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Table of Contents

Chapter 1

Notices

1.3 Notices of Hearing with Related Statements of Allegations

1.3.1 Canada Cannabis Corporation et al. – ss. 127, 127.1

IN THE MATTER OF
CANADA CANNABIS CORPORATION,
CANADIAN CANNABIS CORPORATION,
BENJAMIN WARD,
SILVIO SERRANO, and
PETER STRANG

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

PROCEEDING TYPE: Enforcement Proceeding
HEARING DATE AND TIME: September 30, 2019 at 10:00am
LOCATION: 20 Queen Street West, 17th Floor, Toronto, Ontario

PURPOSE
The purpose of this proceeding is to consider whether it is in the public interest for the Commission to make the orders requested in the Statement of Allegations filed by Staff of the Commission on September 13, 2019.

The hearing set for the date and time indicated above is the first attendance in this proceeding, as described in subsection 5(1) of the Commission's *Practice Guideline.*

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

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

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

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

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

"Grace Knakowski"
Secretary to the Commission

For more information
Please visit www.osc.gov.on.ca or contact the Registrar at registrar@osc.gov.on.ca.

IN THE MATTER OF
CANADA CANNABIS CORPORATION,
CANADIAN CANNABIS CORPORATION,
BENJAMIN WARD,
SILVIO SERRANO, and
PETER STRANG

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

A. OVERVIEW

1. This proceeding involves fraudulent conduct in the burgeoning cannabis sector.

2. On January 20, 2014, Benjamin Ward, Peter Strang, Silvio Serrano and others formed a cannabis cultivation and distribution company known as Canada Cannabis Corporation which subsequently, through a reverse take-over, became Canadian Cannabis Corporation (collectively referred to as **"CCC"**). Ward was Chief Executive Officer and director of CCC. Both Strang and Serrano were Vice Presidents and either directors or *de facto* directors of CCC. The Respondents raised approximately $3.2 million and USD 8.8 million from approximately 125 investors, approximately 60 of which are located in Ontario, by selling shares and debentures of CCC.[1] Ward, Strang and Serrano represented to investors that their funds would be used to develop and operate CCC. Instead, Ward, Strang and Serrano syphoned off more than $3 million from CCC by making a loan to a company owned by Serrano. The loan was eventually written off without any attempt by the Respondents to collect interest payments nor recover any of the principal. By the fall of 2016, Ward, Strang and Serrano had resigned from CCC, leaving behind a company depleted of all investor funds without ever having engaged in the cultivation or distribution of cannabis.

3. Investors are interested in investing in cannabis companies. They believe that they can earn a quick and profitable return from their investment in this industry. These investments, however, can be highly speculative, and the cost of an investment in a cannabis company may be based on the expectation of its future success rather than its current performance. All issuers and their management, including those in the cannabis industry, must accurately and truthfully disclose how invested funds will be used. Investor funds must be used for the purposes described by the issuer, not for the personal gain of management.

B. FACTS

4. Ward, Strang and Serrano are residents of Ontario.

5. Prior to the incorporation of CCC, in January 2014, Ward, Strang and Serrano created an investor brief for CCC dated January 16, 2014 (the **"Investor Brief"**) and used it to solicit investors. The Investor Brief contained numerous untrue statements (collectively, the **"Misleading Statements"**), including:

   (a) that CCC's "Core Business" included Growlite Canada ("**Growlite**"), a horticultural lighting company. This was false as CCC had yet to be incorporated;

   (b) that "CCC has purchased 45% of [Growlite]." This was false as CCC had not yet entered into an agreement to make the investment in Growlite. CCC had not made the equity investment nor the loan to Growlite at this time;

   (c) that Growlite sales in the first month of business totalled 2,000 units. This was false as Growlite did not achieve this level of sales volume; and

   (d) that Ward held a doctorate degree. This was false as Ward never obtained a PhD.

6. Ward, Strang and Serrano are responsible for the Misleading Statements and knew or ought to have known that the Investor Brief was being used to solicit CCC investors.

7. CCC's initial business plan was to apply for and acquire a license to grow and market medical cannabis products in Canada. While CCC applied for a license on or around April 25, 2014 to produce and supply medical cannabis, Ward withdrew CCC's license application on May 9, 2016, two years after the initial application, and did not tell investors that he had withdrawn the application.

8. Between January 20, 2014 and August 29, 2016, the Respondents raised approximately $3.2 million and USD 8.8

[1] All figures are in Canadian dollars unless otherwise stated.

million from approximately 125 investors, of which approximately 60 were located in Ontario. The Investor Brief was provided to some investors in 2014.

9. Investor funds were misused. Shortly after establishing CCC, Ward, Strang and Serrano devised a scheme whereby CCC would use investor funds to purchase an interest in and make a loan to Growlite. Serrano owned Growlite.

10. On January 19, 2014, Ward, Strang and Serrano allocated 20 minutes at a CCC board meeting to negotiate the purchase of an interest in Growlite. At no point before, during or after the meeting did the Respondents hire a valuator to determine the value of Growlite, address the conflict arising from investing in Serrano's company, or conduct meaningful negotiations on the price.

11. Instead, on February 2, 2014, Ward, Strang and Serrano came to a "handshake" agreement to use $1 million of investor funds to purchase a 45% interest in Growlite. Ward, Strang and Serrano also agreed to use $3 million of investor funds to finance a loan to Growlite (the **"Loan"**). Ward, Strang and Serrano used the Loan to defraud investors.

12. Before the Loan agreement was signed, between February 5, 2014 and March 28, 2014, $4 million of investor funds was transferred to Growlite for both the investment in and Loan to Growlite.

13. Between February 5, 2014, before the Loan agreement was signed, and August 29, 2016, approximately $2,731,000 and USD 224,000 of the Loan (representing more than the $3 million Loan given to Growlite) was directed away from the business of Growlite and to the benefit of Serrano and Strang, their families or companies controlled by them as follows:

    (a) Serrano or companies controlled by him: $1,500,000 and USD 224,000;

    (b) Strang or companies controlled by him: $860,000;

    (c) Serrano's brother, or companies controlled by him: $215,000;

    (d) Serrano's father, or companies controlled by him: $45,000;

    (e) a criminal defence lawyer who represented Serrano's father: $48,500; and,

    (f) Serrano's cousin, or companies controlled by him: $62,500.

14. Ward and Serrano signed the Loan agreement dated March 31, 2014. The interest rate on the Loan was 2% to be paid quarterly. Growlite never made any of the required interest payments.

15. Ward, Strang and Serrano knew or ought to have known that using the Loan for the benefit of Serrano and Strang, their families or companies controlled by them deprived CCC investors of the prospect of realizing growth opportunities in Growlite.

16. Additionally, at no point did Ward, Strang or Serrano take any steps to protect CCC's investment in Growlite. The Respondents did not sign a security agreement for the Loan until May 2015, well after investor funds from the Loan had begun to be redirected. The Respondents also made no attempt to recover the Loan.

17. In the summer or fall of 2015, approximately $800,000 worth of Growlite inventory of lights stored at CCC's proposed cannabis growing facility (the **"Inventory"**) disappeared under suspicious circumstances. Ward, Strang and Serrano failed to report the matter to police, nor did they file an insurance claim or take any steps to recover the value of the Inventory.

18. By not filing an insurance claim or pursuing other legal steps to recover the value of the Inventory, Ward, Strang and Serrano deprived CCC of one of its only remaining assets.

19. The Loan was eventually written off in April 2016.

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

20. By engaging in the conduct described above, Ward, Strang, Serrano, and CCC raised millions of dollars using the Investor Brief, which contained untrue statements, and then placed investors' capital at risk by diverting investor funds away from CCC for their own personal gain. The Respondents engaged in or participated in acts, practices, or courses of conduct relating to securities that they knew or reasonably ought to have known perpetrated a fraud on persons or companies contrary to subsection 126.1(1)(b) of the *Securities Act*, RSO 1990, c.S.5, as amended (the **"Act"**). This fraudulent behaviour undermines public confidence in the fairness and efficiency of Ontario's capital markets. It is conduct contrary to the public interest.

21. Enforcement Staff allege the following breaches of Ontario securities law and/or conduct contrary to the public interest by the Respondents during the time January 20, 2014 and August 29, 2016:

    (a) Ward, Strang, Serrano, and CCC directly or indirectly engaged in or participated in acts, practices or courses of conduct relating to securities that they each knew or reasonably ought to have known perpetrated a fraud on persons or companies, contrary to subsection 126.1(1)(b) of the Act;

    (b) Ward, Strang and Serrano, as officers and/or directors or *de facto* directors of CCC, authorized, permitted, and/or acquiesced in the breaches of subsection 126.1(1)(b) of the Act by CCC and thereby failed to comply with Ontario securities law pursuant to section 129.2 of the Act; and,

    (c) Ward, Strang, Serrano, and CCC have engaged in conduct that is contrary to the public interest.

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

D. ORDER SOUGHT

23. Enforcement Staff request that the Commission make the following orders:

    (a) As against **Canada Cannabis Corporation**, an Ontario corporation that is not a reporting issuer in Ontario, and **Canadian Cannabis Corporation,** a Delaware corporation that is a Smaller Reporting Company for the purpose of the United States Securities and Exchange Commission:

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

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

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

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

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

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

        (vii) that it disgorge to the Commission any amounts obtained as a result of non-compliance with Ontario securities law, pursuant to paragraph 10 of subsection 127(1) of the Act;

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

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

    (b) As against each of **Benjamin Ward, Peter Strang and Silvio Serrano**:

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

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

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

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

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

        (vi) that he be prohibited from becoming or acting as a director or officer of any issuer permanently or for

such period as is specified by the Commission, pursuant to paragraph 8 of subsection 127(1) of the Act;

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

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

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

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

(xi) that he disgorge to the Commission any amounts obtained as a result of non-compliance with Ontario securities law, pursuant to paragraph 10 of subsection 127(1) of the Act;

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

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

DATED at Toronto, September 13, 2019.

Staff of the Ontario Securities Commission
ONTARIO SECURITIES COMMISSION
20 Queen Street West, 22nd Floor
Toronto, ON M5H 3S8

1.4 Notices from the Office of the Secretary

1.4.1 Canada Cannabis Corporation et al.

FOR IMMEDIATE RELEASE
September 13, 2019

CANADA CANNABIS CORPORATION,
CANADIAN CANNABIS CORPORATION,
BENJAMIN WARD,
SILVIO SERRANO, and
PETER STRANG,
File No. 2019-34

TORONTO – The Office of the Secretary issued a Notice of Hearing on September 13, 2019 setting the matter down to be heard on September 30, 2019 at 10:00 a.m. or as soon thereafter as the hearing can be held in the above named matter. The hearing will be held at the offices of the Commission at 20 Queen Street West, 17th Floor, Toronto.

A copy of the Notice of Hearing dated September 13, 2019 and Statement of Allegations dated September 13, 2019 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

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For investor inquiries:

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1-877-785-1555 (Toll Free)

1.5 Notices from the Office of the Secretary with Related Statements of Allegations

1.5.1 BDO Canada LLP

FOR IMMEDIATE RELEASE
September 16, 2019

BDO CANADA LLP,
File No. 2018-59

TORONTO – Staff of the Ontario Securities Commission filed an Amended Statement of Allegations dated September 16, 2019 with the Office of the Secretary in the above named matter.

A copy of the Amended Statement of Allegations dated September 16, 2019 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

IN THE MATTER OF
BDO CANADA LLP

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

A. ORDER SOUGHT

Staff ("**Enforcement Staff**") of the Enforcement Branch of the Ontario Securities Commission (the "**Commission**") request that the Commission make an order, ordering:

1. that BDO Canada LLP ("**BDO**") be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the *Securities Act*, RSO 1990, c S.5 (the "**Act**");

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

3. that BDO disgorge to the Commission any amounts obtained as a result of the non-compliance with Ontario securities law, pursuant to paragraph 10 of subsection 127(1) of the Act;

4. that BDO pay the costs of the Commission investigation and hearing, pursuant to section 127.1 of the Act; and

5. such other order as the Commission considers appropriate in the public interest.

B. FACTS

Enforcement Staff make the following allegations of fact:

I. Overview

1. As gatekeepers, auditors contribute to public confidence in the integrity of financial reporting, a cornerstone of our capital markets. In conducting audits of financial statements and reporting thereon, it is critical that auditors comply with generally accepted auditing standards. When an auditor issues an unmodified audit opinion on an entity's financial statements, the auditor provides assurance that the financial statements are presented fairly, in all material respects, in accordance with generally accepted accounting principles. As such, auditors play an important role in investor protection and the framework for proper disclosure is undermined when they fail to adequately carry out their role.

2. Between ~~1998~~at least 2005 and 2017, BDO was the auditor of Crystal Wealth Management Systems Limited ("**Crystal Wealth**") and the investment funds managed by it at the time (the "**Crystal Wealth Funds**"). In April 2017, on application by the Commission, Crystal Wealth, the Crystal Wealth Funds and their directing mind, Clayton Smith ("**Smith**"), were put into receivership by the Ontario Superior Court of Justice. The Commission subsequently approved a settlement agreement between Smith and Enforcement Staff in which Smith admitted to fraud on two Crystal Wealth Funds—Crystal Wealth Media Strategy (the "**Media Fund**") and Crystal Wealth Mortgage Strategy (the "**Mortgage Fund**" and, together with the Media Fund, the "**Funds**" and each, a "**Fund**"). Certain of the fraudulent investments were recorded in the Funds' financial statements audited by BDO.

3. BDO audited the Funds' financial statements as at and for the years ended December 31, 2014 and December 31, 2015. In those financial statements, the Media Fund and Mortgage Fund were valued at approximately $50 million and $40 million, respectively. In each auditor's report accompanying those financial statements, BDO represented to the Fund's unitholders that it had performed its audit (each, an "**Audit**") in accordance with Canadian generally accepted auditing standards ("**GAAS**").

4. That representation was false. BDO did not conduct its Audits in accordance with GAAS. It failed to do so in three principal ways.

5. First, BDO did not obtain sufficient appropriate audit evidence of the existence and valuation of the Funds' assets. To begin, BDO did not perform all the retrospective reviews for accounting estimates required by GAAS. Without those reviews, BDO could not design audit procedures responsive to the risk that the financial statements were materially misstated. Next, in completing the audit procedures it did design, BDO unduly relied on the Funds' service providers—who were not independent of Smith—and on Smith himself. Finally, even though BDO identified a material misstatement in the Media Fund's 2015 financial statements, it provided an unmodified audit opinion on them.

6. BDO's second principal violation of GAAS was its failure to undertake its work with sufficient professional skepticism. Throughout the Audits, BDO disregarded contradictory audit evidence and other circumstances that could be indicative of fraud. BDO failed to recognize the resultant, increased risk of material misstatement and did not address the

heightened risk with enhanced audit procedures. The enhanced procedures would have resulted in BDO obtaining additional evidence before determining whether it could issue unmodified audit opinions on the financial statements.

7. Last, before issuing its audit opinions, BDO did not complete the engagement quality control reviews ("**EQCRs**") of the Audits that it had determined were required.

8. By falsely stating in each auditor's report that it had conducted the Audit in accordance with GAAS, BDO breached subsection 122(1)(b) of the Act. In addition, each of BDO's failures to comply with GAAS violated subsection 78(3) of the Act.

II. Background

9. The Funds were privately-offered mutual fund trusts managed by Crystal Wealth, a Burlington, Ontario-based corporation. Crystal Wealth also acted as the Funds' trustee, portfolio manager and promoter.

10. Smith was Crystal Wealth's founder, principal shareholder, directing mind and sole director and officer. He acted as Crystal Wealth's President, Chief Executive Officer, Chief Financial Officer and Chief Compliance Officer and was BDO's principal point of contact during the Audits.

11. BDO is a limited liability partnership, the head office of which is in Toronto, Ontario. It has more than 125 offices across Canada and is part of the international BDO network of independent member firms.

12. By 2005, BDO ~~was first~~had been appointed auditor of Crystal Wealth and the Crystal Wealth Funds~~ in 1998.~~. It audited the Funds' 2014 and 2015 financial statements.

13. BDO was also engaged to audit the Funds' 2016 financial statements. At the time of those audits, BDO was aware of Enforcement Staff's investigation in this matter. In the audits, BDO introduced new procedures, such as seeking additional evidence from sources independent of the Funds and Smith. BDO was not able to complete the procedures or issue auditor's reports on the Funds' financial statements by March 31, 2017, when they were due to be delivered to unitholders.

14. Thereafter, on April 6, 2017, on application by Enforcement Staff, the Commission ordered that all trading in securities of the Crystal Wealth Funds cease. On April 26, 2017, on application by the Commission, the Ontario Superior Court of Justice appointed Grant Thornton Limited receiver and manager of the assets of the Crystal Wealth Funds, Crystal Wealth and Smith, personally.

15. On June 13, 2018, the Commission approved a settlement agreement between Enforcement Staff and Smith. In the settlement agreement, Smith admitted to fraud relating to investments recorded in the Media Fund's 2014 and 2015 financial statements and the Mortgage Fund's 2015 financial statements, all of which had been audited by BDO.

III. BDO's Obligations as Auditor

16. As auditor of the Funds' 2014 and 2015 financial statements, BDO was subject to provisions of Ontario securities law such as subsections 122(1)(b) and 78(3) of the Act.

17. The Funds' financial statements were required to be delivered to unitholders under National Instrument 81-106 *Investment Fund Continuous Disclosure* ("**NI 81-106**"). Because the financial statements were audited, subsection 2.7(3) of NI 81-106 mandated that they be accompanied by an auditor's report prepared in accordance with GAAS. The Funds' audited financial statements were posted on Crystal Wealth's website.

18. BDO's auditor's reports on the Funds' 2014 and 2015 financial statements were dated March 31, 2015 and March 31, 2016, respectively, and were addressed to the Funds' unitholders. In each auditor's report, BDO represented that it had conducted its Audit in accordance with GAAS. That was not true. In making these false representations, BDO breached GAAS and subsection 2.7(3) of NI 81-106. BDO also violated subsection 122(1)(b) of the Act. Subsection 122(1)(b) prohibited BDO from making materially misleading statements in reports or other documents required to be furnished or filed under Ontario securities law.

19. Under subsections 78(1) and (2) of the Act, the Funds' 2014 and 2015 financial statements, together with BDO's auditor's reports, were required to be filed with the Commission. Subsection 78(3) of the Act required BDO to make the examinations necessary to prepare its auditor's reports in accordance with GAAS. BDO failed to do so.

20. The principal auditing standards BDO failed to comply with are set forth in Part IV below. Part V details BDO's non-compliance with GAAS.

IV. Generally Accepted Auditing Standards

21. As the basis for the auditor's opinion, GAAS require the auditor to obtain reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high level of assurance.

22. To obtain reasonable assurance, GAAS set out various standards to be met, requirements to be fulfilled and steps to be taken. They include obtaining sufficient appropriate audit evidence, exercising professional skepticism and completing EQCRs in accordance with GAAS.

(A) Sufficient Appropriate Audit Evidence Required

23. To obtain reasonable assurance, the auditor must obtain sufficient appropriate audit evidence to reduce, to an acceptably low level, the risk of incorrectly opining on misstated financial statements.

(1) The Need for Retrospective Reviews

24. To assess the risk of material misstatement, the auditor must perform a retrospective review of the outcomes of accounting estimates included in the prior financial statements. Retrospective reviews assist in assessing whether the current estimates are misstated and in identifying any indications of management bias that might represent a risk of material misstatement due to fraud.

(2) The Need for Independent Evidence

25. The higher the assessed risk of material misstatement, the more persuasive the required audit evidence. Generally, evidence from independent sources outside the audited entity is more reliable than evidence from the entity.

(3) The Need for Assurance about Service Organization Controls

26. A service organization is a service provider whose services are part of the audited entity's financial reporting information systems. When an audited entity uses a service organization, transactions that affect its financial statements become subject to the service organization's controls. If the auditor obtains evidence from the service organization, the auditor cannot simply assume that the service organization's related controls operate effectively. It must obtain evidence about their effectiveness by testing the controls directly or obtaining an appropriate report on them.

(4) The Need to Address Inconsistencies and Obtain Sufficient Appropriate Audit Evidence

27. Determining what procedures are required to complete an audit is a dynamic process that must be responsive to any changes in the auditor's assessment of the risk of material misstatement. For example, if evidence from two sources is inconsistent, the auditor must determine what changes to its planned procedures are necessary to resolve the matter. If the auditor cannot obtain sufficient appropriate evidence of a material item, the auditor must not provide an unmodified opinion on the financial statements.

(5) The Need to Respond to Misstatements

28. If the auditor identifies a misstatement, it must determine whether the misstatement is indicative of fraud. If it is, the auditor must evaluate the implications for the audit, including the reliability of management representations, recognizing that an instance of fraud is unlikely to be an isolated occurrence. If the auditor concludes that the financial statements are not free from material misstatement, the auditor must not provide an unmodified opinion on them.

(6) The Need to Document the Audit

29. Audit documentation is the record of the audit procedures performed, relevant audit evidence obtained and conclusions reached. A principal purpose of audit documentation is to evidence that the audit was planned and performed in accordance with GAAS. The audit documentation must provide evidence of the auditor's basis for conclusions about critical matters such as whether the auditor has obtained reasonable assurance that the financial statements are free from material misstatement. The audit documentation for an engagement must be assembled in the audit file for that engagement.

(B) Professional Skepticism Required

30. The auditor must plan and perform its audit with professional skepticism, recognizing that circumstances may cause the financial statements to be materially misstated. Professional skepticism requires a questioning mind and a critical assessment of the audit evidence. It includes alertness to contradictory audit evidence, information that brings the reliability of documents into question and conditions that may indicate fraud, such as missing evidence.

(C) Engagement Quality Control Reviews Required

31. If the auditor determines that an EQCR is required, the EQCR must be performed before the auditor's report is completed. An EQCR is an objective evaluation of the engagement team's significant judgments and conclusions. The EQCR reviewer cannot be part of the engagement team.

V. BDO's Failures to Comply with Generally Accepted Auditing Standards

32. BDO's Audits failed to comply with GAAS due to a lack of sufficient appropriate audit evidence, professional skepticism and EQCRs.

(A) Lack of Sufficient Appropriate Audit Evidence

33. BDO did not obtain sufficient appropriate audit evidence of the existence and valuation of the significant assets recorded in the Media Fund's and the Mortgage Fund's 2014 and 2015 financial statements.

(1) Media Fund

(a) Background to the Fund[1]

34. In the 2014 and 2015 financial statements, the Media Fund was valued at approximately $50 million. The Fund primarily invested in asset-backed debt obligations ("**Loans**") of motion picture and series television productions. The Loans were to finance the production projects. In 2014 and 2015, approximately 25 Loans represented 85% of the Fund's assets.

35. Media House Capital (Canada) Corp. ("**MHC**") was retained by the Fund to conduct due diligence on potential Loan investments and present them to the Fund for purchase. If the Fund acquired a Loan, MHC was to manage and service it, including collecting principal and interest payments for the Fund. MHC received an upfront fee of up to 10% of the value of the Loans it sold to the Fund. The Fund purchased Loans from MHC on an ongoing basis.

(b) BDO's Failure to Adequately Address Existence of Loans

36. BDO did not obtain sufficient appropriate evidence of the existence of the Loans. Its planned procedures were to confirm all the Loans with MHC, whether they had been acquired in the current or previous years. In addition, BDO planned to review the "loan agreements" for Loans ("**New Loans**") purchased in the current year.

37. It was not appropriate for BDO to rely on a confirmation from MHC. First, given MHC's business relationships with the Fund and Smith, it was not an independent, objective source of information about the Loans. Further, BDO did not adequately assess whether MHC was a service organization in the 2014 Audit and did not take ~~any of the~~ other steps required by GAAS when service organizations are involved in either Audit. MHC was to record information about the Loans for the Fund, but there was nothing inherently reliable about MHC's records or related confirmations. Nonetheless, BDO did not obtain assurance about the controls relevant to the audit evidence provided by MHC.

38. In addition, there were three significant deficiencies in the "loan agreements" BDO obtained for the New Loans. First, they were not agreements between the borrower—the production company—and the lender—the Fund. Instead, BDO obtained two types of documents ("**Loan Documents**"): (a) purchase notices, each of which was a notice from the Fund to MHC that it wished to purchase a Loan; and (b) supplements, each of which evidenced MHC's sale of a Loan to the Fund. The Loan Documents did not provide any evidence of the borrowers' obligations to the Fund.

39. Second, BDO did not obtain a complete set of Loan Documents for every New Loan. Purchase notices were unaccompanied by supplements and many of the supplements were only partially executed.

40. Third, even though information in many Loan Documents was inconsistent with other audit evidence, BDO did not enhance its procedures to properly resolve the discrepancies. For instance, various Loan Documents set forth principal amounts that differed from those in MHC's confirmations. Yet in its Audits, BDO identified and performed procedures on ~~only~~few of the inconsistencies and, in one ~~inconsistency. In that~~ case, ~~BDO~~ relied solely on information from Smith, rather than independent evidence.

41. The audit files also included a variety of Loan Documents and promissory notes for Loans purchased in previous years. There were also numerous issues with this documentation. First, it was incomplete. For instance, purchase notices were not accompanied by corresponding supplements. Second, much of the documentation was not fully executed. Third, the information about a Loan often differed within the documentation and as between the documentation and MHC's confirmations, including in areas such as principal amount. These deficiencies in the Loan documentation

[1] The description of the Fund and its operations is based on BDO's audit documentation.

should have prompted BDO to perform further procedures. BDO failed to do so.

(c) BDO's Failure to Adequately Address Valuation of Loans

42. BDO also failed to appropriately verify Smith's valuation of the Loans.

43. The value of the Loans turned on the probability of collecting on them. That probability depended on the sales of the productions to be financed by the Loans. As a result, forecasts of those sales ("**Sales Forecasts**") were critical to determining the value of the Loans. In the 2014 and 2015 Audits, BDO relied on Sales Forecasts that it stated had been confirmed by, or obtained from, MHC.

44. BDO's procedures for auditing Smith's Loan valuations and its responses to the results of those procedures did not comply with GAAS.

2014 Audit

45. In the 2014 Audit, BDO failed to conduct the required retrospective review of Smith's 2013 Loan valuation and inappropriately relied on an analysis from BDO's valuations group.

46. First, because BDO did not complete a retrospective review of Smith's 2013 Loan valuation, it could not determine whether there was an increased risk of material misstatement due to fraud. BDO's audit documentation included a checklist (the "**Fraud Checklist**") to assist its engagement team in complying with the GAAS requirements on fraud. The Fraud Checklist required retrospective reviews of significant accounting estimates and a determination of whether differences between the estimates and the actual results indicated management bias. BDO completed the Fraud Checklist by stating that no retrospective reviews were necessary because there were no significant accounting estimates. Yet in other audit documentation, BDO recognized that the value of the Loans was a significant accounting estimate.

47. Second, in evaluating Smith's 2014 Loan valuation, BDO improperly relied on an analysis from its valuations group. The valuations group's analysis was based on Sales Forecasts, the appropriateness and reliability of which were to be assessed with a confirmation from MHC. The audit file, however, contained no such confirmation of the Sales Forecasts. Moreover, as described above, MHC was not an independent, objective source of information about the Loans and BDO obtained no assurance about its controls.

2015 Audit

48. In the 2015 Audit, BDO failed to comply with GAAS in its retrospective review of Smith's 2014 Loan valuation and in its audit of Smith's 2015 Loan valuation.

(i) Deficient Retrospective Review of Smith's 2014 Loan Valuation

49. BDO's retrospective review in the 2015 Audit was problematic for two principal reasons: its procedures were flawed and its response to the results of those procedures was inadequate.

50. In its retrospective review, BDO compared Smith's 2014 forecast of expected receipts on the Loans with the amounts collected on the Loans in 2015 and early 2016. In determining the amounts collected in 2015, BDO solely relied on the Fund's accounting records. BDO did not corroborate the Fund's records with independent evidence, such as bank records.

51. The results of BDO's analysis revealed that the 2014 forecast of receipts, when compared to amounts collected by early 2016, fell short by almost 80% or $25 million. The shortfall was approximately half the value of the Fund.

52. Notwithstanding its magnitude, BDO concluded that the shortfall appeared "to be largely due to timing" and noted that Smith was revising his current estimates. BDO did not consider whether the shortfall represented a risk of material misstatement due to fraud in the 2015 financial statements it was auditing.

(ii) Deficient Audit of Smith's 2015 Loan Valuation

53. BDO's procedures relating to Smith's 2015 Loan valuation were deficient in terms of both the steps that BDO took and BDO's response to the results. To evaluate Smith's 2015 Loan valuation, BDO developed its own Loan valuation.

54. Both Smith's and BDO's valuations depended on Sales Forecasts from MHC. BDO's procedures to determine the appropriateness of the Sales Forecasts were inadequate. They consisted of conducting the flawed retrospective review described above and obtaining oral representations from MHC, the organization that had provided the Sales Forecasts.

55. In BDO's Loan valuation, BDO came to a single estimate of the value of the Loans (the "**BDO Value**") of $47 million. To

calculate the BDO Value, BDO added what it determined was the "most likely" value of each Loan to $1.5 million in respect of a guarantee from MHC.

56. There were several issues with BDO's calculation of the BDO Value. First, BDO did not follow the methodology it stated it used to determine the "most likely" value of each Loan. Instead, in determining the "most likely" value of each Loan, BDO often arrived at values for the Loans that were greater than what had been recorded as owing on the Loans. The result was an inappropriate increase in the BDO Value of $1.4 million.

57. BDO also should not have included the amount of the guarantee in the BDO Value. The guarantee consisted of a letter dated March 31, 2016, in which MHC stated that it would pay a "recoupable" $1.5 million towards the Fund, for any losses above and beyond the Fund's accrued loan-loss provisions. Aside from its "recoupable" nature, the guarantee was not in effect at the date of the financial statements. The result was a further, inappropriate increase in the BDO Value of $1.5 million.

58. Finally, although BDO determined that an analysis from its valuations group was required to value the Loans, BDO finalized the BDO Value without that analysis. According to the audit documentation, the valuations group's analysis would be, and was, provided in report form. But there were no reports, or any other evidence of the valuations group's steps, in the audit file.

59. The BDO Value was approximately $3 million less than Smith's Loan value. The difference between the BDO Value and Smith's Loan value would have been twice the size—approximately $6 million—had BDO not inappropriately increased the BDO Value.

60. GAAS required BDO to ask Smith to correct his Loan value. Two days before the date of its auditor's report, BDO sent Smith an interim, working copy of its Loan valuation. In the covering email, BDO wrote: "The numbers may not make sense at the moment but I'm hoping we can clarify a few things/I can let you know our thought process and we can meet somewhere in the middle." The $3 million was ultimately disclosed in a note to the financial statements as a "potential change" in Smith's Loan value.

61. Meanwhile, Smith's Loan value appeared in the body of the financial statements. This was a misstatement. In responding to the misstatement, BDO did not take the steps required by GAAS, such as determining whether the misstatement was indicative of fraud.

62. The misstatement—be it BDO's calculated amount of $3 million or the more appropriate $6 million—was material. Despite the inclusion of a material misstatement in the financial statements, BDO gave an unmodified opinion on them in its auditor's report.

(2) Mortgage Fund

(a) Background to the Fund[2]

63. In the 2014 and 2015 financial statements, the recorded value of the Mortgage Fund was $40 million and $44 million, respectively. The Fund primarily invested in residential mortgages in Canada. In 2014 and 2015, the Fund held ~~approximately 335~~over 300 residential mortgages constituting 83% and 63% of its assets, respectively. The Fund also held commercial mortgages and commercial loans. In connection with its investments, the Fund engaged several service providers.

64. Spectrum-Canada Capital (2002) Corporation and Spectrum-Canada Mortgage Services Inc. (collectively, "**Spectrum**") was the principal seller of residential mortgages to the Fund. Like MHC, Spectrum was to evaluate investments in accordance with due diligence guidelines and present them to the Fund for potential purchase. Once the Fund purchased a mortgage from Spectrum, Spectrum managed and serviced it. Among other things, Spectrum held a bank account for mortgage payments and provided reports on which the Fund's records were based. Spectrum's fees were based on the Fund's outstanding advances on the mortgages. The Fund purchased mortgages from Spectrum on an ongoing basis.

65. Other of the Fund's residential mortgages were administered by Squire Management Inc. ("**Squire**"). Like Spectrum, Squire held a bank account into which mortgage payments were deposited and sent Smith weekly reports summarizing all mortgages and payments.

66. Liberty Mortgage Services Ltd. ("**Liberty**") dealt with the Fund's commercial mortgages. Like Spectrum, Liberty sold the Fund mortgages it held that met the Fund's criteria. The Fund recorded the mortgages in its books based on Liberty's weekly reports.

[2] The description of the Fund and its operations is based on BDO's audit documentation.

(b) BDO's Failure to Adequately Address Existence of Mortgages

67. BDO did not obtain sufficient appropriate evidence of the existence of the mortgages. In performing its procedures, BDO inappropriately relied on audit evidence from Spectrum, Squire and Liberty (collectively, the "**Service Providers**") and failed to properly test the audit evidence it obtained.

Insufficient Independent Evidence

68. BDO inappropriately relied on the Service Providers in confirming and testing the mortgages.

69. First, Spectrum ~~and Liberty were~~was not an independent, objective ~~sources~~source of information about the mortgages, given ~~their~~its relationships with the Fund and Smith.

70. Second, BDO did not adequately evaluate whether ~~the Service Providers were service organizations or take the~~ Spectrum was a service organization in the 2014 Audit. In neither Audit did BDO take other steps required by GAAS when dealing with service organizations. For example, BDO did not consider how the Service Providers' involvement in the Fund's transactions and accounting affected the Fund's controls. As a result, BDO was not in a position to identify, assess and respond to the risk of material misstatement.

71. Finally, although the Service Providers were to note information about the Fund's mortgage loans in the records they maintained for the Fund, nothing about their records or related confirmations was inherently reliable. Nonetheless, BDO performed no procedures to obtain assurance about the effectiveness of their related controls.

Deficient Testing

72. BDO's approach to testing the new mortgages was deficient at both the sampling and testing stages.

73. To start, in sampling the new residential mortgages to be tested in its 2014 Audit, BDO assessed overall risk as "low/normal" because Spectrum administered the mortgages. In making this assessment, BDO did not identify any of the issues with Spectrum's independence described above or explain why Spectrum's involvement reduced the risk. The lower risk assessment resulted in a smaller sample size and thus less reliable test results.

74. To test the selected mortgages, in each Audit, BDO stated that it had compared information in a listing of new mortgages provided by Smith against information in mortgage files. However, BDO's documentation of its review of the mortgage files was deficient. The audit files did not provide sufficient evidence that BDO performed procedures to confirm key mortgage details such as property location, term and interest rate.

75. Last, in the 2014 audit file, Smith's listing of initial loan amounts differed from the information in Spectrum's confirmation. BDO neither identified the discrepancies nor performed procedures to reconcile them.

(c) BDO's Failure to Adequately Address Valuation of Mortgages and Commercial Loans

76. BDO's audits of Smith's valuations of the Fund's mortgages and commercial loans were also inadequate.

Deficient Audit of Smith's Mortgage Valuation

77. BDO's mortgage valuation work was deficient with respect to retrospective reviews and sufficient appropriate audit evidence.

78. In its 2014 Audit, BDO did not perform a retrospective review on the accrued loss provision on the mortgages—an essential component in their value. Without this review, BDO could not assess whether there was a heightened risk of material misstatement due to fraud. On the Fraud Checklist that required this analysis, BDO indicated that no retrospective review was required because there were no significant accounting estimates. Yet in other audit documentation, BDO recognized that the accrued loss provision on the mortgages was a significant accounting estimate.

79. In addition, BDO did not obtain the evidence required to verify Smith's estimated accrued loss provision in either Audit. To start, BDO relied on evidence from the Service Providers, despite the issues discussed in paragraphs 68 through 71 above. Further, in the 2014 Audit, to determine which commercial mortgages were in arrears, BDO relied solely on Smith. BDO did not corroborate the completeness of Smith's listing of mortgages in arrears with any independent evidence.

Deficient Audit of Smith's Commercial Loan Valuation

80. BDO's audit work on Smith's 2015 commercial loan valuation was also deficient.

81. To audit Smith's 2015 valuation, BDO developed its own valuation. BDO's valuation did not consider the probability of collecting on the commercial loans held by the Mortgage Fund. For example, one of the commercial loans was a Loan on a media production that the Mortgage Fund had acquired from MHC. BDO did not consider Sales Forecasts in valuing that Loan, even though BDO had determined in its Media Fund Audits that Sales Forecasts were critical to the Loan valuation.

82. In its working papers, BDO indicated that there was a memorandum explaining its methodology for valuing the commercial loans. But there was no such memorandum or other explanation of BDO's approach to valuing the commercial loans in the audit file.

83. Because of all the deficiencies described above, BDO's Audits of the Mortgage Fund's 2014 and 2015 financial statements did not comply with GAAS.

(B) Lack of Professional Skepticism

84. BDO did not conduct its Audits with sufficient professional skepticism. As described above, BDO had notice of many unusual facts which should have caused it to treat Smith's representations with greater caution, obtain additional evidence from independent sources and perform additional procedures on that evidence. BDO did not do any of this.

(C) Lack of Engagement Quality Control Reviews

85. BDO also did not complete EQCRs on any of the Audits, even though it had determined that they were required on all of them. Although BDO indicated in its audit documentation for each of the Audits that one of its partners had acted as EQCR reviewer, that partner could not conduct an EQCR under GAAS because he was a member of the engagement team. Other documentation in each audit file confirmed that no EQCR had been completed.

C. BREACHES AND CONDUCT CONTRARY TO THE PUBLIC INTEREST

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

1. each of BDO's representations in its auditor's reports that the relevant Audit had been conducted in accordance with GAAS constitutes a materially misleading statement contrary to subsection 122(1)(b) of the Act;

2. each of BDO's failures to comply with GAAS in auditing the Funds' 2014 and 2015 financial statements constitutes a breach of subsection 78(3) of the Act; and

3. further and in any event, the conduct described above is contrary to the public interest.

Enforcement Staff reserve the right to amend these allegations and to make such further and other allegations as Enforcement Staff deem fit and the Commission may permit.

DATED this ~~12~~16th day of ~~October, 2018.~~September, 2019.

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Fidelity Investments Canada ULC and Fidelity North American Directional Long Short Fund

Headnote

NP 11-203 – Relief granted from the requirement in section 6.1 of NI 81-102 that all portfolio assets of an investment fund must be held under the custodianship of one custodian – Relief needed because plain reading of exemption in section 6.8.1 of NI 81-102 from the requirement in section 6.1 of NI 81-102 results in unintended consequences – Relief subject to condition that the aggregate market value of the securities held by the Prime Broker after such deposit excluding the aggregate of the market value of the proceeds from all then outstanding short sales of securities, must not, (a) in the case of a Fund, other than an Alternative Fund, exceed 10% of the net asset value of the Fund at the time of deposit, and (b) in the case of an Alternative Fund, exceed 25% of the net asset value of the Alternative Fund at the time of deposit.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 6.1, 6.8.1, and 19.1.

August 16, 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
FIDELITY INVESTMENTS CANADA ULC
(the Filer)

AND

FIDELITY NORTH AMERICAN DIRECTIONAL LONG SHORT FUND
(the Proposed Fund)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer, which is the trustee and the investment fund manager of the Proposed Fund, for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for an exemption, pursuant to section 19.1 of National Instrument 81-102 *Investment Funds* (**NI 81-102**), for the Proposed Fund and all other current and future mutual funds, exchange-traded funds and alternative mutual funds managed by the Filer or an affiliate of the Filer (the **Future Funds** and, together with the Proposed Fund, the **Funds**) exempting each Fund from the requirement set out in subsection 6.1(1) of NI 81-102 that provides that, except as provided in section 6.8, 6.8.1 and 6.9, all portfolio assets of an investment fund must be held under the custodianship of one custodian that satisfies the requirements of section 6.2, in order to permit the following:

(i) unless the borrowing agent is the Fund's custodian or sub-custodian, if a Fund deposits portfolio assets with a borrowing agent as security in connection with a short sale of securities, the aggregate market value of portfolio assets

held by the borrowing agent after such deposit, excluding the aggregate market value of the proceeds from outstanding short sales of securities held by the borrowing agent, must not:

(a) in the case of each Fund, other than an Alternative Fund, exceed 10% of the net asset value of the Fund at the time of deposit; and

(b) in the case of an Alternative Fund, exceed 25% of the net asset value of the Alternative Fund at the time of deposit

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

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

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

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

Alternative Fund means each Fund, including the Proposed Fund, that is or will be an alternative mutual fund under NI 81-102

Prime Broker means any entity that acts as, among other things, a borrowing agent to one or more investment funds, whether the investment fund is an alternative mutual fund, a mutual fund or an exchange-traded fund

Security Agreement means the agreement under which an investment fund provides a security interest over some or all of its portfolio assets in favour of a Prime Broker, which includes, without limitation, any applicable prime brokerage agreement and any other similar document between the investment fund and the Prime Broker that creates a security interest in favour of the Prime Broker

Representations

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

1. The Filer is a corporation continued under the laws of the Province of Alberta with its head office located in Toronto, Ontario.

2. The Filer is registered as an investment fund manager in Ontario, Québec and Newfoundland and Labrador, as a portfolio manager in each of the Jurisdictions, as a commodity trading manager in Ontario and as a mutual fund dealer in each of the Jurisdictions.

3. The Filer is, or will be, the investment fund manager of the Funds and the Filer, an affiliate of the Filer or a third party portfolio manager retained by the Filer is, or will be, the portfolio manager of the Funds.

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

5. The Proposed Fund is, or will be, an alternative mutual fund governed by the laws of Ontario.

6. The Funds are, or will be, open-ended mutual funds or classes of a mutual fund corporation, including exchange-traded funds and alternative mutual funds, organized and governed by the laws of a Jurisdiction or the laws of Canada.

7. The Funds are, or will be, governed by the provisions of NI 81-102, subject to any exemption therefrom that has been, or may be, granted by the securities regulatory authorities.

8. As part of its investment strategies, the Proposed Fund will enter into specified derivatives transactions, borrow cash and/or sell short securities, provided that, in accordance with section 2.9.1 of NI 81-102, the Proposed Fund's aggregate exposure to such cash borrowing, short selling and specified derivatives transactions will not exceed 300% of its net asset value.

9. As part of its investment strategies, each Fund will enter into specified derivatives transactions, borrow cash and/or sell short securities, provided that, in the case of a Fund that is not an Alternative Fund, these transactions do not result in any leverage in the portfolio of such Fund except to the extent permitted by NI 81-102 and, in the case of a Fund that is an Alternative Fund and in accordance with section 2.9.1 of NI 81-102, that Fund's aggregate exposure to such cash borrowing, short selling and specified derivatives transactions will not exceed 300% of its net asset value.

10. In connection with, among other things, the short sale of securities that the Funds will or may engage in, each Fund is permitted to grant a security interest in favour of, and deposit pledged portfolio assets with, its Prime Broker. If a Fund engages as its Prime Broker an entity that is not its custodian or sub-custodian, then a Fund that is not an Alternative Fund may, under section 6.8.1 of NI 81-102, only deliver to its Prime Broker portfolio assets having a market value, in the aggregate, of not more than 10% of the net asset value of the Fund at the time of deposit, and an Alternative Fund may, under section 6.8.1 of NI 81-102, only deliver to its Prime Broker portfolio assets having a market value, in the aggregate, of not more than 25% of the net asset value of the Alternative Fund at the time of deposit.

11. A Prime Broker may not wish to act as borrowing agent for a Fund that is not an Alternative Fund and that wants to sell short securities having an aggregate market value of up to 10% of the Fund's net asset value if the Prime Broker is only permitted to hold, as security for such transactions, portfolio assets, including the proceeds from the short sale, having an aggregate market value that is not in excess of 10% of the net asset value of the Fund. The issue is even greater in the context of an Alternative Fund, as a Prime Broker will not act as borrowing agent for an Alternative Fund that wants to sell short securities having an aggregate market value of up to 50% of the Alternative Fund's net asset value if the Prime Broker is only permitted to hold, as security for such transactions, portfolio assets, including the proceeds from the short sale, having an aggregate market value that is not in excess of 25% of the net asset value of the Alternative Fund.

12. Effective as of January 3, 2019, NI 81-102 was amended to include alternative mutual funds. Prior to and since that date, a number of investment fund managers have either launched alternative mutual funds or are planning to do so. The ability of alternative mutual funds to borrow cash and to sell short securities more extensively than other investment funds governed by NI 81-102 has led to the increased involvement of Prime Brokers in the operations of these alternative mutual funds. While the prime brokerage business model works well in the exempt investment fund space, the prime brokerage community and investment fund managers are experiencing greater difficulties in applying that model to alternative mutual funds and other investment funds under NI 81-102.

13. The prime brokerage operational and pricing models in the context of short selling are premised on the ability of the Prime Broker to retain, as collateral for the obligations of the applicable Fund, the proceeds from the sale of the short sales, whether such proceeds are cash or are used by the Fund to purchase other portfolio assets. These models are also based on the ability of the Prime Broker to hold additional assets of the Fund as collateral for those obligations.

14. Given the collateral requirements that Prime Brokers impose on their customers that engage in the short sale of securities, if the 10% and 25% of net asset value limitations set out in subsection 6.8.1 of NI 81-102 apply, then the Funds will need to retain two, or possibly three, Prime Brokers in order to sell short securities to the extent permitted under section 2.6.1 of NI 81-102. This would result in inefficiencies for the Funds and would increase their costs of operations. Alternatively, in order to address this issue, different methodologies have been adopted in connection with the calculation of the 10% and the 25% of net asset value limitations.

15. While the collateral limits for the short sale of securities is currently topical in the context of alternative mutual funds, there is no policy reason to differentiate between the Alternative Funds and the Funds that are not Alternative Funds to the extent that these other Funds also engage in the short selling of securities.

16. In addition, given the investment strategies described in paragraphs 9 and 10 above, the Filer also applied for relief from the requirements of subsection 6.8(4) of NI 81-102 in order to permit each Alternative Fund to allow its lender, in accordance with industry practice, to rehypothecate, including lending, pledging, transferring and/or selling, the portfolio assets of the Alternative Fund deposited with that lender pursuant to subsection 6.8(3.1) of NI 81-102. After discussions with OSC staff, the Filer withdrew its request for such relief based on the representations to it from OSC staff that (a) notwithstanding statements previously made in the Investment Funds Practitioner issued by the Investment Funds and Structured Products Branch of the OSC, nothing in section 6.8 of NI 81-102, including subsections 6.8(3), 6.8(3.1) and 6.8(4), precludes a Fund, including an Alternative Fund, from permitting the portfolio assets deposited by it pursuant to any of the subsections of section 6.8 of NI 81-102 to be rehypothecated and (b) the use of the term "beneficial owner" in subsection 6.8(4) of NI 81-102 is meant to refer to the right of the investment fund to have returned to it portfolio assets of the same issue as the deposited assets, including the same class or series, if applicable, and having the current aggregate market value of the deposited assets at the time of such return.

17. It would not be prejudicial to the public interest to grant the Requested Relief to the Funds.

Decision

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

The decision of the principal regulator under the Legislation is that the Requested Relief is granted, provided that the Funds otherwise comply with subsections 6.8.1(2) and (3) of NI 81-102.

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

2.1.2 SEI Investments Canada Company

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief from the dealer registration requirement, the know-your-client and suitability requirements, and the requirements to deliver account statements and investment performance reports granted to a portfolio manager in respect of investors in a model portfolio service offered through unaffiliated mutual fund dealers and investment dealers.

Applicable Legislative Provisions

Multilateral Instrument 11-102 Passport System, s. 4.7(1).
Securities Act, Ontario, ss. 25, 74(1).
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 13.2, 13.3, 14.14, 14.14.1, 14.18 and 15.1(2).

September 11, 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
SEI INVESTMENTS CANADA COMPANY
(the Filer)

DECISION

Background

The principal regulator (the **Principal Regulator**) in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the **Legislation**) exempting the Filer from the following requirements with respect to Investors (as defined below) in the SEI Portfolios (as defined below):

(a) the requirement (the **Dealer Registration Requirement**) in the Legislation that the Filer be registered as a dealer in a category of registration that permits the Filer to effect Service Trades (as defined below) executed with respect to an SEI Portfolio (the **Dealer Registration Exemption**);

(b) the requirement (the **Know-Your-Client Requirement**) in the Legislation that the Filer take reasonable steps to

  (i) establish the identity of a client and, if the Filer has cause for concern, make reasonable inquiries as to the reputation of the client;

  (ii) establish whether the client is an insider of a reporting issuer or any other issuer whose securities are publicly traded;

  (iii) ensure that the Filer has sufficient information regarding the client's investment needs, objectives, financial circumstances and risk tolerance to enable the Filer to meet its obligations under the Legislation; and

  (iv) keep the information described above current (collectively the **Know-Your-Client Exemption**);

(c) the requirement (the **Suitability Requirement**) in the Legislation that the Filer take reasonable steps to ensure that, before it makes a recommendation to or accepts an instruction from a client to buy or sell a security, or makes a purchase or sale of a security for a client's account, the purchase or sale is suitable for the client (the **Suitability Exemption**); and

(d) the requirement (the **Statement Delivery Requirement**) in the Legislation that the Filer deliver account statements and investment performance reports (the **Statement Delivery Exemption** and together with the Dealer Registration

Exemption, the Know-Your-Client Exemption, the Suitability Exemption and the Statement Delivery Exemption, the **Exemptions 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 by the Filer in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Prince Edward Island, Québec, Saskatchewan and Yukon (the **Other Jurisdictions**, and together with Ontario, the **Canadian Jurisdictions**) in respect of the Exemption Sought.

Interpretation

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

Representations

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

The Filer and the Dealers

1. The Filer is an unlimited liability company organized under the laws of the Province of Nova Scotia. The registered office of the Filer is located in Toronto, Ontario.

2. The Filer is registered as a portfolio manager and an exempt market dealer in all of the Canadian Jurisdictions, and is registered under the *Securities Act* (Ontario), and in Newfoundland and Labrador and in Québec, as an investment fund manager. The Filer is also registered under the *Commodity Futures Act* (Ontario) as an adviser in the category of commodity trading manager.

3. The Filer is the investment fund manager of certain mutual funds (the **Existing Funds**) that form part of the SEI Portfolios model portfolio service described below (the **Service**). The Filer may, in the future, also become the manager of additional mutual funds (the **Future Funds** and, together with the Existing Funds, the **Funds**) that will also form part of the Service.

4. Each of the Funds is, or will be, a reporting issuer in one or more of the Canadian Jurisdictions, and subject to the requirements of National Instrument 81-102 *Investment Funds* (**NI 81-102**). Securities of the Funds are, or will be, qualified for sale pursuant to a simplified prospectus, annual information form and Fund Facts that have been, or will be, prepared and filed in accordance with National Instrument 81-101 *Mutual Fund Prospectus Disclosure*.

5. Securities of the Funds are sold to investors through appropriately registered dealers that are unaffiliated with the Filer (each a **Dealer**). Each Dealer is, or will be, registered as:

   (a) a dealer in the category of mutual fund dealer in the applicable Canadian Jurisdictions and, other than mutual fund dealers registered in Québec, is, or will be a member of the Mutual Fund Dealers Association of Canada (the **MFDA**); or

   (b) a dealer in the category of investment dealer in the applicable Canadian Jurisdictions and a member of the Investment Industry Regulatory Organization of Canada (**IIROC**).

6. Subject to the Exemptions Sought, the Filer is not in default of the securities legislation of any Canadian Jurisdiction.

The Service

7. Through the Service and as a registered portfolio manager in the Canadian Jurisdictions, the Filer constructs and makes available to investors, through Dealers, asset allocation portfolios which are invested exclusively in various combinations of the Funds (the **SEI Portfolios**, and each, an SEI Portfolio).

8. The Service offers a number of SEI Portfolios, each of which is comprised of a selection of Funds and corresponds to a different investment objective, investment horizon and risk profile. The SEI Portfolios are designed to meet a wide range of investor goals, from capital preservation to maximum growth, and span a broad risk-return spectrum.

9. Each SEI Portfolio is, and will be, comprised entirely of Funds for which the Filer acts as investment fund manager.

10. Each SEI Portfolio has a specified target fund allocation that defines the percentage of the portfolio (**Target Weighting**) to be invested in each Fund.

11. Because of fluctuations in the value of the Funds in each SEI Portfolio, their actual weighting will vary from time to time in relation to the initial allocation. As such, as a part of the Service, the Filer may need to rebalance an investor's holdings in the Funds from time to time back to the Target Weighting for each Fund within the selected SEI Portfolio through purchases and redemptions of securities of the Funds (the **Rebalancing Trades**).

12. In addition, as part of the Service, the Filer may also need to reallocate securities of the Funds held in an investor's account through purchases and redemptions of securities of the Funds in order to change the composition of the selected SEI Portfolio, including to:

    (a) add one or more new Funds to an SEI Portfolio (each, a **New Fund**), when the Filer considers another Fund to be more appropriate than an existing Fund in an SEI Portfolio (the **New Fund Addition Trades**);

    (b) remove one or more Funds from an SEI Portfolio (the **Fund Removal Trades**); and

    (c) change the Target Weighting of one or more Funds within an SEI Portfolio (the **Weighting Change Trades**, and together with the Rebalancing Trades, the New Fund Addition Trades, and the Fund Removal Trades, the **Service Trades**).

13. In order to invest in an SEI Portfolio, an investor (the **Investor**) meets with a registered representative of a Dealer (the **Registered Representative**) who collects and assesses the Investor's financial circumstances, investment knowledge, investment objectives, investment time horizon and risk tolerance, for each Investor.

14. The Registered Representative will use the information obtained from the Investor, including discussions held with the Investor and the Dealer's knowledge of the Investor, to assist the Investor to complete a Know-Your-Client and suitability assessment on the Investor, as required under sections 13.2 and 13.3 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) and similar provisions under IIROC and MFDA rules, as applicable.

15. The Filer provides an investment policy statement or equivalent document, setting out the rules governing the investment in each SEI Portfolio (the **SEI Investment Policy Statement**) to the Dealer. The SEI Investment Policy Statement is intended to establish a clear understanding between the Investor and the Dealer as to their respective duties and responsibilities, the investment policies and objectives of the selected SEI Portfolio and the rules governing the investment in the selected SEI Portfolio. The Filer may also provide a form of questionnaire or another similar process (the **Questionnaire**) to the Dealer to help the Registered Representative and the Investor determine the SEI Portfolio that best suits the Investor's needs and financial goals.

16. The SEI Portfolio will be selected by the Investor in consultation with the Dealer, based on, if applicable, the information contained in the Questionnaire completed by the Investor with the assistance of the Registered Representative (or any other similar process employed by the Dealer), the unique circumstances of the Investor and the investment mandate of each SEI Portfolio, as described in the SEI Investment Policy Statement.

17. If the Investor decides to invest in an SEI Portfolio, the Filer (through an agreement prepared by the Filer), the Investor and the Registered Representative will complete and sign a form of investor application and agreement and related documents, including, as the case may be, the relevant SEI Investment Policy Statement or equivalent document (the **Agreement**).

18. The Investor must invest a specified minimum amount to be eligible to invest in an SEI Portfolio. All distributions made by the Funds within an SEI Portfolio are set to reinvest automatically in additional securities of the Funds for all accounts.

19. An Investor may, from time to time, contribute additional funds to the Investor's accounts with a Dealer for investment in the selected SEI Portfolio through the Service. Such additional funds will be applied towards the purchase of additional securities of the Funds in accordance with the Target Weighting of each Fund.

20. The Agreement outlines the rules governing the investment in the selected SEI Portfolio, including with respect to the following matters:

    (a) Model Portfolio – The Investor engages the Filer to act as manager of the cash, securities and property (the **Portfolio Assets**) held in respect of the Investor's account with the Filer (the **Account**) in accordance with the selected SEI Portfolio. The Agreement contains disclosure relating to the Service Trades, including that, under the SEI Portfolio program, the Filer is the manager of the SEI Portfolios and will be providing discretionary investment management services with respect to each SEI Portfolio, including rebalancing the percentage

allocations of the Funds in the selected SEI Portfolio back to the applicable Target Weighting, adding and removing Funds from the selected SEI Portfolio and changing the applicable Target Weighting of the Funds in the selected SEI Portfolio.

(b) Role of the Third Party Dealer - The Investor invests in the selected SEI Portfolio through an appropriately registered Dealer which serves as its agent and attorney-in-fact, including for the purposes of assisting the Investor in the selection of the SEI Portfolio, and instructing the Filer to (i) invest the Investor's assets in accordance with the selected SEI Portfolio, (ii) invest additional money into the selected SEI Portfolio, (iii) withdraw money from the selected SEI Portfolio, and (iv) make required Service Trades. The Dealer in turn instructs the Filer in connection with the selected SEI Portfolio. The Filer is entitled to accept absolutely and without any inquiry the Investor's choice of the selected SEI Portfolio, and invest in the Funds in accordance with such SEI Portfolio. The Investor specifically authorizes the Filer to, among other things, (i) follow the instructions from the Dealer, as agent of the Investor, to invest additional money into, and withdraw money from, the selected SEI Portfolio; and (ii) maintain appropriate records of the Portfolio Assets, including all purchases and redemptions and provide regular transaction reporting to the Dealer, as agent of the Investor.

(c) KYC and Suitability - The Investor acknowledges that the Filer: (i) is not responsible for making any asset allocation recommendations or evaluating the suitability of a particular SEI Portfolio for the Investor's needs and financial goals, for supervising or monitoring trading by the Dealer in the Investor's account with the Dealer, or for providing for the rebalancing of the SEI Portfolios on an individual basis; and (ii) will receive discretionary authority and instructions with respect to the investment of the Investor's assets with the selected SEI Portfolio solely from the Dealer as the Investor's agent and attorney-in-fact.

21. The Filer actively monitors the SEI Portfolios to ensure that the investment objectives are being met within the expected risk parameters.

22. SEI Portfolios comprised of Class E, F or O units may be selected. The fees and expenses charged in respect of an investment in an SEI Portfolio are currently as follows:

(a) For SEI Portfolios comprised of Class E units, the Filer will receive management fees from each Fund in respect of the Investor's holdings. A portion of the management fee (as described in the Fund Facts and simplified prospectus) is currently paid to the Dealer in the form of a trailing commission.

(b) For SEI Portfolios comprised of Class F units, the Filer will receive management fees from each Fund in respect of the Investor's holdings. Since Class F units are intended for use within Dealer-sponsored fee-based accounts, an advisory fee will also be charged by the Dealer to the Investor.

(c) For SEI Portfolios comprised of Class O units, the Filer will receive management fees as detailed in the Agreement. These management fees are charged on a tiered basis depending upon the market value of the assets held in the SEI Portfolio. SEI Portfolios comprised of Class O units will generally also be subject to an advisory fee (**Investor's Agent Fee**) of up to 1.50% that is determined and mutually agreed to by the Registered Representative and the Investor. The Investor's Agent Fee is communicated to the Filer under the Agreement. The combined Investor's Agent Fee and management fees for the applicable SEI Portfolio will be paid by redemption of Class O units from a Fund in the Investor's account selected at the Filer's discretion.

23. There is no duplication of any fees received by the Filer and the Dealer, and no separate fees, such as sale charges, redemption fees, switch fees or early trading fees, charged in connection with an investment in an SEI Portfolio or the Service Trades.

24. The fees and expenses charged in respect of an investment in an SEI Portfolio, such as the management fee and the operating expenses applicable to the Funds, are described in the Agreement, as well as in the simplified prospectus, and will be described in the Fund Facts of the Funds.

The Dealer and Know-Your-Client and Suitability

25. As a registered portfolio manager and the manager of the Service, the Filer is responsible for ensuring that the Investor's assets are invested in accordance with the terms of the selected SEI Portfolio and for monitoring the suitability of trading decisions, including the Service Trades, it makes at the level of the SEI Portfolio such that the trading decisions are suitable for the particular risk-return profile of the SEI Portfolio selected by the Investor.

26. The Dealer is not affiliated with the Filer, and the Filer does not approve, recommend or endorse the Dealer.

27. The Dealer is responsible for arranging for the execution of the Agreement and related materials by the Investor as a condition of the Dealer investing assets of the Investor in the selected SEI Portfolio.

28. As the Filer does not have any direct interaction with the Investor, other than through the Dealer that is acting as the Investor's agent and attorney-in-fact, the Service contemplates (the **Program Intention**) that the Dealer is solely responsible for compliance with the Know-Your-Client Requirement and the Suitability Requirement at the level of the Investor. In particular, it is the Program Intention that the Dealer is solely responsible for gathering and periodically updating Know-Your-Client information concerning the Investor and confirming the suitability of the selected SEI Portfolio for the Investor given the Investor's financial goals, risk tolerance and unique circumstances.

29. In order to give effect to the Program Intention, the Filer is in the process of adopting and will maintain and apply policies and procedures designed to provide reasonable assurance that the Dealers through which the SEI Portfolios are marketed and sold comply with the Know-Your-Client Requirement and the Suitability Requirement with respect to each Investor. These policies and procedures (the **KYC and Suitability Oversight Policies and Procedures**) include, without limitation,

    (a) a written explanation in the Agreement of the different roles and responsibilities of the Filer and the Dealer, and specifically the Filer's expectation that the Dealer will be solely responsible for gathering and periodically updating Know-Your-Client information concerning the Investor and confirming the suitability of the selected SEI Portfolio for the Investor given the Investor's financial goals, risk tolerance and unique circumstances;

    (b) a requirement that the Dealer not market and sell the SEI Portfolios through an order-execution-only, suitability-exempt channel;

    (c) a requirement that the Dealer notify the Filer of each instance whereby an SEI Portfolio is sold to an Investor on the basis of a "client-directed trade" as contemplated by subsection 13.3(2) of NI 31-103 and similar provisions under IIROC or MFDA rules;

    (d) a requirement that, for the duration that the Filer holds an Account for the Investor, the Dealer responsible for gathering and periodically updating Know-Your-Client information concerning the Investor and confirming the suitability of the selected SEI Portfolio for the Investor will, on an annual basis, no later than 30 days after the end of the calendar year, provide a certificate to the Filer that the Dealer has complied with its Know-Your-Client and suitability obligations to the Investor.

30. In the absence of the Exemption Sought, the Filer would be required to:

    (a) gather and update the information contemplated by the Know-Your-Client Requirement for each Investor with respect to its investment in an SEI Portfolio, although such information may be duplicative of the detailed Know-Your-Client information required to be collected by the Dealer from the Investor prior to its selection of a suitable SEI Portfolio;

    (b) ensure that each Service Trade in a given Investor's SEI Portfolio is suitable for such Investor in accordance with the Suitability Requirement rather than invested on terms that are suitable to the particular SEI Portfolio itself; and

    (c) to deliver account statements and investment performance reports to clients who have invested in the SEI Portfolios, although such information may be duplicative of the client documents required to be delivered by the Dealer.

Account Reporting

31. Under the Service, the Filer is responsible for maintaining appropriate records of Portfolio Assets, including all purchases and redemptions, and will provide regular transaction reporting to the Dealer, as agent of the Investor.

32. The Filer is in the process of adopting and will maintain and apply policies and procedures designed to provide reasonable assurance that the Dealers through which the SEI Portfolios are marketed and sold comply with the client-reporting obligations under the applicable rules of the MFDA or IIROC, as applicable (the **Client Reporting Oversight Policies and Procedures**). These policies and procedures will include, without limitation,

    (a) a requirement that the Filer maintain its own records of each Investor's investment positions and trades;

    (b) a requirement that the Filer inform each Investor in writing, in the Agreement or otherwise, that it will not provide account statements and investment performance reports in addition to those delivered by the Dealer;

    (c) a requirement that, for the duration that an Investor holds an Account with the Filer, the Dealer responsible for providing client reporting for the Investor will, on an annual basis, no later than 30 days after the end of the calendar year, provide a certificate to the Filer that the Dealer has:

(i) complied with its client reporting obligations under the applicable rules of the MFDA or IIROC, as applicable; and

(ii) performed documented sample testing and reconciliations to provide reasonable assurance that the account statements and investment performance reports delivered by the Dealers to the Investor are complete, accurate and delivered on a timely basis in a format that is compliant with applicable rules of the MFDA or IIROC, as applicable.

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 on the following conditions:

(a) the Filer is, at the time of any Service Trade, registered under the Legislation as an adviser in the category of portfolio manager;

(b) each Service Trade is made in accordance with the terms of the selected SEI Portfolio;

(c) the Filer has adopted and maintains and applies the KYC and Suitability Oversight Policies and Procedures; and

(d) the Filer has adopted and maintains and applies the Client Reporting Oversight Policies and Procedures.

September 11, 2019

In respect of the Dealer Registration Exemption

"M. Cecilia Williams"
Commissioner
Ontario Securities Commission

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

September 11, 2019

In respect of the Know Your Client Exemption, Suitability Exemption and Statement Delivery Exemption

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

2.2 Orders

2.2.1 Carmanah Technologies Corporation

Headnote

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – Cease to be a reporting issuer – The securities of the issuer are beneficially owned by not more than 50 persons and are not traded through any exchange or market – The issuer is not an OTC reporting issuer; the securities of the issuer are beneficially owned by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders worldwide; no securities of the issuer are traded on a market in Canada or another country; the issuer is not in default of securities legislation except it has not filed certain continuous disclosure documents.

Applicable Legislative Provisions

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

September 6, 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
CARMANAH TECHNOLOGIES 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, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador; and

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

Interpretation

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

Representations

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

1. the Filer was formed by an amalgamation of Carmanah Technologies Corporation (CTC) and CMH Acquisition Corp. (CMH) on August 16, 2019 (the Amalgamation) under the *Business Corporations Act* (British Columbia) (the BCBCA);

2. the Filer's head office is located in Victoria, British Columbia;

3. the Filer's authorized share capital consists of an unlimited number of class A common shares, an unlimited number of class B common shares and an unlimited number of class A preferred shares, of which no class B common shares or class A preferred shares are issued and outstanding;

4. following the Amalgamation and a plan of arrangement under the BCBCA, the outstanding securities of the Filer are now owned by a former director of CTC and two holding companies owned by former directors of CTC;

5. the common shares of CTC were delisted from the Toronto Stock Exchange on August 19, 2019;

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

7. 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;

8. 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;

9. 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;

10. the Filer is not in default of securities legislation in any jurisdiction, other than the obligation to file by August 14, 2019 its interim financial statements and related management's discussion and analysis for the interim period ended June 30, 2019 as required under National Instrument 51-102 *Continuous Disclosure Obligations* and the related certification of interim filings as required under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filing*s (collectively, the Filings); and

11. the Filer is not eligible to use the simplified procedure under National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications* as it is in default for failure to file the Filings.

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

2.2.2 Goldcorp Inc.

Headnote

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – Application for an order that an issuer is not a reporting issuer under applicable securities laws – Following an arrangement, all of the issuer's common shares were acquired by another company that is a reporting issuer and in compliance with its continuous disclosure obligations – Issuer has outstanding non-convertible debt securities and convertible securities that are beneficially owned by more than 50 persons – Convertible securities are exercisable for securities of the acquiror or redeemable based on the value of the shares of the acquiror – Issuer is not required under the terms of the debt securities to provide any continuous disclosure to the holders of the debt securities or to remain a reporting issuer – Debt securities of the issuer are traded the broker-dealer networks in the U.S. – Order granted.

Applicable Legislative Provisions

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

September 10, 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
GOLDCORP INC.
(the Filer)

ORDER

Background

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

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

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

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

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

Interpretation

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

Representations

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

1. the Filer is a company existing under the *Business Corporations Act* (Ontario) (the OBCA) and its head office is located in Vancouver, British Columbia;

2. the Filer is a reporting issuer in each jurisdiction of Canada;

3. prior to the Arrangement (as defined below), the Filer had 869,472,554 common shares (Goldcorp Shares), 4,146,247 restricted share units (RSUs), 3,632,882 options to purchase Goldcorp Shares (Options), 1,295,420 phantom restricted share units (Phantom RSUs), 2,426,546 performance share units (PSUs) and the Goldcorp Notes (as defined below) outstanding; the Options, Phantom RSUs and PSUs are not transferable pursuant to their terms; the Filer had no other securities outstanding;

4. the Goldcorp Shares were listed on the Toronto Stock Exchange (the TSX) under the symbol "G" and the New York Stock Exchange (the NYSE) under the symbol "GG";

5. Newmont Goldcorp Corporation, formerly known as Newmont Mining Corporation, (Newmont) is a corporation existing under the laws of the State of Delaware; the authorized capital of Newmont consists of 1,280,000,000 shares of common stock (the Newmont Shares) and 5,000,000 shares of preferred stock;

6. Newmont is subject to the 1934 Act, as amended and is a reporting issuer in each of the provinces of Canada; the Newmont Shares are listed on the NYSE under the stock symbol "NEM";

7. on January 14, 2019, the Filer and Newmont entered into an arrangement agreement, as amended on February 19, 2019, whereby Newmont agreed to acquire all of the issued and outstanding Goldcorp Shares pursuant to a plan of arrangement under section 182 of the OBCA (the Arrangement); holders of the Goldcorp Shares, RSUs, Options, Phantom RSUs and PSUs were provided with notice of the special meeting to consider the Arrangement; on April 18, 2019, the Filer and Newmont completed the Arrangement and the Filer became a wholly owned subsidiary of Newmont;

8. at the effective time of the Arrangement:

   (a) each Goldcorp Share, other than those held by Newmont or any of its affiliates, was converted into the right to receive (i) 0.3280 of a Newmont Share, par value $1.60 per share, and (ii) $0.02 in cash;

   (b) each RSU issued under the Filer's 2008 restricted share unit plan, as amended, was deemed to be exchanged by the holder for a Newmont restricted share unit that entitles the holder to receive the number of Newmont Shares based on the equity award exchange ratio under the Arrangement (the Equity Award Exchange Ratio);

   (c) each Option issued under the Filer's 2005 stock option plan, as amended, remained outstanding on its existing terms, and upon the exercise of each Option, the holder became entitled to receive a fraction of a Newmont Share equal to the Equity Award Exchange Ratio for each Goldcorp Share underlying such Option;

   (d) each Phantom RSU issued under the Filer's 2013 phantom restricted share unit plan, as amended, remained outstanding on its existing terms, and the holder became entitled to receive a cash payment based on the "Share Value" of each Phantom RSU which is determined based on the trading price of a Newmont Share on the NYSE and the Equity Award Exchange Ratio;

   (e) each PSU issued under the Filer's 2010 performance share unit plan, as amended, remained outstanding on its existing terms, and the holder became entitled to receive a cash payment based on the "Fair Market Value" of the PSU which is determined based on the volume weighted average price of the Newmont Shares on the NYSE for 30 trading days and the Equity Award Exchange Ratio;

9. there are no other incentive awards that are convertible or exchangeable into, or based on the price of, securities of the Filer;

10. additional Newmont Shares have been authorized for issuance upon the exercise of the Options;

11. the Filer is not required to remain a reporting issuer pursuant to the terms of governing documents for the Options, Phantom RSUs and PSUs;

12. holders of the Options, Phantom RSUs and PSUs are not entitled to receive any ongoing disclosure about the Filer; holders of the Options, as well as holders of the Phantom RSUs and PSUs, have access to Newmont's continuous disclosure record, which is the disclosure relevant to such holders since the Options are now exercisable for, and the Phantom RSUs and PSUs are settled with reference to the value of, Newmont Shares;

13. following completion of the Arrangement, the Goldcorp Shares were delisted from the NYSE on April 18, 2019 and from the TSX on April 23, 2019; the Filer does not have any further reporting obligations in the U.S.;

14. the Filer has the following series of notes (collectively, the Goldcorp Notes) outstanding:

    (a) 3.625% notes due June 9, 2021 (the 3.625% Notes), of which an aggregate principal amount of $550 million was initially issued;

    (b) 3.700% notes due March 15, 2023 (the 3.700% Notes), of which an aggregate principal amount of $1 billion was initially issued; and

    (c) 5.450% notes due June 9, 2044 (the 5.450% Notes), of which an aggregate principal amount of $450 million was initially issued;

15. the Goldcorp Notes were issued pursuant to an indenture dated as of March 20, 2013, between the Filer and Wells Fargo Bank, National Association, as trustee (the Trustee), as supplemented by a first supplemental indenture dated March 20, 2013 and a second supplemental indenture dated June 9, 2014 (the Indentures);

16. the Goldcorp Notes were issued in the U.S. only, in accordance with the Canada/U.S. multijurisdictional disclosure system, under the applicable base shelf prospectus of the Filer filed in the jurisdictions of Canada in which it is a reporting issuer and pursuant to a registration statement filed with the SEC;

17. the Goldcorp Notes are not convertible or exchangeable into Goldcorp Shares and are not listed on any stock exchange; the Goldcorp Notes trade through broker-dealer networks as over-the-counter secondary market transactions; all broker-dealers who are Financial Industry Regulatory Authority (FINRA) member firms have an obligation to report over-the-counter secondary market transactions in eligible fixed income securities to FINRA's Trade Reporting and Compliance Engine (TRACE) under a set of rules approved by the SEC; after trades of the Goldcorp Notes are reported to TRACE, they also appear on FINRA's BondFacts and Market Data platforms, which are both accessible to the public;

18. on March 15, 2019, Newmont announced offers (the Exchange Offers) to holders of the Goldcorp Notes to exchange the Goldcorp Notes for (i) up to $2 billion aggregate principal amount of newly issued debt securities of Newmont (the Newmont Notes) and (ii) cash and the related consent solicitations (the Consent Solicitations) to adopt proposed amendments to the Indentures to eliminate certain covenants, restrictive provisions, events of default and related provisions from the Indentures;

19. on April 16, 2019, the Filer and the Trustee entered into a third supplemental indenture to the Indentures, which among other things, removed the provision regarding the delivery by the Filer to the Trustee of certain annual and quarterly disclosure documents containing financial information; there is no obligation in the Indentures for the Filer to provide any continuous disclosure to holders of the Goldcorp Notes or maintain its status as a reporting issuer and no prohibition on ceasing to be a reporting issuer in any of the jurisdictions of Canada in which it is a reporting issuer;

20. as of April 18, 2019, the following percentage of the aggregate principal amounts of each series of the Goldcorp Notes was not tendered and remained outstanding:

    (a) 14.10% of the 3.625% Notes;

    (b) 18.97% of the 3.700% Notes; and

    (c) 1.41% of the 5.450% Notes;

21. settlement of the Exchange Offers and the Consent Solicitations occurred on April 22, 2019 (the Settlement Date);

22. as at May 28, 2019, other than the Goldcorp Shares, all of which are held by Newmont, and the Goldcorp Notes, the Goldcorp securities outstanding were as follows: 3,515,502 Options held by 71 holders, 1,261,774 Phantom RSUs held by 200 holders and 950,488 PSUs held by 24 holders;

23. all of the Goldcorp Notes are held through the Depository Trust Company (DTC) in the name of Cede & Co.; in accordance with industry practice and custom, the Filer engaged: (i) Broadridge Investor Communication Solutions, Inc. (Broadridge) to prepare a geographical analysis report as to the beneficial holders of the Goldcorp Notes as of the Settlement Date (the Broadridge Report); and (ii) DTC to prepare a report as to the depository positions and total number of the Goldcorp Notes held as of the Settlement Date (the DTC Report);

24. based on the information contained in the Broadridge Report (regarding the number of holders) and the DTC Report (regarding the number of Goldcorp Notes held), it is the Filer's understanding that there are 1,140 holders holding $77,537,000 of the 3.625% Notes, 2,495 holders holding $189,724,000 of the 3.700% Notes and 93 holders holding $6,356,000 of the 5.450% Notes;

25. it is the Filer's understanding that, as at May 28, 2019, the Filer had 104 securityholders in Canada; this number is comprised of 10 holders of the Goldcorp Notes, 51 holders of Options, 23 holders of Phantom RSUs and 20 holders of PSUs;

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

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

28. other than as represented in this order, 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;

29. the Filer is not in default of securities legislation in any jurisdictions other than (a) an obligation (arising after the Arrangement) to file on or before August 14, 2019, its interim financial statements and its management discussion and analysis in respect of such statements for the period ended June 30, 2019, as required under National Instrument 51-102 *Continuous Disclosure Obligations* (NI 51-102) and related certificates as required under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (NI 52-109); and (b) an obligation (arising after the Arrangement) to file on or before May 15, 2019, its interim financial statements and its management discussion and analysis in respect of such statements for the period ended March 31, 2019, as required under NI 51-102 and related certificates as required under NI 52-109 (collectively, the Interim Filings);

30. Newmont is not in default of securities legislation in any jurisdictions;

31. the Filer is not eligible to file under the simplified procedure in section 19 of National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications* because the Filer is in default for failure to file the Interim Filings, the Filer's outstanding securities are beneficially owned, directly or indirectly, by more than 15 securityholders in the provinces of British Columbia and Ontario and by more than 51 securityholders in total worldwide, and the Goldcorp Notes are traded on a marketplace or facility for bringing together buyers and sellers of securities; and

32. the Filer is applying for an order that it has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is currently a reporting issuer; the Filer, upon the grant of the Order Sought, will no longer be a reporting issuer in any jurisdiction of Canada.

Order

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

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

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

2.2.3 Alexandria Minerals 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).

September 13, 2019

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

AND

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

AND

IN THE MATTER OF
ALEXANDRIA MINERALS CORPORATION
(the "Filer")

ORDER

Background

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

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

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 and Québec.

Interpretation

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

Representations

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

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

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

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

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

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

Order

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

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

"Winnie Sanjoto"
Manager, Corporate Finance
Ontario Securities Commission

2.2.4 trueEX LLC – s. 144

Headnote

Subsection 144(1) of the Act – Application for an order revoking an order that a swap execution facility is exempt from the requirement to be recognized as an exchange in Ontario – swap execution facility not carrying on business in Ontario – requested order granted.

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

AND

IN THE MATTER OF
TRUEEX LLC

REVOCATION OF ORDER
(Section 144 of the Act)

WHEREAS trueEX LLC (**trueEX**) operates an electronic trading facility for swaps in the United States under the jurisdiction of the Commodity Futures Trading Commission (**CFTC**) and has obtained temporary registration with the CFTC to operate a swap execution facility;

AND WHEREAS the Ontario Securities Commission (**Commission**) has, by order dated June 13, 2016 (**Order**), exempted trueEX, pursuant to section 147 of the Act, from the requirement to be recognized as an exchange under subsection 21(1) of the Act;

AND WHEREAS trueEX has filed an application dated September 3, 2019 with the Commission requesting revocation of the Order;

AND WHEREAS trueEX has represented to the Commission that it does not have any participants in Ontario, has no physical presence in Ontario, is not carrying on business in Ontario, and therefore does not require the exemptive relief provided by the Order;

AND WHEREAS, based on the application and the representations made by trueEX to the Commission, the Commission has determined that the revocation of the Order would not be prejudicial to the public interest;

IT IS HEREBY ORDERED by the Commission, pursuant to section 144 of the Act, that the Order is revoked.

DATED September 17, 2019

“Craig Hayman”

“Garnet W. Fenn”

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
Guerrero Ventures Inc.	05 September 2019	12 September 2019
Halio Energy Inc.	04 December 2017	13 September 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
Beleave Inc.	06 August 2019	
CannTrust Holdings Inc.	15 August 2019	
BetterU Education Corp.	02 August 2019	

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Chapter 7

Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as as in Carswell's internet service SecuritiesSource (see www.carswell.com).

This chapter contains a weekly summary of insider transactions of Ontario reporting issuers in the System for Electronic Disclosure by Insiders (SEDI). The weekly summary contains insider transactions reported during the seven days ending Sunday at 11:59 pm.

To obtain Insider Reporting information, please visit the SEDI website (www.sedi.ca).

Chapter 11

IPOs, New Issues and Secondary Financings

INVESTMENT FUNDS

Issuer Name:
IPC ESG Balanced Essentials Portfolio (formerly Counsel Balanced Growth Portfolio)
Counsel High Income Portfolio
Principal Regulator - Ontario
Type and Date:
Amendment #5 to Final Simplified Prospectus dated September 13, 2019
Received on September 13, 2019
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #2818942

Issuer Name:
iShares Core S&P 500 Index ETF
iShares Core S&P U.S. Total Market Index ETF
iShares Core MSCI EAFE IMI Index ETF
iShares Core MSCI Emerging Markets IMI Index ETF
iShares Core MSCI All Country World ex Canada Index ETF
iShares Core MSCI US Quality Dividend Index ETF
iShares Core MSCI Global Quality Dividend Index ETF
iShares S&P U.S. Mid-Cap Index ETF
iShares Edge MSCI Min Vol USA Index ETF
iShares Edge MSCI Multifactor USA Index ETF
Principal Regulator - Ontario
Type and Date:
Amendment #2 to Final Long Form Prospectus dated September 16, 2019
Received on September 16, 2019
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
BlackRock Asset Management Canada Limited
Promoter(s):
N/A
Project #2878215

Issuer Name:
BetaPro Marijuana Companies 2x Daily Bull ETF
BetaPro Marijuana Companies Inverse ETF
Principal Regulator - Ontario
Type and Date:
Amendment #1 to Final Long Form Prospectus dated August 27, 2019
NP 11-202 Receipt dated September 11, 2019
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #2831284

Issuer Name:
BetaPro S&P 500 VIX Short-Term Futures ETF (formerly Horizons BetaPro S&P 500 VIX Short-Term Futures ETF)
Principal Regulator - Ontario
Type and Date:
Amendment #1 to Final Long Form Prospectus dated August 27, 2019
NP 11-202 Receipt dated September 11, 2019
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
Horizons ETFs Management (Canada) Inc.
Project #2845531

Issuer Name:
Desjardins Short-Term Income Fund
Desjardins Canadian Bond Fund
Desjardins SocieTerra Canadian Bond Fund
Desjardins Enhanced Bond Fund
Desjardins Floating Rate Income Fund
Desjardins Global Tactical Bond Fund
Desjardins Canadian Equity Fund
Desjardins Canadian Equity Value Fund
Desjardins SocieTerra Canadian Equity Fund
Desjardins American Equity Value Fund
Desjardins American Equity Growth Fund
Desjardins American Equity Growth Currency Neutral Fund
Desjardins SocieTerra American Equity Fund
Desjardins Overseas Equity Fund (formerly Desjardins Overseas Equity Value Fund)
Desjardins Overseas Equity Growth Fund
Desjardins SocieTerra International Equity Fund
Desjardins Global Equity Fund
Desjardins SocieTerra Positive Change Fund
Desjardins IBrix Low Volatility Emerging Markets Fund
Desjardins Emerging Markets Fund
Desjardins Emerging Markets Opportunities Fund
Desjardins SocieTerra Emerging Markets Equity Fund
Desjardins Global Infrastructure Fund
Melodia Very Conservative Income Portfolio
Melodia Conservative Income Portfolio
Melodia Moderate Income Portfolio
Melodia Diversified Income Portfolio
Melodia Moderate Growth Portfolio
Melodia Diversified Growth Portfolio
Melodia Balanced Growth Portfolio
Melodia Aggressive Growth Portfolio
Melodia Maximum Growth Portfolio
Melodia 100% Equity Growth Portfolio
SocieTerra Conservative Portfolio
SocieTerra Balanced Portfolio
SocieTerra Growth Portfolio
SocieTerra Maximum Growth Portfolio
Chorus II Conservative Low Volatility Portfolio
Chorus II Moderate Low Volatility Portfolio
Chorus II Balanced Low Volatility Portfolio
Chorus II Growth Portfolio
Chorus II Aggressive Growth Portfolio
Chorus II Maximum Growth Portfolio
Principal Regulator - Quebec
Type and Date:
Amendment #3 to Final Simplified Prospectus dated September 3, 2019
NP 11-202 Receipt dated September 10, 2019
Offering Price and Description:
D-CLASS UNITS
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #2870473

Issuer Name:
Discovery 2019 Short Duration LP
Principal Regulator - Alberta (ASC)
Type and Date:
Final Long Form Prospectus dated September 13, 2019
NP 11-202 Receipt dated September 13, 2019
Offering Price and Description:
$25,000,000 (maximum)
(maximum – 1,000,000 Units)
$5,000,000 (minimum)
(minimum – 200,000 Units)
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
GMP Securities L.P.
Manulife Securities Incorporated
Industrial Alliance Securities Inc.
Canaccord Genuity Corp.
Middlefield Capital Corporation
Echelon Wealth Partners Inc.
Raymond James Ltd.
Promoter(s):
Middlefield Resource Corporation
Project #2947213

Issuer Name:
Clearpoint Short Term Income Fund
Principal Regulator – Ontario
Type and Date:
Preliminary Simplified Prospectus dated Sep 12, 2019
NP 11-202 Preliminary Receipt dated Sep 13, 2019
Offering Price and Description:
Series A Units and Series F Units
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #2966785

Issuer Name:
Fidelity Canadian Fundamental Equity Multi-Asset Base Fund
Principal Regulator – Ontario
Type and Date:
Combined Preliminary and Pro Forma Simplified Prospectus dated Sep 13, 2019
NP 11-202 Preliminary Receipt dated Sep 16, 2019
Offering Price and Description:
Series O units
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #2967181

Issuer Name:
IA Clarington Loomis Global Equity Opportunities Fund
Principal Regulator – Quebec
Type and Date:
Preliminary Simplified Prospectus dated Sep 13, 2019
NP 11-202 Preliminary Receipt dated Sep 13, 2019
Offering Price and Description:
Series A units, Series I units, Series F units and Series E units
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #2966972

Issuer Name:
CIBC Conservative Fixed Income Pool
CIBC Core Fixed Income Pool
CIBC Core Plus Fixed Income Pool
Principal Regulator – Ontario
Type and Date:
Preliminary Simplified Prospectus dated Sep 9, 2019
NP 11-202 Preliminary Receipt dated Sep 10, 2019
Offering Price and Description:
Series A units, Series O units and Series F units
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #2965701

Issuer Name:
Fidelity Floating Rate High Income Currency Neutral Multi-Asset Base Fund
Fidelity Global Credit Ex-U.S. Currency Neutral Multi-Asset Base Fund
Fidelity High Income Commercial Real Estate Currency Neutral Multi-Asset Base Fund
Fidelity Insights Currency Neutral Multi-Asset Base Fund
Fidelity International Equity Currency Neutral Investment Trust
Fidelity International Growth Currency Neutral Multi-Asset Base Fund
Fidelity U.S. Bond Currency Neutral Multi-Asset Base Fund
Principal Regulator – Ontario
Type and Date:
Preliminary Simplified Prospectus dated Sep 13, 2019
NP 11-202 Preliminary Receipt dated Sep 16, 2019
Offering Price and Description:
Series O units
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #2967135

Issuer Name:
CI MSCI World ESG Impact Fund
Principal Regulator – Ontario
Type and Date:
Preliminary Simplified Prospectus dated Sep 12, 2019
NP 11-202 Final Receipt dated Sep 12, 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 #2949773

Issuer Name:
Horizons S&P/TSX 60 Index ETF
Horizons S&P 500® Index ETF
Horizons S&P/TSX Capped Energy Index ETF
Horizons S&P/TSX Capped Financials Index ETF
Horizons Cdn Select Universe Bond ETF
Horizons US 7-10 Year Treasury Bond ETF
Horizons NASDAQ-100® Index ETF
Horizons EURO STOXX 50® Index ETF
Horizons Cdn High Dividend Index ETF
Horizons S&P 500 CAD Hedged Index ETF
Horizons US 7-10 Year Treasury Bond CAD Hedged ETF
Horizons Intl Developed Markets Equity Index ETF
Horizons Equal Weight Canada REIT Index ETF
Horizons Laddered Canadian Preferred Share Index ETF
Horizons Equal Weight Canada Banks Index ETF
Principal Regulator – Ontario
Type and Date:
Amendment #1 to the Long Form Prospectus dated August 27, 2019
NP 11-202 Final Receipt dated Sep 11, 2019
Offering Price and Description:
Class A units
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #2941788

Issuer Name:
BetaPro S&P/TSX 60 2x Daily Bull ETF
BetaPro S&P/TSX 60 -2x Daily Bear ETF
BetaPro S&P/TSX Capped Financials 2x Daily Bull ETF
BetaPro S&P/TSX Capped Financials -2x Daily Bear ETF
BetaPro S&P/TSX Capped Energy 2x Daily Bull
BetaPro S&P/TSX Capped Energy -2x Daily Bear ETF
BetaPro Canadian Gold Miners 2x Daily Bull ETF
BetaPro Canadian Gold Miners -2x Daily Bear ETF
BetaPro S&P 500® 2x Daily Bull ETF
BetaPro S&P 500® -2x Daily Bear ETF
BetaPro NASDAQ-100® 2x Daily Bull ETF
BetaPro NASDAQ-100® -2x Daily Bear ETF
BetaPro Gold Bullion 2x Daily Bull ETF
BetaPro Gold Bullion -2x Daily Bear ETF
BetaPro Crude Oil 2x Daily Bull ETF
BetaPro Crude Oil -2x Daily Bear ETF
BetaPro Natural Gas 2x Daily Bull ETF
BetaPro Natural Gas -2x Daily Bear ETF
BetaPro Silver 2x Daily Bull ETF
BetaPro Silver -2x Daily Bear ETF
Horizons Gold ETF
Horizons Silver ETF
Horizons Crude Oil ETF
Horizons Natural Gas ETF
BetaPro S&P/TSX 60 Daily Inverse ETF
BetaPro S&P 500® Daily Inverse ETF
Principal Regulator – Ontario
Type and Date:
Amendment #1 to the Long Form Prospectus dated August 27, 2019
NP 11-202 Final Receipt dated Sep 11, 2019
Offering Price and Description:
Class A units
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #2931695

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NON-INVESTMENT FUNDS

Issuer Name:
Appili Therapeutics Inc.
Principal Regulator - Nova Scotia
Type and Date:
Preliminary Shelf Prospectus dated September 10, 2019
NP 11-202 Preliminary Receipt dated September 11, 2019
Offering Price and Description:
$50,000,000.00 - Class A Common Shares, Class B Common Shares, Preferred Shares, Warrants, Units, Subscription Receipts, Debt Securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2966189

Issuer Name:
BSR Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated September 10, 2019
NP 11-202 Receipt dated September 10, 2019
Offering Price and Description:
US$35,001,200.00 - 3,302,000 Units
Price: US$10.60 per Offered Unit
Underwriter(s) or Distributor(s):
BMO NESBITT BURNS INC.
CIBC WORLD MARKETS INC.
RBC DOMINION SECURITIES INC.
NATIONAL BANK FINANCIAL INC.
SCOTIA CAPITAL INC.
TD SECURITIES INC.
DESJARDINS SECURITIES INC.
CANACCORD GENUITY CORP.
INDUSTRIAL ALLIANCE SECURITIES INC.
RAYMOND JAMES LTD.
ECHELON WEALTH PARTNERS INC.
LAURENTIAN BANK SECURITIES INC.
Promoter(s):
-
Project #2958519

Issuer Name:
Cenovus Energy Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Shelf Prospectus dated September 10, 2019
NP 11-202 Preliminary Receipt dated September 10, 2019
Offering Price and Description:
US$5,000,000,000.00 - Debt Securities, Common Shares, Preferred Shares, Subscription Receipts, Warrants, Share Purchase Contracts, Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2966244

Issuer Name:
Chemtrade Logistics Income Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated September 16, 2019
NP 11-202 Preliminary Receipt dated September 16, 2019
Offering Price and Description:
$100,000,000.00 - 6.50% Convertible Unsecured Subordinated Debentures
Price: C$1,000 per Debenture
Underwriter(s) or Distributor(s):
BMO NESBITT BURNS INC.
SCOTIA CAPITAL INC.
RBC DOMINION SECURITIES INC.
CIBC WORLD MARKETS INC.
NATIONAL BANK FINANCIAL INC.
TD SECURITIES INC.
DESJARDINS SECURITIES INC.
RAYMOND JAMES LTD.
Promoter(s):
-
Project #2966211

Issuer Name:
Chesswood Group Limited
Principal Regulator - Ontario
Type and Date:
Preliminary Shelf Prospectus dated September 13, 2019
NP 11-202 Preliminary Receipt dated September 13, 2019
Offering Price and Description:
$500,000,000.00 - Debt Securities (unsecured), Common Shares, Warrants, Subscription Receipts, Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2967035

Issuer Name:
DURO METALS INC
Principal Regulator - Alberta
Type and Date:
Final CPC Prospectus dated September 11, 2019
NP 11-202 Receipt dated September 12, 2019
Offering Price and Description:
$300,000.00 (3,000,000 Common Shares)
Price: $0.10 per Offered Share
Underwriter(s) or Distributor(s):
MACKIE RESEARCH CAPITAL CORPORATION
Promoter(s):
SEAN MAGER
Project #2941633

Issuer Name:
Earth Alive Clean Technologies Inc.
Principal Regulator - Quebec
Type and Date:
Amended and Restated Preliminary Short Form Prospectus dated September 16, 2019
NP 11-202 Preliminary Receipt dated September 16, 2019
Offering Price and Description:
Minimum: $4,000,000.00 or 40,000,000 Units
Maximum: $5,000,000.00 or 50,000,000 Units
PRICE: C$0.10 PER UNIT
Underwriter(s) or Distributor(s):
DESJARDINS SECURITIES INC.
Promoter(s):
-
Project #2931381

Issuer Name:
Fortuna Silver Mines Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated September 16, 2019
Received on September 16, 2019
Offering Price and Description:
US$40,000,000.00 - 4.65% Senior Subordinated Unsecured Convertible Debentures
Price: US$1,000 per Debenture
Underwriter(s) or Distributor(s):
CIBC WORLD MARKETS INC.
SCOTIA CAPITAL INC.
BMO NESBITT BURNS INC.
Promoter(s):
-
Project #2966207

Issuer Name:
GFL Environmental Inc.
Principal Regulator - Ontario
Type and Date:
Amended and Restated Preliminary Long Form Prospectus dated September 12, 2019
NP 11-202 Preliminary Receipt dated September 13, 2019
Offering Price and Description:
$ *.** - * Subordinate Voting Shares
Price: C$*.** per Subordinate Voting Share
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:
Granite Real Estate Investment Trust
Granite REIT Inc.
Principal Regulator - Ontario
Type and Date:
Final Shelf Prospectus dated September 12, 2019
NP 11-202 Receipt dated September 12, 2019
Offering Price and Description:
$1,000,000,000.00 - Stapled Units, Stapled Convertible Debentures, Stapled Subscription Receipts, Stapled Warrants, Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2964632

Issuer Name:
Granite REIT Holdings Limited Partnership
Principal Regulator - Ontario
Type and Date:
Final Shelf Prospectus dated September 12, 2019
NP 11-202 Receipt dated September 12, 2019
Offering Price and Description:
$750,000,000.00 - Debt Securities, Unconditionally Guaranteed by Granite Real Estate Investment Trust and Granite REIT Inc.
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2964661

Issuer Name:
Granite REIT Inc.
Granite Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Final Shelf Prospectus dated September 12, 2019
NP 11-202 Receipt dated September 12, 2019
Offering Price and Description:
$1,000,000,000.00 - Stapled Units, Stapled Convertible Debentures, Stapled Subscription Receipts, Stapled Warrants, Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2964633

Issuer Name:
Great-West Lifeco Inc.
Principal Regulator - Manitoba
Type and Date:
Preliminary Shelf Prospectus dated September 13, 2019
NP 11-202 Preliminary Receipt dated September 16, 2019
Offering Price and Description:
$8,000,000,000.00
Debt Securities (unsecured)
First Preferred Shares
Common Shares
Subscription Receipts
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2967100

Issuer Name:
Innergex Renewable Energy Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated September 11, 2019
NP 11-202 Preliminary Receipt dated September 11, 2019
Offering Price and Description:
$125,000,000.00 - 4.65% Convertible Unsecured Subordinated Debentures
Underwriter(s) or Distributor(s):
TD SECURITIES INC.
CIBC WORLD MARKETS INC.
BMO NESBITT BURNS INC.
NATIONAL BANK FINANCIAL INC.
RBC DOMINION SECURITIES INC.
DESJARDINS SECURITIES INC.
CANACCORD GENUITY CORP.
INDUSTRIAL ALLIANCE SECURITIES INC.
RAYMOND JAMES LTD.
Promoter(s):
-
Project #2965147

Issuer Name:
InnoCan Pharma Corporation
Principal Regulator - Alberta
Type and Date:
Final Long Form Prospectus dated September 12, 2019
NP 11-202 Receipt dated September 13, 2019
Offering Price and Description:
A minimum of CAD910,000.00 and a maximum of CAD1,100,000.00
A minimum of 5,055,556 and a maximum of 6,111,112 Units
Price: CAD0.18 per Unit
Underwriter(s) or Distributor(s):
Leede Jones Gable Inc.
Promoter(s):
-
Project #2926788

Issuer Name:
Klinik Health Ventures Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary CPC Prospectus dated September 11, 2019
NP 11-202 Preliminary Receipt dated September 11, 2019
Offering Price and Description:
MINIMUM OFFERING: $2,000,000.00 or 10,000,000 Common Shares
MAXIMUM OFFERING: $3,000,000.00 or 15,000,000 Common Shares
PRICE: C$0.20 per Common Share
Underwriter(s) or Distributor(s):
BLOOM BURTON SECURITIES INC.
Promoter(s):
EVA KOCI
N. NICOLE RUSAW
DAN LEGAULT
WALT MACNEE
Project #2966451

Issuer Name:
Martello Technologies Group Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated September 12, 2019
NP 11-202 Preliminary Receipt dated September 12, 2019
Offering Price and Description:
$*.** - * Common Shares
Price: C$*.** per Common Shares
Underwriter(s) or Distributor(s):
Canaccord Genuity Corp.
CIBC World Markets Inc.
PI Financial Corp.
Promoter(s):
-
Project #2966765

Issuer Name:
Martello Technologies Group Inc.
Principal Regulator - Ontario
Type and Date:
Amended and Restated Preliminary Short Form Prospectus dated September 13, 2019
NP 11-202 Preliminary Receipt dated September 12, 2019
Offering Price and Description:
$3,999,999.90 - 13,333,333 Common Shares
Price: C$0.30 per Common Share
Underwriter(s) or Distributor(s):
Canaccord Genuity Corp.
CIBC World Markets Inc.
PI Financial Corp.
Promoter(s):
-
Project #2966765

Issuer Name:
Maverix Metals Inc.
Principal Regulator - British Columbia
Type and Date:
Final Shelf Prospectus dated September 13, 2019
NP 11-202 Receipt dated September 13, 2019
Offering Price and Description:
US$300,000,000.00 - Common Shares, Subscription Receipts, Units, Warrants, Share Purchase Contracts, Debt Securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2963960

Issuer Name:
NexPoint Hospitality Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Shelf Prospectus dated September 13, 2019
NP 11-202 Preliminary Receipt dated September 13, 2019
Offering Price and Description:
US$500,000,000.00 - Units, Debt Securities, Subscription Receipts, Warrants
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2967005

Issuer Name:
Northview Apartment Real Estate Investment Trust
Principal Regulator - Alberta
Type and Date:
Preliminary Shelf Prospectus dated September 12, 2019
NP 11-202 Preliminary Receipt dated September 12, 2019
Offering Price and Description:
$750,000,000.00 - Units, Debt Securities, Subscription Receipts
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2966752

Issuer Name:
Trisura Group Ltd.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated September 10, 2019
NP 11-202 Preliminary Receipt dated September 10, 2019
Offering Price and Description:
$40,022,400.00 - 1,516,000 Common Shares
Price: C$26.40 per Offered Share
Underwriter(s) or Distributor(s):
CORMARK SECURITIES INC.
BMO NESBITT BURNS INC
CIBC WORLD MARKETS INC.
GMP SECURITIES L.P.
TD SECURITIES INC.
BFIN SECURITIES LP
NATIONAL BANK FINANCIAL INC.
RAYMOND JAMES LTD.
RBC DOMINION SECURITIES INC.
SCOTIA CAPITAL INC.
Promoter(s):
-
Project #2964797

Issuer Name:
WeedMD Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated September 10, 2019
NP 11-202 Preliminary Receipt dated September 10, 2019
Offering Price and Description:
$12,000,000.00 - 8.5% Unsecured Convertible Debenture Units
PRICE: C$1,000.00 per Convertible Debenture Unit
Underwriter(s) or Distributor(s):
MACKIE RESEARCH CAPITAL CORPORATION
HAYWOOD SECURITIES INC.
Promoter(s):
-
Project #2966106

Issuer Name:
WELL Health Technologies Corp.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated September 13, 2019
NP 11-202 Preliminary Receipt September 16, 2019
Offering Price and Description:
10,628,937 Common Shares upon exercise or deemed exercise of 9,000,000 Initial Special Warrants, 1,350,000 Option Special Warrants and 278,937 Broker Special Warrants
Underwriter(s) or Distributor(s):
GMP SECURITIES L.P.
EIGHT CAPITAL
BEACON SECURITIES LIMITED
GRAVITAS SECURITIES INC.
HAYWOOD SECURITIES INC.
PI FINANCIAL CORP.
Promoter(s):
Hamed Shahbazi
Project #2967147

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Consent to Suspension (Pending Surrender)	Real Crowd Capital Inc.	Exempt Market Dealer	September 5, 2019
Name Change	From: Natixis Investment Managers Canada LP/Gestionnaires De Placements Natixis S.E.C. To: Fiera Investments LP	Exempt Market Dealer, Investment Fund Manager, Mutual Fund Dealer and Portfolio Manager	July 4, 2019
Change in Registration Category	Fidelity Investments Canada ULC	From: Portfolio Manager, Investment Fund Manager, Commodity Trading Manager and Mutual Fund Dealer To: Portfolio Manager, Investment Fund Manager, Commodity Trading Manager, Mutual Fund Dealer and Exempt Market Dealer	September 10, 2019
Change in Registration Category	Noah Canada Wealth Management Limited	From: Exempt Market Dealer and Portfolio Manager To: Exempt Market Dealer, Portfolio Manager and Investment Fund Manager	September 16, 2019
Voluntary Surrender	Oechsle International Advisors, LLC	Portfolio Manager	September 16, 2019

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Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.2 Marketplaces

13.2.1 Neo Exchange Inc. – Anonymous Broker Preferencing in NEO-D – Amendments to Trading Policies – Notice of Approval

NEO EXCHANGE INC.

AMENDMENTS TO TRADING POLICIES

ANONYMOUS BROKER PREFERENCING IN NEO-D

NOTICE OF APPROVAL

In accordance with the *Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 and the Exhibits Thereto*, Neo Exchange Inc. ("NEO Exchange") has adopted and the Ontario Securities Commission has approved amendments to NEO Exchange's Trading Policies.

On June 28, 2019, NEO published for comment a Public Interest Rule Amendment to amend the matching logic for dark orders in NEO-D to apply broker preferencing to all orders, other than jitney orders.

One comment letter was received. A summary of the comments and NEO Exchange's response, as well as a copy of the approved Public Interest Rule Amendment and Housekeeping Rule Changes, can be found at www.osc.gov.on.ca.

The Public Interest Rule Amendment will be effective on October 1, 2019.

13.2.2 TriAct Canada Marketplace LP – Proposed Change to the MATCHNow Trading System – Notice of Approval

TRIACT CANADA MARKETPLACE LP

NOTICE OF APPROVAL OF PROPOSED CHANGE TO THE MATCHNOW TRADING SYSTEM

On September 11, 2019, the Ontario Securities Commission (the **OSC**) approved the amendment proposed by TriAct Canada Marketplace LP (also known as **MATCHNow**) to its Form 21-101F2.

MATCHNow had proposed a change to the MATCHNow trading system to provide its Subscribers with the option of receiving a trading fee message attached to their executions.

In accordance with the OSC's *Process for the Review and Approval of the Information Contained in Form 21-101F2 and Exhibits Thereto*, a notice outlining and requesting feedback on the proposed change was published on the OSC website and in the OSC Bulletin on July 25, 2019 at (2019), 42 OSCB 6439 (the **Notice of Proposed Change**).

No comment letters were received in response to the Notice of Proposed Change.

MATCHNow will publish a notice on its website indicating the date of implementation of this approved change, which is anticipated to be on or around December 12, 2019.

13.2.3 trueEX LLC – Notice of Revocation Order

TRUEEX LLC

NOTICE OF REVOCATION ORDER

On September 17, 2019, at the request of trueEX LLC (**trueEX**), the Commission revoked an exemption order issued to trueEX on June 13, 2016 (**Exemption Order**). The Exemption Order granted an exemption to trueEX from the requirement to be recognized as an exchange under subsection 21(1) of the *Securities Act* (Ontario).

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

Index

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