement.

[2] The relevant facts are set out in detail in the settlement agreement, and we need not repeat them all here. In essence, on two occasions in early 2016, Mr. Bernholtz and other members of the board of directors were advised of imminent public offerings of Titan shares and warrants. On each occasion, and before the offering had been publicly announced, Mr. Bernholtz sold some of his shares of Titan. Had Mr. Bernholtz not sold the shares in advance of the announcements, those shares would have been worth, in total, approximately $133,000 less in the days following the two announcements.

[3] Titan had an insider trading policy. That policy applied to Mr. Bernholtz. Mr. Bernholtz was aware of the policy and he knew that it applied to him. The policy prohibited Titan's directors, among others, from buying or selling Titan's securities while in possession of material non-public information. The policy also required Mr. Bernholtz, among others, to seek Titan's approval before trading shares of Titan.

[4] Mr. Bernholtz did not seek Titan's approval before selling his shares. He acknowledges that he ought to have done so, and that he ought to have conducted a more careful assessment of the materiality of the information he possessed.

[5] Staff and Mr. Bernholtz have agreed to various sanctions and other measures. The principal terms of the settlement are as follows:

a. Mr. Bernholtz has agreed to make a voluntary payment of $225,000, and he has paid that amount to Staff pending approval of the settlement;

b. Mr. Bernholtz has agreed to pay costs of $75,000, and he has paid that amount pending approval of this settlement;

c. Mr. Bernholtz will immediately resign any position that he holds as a director or officer of any reporting issuer or registrant, and he will be prohibited from taking on any such role for seven years; and

d. Mr. Bernholtz will be prohibited from acquiring any securities for three years and 45 days, and will be prohibited from trading any securities or derivatives for a three-year period beginning July 5, 2019.

[6] 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.

[7] We have reviewed this settlement in detail, and we conducted a confidential settlement conference with counsel for both parties. We asked questions of counsel and heard their submissions.

[8] We recognize that the agreement is the product of negotiation between Staff and Mr. Bernholtz. The Commission respects the negotiation process and accords significant deference to the resolution reached by the parties.

[9] We 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.

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

[11] In our view, the terms of the settlement fall within a range of reasonable outcomes in the circumstances. The settlement also properly reflects 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.

[12] For these reasons, we conclude that it is in the public interest to approve the settlement. We will therefore issue an order substantially in the form of the draft attached to the settlement agreement.

Dated at Toronto this 21st day of May, 2019.

"Timothy Moseley"

"Garnet Fenn"

"Heather Zordel"

3.1.2 Trilogy Mortgage Group Inc. and Trilogy Equities Group Limited Partnership – s. 127(8)

IN THE MATTER OF
TRILOGY MORTGAGE GROUP INC. and
TRILOGY EQUITIES GROUP LIMITED PARTNERSHIP

REASONS AND DECISION
(Subsection 127(8) of the
***Securities Act*, RSO 1990, c S.5)**

Citation: *Trilogy Mortgage Group Inc (Re)*, 2019 ONSEC 17
Date: 2019-05-24
File No. 2018-21

Hearing:	April 24, 2019	
Decision:	May 24, 2019	
Panel:	D. Grant Vingoe	Vice-Chair and Chair of the Panel
Appearances:	Paul Le Vay	For Staff
		No one appearing on behalf of Trilogy Mortgage Group Inc. and Trilogy Equities Group Limited Partnership

REASONS AND DECISION

I. OVERVIEW

[1] Trilogy Mortgage Group Inc. (**TMG**) and Trilogy Equities Group Limited Partnership (**TEGLP**) (collectively **Trilogy**) are entities that Staff of the Ontario Securities Commission (**Staff**) allege to have offered securities to the public and solicited investors via a website from February to April 24, 2018. In a separate proceeding, Staff has filed a Statement of Allegations alleging breaches of the *Securities Act*[1] (the **Act**) by Trilogy and numerous other respondents (**Paramount SOA**).[2]

II. BACKGROUND

[2] On April 16, 2018, the Ontario Securities Commission (the **Commission**) issued a temporary cease trade order against Trilogy (the **TCTO**) pursuant to subsections 127(1) and 127(5) of the Act. Subsection 127(5) of the Act provides that certain orders may be made on a temporary basis "if in the opinion of the Commission the length of time required to conclude a hearing could be prejudicial to the public interest."

[3] The TCTO provides that all trading in securities of TMG and TEGLP shall cease, trading in any securities by TGM and TEGLP shall cease, and any exemptions contained in Ontario securities law do not apply to TGM and TEGLP.

[4] The TCTO was extended on April 26, 2018 (the **First Extension**), September 10, 2018 (the **Second Extension**), and March 29, 2019 (the **Third Extension**) pursuant to subsection 127(8) of the Act. Subsection 127(8) permits the extension of a temporary order "if satisfactory information is not provided to the Commission within the 15-day period."

[5] The First and Second Extensions were made on consent by David Ross (**Ross**), a registered Director, Officer and the Principal Broker of TMG. No one appeared at the hearings on behalf of Trilogy.

[6] The Third Extension was extended until April 26, 2019 at a hearing on March 29, 2019. Staff served Ross and Filippo Mizzi (**Mizzi**), who is a Director of TMG. No one appeared at the hearing on behalf of Trilogy. On the same day, Staff issued the Paramount SOA, which was served on Ross and Mizzi.

[7] Staff indicated in the Paramount SOA that part of the order that they were seeking against Trilogy included an extension of the TCTO until "the conclusion of this hearing". The Commission "may extend a temporary order until the hearing is concluded", pursuant to subsection 127(7).

[8] The First Attendance in the proceeding initiated under the Paramount SOA was held on April 24, 2019.

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1 RSO 1990, c S.5.

2 Statement of Allegations, dated March 29, 2019.

III. ANALYSIS

[9] Under Rule 13 of the Commission's *Rules of Procedure and Forms*[3] (**Rules**), if a request to extend a temporary order is made in an existing proceeding, the request shall be made by filing a Motion using the form in Appendix B of the Rules.

[10] In this circumstance, Staff did not follow the procedure as described in the Rules. Rather, the request to extend the TCTO was made as part of the order sought in the Paramount SOA. The procedure for extending a temporary cease trade order is by motion in the proceeding in which the interim order was granted.

[11] The Commission has the general power under Rule 3 of the Rules to waive any of the Rules, as it considers appropriate, to further the objective set out in Rule 1 which "is to ensure that Commission proceedings are conducted in a just, expeditious, and cost-effective manner."

[12] In this case, Staff was relying on the materials filed in connection with the March 29, 2019 hearing in relation to the Third Extension, augmented by the fact that the Paramount SOA, covering the alleged Trilogy contraventions, had been filed on the same day as the hearing for the Third Extension.

[13] Trilogy, through Mizzi, had been served with the materials in support of the Third Extension and were served with the Paramount SOA that called for the continuation of the TCTO through the end of the hearing arising from the Paramount SOA, which overlaps in substance with the materials filed in connection with the Trilogy TCTO extensions.

[14] No one appeared at either the March 29, 2019 hearing or the April 24, 2019 hearing on behalf of Trilogy, although they were made aware through the materials filed in the Third Extension and the Paramount SOA that the matters to be addressed included the extension of the TCTO.

[15] In these circumstances, where the affected parties had notice that a continuation of the TCTO was being sought, I considered it inefficient and unnecessary to require the service of the same materials supporting the extension again as part of a separate filed motion in the separate Trilogy proceeding. I therefore concluded that it was appropriate to utilize Rule 3 to waive the requirement for such a renewed process for an extension. I wish to emphasize that this is not the preferred course of action and that there is a high value to be placed on following a predictable and regular course of practice with regard to extensions where potentially very significant economic issues can be at stake.

IV. CONCLUSION

[16] In considering the above, I find that it is appropriate in these circumstances to grant the extension of the TCTO until the conclusion of the merits hearing arising from the Paramount SOA.

Dated at Toronto this 24th day of May, 2019.

"D. Grant Vingoe"

[3] (2017), 40 OSCB 8988.

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
Josephine Mining Corp.	26 May 2015	08 June 2015	08 June 2015	27 May 2019

Failure to File Cease Trade Orders

Company Name	Date of Order	Date of Revocation
Gravitas Financial Inc.	06 May 2019	22 May 2019

4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order	Date of Lapse
Katanga Mining Limited	15 August 2017	27 May 2019

4.2.2 Outstanding Management & Insider Cease Trading Orders

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

Company Name	Date of Order	Date of Lapse
Blocplay Entertainment Inc.	03 May 2019	
Dionymed Brands Inc.	03 May 2019	
Katanga Mining Limited	15 August 2017	27 May 2019
Namaste Technologies Inc.	04 April 2019	
Organto Foods Inc.	02 May 2019	
TREE OF KNOWLEDGE INTERNATIONAL CORP.	01 MAY 2019	

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Chapter 7

Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as as in Carswell's internet service SecuritiesSource (see www.carswell.com).

This chapter contains a weekly summary of insider transactions of Ontario reporting issuers in the System for Electronic Disclosure by Insiders (SEDI). The weekly summary contains insider transactions reported during the seven days ending Sunday at 11:59 pm.

To obtain Insider Reporting information, please visit the SEDI website (www.sedi.ca).

Chapter 11

IPOs, New Issues and Secondary Financings

INVESTMENT FUNDS

Issuer Name:
BetaPro Marijuana Companies 2x Daily Bull ETF
BetaPro Marijuana Companies Inverse ETF
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated May 17, 2019
NP 11-202 Receipt dated May 21, 2019
Offering Price and Description:
Class A units @ net asset value
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #2831284

Issuer Name:
Natixis Canadian Bond Fund
Loomis Sayles Global Diversified Corporate Bond Fund
Loomis Sayles Strategic Monthly Income Fund
Gateway Low Volatility U.S. Equity Fund
Natixis Strategic Balanced Registered Fund
Natixis Intrinsic Balanced Registered Fund
Natixis Canadian Dividend Registered Fund
Natixis Intrinsic Growth Registered Fund
Natixis U.S. Dividend Plus Registered Fund
Natixis U.S. Growth Registered Fund
Natixis Global Equity Registered Fund
Natixis Canadian Preferred Share Registered Fund
Oakmark Natixis Registered Fund
Oakmark International Natixis Registered Fund
Natixis Canadian Bond Class
Loomis Sayles Global Diversified Corporate Bond Class
Natixis Strategic Balanced Class
Natixis Intrinsic Balanced Class
Natixis Canadian Dividend Class
Natixis Intrinsic Growth Class
Natixis U.S. Dividend Plus Class
Natixis U.S. Growth Class
Natixis Global Equity Class
Natixis Canadian Preferred Share Class
Oakmark Natixis Class
Oakmark International Natixis ClassPrincipal Regulator – Ontario
Type and Date:
Amendment #2 to Final Simplified Prospectus dated May 17, 2019
NP 11-202 Receipt dated May 22, 2019
Offering Price and Description:
–
Underwriter(s) or Distributor(s):
Natixis Investment Managers Canada LP.
NGAM Canada LP
Promoter(s):
N/A
Project #2768482

Issuer Name:
iShares ESG MSCI Canada Index ETF
iShares ESG MSCI USA Index ETF
iShares ESG MSCI EAFE Index ETF
iShares ESG MSCI Emerging Markets Index ETF
iShares ESG Canadian Aggregate Bond Index ETF
iShares ESG Canadian Short Term Bond Index ETFPrincipal Regulator – Ontario
Type and Date:
Amendment #1 to Final Long Form Prospectus dated May 16, 2019
NP 11-202 Receipt dated May 22, 2019
Offering Price and Description:
–
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #2865331

Issuer Name:
Maple Leaf Short Duration 2019 Flow-Through Limited Partnership – National Class
Principal Regulator – British Columbia
Type and Date:
Final Long Form Prospectus dated February 21, 2019
NP 11-202 Receipt dated May 22, 2019
Offering Price and Description:
Maple Leaf Short Duration 2019 Flow-Through Limited Partnership – National Class
$15,000,000 (Maximum)
(600,000 Maple Leaf Short Duration 2019 Flow-Through Limited Partnership – National Class Units)
$2,500,000 (Minimum)
(100,000 Maple Leaf Short Duration 2019 Flow-Through Limited Partnership – National Class Units
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
BMO Nesbitt Burns Inc.
GMP Securities L.P.
Industrial Alliance Securities Inc.
Canaccord Genuity Corp.
Desjardins Securities Inc.
Echelon Wealth Partners Inc.
Manulife Securities Incorporated
Raymond James Ltd.
Laurentian Bank Securities Inc.
Promoter(s):
Maple Leaf Short Duration Holdings Ltd.
Maple Leaf Short Duration 2019 Flow-Through Management Corp.
Project #2857352

Issuer Name:
Fidelity Sustainable World ETF
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated May 17, 2019
NP 11-202 Receipt dated May 22, 2019
Offering Price and Description:
Series L units
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #2901571

Issuer Name:
Fidelity American Equity Systematic Currency Hedged Fund
Fidelity Insights Systematic Currency Hedged Fund
Fidelity International Equity Central Fund
Fidelity Small Cap America Systematic Currency Hedged Fund
Fidelity Sustainable World ETF Fund
Fidelity U.S. Dividend Systematic Currency Hedged Fund
Fidelity Women's Leadership Fund
Fidelity Women's Leadership Systematic Currency Hedged Fund
Fildelity U.S. Focused Stock Systematic Currency Hedged Fund
Principal Regulator – Ontario
Type and Date:
Preliminary Simplified Prospectus dated May 17, 2019
NP 11-202 Receipt dated May 22, 2019
Offering Price and Description:
Series E2 units
Series S5 units
Series P3 units
Series P2T5 units
Series E1T5 units
Series S8 units
Series A units
Series B units
Series E3T5 units
Series O units
Series F8 units
Series P3T5 units
Series E2T5 units
Series P2 units
Series F5 units
Series E3 units
Series F units
Series T8 units
Series E1 units
Series P1 units
Series T5 units
Series P1T5 units
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #2901592

Issuer Name:
Capital Group Canadian Core Plus Fixed Income Fund (Canada)
Capital Group Canadian Focused Equity Fund (Canada)
Capital Group Capital Income Builder (Canada)
Capital Group Emerging Markets Total Opportunities Fund (Canada)
Capital Group Global Balanced Fund (Canada)
Capital Group Global Equity Fund (Canada)
Capital Group International Equity Fund (Canada)
Capital Group U.S. Equity Fund (Canada)
Capital Group World Bond Fund (Canada)
Principal Regulator – Ontario
Type and Date:
Combined Preliminary and Pro Forma Simplified Prospectus dated May 22, 2019
NP 11-202 Receipt dated May 23, 2019
Offering Price and Description:
Series A units
Series D units
Series T4 units
Series O units
Series I units
Series FH units
Series F units
Series F4 units
Series AH units
Series IH units
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #2905794

Issuer Name:
First Trust Cboe Vest U.S. Equity Buffer ETF – June
First Trust Cboe Vest U.S. Equity Deep Buffer ETF – June
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated May 17, 2019
NP 11-202 Receipt dated May 21, 2019
Offering Price and Description:
Hedged Units
Units
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #2918783

NON-INVESTMENT FUNDS

Issuer Name:
A&W Revenue Royalties Income Fund
Principal Regulator – British Columbia
Type and Date:
Preliminary Short Form Prospectus dated May 22, 2019
NP 11-202 Preliminary Receipt dated May 22, 2019
Offering Price and Description:
$65,043,000.00 – 1,460,000 Units
Underwriter(s) or Distributor(s):
CIBC WORLD MARKETS INC.
BMO NESBITT BURNS INC.
NATIONAL BANK FINANCIAL INC.
SCOTIA CAPITAL INC.
TD SECURITIES INC.
LAURENTIAN BANK SECURITIES INC.
CANACCORD GENUITY CORP.
HSBC SECURITIES (CANADA) INC.
GMP SECURITIES L.P.
RAYMOND JAMES LTD.
Promoter(s):
–
Project #2917753

Issuer Name:
Bell Canada
Principal Regulator – Quebec
Type and Date:
Preliminary Shelf Prospectus dated May 23, 2019
NP 11-202 Preliminary Receipt dated May 23, 2019
Offering Price and Description:
$5,000,000,000.00 – Debt Securities (UNSECURED)
Unconditionally guaranteed as to payment of principal, interest and other payment obligations by BCE Inc.
Underwriter(s) or Distributor(s):
–
Promoter(s):
–
Project #2920138

Issuer Name:
Blue Lagoon Resources Inc.
Principal Regulator – British Columbia
Type and Date:
Preliminary Long Form Prospectus dated May 21, 2019
NP 11-202 Preliminary Receipt dated May 22, 2019
Offering Price and Description:
4,030,500 Common Shares on Exercise of 4,030,500 Outstanding Special Warrants
Underwriter(s) or Distributor(s):
–
Promoter(s):
Rana Vig
Project #2919530

Issuer Name:
Breath of Life International Ltd.
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated May 23, 2019
NP 11-202 Preliminary Receipt dated May 24, 2019
Offering Price and Description:
$* – * Ordinary Shares
Underwriter(s) or Distributor(s):
BMO NESBITT BURNS INC.
SCOTIA CAPITAL INC.
Promoter(s):
–
Project #2920530

Issuer Name:
Castlebar Capital Corp.
Principal Regulator – British Columbia
Type and Date:
Amended and Restated CPC Prospectus dated May 23, 2019
Receipt dated May 27, 2019
Offering Price and Description:
$200,000.00
1,000,000 Common Shares
$0.20 per Common Share
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
Promoter(s):
Lucas Birdsall
Project #2845423

Issuer Name:
County Capital One Ltd.
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated May 24, 2019
NP 11-202 Receipt dated May 27, 2019
Offering Price and Description:
No securities are being offered pursuant to this prospectus
Underwriter(s) or Distributor(s):
–
Promoter(s):
–
Project #2903581

Issuer Name:
Enerplus Corporation
Principal Regulator – Alberta
Type and Date:
Final Shelf Prospectus dated May 23, 2019
NP 11-202 Receipt dated May 24, 2019
Offering Price and Description:
$2,000,000,000.00 – Common Shares, Preferred Shares, Warrants, Subscription Receipts, Units
Underwriter(s) or Distributor(s):
–
Promoter(s):
–
Project #2918312

Issuer Name:
HLS Therapeutics Inc.
Principal Regulator – Ontario
Type and Date:
Preliminary Short Form Prospectus dated May 21, 2019
NP 11-202 Preliminary Receipt dated May 21, 2019
Offering Price and Description:
C$43,500,000.00 – 2,718,750 Common Shares
Underwriter(s) or Distributor(s):
GMP SECURITIES L.P.
BLOOM BURTON SECURITIES INC.
CLARUS SECURITIES INC.
PI FINANCIAL CORP.
Promoter(s):
–
Project #2916872

Issuer Name:
Khiron Life Sciences Corp.
Principal Regulator – Ontario
Type and Date:
Final Short Form Prospectus dated May 22, 2019
NP 11-202 Receipt dated May 22, 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:
Leocor Ventures Inc.
Principal Regulator – British Columbia
Type and Date:
Final Long Form Prospectus dated May 24, 2019
NP 11-202 Receipt dated May 27, 2019
Offering Price and Description:
C$340,000.00
3,400,000 Common Shares at a price of C$0.10 per Common Share
Price: C$0.10 per Offered Share
Underwriter(s) or Distributor(s):
PI Financial Corp.
Promoter(s):
–
Project #2876937

Issuer Name:
Northview Apartment Real Estate Investment Trust
Principal Regulator – Alberta
Type and Date:
Preliminary Short Form Prospectus dated May 22, 2019
NP 11-202 Preliminary Receipt dated May 22, 2019
Offering Price and Description:
$75,040,000.00 – 2,800,000 Units
Underwriter(s) or Distributor(s):
CIBC WORLD MARKETS INC.
SCOTIA CAPITAL INC.
BMO NESBITT BURNS INC.
RBC DOMINION SECURITIES INC.
TD SECURITIES INC.
DESJARDINS SECURITIES INC.
ECHELON WEALTH PARTNERS INC.
NATIONAL BANK FINANCIAL INC.
RAYMOND JAMES LTD.
Promoter(s):
–
Project #2918351

Issuer Name:
Polymet Mining Corp.
Principal Regulator – Ontario
Type and Date:
Final Short Form Prospectus dated May 24, 2019
NP 11-202 Receipt dated May 24, 2019
Offering Price and Description:
US$265,000,000.00 Offering of Rights to subscribe for up to 682,813,838 Common Shares at a Subscription Price of US$0.3881 per Common Share
Underwriter(s) or Distributor(s):
–
Promoter(s):
–
Project #2912459

Issuer Name:
XAU Resources Inc.
Principal Regulator – Ontario
Type and Date:
Amended and Restated CPC Prospectus dated May 22, 2019
NP 11-202 Receipt dated May 23, 2019
Offering Price and Description:
Minimum Offering: $400,000.00 (4,000,000 common shares)
Maximum Offering: $600,000.00 (6,000,000 common shares)
Price: C$0.10 per Offered Share
Underwriter(s) or Distributor(s):
Hampton Securities Limited
Promoter(s):
Gairat Gary Bay
Project #2854162

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Name Change	From: Kingsdale Capital Markets Inc. To: Regent Capital Partners Inc.	Investment Dealer	April 9, 2019
Voluntary Surrender	Oakpoint Asset Management Inc.	Portfolio Manager	May 16, 2019
New Registration	VectorGlobal IAG Canada Inc.	Portfolio Manager	May 22, 2019
Voluntary Surrender	Les Conseillers En Valeurs Razorbill Inc. / Razorbill Advisors Inc.	Commodity Trading Manager	May 24, 2019

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Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.3 Clearing Agencies

13.3.1 CDCC – Proposed Amendments to Rule C-14 to Modify the Delivery Standards of the Five-Year Government of Canada Bond Future Contracts – OSC Staff Notice of Request for Comment

OSC STAFF NOTICE OF REQUEST FOR COMMENT

CANADIAN DERIVATIVES CLEARING CORPORATION (CDCC)

PROPOSED AMENDMENTS TO RULE C-14 TO MODIFY THE DELIVERY STANDARDS OF THE FIVE-YEAR GOVERNMENT OF CANADA BOND FUTURE CONTRACTS (CGF)

The Ontario Securities Commission is publishing for public comment amendments to CDCC Rule C-14 to modify the delivery standards of the five-year Government of Canada Bond Future contracts (CGF).

The amendments include changing the remaining maturity range of deliverable bonds from 4.25-5.25 years to 4.5-5.5 years and to reduce the minimum amount outstanding of deliverable bonds from C$3.5B to C$3B.

The comment period ends July 2, 2019.

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

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Chapter 25

Other Information

25.1 Approvals

25.1.1 Sigma Analysis & Management Ltd. – s. 213(3)(b) of the LTCA

Headnote

Paragraph 213(3)(b) of the Loan and Trust Corporations Act (Ontario) – application by manager, with no prior track record acting as trustee, for approval to act as trustee of mutual fund trusts and any future mutual fund trusts to be established and managed by the applicant and offered pursuant to a prospectus exemption.

Statutes Cited:

Loan and Trust Corporations Act, R.S.O. 1990, c. L.25, as am., s. 213(3)(b).

March 14, 2019

Norton Rose Fulbright Canada LLP
Royal Bank Plaza, South Tower, Suite 3800
200 Bay Street, P.O. Box 84,
Toronto, ON M5J 2Z4 Canada

Attention: Michael Bunn

Dear Sirs/Mesdames,

Re: Sigma Analysis & Management Ltd. (the Applicant)

Application pursuant to paragraph 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario) for approval to act as trustee

Application No. 2019/0032

Further to your application dated January 22, 2019 (the **Application**) filed on behalf of the Applicant and based on the facts set out in the Application and the representation by the Applicant that the assets of SPF Global Securitized Product Fund (the **Fund**) and any other future mutual fund trusts that the Applicant may establish and manage from time to time, the securities of which will be offered pursuant to prospectus exemptions, will be held in the custody of a trust company incorporated, and licensed or registered, under the laws of Canada or a jurisdiction, or a bank listed in Schedule I, II, or III of the *Bank Act* (Canada) or a qualified affiliate of such bank or trust company, the Ontario Securities Commission (the **Commission**) makes the following order:

Pursuant to the authority conferred on the Commission in paragraph 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario), the Commission approves the proposal that the Applicant act as trustee of the Fund and any other future mutual fund trusts that may be established and managed by the Applicant from time to time, the securities of which will be offered pursuant to prospectus exemptions.

Yours truly,

"Grant Vingoe"
Commissioner & Vice Chair
Ontario Securities Commission

"Tim Moseley"
Commissioner
Ontario Securities Commission

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