

The Ontario Securities Commission

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Chapter 1

Notices

1.4 Notices from the Office of the Secretary

1.4.1 CoinLaunch Corp.

FOR IMMEDIATE RELEASE
July 24, 2019

COINLAUNCH CORP.,
File No. 2019-23

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 CoinLaunch Corp.

A copy of the Order dated July 24, 2019, Settlement Agreement dated July 19, 2019 and Oral Reasons for Approval of Settlement dated July 24, 2019 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
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1.4.2 Ava Trade Ltd.

FOR IMMEDIATE RELEASE
July 24, 2019

AVA TRADE LTD.,
File No. 2019-18

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 Ava Trade Ltd.

A copy of the Order dated July 24, 2019, Settlement Agreement dated July 19, 2019 and Oral Reasons for Approval of a Settlement dated July 24, 2019 are available at www.osc.gov.on.ca.

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1.4.3 International Capital Markets Pty. Ltd.

**FOR IMMEDIATE RELEASE
July 25, 2019**

**INTERNATIONAL CAPITAL MARKETS PTY. LTD.,
File No. 2019-19**

TORONTO – Following a hearing held yesterday, the Commission issued an Order in the above named matter approving the Settlement Agreement reached between Staff of the Commission and International Capital Markets Pty. Ltd.

A copy of the Order dated July 25, 2019, Settlement Agreement dated July 19, 2019 and Reasons and Decision for Approval of a Settlement dated July 25, 2019 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
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1.4.4 Amendments to the Ontario Securities Commission Rules of Procedure and Forms and Practice Guideline as of July 23, 2019

**FOR IMMEDIATE RELEASE
July 25, 2019**

**AMENDMENTS TO
THE ONTARIO SECURITIES COMMISSION
RULES OF PROCEDURE AND FORMS AND PRACTICE
GUIDELINE AS OF JULY 23, 2019**

TORONTO – On July 23, 2019, the Ontario Securities Commission (OSC) approved amendments to the OSC *Rules of Procedure and Forms and Practice Guideline*. The amendments take effect immediately and apply to all proceedings before the Commission.

The *Rules of Procedure and Forms (Amendment as of July 23, 2019)* and the *Practice Guideline (Amendment as of July 23, 2019)* are available on the OSC's website at the link below and will be published in an upcoming issue of the OSC Bulletin.

The amendments clarify existing rules to advance the Rules' objective to ensure that OSC proceedings are conducted in a just, expeditious and cost-effective manner. To further facilitate this objective and improve accessibility, the OSC is also introducing new downloadable forms available on the OSC's website.

https://www.osc.gov.on.ca/en/Proceedings_tribunal_resources.htm

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Nasdaq CXC Limited

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief from the requirement to engage a qualified party to conduct an independent systems review and prepare a report in accordance with established audit standards – relief subject to updated management reviews of systems and controls similar in scope to that which would have applied to an independent systems review – National Instrument 21-101 Marketplace Operation. Request granted.

Applicable Legislative Provisions

National Instrument 21-101 Marketplace Operation, ss. 12.2, 15.1.

July 19, 2019

IN THE MATTER OF
THE SECURITIES LEGISLATION OF ONTARIO,
QUEBEC,
BRITISH COLUMBIA,
ALBERTA,
SASKATCHEWAN,
MANITOBA,
NOVA SCOTIA,
NEW BRUNSWICK,
PRINCE EDWARD ISLAND,
NEWFOUNDLAND AND LABRADOR,
NORTHWEST TERRITORIES,
NUNAVUT AND
YUKON
(the Jurisdictions)

AND

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

AND

IN THE MATTER OF
NASDAQ CXC LIMITED
(the Filer)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (**Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) for relief from the requirements in the Legislation that a qualified party be engaged to conduct an independent systems review in respect of the Nasdaq Fixed Income System (**NFI System**) operated by the Filer's U.S. affiliate Execution Access, LLC (**EA**) to which the Filer provides access to certain Canadian permitted clients, and prepare a report in accordance with established audit standards (collectively, an **ISR**) for 2019 and 2020 (the **Exemptive Relief Sought**).

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

- (a) the Ontario Securities Commission (**OSC**) is the principal regulator for this application, and
- (b) the decision is the decision of the principal regulator and evidences the decision of each other Decision Maker.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and National Instrument 21-101 *Marketplace Operation (NI 21-101)* have the same meaning if used in this Decision, unless otherwise defined.

Representations

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

1. The Filer is a corporation formed under the laws of Canada and is an indirect wholly-owned subsidiary of Nasdaq, Inc., a global holding company listed and publicly traded on NASDAQ;
2. The head office of the Filer is located in Toronto, Ontario;
3. The Filer is a recognized exchange in Ontario pursuant to a recognition order issued by the OSC on December 21, 2017, as most recently varied and amended on February 8, 2019 (the **Recognition Order**).
4. The Filer is exempt from recognition as an exchange in all the Jurisdictions other than Ontario pursuant to an exemption order issued by Québec's Autorité des marchés financiers on February 19, 2018 (the **Exemption Order**). The Filer operates an exchange (the **Nasdaq Canada Exchange**) in the Jurisdictions pursuant to the Recognition Order and Exemption Order;
5. EA is a Delaware limited liability company registered with the U.S. Securities and Exchange Commission (**SEC**) as a broker-dealer and is a member organization of the Financial Industry Regulatory Authority (FINRA). EA operates the Nasdaq Fixed Income trading system (**NFI System** or the **Fixed Income System**), a platform for the trading of fixed income securities in the United States. The NFI System is registered as an alternative trading system (**ATS**) with the SEC;
6. Pursuant to the Recognition Order, the Filer separately provides Canadian "permitted clients" as that term is defined in National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations (Canadian Fixed Income Customers)* access to the NFI System operated by EA for purposes of trading non-Canadian fixed income securities, as described in the Filer's Form 21-101F1 – *Information Statement - Exchange or Quotation and Trade Reporting System*, as amended from time to time;
7. Orders transmitted by a Canadian Fixed Income Customer for a fixed income security traded in the United States are routed by the Filer to the NFI System. EA is responsible for the execution of such trades on the NFI System. The Filer does not execute these trades or operate the NFI System;
8. The OSC is the Filer's principal regulator pursuant to subsection 3.6(3)(b) of National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* because the Filer's head office is located in Ontario;
9. Nasdaq, Inc. is the ultimate parent company of EA and of the Filer;
10. EA and the NFI System are subject to robust regulation in their home jurisdiction;
11. For each of the NFI System systems that support order entry, order execution, trade reporting, trade comparison, data feeds, market surveillance, and trade clearing (collectively, the **Specified Systems**), EA has developed and maintains:
 - reasonable business continuity and disaster recovery plans;
 - an adequate system of internal control over those systems; and
 - adequate information technology general controls, including without limitation, controls relating to information systems operations, information security, change management, problem management, network support, and system software support;
12. For each system (**Auxiliary System**) that shares network resources with one or more of the NFI System Specified Systems that, if breached, would pose a security threat to one or more of the Specified Systems, EA has developed

and maintains an adequate system of information security controls that relate to the security threats posed to any Specified System;

13. In accordance with prudent business practice, on a reasonably frequent basis and, in any event, at least annually, in respect of the NFI System, EA:
 - makes reasonable current and future capacity estimates;
 - conducts capacity stress tests to determine the ability of those systems to process transactions in an accurate, timely, and efficient manner;
 - tests its business continuity and disaster recovery plans; and
 - reviews the vulnerability of the Fixed Income System and data centre operations to internal and external threats including physical hazards and natural disasters;
14. The current trading and order entry volumes in the Fixed Income System are less than 25 percent of the current design and peak capacity of the Fixed Income System and neither the Filer nor EA has experienced any failure of the Fixed Income System;
15. The estimated cost of an annual independent systems review of the NFI System, including NFI Auxiliary Systems, by a qualified third party would represent a significant portion of EA's annual net income derived from Canadian Fixed Income Customers;
16. The Fixed Income System is monitored 24 hours a day, 7 days a week to ensure that all components continue to operate and remain secure;
17. The Filer shall promptly notify the OSC of any failure to comply with the representations set out herein;
18. The cost of an ISR is prejudicial to EA and represents a disproportionate impact on EA's revenue; and
19. The Filer is not in default of the Legislation.

Decision

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

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

1. The Filer shall promptly notify the OSC of any material changes to the representations set out herein, including any material changes to EA's annual net income or to the market share or daily transaction volume of the Fixed Income System; and
2. The Filer shall, in the years 2019 and 2020, cause the Nasdaq Independent Audit Department to complete a review of the Fixed Income System and of its controls, including Auxiliary Systems, similar in scope to that which would have applied had an independent systems review been conducted in respect of the Fixed Income System, for ensuring it continues to comply with the representations set out herein and shall prepare written reports of the Nasdaq Independent Audit Department's reviews which shall be filed with staff of the OSC no later than (i) 30 days after such reports are provided to the Filer's board of directors or audit committee, or (ii) the 60th day after the calendar year end.

"Susan Greenglass"
Director, Market Regulation
Ontario Securities Commission

2.1.2 123Dentist Corporation and 123Dentist Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief from the formal take-over bid and issuer bid requirements of National Instrument 62-104 Take-Over Bids and Issuer Bids and the requirements related to insider bids and issuer bids in Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions in connection with acquisitions of shares of the filers – the filers are not reporting issuers and there is no published market for the filers' shares – if certain shareholders were treated as employees, the number of holders of each class of shares, exclusive of employees, would be fewer than 50 and the non-reporting issuer exemptions from the take-over bid and issuer bid requirements would be available – such shareholders devote a substantial amount of time to the business of the filer and are akin to employees – requested relief granted, subject to conditions consistent with the premise of the non-reporting issuer exemptions.

Applicable Legislative Provisions

National Instrument 62-104 Take-Over Bids and Issuer Bids, Part 2, s. 6.1.
Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions, Parts 2-3, s. 9.1.

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
123DENTIST CORPORATION
(123 Corp)

AND

123DENTIST INC.
(123 Inc., and collectively with 123Corp, the Filers)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filers for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that the take-over bid and issuer bid requirements set out in Part 2 of National Instrument 62-104 *Take-Over Bids and Issuer Bids* (**NI 62-104**) and the requirements related to insider bids and issuer bids set out in Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* do not apply to acquisitions (the **Subject Transactions**) of common shares (**123Corp Common Shares**) and convertible preferred shares (**123Corp Convertible Preferred Shares**, and collectively with 123Corp Common Shares, the **123Corp Shares**), respectively of 123Corp and common shares (**123Inc. Common Shares**) and partner shares (**123Inc. Partner Shares**, and collectively with 123Inc. Common Shares, the **123Inc. Shares**), respectively, of 123Inc. (the **123Inc. Shares**, collectively with the 123Corp Shares, the **Shares**, and such decision, 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 Filers have provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* ("**MI 11-102**") is intended to be relied upon in all provinces and territories of Canada other than Ontario.

Interpretation

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

Representations

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

1. Each Filer was incorporated under the *Canada Business Corporations Act* on April 17, 2017.
2. The registered office of each Filer is located at 40 King Street, West, Suite 5800, Toronto, Ontario M5H 3S1.
3. Each Filer is not, and has never been, a reporting issuer, or its equivalent, in any of the provinces or territories of Canada and is not in breach of any requirement of applicable securities laws.
4. 123Corp's authorized share capital consists of an unlimited number of 123Corp Common Shares and an unlimited number of 123Corp Convertible Preferred Shares, of which 84,691,631.50 123Corp Common Shares and 24,805,849 123Corp Convertible Preferred Shares are issued and outstanding as of June 26, 2019.
5. Each 123Corp Common Share and 123Corp Convertible Preferred Share is entitled to one vote in respect of all matters voted on by the shareholders, except as provided for in the Shareholders Agreement (as defined below).
6. The 123Corp Common Shares are held by an aggregate of 87 holders, of which 28 are members of 123 Corp's management, employees and founders (which includes 25 employees), 51 are Dental Principals (as defined below), and 8 are not "insiders" of 123Corp, as such term is defined under subsection 1(1) of the *Securities Act* (Ontario)(the **Act**). The 123Corp Convertible Preferred Shares are all held by a single arm's length third party and is a party to the Shareholders Agreement.
7. As a condition to acquiring any 123Corp Shares, each holder is required to become a party to, and agree to be subject to the terms and conditions of, a unanimous shareholder agreement (the Shareholder Agreement). The Shareholder Agreement provides, among other things, certain rights in respect of the sale of the Business (as defined below), including customary piggy-back and drag-along rights that restrict and govern the transfer of 123Corp Shares.
8. 123Inc.'s authorized share capital consists of an unlimited number of 123Inc. Common Shares and an unlimited number of 123Inc. Partner Shares, of which 35,056,200 123Inc. Common Shares and 19,623,133 123Inc. Partner Shares are issued and outstanding as of June 26, 2019.
9. The 123Inc. Common Shares are the only voting shares of 123Inc., all of which are held by 123Corp. The 123Inc. Partner Shares are non-voting and are held exclusively by an aggregate of 39 Dental Principals.
10. 123Inc. Partner Shares are only issued to Dental Principals. The 123Inc. Partner Shares are issuable in series and each series relates to a specific dental practice. Holders of 123Inc. Partner Shares are entitled only to dividends equal to a percentage of net income related to a specific dental practice, which enable such holders to a stream of profit sharing in addition to the income earned under a Professional Services Agreement (as defined below).
11. As a condition of acquiring 123Inc. Partner Shares, each Dental Principal is required to enter into a buy-back agreement with 123Inc. (a **Buy-Back Agreement**). Each Buy-Back Agreement provides that 123Inc. will buy and the Dental Principal will sell the 123Inc. Partner Shares held by such Dental Principal based on a formula in certain prescribed circumstances, including the Dental Principal ceasing to perform his or her duties under the Professional Services Agreement, and the Dental Principal's death or disability.
12. The Filers are affiliates of each other pursuant to subsection 1(2) of the Act.
13. In connection with a Dental Principal's sale of an existing dental business and the acquisition by 123Inc. of the hygiene and healthcare portion of that dental business (a **Dental Healthcare Endeavour**), an individual dentist or their holding entity (as defined in National Instrument 45-106 - *Prospectus Exemptions*) (a **Dental Principal**) may receive as consideration one or any combination of 123Corp Common Shares, 123Inc. Partner Shares and cash. 123Inc. does not acquire the portion of the existing dental business that relates to the professional practice of dentistry (the **Professional Dental Endeavour**) which is at all times owned by the applicable registered dentist and operated independently and with full autonomy and control by such individual, free from any influence or interference whatsoever by the Filers.

14. With respect to each Dental Healthcare Endeavour:
 - (a) 123Inc. provides:
 - (i) support for the business, management, human resources and administrative aspects of the business operations of the Dental Healthcare Endeavour; and
 - (ii) hygiene and non-regulated healthcare services that are typically provided at or in conjunction with the Professional Dental Endeavour (but which are not professional dentistry services) (the **Healthcare Services**),

(collectively, the **Business**);
 - (b) the Dental Principal undertakes, on behalf of the 123Inc., the delivery or supervision of Healthcare Services.
15. Currently, 123Inc. directly or indirectly conducts the Business at Dental Healthcare Endeavours in the provinces of Ontario, Alberta, British Columbia, Manitoba and Quebec.
16. The relationship between each Dental Principal and 123Inc. in respect of a Dental Healthcare Endeavour is governed by the terms of a professional services agreement that is entered into between, *inter alia*, the Dental Principal and 123Inc. (a **Professional Services Agreement**).
17. Each Dental Principal has entered into a Professional Services Agreement. Pursuant to the terms of the Professional Services Agreement, the Dental Principal:
 - (a) provides, or in the case of a delegated service, supervises, the provision of Healthcare Services, with a view to enhancing and improving the relationship between the Dental Healthcare Endeavour and its clients;
 - (b) supports the interests of 123Inc. in the operation of the Business; and
 - (c) ensures that the Dental Healthcare Endeavour operates in accordance with work place policies, practices and guidelines established by 123Inc.
18. Each Professional Services Agreement provides the relevant Dental Principal with a percentage of the revenue derived from the Dental Healthcare Endeavour and the Professional Dental Endeavour carried on by the relevant Dental Principal.
19. Due to certain legal requirements in respect of the professional practice of dentistry in Canada, the Dental Principals are not employees of 123Inc. and operate as independent contractors.
20. Each Dental Principal:
 - (a) is provided with the 123Corp's annual audited financial statements;
 - (b) has the right, under their Professional Services Agreement, to access the books and records of the applicable Dental Healthcare Endeavour; and
 - (c) is invited to attend an annual meeting of Dental Principals during which 123Corp provides detailed information regarding the Business and the Filers' financial and operating results,

(collectively, the **Information and Access Rights**).
21. Sections 4.3 and 4.9 of NI 62-104 provide exemptions (the **Exemptions**) from the take-over bid and issuer bid requirements set out in Part 2 of NI 62-104 (the **Take-over Bid and Issuer Bid Requirements**) in respect of a non-reporting issuer if:
 - (a) the offeree issuer is not a reporting issuer;
 - (b) there is no published market for the securities that are the subject of the bid; and
 - (c) the number of security holders of that class of securities at the commencement of the bid is not more than 50, exclusive of holders who (i) are in the employment of the offeree issuer or an affiliate of the offeree issuer, or (ii) were formerly in the employment of the offeree issuer or in the employment of an entity that was an affiliate

of the offeree issuer at the time of that employment, and who while in that employment were, and have continued after that employment to be, security holders of the offeree issuer.

22. As 123Corp has more than 50 holders of 123Corp Common Shares (including 49 Dental Principals) that are not current or former employees of 123Corp or an affiliate thereof, the Exemptions are not available in respect of the Subject Transactions.
23. As it is expected that over the coming years 123Inc. will have more than 50 holders of the 123Inc. Partner Shares, all of whom are expected to be Dental Principals that are not current or former employees of the 123Inc. or an affiliate thereof, the Exemptions will not be available in respect of the Subject Transactions.
24. Given that (i) neither Filer is a reporting issuer, or its equivalent, in any of the provinces or territories of Canada, and (ii) there is no published market in respect of the Shares, if the Dental Principals were treated in the same manner as employees of 123Inc.,
 - (a) the number of holders of each class of 123Inc. Shares, exclusive of current and former employees of 123Inc., would be fewer than 50, and the Subject Transactions applicable to the 123Inc. Shares would be exempt from the Take-over Bid and Issuer Bid Requirements; and
 - (b) the number of holders of each class of 123Corp Shares, exclusive of current and former employees of an affiliate of 123Corp, would be fewer than 50, and the Subject Transactions applicable to the 123Corp Shares would be exempt from the Take-over Bid and Issuer Bid Requirements.

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, at the time of each Subject Transfer:

- (a) neither Filer is a reporting issuer;
- (b) there is no published market for the applicable class of Shares;
- (c) the Filers are affiliates of each other pursuant to subsection 1(2) of the Act;
- (d) the Information and Access Rights have been and are being fulfilled by the Filers; and
- (e) the number of holders of the applicable class of Shares is not more than 50, exclusive of holders who:
 - (i) are in the employment of the relevant Filer or an affiliate of the relevant Filer;
 - (ii) were formerly in the employment of the relevant Filer or in the employment of an entity that was an affiliate of the relevant Filer at the time of that employment, and who while in that employment were, and have continued after that employment to be, security holders of the relevant Filer;
 - (iii) are Dental Principals who have entered into a Professional Services Agreement; or
 - (iv) were formerly Dental Principals who had entered into a Professional Services Agreement, and have continued to be security holders of the relevant Filer.

Dated at Toronto this 29th day of July, 2019.

“Winnie Sanjoto”
Manager
Corporate Finance Branch
Ontario Securities Commission

2.1.3 1832 Asset Management L.P. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted to open-ended mutual fund trusts for extensions of the lapse date of their prospectus – Filer will incorporate offering of the mutual funds under the same offering documents as related family of funds when they are renewed – Extension of lapse date will not affect the currency or accuracy of the information contained in the current prospectus.

Applicable Legislative Provisions

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

July 15, 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
1832 ASSET MANAGEMENT L.P.
(the Filer)

AND

1832 AM INVESTMENT GRADE U.S. CORPORATE
BOND POOL
SCOTIA PRIVATE DIVERSIFIED INTERNATIONAL
EQUITY POOL
SCOTIA PRIVATE INTERNATIONAL GROWTH EQUITY
POOL
SCOTIA ARIA EQUITY BUILD PORTFOLIO
SCOTIA ARIA EQUITY DEFEND PORTFOLIO
SCOTIA ARIA EQUITY PAY PORTFOLIO
(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 limits for the renewal of the simplified prospectus of the Funds dated October 9, 2018 (the **Current Prospectus**) be extended to those time limits that would be applicable as if the lapse date of the Current Prospectus was November 9, 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 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 **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. Each Fund is an open-ended mutual fund trust governed by the laws of Ontario and is a reporting issuer as defined in the securities legislation of each of the Jurisdictions.
2. Each Fund currently distributes its securities in the Jurisdictions pursuant to the Current Prospectus.
3. The lapse date of the Current Prospectus under the Legislation is October 9, 2019 (the **Current Lapse Date**). Accordingly, under the Legislation, the distribution of securities of a Fund would have to cease on the Current Lapse Date unless: (i) the Fund files a *pro forma* simplified prospectus at least 30 days prior to its Current Lapse Date; (ii) the final simplified prospectus is filed no later than 10 days after its Current Lapse Date; and (iii) a receipt for the final simplified prospectus is obtained within 20 days after its Current Lapse Date.
4. The Filer is the manager of the Funds. The Filer is also the manager of 97 other mutual funds (collectively, the **Other Funds**), that are currently offered in each of the provinces and territories of Canada under a simplified prospectus with a lapse date of November 9, 2019 (the **Other Funds Prospectus**).
5. The Filer is an Ontario limited partnership, which is wholly-owned, indirectly, by The Bank of Nova Scotia (**BNS**). The general partner of the Filer is 1832 Asset Management G.P. Inc., an Ontario corporation wholly-owned directly by BNS with its head office in Ontario.
6. The Filer is registered as: (i) a portfolio manager in all of the provinces of Canada and in the

- Northwest Territories and the Yukon; (ii) an exempt market dealer in all of the provinces of Canada (except Prince Edward Island and Saskatchewan); (iii) an investment fund manager in Ontario, Québec, Newfoundland and Labrador and the Northwest Territories; and (iv) a commodity trading manager in Ontario.
7. Neither the Filer nor any of the Funds is in default of securities legislation in any of the Jurisdictions.
8. The Filer wishes to combine the simplified prospectus of the Funds with the simplified prospectus of the Other Funds in order to reduce renewal, printing and related costs. Offering the Funds and the Other Funds under one prospectus would facilitate the distribution of such funds in the 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 and are part of the same fund family, offering them under the same prospectus will allow investors to more easily compare their features.
9. It would be impractical to alter and modify all the dedicated systems, procedures and resources required to prepare the renewal simplified prospectus, annual information form and fund facts documents (collectively, the **Renewal Documents**) of the Other Funds, and unreasonable to incur the costs and expenses associated therewith, so that the Renewal Documents of the Other Funds can be filed earlier with the Renewal Documents of the Funds.
10. The Filer may make minor changes to the features of the Other Funds as part of the process of renewing the Other Funds Prospectus. The ability to file the simplified prospectus of the Funds with those of the Other Funds will ensure that the Filer can make the operational and administrative features of the Funds and the Other Funds consistent with each other, if necessary.
11. If the Exemption Sought is not granted, it will be necessary to renew the Renewal Documents of the Funds twice within a short period of time in order to consolidate the simplified prospectus of the Funds with the simplified prospectus of the Other Funds.
12. There have been no material changes in the affairs of the Funds since the date of the Current Prospectus. Accordingly, the Current Prospectus and current fund facts document(s) of each Fund represents current information regarding such Fund.
13. Given the disclosure obligations of the Funds, should any material change in the affairs of any of the Funds occur, the Current Prospectus and current fund facts document of the applicable

Fund(s) will be amended as required under the Legislation.

14. New investors of the Funds will receive delivery of the most recently filed fund facts documents of the applicable Fund(s). The Current Prospectus will still be available upon request.
15. The Exemption Sought will not affect the accuracy of the information contained in the Current Prospectus or the respective fund facts documents 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.

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

2.1.4 4Front Corp.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Issuer granted relief from certain restricted security requirements under National Instrument 41-101 General Prospectus Requirements, National Instrument 44-101 Short Form Prospectus Distributions, and National Instrument 51-102 Continuous Disclosure Obligations – Relief granted subject to conditions.

OSC Rule 56-501 Restricted Shares – Issuer granted relief from certain restricted share requirements under OSC Rule 56-501 – Relief granted subject to conditions.

Applicable Legislative Provisions

National Instrument 41-101 General Prospectus Requirements, ss. 12.2(3), 12.2(4), 12.3, and 19.1.

Form 41-101F1 Information Required in a Prospectus, s. 1.13(1).

National Instrument 44-101 Short Form Prospectus Distributions, s. 8.1.

Form 44-101F1 Short Form Prospectus, s. 1.12(1).

National Instrument 51-102 Continuous Disclosure Obligations, ss. 10.1(1)(a), 10.1(2), 10.1(4), 10.1(6), and 13.1.

OSC Rule 56-501 Restricted Shares, ss. 2.3(1)(1.), 2.3(1)(3.), 2.3(2), 3.2 and s. 4.2.

July 30, 2019

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(THE “JURISDICTION”)

- AND -

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

- AND -

IN THE MATTER OF
4FRONT CORP.
(THE “FILER”)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of 4Front Ventures Corp. (the “**Resulting Issuer**”), a successor reporting issuer to Cannex Capital Holdings Inc. (“**Cannex**”), for a decision under the securities legislation of the Jurisdiction

of the principal regulator (the “**Legislation**”) that the requirements under:

- (a) subsections 12.2(3) and 12.2(4) of National Instrument 41-101 *General Prospectus Requirements* (“**NI 41-101**”), relating to the use of restricted security terms, and subsection 1.13(1) of Form 41-101F1 *Information Required in a Prospectus* and subsection 1.12(1) of Form 44-101F1 *Short Form Prospectus*, relating to restricted security disclosure, shall not apply to the Class B proportionate voting shares of the Resulting Issuer (the “**Proportionate Voting Shares**”) in connection with any prospectus that may be filed by the Resulting Issuer under NI 41-101, National Instrument 44-101 *Short Form Prospectus Distributions*, National Instrument 44-102 *Shelf Distributions* or National Instrument 44-103 *Post-Receipt Pricing* (the “**Prospectus Disclosure Exemption**”);
- (b) section 12.3 of NI 41-101 relating to prospectus filing eligibility for distributions of restricted securities shall not apply to distributions by the Resulting Issuer of Subordinate Voting Shares (as defined below), Proportionate Voting Shares, Multiple Voting Shares (as defined below), Resulting Issuer Proportionate Share Options (as defined below), Resulting Issuer Subordinate Share Options (as defined below), Resulting Issuer NH Warrants (as defined below), Resulting Issuer Cannex Warrants (as defined below), Resulting Issuer Cannex Notes (as defined below), and any other securities of the Resulting Issuer, on a go-forward basis, that are directly or indirectly convertible into, or exercisable or exchangeable for, Subordinate Voting Shares or Proportionate Voting Shares (the “**Prospectus Eligibility Exemption**”);
- (c) subsections 10.1(1)(a), 10.1(2), 10.1(4) and 10.1(6) of National Instrument 51-102 *Continuous Disclosure Obligations* relating to the use of restricted security terms and restricted security disclosure shall not apply to the Proportionate Voting Shares in connection with continuous disclosure documents that may be prepared by the Resulting Issuer under NI 51-102 (the “**CD Disclosure Exemption**”);
- (d) subsections 2.3(1)(1.), 2.3(1)(3.) and 2.3(2) of Ontario Securities Commission Rule 56-501 Restricted Shares (“**OSC**”

Rule 56-501") relating to the use of restricted share terms and restricted share disclosure shall not apply to the Proportionate Voting Shares in connection with dealer and adviser documentation, rights offering circulars and offering memoranda of the Resulting Issuer (the "**OSC Rule 56-501 Disclosure Exemption**"); and

- (e) subsection 3.2 of OSC Rule 56-501 relating to the withdrawal of prospectus exemptions for distributions of restricted shares shall not apply to distributions by the Resulting Issuer of Subordinate Voting Shares (as defined below), Proportionate Voting Shares, Multiple Voting Shares (as defined below), Resulting Issuer Proportionate Share Options (as defined below), Resulting Issuer Subordinate Share Options (as defined below), Resulting Issuer NH Warrants (as defined below), Resulting Issuer Cannex Warrants (as defined below), Resulting Issuer Cannex Notes (as defined below), and any other securities of the Resulting Issuer, on a go-forward basis, that are directly or indirectly convertible into, or exercisable or exchangeable for, Subordinate Voting Shares or Proportionate Voting Shares (the "**OSC Rule 56-501 Withdrawal Exemption**" and, together with the Prospectus Disclosure Exemption, the Prospectus Eligibility Exemption, the CD Disclosure Exemption and the OSC Rule 56-501 Disclosure Exemption, 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 provinces and territories of Canada (other than with respect to the OSC Rule 56-501 Disclosure Exemption and the OSC Rule 56-501 Withdrawal Exemption), which, pursuant to subsection 8.2(2) of National Policy 11-202 *Process for Prospectus Reviews in Multiple Jurisdictions* and subsection 5.2(6) of National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions*, also satisfies the notice requirement of subsection 4.7(1)(c) of MI 11-102.

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 was incorporated under the laws of the State of Nevada on February 14, 2019. The Filer was continued out of Nevada and into British Columbia on July 26, 2019 and exists under the Business Corporations Act (British Columbia) (the "**BCBCA**").
2. Cannex is a corporation existing under the laws of the Province of British Columbia. Cannex is a reporting issuer in the provinces of Ontario, Alberta and British Columbia. Cannex has two classes of shares issued and outstanding: Common shares (the "**Cannex Common Shares**") and Class A restricted voting shares (the "**Cannex Class A Shares**"). The Cannex Common Shares are listed for trading on the Canadian Securities Exchange (the "**CSE**") under the symbol "CNNX".
3. 4Front Holdings LLC ("**4Front Holdings**") is a limited liability company formed under the laws of the State of Delaware on August 29, 2016.
4. 1196260 B.C. Ltd. ("**BC Newco**") is a corporation incorporated under the laws of the province of British Columbia on February 1, 2019.
5. On March 1, 2019, the Filer, Cannex, 4Front Holdings and BC Newco entered into a business combination agreement (the "**Business Combination Agreement**") in connection with the proposed business combination transaction (the "**Transaction**") involving such parties pursuant to which, among other things, the Filer and BC Newco will amalgamate to form the Resulting Issuer. A summary of the Transaction and the Business Combination Agreement can be found in the management information circular of Cannex dated March 19, 2019 (the "**Cannex Circular**") and filed on Cannex's SEDAR profile. The Business Combination Agreement was amended on each of May 29, 2019 and July 29, 2019 to, among other things, extend the outside date for closing the Transaction to November 30, 2019 and make minor adjustments to the Resulting Issuer's share capitalization figures, respectively.
6. It is a condition of closing the Transaction that the Class A subordinate voting shares of the Resulting Issuer (the "**Subordinate Voting Shares**") be listed for trading on the CSE.

7. The businesses of Cannex and 4Front Holdings will be combined through a plan of arrangement (the “**Plan of Arrangement**”).
8. In advance of the effective time of the Plan of Arrangement (the “**Effective Time**”), the Filer, 4Front Holdings, and other related companies conducted a pre-closing reorganization through a series of transactions (the “**Pre-Arrangement Transactions**”) pursuant to which the Filer indirectly acquired the outstanding units of 4Front Holdings and the securityholders of 4Front Holdings and two of its shareholders, 4Front Ventures Corp. and 4Front Can/Am InvestCo Inc., became securityholders of the Filer.
9. Immediately prior to the Effective Time, the Filer will have three classes of shares: Class A subordinate voting shares, Class B proportionate voting shares and Class C multiple voting shares, each of which will have the same terms and conditions as the proposed shares of the Resulting Issuer (as described below).
10. Pursuant to the Plan of Arrangement, the Filer will amalgamate with BC Newco to form 4Front Ventures Corp., the Resulting Issuer (the “**Amalgamation**”).
11. The Resulting Issuer will have three classes of shares: Subordinate Voting Shares, Proportionate Voting Shares and Class C multiple voting shares (the “**Multiple Voting Shares**”), the terms of which are described below. Upon completion of the Transaction, the Resulting Issuer will have 1,276,208 Multiple Voting Shares issued and outstanding, 5,114,591 Proportionate Voting Shares issued and outstanding, and 120,408,927 Subordinate Voting Shares issued and outstanding (in each case, assuming no convertible securities are exercised from the date of this decision to the time of completion of the Transaction).
12. The Subordinate Voting Shares will be “equity securities”, as defined in NI 41-101 and NI 51-102, and “equity shares”, as defined in OSC Rule 56-501. The Subordinate Voting Shares will be “restricted securities”, as defined in NI 41-101 and NI 51-102, and “restricted shares”, as defined in OSC Rule 56-501, because both the Multiple Voting Shares and the Proportionate Voting Shares will carry a greater number of votes per security relative to the Subordinate Voting Shares.
13. The Proportionate Voting Shares will be “equity securities”, as defined in NI 41-101 and NI 51-102, and “equity shares”, as defined in OSC Rule 56-501. The Proportionate Voting Shares will be “restricted securities”, as defined in NI 41-101 and NI 51-102, and “restricted shares”, as defined in OSC Rule 56-501, because the Multiple Voting Shares will carry a greater number of votes per security relative to the Proportionate Voting Shares.
14. Upon completion of the Amalgamation, the Resulting Issuer will issue to each holder of securities of the Filer the same number and class of securities held by such holder immediately prior to the Effective Time of the Plan of Arrangement.
15. In addition, upon completion of the Amalgamation, the Resulting Issuer will issue to each holder of the options and warrants of the Filer the same number and class of securities held by such holder in immediately prior to the Effective Time of the Plan of Arrangement. Such options of the Resulting Issuer (each a “**Resulting Issuer Proportionate Share Option**”) will be convertible into Proportionate Voting Shares of the Resulting Issuer. Such warrants of the Resulting Issuer (each, a “**Resulting Issuer NH Warrant**”) will be convertible into Subordinate Voting Shares of the Resulting Issuer.
16. Under the Plan of Arrangement, the holders of securities of Cannex will also exchange their securities for securities of the Resulting Issuer, substantially as follows:
 - (a) each Cannex Common Share and Cannex Class A Share outstanding immediately prior to the Effective Time will be exchanged for Subordinate Voting Shares and Proportionate Voting Shares, respectively, on the basis of the Cannex share exchange ratio contemplated in the Plan of Arrangement (the “**Cannex Share Exchange Ratio**”);
 - (b) each warrant issued by Cannex outstanding immediately prior to the Effective Time will be exchanged for a substantially similar warrant of the Resulting Issuer (each a “**Resulting Issuer Cannex Warrant**”), adjusted in accordance with the Cannex Share Exchange Ratio;
 - (c) each convertible note issued by Cannex (each a “**Cannex Note**”) outstanding immediately prior to the Effective Time will be exchanged for a note of the Resulting Issuer (each a “**Resulting Issuer Cannex Note**”) in accordance with the Plan of Arrangement, adjusted in accordance with the Cannex Share Exchange Ratio;
 - (d) each option issued by Cannex to purchase Cannex Common Shares and each option issued by Cannex to purchase Cannex Class A Shares outstanding immediately prior to the Effective Time will be exchanged for a Resulting Issuer subordinate share

option (each a “**Resulting Issuer Subordinate Share Option**”) and a Resulting Issuer proportionate share option (each a “**Resulting Issuer Proportionate Share Option**”), respectively, in each case adjusted in accordance with the Cannex Share Exchange Ratio.

Instrument 61-101 *Protection of Minority Securityholders in Special Transactions* (“**MI 61-101**”); and

17. The Transaction will be effected by the Plan of Arrangement under the BCBCA and was subject to approval by the Supreme Court of British Columbia, which was obtained on July 30, 2019.

(g) a simple majority of the votes cast by holders of Cannex Class A Shares, excluding the votes of Cannex Class A Shares held or controlled by “interested parties” as defined in MI 61-101.

18. The Transaction was also subject to the following approvals of the holders of Cannex Common Shares, Cannex Class A Shares and Cannex Notes at a meeting of the shareholders and noteholders of Cannex, which was held on April 18, 2019 (the “**Cannex Meeting**”):

19. The Cannex Circular was mailed to shareholders and noteholders of Cannex on March 25, 2019. The Cannex Circular disclosed the approvals that would be sought at the Cannex Meeting. The Cannex Circular complied with the disclosure requirements with respect to an information circular related to: (a) restricted shares set out in subsection 3.2(1)(e) of OSC Rule 56-501; and (b) restricted securities set out in subsection 12.3(2) of NI 41-101. As disclosed in the Cannex Circular, to the best of the knowledge of management of Cannex and the Cannex board of directors, there were no affiliates of Cannex that beneficially owned any securities of Cannex and there was no “control person” of Cannex (as contemplated in OSC Rule 56-501 and Part 12 of NI 41-101) and, accordingly, there were no securities of Cannex which were not be counted for the purposes of the approval set out in representation 18(d) above. The Transaction received all of the approvals set out in representation 18 above at the Cannex Meeting.

(a) 66⅔% of the votes cast on the resolution to approve the Cannex component of the Transaction (the “**Cannex Component of the Business Combination Resolution**”) by holders of Cannex Class A Shares present in person or by proxy at the Cannex Meeting voting as a class pursuant to subsection 289(1)(b) of the BCBCA;

20. In addition, the Transaction was subject to the following approvals of holders of shares of the Filer, as well as those persons entitled to acquire shares of the Filer pursuant to the Pre-Arrangement Transactions (collectively, the “**Filer Shareholders**”), at a meeting of the Filer Shareholders, which was convened on the morning of July 26, 2019, adjourned until the afternoon of July 26, 2019, and completed on the afternoon of July 26, 2019 (the “**Filer Meeting**”):

(b) 66⅔% of the votes cast on the Cannex Component of the Business Combination Resolution by holders of Cannex Common Shares present in person or by proxy at the Cannex Meeting voting as a class pursuant to subsection 289(1)(b) of the BCBCA;

(a) 66⅔% of the votes cast by the holders of the Filer’s subordinate voting shares, present in person or represented by proxy at the Filer Meeting, voting separately by class pursuant to subsection 289(1)(b) of the BCBCA;

(c) 66⅔% of the votes cast on the Cannex Component of the Business Combination Resolution by holders of Cannex Class A Shares and Cannex Common Shares present in person or by proxy at the Cannex Meeting voting together pursuant to subsection 289(1)(a) of the BCBCA;

(b) 66⅔% of the votes cast by the holders of the Filer’s proportionate voting shares, present in person or represented by proxy at the Filer Meeting, voting separately by class pursuant to subsection 289(1)(b) of the BCBCA;

(d) the majority of votes cast by minority shareholders of Cannex, as contemplated by OSC Rule 56-501 and NI 41-101;

(e) a majority in number of the Cannex noteholders who represent at least 75% in value of the issued and outstanding Cannex Notes or class of noteholders pursuant to subsection 289(1)(d) of the BCBCA;

(c) 66⅔% of the votes cast by the holders of the Filer’s multiple voting shares, present in person or represented by proxy at the Filer Meeting, voting separately by class

(f) a simple majority of the votes cast by holders of Cannex Common Shares, excluding the votes of Cannex Common Shares held or controlled by “interested parties” as defined in Multilateral

- pursuant to subsection 289(1)(b) of the BCBCA;
- (d) 66⅔% of the votes cast by the Filer Shareholders, present in person or represented by proxy at the Filer Meeting, voting together as a single class pursuant to subsection 289(1)(a) of the BCBCA;
- (e) a majority of the votes cast by the Filer Shareholders approving the Transaction and the Plan of Arrangement, excluding votes of affiliates of the Filer and control persons of the Filer, as contemplated by OSC Rule 56-501 and NI 41-101;
- (f) a majority of the votes cast by holders of the Filer's subordinate voting shares, voting as a class, approving the Transaction and the Plan of Arrangement, excluding votes of affiliates of the Filer and control persons of the Filer, as contemplated by OSC Rule 56-501 and NI 41-101;
- (g) a majority of the votes cast by holders of the Filer's proportionate voting shares, voting as a class, approving the Transaction and the Plan of Arrangement, excluding votes of affiliates of the Filer and control persons of the Filer, as contemplated by OSC Rule 56-501 and NI 41-101; and
- (h) a majority of the votes cast by holders of the Filer's multiple voting shares, voting as a class, approving the Transaction and the Plan of Arrangement, excluding votes of affiliates of the Filer and control persons of the Filer, as contemplated by OSC Rule 56-501 and NI 41-101.
21. A management information circular dated July 11, 2019 (the "**Filer Circular**") was disseminated to the Filer Shareholders on July 16, 2019. The Filer Circular disclosed the approvals that would be sought at the Filer Meeting. The Filer Circular complied with the disclosure requirements with respect to an information circular related to: (a) restricted shares set out in subsection 3.2(1)(e) of OSC Rule 56-501; and (b) restricted securities set out in subsection 12.3(2) of NI 41-101. The Transaction received all of the approvals set out in representation 20 above at the Filer Meeting.
22. The following is a summary of the terms attaching to the Resulting Issuer's shares (the "**Share Terms**"):
 - (a) Holders of the Subordinate Voting Shares will be entitled to notice of and to attend and vote at any meeting of the shareholders of the Resulting Issuer, except a meeting of which only holders of another class or series of shares of the Resulting Issuer will have the right to vote. At each such meeting, holders of Subordinate Voting Shares will be entitled to one vote in respect of each Subordinate Voting Share.
 - (b) Holders of Subordinate Voting Shares will be entitled to receive, as and when declared by the directors of the Resulting Issuer, dividends in cash or property of the Resulting Issuer. No dividend will be declared on the Subordinate Voting Shares unless the Resulting Issuer simultaneously declares equivalent dividends on: (i) the Proportionate Voting Shares, in an amount equal to the dividend declared per Subordinate Voting Share multiplied by 80; and (ii) the Multiple Voting Shares, in an amount equal to the amount of the dividend declared per Subordinate Voting Share.
 - (c) In the event of the liquidation, dissolution or winding-up of the Resulting Issuer, holders of Subordinate Voting Shares will be entitled to participate rateably along with all the holders of Proportionate Voting Shares and Multiple Voting Shares, with the amount of such distribution per Subordinate Voting Share equal to each of: (i) the amount of such distribution per Proportionate Voting Share divided by 80; and (ii) the amount of such distribution per Multiple Voting Share.
 - (d) If an offer is made to purchase Proportionate Voting Shares, and such offer is required, pursuant to applicable securities legislation or the rules of any stock exchange on which the Proportionate Voting Shares or the Subordinate Voting Shares which may be obtained upon conversion of the Proportionate Voting Shares may then be listed, to be made to all or substantially all of the holders of Proportionate Voting Shares in a province or territory of Canada to which the requirement applies (such offer to purchase, an "**Offer**") and not made to the holders of Subordinate Voting Shares for consideration per Subordinate Voting Share equal to 0.0125 of the consideration offered per Proportionate Voting Share, then each Subordinate Voting Share will become convertible at the option of the holder into Proportionate Voting Shares on the basis of 80 Subordinate Voting Shares for one Proportionate Voting Share, at any time

while the Offer is in effect until one day after the time prescribed by applicable securities legislation or stock exchange rules for the offeror to take up and pay for such shares as are to be acquired pursuant to the Offer.

- (e) Holders of Proportionate Voting Shares will be entitled to notice of and to attend and vote at any meeting of the shareholders of the Resulting Issuer, except a meeting of which only holders of another class or series of shares of the Resulting Issuer will have the right to vote. Subject to the terms set out in the articles of the Resulting Issuer, at each such meeting, holders of Proportionate Voting Shares will be entitled to 80 votes in respect of each Proportionate Voting Share.
- (f) Holders of Proportionate Voting Shares will be entitled to receive, as and when declared by the directors of the Resulting Issuer, dividends in cash or property of the Resulting Issuer. No dividend will be declared on the Proportionate Voting Shares unless the Resulting Issuer simultaneously declares equivalent dividends on: (i) the Subordinate Voting Shares, in an amount equal to the amount of the dividend declared per Proportionate Voting Share divided by 80; and (ii) the Multiple Voting Shares, in an amount equal to the dividend declared per Proportionate Voting Share divided by 80.
- (g) In the event of the liquidation, dissolution or winding-up of the Resulting Issuer, the holders of Proportionate Voting Shares will be entitled to participate rateably along with the holders of Subordinate Voting Shares and Multiple Voting Shares, with the amount of such distribution per Proportionate Voting Share equal to each of: (i) the amount of such distribution per Subordinate Voting Share multiplied by 80; and (ii) the amount of such distribution per Multiple Voting Share multiplied by 80. Each fraction of a Proportionate Voting Share will be entitled to the amount calculated by multiplying the fraction by the amount payable per whole Proportionate Voting Share.
- (h) Each Proportionate Voting Share shall be convertible, at the option of the holder thereof, into such number of fully paid and non-assessable Subordinate Voting Shares as is determined by multiplying the number of Proportionate Voting

Shares in respect of which the share conversion right is exercised by 80. The ability to convert the Proportionate Voting Shares during the six month period after the Effective Time will be subject to a restriction that, unless the board of directors of the Resulting Issuer determines otherwise, the aggregate number of Subordinate Voting Shares, Proportionate Voting Shares and Multiple Voting Shares held of record, directly or indirectly, by residents of the United States, may not exceed 40% of the aggregate number of Subordinate Voting Shares, Proportionate Voting Shares and Multiple Voting Shares issued and outstanding after giving effect to such conversions.

- (i) Holders of Multiple Voting Shares will be entitled to notice of and to attend and vote at any meeting of the shareholders of the Resulting Issuer, except a meeting of which only holders of another class or series of shares of the Resulting Issuer will have the right to vote. At each such meeting, holders of Multiple Voting Shares will be entitled to 800 votes in respect of each Multiple Voting Share held.
- (j) Multiple Voting Shares will not be convertible into Subordinate Voting Shares on a one-for-one basis until, at the earliest, three years from the closing date of the Transaction (the “**Initial Conversion Date**”). Each Multiple Voting Share shall automatically convert, without any action on the part of the holder thereof, into Subordinate Voting Shares on the basis of one Subordinate Voting Share for one Multiple Voting Share upon: (i) the death or disability of an Initial Holder (as defined below) with respect to all Multiple Voting Shares held by an Initial Holder; (ii) an Involuntary Transfer Event (as defined in the Share Terms) with respect to the Multiple Voting Shares being transferred pursuant to the Involuntary Transfer Event; or (iii) any other transfer of Multiple Voting Shares to anyone other than another Initial Holder with respect to such Multiple Voting Shares being transferred.
- (k) Holders of Multiple Voting Shares will be entitled to receive, as and when declared by the directors of the Resulting Issuer, dividends in cash or property of the Resulting Issuer. No dividend will be declared on the Multiple Voting Shares unless the Resulting Issuer simultaneously declares equivalent

dividends on: (i) the Subordinate Voting Shares, in an amount equal to the amount of the dividend declared per Multiple Voting Share; and (ii) the Proportionate Voting Shares, in an amount equal to the dividend declared per Multiple Voting Share multiplied by 80.

- (l) In the event of the liquidation, dissolution or winding-up of the Resulting Issuer, the holders of Multiple Voting Shares will be entitled to participate rateably along with the holders of Proportionate Voting Shares and Subordinate Voting Shares, with the amount of such distribution per Multiple Voting Share equal to each of: (i) the amount of such distribution per Subordinate Voting Share; and (ii) the amount of such distribution per Proportionate Voting Share divided by 80.
- (m) No Multiple Voting Shares may be transferred by the holder thereof without the prior written consent of the board of directors of the Resulting Issuer, except a holder of Multiple Voting Shares as of the date of initial issuance of Multiple Voting Shares (the “**Initial Holder**”) is permitted to transfer Multiple Voting Shares prior to the Initial Conversion Date to another Initial Holder.
- (n) If an offer is made to purchase Subordinate Voting Shares or Proportionate Voting Shares, and such offer is required pursuant to applicable securities legislation or the rules of any stock exchange on which the Proportionate Voting Shares or Subordinate Voting Shares may then be listed, to be made to all or substantially all of the holders of Proportionate Voting Shares or Subordinate Voting Shares in a province or territory of Canada to which the requirement applies (such offer to purchase, a “**MVS Offer**”), then such MVS Offer will be extended by the offeror to the holders of Multiple Voting Shares (which will not be required to convert in order to participate in the MVS Offer) for: (i) consideration per Multiple Voting Share equal to 0.0125 of the consideration offered per Proportionate Voting Share; or (ii) the consideration offered per Subordinate Voting Share, as applicable.

23. Concurrent with the completion of the Transaction, the holders of the Multiple Voting Shares will enter into a coattail agreement with the Resulting Issuer and a trustee for the benefit of the holders of the

Subordinate Voting Shares and the Proportionate Voting Shares. The coattail agreement will restrict the sale of Multiple Voting Shares if such sale would constitute an offer to purchase Multiple Voting Shares that is required to be made to all or substantially all of the holders of the Multiple Voting Shares, unless such offer is extended by the offeror to: (a) all of the holders of Subordinate Voting Shares for consideration per Subordinate Voting Share at least equal to the consideration offered per Multiple Voting Share; and (b) all of the holders of Proportionate Voting Shares for consideration per Proportionate Voting Share at least equal to 80 times the consideration offered per Multiple Voting Share.

Decision

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

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

- (a) in respect of the Prospectus Disclosure Exemption, the CD Disclosure Exemption and the OSC Rule 56-501 Disclosure Exemption: (i) the Proportionate Voting Shares continue to be “restricted securities” as such term is defined in NI 41-101 and NI 51-102, and “restricted shares” as such term is defined in OSC Rule 56-501; and (ii) the Proportionate Voting Shares are referred to as “subordinate proportionate voting shares” (except as may be permitted pursuant to subsection 12.2(3) of NI 41-101, subsection 10.1(6) of NI 51-102 or subsection 2.3(2) of OSC Rule 56-501);
- (b) in respect of the Prospectus Eligibility Exemption, a subsequent restricted security reorganization, if any, carried out by the Resulting Issuer related to the Subordinate Voting Shares or the Proportionate Voting Shares, other than a restricted security reorganization that results only in the creation of a security that is not itself a subject security or a restricted security but that is, directly or indirectly, convertible into or exercisable or exchangeable for Subordinate Voting Shares or Proportionate Voting Shares, complies with the requirements of section 12.3 of NI 41-101; and
- (c) in respect of the OSC Rule 56-501 Withdrawal Exemption, a subsequent restricted share reorganization, if any, carried out by the Resulting Issuer related to the Subordinate Voting Shares or the Proportionate Voting Shares, other

than a restricted security reorganization that results only in the creation of a security that is not itself a subject security or a restricted security but that is, directly or indirectly, convertible into or exercisable or exchangeable for Subordinate Voting Shares or Proportionate Voting Shares, complies with the requirements of section 3.2 of OSC Rule 56-501.

“Winnie Sanjoto”
Manager, Corporate Finance
Ontario Securities Commission

2.2 Orders

2.2.1 NewGrowth Corp. – s. 1(6) of the OBCA

Headnote

Applicant deemed to have ceased to be offering its securities to the public under the OBCA – 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
NEWGROWTH CORP.
(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 to 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 June 26, 2019, all of the issued and outstanding Class A Capital Shares (**Capital Shares**) and Class B Preferred Shares, Series 3 (**Preferred Shares**) of the Applicant were redeemed (the **Redemption**);
3. following the Redemption, the only issued and outstanding shares of the Applicant are now owned by NG Split Holdings Corp. (Class B Shares) and Scotia Managed Companies Administration Inc. (Class C Shares), and no other shares are currently issued and outstanding;
4. the Applicant’s Capital Shares and Preferred Shares were de-listed from the Toronto Stock Exchange effective the close of trading on June 26, 2019;

5. the Applicant has no intention to seek public financing by way of an offering of securities;
6. on July 19, 2019, 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
7. 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 that to do so would not be prejudicial to the public interest;

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

DATED at Toronto on July 24, 2019.

"M. Cecilia Williams"
Commissioner
Ontario Securities Commission

"Garnet W. Fenn"
Commissioner
Ontario Securities Commission

2.2.2 Real Estate Asset Liquidity Trust

Headnote

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – issuer of asset backed securities deemed to no longer be a reporting issuer under securities legislation – issuer has certain securities outstanding issued in Canada to accredited investors pursuant to prospectus exemption – issuer to continue to provide alternative disclosures to investors.

Applicable Legislative Provisions

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

July 26, 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
REAL ESTATE ASSET LIQUIDITY TRUST
(the Filer)**

ORDER

BACKGROUND

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

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

- (a) the Ontario Securities Commission is the principal regulator for this application; and
- (b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador.

INTERPRETATION

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

REPRESENTATIONS

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

1. The Filer was established under a declaration of trust on September 13, 2004, which declaration of trust was amended and restated as of October 7, 2004 and supplemented by a supplemental declaration of trust made as of August 27, 2015 (collectively, the **Declaration of Trust**). The Declaration of Trust is governed by the laws of the Province of Ontario. Montreal Trust Company of Canada is the trustee (in such capacity, the **Issuer Trustee**) of the Filer and is a trust company established under the laws of Canada and is licensed to carry on business as a trustee in all provinces and territories of Canada. The head office of the Issuer Trustee is 100 University Avenue, 11th Floor, Corporate Trust Department, Toronto, Ontario M5J 2Y1;
2. The Filer is a special purpose entity that purchases, from time to time, various categories of commercial and multifamily mortgages, hypothecs and other charges on real or immovable property situated in Canada originated by parties other than the Filer (the **Custodial Property**) and issues mortgage pass-through certificates that evidence undivided co-ownership interests in the Custodial Property (the **Certificates**) to fund such purchases. The Custodial Property is deposited with a custodian and the recourse of the holders of a series of Certificates is limited to the Custodial Property related to that series of Certificates and any proceeds thereof;
3. For each offering of a series of Certificates, the Filer entered into a pooling and servicing agreement (a **Pooling and Servicing Agreement**) with a reporting agent (the **Reporting Agent**) and servicers of the Custodial Property related to that series of Certificates (each, a **Servicer**), among others, providing for, among other things, the issuance of the series of Certificates, the rights of the related Certificate holders, the servicing and administration of the related Custodial Property and the preparation by the related Servicer and the Reporting Agent of certain annual, quarterly and monthly reports (collectively, the **Reports**) for the related Certificate holders containing financial and other information in respect of the series of Certificates and the Custodial Property related to that series of Certificates;

4. The Reports for a series of Certificates are made available and, pursuant to the terms of the Pooling and Servicing Agreement related to that series of Certificates, will continue to be made available to the related Certificate holders by the Reporting Agent on a website of the Reporting Agent identified in the related Pooling and Servicing Agreement and Offering Documents (as defined below) of the Filer;
5. The Reports for a series of Certificates consist of the following annual reports:
- (a) an annual report, which is made available to the related Certificate holders no later than March 15 of each year, setting out the amount of distributions of principal and interest on the series of Certificates, administration and other fees, and other information on the series of Certificates for each calendar year;
 - (b) an annual statement of compliance signed by a senior officer of each Servicer of the Custodial Property related to the series of Certificates, which is made available to the related Certificate holders no later than April 15 of each year, certifying that the Servicer has fulfilled all of its obligations under the related Pooling and Servicing Agreement during the calendar year or, if there has been a material default, specifying each such default and the nature and status thereof; and
 - (c) an annual accountants' report prepared by a firm of independent public or chartered accountants, which is made available to the related Certificate holders no later than April 15 of each year, regarding compliance by each Servicer of the related Custodial Property with the Uniform Single Attestation Program for Mortgage Bankers during the calendar year;
6. The Reports for a series of Certificates consist of a quarterly report, which is made available to the related Certificate holders within fifteen days of the end of each calendar quarter, setting out the amount of distributions of principal and interest on the series of Certificates, administration and other fees, and other information on the series of Certificates for each three-month period during each calendar year;
7. The Reports for a series of Certificates consist of the following monthly reports, which are made available to the related Certificate holders no later than the date each month on which distributions from the Custodial Property related to the series of Certificates are made to the related Certificate holders:
- (a) a distribution date statement and loan level statement setting out the amount of distributions of principal and interest on the series of Certificates, Certificate balances, administration and other fees, and certain aspects of the performance and composition of the Custodial Property related to the series of Certificates during the month;
 - (b) a delinquent loan status report setting out, among other things, delinquent mortgages in the related Custodial Property by the length of their delinquency and mortgages in the related Custodial Property subject to foreclosure or other enforcement proceedings;
 - (c) a report on mortgage modifications setting out, among other things, mortgages in the related Custodial Property that have been modified and the original and revised terms thereof;
 - (d) a status report on the mortgages in the related Custodial Property in which the related mortgaged properties have been acquired through enforcement proceedings for the benefit of the related Certificate holders setting out, among other things, the amount of income collected and other amounts received in respect of these mortgages;
 - (e) a report on mortgage reserves and letters of credit in the related Custodial Property setting out, among other things, the types of reserves and the balances of the reserves and letters of credit; and
 - (f) reports on the financial status of the mortgages in the related Custodial Property setting out, among other things, and to the extent applicable, occupancy levels, revenue, net operating income ratios, debt service coverage ratios and other performance information;
8. If there are performance issues with any mortgages in the Custodial Property related to a series of Certificates, additional information will be made available to the related Certificate holders regarding these mortgages, including reports on the status of these mortgages and inspection reports on and appraisals of the mortgaged properties related to these mortgages;
9. The Filer is a reporting issuer in each of the Jurisdictions and is a "venture issuer" as defined

- in National Instrument 51-102 *Continuous Disclosure Obligations*;
10. Pursuant to an MRRS decision document dated May 2, 2005, the Filer is exempted, on certain terms and conditions, from the requirements of the securities legislation in the Jurisdictions concerning, among other things, the preparation, filing and delivery of interim and annual financial statements (the **Continuous Disclosure Decision**);
 11. Pursuant to an MRRS decision document dated May 31, 2005, the Filer was exempted, on certain terms and conditions, from the requirements in Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings (MI 52-109)* to file interim and annual certificates in the forms set out in MI 52-109, which relief terminated on June 1, 2008;
 12. Pursuant to a decision dated July 18, 2008, the Filer was exempted, on certain terms and conditions, from the requirements in MI 52-109 to file interim and annual certificates in the forms set out in MI 52-109, which relief terminated on June 1, 2013;
 13. Pursuant to a decision dated July 12, 2013, the Filer is exempted, on certain terms and conditions, from the requirements in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings (NI 52-109)* to file interim and annual certificates in the forms set out in NI 52-109 (the **NI 52-109 Decision**);
 14. The Filer is not in default of any of the requirements of the securities legislation in any of the Jurisdictions;
 15. The Filer has no issued and outstanding securities other than the Certificates;
 16. As of April 8, 2019, the Filer has seven series of Certificates outstanding, being:
 - (a) **Series 2014-1 Commercial Mortgage Pass-Through Certificates (the Series 2014-1 Certificates)**
By Canadian offering memoranda and a U.S. supplemental offering memorandum, each dated October 20, 2014, the Filer privately placed on October 24, 2014, ten classes of Series 2014-1 Certificates in the aggregate principal amount of \$280,615,596, with an aggregate principal amount of \$270,003,596 privately placed in Canada and an aggregate principal amount of \$10,612,000 privately placed in the United States on October 24, 2014;
 - (b) **Series 2015-1 Commercial Mortgage Pass-Through Certificates (the Series 2015-1 Certificates)**
By Canadian offering memoranda and a U.S. supplemental offering memorandum, each dated May 13, 2015, the Filer privately placed on May 21, 2015, eleven classes of Series 2015-1 Certificates in the aggregate principal amount of \$334,829,948, with an aggregate principal amount of \$321,436,000 privately placed in Canada and an aggregate principal amount of \$13,393,948 privately placed in the United States on May 21, 2015;
 - (c) **Series 2016-1 Commercial Mortgage Pass-Through Certificates (the Series 2016-1 Certificates)**
By Canadian offering memoranda and a U.S. supplemental offering memorandum, each dated May 11, 2016, the Filer privately placed on May 18, 2016, eleven classes of Series 2016-1 Certificates in the aggregate principal amount of \$400,953,248 with an aggregate principal amount of \$363,953,248 privately placed in Canada and an aggregate principal amount of \$37,000,000 privately placed in the United States on May 18, 2016;
 - (d) **Series 2016-2 Commercial Mortgage Pass-Through Certificates (the Series 2016-2 Certificates)**
By Canadian offering memoranda and a U.S. supplemental offering memorandum, each dated September 16, 2016, the Filer privately placed on September 23, 2016, eleven classes of Series 2016-2 Certificates in the aggregate principal amount of \$421,477,036, with an aggregate principal amount of \$401,477,036 privately placed in Canada and an aggregate principal amount of \$20,000,000 privately placed in the United States on September 23, 2016;
 - (e) **Series 2017 Commercial Mortgage Pass-Through Certificates (the Series 2017 Certificates)**
By Canadian offering memoranda and a U.S. supplemental offering memorandum, each dated October 24, 2017, the Filer privately placed on October 27, 2017, twelve classes of Series 2017 Certificates in the aggregate principal amount of \$406,758,444, with an aggregate principal amount of \$317,948,444 privately placed in Canada and an aggregate principal amount of \$88,810,000 privately placed in the United States on October 27, 2017;

- (f) Series 2018-1 Commercial Mortgage Pass-Through Certificates (the **Series 2018-1 Certificates**)
- By Canadian offering memoranda and a U.S. supplemental offering memorandum, each dated July 18, 2018, the Filer privately placed on July 26, 2018, twelve classes of Series 2018-1 Certificates in the aggregate principal amount of \$351,794,690, with an aggregate principal amount of \$190,594,690 privately placed in Canada and an aggregate principal amount of \$161,200,000 privately placed in the United States on July 26, 2018; and
- (g) Series 2019-HBC Commercial Mortgage Pass-Through Certificates (the **Series 2019-HBC Certificates**)
- By Canadian offering memoranda and a U.S. supplemental offering memorandum, each dated March 18, 2019, the Filer privately placed on March 25, 2019, five classes of Series 2019-HBC Certificates in the aggregate principal amount of \$250,000,000, with an aggregate principal amount of \$167,187,000 privately placed in Canada and an aggregate principal amount of \$82,813,000 privately placed in the United States on March 25, 2019;
17. All series of Certificates previously offered by way of prospectus by the Filer in Canada have been paid in full. The Filer has not offered any series of Certificates by way of a prospectus or registration statement in the United States;
18. The Filer is not eligible to surrender its status as a reporting issuer in British Columbia pursuant to British Columbia Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status* because the Filer has more than 50 securityholders, being the holders of the Certificates. Similarly, and because the Certificates are beneficially owned, directly or indirectly, by more than 50 securityholders worldwide, the Filer is not eligible to file under the simplified procedure under National Policy 11-206 *Process for Cease to be a Reporting Issuer Application*;
19. A series of Certificates only entitles the Certificate holders of that series to distributions from the Custodial Property related to that series. Certificate holders do not have any recourse to the Filer. Certificates do not entitle the holders thereof to receive or to convert their Certificates into other securities of the Filer, or to otherwise participate in the distribution of the assets of the Filer upon a liquidation or winding up;
20. The Certificates are rated by designated rating agencies (as defined in National Instrument 44-101 *Short Form Prospectus Distributions*) (**Rating Agencies**). The Rating Agencies base their ratings of a series of Certificates on the Custodial Property related to that series of Certificates in which the related Certificate holders have an undivided co-ownership interest and, in the case of certain classes of Certificates (a **Senior Class**), the subordination of the payment of distributions on certain other classes of Certificates to the prior payment of distributions to a Senior Class, rather than by any independent assessment of the condition and performance, financial or otherwise, of the Filer. The Filer has confirmed that for the foreseeable future the Certificates will continue to be rated by at least two Rating Agencies after the Filer ceases to be a reporting issuer in Canada;
21. There is no obligation or covenant in any Pooling and Servicing Agreement, the Certificates or any Canadian offering memoranda or U.S. supplemental offering memorandum delivered in connection with an offering of Certificates (**Offering Documents**) for the Filer to maintain its status as a reporting issuer or the equivalent in any jurisdiction of Canada or to file management's discussion and analysis (**MD&A**) or any other continuous disclosure documentation on SEDAR. No MD&A or any other continuous disclosure documentation was included or incorporated by reference in any Offering Document. The investors to which Certificates were placed were sophisticated, institutional investors who had the opportunity to negotiate for such disclosure or filing obligations under the related Pooling and Servicing Agreement, the Certificates or the related Offering Documents as they saw fit. No continuous disclosure of financial statements, MD&A or annual information forms is required under the United States securities laws pursuant to which the Certificates were sold in the United States and no continuous disclosure is required in Canada under the prospectus exemption pursuant to which the Certificates were sold in Canada;
22. Pursuant to the Continuous Disclosure Decision and the NI 52-109 Decision, the Filer is exempt from filing on SEDAR interim and annual financial statements and interim and annual certificates in the forms set out in NI 52-109, respectively, on the basis that (a) the Filer currently has, and will continue to have, no material assets or liabilities other than its rights and obligations arising from acquiring Custodial Property and issuing Certificates, (b) holders of a series of Certificates only have recourse to the Custodial Property related to their series and will not have any recourse to the Filer, and (c) the information that would be disclosed in interim and annual financial statements of the Filer is not relevant to Certificate holders since holders of a series of Certificates only have entitlements in and recourse to the Custodial Property related to their series and do

not have any entitlements in or recourse to the Filer.

"Heather Zordel"
Commissioner
Ontario Securities Commission

23. The disclosure in the Reports for a series of Certificates provides detailed financial and performance information on the related series of Certificates and Custodial Property, including on the related mortgages and hypothecs, on a monthly, quarterly and annual basis. All financial and performance information disclosed in the interim and annual MD&A and other continuous disclosure documents of the Filer is obtained exclusively from the Reports. The Filer is required pursuant to the terms of the Pooling and Servicing Agreements to continue to cause the Servicers and the Reporting Agent to prepare the monthly, quarterly and annual Reports and make them available to Certificate holders on a website of the Reporting Agent identified in each Pooling and Servicing Agreement and the related Offering Documents for as long as the Certificates are outstanding, even if the Filer's reporting issuer status is terminated. Certificate holders and investors in commercial mortgage-backed securities generally are fully aware of and comfortable using the Reporting Agent's website to access the monthly, quarterly and annual Reports. The Filer has used the Reporting Agent to prepare Reports and the Reporting Agent's website for the posting of the Reports since 2004;

"Grant Vingo"
Vice-Chair
Ontario Securities Commission

24. No securities of the Filer, including the Certificates, are listed, traded or quoted 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. The Filer has no intention to distribute any securities by way of a public offering of securities in Canada or the United States;

25. The Filer issued a news release on July 7, 2019 announcing that it has applied to the Ontario Securities Commission, as principal regulator, for a decision that it has ceased to be a reporting issuer in all jurisdictions of Canada and, if that decision is granted, the Filer will no longer be a reporting issuer in any jurisdiction of Canada;

26. Upon granting of the Order Sought, the Filer will not be a reporting issuer or the equivalent in any jurisdiction of Canada.

ORDER

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

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

**2.2.3 Fiera Private Alternative Investments Inc.
(formerly Integrated Asset Management 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., clause 1(10)(a)(ii).

July 26, 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
FIERA PRIVATE ALTERNATIVE INVESTMENTS INC.
(formerly Integrated Asset Management 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 (**the Legislation**) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (**the Order Sought**).

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

- (a) the Ontario Securities Commission is the principal regulator for this application, and
- (b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 – *Passport System* (“**MI 11-102**”) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, and Québec.

Interpretation

Terms defined in National Instrument 14-101 – *Definitions* and MI 11-202 have the same meaning if used in this order, unless otherwise defined.

Representations

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

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

Order

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

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

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

2.2.4 Robix Environmental Technologies, Inc.

Headnote

National Policy 11-207 Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions – Application for partial revocation of a failure-to-file cease trade order issued by the Commission and Alberta Securities Commission – variation of cease trade order to permit the Issuer to distribute convertible debentures pursuant to certain exemptions from the prospectus requirement – Commission opt-in to partial revocation order issued by Alberta Securities Commission, as principal regulator.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 127, 144.

National Policy 11-207 Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions.

ALBERTA SECURITIES COMMISSION
PARTIAL REVOCATION ORDER
Under the Securities Legislation of Alberta and Ontario
(the Legislation)

Citation: *Re Robix Environmental Technologies, Inc.*, 2019 ABASC 119

July 26, 2019

Robix Environmental Technologies, Inc.

Background

1. Robix Environmental Technologies, Inc. (the **Issuer**) is subject to a failure-to-file cease trade order (the **FFCTO**) issued by the regulator or securities regulatory authority in each of Alberta (the **Principal Regulator**) and Ontario (each a **Decision Maker**) respectively on 4 May 2018.
2. The Issuer has applied to each of the Decision Makers for a partial revocation order of the FFCTO.
3. This order is the order of the Principal Regulator and evidences the decision of the Decision Maker in Ontario.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* or in National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions* have the same meaning if used in this order, unless otherwise defined.

Representations

4. This order is based on the following facts represented by the Issuer:
 - (a) The Issuer was incorporated under the laws of Alberta on 9 June 2011.
 - (b) The Issuer's head office is located in Calgary, Alberta.
 - (c) The Issuer is a reporting issuer in Alberta, British Columbia, and Ontario. The Issuer is not a reporting issuer in any other jurisdiction. The FFCTO is reciprocated in British Columbia pursuant to section 2 of Multilateral Instrument 11-103 Failure-to-File Cease Trade Orders in Multiple Jurisdictions.
 - (d) The Issuer has an authorized share capital of an unlimited number of common shares and an unlimited number of preference shares, of which 62,409,708 common shares and no preference shares are issued and outstanding.
 - (e) The FFCTO was issued in response to the Issuer's failure to file its annual audited financial statements, annual management's discussion and analysis and certification of annual filings for the year ended 31 December 2017 (the **Unfiled Continuous Disclosure**).
 - (f) Other than the failure to file the Unfiled Continuous Disclosure the Issuer is not in default of the securities legislation in any jurisdiction.
 - (g) The Issuer seeks to vary the FFCTO to permit the Issuer to distribute, pursuant to certain exemptions from the prospectus requirement, convertible debentures for aggregate maximum proceeds of \$317,500 (the **Offering**).

Each debenture will be convertible at a price of \$0.05 per unit into units consisting of one (1) common share and one (1) warrant (each such warrant entitling the holder thereof to purchase one (1) common share at a price of \$0.075 per share for a period of 36 months).

- (h) For each distribution made in respect of the Offering, the Issuer will comply with one or more of the accredited investor exemption contained in section 2.3 of National Instrument 45-106 Prospectus Exemptions (NI 45-106), the family, friends and business associates exemption in section 2.5 of NI 45-106 and the employee, executive officer, director and consultant exemption in section 2.24 of NI 45-106. The Issuer will only use the exemption in section 2.24 of NI 45-106 to raise funds from executive officers and directors, and the Issuer will not use this exemption to raise funds from employees or consultants.
- (i) The Offering is intended to take place in Alberta, British Columbia, and Ontario.
- (j) The Issuer reasonably expects the proceeds from the Offering will be used in a manner consistent with the below table:

Accounting and Auditor Fees	\$50,000
Transfer Agent Fees	\$25,000
Regulatory and Stock Exchange Fees	\$67,500
Legal Fees for Disclosure Documents, Applications and Financing	\$25,000
Settlement of Outstanding Accounts Payable	\$70,000
Insurance Fees	\$20,000
Office Rent	\$20,000
Other	\$40,000
Total	\$317,500

- (k) The Issuer reasonably expects that the proceeds raised from the Offering will be sufficient to bring its continuous disclosure up to date and to apply for a full revocation of the FFCTO and pay all related outstanding related fees.
- (l) Within a reasonable time following the completion of the Offering, the Issuer intends to file the unfiled continuous disclosure and pay all outstanding fees. The Issuer also intends to apply for a full revocation of the FFCTO.
- (m) The Issuer hereby undertakes to provide the signed and dated written acknowledgments referred to in paragraph 6(c) below to staff of the Alberta Securities Commission on request.

Order

- 5. Each of the Decision Makers is satisfied that a partial revocation order of the FFCTO meets the test set out in the Legislation for the Decision Maker to make the decision.
- 6. The decision of the Decision Makers under the Legislation is that the FFCTO is partially revoked as it applies to the Issuer solely to permit the Offering, provided that prior to completion of the Offering, each investor will receive:
 - (a) a copy of the FFCTO;
 - (b) a copy of this Partial Revocation Order; and
 - (c) written notice from the Issuer, to be acknowledged by each investor in writing, that all of the Issuer's securities, including the securities issued in connection with the Offering, will remain subject to the FFCTO until such orders are revoked and that the issuance of the partial revocation order does not guarantee the issuance of a full revocation in the future.

26 July 2019

"Timothy Robson"
Manager, Legal
Corporate Finance
Alberta Securities Commission

2.3 Orders with Related Settlement Agreements

2.3.1 CoinLaunch Corp. – ss. 127, 127.1

FILE NO.: 2019-23

IN THE MATTER OF
COINLAUNCH CORP.

D. Grant Vingoe, Vice-Chair and Chair of the Panel
M. Cecilia Williams, Commissioner
Raymond Kindiak, Commissioner

July 24, 2019

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

WHEREAS on July 24, 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 CoinLaunch Corp. (**CoinLaunch**) and Staff of the Commission (**Staff**) for approval of a settlement agreement dated July 19, 2019 (the **Settlement Agreement**);

ON READING the Joint Application for a Settlement Hearing, including the Statement of Allegations dated July 22, 2019, and the Settlement Agreement, and on hearing the submissions of the representatives for CoinLaunch and Staff, and considering the undertaking of Reuven Cohen attached as Annex I to this Order and the Consent of the parties to an Order in substantially this form;

IT IS ORDERED THAT:

1. the Settlement Agreement is approved;
2. CoinLaunch is prohibited from trading in any securities or derivatives for 5 years, pursuant to paragraph 2 of s. 127(1) of the *Securities Act*, RSO 1990, c S.5 (the **Act**);
3. CoinLaunch is prohibited from acquiring any securities for 5 years, pursuant to paragraph 2.1 of s. 127(1) of the Act;
4. CoinLaunch pay an administrative penalty in the amount of \$30,000, pursuant to paragraph 9 of subsection 127(1) of the Act, which amount is designated for allocation or use by the Commission in accordance with s. 3.4(2)(b) of the Act;
5. CoinLaunch disgorge to the Commission the amount of \$12,233.06, pursuant to paragraph 10 of subsection 127(1) of the Act, which amount is designated for allocation or use by the Commission in accordance with s. 3.4(2)(b) of the Act; and
6. CoinLaunch pay costs in the amount of \$10,000, pursuant to s. 127.1 of the Act.

“D. Grant Vingoe”

“M. Cecilia Williams”

“Raymond Kindiak”

ANNEX I

IN THE MATTER OF
COINLAUNCH CORP.

UNDERTAKING TO THE ONTARIO SECURITIES COMMISSION

1. This undertaking is given in connection with the settlement agreement dated **[date]** (the "**Settlement Agreement**") between CoinLaunch Corp. ("**CoinLaunch**") and Staff ("**Staff**") of the Ontario Securities Commission ("the **Commission**"). All terms shall have the same meanings in this undertaking as in the Settlement Agreement.
2. Reuven Cohen undertakes to the Commission to:
 - (a) not become or act as a director or officer of any company which engages in or holds itself out as engaging in the business of trading in securities without applicable registration under Ontario securities law or an exemption from such registration requirement; and
 - (b) ensure that all references to the private keys in respect of all BCZERO and ECOREAL tokens received by CoinLaunch as compensation are deleted and thereby rendered inaccessible such that those tokens may not be accessed or transferred in the future.

DATED at Las Vegas this 18 day of July, 2019.

"Brenda Cohen"
Witness: Brenda Cohen

"Reuven Cohen"
REUVEN COHEN

IN THE MATTER OF
COINLAUNCH CORP.

SETTLEMENT AGREEMENT

Part I – INTRODUCTION

1. Persons and companies that facilitate offerings of crypto-assets must turn their mind to whether requirements under Ontario securities law, including registration, apply to their activities. Registration is a cornerstone of Ontario securities law. The registration regime protects investors and promotes confidence in Ontario's capital markets by seeking to ensure that anyone who is in the business of trading securities meets the necessary standards of proficiency, solvency and integrity, among others.
2. This Settlement Agreement (the "**Settlement Agreement**") serves to emphasize the obligation to comply with the registration requirements of Ontario securities law for those operating in the emerging crypto-asset sector. Firms and individuals that are found to have ignored these obligations in the future should be considered to be on notice and can reasonably expect to face more stringent consequences.
3. CoinLaunch Corp. ("**CoinLaunch**" or the "**Respondent**") is a service provider that operated in the emerging crypto-asset sector. During the period between March 1, 2018 and September 30, 2018 (the "**Material Time**"), CoinLaunch held itself out as engaging in the business of trading securities by advertising a package of "crypto consulting" marketing and promotional services that included: (a) helping companies administer security token offerings; (b) helping companies solicit investors to register and complete the investment process; (c) taking offerings on roadshows; (d) planning and consulting on all key aspects of a crowdsale campaign; and (e) marketing token offerings through marketing campaigns, "landing pages," advertising, etc.
4. Furthermore, CoinLaunch facilitated offerings of the Buggyra Coin Zero token ("**BCZERO**") and the EcoRealEstate token ("**ECOREAL**") to the public during the Material Time. The BCZERO and ECOREAL tokens each constituted securities.
5. In furtherance of the sale of BCZERO and ECOREAL, CoinLaunch provided services to the issuers of the tokens in exchange for compensation. Services provided include: (a) creating and deploying the tokens on the Ethereum blockchain; (b) marketing and promoting the token offerings through "white papers" and "landing page" websites; (c) introducing the issuers to crypto-asset trading platforms to explore potential listing of the tokens; and (d) providing advice to the token issuers with respect to the structure of the token offerings. The services provided by CoinLaunch, taken together, constituted acts in furtherance of trades.
6. As a result, CoinLaunch engaged in and held itself out as engaging in the business of trading in securities, without registration under Ontario securities law and where no exemption from the registration requirement was available.
7. As a result of an investigation by Staff ("**Staff**") of the Ontario Securities Commission (the "**Commission**"), CoinLaunch became aware of the registration requirements of Ontario securities law. At this juncture, CoinLaunch decided not to make use of the supports the Commission has in place to foster Ontario's emerging crypto-asset sector. CoinLaunch did not, for example, engage with OSC to obtain relief from registration requirements or to seek registration. During the course of Staff's investigation, however, CoinLaunch, did voluntarily take the following remedial actions:
 - a. removed its websites that promoted the BCZERO and ECOREAL token offerings from the internet;
 - b. implemented an internet protocol-based solution to prevent the Canadian public from accessing its website, followed by a complete removal of its website from the internet;
 - c. ceased its business relationship with the issuers of BCZERO and ECOREAL tokens; and
 - d. decided to cease its crypto consulting business rather than initiate any registration process.
8. Since October 2018, the issuers of BCZERO and ECOREAL tokens have listed the tokens on certain foreign crypto-asset trading platforms, although trading volumes appear to have been minimal.¹ CoinLaunch was not involved in the listing of the tokens on those trading platforms and had ceased its business relationship with the issuers before the tokens were sold to the public.²

¹ No prospectus or preliminary prospectus for the distribution of BCZERO or ECOREAL has been filed with the Commission.

² The issuers of BCZERO and ECOREAL are located and operate outside of Canada.

9. The parties shall jointly file a request that the Commission issue a Notice of Hearing (the “**Notice of Hearing**”) to announce that it will hold a hearing (“**Settlement Hearing**”) to consider whether, pursuant to sections 127 and 127.1 of the *Securities Act*, RSO 1990, c S.5, as amended (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

10. Staff recommend settlement of the proceeding (the “**Proceeding**”) against CoinLaunch commenced by the Notice of Hearing, in accordance with the terms and conditions set out in Part V of this Settlement Agreement. The Respondent consents to the making of an order (the “**Order**”) substantially in the form attached as Schedule “A” to this Settlement Agreement based on the facts set out herein.
11. 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. THE RESPONDENT

12. CoinLaunch is a privately-owned company which was incorporated under the *Canada Business Corporations Act* on October 16, 2017. The registered address of CoinLaunch is in Oakville, Ontario. CoinLaunch is in the process of winding down its operations and has filed its intent to dissolve with the Government of Canada.
13. During the Material Time, all of the directors and officers of CoinLaunch were residents of Ontario.
14. CoinLaunch is not, and has never been, registered with the Commission in any capacity.

B. THE BUSINESS MODEL OF COINLAUNCH

15. Since its inception, CoinLaunch’s business model has evolved over time.
16. Prior to and during the Material Time, CoinLaunch operated and maintained a platform on its website. The CoinLaunch platform enabled members of the public to create and deploy tokens on the Ethereum blockchain³ (“**ERC20 tokens**”)⁴ and create “smart contracts” on the Ethereum blockchain to distribute these ERC20 tokens.
17. This platform was the business focus of CoinLaunch during the first few months after its inception but did not result in any actual deployment of ERC20 tokens on the Ethereum blockchain. However, by March 1, 2018, CoinLaunch began to hold itself out as engaging in the business of trading securities. In particular, CoinLaunch advertised a package of “crypto consulting” services on its website during the Material Time aimed at marketing and promoting token offerings. These services included:
- a. Security token offering – helping companies administer their token offerings;
 - b. Security token management – helping companies solicit investors to register and go through the investment process, including “KYC/AML”, accreditation, and other legal requirements;
 - c. Pre-funding – helping companies create a plan to get “seed funding” for token offerings;
 - d. Roadshow – taking fully vetted, high-quality offerings on roadshows;
 - e. Workshops – providing full day workshops to help companies develop the optimal approach, tactics and strategy for their offerings;
 - f. ICO⁵ campaign consulting – planning and consulting on all key aspects of crowdsale campaigns; and
 - g. ICO marketing – marketing token offerings through marketing campaigns, “landing pages”, advertising, etc.
18. Providing crypto consulting services became the focus of CoinLaunch’s business by March 1, 2018.

³ Ethereum is an open-source public blockchain-based distributed computing platform which offers a smart contract functionality.

⁴ ERC20 tokens are standardized tokens designed and used solely on the Ethereum blockchain.

⁵ ICO stands for initial coin offering, which is a common capital-raising process in the crypto-asset space involving the sale of new crypto-assets to investors in exchange for fiat currency or other pre-existing crypto-assets.

19. By advertising the above collection of crypto consulting services, CoinLaunch held itself out as engaging in the business of trading in securities.
20. CoinLaunch advises that, prior to Staff's investigation, the directors and officers of CoinLaunch did not understand that CoinLaunch needed to be registered under Ontario securities law.

C. COINLAUNCH FACILITATED THE BCZERO AND ECOREAL TOKEN OFFERINGS

21. In practice, CoinLaunch did not provide the full array of crypto consulting services that was advertised on its website.
22. During the Material Time, CoinLaunch provided the following crypto consulting services to the issuers of BCZERO and ECOREAL tokens in furtherance of the sale of those tokens to the public, including:
 - a. creating and deploying BCZERO and ECOREAL tokens to Ethereum addresses associated with the token issuers;
 - b. creating and preparing promotional materials termed "white papers" for the token offerings;
 - c. creating and managing live websites to promote the token offerings (the "**Landing Pages**"), including by hosting websites, updating content, and/or by making white papers available for download on the Landing Pages. CoinLaunch's contemplated business model called for it to ultimately hand over the Landing Pages to the token issuers;
 - d. providing advice to the token issuers with respect to the structure of the token offerings;
 - e. booking a booth for an agent of the BCZERO token issuer to market the BCZERO offering at the 2018 Blockchain Expo in London, UK;
 - f. introducing the token issuers to crypto-asset trading platforms to "list" the tokens for public trading, although no listing was ultimately achieved on those particular platforms; and
 - g. introducing the token issuers to a moderator on bitcointalk.org – an online forum dedicated to bitcoin and other crypto-assets⁶ which subsequently announced the launch of BCZERO and ECOREAL along with marketing and promotional materials that resembled those on the Landing Pages.
23. The services that CoinLaunch provided with respect to BCZERO and ECOREAL were consistent with the focus of its business during the Material Time and, taken together, constituted acts in furtherance of trading.
24. As compensation for its services regarding the BCZERO offering, CoinLaunch received \$12,233.06 and 500,000,000 BCZERO tokens (5% of all BCZERO tokens issued).⁷ CoinLaunch also received approximately 46,140,000 ECOREAL tokens (over 4.6% of all ECOREAL tokens)⁸ as compensation for the services it provided with respect to the ECOREAL offering. CoinLaunch was supposed to be compensated with additional fiat currency, which it did not receive.
25. In or about October 2018, after CoinLaunch ceased its business relationship with these token issuers, the token issuers listed BCZERO and ECOREAL for public trading on several foreign crypto-asset trading platforms, including DDEX.io, instantbitex.com, livecoin.net and bitker.com.⁹ To date, the trading volumes of BCZERO and ECOREAL on these crypto-asset trading platforms have been minimal.
26. CoinLaunch was not involved in the listing of the tokens on the above trading platforms and had ceased its business relationship with the issuers of BCZERO and ECOREAL before the tokens were sold to the public.

D. DESCRIPTION OF THE BCZERO AND ECOREAL TOKENS

27. BCZERO and ECOREAL tokens each constituted securities under the Act. In particular, they each constituted "investment contracts".

⁶ Many ICOs are announced on this forum.

⁷ 500,000,000 BCZERO tokens were sent from the Ethereum address associated with the issuer to CoinLaunch's Ethereum address.

⁸ These tokens were sent from the Ethereum address associated with the issuer to CoinLaunch's Ethereum address.

⁹ A significant portion of the deployed BCZERO tokens remain at the Ethereum address associated with the issuers.

1. *BCZERO*

28. According to its white paper, BCZERO is a token related to Buggyra, an off-road truck racing team based in the Czech Republic. The white paper characterized BCZERO as an “investment” and a means for Buggyra to “raise equity”. It stated that BCZERO was intended to: (a) provide Buggyra fans with a “single payment source within the Buggyra Coin Zero marketplace” to buy goods and services from racing teams, receive discounts on fees charged within the system, and access exclusive events and experiences; (b) create an “ecosystem” for other racing teams to “host details about their equity/financing offerings” and offer merchandise and fan experiences; (c) provide “sponsors” of racing teams “with the ability to have a direct equity ownership in a team”; and (d) “enable racing teams to raise capital using non-traditional means – namely, cryptocurrency.”
29. Purchase of BCZERO tokens would require an investment of money. Through foreign crypto-asset trading platforms, investors could purchase BCZERO tokens in exchange for bitcoin or ether, both of which are crypto-assets of value and exchangeable with fiat currencies.
30. BCZERO token purchasers would have a reasonable expectation of profit from their investment in BCZERO. The whitepaper referred to prospective BCZERO purchasers as “investors” and claimed that “Buggyra is the perfect partner and brand for any investor to receive substantial profit and growth in their investment in Buggyra Coin Zero”. The “Risk Factors” section of the whitepaper outlined “risks associated with an investment in the Buggyra Racing Coin”. While the whitepaper described a planned BCZERO marketplace for purchasing goods and services and accessing events, there is no marketplace or platform that enables this use of BCZERO. The proceeds of the BCZERO offering are intended to be used to build a marketplace that would create demand for BCZERO tokens. Investors would reasonably expect to profit from the success of the issuer’s efforts to build and grow the marketplace and the concomitant rise in the value of BCZERO tokens.
31. In addition, BCZERO tokens have been available for secondary trading on crypto-asset trading platforms prior to the creation of the marketplace. This indicates that purchases of BCZERO tokens would have been speculative in nature.
32. The profits for investors would be derived from the significant managerial efforts of Buggyra. In fact, the white paper listed dependence on key personnel of “[t]he issuer” as one of the risks in an “investment” in BCZERO.

2. *ECOREAL*

33. ECOREAL was characterized in its white paper as a “securities token” and a new way for people to access “ecotourism investment opportunities in Portugal.”
34. According to the white paper, funds raised from the sale of ECOREAL would be used to acquire and develop a village resort located at Aldeia da Pedralva, Algarve, Portugal (“**Pedralva**”). The white paper provided high level statistics relating to the operation of the Pedralva resort in prior years and further stated that: (1) ECOREAL would represent a fractional ownership in the resort; and (2) all net revenue of the resort would be distributed to the ECOREAL holders every year.
35. Purchase of ECOREAL tokens required an investment of money. Through foreign crypto-asset trading platforms, investors could purchase ECOREAL tokens in exchange for bitcoin or ether.
36. ECOREAL token purchasers would have a reasonable expectation of profit from their investment in ECOREAL through the *pro rata* distribution of the Pedralva resort’s net revenue each year.
37. The profits for investors would be derived from the significant managerial efforts of the issuer to operate and manage the Pedralva resort. In fact, the white paper listed dependence on key personnel of the issuer as one of the risks in an “investment” in ECOREAL.

E. MITIGATING FACTORS

38. CoinLaunch’s business model was novel and evolving. The application and scope of Ontario securities law with respect to new or novel financial technologies and methods of capital formation, such as crypto-assets, require careful analysis by businesses and their advisers.
39. During the course of Staff’s investigation, CoinLaunch voluntarily undertook the following remedial actions which were led by its senior management:
- a. removed the Landing Pages from the internet;

- b. implemented an internet protocol-based solution to prevent the Canadian public from accessing its website, followed by a complete removal of its website from the internet;
 - c. ceased its business relationship with the issuers of BCZERO and ECOREAL tokens; and
 - d. decided to cease its crypto consulting business rather than initiate any registration process.
40. CoinLaunch cooperated with Staff throughout the course of the investigation.

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

41. CoinLaunch acknowledges and admits that it engaged in and held itself out as engaging in the business of trading in securities, without being registered to do so and where no exemption to the registration requirement of Ontario securities law was available, contrary to subsection 25(1) of the Act.

Part V – TERMS OF SETTLEMENT

42. The Respondent agrees to the terms of settlement set forth below.
43. But for the remedial actions taken by CoinLaunch, the mitigating factors in Part IV above and the undertaking described below, Staff would have requested significantly greater sanctions.
44. The Respondent consents to the Order, pursuant to which it is ordered that:
- (a) this Settlement Agreement be approved;
 - (b) the Respondent is prohibited from trading in any securities or derivatives for 5 years, pursuant to paragraph 2 of subsection 127(1) of the Act;
 - (c) the Respondent is prohibited from acquiring any securities for 5 years, pursuant to paragraph 2.1 of subsection 127(1) of the Act;
 - (d) the Respondent pay an administrative penalty in the amount of \$30,000 before the commencement of the Settlement Hearing, pursuant to paragraph 9 of subsection 127(1) of the Act, which amount be designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b) of the Act;
 - (e) the Respondent disgorge to the Commission the amount of \$12,223.06 before the commencement of the Settlement Hearing, pursuant to paragraph 10 of subsection 127(1) of the Act, which amount be designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b) of the Act; and
 - (f) the Respondent pay costs in the amount of \$10,000 before the commencement of the Settlement Hearing, pursuant to section 127.1 of the Act.
45. Reuven Cohen, who, during the Material Time, was the Chief Executive Officer and a director of CoinLaunch, has given an undertaking to the Commission in the form attached as Schedule “B” to this Settlement Agreement to:
- (a) not become or act as a director or officer of any company which engages in or holds itself out as engaging in the business of trading in securities without applicable registration under Ontario securities law or an exemption from such registration requirement; and
 - (b) ensure that all references to the private keys in respect of all BCZERO and ECOREAL tokens received by CoinLaunch as compensation are deleted and thereby rendered inaccessible such that those tokens may not be accessed or transferred in the future.

Part VI – FURTHER PROCEEDINGS

46. 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 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 of this Settlement Agreement as well as the breach of this Settlement Agreement.
47. The Respondent acknowledges that, if the Commission approves this Settlement Agreement and the Respondent fails to comply with any term in it, Staff or the Commission, as the case may be, is entitled to bring any proceedings necessary to enforce compliance with the terms of the Settlement Agreement.

48. The Respondent waives any defences to a proceeding referenced in paragraph 46 or 47 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

49. 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 OSCB 8988.
50. An officer or director of the Respondent will attend the Settlement Hearing on its behalf.
51. 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.
52. 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.
53. 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

54. 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.
55. 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

56. This Settlement Agreement may be signed in one or more counterparts which together constitute a binding agreement.
57. A facsimile copy or other electronic copy of any signature will be as effective as an original signature.

DATED at Toronto, Ontario, this 12th day of July, 2019.

COINLAUNCH CORP.

By: "Randy Clemens"

Name: Randy Clemens
Title: Director

DATED at Toronto, Ontario, this 19th day of July, 2019.

ONTARIO SECURITIES COMMISSION

By: "Jeff Kehoe"

Name: Jeff Kehoe
Title: Director, Enforcement Branch

SCHEDULE "A"

**IN THE MATTER OF
COINLAUNCH CORP.**

(Names of panelists comprising the panel)

(Date of Order)

ORDER

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

WHEREAS on [date], 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 to consider the Request made jointly by CoinLaunch Corp. ("**CoinLaunch**") and Staff of the Commission ("**Staff**") for approval of a settlement agreement dated [date] (the "**Settlement Agreement**").

AND WHEREAS Reuven Cohen, the Chief Executive Officer and a director of CoinLaunch at the Material Time, has given an undertaking to the Commission, in the form attached as Schedule "A" to this Order to:

- (a) not become or act as a director or officer of any company which engages in or holds itself out as engaging in the business of trading in securities without applicable registration under Ontario securities law or an exemption from such registration requirement; and
- (b) ensure that all references to the private keys in respect of all BCZERO and ECOREAL tokens received by CoinLaunch as compensation are deleted and thereby rendered inaccessible such that those tokens may not be accessed or transferred in the future.

ON READING the Statement of Allegations dated [DATE] and the Settlement Agreement and on hearing the submissions of representatives of each of the parties, and on considering the undertaking,

IT IS ORDERED THAT:

- (a) the Settlement Agreement is approved;
- (b) CoinLaunch is prohibited from trading in any securities or derivatives for 5 years, pursuant to paragraph 2 of subsection 127(1) of the Act;
- (c) CoinLaunch is prohibited from acquiring any securities for 5 years, pursuant to paragraph 2.1 of subsection 127(1) of the Act;
- (d) CoinLaunch pay an administrative penalty in the amount of \$30,000, pursuant to paragraph 9 of subsection 127(1) of the Act, which amount be designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b) of the Act;
- (e) CoinLaunch disgorge to the Commission the amount of \$12,233.06, pursuant to paragraph 10 of subsection 127(1) of the Act, which amount be designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b) of the Act; and
- (f) CoinLaunch pay costs in the amount of \$10,000, pursuant to section 127.1 of the Act.

[Chair]

[Commissioner]

[Commissioner]

SCHEDULE "A" TO THE ORDER

**IN THE MATTER OF
COINLAUNCH CORP.**

UNDERTAKING TO THE ONTARIO SECURITIES COMMISSION

1. This undertaking is given in connection with the settlement agreement dated **[date]** (the "Settlement Agreement") between CoinLaunch Corp. ("**CoinLaunch**") and Staff ("**Staff**") of the Ontario Securities Commission ("the **Commission**"). All terms shall have the same meanings in this undertaking as in the Settlement Agreement.
2. Reuven Cohen undertakes to the Commission to:
 - (a) not become or act as a director or officer of any company which engages in or holds itself out as engaging in the business of trading in securities without applicable registration under Ontario securities law or an exemption from such registration requirement; and
 - (b) ensure that all references to the private keys in respect of all BCZERO and ECOREAL tokens received by CoinLaunch as compensation are deleted and thereby rendered inaccessible such that those tokens may not be accessed or transferred in the future.

DATED at Las Vegas this 18th day of July, 2019.

"Brenda Cohen"
Witness: Brenda Cohen

"Reuven Cohen"
REUVEN COHEN

SCHEDULE "B"

**IN THE MATTER OF
COINLAUNCH CORP.**

UNDERTAKING TO THE ONTARIO SECURITIES COMMISSION

1. This undertaking is given in connection with the settlement agreement dated [date] (the "Settlement Agreement") between CoinLaunch Corp. ("CoinLaunch") and Staff ("Staff") of the Ontario Securities Commission ("the Commission"). All terms shall have the same meanings in this undertaking as in the Settlement Agreement.
2. Reuven Cohen undertakes to the Commission to:
 - (a) not become or act as a director or officer of any company which engages in or holds itself out as engaging in the business of trading in securities without applicable registration under Ontario securities law or an exemption from such registration requirement; and
 - (b) ensure that all references to the private keys in respect of all BCZERO and ECOREAL tokens received by CoinLaunch as compensation are deleted and thereby rendered inaccessible such that those tokens may not be accessed or transferred in the future.

DATED at Las Vegas this 18th day of July, 2019.

"Brenda Cohen"
Witness: Brenda Cohen

"Reuven Cohen"
REUVEN COHEN

**IN THE MATTER OF
AVA TRADE LTD.**

Timothy Moseley, Vice-Chair and Chair of the Panel
Poonam Puri, Commissioner
Heather Zordel, Commissioner

July 24, 2019

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

WHEREAS on July 24, 2019, the Ontario Securities Commission held a hearing at the offices of the Commission, located at 20 Queen Street West, 17th Floor, Toronto, Ontario, to consider the Joint Application for a Settlement Approval Hearing filed by Ava Trade Ltd. and Staff of the Commission for approval of a settlement agreement dated July 19, 2019 (the **Settlement Agreement**);

ON READING the Statement of Allegations dated July 22, 2019 and the Settlement Agreement, and on hearing the submissions of the representatives for Ava Trade Ltd. and Staff;

IT IS ORDERED THAT:

1. The Settlement Agreement is approved; and
2. Ava Trade Ltd. shall:
 - a. pay an administrative penalty in the amount of \$550,000, pursuant to paragraph 9 of s. 127(1) of the *Securities Act*, RSO 1990, c S.5 (the **Act**), which amount is designated for allocation or use by the Commission in accordance with s. 3.4(2)(b)(i) or (ii) of the Act;
 - b. disgorge to the Commission \$3.7 million, pursuant to paragraph 10 of s. 127(1) of the Act, which amount is designated for allocation or use by the Commission in accordance with s. 3.4(2)(b)(i) or (ii) of the Act; and
 - c. pay costs to the Commission in the amount of \$25,000 for the investigation, pursuant to s. 127.1 of the Act.

“Timothy Moseley”

“Poonam Puri”

“Heather Zordel”

IN THE MATTER OF
AVA TRADE LTD.

SETTLEMENT AGREEMENT
BETWEEN STAFF OF THE COMMISSION AND
AVA TRADE LTD.

PART I – INTRODUCTION AND REGULATORY MESSAGE

1. Under Ontario securities law, contracts for differences (**CFDs**) are derivative products that constitute securities when offered to Ontario investors, and involve a distribution of a security when issued to Ontario investors. A CFD issuer offering and distributing such securities must therefore comply with the registration and prospectus requirements of the *Securities Act*, RSO 1990, c S5, as amended (the **Act**) and the trade reporting requirements under OSC Rule 91-507 *Trade Repositories and Derivatives Data Reporting*. These provisions of the Act serve to protect the investing public and preserve the integrity of the capital markets in Ontario.
2. These requirements apply to foreign companies that offer online trading of securities or derivatives, including CFDs, for Ontario residents.
3. Foreign market participants must not ignore or overlook their regulatory obligations in jurisdictions in which they operate. They must implement a robust compliance system in recognition of the compliance risks associated with operating in multiple jurisdictions.
4. The parties shall jointly file a request that the Commission issue a Notice of Hearing (the **Notice of Hearing**) to announce that it will hold a public hearing to consider whether, pursuant to section 127 and 127.1 of the Act, it is in the public interest for the Commission to make certain orders in respect of Ava Trade Ltd. (**Ava Trade** or the **Respondent**).

PART II – JOINT SETTLEMENT RECOMMENDATION

5. Staff of the Commission (**Staff**) and the Respondent recommend settlement of the proceeding (the Proceeding) against the Respondent to be commenced by the Notice of Hearing, based on the terms and conditions set out in this settlement agreement (the **Settlement Agreement**).
6. The Respondent agrees to the making of an order substantially in the form attached as Schedule “A” (the **Order**) based on the facts set out below.
7. 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 Parts III and the conclusions in Part IV of this Settlement Agreement.

PART III – AGREED FACTS

A. OVERVIEW

8. While it did not specifically market to or target Ontario residents, between January 22, 2015 to August 17, 2018 (the **Material Time**), Ava Trade engaged in unregistered trading and illegal distributions by opening and operating trading accounts for Ontario residents through its online trading platform (the **Ava Trade Platform**).
9. In these accounts, CFDs based on underlying assets including forex, cryptocurrencies, and commodities were issued by Ava Trade to Ontario investors without filing a prospectus or preliminary prospectus with the Commission, and traded without registration or proper reliance on available exemptions from the requirement to register.
10. The registration requirements serve important gate-keeping and investor protection functions by ensuring that only properly qualified and suitable persons are permitted to engage in the business of trading and advising in securities. Similarly, the prospectus requirements ensure that investors have appropriate information to enable them to properly assess risks and make fully informed investment decisions. Through its course of conduct, the Respondent failed to comply with the registration and prospectus requirements of Ontario securities law, and in doing so, breached cornerstone provisions of the Act that serve to protect the investing public and preserve the integrity of the capital markets.

B. AVA TRADE

11. Ava Trade is registered with the British Virgin Islands Financial Services Commission (**BVI-FSC**) as an Investment Business and is licensed by the BVI-FSC to deal in securities.
12. Ava Trade is not a reporting issuer in Ontario, nor has it filed a prospectus or a preliminary prospectus with the Commission. Ava Trade is not registered with the Commission in any capacity.

C. ONTARIO CLIENTS

13. During the Material Time, Ava Trade opened and operated approximately 1,400 accounts for Ontario investors (the **Ontario Accounts**).
14. The Ontario Accounts were opened using an online account application process accessed through the Ava Trade Platform.
15. In the Ontario Accounts, Ontario investors traded CFDs through the Ava Trade Platform based on exposure to underlying assets, which included forex, cryptocurrencies, and commodities. The CFDs were issued by Ava Trade and each issuance of a CFD to an Ontario investor involves a distribution of a security to that investor for the purposes of Ontario securities law. Ava Trade was the counterparty to the CFD trades. As the counterparty, Ava Trade took the opposite position to its clients on every CFD issued. Ava Trade also entered into hedging transactions with third parties to offset its risk exposure on the CFDs issued to investors.
16. The Ava Trade Platform allowed retail investors to engage in leveraged trading of up to 200:1 leverage on various CFDs.
17. During the Material Time, Ava Trade received approximately CAD \$3.7 million attributable to revenue generated from the Ontario Accounts. This amount includes bid-ask spreads, overnight interest charges, and inactive account fees, to the Ontario Accounts.

D. AVA TRADE'S TRADING IN CFDs

18. Ava Trade marketed the trading in CFDs on its Ava Trade Platform.
19. Through these CFDs, Ava Trade investors could participate in the price movements of forex, cryptocurrencies, commodities and other assets without owning the underlying asset. For example, an investor could purchase a position in a CFD that tracks the price of a currency, publicly-traded stock, or cryptocurrency. Then, depending on whether the price of the underlying asset went up or down, the value of the CFD would also go up or down.
20. Ava Trade was remunerated for its services by charging its clients spreads, overnight financing interest, and inactive account fees. The detailed fee schedule for each financial product Ava Trade offered was publicly disclosed on its website during the Material Time.

E. AVA TRADE'S PRIOR DEALINGS WITH THE COMMISSION AND OTHER CANADIAN REGULATORS

21. Staff sent a letter addressed to Ava Trade's office in the British Virgin Islands which inquired about Ava Trade's potential breaches of the Act in May 2014. Staff did not receive a response to this inquiry and subsequently placed Ava Trade on the OSC Investor Warning List on June 4, 2014 (the **OSC Investor Alert**). Details of the OSC Investor Alert were posted on the Commission's website and also on the Investor Alerts Portal of the International Organization of Securities Commissions website. Other Canadian securities regulators also placed Ava Trade on their Investor Warning List, or equivalent, during the Material Time.
22. Staff reinitiated contact with Ava Trade in January 2018 to discuss Ava Trade's continued trading with Ontario clients. Ava Trade responded in a letter to Staff, dated February 22, 2018, that prior to receiving Staff's inquiry in January 2018, Ava Trade had independently and proactively initiated a process to transfer any Canadian clients to Friedberg Mercantile Group Ltd, (**Friedberg**), an Investment Dealer and Dealer Member of the Investment Industry Regulatory Organization of Canada. The agreement with Friedberg was completed through Ava Trade's subsidiary, Ava Trade (EU) Ltd.
23. On August 13, 2018, Ava Trade advised Staff that it has no record of receiving correspondence from Staff inquiring about its activities in Ontario in 2014 and was unaware of the OSC Investor Alert because it did not monitor the Commission website or the Commission's email alerts.

F. MITIGATING FACTORS

24. The Respondent confirmed it has taken the following actions, which Staff believes to be adequate, to remediate its conduct:
- a. Implemented significant internal controls and procedures to prevent Canadian residents from opening an account with Ava Trade:
 - i. Deleting Canada as a jurisdiction of choice for prospective clients;
 - ii. Ensuring customer representative will no longer accept accounts or monies from Canadian resident clients;
 - iii. Declining clients who present identification documents that indicate a Canadian residency during the account verification process; and
 - iv. Identifying Canadian Internet Protocol addresses and redirecting prospective Canadian clients to its partner website with Friedberg.
 - b. Agreed to a voluntary undertaking with Staff, which was signed in August 2018 and revised in September 2018 (the **Undertaking**) with the following terms:
 - i. Effective October 16, 2018, Ava Trade would only permit trades liquidating Canadian client accounts;
 - ii. Effective November 14, 2018, Ava Trade would cease all trades with Canadian client accounts; and
 - iii. By November 30, 2018, Ava Trade would terminate all Canadian client accounts.
25. The Respondent confirms that Ava Trade has liquidated and/or closed all of its Canadian client accounts and completed the transition of any clients who elected to do so to Friedberg.
26. Staff does not allege, and has found no evidence of, dishonest conduct by the Respondent.
27. During Staff's investigation, the Respondent cooperated with Staff, responded to all requests for information from Staff and produced documents to assist Staff in its inquiries.
28. The terms of settlement are appropriate, having regard to the nature of Staff's allegations, mitigating factors, and the principles of general and specific deterrence.

PART IV – BREACHES OF ONTARIO SECURITIES LAW

29. By issuing and trading CFDs with Ontario investors during the Material Time, the Respondent acted contrary to Ontario securities law by:
- a. Engaging in the business of trading in securities without registration in accordance with Ontario securities law, contrary to subsection 25(1) of the Act; and
 - b. Engaging in trading in securities which constitute distributions without filing a preliminary prospectus and a prospectus with the Commission, contrary to subsection 53(1) of the Act.

PART V – TERMS OF SETTLEMENT

30. The Respondent agrees to the terms of settlement listed below and consents to the Order, attached as Schedule "A", pursuant to subsection 127(1) and section 127.1 of the Act that:
- a. The Settlement Agreement is approved;
 - b. The Respondent shall;
 - i. pay an administrative penalty in the amount of \$550,000, pursuant to paragraph 9 of subsection 127(1) of the Act, which amount is to be designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b) of the Act;

- ii. disgorge to the Commission \$3.7 million, pursuant to paragraph 10 of subsection 127(1) of the Act, which shall be designated for allocation or use by the Commission in accordance with subparagraph 3.4(2)(b)(i) or (ii) of the Act; and
 - iii. pay costs in the amount of \$25,000 for the investigation, pursuant to section 127.1 of the Act.
31. The Respondent agrees to make the payments specified in subparagraph 30(b)(i)(ii) and (iii) by wire transfer prior to the issuance of any Commission order approving this Settlement Agreement.
32. The Respondent agrees to attend at the hearing before the Commission to consider the proposed settlement by video conference.

PART VI – STAFF COMMITMENT

33. If the Commission approves this Settlement Agreement, Staff will not commence any proceeding under Ontario securities law in relation to Staff's Statement of Facts set out in Part III of this Settlement Agreement, subject to the provisions of paragraph 34 below.
34. If the Commission approves this Settlement Agreement and the Respondent fails to comply with any of the terms of the Settlement Agreement, Staff or the Commission may bring proceedings under Ontario securities law against the Respondent. These proceedings may be based on, but are not limited to, the Agreed Facts set out in Part III of this Settlement Agreement as well as the breach of this Settlement Agreement.

PART VII – PROCEDURE FOR APPROVAL OF SETTLEMENT

35. The parties will seek approval of this Settlement Agreement at a public hearing before the Commission (the **Settlement Hearing**) to be conducted according to the procedures set out in this Settlement Agreement and the Commission's Rules of Procedure. This Settlement Agreement will form all of the evidence that will be submitted at the Settlement Hearing on the Respondent's conduct, unless the parties agree that additional evidence should be submitted at the Settlement Hearing.
36. If the Commission approves this Settlement Agreement, the Respondent irrevocably waives all rights to a full hearing, judicial review, or appeal of this matter under the Act.
37. If the Commission approves this Settlement Agreement, neither Staff nor the Respondent will make any public statement that is inconsistent with this Settlement Agreement or with any additional evidence submitted at the Settlement Hearing. In addition, the Respondent agrees that it will not make any public statement that there is no factual basis for the Settlement Agreement. Nothing in this paragraph affects the Respondent's testimonial obligations or the right to take legal or factual positions in other investigations or legal proceedings in which the Commission and/or Staff is not a party or in which any provincial or territorial securities regulatory authority in Canada and/or its staff is not a party (**Other Proceedings**) or to make public statements in connection with Other Proceedings.
38. 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 agreement as the basis for any attack on the Commission's jurisdiction, alleged bias, alleged unfairness, or any other remedies or challenges that may otherwise be available.

PART VIII – DISCLOSURE OF SETTLEMENT AGREEMENT

39. If the Commission does not approve this Settlement Agreement or does not make the order attached as Schedule "A" to this Settlement Agreement:
- a. This Settlement Agreement and all discussions and negotiations between Staff and the Respondent before the Settlement Hearing takes place 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 of the allegations contained in the Statement of Allegations. Any proceedings, remedies and challenges will not be affected by this Settlement Agreement, or by any discussions or negotiations relating to this Settlement Agreement.
40. The parties will keep the terms of this Settlement Agreement confidential until the Commission approves this Settlement Agreement, subject to the parties' need to make submissions at the public hearing.

PART IX – EXECUTION OF SETTLEMENT AGREEMENT

41. This Settlement Agreement may be signed in one or more counterparts which, together, constitute a binding agreement. A facsimile copy or other electronic copy of any signature will be as effective as an original signature.

Dated this 19th day of July, 2019.

AVA TRADE LTD

By: "Daire Ferguson"
CEO, Ava Trade Ltd.

COMMISSION STAFF

By: "Johanna Superina"
per Jeff Kehoe
Director, Enforcement Branch

SCHEDULE "A"

FILE NO.:

**IN THE MATTER OF
AVA TRADE LTD.**

[Name(s) of Commissioner(s) comprising the Panel]

[Day and date Order made]

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

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

ON READING the Statement of Allegations dated [date] and the Settlement Agreement, and on hearing the submissions of the representatives for Ava Trade Ltd and Staff;

IT IS ORDERED THAT:

1. the Settlement Agreement is approved;
2. Ava Trade Ltd shall:
 - a. pay an administrative penalty in the amount of \$550,000, pursuant to paragraph 9 of subsection 127(1) of the Act, which amount is to be designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b) of the Act;
 - b. disgorge to the Commission \$3.7 million, pursuant to paragraph 10 of subsection 127(1) of the Act, which shall be designated for allocation or use by the Commission in accordance with subparagraph 3.4(2)(b)(i) or (ii) of the Act; and
 - c. pay costs in the amount of \$25,000 for the investigation, pursuant to section 127.1 of the Act.

[Commissioner]

2.3.3 International Capital Markets Pty Ltd. – ss. 127, 127.1

FILE NO.: 2019-19

IN THE MATTER OF
INTERNATIONAL CAPITAL MARKETS PTY LTD.

Timothy Moseley, Vice-Chair and Chair of the Panel
Garnet W. Fenn, Commissioner
Raymond Kindiak, Commissioner

July 25, 2019

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

WHEREAS on July 24, 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, to consider the Joint Request for a Settlement Hearing filed by International Capital Markets Pty Ltd (IC Markets), and Staff of the Commission (Staff) for approval of a settlement agreement dated July 19, 2019 (the Settlement Agreement);

ON READING the Statement of Allegations dated July 22, 2019 and the Settlement Agreement, and on hearing the submissions of the representatives for IC Markets, and Staff, and on considering the undertaking of IC Markets dated July 23, 2019 attached as Annex "I" to this Order;

THE COMMISSION ACKNOWLEDGES the following voluntary payments received from IC Markets:

- i. USD \$4,000,000, reflecting approximate amounts received by IC Markets, designated for allocation or use by the Commission in accordance with subparagraph 3.4(2)(b)(i) or (ii) of the Act;
- ii. CAD \$650,000 to advance the Commission's mandate of protecting investors and fostering fair and efficient capital markets, designated for allocation or use by the Commission in accordance with subparagraph 3.4(2)(b)(i) or (ii) of the Act; and
- iii. CAD \$25,000 to reimburse the Commission for costs incurred or to be incurred.

AND IT IS ORDERED THAT the Settlement Agreement is approved.

"Timothy Moseley"

"Garnet W. Fenn"

"Raymond Kindiak"

ANNEX "I"

UNDERTAKING OF INTERNATIONAL CAPITAL MARKETS PTY LTD

**IN THE MATTER OF
INTERNATIONAL CAPITAL MARKETS PTY LTD**

UNDERTAKING TO THE ONTARIO SECURITIES COMMISSION

1. This Undertaking is given in connection with the settlement agreement dated July 19, 2019 (the **Settlement Agreement**) between International Capital Markets Pty Ltd (**IC Markets**) and Staff of the Commission (**Staff**). All terms shall have the same meanings in this Undertaking as in the Settlement Agreement.
2. IC Markets undertakes to the Commission to:
 - a. provide email reminders to all remaining Ontario account holders on each of August 1, 2019, October 1, 2019 and January 1, 2020 in relation to the unreturned funds or until all funds are returned (whichever occurs first) and return all funds remaining in the dormant accounts held in the names of Ontario residents, totalling approximately **USD \$73,000**, without charging any fees;
 - b. donate, if IC Markets has not obtained instructions regarding the return of any remaining funds in the Ontario Accounts by March 1, 2020, the remaining funds to the charitable organization "The Junior Achievement of Canada Foundation" or similar Canadian registered charity as may exist as at that date, and provide confirmation to Staff within 30 days of making the donation;
 - c. confirm the IB program has been fully terminated in Canada; and.
 - d. deliver to Staff annually, for a period of three years from the date of this Settlement Agreement, affidavits sworn or affirmed by a senior officer of IC Markets confirming that:
 1. IC Markets did not have any accounts opened for clients resident in Ontario, nor any Ontario IBs onboarded during the prior twelve-month period; and
 2. Enhanced policies and procedures remain in place at IC Markets designed to prevent accounts from being opened by residents of Ontario.

DATED at . this **23rd** day of **July, 2019**.

"Robert Bubalovski"
Witness:

"Andrew Budzinski"
ANDREW BUDZINSKI

IN THE MATTER OF
INTERNATIONAL CAPITAL MARKETS PTY. LTD.

SETTLEMENT AGREEMENT
BETWEEN STAFF OF THE COMMISSION
AND INTERNATIONAL CAPITAL MARKETS PTY. LTD.

PART I – INTRODUCTION AND REGULATORY MESSAGE

1. Under Ontario securities law, contracts for differences (**CFDs**) are derivative products that constitute securities when offered to Ontario investors, and involve a distribution of a security when issued to Ontario investors. A CFD issuer offering and distributing such securities must therefore comply with the registration and prospectus requirements of the *Securities Act*, RSO 1990, c S5, as amended (the **Act**) and the trade reporting requirements under OSC Rule 91-507 *Trade Repositories and Derivatives Data Reporting*. These provisions of the Act serve to protect the investing public and preserve the integrity of the capital markets in Ontario.
2. These requirements apply to foreign companies that offer online trading of securities or derivatives, including CFDs, for Ontario residents.
3. Foreign market participants must investigate, understand and comply with regulatory obligations in jurisdictions in which they operate. They must implement a robust compliance system in recognition of the compliance risks associated with operating in multiple jurisdictions.
4. The parties shall jointly file a request that the Commission issue a Notice of Hearing (the **Notice of Hearing**) to announce that it will hold a public hearing to consider whether, pursuant to section 127 and 127.1 of the Act, it is in the public interest for the Commission to make certain orders in respect of International Capital Markets Pty. Ltd. (**IC Markets** or the **Respondent**).

PART II – JOINT SETTLEMENT RECOMMENDATION

5. Staff of the Commission (**Staff**) and IC Markets recommend settlement of the proceeding (the **Proceeding**) against IC Markets to be commenced by the Notice of Hearing, based on the terms and conditions set out in this settlement agreement (the **Settlement Agreement**).
6. For the purposes of the Proceeding, and any other regulatory proceeding commenced by a securities regulatory authority, IC Markets neither admits nor denies the accuracy of the facts or the conclusions of Staff as set out in Part III of this Settlement Agreement.
7. IC Markets agrees to this Settlement Agreement and consents to the making of an order substantially in the form attached as Schedule “A”.

PART III – STAFF’S STATEMENT OF FACTS AND CONCLUSIONS

A. OVERVIEW

8. IC Markets provides online trading of securities and derivatives, including CFDs, through a proprietary platform accessible to investors globally, formerly including investors in Ontario. IC Markets was the counterparty on every CFD trade, meaning it took positions as principal to its clients. IC Markets entered into hedging transactions with third parties to offset its market risk which resulted from being the counterparty on every CFD trade.
9. While IC Markets’ conduct was inadvertent in that it did not intend to conduct business in Ontario, nor did it solicit investors in Ontario directly, IC Markets has breached cornerstone provisions of the Act as they relate directly to protecting the investing public and preserving the integrity of capital markets by engaging in the business of trading without registration, and issuing CFDs, which constitutes a distribution, without filing and obtaining a receipt for a prospectus with the Commission.

B. IC MARKETS

10. IC Markets is an over-the-counter issuer of derivatives and securities operating from Sydney, Australia and provides an online trading platform to its clients.

11. IC Markets is regulated by the Australian Securities and Investments Commission (**ASIC**). IC Markets is not a reporting issuer in Ontario and has not filed a preliminary prospectus or a prospectus with the Commission. IC Markets is not registered to trade in securities in Ontario pursuant to the requirements of the Act.

C. ONTARIO CLIENTS

12. Between March 12, 2013 and June 25, 2018 (the **Material Time**), Ontario investors traded CFDs using IC Markets' online platform. During the Material Time, IC Markets opened and operated approximately 1665 accounts for Ontario investors (the **Ontario Accounts**), which accounts for approximately 0.5% of IC Markets' global client base.
13. The Ontario Accounts were opened using an online account application process accessed through IC Markets' online platform. Ontario investors could access the IC Markets online platform directly, or through a referral program called the Introducing Broker (**IB**) program. IBs receive fees from IC Markets when someone uses their referral link to open an IC Markets account. There are currently no active IBs in Canada.
14. During the Material Time, IC Markets received approximately USD \$4,000,000 from the Ontario Accounts, which includes IC Markets' fees, bid-ask spreads, and interest charges. These fees and charges were disclosed to investors.
15. Presently, no Canadian can open an account with IC Markets as a result of the controls and procedures implemented by IC Markets in July 2018, as discussed in paragraph 25 below.

D. IC MARKETS' TRADING IN CFDs

16. IC Markets engaged in the business of issuing and trading CFDs through its online platform.
17. Through these CFDs, IC Markets' clients, including Ontario investors, could participate in the price movements of assets which included equities, currencies, cryptocurrencies (offered from 2018), market indices and commodities without owning the underlying assets. For example, an Ontario investor could purchase a position in a CFD that tracked the price of a cryptocurrency. Then, depending on whether the relative price of the cryptocurrency went up or down, the value of the CFD would also go up or down.
18. IC Markets was the counterparty on every CFD, meaning it acted as principal to its clients. IC Markets entered into hedging transactions with third parties to offset its market risk, which resulted from being the counterparty on CFDs issued. Profit or loss from these hedging transactions was offset by IC Markets' corresponding profit or loss as counterparty to the CFDs. As a result, IC Markets had no market exposure and its revenues were attributable to fees, bid-ask spreads and interest charges.

E. BREACHES OF ONTARIO SECURITIES LAW

19. By issuing and trading CFDs with Ontario investors during the Material Time, IC Markets breached Ontario securities law by:
- a. Engaging in the business of trading in securities without registration in accordance with Ontario securities law, contrary to subsection 25(1) of the Act; and
 - b. Engaging in trading in securities which constitute distributions without filing a preliminary prospectus and a prospectus with the Commission, contrary to subsection 53(1) of the Act.

PART IV – MITIGATING FACTORS

20. The Respondent requests that the Settlement Hearing panel consider the following mitigating circumstances. Staff agrees with the mitigating circumstances set out by the Respondent below.
21. Staff does not allege, and has found no evidence of, dishonest conduct by IC Markets. Additionally, IC Markets has no prior regulatory history before the Commission.
22. IC Markets did not directly solicit any Ontario residents.
23. Upon being informed by Staff that it may be conducting registrable activity in Ontario, IC Markets immediately advised that it was prepared to cease doing business in Ontario, and proactively began taking steps to do so. IC Markets also agreed to voluntarily provide documents to Staff within a self-imposed two-week timeline.

24. As part of its response to Staff's request for information, IC Markets proactively suggested it would add both a notice on its website and a pop-up notice to its online account application form, indicating it would not accept Ontario residents. This was accepted by Staff, and IC Markets advised external legal counsel would be retained to develop a comprehensive remediation plan in the interim. IC Markets confirmed that these steps were taken.
25. The Respondent also confirmed it has taken the following additional measures to remediate its conduct:
- a. Terminated all accounts opened by residents of Ontario;
 - b. Attempted, and continues to attempt, to return all funds remaining in the Ontario Accounts to the account holders;
 - c. Implemented technical controls on its website to block new account applications from residents of Canada;
 - d. Established policies and procedures designed to identify residents of Canada who may attempt to open accounts by means of Internet Protocol (IP) address, email domain, residential address and bank account information;
 - e. Elevating any ambiguous cases where residency cannot be definitively determined to the Chief Compliance Officer for further investigation and resolution; and
 - f. Communicating these updated policies and procedures to all relevant Staff at IC Markets.
26. The Respondent confirmed that, following these remedial measures, no additional Ontario Accounts have been opened with IC Markets since July 22, 2018. Furthermore, of the 1665 Ontario Accounts opened on IC Markets' online trading platform, IC Markets has closed and returned funds from 854 Ontario Accounts. Of the remaining Ontario Accounts, which are now dormant, 600 accounts have a balance of AUD \$50 (~CAD \$47.66) or less. These figures are current as of January 31, 2019.
27. Over the course of developing and implementing its remedial measures, IC Markets maintained an open dialogue with Staff and concerns were addressed personally by senior officers at IC Markets. IC Markets responded to all additional requests for information in a timely manner, and promptly provided clarification to Staff where necessary.
28. In one instance, Staff sought to understand a component of IC Markets' revenue, and IC Markets took the initiative of engaging an accounting firm which issued a report to provide Staff with a clear and fulsome response. This information was beyond the scope of what Staff had requested and provided Staff with comfort regarding IC Markets' representations.
29. In addition to the above remedial actions, IC Markets agrees to undertake to do the following:
- a. Provide email reminders to all remaining Ontario Account holders on each of August 1, 2019, October 1, 2019 and January 1, 2020 in relation to the unreturned funds or until all funds are returned (whichever occurs first) and return all funds remaining in the dormant accounts held in the names of Ontario residents, totalling approximately USD \$73,000, without charging any fees;
 - b. If IC Markets has not obtained instructions regarding the return of remaining funds in the Ontario Accounts by March 1, 2020, IC Markets will undertake to donate the remaining funds to the charitable organization "The Junior Achievement of Canada Foundation" or similar Canadian registered charity as may exist as at that date and provide confirmation to Staff within 30 days of making the donation;
 - c. Confirm the IB program has been fully terminated in Canada; and
 - d. IC Markets will deliver to Staff annually, for a period of three years from the date of this Settlement Agreement, affidavits sworn or affirmed by a senior officer of IC Markets confirming that:
 - i. IC Markets did not have any accounts opened for clients resident in Ontario, nor any Ontario IBs onboarded during the prior twelve-month period; and
 - ii. Enhanced policies and procedures remain in place at IC Markets designed to prevent accounts from being opened by residents of Ontario.
30. IC Markets has agreed to make the following voluntary payments (**Voluntary Payments**):

- a. USD \$4,000,000, reflecting approximate amounts received by IC Markets, designated for allocation or use by the Commission in accordance with subparagraph 3.4(2)(b)(i) or (ii) of the Act;
 - b. CAD \$650,000 to advance the Commission's mandate of protecting investors and fostering fair and efficient capital markets, designated for allocation or use by the Commission in accordance with subparagraph 3.4(2)(b)(i) or (ii) of the Act; and
 - c. CAD \$25,000 to reimburse the Commission for costs incurred or to be incurred.
31. Staff is of the view that the Voluntary Payments signal to foreign market participants the importance of establishing a robust compliance system and identifying all compliance risks when they choose to conduct business on a global scale.
 32. IC Markets shall make the Voluntary Payments by wire transfer before the commencement of the hearing before the Commission to approve this Settlement Agreement, conditional upon the approval of the Settlement Agreement by the Commission.
 33. The terms of settlement are appropriate, having regard to the nature of Staff's allegations, mitigating factors, and the principles of general and specific deterrence.

PART V – TERMS OF SETTLEMENT

34. IC Markets agrees to the terms of settlement listed below and consents to the Order attached hereto, pursuant to subsection 127(1) and section 127.1 of the Act that:
 - a. The Settlement Agreement is approved;
 - b. Pursuant to an undertaking (the **Undertaking**) IC Markets has provided to the Commission in the form of Schedule "B" of the Settlement Agreement, IC Markets undertakes to do the following:
 - i. provide email reminders to all remaining Ontario account holders on each of August 1, 2019, October 1, 2019 and January 1, 2020 in relation to the unreturned funds or until all funds are returned (whichever occurs first) and return all funds remaining in the dormant accounts held in the names of Ontario residents, totalling approximately USD \$73,000, without charging any fees;
 - ii. donate, if IC Markets has not obtained instructions regarding the return of any remaining funds in the Ontario Accounts by March 1, 2020, the remaining funds to the charitable organization "The Junior Achievement of Canada Foundation" or similar Canadian registered charity as may exist as at that date, and provide confirmation to Staff within 30 days of making the donation;
 - iii. Confirm the IB program has been fully terminated in Canada; and
 - iv. IC Markets will deliver to Staff annually, for a period of three years from the date of this Settlement Agreement, affidavits sworn or affirmed by a senior officer of IC Markets confirming that:
 1. IC Markets did not have any accounts opened for clients resident in Ontario, nor any Ontario IBs onboarded during the prior twelve-month period; and
 2. Enhanced policies and procedures remain in place at IC Markets designed to prevent accounts from being opened by residents of Ontario.
35. IC Markets agrees to make the Voluntary Payments specified in paragraph 30 by wire transfer prior to the issuance of any Commission order approving this Settlement Agreement.
36. IC Markets agrees to attend at the hearing before the Commission to consider the proposed settlement by video conference.

PART VI – STAFF COMMITMENT

37. If the Commission approves this Settlement Agreement, Staff will not commence any proceeding under Ontario securities law in relation to Staff's Statement of Facts set out in Part III of this Settlement Agreement, subject to the provisions of paragraph 38 below.

38. If the Commission approves this Settlement Agreement and IC Markets fails to comply with any of the terms of the Settlement Agreement, Staff or the Commission may bring proceedings under Ontario securities law against IC Markets. These proceedings may be based on, but are not limited to, Staff's Statement of Facts set out in Part III of this Settlement Agreement as well as the breach of this Settlement Agreement.

PART VII – PROCEDURE FOR APPROVAL OF SETTLEMENT

39. The parties will seek approval of this Settlement Agreement at a public hearing before the Commission (the Settlement Hearing) to be conducted according to the procedures set out in this Settlement Agreement and the Commission's Rules of Procedure. This Settlement Agreement will form all of the evidence that will be submitted at the Settlement Hearing on IC Markets' conduct, unless the parties agree that additional evidence should be submitted at the Settlement Hearing.
40. If the Commission approves this Settlement Agreement, IC Markets irrevocably waives all rights to a full hearing, judicial review, or appeal of this matter under the Act.
41. If the Commission approves this Settlement Agreement, neither Staff nor IC Markets will make any public statement that is inconsistent with this Settlement Agreement or with any additional evidence submitted at the Settlement Hearing. In addition, IC Markets agrees that it will not make any public statement that there is no factual basis for the Settlement Agreement. Nothing in this paragraph affects IC Markets' testimonial obligations or the right to take legal or factual positions in other investigations or legal proceedings in which the Commission and/or Staff is not a party or in which any provincial or territorial securities regulatory authority in Canada and/or its staff is not a party (**Other Proceedings**) or to make public statements in connection with Other Proceedings.
42. Whether or not the Commission approves this Settlement Agreement, IC Markets will not use, in any proceeding, this Settlement Agreement or the negotiation or process of approval of this agreement as the basis for any attack on the Commission's jurisdiction, alleged bias, alleged unfairness, or any other remedies or challenges that may otherwise be available.

PART VIII – DISCLOSURE OF SETTLEMENT AGREEMENT

43. If the Commission does not approve this Settlement Agreement or does not make the order attached as Schedule "A" to this Settlement Agreement:
- a. This Settlement Agreement and all discussions and negotiations between Staff and IC Markets before the Settlement Hearing takes place will be without prejudice to Staff and IC Markets; and
 - b. Staff and IC Markets will each be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing of the allegations contained in the Statement of Allegations. Any proceedings, remedies and challenges will not be affected by this Settlement Agreement, or by any discussions or negotiations relating to this Settlement Agreement.
44. The parties will keep the terms of this Settlement Agreement confidential until the Commission approves this Settlement Agreement, subject to the parties' need to make submissions at the public hearing.

PART IX – EXECUTION OF SETTLEMENT AGREEMENT

45. This Settlement Agreement may be signed in one or more counterparts which, together, constitute a binding agreement. A facsimile copy or other electronic copy of any signature will be as effective as an original signature.

Dated this 19th day of July, 2019.

INTERNATIONAL CAPITAL MARKETS PTY. LTD.

By: "Andrew Budzinski"
CEO, International Capital Markets PTY. LTD.

COMMISSION STAFF

By: "Johanna Superina"
per Jeff Kehoe
Director, Enforcement Branch

SCHEDULE "A"

FILE NO.:

**IN THE MATTER OF
INTERNATIONAL CAPITAL MARKETS PTY LTD.**

[Name(s) of Commissioner(s) comprising the Panel]

[Day and date Order made]

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

WHEREAS on [date], the Ontario Securities Commission (the Commission) held a hearing at the offices of the Commission, located at 20 Queen Street West, 17th Floor, Toronto, Ontario, to consider the Joint Request for a Settlement Hearing filed by International Capital Markets Pty Ltd (IC Markets), and Staff of the Commission (Staff) for approval of a settlement agreement dated [date] (the Settlement Agreement);

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

THE COMMISSION ACKNOWLEDGES the following voluntary payments received from IC Markets:

- i. USD \$4,000,000, reflecting approximate amounts received by IC Markets, designated for allocation or use by the Commission in accordance with subparagraph 3.4(2)(b)(i) or (ii) of the Act;
- ii. CAD \$650,000 to advance the Commission's mandate of protecting investors and fostering fair and efficient capital markets, designated for allocation or use by the Commission in accordance with subparagraph 3.4(2)(b)(i) or (ii) of the Act; and
- iii. CAD \$25,000 to reimburse the Commission for costs incurred or to be incurred.

AND IT IS ORDERED THAT the Settlement Agreement is approved.

[Commissioner]

ANNEX "I"

UNDERTAKING OF INTERNATIONAL CAPITAL MARKETS PTY LTD

IN THE MATTER OF
INTERNATIONAL CAPITAL MARKETS PTY LTD

UNDERTAKING TO THE ONTARIO SECURITIES COMMISSION

1. This Undertaking is given in connection with the settlement agreement dated [date] (the **Settlement Agreement**) between International Capital Markets Pty Ltd (**IC Markets**) and Staff of the Commission (**Staff**). All terms shall have the same meanings in this Undertaking as in the Settlement Agreement.
2. IC Markets undertakes to the Commission to:
 - a. provide email reminders to all remaining Ontario account holders on each of August 1, 2019, October 1, 2019 and January 1, 2020 in relation to the unreturned funds or until all funds are returned (whichever occurs first) and return all funds remaining in the dormant accounts held in the names of Ontario residents, totalling approximately **USD \$73,000**, without charging any fees;
 - b. donate, if IC Markets has not obtained instructions regarding the return of any remaining funds in the Ontario Accounts by March 1, 2020, the remaining funds to the charitable organization "The Junior Achievement of Canada Foundation" or similar Canadian registered charity as may exist as at that date, and provide confirmation to Staff within 30 days of making the donation;
 - c. confirm the IB program has been fully terminated in Canada; and
 - d. deliver to Staff annually, for a period of three years from the date of this Settlement Agreement, affidavits sworn or affirmed by a senior officer of IC Markets confirming that:
 1. IC Markets did not have any accounts opened for clients resident in Ontario, nor any Ontario IBs onboarded during the prior twelve-month period; and
 2. Enhanced policies and procedures remain in place at IC Markets designed to prevent accounts from being opened by residents of Ontario.

DATED at [city], [province] this [date] day of [date].

Witness:

ANDREW BUDZINSKI

SCHEDULE "B"

UNDERTAKING OF INTERNATIONAL CAPITAL MARKETS PTY LTD

**IN THE MATTER OF
INTERNATIONAL CAPITAL MARKETS PTY LTD**

UNDERTAKING TO THE ONTARIO SECURITIES COMMISSION

1. This Undertaking is given in connection with the settlement agreement dated [date] (the **Settlement Agreement**) between International Capital Markets Pty Ltd (**IC Markets**) and Staff of the Commission (**Staff**). All terms shall have the same meanings in this Undertaking as in the Settlement Agreement.
2. IC Markets undertakes to the Commission to:
 - a. provide email reminders to all remaining Ontario account holders on each of August 1, 2019, October 1, 2019 and January 1, 2020 in relation to the unreturned funds or until all funds are returned (whichever occurs first) and return all funds remaining in the dormant accounts held in the names of Ontario residents, totalling approximately **USD \$73,000**, without charging any fees;
 - b. donate, if IC Markets has not obtained instructions regarding the return of any remaining funds in the Ontario Accounts by March 1, 2020, the remaining funds to the charitable organization "The Junior Achievement of Canada Foundation" or similar Canadian registered charity as may exist as at that date, and provide confirmation to Staff within 30 days of making the donation;
 - c. confirm the IB program has been fully terminated in Canada; and.
 - d. deliver to Staff annually, for a period of three years from the date of this Settlement Agreement, affidavits sworn or affirmed by a senior officer of IC Markets confirming that:
 1. IC Markets did not have any accounts opened for clients resident in Ontario, nor any Ontario IBs onboarded during the prior twelve-month period; and
 2. Enhanced policies and procedures remain in place at IC Markets designed to prevent accounts from being opened by residents of Ontario.

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

Witness: _____

ANDREW BUDZINSKI

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions

3.1.1 CoinLaunch Corp. – ss. 127, 127.1

Citation: *CoinLaunch Corp. (Re)*, 2019 ONSEC 26

Date: 2019-07-24

File No. 2019-23

IN THE MATTER OF COINLAUNCH CORP.

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

Hearing:	July 24, 2019	
Decision:	July 24, 2019	
Panel:	D. Grant Vingoe	Vice-Chair and Chair of the Panel
	M. Cecilia Williams	Commissioner
	Raymond Kindiak	Commissioner
Appearances:	Katrina Gustafson	For Staff of the Commission
	Michael L. Byers	For CoinLaunch Corp.

ORAL REASONS FOR APPROVAL OF SETTLEMENT

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.

I. OVERVIEW

- [1] The parties have jointly submitted that it would be in the public interest for the Panel to issue an order approving a settlement agreement between the parties (the **Settlement Agreement**) and imposing sanctions on the respondent, CoinLaunch Corp. (**CoinLaunch**). After considering the submissions of the parties, and for the following reasons, the Panel agrees that the requested order is in the public interest.
- [2] A detailed description of the facts is provided in the Settlement Agreement, which will be publicly available, so we will be brief in describing the background and the conduct at issue.

II. BACKGROUND

A. CoinLaunch

- [3] CoinLaunch was a service provider in the crypto-asset sector. CoinLaunch was incorporated under the *Canada Business Corporations Act*¹ on October 16, 2017 and its registered address is in Oakville Ontario. During the Material Time (as defined below), all of the directors and officers of CoinLaunch were residents of Ontario.
- [4] CoinLaunch is not, and never has been, registered as a dealer or in any other capacity with the Ontario Securities Commission (the **Commission**).
- [5] CoinLaunch is in the process of winding up its business and has filed a notice of its intent to dissolve.

¹ RSC 1985, c C-44

B. The Marketing Activities

- [6] During the period between March 1, 2018 and September 30, 2018 (the Material Time), CoinLaunch held itself out as engaging in the business of trading in securities by advertising a package of “crypto consulting” marketing and promotional services that included:
- a. helping companies administer their token offerings;
 - b. helping companies solicit investors to register and go through the investment process, including “KYC/AML”, accreditation, and other legal requirements;
 - c. helping companies create a plan to get “seed funding” for token offerings;
 - d. taking offerings on roadshows;
 - e. providing full day workshops to help companies develop the optimal approach, tactics and strategy for their offerings;
 - f. planning and consulting on all key aspects of “crowdsale” campaigns; and
 - g. marketing token offerings through marketing campaigns, landing pages, and other advertising.
- [7] In practice, CoinLaunch performed a more limited range of services during the Material Time than advertised. Specifically, they provided services in respect of two offerings, namely the BCZERO and ECOREAL token offerings.
- [8] According to its white paper, BCZERO is a token related to Buggyra, an off-road truck racing team based in the Czech Republic. The Settlement Agreement states that the BCZERO offering involved an investment of money through the purchase of these tokens with bitcoin or ether, both of which have value and are exchangeable for traditional fiat currencies. There was an expectation of profit because the proceeds from the BCZERO offering were to be used by the issuer to build a marketplace that would create demand for BCZERO tokens and raise the value of BCZERO tokens. Prior to the creation of this marketplace, the BCZERO tokens were available for secondary market trading on crypto-asset trading platforms, reinforcing the existence of a speculative investment opportunity. Investors’ potential profits were dependent on the managerial efforts of Buggyra and its key personnel as described in the white paper.
- [9] ECOREAL was described in its white paper as a “securities token”, with funds raised from their sale being used to develop a resort in Portugal. ECOREAL tokens were stated to represent a fractional interest in the resort with all net revenue distributed to holders each year. As with the BCZERO token, an investment of money was involved in purchasing ECOREAL tokens on foreign crypto-asset trading platforms. Investors expected profits through anticipated distributions of the resort’s net revenue. The profits would be derived from the managerial efforts of the issuer in operating and managing the resort.
- [10] The term “security” is defined in s.1(1) of the Ontario *Securities Act*² to include an “investment contract”. There is no definition for investment contract in the Act. However, the Supreme Court of Canada has held that an investment contract will be found where there is
- a. an investment of money;
 - b. with an intention or expectation of profit;
 - c. a common enterprise, in which the fortunes of the investor are interwoven with and dependent upon the efforts and success of those seeking the investment or of third parties; and
 - d. that the efforts made by those other than the investor are the undeniably significant ones, those essential managerial efforts which affect the failure or success of the enterprise.³
- [11] The parties agree, and we are satisfied based on the agreed facts, that the BCZERO and ECOREAL tokens each constitute “investment contracts” and therefore securities under the Act.
- [12] During the Material Time, CoinLaunch provided the following services to the issuers of these security tokens, which taken together, were in furtherance of the sale of those tokens:

² RSO 1990, c S.5 (the Act)

³ *Pacific Coast Coin Exchange v Ontario (Securities Commission)*, 1977 CanLII 37 (SCC), [1978] 2 SCR 112 at 128

- a. creating and deploying BCZERO and ECOREAL tokens to Ethereum addresses associated with the token issuers;
- b. creating and preparing promotional materials termed “white papers” for the token offerings;
- c. creating and managing live websites, or “landing pages”, to promote the token offerings;
- d. providing advice to the token issuers with respect to the structure of the token offerings;
- e. booking a booth for an agent of the BCZERO token issuer to market the BCZERO offering at an event in London, England;
- f. introducing the token issuers to crypto-asset trading platforms to “list” the tokens for public trading; and
- g. introducing the token issuers to an online forum which announced the launch of the two security tokens and provided other marketing materials resembling those included on the landing pages.

[13] As compensation for these services, CoinLaunch received 500 million BCZERO tokens (amounting to 5% of all tokens issued) and \$12,233.06 in respect of the BCZERO offering and over 46 million ECOREAL tokens (amounting to 4.6% of all tokens issued) in respect of the ECOREAL offering. CoinLaunch was supposed to be compensated with additional fiat currency, which it did not ultimately receive.

[14] We want to emphasize that while we are satisfied that this marketing program constituted acts in furtherance of trades in these tokens, we do not intend to convey that each activity in isolation would necessarily constitute such an act. Together, however, they were instrumental and central aspects of the investor solicitation activities for these security tokens and constitute acts in furtherance of trades in such tokens.

C. Interaction with Staff and Voluntary Actions

[15] CoinLaunch became aware of the registration requirements under Ontario securities law as a result of Staff's investigation. The Settlement Agreement states that, prior to Staff's investigation, CoinLaunch's officers and directors did not understand that CoinLaunch needed to be registered under Ontario securities law.

[16] CoinLaunch did not engage with the Commission programs designed to assist with regard to crypto-asset and other emerging technologically-driven business models. It did, however, voluntarily take certain remedial steps, described in greater detail in the Settlement Agreement, including the removal of the BCZERO and ECOREAL landing pages that it was hosting and culminating in it ceasing its crypto consulting business altogether and deciding to wind up its operations.

[17] The facts set out in the Settlement Agreement also state that CoinLaunch cooperated with Staff throughout the course of its investigation.

[18] In addition, as set out in more detail below, Reuven Cohen, who during the Material Time, was the Chief Executive Officer and a director of CoinLaunch, has given an undertaking that includes, among other terms and conditions, an assurance that the BCZERO and ECOREAL tokens received by CoinLaunch as compensation for the services described above, will be rendered inaccessible and therefore without value. This is tantamount to the destruction of these tokens in terms of the ability of anyone to realize on their present or future value.

[19] We find that the remedial measures implemented by CoinLaunch and Mr. Cohen's commitment constitute significant mitigating factors relevant to the sanctions to be imposed in this matter.

[20] We have also taken into account the asserted lack of understanding by CoinLaunch's officers and directors concerning the applicability of the registration requirements under Ontario securities laws to CoinLaunch's crypto-asset consulting activities. As a result of our decision in this matter, we expect that such an assertion is not likely to receive much weight in the future.

III. CONDUCT CONTRARY TO ONTARIO SECURITIES LAW

[21] CoinLaunch acknowledges and admits that it engaged in and held itself out as engaging in the business of trading in securities, without being registered to do so and where no exemption from the registration requirement of Ontario securities law was available, contrary to s. 25(1) of the Act.

IV. THE TERMS OF THE SETTLEMENT AGREEMENT

[22] The Settlement Agreement proposes monetary sanctions and costs as follows:

- a. an administrative penalty in the amount of \$30,000,
- b. disgorgement in the amount of \$12,233.06, and
- c. costs in the amount of \$10,000

each to be paid before the commencement of the Settlement Hearing.

[23] The Settlement Agreement also includes the following conduct sanctions:

- a. CoinLaunch is prohibited from trading in any securities or derivatives for 5 years, pursuant to paragraph 2 of s. 127(1) of the Act; and
- b. CoinLaunch is prohibited from acquiring any securities for 5 years, pursuant to paragraph 2.1 of s. 127(1) of the Act.

[24] Separately, and on a voluntary basis, Mr. Cohen has given an undertaking to the Commission to:

- a. not become or act as a director or officer of any company which engages in or holds itself out as engaging in the business of trading in securities without applicable registration under Ontario securities law or an exemption from such requirement; and
- b. ensure that all references to the private keys in respect of all BCZERO and ECOREAL tokens received by CoinLaunch as compensation are deleted and thereby rendered inaccessible such that those tokens may not be accessed or transferred in the future.

V. ANALYSIS

[25] The role of the Panel is to decide whether the proposed Settlement Agreement, as presented and agreed to, falls within an acceptable range and should be approved as being in the public interest. It is important to note, however, that the agreed sanctions need not be the sanctions that the Panel might have imposed after a hearing on the merits. A settlement is based on the facts admitted by the respondent and agreed to by Staff, which may or may not be the facts that a panel would have found after a contested hearing.

A. Administrative Penalty

[26] We find that that the administrative penalty is within a reasonable range in light of the limited history of penalties for non-registration cases involving crypto-assets and given the undertaking received from Mr. Cohen regarding the treatment of the BCZERO and ECOREAL tokens received as compensation by CoinLaunch. The relatively modest magnitude of this administrative penalty also acknowledges the mitigating steps taken by CoinLaunch, culminating in its decision to discontinue the crypto-asset consulting business and to wind-up its business and dissolve. Notwithstanding the result in this settlement, firms that are found to have ignored the registration obligation in the future should be considered on notice and can reasonably expect to face more stringent consequences. Both specific and general deterrence will likely require stronger measures if such conduct arises in the future.

B. Disgorgement

[27] We have ordered disgorgement of the amount of the cash compensation received by CoinLaunch in respect of the BCZERO offering, an amount agreed to constitute all fiat currency received during the Material Time as a result of the two security token offerings.

C. Costs

[28] Costs in the amount of \$10,000 have been agreed and we will order this payment.

D. Market Participation Sanctions

[29] The five-year prohibitions on CoinLaunch from trading or acquiring securities may have limited practical effect given CoinLaunch's intention to dissolve. However, these sanctions are appropriate to guard against the possibility that such

activities could occur in the period before the dissolution is completed or the corporation is revived under corporate law in the future. It also provides an appropriate message of general deterrence to others who may seek to engage in such misconduct.

[30] We are satisfied that, in these circumstances, such market participation restrictions bring this settlement into a reasonable range of consequences to obtain our approval.

VI. CONCLUSION

[31] We have been advised by Staff today that all monetary sanctions and proposed costs have been paid.

[32] In our view, the sanctions proposed by the parties take into consideration the seriousness of the misconduct. The settlement is reasonable and its approval is in the public interest. An order will be issued following this hearing in substantially the form proposed by the parties.

Dated at Toronto on this 24th day of July, 2019.

“D. Grant Vingoe”

“M. Cecilia Williams”

“Raymond Kindiak”

3.1.2 Ava Trade Ltd. – ss. 127, 127.1

Citation: *Ava Trade Ltd. (Re)*, 2019 ONSEC 27

Date: 2019-07-24

File No.: 2019-18

IN THE MATTER OF
AVA TRADE LTD.

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

Hearing:	July 24, 2019	
Decision:	July 24, 2019	
Panel:	Timothy Moseley Poonam Puri Heather Zordel	Vice-Chair and Chair of the Panel Commissioner Commissioner
Appearances:	Vivian Lee Gavin Smyth Lia Bruschetta Lawrence E. Ritchie	For Staff of the Commission For Ava Trade Ltd.

ORAL REASONS FOR APPROVAL OF A SETTLEMENT

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] Ava Trade Ltd. is a British Virgin Islands-based entity that is licensed by the British Virgin Islands Financial Services Commission to deal in securities. Ava Trade is not registered with the Ontario Securities Commission. Despite that fact, from 2015 to 2018 Ava Trade opened and operated approximately 1400 accounts for Ontario investors. In those accounts, the investors traded contracts for differences (CFDs), through which the investors gained exposure to various underlying assets.
- [2] Staff of the Commission and Ava Trade have agreed that this conduct contravened Ontario securities law, 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.
- [3] The relevant facts and admissions, which are set out in detail in the settlement agreement, include the following:
 - a. the CFDs were securities;
 - b. Ava Trade issued the CFDs without filing a prospectus;
 - c. Ava Trade received approximately \$3.7 million attributable to revenue generated from the Ontario accounts, which amount includes bid-ask spreads, interest charges and account fees;
 - d. Ava Trade engaged in the business of trading in securities without being registered, contrary to subsection 25(1) of the *Securities Act*;¹
 - e. Ava Trade conducted distributions of securities without filing a prospectus, contrary to subsection 53(1) of the *Securities Act*;
 - f. by the time Staff of the Commission successfully established contact with Ava Trade in early 2018, Ava Trade had already established, on its own, a process to transfer any Canadian clients to a registered investment dealer in Canada, which process is now complete;
 - g. there is no evidence of dishonest conduct; and

¹ RSO 1990, c S.5

- h. Staff is satisfied that Ava Trade has taken appropriate steps to avoid a similar breach in the future.
- [4] The breaches here are serious. The registration and prospectus requirements are cornerstones of Ontario securities law and they serve an important investor protection purpose. It must be clear to all who participate in Ontario's capital markets, including offshore entities, that great care must be taken to comply with our regulatory requirements.
- [5] Staff and Ava Trade have agreed to the following three payments, all of which have been made pending approval of this settlement:
- a. an administrative penalty of \$550,000;
 - b. disgorgement to the Commission in the amount of \$3.7 million; and
 - c. costs of \$25,000.
- [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 two confidential settlement conferences 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 Ava Trade. 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 24th day of July, 2019.

"Timothy Moseley"

"Poonam Puri"

"Heather Zordel"

3.1.3 International Capital Markets Pty. Ltd. – ss. 127, 127.1

Citation: *International Capital Markets Pty. Ltd. (Re)*, 2019 ONSEC 28

Date: 2019-07-25

File No.: 2019-19

**IN THE MATTER OF
INTERNATIONAL CAPITAL MARKETS PTY. LTD.**

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

Hearing:	July 24, 2019	
Decision:	July 25, 2019	
Panel:	Timothy Moseley Garnet W. Fenn Raymond Kindiak	Vice-Chair and Chair of the Panel Commissioner Commissioner
Appearances:	Vivian Lee Adam Chisholm	For Staff of the Commission For International Capital Markets Pty. Ltd.

REASONS AND DECISION

- [1] International Capital Markets Pty. Ltd. (**ICM**) is an Australian over-the-counter issuer of derivatives and securities. It provides an online trading platform to its clients.
- [2] Staff of the Commission has alleged that ICM, in carrying on its business, contravened Ontario securities law. Staff and ICM have entered into a settlement agreement, in which ICM neither admits nor denies the truth of Staff's allegations. Staff and ICM submit jointly that it would be in the public interest for us to approve this settlement. We agree. We reach that conclusion for the following reasons.
- [3] Staff alleges that over a five-year period, ICM opened and operated accounts for Ontario investors, through which those investors traded contracts for differences (**CFDs**), allowing the investors to gain exposure to various underlying assets. Staff alleges that the CFDs were securities, and that ICM was the counterparty on every CFD trade. ICM is not registered in Ontario and has not filed a prospectus.
- [4] Staff alleges that ICM received approximately US\$4 million attributable to revenue generated from the Ontario accounts, which amount includes fees, bid-ask spreads and interest charges.
- [5] Had Staff's allegations been proven at a contested hearing, ICM's activities would constitute a breach of subsection 25(1) of the *Securities Act*,¹ which provides that in order to be engaged in the business of trading in securities, one must be registered to do so. ICM's activities would also constitute a breach of subsection 53(1) of the *Securities Act*, which prohibits the distribution of securities without a prospectus.
- [6] The registration and prospectus requirements are cornerstones of Ontario securities law and they serve an important investor protection purpose. It must be clear to all who participate in Ontario's capital markets, including offshore entities, that great care must be taken to comply with our regulatory requirements.
- [7] When Staff of the Commission informed ICM of its concerns, ICM immediately advised that it was prepared to cease doing business in Ontario, and it began taking steps to do so. ICM has closed all the Ontario accounts, is returning the funds in the accounts to the investors, and has implemented measures to block Canadian residents from using its platform.
- [8] ICM has agreed to make three payments to the Commission:
- US\$4 million, reflecting the approximate amount that Staff alleges was received by ICM as a result of the activities that are the subject of this settlement;

¹ RSO 1990, c S.5

- b. C\$650,000 to advance the Commission's mandate of protecting investors and fostering fair and efficient capital markets; and
- c. C\$25,000 to reimburse the Commission for costs related to this matter.

- [9] In addition, ICM has undertaken to take a number of steps with respect to any remaining funds in the Ontario accounts, and to give annual confirmations to Staff for the next three years that ICM has no Ontario accounts and that it is maintaining its policies and procedures that are designed to prevent accounts being opened by Ontario residents.
- [10] The Commission's role at a settlement hearing is to determine whether the negotiated result falls within a range of reasonable outcomes, and whether it would be in the public interest to make the order requested. 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.
- [11] We recognize that the agreement is the product of negotiation between Staff and ICM. The Commission respects the negotiation process and accords significant deference to the resolution reached by the parties. However, when the negotiated result does not have the respondent admitting the truth of Staff's allegations (a "no-contest settlement"), it is more difficult to secure the Commission's approval.
- [12] In this case, we have taken into account the fact that the misconduct alleged by Staff was inadvertent, and that ICM has, since being advised of Staff's concerns, been exemplary in its co-operation with Staff, and in the way that it has addressed those concerns. We have considered these actions with reference to the factors identified in section 17 of OSC Staff Notice 15-702, the *Revised Credit for Co-operation Program*. In our view, it is in the public interest to approve this no-contest settlement.
- [13] The parties have submitted that the important principle of deterrence can be adequately served by a no-contest settlement, and that that applies to this settlement. We agree.
- [14] We will therefore issue an order substantially in the form of the draft attached to the settlement agreement.

Dated at Toronto this 25th day of July, 2019.

"Timothy Moseley"

"Garnet W. Fenn"

"Raymond Kindiak"

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Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

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

Failure to File Cease Trade Orders

Company Name	Date of Order	Date of Revocation
First Mexican Gold Corp.	06 May 2019	26 July 2019

4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

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

4.2.2 Outstanding Management & Insider Cease Trading Orders

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

Company Name	Date of Order	Date of Lapse
Peeks Social Ltd.	04 July 2019	

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Chapter 5

Rules and Policies

5.1.1 Notice of Adoption of Amendments to the Ontario Securities Commission's Rules of Procedure and Forms and Practice Guideline

NOTICE OF ADOPTION OF AMENDMENTS TO THE ONTARIO SECURITIES COMMISSION'S *RULES OF PROCEDURE AND FORMS AND PRACTICE GUIDELINE*

Adoption

On July 23, 2019, the Ontario Securities Commission adopted amendments to the *Rules of Procedures and Forms (Rules)* and *Practice Guideline*, effective immediately.

Application

The *Rules* and *Practice Guideline* apply to all proceedings before the Commission where the Commission is required to hold a hearing, or to afford the parties an opportunity for a hearing, before making a decision.

Publication

The amended *Rules of Procedures and Forms* and *Practice Guideline* will be published in the *OSC Bulletin* and are available on the Commission's website, under the heading "Tribunal Resources".

5.1.2 OSC Rules of Procedure and Forms

ONTARIO SECURITIES COMMISSION RULES OF PROCEDURE AND FORMS

(Amendment as of July 23, 2019)

Made under the *Statutory Powers Procedure Act*, RSO 1990, c S.22, s 25.1

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GENERAL RULES

1 Objective

The objective of these Rules is to ensure that Commission proceedings are conducted in a just, expeditious and cost-effective manner.

2 Scope

These Rules apply only to proceedings before a Panel.

3 General Powers

A Panel may waive any of these Rules at any time on such terms, if any, as it considers appropriate, to further the objective set out in Rule 1.

4 Practice Guideline for Proceeding Management

- | | |
|------------------------|--|
| (1) Practice Guideline | The Commission may issue and amend a guideline to assist with the application of these Rules. |
| (2) Timelines | Timelines for procedural steps shall be as set out in the guideline issued by the Commission, unless a Panel orders otherwise. |

5 Definitions

In these Rules:

- (a) "Act" means the *Securities Act*, RSO 1990, c S.5;
- (b) "Applicant" means a person or company who files an Application under these Rules, and includes Staff;
- (c) "Commissioner" means a Commission member;
- (d) "holiday" means:
 - (i) every Saturday and Sunday;
 - (ii) New Year's Day, Family Day, Good Friday, Victoria Day, Canada Day, August Civic Holiday, Labour Day, Thanksgiving Day, Christmas Day and Boxing Day;
 - (iii) any special holiday proclaimed by the Governor General or the Lieutenant Governor; and
 - (iv) if:
 - 1. New Year's Day or Canada Day falls on a Saturday or Sunday, the following Monday is a holiday;
 - 2. Christmas Day falls on a Saturday or Sunday, the following Monday and Tuesday are holidays; and
 - 3. Christmas Day falls on a Friday, the following Monday is a holiday;
- (e) "Panel" means one or more Commissioners who preside over a hearing or make an order or decision relating to a proceeding;
- (f) "Party" includes an Applicant and a respondent to an Application and Staff;
- (g) "Practice Guideline" means the guideline issued by the Commission under these Rules;
- (h) "proceeding" means any matter commenced under these Rules by the issuance of a Notice of Hearing, and includes all hearings in the matter; and
- (i) "representative" means an individual authorized under the *Law Society Act*, RSO 1990, c L.8 to represent a person or company in a proceeding before a tribunal, and "represented" has the corresponding meaning.

6 Service

- (1) Service on representatives Anything required by these Rules to be served on a represented Party shall be served on the representative.

- (2) Service on Unrepresented persons or companies Anything required by these Rules to be served on an unrepresented person or company shall be served by one of the following methods:
 - (a) if on an individual, by electronic or personal delivery;
 - (b) if the person or company has an officer, director, agent or business partner, by electronic or personal delivery to the officer, director, agent or business partner;
 - (c) if the person or company has a place of business, by leaving a copy with an individual who appears to be in control of the place of business;
 - (d) by courier or mail to the person or company's last known address; or
 - (e) by any other means authorized by a Panel.

- (3) Effective date of service Service is effective, when delivered:
 - (a) electronically, on the day of delivery;
 - (b) by personal delivery, on the day of delivery;
 - (c) by leaving a copy with an officer, director, agent or business partner of a person or company or an individual in control of a place of business of the person or the company, on the day of delivery;
 - (d) by mail, on the fifth day after the day of mailing;
 - (e) by courier, on the earlier of the date on the delivery receipt or the fifth day after sending;
 - (f) after 4:30 p.m., on the day following the day specified in this Rule for the applicable method of service; and
 - (g) by any other means authorized by a Panel, on the date specified by the Panel.

- (4) Waiver of service A Panel may waive or validate service.

7 Filing

- (1) How to file Anything required by these Rules to be filed shall be filed by sending it to the Registrar in accordance with the Practice Guideline and, after a proceeding is commenced, shall identify the file number assigned to the proceeding.

- (2) Filing after 4:30 p.m. A document filed after 4:30 p.m. shall be considered filed on the next day.

- (3) Filing is not service Filing a document with the Registrar does not constitute service on any Party, including Staff.

8 Communicating with a Panel

All communications with a Panel member by a Party, other than in a hearing, shall be sent to the Registrar with a copy to all other Parties.

9 Calculation of Time

A time requirement in these Rules, the Practice Guideline or an order of a Panel shall be calculated as follows:

- (a) if the number of days between two events is stated:
 - (i) the date of the first event is not counted; and
 - (ii) the date of the second event is counted;
- (b) if the time is less than seven days, holidays are not counted; and
- (c) if the day by which an act shall be done, or is effective, falls on a holiday, the act shall instead be done by, or effective on, the next day that is not a holiday.

PROCEEDINGS

10 Commencement of Proceeding

A proceeding shall be commenced by the issuance of a Notice of Hearing by the Office of the Secretary after a Statement of Allegations or an Application is filed.

11 Enforcement Proceeding

- (1) Enforcement proceeding brought by Staff – s. 127(1) A request by Staff for an order under s. 127(1) of the Act shall be made by filing a Statement of Allegations using the form in Appendix A.
- (2) Service Staff shall serve the Notice of Hearing and Statement of Allegations on all Parties and file an Affidavit regarding service without delay.
- (3) Inter-jurisdictional enforcement proceeding, expedited procedure In an inter-jurisdictional enforcement proceeding under ss. 127(1) and 127(10) of the Act, Staff may adopt the following expedited procedure:
 - (a) Staff shall file its Statement of Allegations, in which Staff elects this expedited procedure;
 - (b) the Notice of Hearing issued by the Office of the Secretary shall provide notice of this expedited procedure;
 - (c) Staff shall serve without delay the Notice of Hearing, the Statement of Allegations, its hearing brief containing all documents relied on, and its written submissions, on all respondents;
 - (d) Staff shall file without delay its hearing brief and written submissions, along with an Affidavit of Service evidencing the service referred to in Rule 11(3)(c);
 - (e) a respondent may request, within 21 days following the service referred to in Rule 11(3)(c), that the proceeding be heard orally by serving and filing a written request;
 - (f) if no request for an oral hearing is filed within 21 days of the service referred to in Rule 11(3)(c), the hearing will proceed in writing, unless a Panel orders otherwise;
 - (g) a respondent who does not request an oral hearing may serve and file a hearing brief and written submissions within 28 days following the service referred to in Rule 11(3)(c); and
 - (h) if a respondent files written submissions, Staff may serve and file written reply submissions within 14 days following service of the respondent's submissions or if more than one respondent files written submissions, following the latest date on which a respondent may file written submissions.

12 Application for Authorization to Disclose

- (1) Authorization to disclose information about an investigation or examination – s. 17 A request for an order under s. 17 of the Act authorizing disclosure of information about an investigation or examination under Part VI of the Act shall be made by filing an Application using the form in Appendix C.
- (2) Service If all persons and companies who are entitled to an opportunity to object consent to the Application, or if a Panel is satisfied that the Application may proceed under s. 17(2.1) of the Act, the Application may proceed in writing under Rule 23(2). Otherwise, the Applicant shall serve without delay the Application on Enforcement Staff (if Enforcement Staff is not the Applicant) and on any other person or company that a Panel directs.

13 Request for a Temporary Order or for Extension of Temporary Order

- (1) A request for a temporary order or for an extension A request made on notice for a temporary order or to extend a temporary order shall be made by filing:

of a temporary order made under s. 127(5) – ss. 127(7) or (8)

- (a) if the request is not made in an existing proceeding, an Application using the form in Appendix D and the temporary order, if applicable; or
- (b) if the request is made in an existing proceeding, a Motion using the form in Appendix B and the temporary order, if applicable.

(2) Service

If the request is made by application, the Applicant shall serve without delay the Application and the Notice of Hearing on any person or company directly affected by the temporary order and shall file an Affidavit regarding service without delay. If the request is made by motion, the moving Party shall comply with Rule 28 and the Motion shall constitute a notice of hearing under s.127(9) of the Act.

14 Application for Hearing and Review

(1) Hearing and review of a decision of the Director, an exchange, self-regulatory organization, quotation and trade reporting system, clearing agency or trade repository – ss. 8 and 21.7

A request for a review of a Director's decision under s. 8 of the Act or for a review of a decision of a recognized exchange, self-regulatory organization, quotation and trade reporting system or clearing agency or a designated trade repository under s. 21.7 of the Act shall be made by filing an Application using the form in Appendix E.

(2) Service

The Applicant shall serve without delay the Application and Notice of Hearing on every other party to the original proceeding and on Enforcement Staff.

(3) Stay of decision

The Applicant may, under s. 8(4) of the Act, request a stay of the original decision until the hearing and review is concluded by filing and serving a Motion using the form in Appendix B.

15 Application for Further Decision or Revocation or Variation of a Decision

(1) Further decision or revocation or variation of a decision – ss. 9(6) or 144

A request for a further decision under s. 9(6) of the Act or a request for revocation or variation of a decision under s. 144 of the Act shall be made by filing an Application using the form in Appendix F.

(2) Service

The Applicant shall serve without delay the Application and Notice of Hearing on every other Party to the original proceeding.

16 Application for Transactional Proceeding

(1) Transactional proceeding – ss. 104 or 127(1)

A request for an order under s. 104 or s. 127(1) of the Act relating to a matter regulated under paragraph 26, 27 or 28 of s. 143(1) of the Act, including a take-over bid, issuer bid, amalgamation, statutory arrangement, other form of merger or acquisition however structured, related party transaction or meeting of security holders, shall be made by filing an Application using the form in Appendix G.

(2) Service

The Applicant shall serve without delay the Application and Notice of Hearing on every other Party, including M&A Staff.

17 Other Applications

(1) Other applications

A request for an order not specified in these Rules shall be made by filing an Application that states:

- (a) the order sought;
- (b) the grounds for the request; and
- (c) the evidence the Applicant intends to use.

(2) Service

The Applicant shall serve without delay the Application and Notice of Hearing on every other Party, including Enforcement Staff.

18 Amendment of Application or Allegations

An Applicant may amend a Statement of Allegations or an Application at any time with consent of the Parties or with permission from a Panel granted on a Motion using the form in Appendix B. The motion record shall include an amended version that clearly indicates the amendments by underlining the new text and striking-through removed text. A Panel shall grant permission unless the amendment would be unfairly prejudicial to a Party.

19 Withdrawal of Application, Allegations or Motion

- (1) Notice of Withdrawal A Party may withdraw a Statement of Allegations, an Application or a Motion, against one or more Parties at any time before a final determination by a Panel, by filing and serving every Party with a Notice of Withdrawal using the form in Appendix H, and, in the case of withdrawal against some but not all Parties, an amended Statement of Allegations or Application that clearly indicates the amendments resulting from the withdrawal by underlining the new text and striking-through removed text.
- (2) Title of the proceeding If a Statement of Allegations or an Application is withdrawn against some but not all other Parties, the title of the proceeding on all subsequent documents shall be as a Panel directs.

20 Confidential Conferences

- (1) Confidential conferences At any stage of a proceeding, a Party may request or a Panel may direct that the Parties participate in a confidential conference to consider:
 - (a) the settlement of any or all of the issues;
 - (b) the simplification of the issues;
 - (c) facts that may be agreed upon; and
 - (d) any other matter that may further a just, expeditious and cost-effective disposition of the proceeding.
- (2) Disqualification of confidential conference Commissioner A Commissioner who presides at a confidential conference at which the Parties attempt to settle issues shall not preside at a subsequent hearing in the proceeding unless the Parties consent.

21 Participation in Proceedings

- (1) Change in representation A Party who is represented may:
 - (a) change the Party's representative by serving every other Party with, and filing, notice of the change, including the name, address, telephone number and e-mail address of the new representative; or
 - (b) elect to appear on the Party's own behalf by serving every other Party with, and filing, notice of the change, including the Party's address, telephone number and e-mail address.
- (2) Removal of representative of record On a motion by a representative or Party, a Panel may order the removal of a representative as the representative of record.
- (3) Failure to participate If a Notice of Hearing is served on a Party and the Party does not attend a hearing, the proceeding may continue in the Party's absence and the Party is not entitled to any further notice in the proceeding.
- (4) Intervenor participation On motion, a Panel may grant a person or company who is not a Party to a proceeding intervenor status to participate in all or part of the proceeding on terms the Panel considers appropriate, and subject to such terms, the intervenor shall be treated as a Party.

CONDUCT IN HEARINGS

22 Public Access

- (1) Public hearings A hearing shall be open to the public, unless a Panel orders otherwise.
- (2) Confidential hearings A Panel may order that a hearing or part of a hearing be held without the public present if it appears that:
- (a) matters involving public security may be disclosed;
 - (b) avoiding disclosure of intimate financial or personal matters or other matters during the hearing outweighs adherence to the principle that hearings should be open to the public; or
 - (c) a confidential hearing is required by law.
- (3) Access to documents A document or other thing filed in a hearing shall be available to the public upon request, if practicable, unless:
- (a) the document or other thing is filed during a confidential part of a hearing;
 - (b) a Panel finds that the circumstances described in subsection (2) of this Rule apply to the document or other thing; or
 - (c) a redacted version of a document is also filed, in which case the public will have access to the redacted version only.
- Except in a written hearing, written submissions and documentary evidence filed before the hearing shall not be available to the public until the commencement of the hearing for which they are filed or the abandonment of an Application.
- Requests for access to documents should be made to record@osc.gov.on.ca.
- (4) Recordings Visual or audio recording of a hearing is prohibited unless a Panel grants permission. A request for permission to make a visual or audio recording shall be in writing and sent to the Registrar and all Parties at least five days before the hearing. A person who obtains permission to make a visual or audio recording shall be subject to the directions of the Panel and shall not engage in any behaviour that disrupts or detracts from the hearing.

23 Types of Hearings

- (1) Oral hearings Unless otherwise provided in these Rules or ordered by a Panel, all hearings shall be oral hearings, which term includes hearings by telephone, videoconference and other electronic means.
- (2) Written hearings - consent A hearing shall be conducted as a written hearing if all Parties consent, unless a Panel orders otherwise.
- (3) Written hearings - Order A Panel may order that a hearing be conducted as a written hearing if:
- (a) the only purpose of the hearing is to deal with procedural matters; or
 - (b) the Panel is satisfied that there is good reason to conduct the hearing as a written hearing.

24 Language of Proceedings

- (1) French or English or both A proceeding shall be conducted in English or in French or in both English and French, as requested by the Parties.
- (2) Effect of Practice Guideline A hearing in French or in both French and English shall be conducted in accordance with the section of the Practice Guideline regarding language of proceedings.
- (3) Interpreters for English and French The Commission shall, upon request, provide an interpreter to translate to English from French, or to French from English, during a hearing.
- (4) Request for interpreter If a Party or a Party's witness requires an interpreter to translate to or from any language other than French or English, the Party shall notify the Registrar and the other Parties of its request at least 30 days before the hearing.

25 Accessibility

If a Party, representative or witness has an accessibility need that will affect the individual's ability to participate in a hearing, the individual shall notify the Registrar at least 30 days before the hearing so that reasonable accommodation can be arranged.

26 Summonses

- (1) Residents of Ontario At the request of a Party, a Panel may issue a Summons using the form in Appendix I to require a person resident in Ontario to:
- (a) give evidence under oath or affirmation at an oral hearing; and
 - (b) to produce any document or thing specified in the Summons at an oral hearing.
- (2) Witnesses outside Ontario A Party who may call a witness who is not resident in Ontario shall inform a Panel as soon as possible before the hearing.

27 Disclosure

- (1) Initial disclosure by Staff in an enforcement proceeding In an enforcement proceeding under s. 127(1) of the Act, Staff shall:
- (a) provide to every other Party copies of all non- privileged documents in Staff's possession that are relevant to an allegation;
 - (b) identify to every other Party all other things in Staff's possession that are relevant to an allegation; and
 - (c) where inspection of an original document or thing identified in (a) or (b) of this Rule is requested by a Party, make the document or thing available for inspection.
- (2) Disclosure of Hearing Briefs A Party shall provide every other Party to a proceeding with a copy of the documents, and shall identify the other things, that the Party intends to rely on or enter as evidence at a hearing.
- (3) Witness lists and summaries A Party shall file and serve a list of the witnesses, including witnesses that are Parties, the Party intends to call on every other Party to a proceeding and shall serve on every such Party a summary of the evidence that each witness is expected to give that includes, unless previously disclosed:
- (a) the witness's name and address or if the address is not provided, the name and address of a person through whom the witness can be contacted;
 - (b) the substance of the witness's evidence; and
 - (c) the identification of any document or thing to which the witness is expected to refer.
- Witness lists and witness summaries are not part of the hearing record and are not available to the public.
- (4) Expert witnesses A Party who intends to call an expert to give evidence at a hearing shall provide every other Party to the proceeding with notice of the Party's intention to call an expert, including a summary of the issues on which the expert will be giving evidence.
- (5) Expert report A Party who intends to introduce expert evidence shall serve the expert's report and qualifications on every other Party.
- (6) Expert reports in response and reply A Party who is served with an expert's report may serve an expert's report in response, and the Party who served the initial expert's report may serve an expert's report in reply.
- (7) Timelines for disclosure A Panel shall set timelines for disclosure and expert reports in accordance with the Practice Guideline.
- (8) Failure to disclose A Party who fails to comply with a disclosure obligation in these Rules, the Practice Guideline or an order of a Panel shall not, without a Panel's permission, be permitted to rely on material or testimony that was not properly disclosed.

- (9) Particulars At any stage in a proceeding, a Panel may order an Applicant to provide another Party with particulars necessary for a full and satisfactory understanding of the subject of the proceeding, including:
- (a) the grounds on which a remedy or order is being sought; and
 - (b) a general statement of the facts being relied on.

28 Motions

- (1) Motion A Party who intends to make a motion shall file the Motion using the form in Appendix B, and shall serve the Motion on every other Party.
- (2) Materials in support of the motion A Party who makes a motion shall file and serve with the Motion a motion record that includes any affidavits setting out the facts relied on by the Party.
- (3) Responding and reply materials A Party who is served with a Motion may file materials in response to the Motion, and the Party making the motion may file materials in reply.
- (4) Timing for delivery of motion materials Service and filing of a Motion, motion record and responding and reply materials shall comply with the time periods in the Practice Guideline.
- (5) Motion without notice A Panel may permit a Party to make a motion without notice if:
- (a) the nature of the motion or the circumstances make service of the Motion impractical or unnecessary; or
 - (b) the delay necessary to effect service would be likely to have serious consequences.

29 Adjournments

- (1) Exceptional circumstances Every merits or sanctions hearing in an enforcement proceeding, and every hearing of a motion or application, shall proceed on the scheduled date unless a Party satisfies the Panel that there are exceptional circumstances requiring an adjournment.
- (2) How to request an adjournment A Party who requests that a hearing be adjourned shall file and serve a Motion using the form in Appendix B.
- (3) Terms A Panel may grant a request that a hearing be adjourned on terms the Panel considers appropriate.

30 Joint Hearings

- (1) Joint hearings with other securities administrators A Panel may hold a hearing in or outside Ontario jointly with another body that is authorized by statute to regulate trading in securities, commodities or derivatives.
- (2) Request for a joint hearing A request for a joint hearing shall be made by motion using the form in Appendix B and shall state the reasons for the request.
- (3) Payment of expenses A Panel may require as a condition of approving a request from a Party to hold a joint hearing outside Ontario that the Party pay any additional costs incurred by the Commission.

31 Notice of Constitutional Question

A Party who intends to question the constitutional validity or applicability of any legislation, regulation, bylaw, or common law rule shall serve notice of the constitutional question on the Attorneys General of Canada and Ontario and on the other Parties and shall file the notice as soon as the circumstances requiring the notice are known and, in any event, at least 15 days before the day on which the question is to be argued.

SETTLEMENT

32 Confidential Settlement Conference

- (1) Settlement conference The Parties to a proposed settlement shall attend at least one settlement conference.
- (2) Request for a settlement conference The Parties to a proposed settlement shall file a joint request for the settlement conference no later than five days before the date of the settlement conference, which request shall include:
 - (a) the written consent of the Parties to participate in the settlement conference;
 - (b) an agreement that the discussions and any document or thing presented at the settlement conference shall be confidential;
 - (c) a draft of the proposed settlement agreement or a joint memorandum setting out the terms of the proposed settlement; and
 - (d) any materials in support of the settlement.
- (3) Notice Notice of a settlement conference shall not be public.
- (4) Confidentiality A settlement conference, including all materials filed for the settlement conference, shall be confidential and no transcript shall be made.
- (5) Disqualification of confidential settlement conference Commissioner A Commissioner who presides at a confidential settlement conference shall not preside at a subsequent hearing other than at a subsequent confidential settlement conference or at the public settlement hearing under Rule 33, unless the Parties consent.

33 Public Settlement Hearing

- (1) Request for a settlement hearing If the Parties to a settlement request a hearing to approve the settlement, they shall file a joint request at least three days before the settlement hearing, which request shall include:
 - (a) a Statement of Allegations, if one has not previously been filed;
 - (b) a signed settlement agreement that includes a draft Order, using the form in Appendix J, and each Party's consent to the Order; and
 - (c) any materials in support of the settlement.
- (2) Notice The Office of the Secretary shall issue a Notice of Hearing after a request that complies with subsection (1) has been filed.
- (3) Settlement hearing Panel A Panel that presides at a hearing to consider a settlement shall include at least one Commissioner from the Panel that presided at the settlement conference relating to the settlement.

DECISIONS

34 Notice of Decision

- (1) Notice to Parties The Office of the Secretary shall send a copy of a Panel's written decision, reasons, and any order to each Party's representative and to each unrepresented Party.
- (2) Publication All written decisions, reasons, orders and approved settlement agreements shall be published on the Commission's website and in the Commission's Bulletin, unless a Panel orders that the document be kept confidential.

SANCTIONS AND COSTS

35 Sanctions and Costs Hearing

- (1) Separate hearing for sanctions and costs If a Panel makes a finding in an enforcement proceeding that provides a basis for sanctions and costs, a separate hearing shall be held to consider sanctions and costs, unless the Parties agree that all issues may be decided in one hearing.

- (2) Schedule A Panel shall set a schedule for the sanctions and costs hearing.
- (3) Materials in support of a request for costs If Staff claims costs, it shall file materials in support of the claim for costs that include:
- (a) the amount of the costs claimed;
 - (b) the basis of the claim for costs;
 - (c) a summary statement of hours and fees, supported by time records setting out relevant hourly rates;
 - (d) a summary statement of disbursements supported by invoices and receipts, or if they cannot be obtained, by a written record of disbursements and associated dates; and
 - (e) an affidavit declaring that the information contained in the time records and the summary statement of disbursements are true and accurate, and that the disbursements were incurred directly and necessarily as a result of the investigation and/or hearing of the proceeding.

**APPENDIX A
STATEMENT OF ALLEGATIONS**

**IN THE MATTER OF
[Name(s) of Respondent(s)]**

STATEMENT OF ALLEGATIONS
(Subsection(s) 127(1) [and 127(10)] and Section 127.1
of the *Securities Act*, RSO 1990, c S.5)

A. OVERVIEW

1. [Set out in separate, consecutively numbered paragraphs an overview of the allegations]

B. FACTS

Staff of the Enforcement Branch of the Ontario Securities Commission (“**Enforcement Staff**”) makes the following allegations of fact:

2. [Set out in separate, consecutively numbered paragraphs each allegation of material fact relied on to substantiate the alleged breaches of Ontario Securities law and/or conduct contrary to the public interest]

C. BREACHES AND CONDUCT CONTRARY TO THE PUBLIC INTEREST

Enforcement Staff alleges the following breach(es) of Ontario securities law and/or conduct contrary to the public interest:

3. [Set out in separate, consecutively numbered paragraphs each provision of Ontario Securities law alleged to have been breached and/or conduct alleged to be contrary to the public interest]

D. ORDER SOUGHT

Enforcement Staff requests that the Commission make the following order(s):

4. [Set out in separate, consecutively numbered paragraphs the order(s) sought, including sanctions and costs]

DATED this [day] day of [month], [year].

[Name, address, email and telephone number of
Enforcement Staff]

**APPENDIX B
MOTION**

**IN THE MATTER OF
[Name(s) of Applicant(s) or Respondent(s) (use title of existing proceeding)]**

File No. [#]

**MOTION
OF [Name(s) of Moving Party or Parties]**

(For [specify relief sought])

Under [Section [#] of the Securities Act, RSO 1990, c S.5 and/or Rule [#])

A. ORDER SOUGHT

The [Moving Party or Parties], [name(s) of Party or Parties], request(s) [with or without] notice, that the Ontario Securities Commission make the following order(s):

1. [Set out in separate, consecutively numbered paragraphs the order(s) sought]

B. GROUNDS

The grounds for the motion are:

2. [Set out in separate, consecutively numbered paragraphs each of the factual and legal grounds to be argued, including reference to any relevant statutory provision or rule]

C. EVIDENCE

The [Moving Party or Parties] intend(s) to rely on the following evidence for the motion:

3. [Set out in separate, consecutively numbered paragraphs the affidavits, other documentary evidence and oral testimony, if any, that the Moving Party or Parties intend(s) to use]

DATED this [day] day of [month], [year].

[Name, address, email and telephone number of
Moving Party or Moving Party's representative]

APPENDIX C
APPLICATION FOR AUTHORIZATION TO DISCLOSE INFORMATION

IN THE MATTER OF
[Name(s) of Applicant(s) or, if a proceeding is pre-existing, Respondent(s)]

CONFIDENTIAL APPLICATION
OF [Name(s) of Applicant(s)]

(For Authorization to Disclose Information Under
Section 17 of the *Securities Act*, RSO 1990, c S.5)

A. ORDER SOUGHT

The [Applicant or Applicants], [name(s) of Applicant(s)], request(s) that the Ontario Securities Commission make the following order(s):

1. [Set out in separate, consecutively numbered paragraphs the order(s) sought]

B. GROUNDS

The grounds for the request are:

2. [Set out in separate, consecutively numbered paragraphs each of the factual and legal grounds to be argued, including reference to any relevant statutory provision or rule]

C. EVIDENCE

The [Applicant or Applicants] intend(s) to rely on the following evidence at the hearing:

3. [Set out in separate, consecutively numbered paragraphs the affidavits, other documentary evidence and oral testimony, if any, that the Applicant(s) intend(s) to use]

DATED this [day] day of [month], [year].

[Name, address, email and telephone number of
Applicant(s) **or** representative of Applicant(s)]

**APPENDIX D
APPLICATION FOR EXTENSION OF A TEMPORARY ORDER**

**IN THE MATTER OF
[Name(s) in the title of proceeding on the temporary order]**

**APPLICATION
OF [Name(s) of Applicant(s)]**

(For Extension of a Temporary Order Under
Subsection(s) 127[(7) and/or (8)] of the *Securities Act*, RSO 1990, c S.5)

A. ORDER SOUGHT

The [Applicant or Applicants], [name(s) of Applicant(s)], request(s) that the Ontario Securities Commission make the following order(s):

1. [Set out in separate, consecutively numbered paragraphs the order(s) sought, identifying the temporary order in respect of which the order(s) is/are sought and the proposed duration of the extension]

B. GROUNDS

The grounds for the request are:

2. [Set out in separate, consecutively numbered paragraphs each of the factual and legal grounds to be argued, including reference to any relevant statutory provision or rule]

C. EVIDENCE

The [Applicant or Applicants] intend(s) to rely on the following evidence at the hearing:

3. [Set out in separate, consecutively numbered paragraphs the affidavits, other documentary evidence and oral testimony, if any, that the Applicant(s) intend(s) to use]

DATED this [day] day of [month], [year].

[Name, address, email and telephone number of
Applicant(s) or representative of Applicant(s)]

**APPENDIX E
APPLICATION FOR HEARING AND REVIEW**

**IN THE MATTER OF
[Name(s) of Applicant(s)]**

APPLICATION
(For Hearing and Review of a Decision Under Section [8 or 21.7]
of the *Securities Act*, RSO 1990, c S.5)

A. ORDER SOUGHT

The [Applicant or Applicants], [name(s) of Applicant(s)], request(s) that the Ontario Securities Commission make the following order(s):

1. [Set out in separate, consecutively numbered paragraphs the order(s) sought, identifying the specific decision in respect of which the order(s) is/are sought and stating the Applicant(s)' interest in that decision]

B. GROUNDS

The grounds for the request and the reasons for seeking a hearing and review are:

2. [Set out in separate, consecutively numbered paragraphs each of the factual and legal grounds to be argued, including reference to any relevant statutory provision or rule, and identifying any alleged errors in the decision in respect of which the order(s) is/are sought]

C. DOCUMENTS AND EVIDENCE

The [Applicant or Applicants] intend(s) to rely on the following documents and evidence at the hearing:

3. [Set out in separate, consecutively numbered paragraphs the affidavits, other documentary evidence and oral testimony, if any, that the Applicant(s) intend(s) to use, including, where applicable:
 - (a) the decision that is the subject of the request for a hearing and review and the related reasons, if reasons were given;
 - (b) the application or other document by which the original proceeding was commenced;
 - (c) any interim orders made in the original proceeding;
 - (d) any documentary evidence filed in the original proceeding, subject to any limitation expressly imposed by any statute, regulation or rules;
 - (e) any other relevant documents in the original proceeding; and
 - (f) any transcript of the oral evidence given at the original hearing.]

DATED this [day] day of [month], [year].

[Name, address, email and telephone number of
Applicant(s) or representative of Applicant(s)]

APPENDIX F
APPLICATION FOR FURTHER DECISION OR REVOCATION OR VARIATION OF A DECISION

IN THE MATTER OF
[use title of existing proceeding]

APPLICATION
OF [Name(s) of Applicant(s)]

(For [Further Decision or Revocation of a Decision or Variation of a Decision]
Under Section [9(6) or 144] of the Securities Act, RSO 1990, c S.5)

A. ORDER SOUGHT

The [Applicant or Applicants], [name(s) of Applicant(s)], request(s) that the Ontario Securities Commission make the following order(s):

1. [Set out in separate, consecutively numbered paragraphs the order(s) sought, identifying the specific decision in respect of which the order(s) is/are sought and stating the Applicant(s)' interest in that decision]

B. GROUNDS

The grounds for the request are:

2. [Set out in separate, consecutively numbered paragraphs each of the factual and legal grounds to be argued, including reference to any relevant statutory provision or rule, new material or significant change in circumstances]

C. EVIDENCE

The [Applicant or Applicants] intend(s) to rely on the following evidence at the hearing:

3. [Set out in separate, consecutively numbered paragraphs the affidavits, other documentary evidence and oral testimony, if any, that the Applicant(s) intend(s) to use, including any new evidence that the Applicant(s) propose(s) to introduce at the hearing]

DATED this [day] day of [month], [year].

[Name, address, email and telephone number of
Applicant(s) or representative of Applicant(s)]

**APPENDIX G
APPLICATION FOR TRANSACTIONAL PROCEEDING**

**IN THE MATTER OF
[Name(s) of Applicant(s)]**

- and -

**IN THE MATTER OF
[Name(s) of Respondent(s)]**

**APPLICATION
OF [Name(s) of Applicant(s)]**

(In connection with a transactional proceeding under Rule 16 and
Under Section(s) [104 and/or 127(1)] of the *Securities Act*, RSO 1990, c S.5)

A. ORDER SOUGHT

The [Applicant or Applicants], [name(s) of Applicant(s)], request(s) that the Ontario Securities Commission make the following order(s):

1. [Set out in separate, consecutively numbered paragraphs the order(s) sought]

B. GROUNDS

The grounds for the request are:

2. [Set out in separate, consecutively numbered paragraphs each of the factual and legal grounds to be argued, including reference to any relevant statutory provision or rule]

C. EVIDENCE

The [Applicant or Applicants] intend(s) to rely on the following evidence at the hearing:

3. [Set out in separate, consecutively numbered paragraphs the affidavits, other documentary evidence and oral testimony, if any, that the Applicant(s) intend(s) to use]

DATED this [day] day of [month], [year].

[Name, address, email and telephone number of
Applicant(s) or representative of Applicant(s)]

**APPENDIX H
NOTICE OF WITHDRAWAL**

**IN THE MATTER OF
[Name(s) of Respondent(s) in an enforcement
proceeding, or Applicant(s) in any other application]**

File No. [#]

NOTICE OF WITHDRAWAL

[Name(s) of Applicant(s)] withdraw(s) the [Statement of Allegations or Application or Motion].

OR

[Name(s) of Applicant(s)] withdraw(s) the [Statement of Allegations or Application] against [name(s) of Party(Parties)] as shown in the Amended [Statement of Allegations or Application] attached hereto.

DATED this [day] day of [month], [year].

[Name, address, email and telephone number of
Applicant(s) or representative of Applicant(s)]

**APPENDIX I
SUMMONS**

THE SECURITIES ACT, RSO 1990, c S.5

**IN THE MATTER OF
[use title of existing proceeding]**

File No. [#]

**SUMMONS TO A WITNESS BEFORE
THE ONTARIO SECURITIES COMMISSION**

TO: [FULL NAME AND ADDRESS OF WITNESS]

YOU ARE REQUIRED TO ATTEND TO GIVE EVIDENCE at the hearing of this proceeding on [DATE] at [TIME], before the Ontario Securities Commission, located at 20 Queen Street West, 17th Floor, Toronto, Ontario, and to remain until your attendance is no longer required.

YOU ARE REQUIRED TO BRING WITH YOU and produce at the hearing the following documents and things: [*Set out the nature and date of each document and give sufficient particulars to identify each document and thing.*]

IF YOU FAIL TO ATTEND OR TO REMAIN IN ATTENDANCE AS THIS SUMMONS REQUIRES, THE SUPERIOR COURT OF JUSTICE MAY ORDER THAT A WARRANT FOR YOUR ARREST BE ISSUED, OR THAT YOU BE PUNISHED IN THE SAME WAY AS FOR CONTEMPT OF THAT COURT.

Date: _____ ONTARIO SECURITIES COMMISSION

On behalf of the Ontario Securities Commission

NOTE: You are entitled to be paid the same fees or allowances for attending at or otherwise participating in the hearing as are paid to a person summoned to attend before the Superior Court of Justice. **If you have questions, you should contact the party that requested that the Commission issue this Summons: [Name, address, email and telephone number of Party requesting that the Commission issue the Summons].**

**APPENDIX J
ORDER**

IN THE MATTER OF
[use title of existing proceeding]

File No. [#]

[Name(s) of Commissioner(s) comprising the Panel]

[Day and date Order made]

ORDER

(Section(s) [#] of the
Securities Act, RSO 1990, c S.5)

WHEREAS on [date], the Ontario Securities Commission held a hearing [at 20 Queen Street West, 17th Floor, Toronto, Ontario, or in writing], [recite any particulars necessary to understand the Order];

ON READING [give particulars of the material filed] and on hearing the submissions of the representative(s) for [name represented Parties], [add as applicable: (name Parties) appearing in person; and/or no one appearing for (name Parties), although properly served as appears from (indicate proof of service)], [and considering (indicate any consents or undertakings if provided)];

IT IS ORDERED THAT:

- 1.
- 2.

[Name of Panel Chair]

[Name of Commissioner]

[Name of Commissioner]

5.1.3 OSC Practice Guideline

OSC PRACTICE GUIDELINE
[Amendment as of July 23, 2019]

1. APPLICATION

- (1) APPLICATION

2. FILING DOCUMENTS

- (1) REDACTIONS
- (2) MERITS HEARING FOR AN ENFORCEMENT PROCEEDING
- (3) ALL OTHER HEARINGS
- (4) FORMAT OF ELECTRONIC FILINGS
- (5) AUTHORITIES

3. USE AND DISCLOSURE OF PERSONAL INFORMATION

- (1) OBLIGATION TO REDACT
- (2) PERSONAL INFORMATION
- (3) PERSONAL INFORMATION OF RESPONDENTS

4. LANGUAGE OF PROCEEDINGS

- (1) CHOICE OF LANGUAGE FOR CONDUCT OF PROCEEDINGS
- (2) LANGUAGE OF APPLICATION
- (3) NOTICE OF HEARING
- (4) COMMUNICATIONS WITH THE COMMISSION
- (5) EVIDENCE AT THE HEARING
- (6) TRANSLATION OF EVIDENCE
- (7) TRANSLATION OF TRANSCRIPTS
- (8) DECISIONS AND REASONS

5. ENFORCEMENT PROCEEDINGS

- (1) PROCEEDING MANAGEMENT

6. HEARING AND REVIEW PROCEEDINGS

- (1) FIRST ATTENDANCE
- (2) RECORD OF ORIGINAL PROCEEDING

7. ALL OTHER PROCEEDINGS

- (1) FIRST ATTENDANCE

8. MOTIONS

- (1) TIMING
- (2) CROSS-EXAMINATION
- (3) EVIDENCE

APPENDIX A PROTOCOL FOR E-HEARINGS

APPENDIX B E-HEARING CHECKLIST

APPENDIX C SAMPLE INDEX FILE

1. APPLICATION

- (1) **Application:** This Practice Guideline applies to proceedings before a Panel of the Commission.

2. FILING DOCUMENTS

- (1) **Redactions:** Except when redactions are made for reasons of privilege, a Party who files a redacted document shall also file a confidential clean copy with the redacted copy of the document.

- (2) **Merits Hearing for an Enforcement Proceeding:** The merits hearing in an enforcement proceeding, except an inter-jurisdictional enforcement proceeding, shall be an e-hearing. Each Party shall provide its hearing brief to the Registrar electronically and shall follow the *Protocol for E-Hearings* that is attached as Appendix A.

- (3) **All Other Hearings:** In a hearing other than an e-hearing pursuant to subsection (2) above, each Party shall file the Party's documents both electronically and in paper in accordance with the *Rules of Procedure and Forms*. Five copies of a paper filing shall be filed with the Registrar. A Party who files a document or thing shall,

- (a) if the document or thing is filed electronically and

(i) the file size is 50MB or less, send it by email to the address: registrar@osc.gov.on.ca; or

(ii) the file size exceeds 50MB, deliver it on physical media (e.g., DVD, CD, USB flash drive, external hard drive, or other method approved by the Registrar) to the address in (b) below; or

- (b) if the document or thing is filed in paper, deliver it by mail, facsimile transmission (if under 25 pages), courier or personal delivery to:

Ontario Securities Commission
20 Queen Street West, 22nd Floor Toronto, Ontario
M5H 3S8
Fax: 416-593-2318
Attention: Registrar, Office of the Secretary

- (4) **Format of Electronic Filings:** A Party who files an electronic document (including text and image/picture documents) shall file it in multi-page Portable Document Format (PDF) that allows full text searching. Statements of Allegation, Amended Statements of Allegation, Applications, Motions, Notices of Withdrawal and Settlement Agreements shall also be filed in Microsoft Word format.

- (5) **Authorities:** Each Party shall file a book of authorities containing copies of Commission decisions, court decisions and other legal authorities referred to in the Party's submissions that the Party intends to rely on. Any passages that the Party wishes to refer to should be clearly marked, highlighted or side-barred. If a Party is relying on an authority contained in the Commission's Book of Authorities, the Party shall include in its book of authorities the first page and any other pages of the authority the Party wishes to refer to, with passages clearly marked, highlighted, or side-barred.

3. USE AND DISCLOSURE OF PERSONAL INFORMATION

- (1) **Obligation to Redact:** Each Party shall use reasonable efforts to limit disclosure of personal information of an investor, witness or other third party to information that is necessary for the disposition of a matter and shall redact the Party's documents accordingly.

- (2) **Personal Information:** In this Practice Guideline, "personal information" means recorded information about an identifiable individual investor, witness or third party, including but not limited to a person's:

(a) social insurance number, driver's license number, passport number, license plate number, and Ontario Health Insurance Plan number (or other similar health plan number);

(b) date of birth;

(c) municipal address, including street name, street number and postal code (but not city or province);

(d) telephone number;

(e) bank account number and trading account number (including a joint account); and

- (f) name of spouse and child.

“Personal information” does not include a name, title, contact information or designation of an individual in a business, professional or official capacity.

- (3) **Personal Information of Respondents:** It is not expected that personal information of a respondent that is relevant to the disposition of a matter be redacted. A Party or participant may bring a motion before the Panel to request that any personal information about a respondent be redacted from any documents in the hearing record.

4. LANGUAGE OF PROCEEDINGS

- (1) **Choice of Language for Conduct of Proceedings:** A Party may request that a Panel conduct a hearing wholly or partly in French by serving and filing a written notice with the Registrar as soon as possible and, in any event, at least 60 days before the hearing.
- (2) **Language of Application:** If a Party to a proceeding brought by Staff requests that the proceeding be conducted wholly or partly in French, Staff shall serve and file, as soon as possible, a French translation of the Statement of Allegations or the Application, as the case may be.
- (3) **Notice of Hearing:** Parties to a proceeding have the right to receive the Notice of Hearing in either English or French upon request.
- (4) **Communications with the Commission:** The Commission will communicate and provide all of its correspondence, orders and decisions in the language of the proceeding as requested by the Parties, and the Parties may change their language of choice by notifying the Registrar in writing. Where at least one Party uses French and at least one Party uses English, Commission correspondence will be provided in both languages or will be translated.
- (5) **Evidence at the Hearing:** Parties, witnesses and counsel participating in a hearing may submit evidence or written submissions either in English or in French. These documents will form part of the record in the language in which they are submitted.
- (6) **Translation of Evidence:** The Commission has no obligation to translate documentary evidence. A Party may bring a motion requesting translation into English or French of documentary evidence that is necessary for a fair determination of a matter.
- (7) **Translation of Transcripts:** The Commission has no obligation to translate hearing transcripts. However, the Commission may, at its discretion, provide English or French translation of hearing transcripts.
- (8) **Decisions and Reasons:** Commission decisions and reasons will be issued in the language of the hearing. If a hearing is conducted in both English and French, Commission decisions and reasons will be issued in both languages.

5. ENFORCEMENT PROCEEDINGS

- (1) **Proceeding Management:** A Panel will impose a timeline for attendances and other steps in enforcement proceedings to ensure that proceedings are conducted in a just, expeditious and cost-effective manner. Parties are encouraged to address matters as expeditiously as possible. The outside limits for the timeline are set out below, subject to the discretion of the Panel:

Stage of the Proceeding:	Timeline:
<p>First Attendance A timeline will be set for:</p> <ul style="list-style-type: none"> • Disclosure of documents and things and service of witness lists and summaries and notices of intent to call expert witnesses; and • Any additional interlocutory matters, including subsequent attendances. 	<p>On the date set in the Notice of Hearing, which should occur within 30 days of the issuance of the Notice of Hearing</p>
<p>Staff’s Disclosure of Relevant Documents Staff shall disclose to each respondent non- privileged relevant documents and things in the possession or control of Staff.</p>	<p>No later than 30 days after the First Attendance</p>

<p>Disclosure Motion by a Respondent A respondent may serve and file a Motion regarding Staff's disclosure or seeking disclosure of additional documents.</p>	<p>No later than 10 days before the Second Attendance</p>
<p>Staff's Witness List, Summaries of Evidence, and Intention to Call Experts Staff shall:</p> <ul style="list-style-type: none"> • File and serve a witness list, and serve a summary of each witness's anticipated evidence on each respondent; and • Indicate any intention to call an expert witness. If Staff intends to call an expert witness, it shall provide the expert's name and state the issues on which the expert will give evidence. 	<p>No later than five days before the Second Attendance</p>
<p>Second Attendance A motion by a respondent regarding Staff's disclosure will be heard or scheduled for a subsequent date. Other interlocutory motions, if any, will be scheduled.</p>	<p>No later than 120 days after the First Attendance</p>
<p>Respondent's Witness List, Summaries of Evidence, and Intention to Call Experts Each respondent shall:</p> <ul style="list-style-type: none"> • File and serve a witness list, and serve a summary of each witness's anticipated evidence on Staff, including for a witness that is a Party; and • Indicate any intention to call an expert witness. If a respondent intends to call an expert witness, the respondent shall provide the expert's name and state the issues on which the expert will give evidence. 	<p>No later than 30 days before the Third Attendance</p>
<p>Third Attendance</p> <ul style="list-style-type: none"> • Dates will be set for: <ul style="list-style-type: none"> ○ the merits hearing; and ○ the provision of expert reports including expert reports in response and in reply. • Further interlocutory motions may be held or scheduled. 	<p>No later than 60 days after the Second Attendance</p>
<p>Exchange of Hearing Briefs Each Party shall serve every other Party with a hearing brief containing copies of the documents, and identifying the other things, that the Party intends to produce or enter as evidence at the merits hearing.</p>	<p>No later than 10 days before the Final Interlocutory Attendance</p>
<p>E-hearing Checklist Each Party shall provide to the Registrar a completed copy of the <i>E-hearing Checklist for the Hearing on the Merits</i> provided in Appendix B, which will not form part of the hearing record and will not be available to the public.</p>	<p>No later than five days before the Final Interlocutory Attendance</p>
<p>Final Interlocutory Attendance</p> <ul style="list-style-type: none"> • Each Party shall advise the Panel of any issue with respect to authenticity or admissibility of a document in a hearing brief. • Outstanding interlocutory issues will be addressed. 	<p>No later than 30 days before the Merits Hearing</p>
<p>Electronic Documents and Index Files</p> <ul style="list-style-type: none"> • Each Party shall provide to the Registrar the electronic documents that the Party intends to rely on or enter into evidence at the merits hearing, along with an Index File, in accordance with the <i>Protocol for E-Hearings</i> that is attached as Appendix • A. An electronic document provided to the Registrar will become part of the hearing record only if the document is tendered into evidence and marked as an exhibit by the Panel in the hearing. 	<p>No later than five days before the Merits Hearing</p>

6. HEARING AND REVIEW PROCEEDINGS

(1) **First Attendance:** At the first attendance in a hearing and review proceeding, the Panel will impose a timeline for subsequent attendances and, if applicable, for the following:

- (a) service and filing by the applicant of the record of the original proceeding;
- (b) notice of intention to rely on documents or things not included in the record of the original proceeding;
- (c) disclosure of documents or things not included in the record of the original proceeding;
- (d) disclosure of witness lists and summaries;
- (e) notices of intention to call an expert witness;
- (f) any other interlocutory matter, including motions;
- (g) subsequent attendances for proceeding management;
- (h) filing hearing briefs;
- (i) filing written submissions; and
- (j) hearing the application.

(2) **Record of Original Proceeding:** The record referred to in clause (1)(a) above includes:

- (a) the application or other document by which the original matter was commenced;
- (b) any Notice of Hearing;
- (c) interim orders;
- (d) documentary evidence filed in the original proceeding;
- (e) other relevant documents in the original proceeding on which the applicant will rely;
- (f) any transcript of oral evidence; and
- (g) the decision that is the subject of the request for a hearing and review, including any reasons for the decision.

7. ALL OTHER PROCEEDINGS

(1) **First Attendance:** At the first attendance in a proceeding other than an enforcement proceeding and a hearing and review proceeding, the Panel will impose a timeline, if applicable, for the following:

- (a) disclosure of documents and things;
- (b) disclosure of witness lists and summaries;
- (c) notices of intention to call an expert witness;
- (d) any other interlocutory matter, including motions;
- (e) subsequent attendances for proceeding management;
- (f) filing deadlines for written submissions; and
- (g) hearing the application.

8. MOTIONS

(1) Timing: The following timelines apply for filing motion materials:

- (a) at least 10 days before a motion date, the moving Party shall serve and file the Motion and motion record as prescribed in the Rules of Procedure and Forms;
- (b) at least six days before the motion date, the responding Party shall serve and file any responding affidavits;
- (c) at least four days before the motion date, the moving Party shall serve and file:
 - (i) any reply affidavits; and
 - (ii) a memorandum of fact and law;
- (d) at least two days before the motion date, the responding Party shall serve and file a memorandum of fact and law.

If a Party fails to comply with these time limits or other time limits ordered by a Panel, a Panel may dispose of the motion as it considers appropriate.

(2) Cross-Examination: A Party who files an affidavit shall make the affiant reasonably available for cross-examination by any adverse Party before the motion.

(3) Evidence: A Panel may by order, before or at a hearing, require or permit oral testimony and cross-examination of an affiant at the hearing of the Motion.

APPENDIX A
PROTOCOL FOR E-HEARINGS

The merits hearing in an enforcement proceeding will proceed as an e-hearing. In an e-hearing, the documents that the Parties intend to enter into evidence are provided electronically to the Registrar and are then displayed electronically on screens and monitors during the hearing.

This document sets out the protocol and electronic document requirements for e-hearings. Any questions may be sent to the Registrar at registrar@osc.gov.on.ca.

In advance of an e-hearing, the Parties are required to provide the following items to the Registrar:

	Required Item	Timeline for Delivery
1.	E-Hearing Checklist	Five days before the Final Interlocutory Attendance
2.	Hearing Brief	Five days before the start of the e-hearing
3.	Index File	Five days before the start of the e-hearing

The timelines for delivery are guided by the Practice Guideline and may be varied by the Panel.

1. E-HEARING CHECKLIST

The E-Hearing Checklist (see Appendix B) must be filed **five days before the Final Interlocutory Attendance**. It assists the Registrar with the logistics of the e-hearing.

The E-Hearing Checklist will not form part of the public record and will not be available to the public.

The following information may assist with the completion of the checklist:

OSC Portal

Software is installed on OSC laptops in the hearing rooms to enable Parties to access the OSC Portal. The OSC Portal is a database on a closed network environment, which holds the hearing documents. At the e-hearing, Parties will retrieve documents from the OSC Portal, open them and then display them on the public screens in the hearing room.

The OSC Portal can only be accessed on OSC laptops and is only for use in the hearing rooms, on hearing days.

Laptop Access

Permanent IT Equipment Set-Up in Each Hearing Room

Each hearing room is equipped with at least two laptops that are connected to the A/V system (one for Staff and one for respondents) that displays content to the public screen and to the monitors in front of the Panel and in front of the Parties. If there are more than two Parties, additional laptops can be connected to the A/V system.

If a Party requires additional laptops beyond those provided in the permanent IT equipment set-up, a request can be made on the E-Hearing Checklist (see Appendix B).

Personal Laptops

A Respondent may use their own personal laptop with a cellular/mobile internet connection (e.g. rocket stick or mobile phone hotspot). **A personal laptop cannot be used to access the OSC Portal and cannot be used to display content on hearing room screens.**

Internet Access

There is no WIFI access in the hearing rooms.

Each OSC laptop can be equipped with internet access in the hearing room, upon request on the E-Hearing Checklist (see Appendix B). A request can also be made to obtain internet access on a personal laptop through the E-Hearing Checklist.

Navigational Control

The set-up in the hearing rooms allows for a witness to have navigational control of the documents being displayed on the A/V system, while also allowing the party examining the witness to have control. Requests for witnesses to be given navigational control should be indicated on the E-Hearing Checklist (see Appendix B).

Video-Conferencing

Each hearing room has a Video Conference System.

If a witness will be testifying by video-conference, indicate the following information on the E-Hearing Checklist: the witness' name, the witness' location, anticipated date and time for the witness' testimony, the contact name and phone number at the video conferencing facility the witness will be attending, the witness' contact phone number, the facility IP address, and whether document sharing will be required to display documents to the remote witness. OSC IT staff will test the connection in advance of the hearing day and assist with establishing the connection on the day of the hearing.

Document Sharing

If a witness is testifying by video-conference, electronic document sharing may be possible.

For video-conferencing, this depends on the technology capabilities of the video conferencing facility. A request can be made on the E-Hearing Checklist at Appendix B if the Party would like to use electronic document sharing. In the alternative, Parties can provide a witness testifying by video-conference with a hard copy of the documents ahead of time.

2. HEARING BRIEF

Each Party shall provide its Hearing Brief to the Registrar electronically, along with the Index File, **at least five days before the start of the e-hearing**.

The Hearing Brief must contain all of the documents that the Party intends to enter into evidence at the hearing, so that they can be displayed on the screens and monitors in the hearing room during the hearing.

A document provided to the Registrar will only become part of the hearing record and be seen by the Panel if the document is subsequently offered into evidence and marked as an exhibit by the Panel during the hearing.

Format of Documents in Electronic Hearing Brief

All documents (including text and image/picture documents) shall be provided as multi-page Portable Document Formatted (PDF) or PDF/A documents with embedded underlying Optical Character Recognition (OCR) text. For scanned documents, the PDF document must be processed using OCR software and the PDF must be searchable using full text searching. All PDF documents must be PDF version 1.7 or later, with a scanned image resolution of at least 300 dpi.

Documents must be accessible, readable, printable and free of computer viruses, malware, Trojan horses or other items of a destructive nature. If any such item is detected, the document will be rejected and deemed not to have been received. The Registrar will request that the document be disinfected or recreated and then resubmitted.

Alternative Document Formats

Any issues with the preparation of documents in the format prescribed by this Protocol must be raised with the Registrar **at least 10 days before the start of the hearing** to ensure that arrangements can be made to open and view the alternative format document in the hearing room. For instance, a document may exist in a format that cannot be converted to a PDF. The Registrar will determine what document formats are acceptable for the hearing.

When alternative document formats are permitted by the Registrar, the list of documents requiring alternative document formats, including paper copies, must be included in the E-Hearing Checklist at Appendix B.

Redacting Confidential Documents

When seeking to keep a document confidential from the public, include both a confidential non-redacted version and a public redacted version of the document in the Hearing Brief. Redactions must be in accordance with the Commission's Practice Guideline (see sections 2(1) and 3).

Redactions of PDF documents must **remove the embedded underlying OCR text**. Simply blacking out the text is not

sufficient. Various software products may be used for redactions. Consult your software's manual for specifics about redacting and removing embedded underlying OCR text. As a general guideline:

- Use the software redaction tool to block out the confidential text;
- Finalize/burn-in all redactions;
- Ensure the underlying OCR text is removed;
- Re-OCR the document; and
- Review the document to ensure that the redacted text does not show up in the OCR text.

Providing Electronic Documents to the Registrar

Each party must provide the Registrar with the hearing brief electronically, which can include delivery by e-mail, DVD, CD, USB flash drive, external hard drive, or other means of electronic transfer as considered appropriate by the Registrar.

Facsimiles are not accepted.

When delivering documents to the Registrar, always specify the following:

- matter name
- file number
- name of Party providing electronic documents
- representative for the Party (if applicable); and
- contact information and name for the person responsible for preparing the documents.

When sending multiple physical media or emails, always label them chronologically (e.g. 1 of 2).

Electronic documents provided by e-mail shall be sent to the Registrar, Office of the Secretary, at registrar@osc.gov.on.ca. The email and its attachments shall not exceed the size of 50MB. If the total size of the documents exceeds 50MB, then a DVD, CD, USB flash drive, external hard drive, or other means of electronic transfer as considered appropriate by the Registrar, must be used.

Electronic documents provided by physical media (such as a DVD, CD, USB flash drive or external hard drive), shall be sent to the Registrar, Office of the Secretary by registered mail, courier or by hand delivery to the following address:

Attention: Registrar, Office of the Secretary
Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, ON, M5H 3S8

3. INDEX FILE

The Index File lists and describes all the documents contained in the Electronic Hearing Brief. It is a comma delimited text file in ".csv" format (which can be created in Excel or other programs). See Appendix C for an example of an Index File. A downloadable Index File template is available on the OSC's website.

The Index File and the Electronic Hearing Brief are filed with the Registrar at the same time, **at least five days before the start of the e-hearing**.

The Index File will not form part of the public record, will not be provided to the Panel, and will not be available to the public.

Information Contained in the Index File

The Index File must include the relevant information in all the mandatory fields, where applicable. The mandatory fields are identified below with an asterisk ("**"). The additional optional fields should be completed wherever possible, as a matter of best practice. See below and Appendix C for examples.

The Index File contains the following fields:

A*	B*	C*	D	E*	F	G	H	I*	J*	K*	L*	M	N
DocumentID	Unitized Parent DocID	Confidential Parent DocID	Date	Description	Type	Author	Recipient	Path	Confidential	Redacted	Format	Native Filename	Themes
ABC000001	ABC000001		13/06/2013	Affidavit of Joe Smith	Affidavit	Smith, Joe		ABC000001.pdf			pdf		Transaction 1
ABC000104C		ABC000104C	05/05/2013	List of Shares sold during 2013	Report			ABC000104C.pdf	C		pdf		Transaction 2
ABC000104R		ABC000104C	05/05/2013	List of Shares sold during 2013	Report			ABC000104R.pdf		R	pdf		Transaction 2

The field names entered into the first row of the Index File must be exactly as shown, with no extra spaces or other punctuation.

Column A – DocumentID – Mandatory field:

The DocumentID is a unique identifier that the party creates to name each of the documents in the Hearing Brief. Each document must have a unique alphanumeric DocumentID, such as ABC000001, ABC000002, etc. No two documents can have the same DocumentID. If the Party intends to have the document kept confidential from the public, add a “C” suffix to the DocumentID for the confidential non-redacted version (e.g. ABC000104C) and a “R” suffix to the public redacted version of the document (e.g. ABC000104R). There is no requisite for the length of a DocumentID.

When the Parties have previously exchanged documents electronically using DocumentIDs, the Parties may continue to use the same DocumentIDs for the Index File. The parties do not need to rename the document.

At the e-hearing, a document will be referred to by its DocumentID number or by its exhibit number if the document is marked as an exhibit by the Panel.

Column B –Unitized Parent DocID – Mandatory field:

Column B must be entered when individual documents are part of a family of related documents. For example, an email with attached documents is referred to as a “family”. The email itself is referred to as the “parent” and the attachments are referred to as the “children”. Document unitization is the process of preserving the relationship between the individual documents in the family (e.g. the email and its attachments). It allows the family of documents to be marked together as one exhibit at the e-hearing.

A family usually includes documents that are attached to each other. In addition, for the purposes of the Index File, a family of documents can also include any group of related, similar documents that a party intends to have entered as a single exhibit during the e-hearing (e.g. a set of financial statements for a single company, banking records for a specific account, phone records for a single phone number, etc.).

For each document that is part of a family, including the parent and all children, identify the family by entering the parent document’s DocumentID in Column “B” (the Unitized Parent DocID Field).

Column C – Confidential Parent DocID - Mandatory field:

Column C must be entered for every confidential document and every redacted version of a confidential document. Confidential documents are unitized into a family of two documents that includes: 1) the confidential version of the document as the “parent” and 2) the redacted version of the document as the “children”. Both the public redacted version and the confidential non-redacted version of the document must be included in the family. These confidential families are separate and apart from the related document families discussed in Column B. Confidential families can occur as sub-families, within larger families of related documents.

For every confidential document and every public redacted version of a confidential document, identify the confidential family by entering the confidential parent document’s DocumentID in Column “C” (the Confidential Parent DocID Field).

Column D - Date - Optional field:

Enter the date of the document (if available) in Column D in mm/dd/yyyy format. Partial dates are not accepted.

Column E - Description - Mandatory field:

Enter the “Re:” line, title or short description of the document in Column E. Examples of document descriptions are: affidavit of Joe Smith, email attachment, audio recording of Joe Smith, etc.

Column F - Type - Optional field:

Enter the type of document in Column F (e.g. contract, email, letter, etc.).

Column G - Author - Optional field:

Enter the name of the author(s) of the document in Column G, if applicable. If the author is an individual, enter the name in this format: “last name, first name”. For multiple authors, separate each author’s name by a semi colon.

Column H - Recipient – Optional field:

Enter the name of the document’s recipient(s), if applicable (e.g. for emails, reports, and memos, etc.). If the recipient is an individual, enter the name in the following format: “last name, first name”. For multiple recipients, separate each recipient’s name by a semi colon.

Column I - Path – Mandatory field:

The path is the DocumentID, followed by the document’s file extension (e.g. ABC00001.pdf, ABC00020.xls). In most cases, the file extension will be “pdf”, unless permission has been granted for the use of alternative document formats (see the section on “Alternative Document Formats”).

Column J - Confidential - Mandatory field:

If requesting that a document be kept confidential from the public, enter a “C” in Column J. For each such document, ensure that the “C” suffix is also added to the DocumentID in Column A.

Column K - Redacted - Mandatory field:

If information has been redacted from the document, enter an “R” in Column K. Redactions must be in accordance with the Commission’s Practice Guideline (see sections 2(1) and 3).

Column L – Format – Mandatory field:

Enter the document’s file extension (e.g. pdf, xlsx, mp3, wav) in Column L.

Column M – Native Filename – Optional field:

Enter the original filename of the document in Column M. The original filename is the name given by the document’s author at the time the document was created or last modified.

Column N – Themes – Optional field:

Use Column N to identify a theme related to a document. For example, the theme may indicate a witness, subject or issue related to the document.

APPENDIX B
E-HEARING CHECKLIST

This form can be downloaded from the OSC Website.

MATTER INFORMATION	
Matter Name	[INSERT MATTER NAME]
File Number	[INSERT FILE NUMBER]
Scheduled Dates for the Hearing	[INSERT SCHEDULED DATES]
Name: [INSERT NAME] [Staff/Respondent's Counsel/Respondent]	Address: [INSERT ADDRESS] Phone: [INSERT PHONE] Email: [INSERT EMAIL]

IT EQUIPMENT SET-UP AND PORTAL TRAINING		
The Registrar will confirm IT equipment set-up and OSC Portal Training Sessions based on the Parties' availability and hearing room availability prior to the hearing. The training will take approximately 30 minutes to one hour. Please provide a list of dates and times of your availability.		
	Available Dates	Available Times
1	[INSERT AVAILABLE DATE]	[Morning or Afternoon]
2		
3		
Please attach a separate document with the above information if you require more room.		

INDIVIDUALS PARTICIPATING IN THE HEARING			
Note that there are generally only two OSC laptops available to each of Staff and the Respondents			
Name	Role	Laptop	Internet Access Requested
[INSERT FIRST AND LAST NAME]	[Counsel, Law Clerk, Respondent, or Paralegal]	[OSC laptop requested, Providing own laptop, or none]	[Check box for YES]
Please attach a separate document with the above information if you require more room.			

ALTERNATIVE DOCUMENT FORMAT USE (for use only if necessary)

As set out in the Protocol for E-Hearings, hearing brief documents must be provided in separate, searchable multi-page PDF (or PDF/A) format.

However, if Registrar permission is sought (which must be done at least 10 days before the start of the hearing), or has been granted, for the use of alternative document formats, provide the following information:

Format	Format Type	Name of Document	Description of Document	Date of Document	Pages or File Size
[Paper or Electronic]	[Paper, jpeg, mp3, other]	[INSERT NAME OF DOCUMENT]	[INSERT DESCRIPTION OF DOCUMENT]	[mm/dd/yyyy]	[INSERT NUMBER OF PAGES OR FILE SIZE]

Please attach a separate document with the above information if you require more room.

E-HEARING WITNESS LOGISTICS

Total Number of Anticipated Witnesses: [INSERT TOTAL NUMBER OF PARTY'S ANTICIPATED WITNESSES]

A. WITNESSES ATTENDING IN PERSON

Witness Name	Date	Time	Anticipated Length	Navigational Control
[INSERT FIRST AND LAST NAME]	[INSERT ANTICIPATED DATES]	[INSERT ANTICIPATED TIME]	[INSERT ANTICIPATED LENGTH]	[Check box for YES]

Please attach a separate document with the above information if you require more room.

B. WITNESSES ATTENDING BY VIDEO-CONFERENCE

Witness Name	Location	Date	Time	Anticipated Length	Document Sharing	Facility Information
[INSERT FIRST AND LAST NAME]	[INSERT LOCATION OF WITNESS]	[INSERT ANTICIPATED DATES]	[INSERT ANTICIPATED TIME]	[INSERT ANTICIPATED LENGTH]	[Check box for YES]	[FACILITY CONTACT NAME, PHONE NUMBER, AND IP ADDRESS]

Please attach a separate document with the above information if you require more room.

APPENDIX C
SAMPLE INDEX FILE

DocumentID	Unfized Parent DocID	Confidential Parent DocID	Date	Description	Type	Author	Recipient	Path	Confidential	Redacted	Format	Native Filename	Themes
ABC000001	ABC000001		13/06/2013	Affidavit of Joe Smith	Affidavit	Smith, Joe		ABC000001.pdf			pdf		Transaction 1
ABC000011	ABC000001		01/06/2013	Tab 1 - Resume of Joe Smith	Resume	Smith, Joe		ABC000011.pdf			pdf		Transaction 1
ABC000021	ABC000001		01/05/2013	Tab 2 - Share Price Analysis vs TSE Index	Report	Smith, Joe	Jones, Bob, Rose, Sherry	ABC000021.pdf			pdf		Transaction 1
ABC000051	ABC000001		23/04/2013	Tab 3 - Stock performance in 2010	Article	Joe		ABC000051.pdf			pdf		Transaction 1
ABC000066	ABC000001		01/01/2012	Tab 4 - Email titled "Please review analysis"	Email	Jones, Bob	Smith, Joe, Rose, Sherry	ABC000066.pdf			pdf		Transaction 1
ABC000081	ABC000001		12/01/2013	Tab 5 - Share Certificates for ABC issued to Fred Flint	Certificates			ABC000081.pdf			pdf		Transaction 1
ABC000101			01/06/2013	RE: Offer Price	Memo	Smith, Joe	Smith, Joe	ABC000101.pdf			pdf	Offerprice.pdf	Transaction 1
ABC000102C		ABC000102C	01/06/2013	RE: Share Cap	Presentation	Jones, Bob		ABC000102C.pdf	C		pdf		
ABC000102R		ABC000102C	01/06/2013	RE: Share Cap	Presentation	Jones, Bob		ABC000102R.pdf		R	pdf		
ABC000104C		ABC000104C	05/05/2013	List of Shares sold during period Jan to Feb 2013	Report			ABC000104C.pdf	C		pdf		Transaction 2
ABC000104R		ABC000104C	05/05/2013	List of Shares sold during period Feb to March 2013	Report			ABC000104R.pdf		R	pdf		Transaction 2
ABC000105	ABC000105		05/02/2013	Email from Joe Smith	Email			ABC000105.pdf			pdf		
ABC000106	ABC000105		26/04/2013	Email attachment offer price docs	Report			ABC000106.pdf			pdf		
ABC000110C	ABC000105	ABC000110C	01/01/2013	Email attachment Trend Analysis for period 2012- 2013	Spreadsheet			ABC100110C.pdf	C		pdf		
ABC000110R	ABC000105	ABC000110C	01/01/2013	Email attachment Trend Analysis for period 2012- 2013	Spreadsheet			ABC100110R.pdf		R	pdf		
ABCvideo1			05/04/2013	Video titled "Investment information"	Video			ABCvideo1.mpg			mpg		
ABCAudio1			05/03/2013	Audio recording "Phone call to Bob Smith"	Audio			ABCAudio1.wav			wav		

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:

AGF U.S. Small-Mid Cap Fund
Principal Regulator - Ontario

Type and Date:

Amendment #2 to Final Simplified Prospectus dated July 26, 2019

Received on July 26, 2019

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

AGF Funds Inc.

Promoter(s):

N/A

Project #2885099

Issuer Name:

Mackenzie Balanced ETF Portfolio
Mackenzie Canadian Balanced Fund
Mackenzie Canadian Growth Balanced Class
Mackenzie Canadian Growth Balanced Fund
Mackenzie Conservative ETF Portfolio
Mackenzie Conservative Income ETF Portfolio
Mackenzie Cundill Canadian Balanced Fund
Mackenzie Global Sustainability and Impact Balanced Fund
Mackenzie Growth ETF Portfolio
Mackenzie Ivy Canadian Balanced Class
Mackenzie Ivy Canadian Balanced Fund
Mackenzie Ivy Global Balanced Class
Mackenzie Ivy Global Balanced Fund
Mackenzie Moderate Growth ETF Portfolio
Mackenzie Monthly Income Balanced Portfolio
Mackenzie Monthly Income Conservative Portfolio
Mackenzie Private Canadian Focused Equity Pool
Mackenzie Private Canadian Focused Equity Pool Class
Mackenzie Private Global Conservative Income Balanced Pool
Mackenzie Private Global Equity Pool
Mackenzie Private Global Equity Pool Class
Mackenzie Private Global Income Balanced Pool
Mackenzie Private Income Balanced Pool
Mackenzie Private Income Balanced Pool Class
Mackenzie Private US Equity Pool
Mackenzie Private US Equity Pool Class
Symmetry Balanced Portfolio
Symmetry Balanced Portfolio Class
Symmetry Conservative Income Portfolio
Symmetry Conservative Income Portfolio Class
Symmetry Conservative Portfolio
Symmetry Conservative Portfolio Class
Symmetry Equity Portfolio Class
Symmetry Fixed Income Portfolio
Symmetry Growth Portfolio
Symmetry Growth Portfolio Class
Symmetry Moderate Growth Portfolio
Symmetry Moderate Growth Portfolio Class
Principal Regulator - Ontario

Type and Date:

Amendment #5 to Final Annual Information Form dated July 29, 2019

Received on July 29, 2019

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

Quadrus Investment Services Ltd.
LBC Financial Services Inc.

Promoter(s):

Mackenzie Financial Corporation

Project #2804068

Issuer Name:

Mackenzie Canadian Growth Balanced Class
Mackenzie Canadian Growth Balanced Fund
Mackenzie Monthly Income Balanced Portfolio
Mackenzie Monthly Income Conservative Portfolio
Mackenzie Private Canadian Focused Equity Pool
Mackenzie Private Canadian Focused Equity Pool Class
Mackenzie Private Global Conservative Income Balanced Pool
Mackenzie Private Global Equity Pool
Mackenzie Private Global Equity Pool Class
Mackenzie Private Global Income Balanced Pool
Mackenzie Private Income Balanced Pool
Mackenzie Private Income Balanced Pool Class
Mackenzie Private US Equity Pool
Mackenzie Private US Equity Pool Class
Symmetry Balanced Portfolio
Symmetry Balanced Portfolio Class
Symmetry Conservative Income Portfolio
Symmetry Conservative Income Portfolio Class
Symmetry Conservative Portfolio
Symmetry Conservative Portfolio Class
Symmetry Equity Portfolio Class
Symmetry Fixed Income Portfolio
Symmetry Growth Portfolio
Symmetry Growth Portfolio Class
Symmetry Moderate Growth Portfolio
Symmetry Moderate Growth Portfolio Class
Principal Regulator - Ontario

Type and Date:

Amendment #3 to Final Annual Information Form dated July 29, 2019
Received on July 29, 2019

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

LBC Financial Services Inc.

Promoter(s):

Mackenzie Financial Corporation

Project #2827888

Issuer Name:

TD Managed Income Portfolio
TD Managed Income & Moderate Growth Portfolio
TD Managed Balanced Growth Portfolio
TD Managed Aggressive Growth Portfolio
TD Managed Maximum Equity Growth Portfolio
TD FundSmart Managed Income & Moderate Growth Portfolio
TD FundSmart Managed Balanced Growth Portfolio
TD FundSmart Managed Aggressive Growth Portfolio
Principal Regulator - Ontario

Type and Date:

Amendment #3 to Final Simplified Prospectus dated July 26, 2019

Received on July 26, 2019

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

TD Waterhouse Canada Inc.

TD Investment Services Inc.

Promoter(s):

TD Asset Management Inc.

Project #2822091

Issuer Name:

Brompton European Dividend Growth ETF
Brompton Global Healthcare Income & Growth ETF
Brompton Tech Leaders Income ETF
Principal Regulator - Ontario

Type and Date:

Amendment #1 to Final Long Form Prospectus dated July 22, 2019

NP 11-202 Receipt dated July 26, 2019

Offering Price and Description:

CAD Units and USD Units

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

Brompton Funds Limited

Project #2876253

Issuer Name:

Brompton Flaherty & Crumrine Investment Grade Preferred ETF
Brompton Global Dividend Growth ETF
Brompton North American Financials Dividend ETF
Principal Regulator - Ontario

Type and Date:

Amendment #2 to Final Long Form Prospectus dated July 22, 2019

NP 11-202 Receipt dated July 26, 2019

Offering Price and Description:

USD Units and CAD Units

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

Brompton Funds Limited

Project #2809968

Issuer Name:

Clearpoint Short Term Income Fund
Principal Regulator - Ontario

Type and Date:

Amendment #2 to Final Simplified Prospectus dated July 18, 2019

NP 11-202 Receipt dated July 26, 2019

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #2866730

Issuer Name:

Vision Alternative Income Fund
Principal Regulator - Ontario

Type and Date:

Amended and Restated to Final Simplified Prospectus dated July 19, 2019

NP 11-202 Receipt dated July 26, 2019

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

Vision Capital Corporation

Project #2862242

Issuer Name:

iShares S&P Global Consumer Discretionary Index ETF
(CAD-Hedged)

Principal Regulator - Ontario

Type and Date:

Amendment #1 to Final Long Form Prospectus dated July 11, 2019

NP 11-202 Receipt dated July 24, 2019

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

BlackRock Asset Management Canada Limited

Promoter(s):

N/A

Project #2878215

Issuer Name:

CI High Interest Savings Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectus dated Jul 26, 2019

NP 11-202 Final Receipt dated Jul 29, 2019

Offering Price and Description:

Class A units, Class F units, Class P units, Class E units,
Class O units and Class I units

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #2932304

Issuer Name:

TD Managed Income Portfolio
TD Managed Income & Moderate Growth Portfolio
TD Managed Balanced Growth Portfolio
TD Managed Aggressive Growth Portfolio
TD Managed Maximum Equity Growth Portfolio
TD FundSmart Managed Income & Moderate Growth
Portfolio
TD FundSmart Managed Balanced Growth Portfolio
TD FundSmart Managed Aggressive Growth Portfolio
Principal Regulator - Ontario

Type and Date:

Amendment #3 to Final Simplified Prospectus dated July 26, 2019

NP 11-202 Receipt dated July 29, 2019

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

TD Waterhouse Canada Inc.

TD Investment Services Inc.

Promoter(s):

TD Asset Management Inc.

Project #2822091

Issuer Name:

Epoch Global Equity Class
 Epoch Global Equity Fund
 Epoch Global Shareholder Yield Fund
 Epoch International Equity Fund
 Epoch U.S. Blue Chip Equity Currency Neutral Fund
 Epoch U.S. Blue Chip Equity Fund
 Epoch U.S. Large-Cap Value Class
 Epoch U.S. Large-Cap Value Fund
 Epoch U.S. Shareholder Yield Fund
 TD Advantage Balanced Growth Portfolio
 TD Advantage Balanced Income Portfolio
 TD Advantage Balanced Portfolio
 TD Asian Growth Fund
 TD Balanced Growth Fund
 TD Balanced Income Fund
 TD Balanced Index Fund
 TD Canadian Blue Chip Dividend Fund
 TD Canadian Bond Fund
 TD Canadian Bond Index Fund
 TD Canadian Core Plus Bond Fund
 TD Canadian Corporate Bond Fund
 TD Canadian Diversified Yield Fund
 TD Canadian Equity Class
 TD Canadian Equity Fund
 TD Canadian Equity Pool
 TD Canadian Equity Pool Class
 TD Canadian Index Fund
 TD Canadian Large-Cap Equity Fund
 TD Canadian Low Volatility Class
 TD Canadian Low Volatility Fund
 TD Canadian Money Market Fund
 TD Canadian Small-Cap Equity Class
 TD Canadian Small-Cap Equity Fund
 TD Comfort Aggressive Growth Portfolio
 TD Comfort Balanced Growth Portfolio
 TD Comfort Balanced Income Portfolio
 TD Comfort Balanced Portfolio
 TD Comfort Conservative Income Portfolio
 TD Comfort Growth Portfolio
 TD Corporate Bond Plus Fund
 TD Diversified Monthly Income Fund
 TD Dividend Growth Class
 TD Dividend Growth Fund
 TD Dividend Income Class
 TD Dividend Income Fund
 TD Dow Jones Industrial Average Index Fund
 TD Emerging Markets Class
 TD Emerging Markets Fund
 TD Emerging Markets Low Volatility Fund
 TD European Index Fund
 TD Fixed Income Pool
 TD Global Balanced Opportunities Fund
 TD Global Conservative Opportunities Fund
 TD Global Core Plus Bond Fund
 TD Global Entertainment & Communications Fund
 (formerly TD Entertainment & Communications Fund)
 TD Global Equity Focused Fund
 TD Global Equity Pool
 TD Global Equity Pool Class
 TD Global Income Fund
 TD Global Low Volatility Class
 TD Global Low Volatility Fund

TD Global Risk Managed Equity Class
 TD Global Risk Managed Equity Fund
 TD Global Unconstrained Bond Fund
 TD Health Sciences Fund
 TD High Yield Bond Fund
 TD Income Advantage Portfolio
 TD International Growth Class
 TD International Growth Fund
 TD International Index Currency Neutral Fund
 TD International Index Fund
 TD International Stock Fund
 TD Monthly Income Fund
 TD Nasdaq Index Fund
 TD North American Dividend Fund
 TD North American Small-Cap Equity Fund
 TD Precious Metals Fund
 TD Premium Money Market Fund
 TD Real Return Bond Fund
 TD Resource Fund
 TD Retirement Balanced Portfolio
 TD Retirement Conservative Portfolio
 TD Risk Management Pool
 TD Science & Technology Fund
 TD Short Term Bond Fund
 TD Short Term Investment Class
 TD Strategic Yield Fund
 TD Tactical Monthly Income Class
 TD Tactical Monthly Income Fund
 TD Tactical Pool
 TD Tactical Pool Class
 TD U.S. Blue Chip Equity Fund
 TD U.S. Corporate Bond Fund
 TD U.S. Dividend Growth Fund
 TD U.S. Equity Portfolio
 TD U.S. Index Currency Neutral Fund
 TD U.S. Index Fund
 TD U.S. Low Volatility Fund
 TD U.S. Mid-Cap Growth Class
 TD U.S. Mid-Cap Growth Fund
 TD U.S. Money Market Fund
 TD U.S. Monthly Income Fund
 TD U.S. Monthly Income Fund - C\$
 TD U.S. Quantitative Equity Fund
 TD U.S. Risk Managed Equity Class
 TD U.S. Risk Managed Equity Fund
 TD U.S. Small-Cap Equity Fund
 TD Ultra Short Term Bond Fund
 TD US\$ Retirement Portfolio
 Principal Regulator – Ontario

Type and Date:

Combined Preliminary and Pro Forma Simplified
 Prospectus dated Jul 25, 2019
 NP 11-202 Final Receipt dated Jul 29, 2019

Offering Price and Description:

Institutional Series Securities, D-Series Securities, T8
 Series Securities, e-Series Securities, FT5 Series
 Securities, F-Series Securities, T5 Series Securities, O-
 Series Securities, Advisor Series, Advisor Series
 Securities, Premium Series Securities, H8 Series
 Securities, Private-EM Series Securities, Investor Series
 Securities, W-Series Securities, Private Series Securities,
 H5 Series Securities, FT8 Series Securities and C-Series
 Securities

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #2930481

NON-INVESTMENT FUNDS

Issuer Name:

ANC Capital Ventures Inc.
Principal Regulator - British Columbia

Type and Date:

Final CPC Prospectus dated July 26, 2019
NP 11-202 Receipt dated July 26, 2019

Offering Price and Description:

\$350,000.00 OR 3,500,000 COMMON SHARES
PRICE: C\$0.10 PER COMMON SHARE

Underwriter(s) or Distributor(s):

MACKIE RESEARCH CAPITAL CORPORATION

Promoter(s):

John Randolph Clifford

Project #2933828

Issuer Name:

Antibe Therapeutics Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated July 23, 2019
NP 11-202 Preliminary Receipt dated July 23, 2019

Offering Price and Description:

. Units
Price: C\$0.30 per Unit

Underwriter(s) or Distributor(s):

BLOOM BURTON SECURITIES INC.
ECHELON WEALTH PARTNERS INC.
DOMINICK CAPITAL CORPORATION INC.
INDUSTRIAL ALLIANCE SECURITIES INC.

Promoter(s):

-

Project #2942436

Issuer Name:

Antibe Therapeutics Inc.
Principal Regulator - Ontario

Type and Date:

Amended and Restated Preliminary Short Form Prospectus
dated July 25, 2019
NP 11-202 Preliminary Receipt dated July 26, 2019

Offering Price and Description:

\$7,000,000.00 - 23,333,333 Units
Price: C\$0.30 per Unit

Underwriter(s) or Distributor(s):

BLOOM BURTON SECURITIES INC.
ECHELON WEALTH PARTNERS INC.
DOMINICK CAPITAL CORPORATION INC.
INDUSTRIAL ALLIANCE SECURITIES INC.

Promoter(s):

-

Project #2942436

Issuer Name:

Canadian Natural Resources Limited
Principal Regulator - Alberta

Type and Date:

Final Shelf Prospectus dated July 24, 2019
NP 11-202 Receipt dated July 24, 2019

Offering Price and Description:

\$3,000,000,000.00 - Medium Term Notes (unsecured)

Underwriter(s) or Distributor(s):

ALTACORP CAPITAL INC.
BMO NESBITT BURNS INC.
CIBC WORLD MARKETS INC.
DESJARDINS SECURITIES INC.
MERRILL LYNCH CANADA INC.
NATIONAL BANK FINANCIAL INC.
RBC DOMINION SECURITIES INC.
SCOTIA CAPITAL INC.
TD SECURITIES INC.

Promoter(s):

-

Project #2941169

Issuer Name:

Cresco Labs Inc.
Principal Regulator - British Columbia

Type and Date:

Final Shelf Prospectus dated July 25, 2019
NP 11-202 Receipt dated July 26, 2019

Offering Price and Description:

\$500,000,000.00 - Subordinate Voting Shares, Debt
Securities, Subscription Receipt, Warrants, Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2905866

Issuer Name:

European Residential Real Estate Investment Trust
Principal Regulator - Ontario

Type and Date:

Preliminary Shelf Prospectus dated July 29, 2019
NP 11-202 Preliminary Receipt dated July 29, 2019

Offering Price and Description:

\$750,000,000.00 - Units, Preferred Units, Debt Securities,
Subscription Receipts, Warrants

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2944266

Issuer Name:

Gold Standard Ventures Corp.
Principal Regulator - British Columbia

Type and Date:

Final Short Form Prospectus dated July 24, 2019
NP 11-202 Receipt dated July 24, 2019

Offering Price and Description:

\$18,300,000.00 - 15,000,000 Common Shares, Price:
\$1.22 per Offered Share

Underwriter(s) or Distributor(s):

BMO NESBITT BURNS INC.
CORMARK SECURITIES INC.
PI FINANCIAL CORP.
GMP SECURITIES L.P.

Promoter(s):

-

Project #2940101

Issuer Name:

Harte Gold Corp.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated July 22, 2019
NP 11-202 Preliminary Receipt dated July 23, 2019

Offering Price and Description:

\$6,000,000.00 - 20,000,000 Flow-Through Shares
Price: \$0.30 per Flow-Through Share

Underwriter(s) or Distributor(s):

Echelon Wealth Partners Inc.

Promoter(s):

-

Project #2942271

Issuer Name:

Industrial Alliance Insurance and Financial Services inc.
Principal Regulator - Quebec

Type and Date:

Preliminary Shelf Prospectus dated July 25, 2019
NP 11-202 Preliminary Receipt dated July 25, 2019

Offering Price and Description:

\$2,000,000,000.00 - Debt Securities, Class A Preferred
Shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2943167

Issuer Name:

Kanadario Gold Inc.
Principal Regulator - British Columbia

Type and Date:

Final Long Form Prospectus dated July 25, 2019
NP 11-202 Receipt dated July 25, 2019

Offering Price and Description:

\$750,000.00 - 5,000,000 Common Shares
Price: C\$0.15 per Common Share

Underwriter(s) or Distributor(s):

PI Financial Corp.

Promoter(s):

P. Joseph Meagher

Project #2927768

Issuer Name:

LaSalle Exploration Corp.
Principal Regulator - British Columbia

Type and Date:

Preliminary Long Form Prospectus dated July 22, 2019
NP 11-202 Preliminary Receipt dated July 23, 2019

Offering Price and Description:

3,500,000 Common Shares for \$350,000.00
Price: \$0.10 per Common Share

5,200,000 Flow-Through Common Shares for \$722,800.00
Price: \$0.139 per Flow-Through Share

3,300,000 Ontario Flow-Through Common Share ("OFT
Shares") for \$468,600.00

Price: \$0.142 per OFT Share

Underwriter(s) or Distributor(s):

Haywood Securities Inc.

Promoter(s):

Ian Campbell

Daniel Innes

Project #2942260

Issuer Name:

Lida Resources Inc.
Principal Regulator - British Columbia

Type and Date:

Preliminary Long Form Prospectus dated July 23, 2019
NP 11-202 Preliminary Receipt dated July 23, 2019

Offering Price and Description:

6,000,000 Units for \$600,000.00 (the Minimum Offering)
7,450,000 Units for \$745,000.00 (the Maximum Offering)

Price: \$0.10 per Unit

Underwriter(s) or Distributor(s):

Leede Jones Gable Inc.

Promoter(s):

Leonard De Melt

Project #2942482

Issuer Name:

Lightspeed POS Inc.
Principal Regulator - Quebec

Type and Date:

Preliminary Shelf Prospectus dated July 29, 2019
NP 11-202 Preliminary Receipt dated July 29, 2019

Offering Price and Description:

C\$500,000,000.00 - Subordinate Voting Shares, Preferred
Shares, Debt Securities, Warrants, Subscription Receipts,
Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2944228

Issuer Name:

MJ Innovation Capital Corp.
Principal Regulator - Ontario

Type and Date:

Final CPC Prospectus dated July 26, 2019
NP 11-202 Receipt dated July 29, 2019

Offering Price and Description:

\$400,000.00 or 2,000,000 Common Shares
PRICE: C\$0.20 per Common Share
Agent's Warrants (as defined herein)
Incentive Stock Options (as defined herein)

Underwriter(s) or Distributor(s):

Canaccord Genuity Corp

Promoter(s):

Bryan Van Engelen

Project #2910654

Issuer Name:

Shepard Ventures Inc.
Principal Regulator - British Columbia

Type and Date:

Preliminary CPC Prospectus dated July 23, 2019
NP 11-202 Preliminary Receipt dated July 25, 2019

Offering Price and Description:

\$200,000.00 or 2,000,000 Common Shares
PRICE: C\$0.10 PER COMMON SHARE

Underwriter(s) or Distributor(s):

HAYWOOD SECURITIES INC.

Promoter(s):

Saman Eskandari

Project #2942979

Issuer Name:

SilverCrest Metals Inc.
Principal Regulator - British Columbia

Type and Date:

Preliminary Short Form Prospectus dated July 26, 2019
NP 11-202 Preliminary Receipt dated July 29, 2019

Offering Price and Description:

\$22,007,700.00 - 3,762,000 Common Shares
Price: C\$5.85 per Offered Share

Underwriter(s) or Distributor(s):

NATIONAL BANK FINANCIAL INC.
DESJARDINS SECURITIES INC.
CORMARK SECURITIES INC.
PI FINANCIAL CORP.
RBC DOMINION SECURITIES INC.
BMO NESBITT BURNS INC.
EIGHT CAPITAL
SCOTIA CAPITAL INC.
BEACON SECURITIES LIMITED

Promoter(s):

-

Project #2942623

Issuer Name:

Sundial Growers Inc.
Principal Regulator - Alberta

Type and Date:

Amended and Restated Preliminary Long Form Prospectus
dated July 23, 2019

NP 11-202 Preliminary Receipt dated July 23, 2019

Offering Price and Description:

10,000,000.00 Common Shares - Price: US\$0.00 per
common share

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
Barclays Capital Canada Inc.
CIBC World Markets Inc.
Scotia Capital Inc.

Promoter(s):

-

Project #2938509

Issuer Name:

The Flowr Corporation (formerly The Needle Capital Corp.)
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated July 26, 2019
NP 11-202 Preliminary Receipt dated July 26, 2019

Offering Price and Description:

\$43,501,000.00 - 10,610,000 Units
Price: C\$4.10 per Unit

Underwriter(s) or Distributor(s):

GMP Securities L.P.
BMO Nesbitt Burns Inc.
AltaCorp Capital Inc.
Clarus Securities Inc.
Sprott Capital Partners LP

Promoter(s):

Thomas Flow

Steven Klein

Project #2942048

Issuer Name:

Tidewater Midstream and Infrastructure Ltd.
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated July 25, 2019
NP 11-202 Preliminary Receipt dated July 25, 2019

Offering Price and Description:

\$75,000,000.00 - 5.50% Convertible Unsecured
Subordinated Debentures, Due September 30, 2024

Price: C\$1,000.00 per Debenture

Underwriter(s) or Distributor(s):

CIBC WORLD MARKETS INC.
NATIONAL BANK FINANCIAL INC.
RBC DOMINION SECURITIES INC.
ALTACORP CAPITAL INC.
CORMARK SECURITIES INC.
SCOTIA CAPITAL INC.
MACQUARIE CAPITAL MARKETS
CANADA LTD.

Promoter(s):

-

Project #2942581

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Voluntary Surrender	Standard Life Investments (USA) Ltd	Portfolio Manager, Investment Fund Manager, and Exempt Market Dealer	July 26, 2019
Change in Registration Category	Alignvest Capital Management Inc.	From: Investment Fund Manager, Portfolio Manager, and Exempt Market Dealer To: Exempt Market Dealer	July 29, 2019
Voluntary Surrender	Cassio Capital Partners Inc.	Exempt Market Dealer	July 26, 2019
Voluntary Surrender	Manning & Napier Advisors, LLC	Portfolio Manager	July 29, 2019

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Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.3 Clearing Agencies

13.3.1 CDCC – Amendments to Rule C-14 to Modify the Delivery Standards of the Five-Year Government of Canada Bond Future Contracts (CGF) – Notice of Commission Approval

CDCC

AMENDMENTS TO RULE C-14 TO MODIFY THE DELIVERY STANDARDS OF THE FIVE-YEAR GOVERNMENT OF CANADA BOND FUTURE CONTRACTS (CGF)

NOTICE OF COMMISSION APPROVAL

In accordance with the Rule Protocol between the Ontario Securities Commission (Commission) and The Canadian Derivatives Clearing Corporation (CDCC), the Commission approved on July 19, 2019 amendments to CDCC Rule C-14 to modify the delivery standards of the five-year Government of Canada Bond Future contracts (CGF).

A copy of the CDCC notice was published for comment on May 30, 2019 on the Commission's website at: www.osc.gov.on.ca. No comments were received.

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