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# Chapter 1

## Notices

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### 1.3 Notices of Hearing with Related Statements of Allegations

#### 1.3.1 Royal Bank of Canada – ss. 127, 127.1

FILE NO.: 2019-32

**IN THE MATTER OF  
ROYAL BANK OF CANADA**

**NOTICE OF HEARING**

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

**PROCEEDING TYPE:** Public Settlement Hearing

**HEARING DATE AND TIME:** August 30, 2019 at 10:00 a.m.

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

**PURPOSE**

The purpose of this hearing is to consider whether it is in the public interest for the Commission to approve the Settlement Agreement dated August 23, 2019 between Staff of the Commission and Royal Bank of Canada in respect of the Statement of Allegations filed by Staff of the Commission dated August 26, 2019.

**REPRESENTATION**

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

**FAILURE TO ATTEND**

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

**FRENCH HEARING**

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

**AVIS EN FRANÇAIS**

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

Dated at Toronto this 26th day of August, 2019.

"Grace Knakowski"  
Secretary to the Commission

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**IN THE MATTER OF  
ROYAL BANK OF CANADA**

**STATEMENT OF ALLEGATIONS**

(Subsection 127(1) and section 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5)

**A. OVERVIEW**

1. The foreign exchange (“FX”) markets are among the largest and most liquid markets in the world.<sup>1</sup> Their integrity is of central importance to the broader capital markets, including the Ontario capital markets. Over a period of at least three years, from 2011 to 2013 (the “Material Time”), Royal Bank of Canada (“RBC”) failed to have sufficient supervision and controls in its FX trading business. Additionally, despite actions taken by RBC in November 2013 to impose a ban on multi-dealer chatrooms, as described below certain compliance monitoring issues continued into 2015. RBC did not sufficiently promote a culture of compliance in the FX trading business, which allowed FX traders to behave in a manner which put RBC’s economic interests ahead of the interests of its customers, other market participants and the integrity of the capital markets. Failures of this nature put customers at risk of harm and undermine market integrity. RBC’s failures in this regard were contrary to the public interest.
2. RBC’s failure to have sufficient supervision and controls in its FX trading business allowed the inappropriate sharing of confidential customer information by RBC FX traders with FX traders at other competitor firms on a regular basis. Staff (“Staff”) of the Ontario Securities Commission (the “Commission”) have identified many hundreds of prohibited disclosures throughout 2011-2013. In many of the prohibited disclosures, confidential customer information was shared by RBC FX traders with other participants in the chatroom. In other instances, the prohibited disclosures came from a chatroom participant from another institution which allowed the RBC FX traders to gain a potential advantage in the market and over traders at other firms who did not have access to this information.<sup>2</sup> The disclosures included detailed information about the customer orders such as trade sizes, timing, price, or stop-loss levels.
3. RBC appeared to rely primarily on its front office<sup>3</sup> FX trading supervisors and their delegates, who were responsible for the first line of defence, to identify, assess and manage risks concerning the disclosure of confidential customer information. The front office failed to adequately discharge these responsibilities with regard to obvious risks associated with confidentiality and conflicts of interest. These failings occurred in circumstances where some of those responsible for managing front office matters were aware of and/or at times involved in the inappropriate disclosures described herein. They also occurred even though a Managing Director in RBC’s FX trading business, RBC Managing Director A, was aware of confidentiality risks arising from the use of electronic chatrooms as early as April 2012.
4. Staff expect firms trading in FX to identify, assess and manage appropriately the risks of non-compliance with the *Securities Act*<sup>4</sup> (the “Act”) and risks to the integrity of the capital markets. Staff also expect firms to promote a culture of compliance where their personnel adhere to high ethical standards and ensure their behaviour does not put customers and the integrity of the capital markets at risk. Firms must be vigilant about detecting, thwarting and addressing potential market abuse activities, including behaviours where market participants use their position to gain an inappropriate advantage over other market participants.
5. Given that the markets for FX transactions are interconnected as spot transactions are part of the basis upon which the value of FX forwards, swaps and options are determined, and given the importance of the FX markets and their impact on the broader capital markets, it is vital to fostering confidence in the capital markets that market participants like RBC ensure honest and responsible conduct by its employees in the FX trading business.

**B. FACTS**

Staff of the Enforcement Branch of the Commission (“**Enforcement Staff**”) make the following allegations of fact:

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<sup>1</sup> The daily average volume turnover of the global FX market was over USD 5 trillion in April 2013 according to the Bank for International Settlements (BIS) Triennial Central Bank Survey 2013.

<sup>2</sup> Although Staff is not alleging specific violations as described below, or suggesting that there is evidence of such misconduct, it is helpful to describe generally the types of misconduct that gives rise to market integrity issues. For the purpose of providing guidance to market participants, types of misconduct could include front running, trading ahead, proprietary position, or triggering stops.

<sup>3</sup> Front Office means RBC’s FX Trading Desk.

<sup>4</sup> RSO 1990, c S.5.

**(1) Background**

6. RBC is a Schedule 1 Bank under the *Bank Act* (Canada).<sup>5</sup> During the Material Time, and at present, RBC Capital Markets, a division of RBC, engaged in the purchase and sale of foreign currencies with customers and for itself (“FX Trading”), as defined below. RBC Capital Markets did not engage in trading on behalf of or with retail customers.
7. In the Material Time, RBC’s FX business was based primarily in Toronto and London (U.K.). For some of the Material Time, RBC also had trading or sales desks in New York, Hong Kong and Sydney. In the Material Time, RBC took positions in spot transactions, forwards, swaps and over-the-counter-options.
8. During the Material Time, RBC primarily participated in the above FX transactions with customers and for RBC’s own account (“proprietary trading”). Making profitable trades could be dependent on correctly assessing the direction of the market for various currency pairs.
9. The FX markets are primarily over-the-counter markets. Accordingly, a bank’s profitability and ability to manage business risk in its FX Trading business was dependent on the quality of information its traders possessed. Individual traders sought to understand macroeconomic factors affecting currency rates. There was also an advantage to knowing “market flow” including which institutions were buying or selling which currencies in significant amounts and details of those trades.
10. Exchanging “market colour” including economic analysis relating to the movement of currencies was acceptable. However, during the Material Time, traders inappropriately sought and disclosed specific transaction details, to gain an advantage in the market, which led to the chatroom misconduct described below.
11. The frequent flow of information between traders of different firms using various communication platforms increases the risk of traders sharing confidential information. It is therefore particularly important that financial institutions exercise sufficient control and monitoring of such communications.

**(2) Chatroom Misconduct**

12. It was common practice during most of the Material Time for FX traders at firms to use electronic messaging services, such as chatrooms on Bloomberg, to communicate with FX traders at other firms. While the use of such communication tools is not in itself inappropriate, the frequent and significant flow of information between traders at different firms increased the potential risk of traders engaging in improper activity, including, amongst other things, the sharing of confidential customer information.
13. RBC FX traders were involved in several large chatrooms involving FX traders from other international banks (“Multi-Dealer Chatrooms”) in addition to bi-lateral chats. Staff have identified many hundreds of prohibited disclosures throughout 2011-2013.
14. Membership in some of these chatrooms was on an invite only basis and based on members willingness to contribute to the chat.
15. Participation in chatrooms with traders from other firms had a profit motive. Traders sought an advantage to make more profitable trades on behalf of their bank, which in turn would benefit the trader through performance incentives. For example, in response to another trader’s comment “*mate the only reason you’re up this year is cause of my info*”, an RBC trader, RBC Trader B, stated: “*i agree ur tips hav been hot this year.*”
16. RBC had a number of policies and procedures in place during the Material Time that applied to FX Trading. The disclosure of confidential customer information to other traders and third parties was contrary to RBC’s policies and accepted industry standards.
17. During the Material Time, certain RBC FX traders regularly provided confidential information to, and received confidential information from, the traders of other financial institutions, including in respect of the existence of customer stop loss orders. This sharing of confidential information occurred in Multi-Dealer Chatrooms and in bi-lateral chats.
18. All RBC traders understood that the sharing of specific customer names was unequivocally prohibited. While traders were encouraged to seek and use “market flow” and “market colour” in the course of their trading, there was no clear indication as to what, aside from customer names, was impermissible and what was permitted. Consequently, confidential information including specific transaction details was disclosed by RBC traders to individuals at other institutions. The disclosure of such information in some instances was a breach of confidentiality and created the potential risk that this information could be used for the trader’s benefit and to the customer’s detriment.

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<sup>5</sup> SC 1991, c. 46.

19. The following is an RBC trader receiving information about a customer stop loss order from a trader at another firm in a Multi-Dealer Chatroom:

Bank A Trader: I have decent stop below 20 eur fyi

Bank B Trader: ta

RBC Trader B: a weak one or one that been there a while

Bank A Trader: very fresh

RBC Trader B: just sitting there ready to be popped

...

RBC Trader B: ill let my 24 bid ride a few pips then<sup>6</sup>

20. The sharing of confidential information was a two-way street. For example, on January 10, 2013, RBC Trader B inappropriately disclosed information about a “huge” option that was expiring the next day:

RBC Trader B: between u s

RBC Trader B: there is huge 13240 tom exp

Bank A Salesperson: ok

Bank A Trader: ta

21. Despite the request from RBC Trader B to keep the information “between us”, the Bank A Salesperson shared the information he received about the “huge” option expiring with customers the following morning.

22. This illustrates that once information is shared, the risk created is impossible to control as it can be further disclosed to a potentially unlimited chain of recipients.

23. The exchange of information by FX traders was permitted by RBC supervisors and understood by FX traders to be part of their job. However, RBC failed to sufficiently control what information traders were exchanging.

24. RBC’s disclosures of confidential customer information put the customers at risk of economic loss. The behaviour also undermined market integrity.

25. There is no evidence or indication that RBC was involved in any plan or collusion to attempt to manipulate the WM/Reuters benchmark or any other benchmark rate.

**(3) RBC did not have a sufficient system of controls and supervision in place in relation to its FX Trading business during the Material Time**

26. During the Material Time, RBC did not have a sufficient system of controls and supervision over its global FX Trading business concerning the disclosure of confidential customer information.

27. RBC operated a “three lines of defence” model to manage risk of FX Trading during the Material Time. RBC’s front office (the first line of defence) had primary responsibility for identification of conduct risks and they were expected to escalate concerns to Compliance or a supervisor. In addition, the front office and Compliance functions participated in risk assessments, which could also result in escalation of issues for further review by Compliance or Risk (the second line of defence) or Internal Audit (the third line of defence).

28. During the Material Time, there were deficiencies in the first and second lines of defence as outlined below:

- a) In 2011, RBC’s Capital Markets Compliance Canada appeared to recognize the risk that the FX Trading business posed to customers and RBC from a regulatory perspective (insider dealing/market abuse) and market integrity. On October 18, 2011, a “Compliance Bulletin – Foreign Exchange Markets” was prepared by RBC’s Capital Markets Compliance Canada that alerted employees to these risks and required, among other

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<sup>6</sup> In this chat, RBC Trader B has received confidential information about Bank A Trader’s stop and RBC Trader B appears to be using this information to inform his market strategy to make a profit. This behaviour could undermine market integrity because RBC Trader B appears to be using confidential information to gain an advantage over the rest of the market.

things, compliance with the ACI Model Code. The ACI Model Code provided specific guidance on the prohibited nature of disclosing confidential information. However, this appears to have been a Canada-only initiative and it does not appear that the message was effectively implemented. Consequently, the global head of the business was not advised of the bulletin or provided with a copy and the ACI Model Code was not reflected in policies and procedures.

- b) RBC's policies and procedures during the Material Time did not provide sufficient guidance to FX traders. While, as noted above, the policies prohibited disclosing confidential customer information, they were high-level in nature and applied to RBC or RBC Capital Markets as a whole. The policies did not specifically address the use of chatrooms or the practical issues FX traders faced daily. For instance, the policies did not provide sufficient guidance on the differences between sharing confidential information, which was prohibited, and sharing acceptable "market colour".
- c) During the Material Time, RBC appeared to rely primarily on its front office FX Trading supervisors and their delegates, who were responsible for the first line of defence, to identify, assess and manage risks concerning the disclosure of confidential customer information. The front office did not effectively do so. FX traders were not provided with sufficient guidance on what was or was not acceptable in chatrooms. The front office did not effectively supervise chatroom discussions. Even heads of regional desks, who were supposed to be supervising conduct, participated in the disclosure of confidential customer information in chatrooms.
- d) Compliance, the second line of defence, failed to sufficiently address the risk posed by the chatrooms. For example, while correctly identifying the risk in October 2011, it failed to ensure the guidance was distributed and to coordinate training in conjunction with other departments. For much of the Material Time, Compliance's role in monitoring the FX Trading business was primarily focused on developing FX trade surveillance and performing electronic communications surveillance—the limitations of which are noted below.
- e) Although there was widespread media and regulatory attention since the middle of 2012 concerning the risks associated with the use of chatrooms, RBC did not formally prohibit multi-dealer chats until March 2014 (with a FX-specific chat ban being implemented in October/November 2013) despite:
  - i. RBC Managing Director A being aware of Bloomberg-related FX issues as early as April 2012; and
  - ii. FX traders and heads of desk discussing potential chatroom shutdowns as early as August 2012.

In a chat dated April 24, 2012, RBC Managing Director A advised a head of desk, RBC Trader C:

RBC Managing Director A: hihi

RBC Trader C: Hi mate

RBC Managing Director A: Lets be careful about chats discussing fixing orders that we have with other banks BOE made special mention of these at our meeting yesterday

RBC Trader C: understood

RBC Trader C: To be honest we see so few I think we should be out of the focus by will make good note

RBC Managing Director A: well less and less clients wanting to execute for that time as they feel its manipulated

RBC Managing Director A: where's there's smoke there[s] fire

While the subject of chatrooms was specifically discussed at an FX operating committee meeting in September 2012, RBC's FX front office decided against banning or restricting chatrooms. Some banks, however, did prohibit Multi-Dealer Chatrooms. These prohibitions were discussed in chatrooms involving RBC FX employees in August 2012 and April 2013. RBC Managing Director A eventually banned chatrooms in the FX business globally, but this was only in October/November 2013—more than a year after specifically contemplating and rejecting any action on chatrooms.

- f) As a regular monitoring, supervision or control practice, Compliance relied in part on an inadequate electronic-communications "e-comms" (including email and other messaging platforms) review based on lexicon "hotword" lists and random sampling.

29. A market participant that identifies a problem in respect of its systems of internal control or any other inappropriate activity that has affected (or may affect) investors or compromises the integrity of Ontario's capital markets, should promptly and fully self-report. RBC failed to establish a sufficient compliance system to monitor its FX Trading business. As such, the lack of sufficient controls meant that misconduct went undetected, and RBC was unable to remediate, self-report and escalate concerns.
30. There was insufficient training and guidance during the Material Time on how RBC's general policies on confidentiality should be applied specifically to the FX Trading business. The general, high-level training that was provided did not provide sufficient guidance to FX traders about FX compliance issues, including how the Code of Conduct applies to their trading behaviour.
31. In chats, FX traders expressed concerns about the sufficiency of guidance from Compliance. Perhaps because of the lack of guidance from both the front office and Compliance, it appears that traders relied on those around them. However, some of those individuals were engaged in problematic conduct themselves.
32. The insufficient training and guidance about the application of general policies to the FX Trading business increased the risk that confidential customer information could be disclosed.

**C. CONDUCT CONTRARY TO THE PUBLIC INTEREST**

Enforcement Staff alleges that the following conduct was contrary to the public interest:

33. During the Material Time, RBC:
  - a) Shared confidential customer information with FX traders at other firms in electronic chatrooms; and
  - b) Failed to establish and maintain an adequate compliance system that addressed inappropriate information sharing and thus provided reasonable assurance that RBC:
    - (i) complied with securities legislation, and in particular the market manipulation and fraud prohibitions in the Act; and
    - (ii) did not undermine confidence in the integrity of the FX markets.
34. As a result, RBC failed to meet the high standards of conduct expected of a market participant, which potentially put its customers at risk.

**D. ORDER SOUGHT**

35. Enforcement Staff request that the Commission make an order pursuant to subsection 127(1) and section 127.1 of the Act to approve the settlement agreement dated August 23, 2019 between RBC and Enforcement Staff.
36. Staff reserve the right to amend these allegations and to make such further and other allegations as Staff deems fit and the Commission may permit.

**DATED** this 26th day of August 2019.

ONTARIO SECURITIES COMMISSION  
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**Notices**

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Tel: 416-579-7218

Staff of the Enforcement Branch

1.3.2 The Toronto-Dominion Bank – ss. 127, 127.1

FILE NO.: 2019-31

**IN THE MATTER OF  
THE TORONTO-DOMINION BANK**

**NOTICE OF HEARING**

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

**PROCEEDING TYPE:** Public Settlement Hearing

**HEARING DATE AND TIME:** August 30, 2019 at 9:00 a.m.

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

**PURPOSE**

The purpose of this hearing is to consider whether it is in the public interest for the Commission to approve the Settlement Agreement dated August 23, 2019 between Staff of the Commission and the Toronto-Dominion Bank in respect of the Statement of Allegations filed by Staff of the Commission dated August 26, 2019.

**REPRESENTATION**

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

**FAILURE TO ATTEND**

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

**FRENCH HEARING**

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

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Dated at Toronto this 26th day of August, 2019.

"Grace Knakowski"  
Secretary to the Commission

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**IN THE MATTER OF THE  
TORONTO-DOMINION BANK**

**STATEMENT OF ALLEGATIONS**

(Subsection 127(1) and Section 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5)

**A. OVERVIEW**

1. The foreign exchange (“FX”) markets are among the largest and most liquid markets in the world.<sup>1</sup> Their integrity is of central importance to the broader capital markets, including the Ontario capital markets. Over a period of at least three years, from 2011 to 2013 (the “Material Time”), The Toronto-Dominion Bank (“TD”) failed to have sufficient supervision and controls in its FX trading business. Additionally, despite actions taken by TD in November 2013 to impose a ban on multi-dealer chatrooms, as described below certain compliance monitoring issues continued into 2015. TD did not sufficiently promote a culture of compliance in the FX trading business, which allowed FX traders to behave in a manner which put TD’s economic interests ahead of the interests of its customers, other market participants and the integrity of the capital markets. Failures of this nature put customers at risk of harm and undermine market integrity. TD’s failures in this regard were contrary to the public interest.
2. TD’s failure to have sufficient supervision and controls in its FX trading business allowed the inappropriate sharing of confidential customer information by TD FX traders with FX traders at other competitor firms on a regular basis. Staff (“Staff”) of the Ontario Securities Commission (the “Commission”) have identified many hundreds of prohibited disclosures throughout 2011-2013. In many of the prohibited disclosures, confidential customer information was shared by TD FX traders with other participants in the chatroom. In other instances, the prohibited disclosures came from a chatroom participant from another institution which allowed the TD FX traders to gain a potential advantage in the market and over traders at other firms who did not have access to this information.<sup>2</sup> The disclosures included detailed information about the customer orders such as trade sizes, timing, price, or stop-loss levels.
3. TD appeared to rely primarily on its front office<sup>3</sup> FX trading supervisors and their delegates, who were responsible for the first line of defence, to identify, assess and manage risks concerning the disclosure of confidential customer information. The front office failed to adequately discharge these responsibilities with regard to obvious risks associated with confidentiality and conflicts of interest. These failings occurred in circumstances where some of those responsible for managing front office matters were aware of and/or at times involved in the inappropriate disclosures described herein.
4. Staff expect firms trading in FX to identify, assess and manage appropriately the risks of non-compliance with the *Securities Act*<sup>4</sup> (the “Act”) and risks to the integrity of the capital markets. Staff also expect firms to promote a culture of compliance where their personnel adhere to high ethical standards and ensure their behaviour does not put customers and the integrity of the capital markets at risk. Firms must be vigilant about detecting, thwarting and addressing potential market abuse activities, including behaviours where market participants use their position to gain an inappropriate advantage over other market participants.
5. Given that the markets for FX transactions are interconnected as spot transactions are part of the basis upon which the value of FX forwards, swaps and options are determined, and given the importance of the FX markets and their impact on the broader capital markets, it is vital to fostering confidence in the capital markets that market participants like TD ensure honest and responsible conduct by its employees in the FX trading business.

**B. FACTS**

Staff of the Enforcement Branch of the Commission (“**Enforcement Staff**”) make the following allegations of fact:

**(1) Background**

6. TD is a Schedule 1 Bank under the *Bank Act (Canada)*.<sup>5</sup> During the Material Time, and at present, TD Securities (“TDS”), an unincorporated division of TD, engaged in the purchase and sale of foreign currencies with customers and for itself (“FX Trading”), as defined below.

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<sup>1</sup> The daily average volume turnover of the global FX market was over USD 5 trillion in April 2013 according to the Bank for International Settlements (BIS) Triennial Central Bank Survey 2013.

<sup>2</sup> Although Staff is not alleging specific violations as described below, or suggesting that there is evidence of such misconduct, it is helpful to describe generally the types of misconduct that gives rise to market integrity issues. For the purpose of providing guidance to market participants, types of misconduct could include front running, trading ahead, proprietary position, or triggering stops.

<sup>3</sup> Front Office means TD’s FX Trading Desk.

<sup>4</sup> RSO 1990, c S.5.

<sup>5</sup> SC 1991, c. 46.

7. In the Material Time, TD's FX business was based primarily in Toronto. For some of the Material Time, TD also had trading or sales desks in London, Singapore and New York. In the Material Time, TD took positions in spot transactions, forwards, swaps and over-the-counter-options.
8. The foreign exchange business at TDS was focused entirely on institutional and corporate customers.
9. During the Material Time, TD primarily participated in the above FX transactions with customers and for TD's own account ("proprietary trading"). Making profitable trades could be dependent on correctly assessing the direction of the market for various currency pairs.
10. The FX markets are primarily over-the-counter markets. Accordingly, a bank's profitability and ability to manage business risk in its FX Trading business was dependent on the quality of information its traders possessed. Individual traders sought to understand macroeconomic factors affecting currency rates. There was also an advantage to knowing "market flow" including which institutions were buying or selling which currencies in significant amounts and details of those trades.
11. Exchanging "market colour" including economic analysis relating to the movement of currencies was acceptable. However, during the Material Time, traders inappropriately sought and disclosed specific transaction details, to gain an advantage in the market, which led to the chatroom misconduct described below.
12. The frequent flow of information between traders of different firms using various communication platforms increases the risk of traders sharing confidential information. It is therefore particularly important that financial institutions exercise sufficient control and monitoring of such communications.

**(2) Chatroom Misconduct**

13. It was common practice during most of the Material Time for FX traders at firms to use electronic messaging services, such as chatrooms on Bloomberg, to communicate with FX traders at other firms. While the use of such communication tools is not in itself inappropriate, the frequent and significant flow of information between traders at different firms increased the potential risk of traders engaging in improper activity, including, amongst other things, the sharing of confidential customer information.
14. TD FX traders were involved in several large chatrooms involving FX traders from other international banks ("Multi-Dealer Chatrooms") in addition to bi-lateral chats. One of these bi-lateral chats involved a Managing Director in TD's FX Trading business, TD Managing Director A. Staff have identified many hundreds of prohibited disclosures throughout 2011-2013.
15. Participation in chatrooms with traders from other firms had a profit motive. For example, in a Multi-Dealer Chatroom with FX traders from other firms, a TD FX trader based in London, TD Trader A, wrote "*profit is profit*" and "*no-one ever got fired for making cash*". TD Trader A also wrote in a chat to an FX trader at another large Canadian bank: "*u should be over 2 bucks up on my ideas and info this year*".
16. TD had a number of policies and procedures in place during the Material Time that applied to FX Trading. The disclosure of confidential customer information to other traders and third parties was contrary to TD's policies and accepted industry standards.
17. During the Material Time, certain TD FX traders regularly provided confidential information to, and received confidential information from, the traders of other financial institutions, including in respect of the existence of customer stop loss orders. This sharing of confidential information occurred in Multi-Dealer Chatrooms and in bi-lateral chats.
18. All TD traders understood that the sharing of specific customer names was unequivocally prohibited. While traders were encouraged to seek and use "market flow" and "market colour" in the course of their trading, there was no clear indication as to what, aside from customer names, was impermissible and what was permitted. Consequently, confidential information including specific transaction details was disclosed by TD traders to individuals at other institutions. The disclosure of such information in some instances was a breach of confidentiality and created the potential risk that this information could be used for the trader's benefit and to the customer's detriment.
19. TD Managing Director A communicated in a chatroom with one individual from another financial institution, who was also a former colleague. These individuals shared information in a manner which was, at times, inconsistent with market integrity. For example, TD Managing Director A disclosed the following information:

"fyi..we have stop at 97...from a guy that alwyas [sic] has stop behind some large offers...we have stops above figure and big one at 35-40 area"

20. Given TD Managing Director A's longstanding personal relationship with the other individual, he believed that the individual would not use the information being provided to the detriment of TD or its customers (and there is no evidence of such conduct). In some instances, TD Managing Director A was sharing confidential information with his former colleague in order to determine whether customer positions could be appropriately filled or netted outside of the market. However, the disclosure of this information by TD Managing Director A was a breach of TD's policies and a breach of confidentiality.

21. The following is a TD trader disclosing information about a customer stop loss order to traders at other firms in a Multi-Dealer Chatroom:

TD Trader A: I have decent stop below 20 eur fyi

Bank A Trader: ta

Bank B Trader: a weak one or one that been there a while

TD Trader A: very fresh

Bank B Trader: just sitting there ready to be popped

...

Bank B Trader: ill let my 24 bid ride a few pips then<sup>6</sup>

22. The sharing of confidential information was a two-way street. For example, on January 10, 2013, a trader from another firm inappropriately disclosed information about a "huge" option that was expiring the next day to TD Trader A:

Bank A Trader: between u s

Bank A Trader: there is huge 13240 tom exp

TD Salesperson A: ok

TD Trader A: ta

23. TD Managing Director A confirmed during this investigation that information about specific barriers should not be disclosed and that it was something that he would refer to compliance.

24. Despite confirming that information about specific barriers should not be disclosed, on February 29, 2012, TD Managing Director A disclosed information about a barrier option he had a "piece of" to another FX trader in a bi-lateral chat:

Bank A Trader: hearing from barx, very large barrier in usdcad at .9850. they dont have it. they are hearing it

TD Managing Director A: we have a piece of it . . . . 6 days til expiry

TD Managing Director A: on the one we have

25. On April 30, 2012, TD Managing Director A disclosed and received confidential customer information with an FX trader at another firm:

TD Managing Director A: lot of small but dodgy sellers popping in up here above 60 with tight stops

TD Managing Director A: i.e. wacking 60-64 with stops at 70...

Bank A Trader: thks i have very little here

TD Managing Director A: more of same coming..in..we literally have about 5 diff guys that tend to be well informed with stops above 70 and just got short here...they not generally right in long term...but would guess someone has a lot to go between 65 and 70

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<sup>6</sup> In this chat, TD Trader A has disclosed confidential information about a stop and Bank B Trader appears to be using this information to inform his market strategy to make a profit. This behaviour could undermine market integrity because Bank B Trader appears to be using confidential information to gain an advantage over the rest of the market.

Bank A Trader: cool...i have stops 40 dow to 30 program type guys who would be long post number

Bank A Trader: would like to buy it down thee

26. This illustrates that once information is shared, the risk created is impossible to control as it can be further disclosed to a potentially unlimited chain of recipients.
27. The tone from the top of TD's FX Trading business permitted traders to provide confidential information to traders at other firms and receive confidential information in return.
28. TD's disclosures of confidential customer information put the customers at risk of economic loss. The behaviour also undermined market integrity.
29. There is no evidence or indication that TD was involved in any plan or collusion to attempt to manipulate the WM/Reuters benchmark or any other benchmark rate.

**(3) TD did not have a sufficient system of controls and supervision in place in relation to its FX Trading business during the Material Time**

30. During the Material Time, TD did not have a sufficient system of controls and supervision over its global FX Trading business concerning the disclosure of confidential customer information.
31. TD operated a "three lines of defence" model to manage risk of FX Trading during the Material Time. TD's front office (the first line of defence) had primary responsibility for identification of conduct risks, which they were expected to report to compliance officers for escalation via relevant business control committees. In addition, the front office and Compliance functions participated in risk assessments, which could also result in escalation of issues for further review by Compliance or Risk (the second line of defence) or Internal Audit (the third line of defence).
32. During the Material Time, there were deficiencies in the first and second lines of defence as outlined below:
  - a) Between 2011 and 2012, TD did not appear to recognize the risk that the manner in which its FX Trading business was conducted might result in TD not complying with securities legislation. For example, certain of its policies and procedures indicated that it was not subject to securities legislation.
  - b) TD's policies and procedures during the Material Time did not provide sufficient guidance to FX traders. While, as noted above, the policies prohibited disclosing confidential customer information, they were high-level in nature and applied to TD or the capital markets business as a whole. The policies did not specifically address the use of chatrooms or the practical issues FX traders faced daily. For instance, the policies did not provide sufficient guidance on the differences between sharing confidential information, which was prohibited, and sharing acceptable "market colour".
  - c) During the Material Time, TD appeared to rely primarily on its front office FX Trading supervisors and their delegates, who were responsible for the first line of defence, to identify, assess and manage risks concerning the disclosure of confidential customer information. The front office did not effectively do so. FX traders were not provided with sufficient guidance on what was or was not acceptable in chatrooms. The front office did not effectively supervise chatroom discussions. In some instances, TD Managing Director A, who was supposed to be supervising conduct, participated in the disclosure of confidential customer information in chatrooms.
  - d) Compliance, the second line of defence, failed to sufficiently address the risk posed by the chatrooms. For much of the Material Time, Compliance's role in monitoring the FX Trading business was primarily focused on developing FX trade surveillance and performing electronic communications surveillance—the limitations of which are noted below.
  - e) In November 2013, TD imposed a ban on Multi-Dealer Chatrooms. The ban was documented in TD's policies and procedures in 2015. From an operational perspective, the ban was insufficient. In chats, various traders discussed alternative means of communication, such as other chatrooms, WhatsApp and the telephone, although Staff have no evidence of traders participating in similar misconduct in a different forum following the chat ban. From the middle of 2012, TD should have been aware of the increased risks associated with information sharing and should have modified its policies and procedures accordingly. It was at this time that regulatory issues surrounding LIBOR highlighted concerns with the risk of collusive behaviour and misuse of confidential information. Some banks began prohibiting Multi-Dealer Chatrooms around this time and these prohibitions were discussed in a chatroom involving TD FX employees in August 2012. The FX regulatory issues first received media attention in mid-2013, supervisors were aware of this and at least one TD trader

discussed potential and actual chatroom shut downs in a chatroom. However, TD did not prohibit its traders from participating in Multi-Dealer Chatrooms until November 2013 at the earliest.

- f) As a regular monitoring, supervision or control practice, Compliance relied in part on an inadequate electronic-communications “e-comms” (including email and other messaging platforms) review based on lexicon “hotword” lists and random sampling.
33. A market participant that identifies a problem in respect of its systems of internal control or any other inappropriate activity that has affected (or may affect) investors or compromises the integrity of Ontario’s capital markets, should promptly and fully self-report. TD failed to establish a sufficient compliance system to monitor its FX Trading business. As such, the lack of sufficient controls meant that misconduct went undetected, and TD was unable to remediate, self-report and escalate concerns.
34. There was insufficient training and guidance during the Material Time on how TD’s general policies on confidentiality should be applied specifically to the FX Trading business. TD FX employees examined by Staff did not have a clear understanding of TD’s policies and procedures on information sharing.
35. The insufficient training and guidance about the application of general policies to the FX Trading business increased the risk that confidential customer information could be disclosed.
36. Between 2013 and 2014, TD engaged in an internal review known as the “FX dealer probe” or “lookback” (the “FX Dealer Probe”). The FX Dealer Probe involved collecting and reviewing chats. The FX Dealer Probe was undertaken as a result of international media reports beginning in mid-2013 regarding investigations of global misconduct in the FX markets. None of these reported investigations involved TD or a TD FX trader. There were several issues with the review, including that
- a) it was insufficient in scope,
  - b) documentation to support the scope was not retained,
  - c) reviewers did not appear to receive specific instructions, and
  - d) it applied an inappropriate standard of review that did not consider compliance with TD’s own internal policies, whether market integrity was sufficiently safeguarded or whether TD was in compliance with securities legislation.

**C. CONDUCT CONTRARY TO THE PUBLIC INTEREST**

Enforcement Staff alleges that the following conduct was contrary to the public interest:

37. During the Material Time, TD:
- a) Shared confidential customer information with FX traders at other firms in electronic chatrooms; and
  - b) Failed to establish and maintain an adequate compliance system that addressed inappropriate information sharing and thus provided reasonable assurance that TD:
    - (i) complied with securities legislation, and in particular the market manipulation and fraud prohibitions in the Act; and
    - (ii) did not undermine confidence in the integrity of the FX markets.
38. As a result, TD failed to meet the high standards of conduct expected of a market participant, which potentially put its customers at risk.

**D. ORDER SOUGHT**

39. Enforcement Staff request that the Commission make an order pursuant to subsection 127(1) and section 127.1 of the Act to approve the settlement agreement dated August 23, 2019 between TD and Enforcement Staff.
40. Staff reserve the right to amend these allegations and to make such further and other allegations as Staff deems fit and the Commission may permit.

**Notices**

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**DATED** this 26th day of August 2019.

ONTARIO SECURITIES COMMISSION  
20 Queen Street West, 22nd Floor  
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Staff of the Enforcement Branch

1.4 Notices from the Office of the Secretary

1.4.1 Paramount Equity Financial Corporation, et al.

**FOR IMMEDIATE RELEASE**  
August 21, 2019

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

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

A copy of the Order dated August 21, 2019 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
GRACE KNAKOWSKI  
SECRETARY TO THE COMMISSION

For media inquiries:

[media\\_inquiries@osc.gov.on.ca](mailto:media_inquiries@osc.gov.on.ca)

For investor inquiries:

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

1.4.2 Royal Bank of Canada

**FOR IMMEDIATE RELEASE**  
August 26, 2019

**ROYAL BANK OF CANADA,  
File No. 2019-32**

**TORONTO** – The Office of the Secretary issued a Notice of Hearing for a hearing to consider whether it is in the public interest to approve a settlement agreement entered into by Staff of the Commission and Royal Bank of Canada in the above named matter.

The hearing will be held on August 30, 2019 at 10:00 a.m. on the 17th floor of the Commission's offices located at 20 Queen Street West, Toronto.

A copy of the Notice of Hearing dated August 26, 2019 and Statement of Allegations dated August 26, 2019 are available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
GRACE KNAKOWSKI  
SECRETARY TO THE COMMISSION

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

**1.4.3 The Toronto-Dominion Bank**

**FOR IMMEDIATE RELEASE  
August 26, 2019**

**THE TORONTO-DOMINION BANK,  
File No. 2019-31**

**TORONTO** – The Office of the Secretary issued a Notice of Hearing for a hearing to consider whether it is in the public interest to approve a settlement agreement entered into by Staff of the Commission and the Toronto-Dominion Bank in the above named matter.

The hearing will be held on August 30, 2019 at 9:00 a.m. on the 17th floor of the Commission's offices located at 20 Queen Street West, Toronto.

A copy of the Notice of Hearing dated August 26, 2019 and the Statement of Allegations dated August 26, 2019 are available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
GRACE KNAKOWSKI  
SECRETARY TO THE COMMISSION

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[media\\_inquiries@osc.gov.on.ca](mailto:media_inquiries@osc.gov.on.ca)

For investor inquiries:

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

**1.4.4 Joseph Debus**

**FOR IMMEDIATE RELEASE  
August 27, 2019**

**JOSEPH DEBUS,  
File No. 2019-16**

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

A copy of the Order dated August 26, 2019 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
GRACE KNAKOWSKI  
SECRETARY TO THE COMMISSION

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For investor inquiries:

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

## Chapter 2

# Decisions, Orders and Rulings

### 2.2 Orders

#### 2.2.1 Paramount Equity Financial Corporation et al.

FILE NO.: 2019-12

IN THE MATTER OF  
PARAMOUNT EQUITY FINANCIAL CORPORATION,  
SILVERFERN SECURED MORTGAGE FUND,  
SILVERFERN SECURED MORTGAGE LIMITED  
PARTNERSHIP, GTA PRIVATE CAPITAL INCOME  
FUND, GTA PRIVATE CAPITAL INCOME LIMITED  
PARTNERSHIP, SILVERFERN GP INC., PARAMOUNT  
ALTERNATIVE CAPITAL CORPORATION, PACC  
AINSLIE CORPORATION, PACC COSTIGAN  
CORPORATION, PACC CRYSTALLINA CORPORATION,  
PACC DACEY CORPORATION, PACC GOULAIS  
CORPORATION, PACC HARRIET CORPORATION,  
PACC MAJOR MACK CORPORATION, PACC MAPLE  
CORPORATION, PACC MULCASTER CORPORATION,  
PACC REGENT CORPORATION, PACC SCUGOG  
CORPORATION, PACC SEHELDT CORPORATION,  
PACC SHAVER CORPORATION, PACC SIMCOE  
CORPORATION, PACC THOROLD CORPORATION,  
PACC WILSON CORPORATION, TRILOGY MORTGAGE  
GROUP INC., TRILOGY EQUITIES GROUP LIMITED  
PARTNERSHIP, MARC RUTTENBERG, RONALD  
BRADLEY BURDON and MATTHEW LAVERTY

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

August 21, 2019

#### ORDER

**WHEREAS** on August 21, 2019 the Ontario Securities Commission (Commission) held a hearing at the offices of the Commission, located at 20 Queen Street West, 17th Floor, Toronto, Ontario, with respect to the First Attendance;

**ON HEARING** the submissions of the representatives for Staff of the Commission (Staff) and Ronald Bradley Burdon (Burdon), and no one appearing on behalf of the remaining respondents;

#### IT IS ORDERED THAT:

1. Service of any document required to be served on Marc Ruttenberg may be deferred until an address or secure confirmed email address through which mass document transfer may be facilitated has been provided to Staff;
2. The deadline for Burdon to serve and file a motion, if any, regarding Staff's disclosure or

seeking disclosure of additional documents is extended to September 6, 2019;

3. Each respondent shall 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 respondent, and indicate any intention to call an expert witness by September 27, 2019;
4. An attendance in this matter is scheduled for October 9, 2019 at 10:00 a.m., or on such other date or time as may be agreed to by the parties and set by the Office of the Secretary.

"D. Grant Vingoe"

**2.2.2 Quadron Cannatech Corporation**

**Headnote**

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

**Applicable Legislative Provisions**

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

**August 22, 2019**

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

**AND**

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

**AND**

**IN THE MATTER OF  
QUADRON CANNATECH CORPORATION  
(the Filer)**

**ORDER**

**Background**

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

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

- (a) the British Columbia Securities Commission is the principal regulator for this application,
- (b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in Alberta, and
- (c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

**Interpretation**

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

**Representations**

¶ 3 This decision 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;
5. the Filer is not in default of securities legislation in any jurisdiction.

**Order**

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

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

“John Hinze”  
Director, Corporate Finance  
British Columbia Securities Commission

**2.2.3 Joseph Debus – s. 21.7**

**FILE NO.:** 2019-16

**IN THE MATTER OF  
JOSEPH DEBUS**

M. Cecilia Williams, Commissioner and Chair of the Panel

**August 26, 2019**

**ORDER**

(Section 21.7 of the *Securities Act*, RSO 1990, c S.5)

**WHEREAS** on August 21, 2019, the Ontario Securities Commission held a hearing at 20 Queen Street West, 17th Floor, Toronto, Ontario, in relation to the Application by Joseph Debus (**Debus**) to review decisions of the Investment Industry Regulatory Organization of Canada (**IIROC**) dated March 18, 2019 and June 25, 2019;

**ON READING** the Application and on hearing the submissions of Staff of IIROC, Staff of the Commission, and the representative of Debus, and on considering the consent of all parties to the stay of the IIROC Decisions pending the disposition of the Application for Hearing and Review;

**IT IS ORDERED THAT:**

1. the IIROC Decisions are stayed pending the disposition of the Application for Hearing and Review;
2. Debus shall ensure that the record of the original proceeding is served and filed by no later than August 29, 2019;

3. the parties shall serve and file witness lists, if any, and give notice of any intention to rely on documents or things not included in the record of the original proceeding, and shall disclose such documents or things, by no later than December 10, 2019;
4. Debus shall serve and file his hearing brief and witness summaries, if any, and written submissions, by no later than January 17, 2020;
5. IIROC Staff shall serve and file their hearing brief and witness summaries, if any, and responding written submissions, by no later than January 31, 2020;
6. the parties shall give notice of any other interlocutory matter, including motions, by no later than January 31, 2020;
7. an attendance is scheduled for February 11, 2020 at 10:00 a.m.;
8. Staff of the Commission shall serve and file written submissions by no later than February 13, 2020;
9. Debus shall serve and file reply written submissions, if any, no later than February 28, 2020;
10. the hearing of the Application will be held on March 23, 2020 and shall continue on March 24, 2020, commencing at 10:00 a.m. on each scheduled day, or on such other dates or times as may be agreed to by the parties and set by the Office of the Secretary.

"M. Cecilia Williams"

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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
Novelion Therapeutics Inc.	20 August 2019	
Victory Square Technologies Inc.	6 August 2019	23 August 2019

### 4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing
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
Beleave Inc.	06 August 2019	
CannTrust Holdings Inc.	15 August 2019	
Peeks Social Ltd.	04 July 2019	
BetterU Education Corp.	02 August 2019	

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## Chapter 7

# Insider Reporting

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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](http://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](http://www.sedi.ca)).



## Chapter 11

# IPOs, New Issues and Secondary Financings

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### INVESTMENT FUNDS

**Issuer Name:**

Canoe EIT Income Fund  
Principal Regulator - Alberta (ASC)

**Type and Date:**

Amendment #1 to Final Shelf Prospectus (NI 44-102) dated  
August 23, 2019

Received on August 23, 2019

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

N/A

Project #2832102

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**Issuer Name:**

CI First Asset MSCI World ESG Impact ETF  
Principal Regulator – Ontario

**Type and Date:**

Preliminary Long Form Prospectus dated Aug 21, 2019  
NP 11-202 Final Receipt dated Aug 21, 2019

**Offering Price and Description:**

Unhedged Common Units

Common Units

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

N/A

Project #2941733

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**Issuer Name:**

All Weather Fund  
Principal Regulator – Ontario

**Type and Date:**

Preliminary Simplified Prospectus dated Aug 19, 2019  
NP 11-202 Preliminary Receipt dated Aug 20, 2019

**Offering Price and Description:**

Series A units

Series I units

Series F units

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

N/A

Project #2953294

**Issuer Name:**

Ninepoint Alternative Credit Opportunities Fund  
Ninepoint FX Strategy Fund  
Principal Regulator – Ontario

**Type and Date:**

Preliminary Simplified Prospectus dated Aug 19, 2019  
NP 11-202 Preliminary Receipt dated Aug 20, 2019

**Offering Price and Description:**

Series A units

Series D units

Series I units

Series F units

Series QF units

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

N/A

Project #2953409

---

**Issuer Name:**

Veritas Absolute Return Fund  
Principal Regulator – Ontario

**Type and Date:**

Preliminary Simplified Prospectus dated Aug 20, 2019  
NP 11-202 Preliminary Receipt dated Aug 20, 2019

**Offering Price and Description:**

Series I Units

Series A Units

Series F Units

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

N/A

Project #2953553

NON-INVESTMENT FUNDS

**Issuer Name:**

Aphria Inc. (formerly, Black Sparrow Capital Corp.)  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Shelf Prospectus dated August 23, 2019  
NP 11-202 Preliminary Receipt dated August 23, 2019

**Offering Price and Description:**

US\$500,000,000.00 - COMMON SHARES, WARRANTS,  
SUBSCRIPTION RECEIPTS, DEBT SECURITIES,  
CONVERTIBLE SECURITIES, RIGHTS, UNITS

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #2955437**

**Issuer Name:**

Docebo Inc.  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Long Form Prospectus dated August 20, 2019  
NP 11-202 Preliminary Receipt dated August 20, 2019

**Offering Price and Description:**

C\$\*. \*\*

\* Common Shares

Price: C\$\*. \*\* per Share

**Underwriter(s) or Distributor(s):**

CANACCORD GENUITY CORP.  
TD SECURITIES INC.

**Promoter(s):**

-

**Project #2953654**

**Issuer Name:**

GFL Environmental Inc.  
Principal Regulator - Ontario

**Type and Date:**

Amendment dated August 22, 2019 to Preliminary Long  
Form Prospectus dated July 19, 2019

NP 11-202 Preliminary Receipt dated August 22, 2019

**Offering Price and Description:**

\*. \* - \* Subordinate Voting Shares

**Underwriter(s) or Distributor(s):**

BMO Nesbitt Burns Inc.  
Goldman Sachs Canada Inc.  
J.P. Morgan Securities Canada Inc.  
RBC Dominion Securities Inc.  
Scotia Capital Inc.

**Promoter(s):**

-

**Project #2941753**

**Issuer Name:**

Pembina Pipeline Corporation  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Shelf Prospectus dated August 23, 2019  
NP 11-202 Preliminary Receipt dated August 23, 2019

**Offering Price and Description:**

\$5,000,000,000.00

Medium Term Notes (Unsecured)

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #2955838**

**Issuer Name:**

Pembina Pipeline Corporation  
Principal Regulator - Alberta (ASC)

**Type and Date:**

Preliminary Shelf Prospectus (NI 44-102) dated August 23,  
2019

NP 11-202 Preliminary Receipt dated August 23, 2019

**Offering Price and Description:**

\$3,000,000,000.00

Common Shares

Preferred Shares

Warrants

Subscription Receipts

Units

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #2955848**

**Issuer Name:**

Raindrop Ventures Inc.  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Long Form Prospectus dated August 20, 2019  
Received on August 20, 2019

**Offering Price and Description:**

6,000,000 Common Shares up to a maximum of 8,000,000  
Common Shares

Price: C\$0.10 per Common Share

**Underwriter(s) or Distributor(s):**

Leede Jones Gable Inc.

**Promoter(s):**

Satvir Dhillon

**Project #2953824**

**Issuer Name:**

Royal Nickel Corporation dba as RNC Minerals  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus (NI 44-101) dated  
Received on August 26, 2019

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

Haywood Securities Inc.

**Promoter(s):**

-

**Project #2956735**

---

**Issuer Name:**

Saputo Inc.  
Principal Regulator - Quebec

**Type and Date:**

Preliminary Short Form Prospectus (NI 44-101) dated  
August 26, 2019

NP 11-202 Preliminary Receipt dated August 26, 2019

**Offering Price and Description:**

\$400,039,200.00 - 10,102,000 Common Shares

**Underwriter(s) or Distributor(s):**

National Bank Financial Inc.

BMO Nesbitt Burns Inc.

CIBC World Markets Inc.

Scotia Capital Inc.

TD Securities Inc.

RBC Dominion Securities Inc.

Desjardins Securities Inc.

Merrill Lynch Canada Inc.

**Promoter(s):**

-

**Project #2954296**

**Issuer Name:**

TransAlta Renewables Inc.  
Principal Regulator - Alberta (ASC)

**Type and Date:**

Preliminary Shelf Prospectus (NI 44-102) dated  
Received on August 26, 2019

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #2956772**

---

**Issuer Name:**

Vanadium 23 Capital Corporation  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Long Form Prospectus dated August 14, 2019  
NP 11-202 Preliminary Receipt dated August 20, 2019

**Offering Price and Description:**

No securities are being offered pursuant to this Prospectus.

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #2953431**

---

**Issuer Name:**

ECN Capital Corp.  
Principal Regulator - Ontario

**Type and Date:**

Final Shelf Prospectus (NI 44-102) dated August 21, 2019  
NP 11-202 Receipt dated August 21, 2019

**Offering Price and Description:**

C\$2,000,000,000.00 - Debt Securities, Preferred Shares,  
Common Shares, Subscription Receipts, Warrants, Units

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #2951653**

**Issuer Name:**

European Residential Real Estate Investment Trust  
Principal Regulator - Ontario

**Type and Date:**

Final Shelf Prospectus (NI 44-102) dated August 19, 2019  
NP 11-202 Receipt dated August 20, 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:**

Excellon Resources Inc.  
Principal Regulator - Ontario

**Type and Date:**

Final Short Form Prospectus (NI 44-101) dated August 20, 2019

NP 11-202 Receipt dated August 20, 2019

**Offering Price and Description:**

\$10,070,000.00 - 9,500,000 Units

PRICE: \$1.06 PER UNIT

**Underwriter(s) or Distributor(s):**

CORMARK SECURITIES INC.

PI FINANCIAL CORP.

SPROTT CAPITAL PARTNERS LP

LAURENTIAN BANK SECURITIES INC.

MAISON PLACEMENTS CANADA INC.

**Promoter(s):**

-

**Project #2950441**

---

**Issuer Name:**

Filo Mining Corp.  
Principal Regulator - British Columbia

**Type and Date:**

Final Short Form Prospectus (NI 44-101) dated August 23, 2019

NP 11-202 Receipt dated August 23, 2019

**Offering Price and Description:**

\$20,006,250.00 - 7,275,000 Common Shares

**Underwriter(s) or Distributor(s):**

BMO NESBITT BURNS INC.

NATIONAL BANK FINANCIAL INC.

HAYWOOD SECURITIES INC.

CORMARK SECURITIES INC.

**Promoter(s):**

-

**Project #2950648**

**Issuer Name:**

Integra Resources Corp. (formerly, Mag Copper Limited)  
Principal Regulator - British Columbia

**Type and Date:**

Final Short Form Prospectus (NI 44-101) dated August 23, 2019

NP 11-202 Receipt dated August 23, 2019

**Offering Price and Description:**

\$12,461,998.56 - 14,490,696 Common Shares on exercise of 14,490,696 Special Warrants

Price: \$0.86 per Special Warrant

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #2952876**

---

**Issuer Name:**

Morguard North American Residential Real Estate Investment Trust

Principal Regulator - Ontario

**Type and Date:**

Final Short Form Prospectus (NI 44-101) dated August 21, 2019

NP 11-202 Receipt dated August 21, 2019

**Offering Price and Description:**

\$100,254,950.00 - 5,076,200 Units

Price: C\$19.75 per Offered Unit

**Underwriter(s) or Distributor(s):**

RBC DOMINION SECURITIES INC.

TD SECURITIES INC.

BMO NESBITT BURNS INC.

CIBC WORLD MARKETS INC.

SCOTIA CAPITAL INC.

HSBC SECURITIES (CANADA) INC.

BFIN SECURITIES LP

LAURENTIAN BANK SECURITIES INC.

**Promoter(s):**

-

**Project #2949522**

**Issuer Name:**

New Gold Inc.  
Principal Regulator - Ontario

**Type and Date:**

Final Short Form Prospectus (NI 44-101) dated August 23, 2019

NP 11-202 Receipt dated August 23, 2019

**Offering Price and Description:**

\$150,000,000.00 - 93,750,000 Common Shares

Price: C\$1.60 per Offered Share

**Underwriter(s) or Distributor(s):**

BMO NESBITT BURNS INC.  
RBC DOMINION SECURITIES INC.  
SCOTIA CAPITAL INC.  
CIBC WORLD MARKETS INC.  
TD SECURITIES INC.  
J.P. MORGAN SECURITIES CANADA INC.  
MERRILL LYNCH CANADA INC.  
CREDIT SUISSE SECURITIES (CANADA), INC.  
NATIONAL BANK FINANCIAL INC.  
CANACCORD GENUITY CORP.  
CORMARK SECURITIES INC.  
EIGHT CAPITAL  
GMP SECURITIES L.P.  
LAURENTIAN BANK  
SECURITIES INC.  
PARADIGM CAPITAL INC.  
RAYMOND JAMES LTD.

**Promoter(s):**

-

**Project #2951650**

---

**Issuer Name:**

Restaurant Brands International Inc.  
Principal Regulator - Ontario

**Type and Date:**

Final Shelf Prospectus (NI 44-102) dated August 26, 2019

NP 11-202 Receipt dated August 26, 2019

**Offering Price and Description:**

\$500,000,000.00 - Common Shares, Debt Securities, Warrants

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #2952772**

---

**Issuer Name:**

Shine Box Capital Corp.  
Principal Regulator - Alberta (ASC)

**Type and Date:**

Final CPC Prospectus (TSX-V) dated August 21, 2019  
NP 11-202 Receipt dated August 22, 2019

**Offering Price and Description:**

\$300,000.00 - 3,000,000 Common Shares

Price: \$0.10 per Common Share

**Underwriter(s) or Distributor(s):**

CANACCORD GENUITY CORP.

**Promoter(s):**

Daniele Forigo

**Project #2934355**

---

**Issuer Name:**

Talon Metals Corp.  
Principal Regulator - Ontario

**Type and Date:**

Final Short Form Prospectus (NI 44-101) dated August 22, 2019

NP 11-202 Receipt dated August 22, 2019

**Offering Price and Description:**

\$10,000,000.00 - 58,823,530 Common Shares

Price: C\$0.17 per Offered Share

**Underwriter(s) or Distributor(s):**

PARADIGM CAPITAL INC.  
CANACCORD GENUITY CORP.  
LEEDE JONES GABLE INC.

**Promoter(s):**

-

**Project #2950896**

---

**Issuer Name:**

Theralase Technologies Inc.  
Principal Regulator - Ontario

**Type and Date:**

Final Short Form Prospectus (NI 44-101) dated August 19, 2019

NP 11-202 Receipt dated August 20, 2019

**Offering Price and Description:**

Minimum: \$7,500,000.00 (25,000,000 Units)

Maximum: \$15,000,000.00 (50,000,000 Units)

Price: \$0.30 per Unit

**Underwriter(s) or Distributor(s):**

MACKIE RESEARCH CAPITAL CORPORATION

**Promoter(s):**

-

**Project #2934206**

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## Chapter 12

# Registrations

### 12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Change in Registration Category	Gestion Palos Inc. / Palos Management Inc.	From: Investment Fund Manager, Portfolio Manager and Exempt Market Dealer  To: Investment Fund Manager and Portfolio Manager	April 25, 2019
New Registration	Kinsted Wealth Inc.	Investment Fund Manager and Portfolio Manager	August 23, 2019
New Registration	Agentis Capital Markets Canada Limited Partnership	Exempt Market Dealer	August 23, 2019
Change in Registration Category	Gestion Palos Inc. / Palos Management Inc.	From: Investment Fund Manager and Portfolio Manager  To: Investment Fund Manager	August 26, 2019
Change in Registration Category	Sinclair-Cockburn Financial Services Inc.	From: Mutual Fund Dealer and Exempt Market Dealer  To: Exempt Market Dealer	August 26, 2019
Name Change	From: Foresters Asset Management Inc. /Gestion D'actifs Foresters inc.  To: Fiera Capital Fund Management Inc./Gestion De Fonds Fiera Capital Inc.	Investment Fund Manager, Portfolio Manager and Exempt Market Dealer	August 16, 2019

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## Chapter 13

# SROs, Marketplaces, Clearing Agencies and Trade Repositories

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### 13.1 SROs

#### 13.1.1 IIROC – Notice of Proposed Amendments Respecting Free Credit Cash Segregated in Trust for Clients – Request for Comment

#### REQUEST FOR COMMENT

#### INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA (IIROC)

#### NOTICE OF PROPOSED AMENDMENTS RESPECTING FREE CREDIT CASH SEGREGATED IN TRUST FOR CLIENTS

IIROC is publishing for public comment proposed amendments to its Dealer Member Rules and Form 1 regarding free credit cash segregated in trust for clients (“Proposed Amendments”). The Proposed Amendments remove the inconsistency between the language used to describe the same trust arrangement in Dealer Member Rule 1200.3 and the notes to Statement D of Form 1.

The Proposed Amendments ensure that trust arrangements are appropriately identified at acceptable institutions. In addition, IIROC proposes to issue guidance to clarify its expectations for trust account agreements with acceptable institutions.

A copy of the IIROC Notice, including the text of the Proposed Amendments and the draft guidance, is also published on our website at <http://www.osc.gov.on.ca>. The comment period ends on September 30, 2019.

**13.1.2 IIROC – Notice of Republication of Proposed Amendments to Dealer Member Rules and Form 1 Regarding the Securities Concentration Test and Designated Rating Organizations – Request for Comment**

**REQUEST FOR COMMENT**

**INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA  
(IIROC)**

**NOTICE OF REPUBLICATION OF PROPOSED AMENDMENTS TO DEALER MEMBER RULES AND FORM 1 REGARDING THE SECURITIES CONCENTRATION TEST AND DESIGNATED RATING ORGANIZATIONS**

IIROC is republishing for public comment proposed amendments to its Dealer Member Rules (**DMRs**) and Form 1 regarding the securities concentration test and designated rating organizations (**Proposed Amendments**). The Proposed Amendments address issues raised in the public comment letters received in response to IIROC Notice 18-0153, published on August 9, 2018 (**2018 Proposed Amendments**). The Proposed Amendments retain the same fundamental framework for introducing debt securities with a normal margin rate of 10% or less (debt securities margined at  $\leq 10\%$ ) into Schedule 9 relating to the concentration of securities, which is based on a designated rating organization (**DRO**) risk-weighting methodology. The primary differences between the Proposed Amendments and the 2018 Proposed Amendments relate to changes that recalibrate the DRO risk-weighting adjustment factors and other changes that should reduce operational complexity and related costs.

The Proposed Amendments introduce debt securities margined at  $\leq 10\%$  into the existing securities concentration test. The Proposed Amendments also update the use of credit ratings, and references to credit rating agencies, in the DMRs and Form 1. The primary objective of the Proposed Amendments is to prevent undue concentrations in certain debt securities margined at  $\leq 10\%$ .

A copy of the IIROC Notice, including the text of the Proposed Amendments, is published on our website at <http://www.osc.gov.on.ca>. The comment period ends on September 30, 2019.

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