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Chapter 1

Notices

1.1 Notices

1.1.1 Notice of Ministerial Approval of Amendments to OSC Rule 13-502 Fees and OSC Rule 13-503 (Commodity Futures Act) Fees

**NOTICE OF MINISTERIAL APPROVAL OF AMENDMENTS TO
ONTARIO SECURITIES COMMISSION RULE 13-502 FEES AND
ONTARIO SECURITIES COMMISSION RULE 13-503 (COMMODITY FUTURES ACT) FEES**

On October 3, 2019, the Minister of Finance approved amendments (the **Amendments**) made by the Ontario Securities Commission (the **Commission**) to Ontario Securities Commission Rule 13-502 *Fees* and Ontario Securities Commission Rule 13-503 (*Commodity Futures Act Fees*).

The Amendments were made by the Commission on August 21, 2019.

The Amendments were published on the OSC website at www.osc.gov.on.ca and in the OSC Bulletin at (2019), 42 OSCB 7385 on September 12, 2019.

The Amendments came into force on October 18, 2019.

The text of the Amendments (which were previously published on September 12, 2019) are reproduced in Chapter 5 of this Bulletin.

1.1.2 Notice of Memorandum of Understanding – Cooperation and the Exchange of Information Related to the Supervision of Regulated Entities Operating in Ontario and Germany

**NOTICE OF MEMORANDUM OF UNDERSTANDING
COOPERATION AND THE EXCHANGE OF INFORMATION
RELATED TO THE SUPERVISION OF REGULATED ENTITIES
OPERATING IN ONTARIO AND GERMANY**

The Ontario Securities Commission has recently entered into a Memorandum of Understanding with the German Bundesanstalt für Finanzdienstleistungsaufsicht (“BaFin”) concerning regulatory cooperation related to the supervision and oversight of regulated entities operating in Ontario and Germany (the “MOU”). The MOU provides a comprehensive framework for consultation, cooperation and information-sharing related to the day-to-day supervision and oversight of regulated entities and enhances the OSC’s ability to supervise these entities.

The MOU is subject to the approval of the Minister of Finance.

Questions may be referred to:

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**MEMORANDUM OF UNDERSTANDING
CONCERNING COOPERATION AND THE EXCHANGE OF INFORMATION
RELATED TO THE SUPERVISION OF CROSS-BORDER COVERED ENTITIES, among:**

Ontario Securities Commission

Bundesanstalt für Finanzdienstleistungsaufsicht

In view of the growing globalization of the world's financial markets and the increase in cross-border operations and activities of regulated entities, the Ontario Securities Commission and the German Bundesanstalt für Finanzdienstleistungsaufsicht (collectively, "the Authorities") have reached this Memorandum of Understanding ("MOU") regarding cooperation and the exchange of information in the supervision and oversight of regulated entities that operate in both Ontario, Canada, and Germany. The Authorities express, through this MOU, their willingness to cooperate with each other in the interest of fulfilling their respective regulatory mandates regarding derivatives and/or securities markets, particularly in the areas of investor protection, market integrity, and reducing systemic risk.

The Parties hereby agree as follows:

ARTICLE ONE: DEFINITIONS

For purposes of this MOU:

1. "Authority" means:
 - a. In Ontario, Canada, the Ontario Securities Commission ("OSC"); and
 - b. In Germany, the Bundesanstalt für Finanzdienstleistungsaufsicht ("BaFin").
2. "Requesting Authority" means the Authority making a request under this MOU.
3. "Requested Authority" means the Authority to whom a request is made under this MOU.
4. "Laws and Regulations" means:
 - a. For the OSC, the *Securities Act* (Ontario) and related rules and regulations ("OSA") and successor legislation; the *Commodity Futures Act* (Ontario) and related rules and regulations ("CFA") and successor legislation; and other relevant requirements in Canada and Ontario; and
 - b. For BaFin, the German Banking Act ("Kreditwesengesetz") and related ordinances as parts of the German law, the Act on the Deutsche Bundesbank ("Bundesbank Act") the German Securities Trading Act ("Wertpapierhandelsgesetz"), the German Stock Exchange Act ("Börsengesetz"), the Regulation (EU) No. 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories ("EMIR") and related Regulatory Technical Standards as parts of the European Union ("EU") law and other applicable legal or regulatory requirements applicable in Germany, the Regulation (EU) No. 600/2014 of the European Parliament and of the Council on markets in financial instruments (MiFIR) and related Regulatory Technical Standards as parts of the EU law and other applicable legal or regulatory requirements applicable in Germany and the Capital Requirements Regulation ("CRR") and related Regulatory Technical Standards as parts of the EU law and other applicable legal or regulatory requirements applicable in Germany.
5. "Person" means a natural person, unincorporated association, partnership, trust, investment company, or corporation and may be a Covered Entity or Cross-Border Covered Entity.
6. "Covered Entity" means a Person that is, or that has applied to be, authorized, designated, recognized, qualified, registered, supervised, exempt or overseen by one or more of the Authorities pursuant to Laws and Regulations, which may include but is not limited to regulated markets, exchanges, Multilateral Trading Facilities ("MTFs"), Alternative Trading Systems ("ATSS"), and Organized Trading Facilities ("OTFs").
7. "Cross-Border Covered Entity" means:
 - a. A Covered Entity of both BaFin and the OSC;

- b. A Covered Entity in one jurisdiction that has been exempted from authorization, designation, recognition, qualification, or registration by an Authority in the other jurisdiction;
- c. A Covered Entity in one jurisdiction that controls or is controlled by a Covered Entity located in the other jurisdiction; or
- d. A Covered Entity in one jurisdiction that is physically located in the other jurisdiction.

For purposes of this MOU, references to jurisdiction will be determined as either the jurisdiction of the OSC or the jurisdiction of BaFin.

- 8. "Books and Records" means documents, electronic media, and books and records within the possession, custody, and control of, and other information about, a Cross-Border Covered Entity.
- 9. "Emergency Situation" means the occurrence of an event that could materially impair the financial or operational condition of a Cross-Border Covered Entity.
- 10. "Exchange Supervisory Authority" ("ESA") means an authority of one of the Bundesländer (German federal states) that has statutory responsibility under the Börsengesetz over a Cross-Border Covered Entity organized in Germany.
- 11. "On-Site Visit" means any regulatory visit as described in Article Five to the premises of a Cross-Border Covered Entity for the purposes of ongoing supervision and oversight including the inspection of Books and Records.
- 12. "Local Authority" means the Authority in whose jurisdiction a Cross-Border Covered Entity that is the subject of an On-Site Visit is physically located
- 13. "Visiting Authority" means the Authority conducting an On-Site Visit.
- 14. "Governmental Entity" means:
 - a. If the Requesting Authority is the OSC:
 - (i) the Ministry of Finance – Ontario;
 - (ii) the Federal Ministry of Finance – Canada;
 - (iii) the Bank of Canada; and
 - (iv) any provincial or territorial securities or derivatives regulatory authority in Canada which, from time to time, is or becomes a party to the Memorandum of Understanding respecting the Oversight of Exchanges and Quotation and Trade Reporting Systems dated July 3, 2014 as amended or supplemented from time to time;
 - b. If the Requesting Authority is the BaFin, the Bundesministerium der Finanzen (Federal Ministry of Finance); and
 - c. Such other entity, as agreed to in writing by the Authorities, as may be responsible for any other Canadian Authority which may become a party to this MOU in the manner set out in Article Eight.

ARTICLE TWO: GENERAL PROVISIONS

- 15. This MOU is a statement of intent to consult, cooperate, and exchange information in connection with each of the Authorities' respective functions, responsibilities, oversight, supervision and mandates relating to Cross-Border Covered Entities. The cooperation and information sharing arrangements under this MOU will be interpreted and implemented in a manner and to the extent that is permitted by, and consistent with, the laws and requirements that govern each Authority. With respect to cooperation pursuant to this MOU, at the date this arrangement is executed, each Authority believes that no domestic secrecy or blocking laws or regulations should prevent it from providing assistance to any other Authority. The Authorities anticipate that cooperation primarily will be achieved through ongoing informal consultations, supplemented as needed by more formal cooperation, including through mutual assistance in obtaining information related to Cross-Border Covered Entities. The provisions of this MOU are intended to support both informal consultations and formal cooperation, as well as to facilitate the written exchange of non-public information in accordance with applicable laws and apply for both sides equally.

16. This MOU does not create any legally binding obligations, confer any rights, or modify or supersede domestic laws or regulations. This MOU does not confer upon any Person the right or ability directly or indirectly to obtain, suppress, or exclude any information or to challenge the execution of a request for assistance under this MOU.
17. This MOU is not intended to limit or condition the discretion of an Authority in any way in the discharge of its regulatory responsibilities or to prejudice the individual responsibilities or autonomy of any Authority. This MOU does not limit an Authority to taking solely those measures described herein in fulfillment of its supervisory functions or preclude Authorities from sharing information or documents with each other with respect to Persons that are not Cross-Border Covered Entities, but may be subject to Laws and Regulations in Ontario, Canada and in Germany. In particular, this MOU does not affect any right of any Authority to communicate with, conduct an On-Site Visit of (subject to the procedures described in Article Five), or obtain information or documents from any Person subject to its jurisdiction that is physically located in the territory of another Authority.
18. This MOU is intended to complement but does not alter, except where explicitly noted, the terms and conditions of the following existing arrangements:
 - a. the *IOSCO Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information* (revised May 2012) (“IOSCO MMOU”) to which the OSC and BaFin are signatories, which covers primarily information sharing in the context of enforcement matters;
 - b. the *Memorandum of Understanding Concerning Cooperation And The Exchange Of Information Related To The Supervision Of Cross-Border Clearing Agencies Operating As Central Counterparties* (February 26, 2018), to which BaFin and the OSC are signatories; and
 - c. any arrangements that have been or may be entered into between the OSC and the European Securities and Markets Authority (“ESMA”) with regard to their respective responsibilities in connection with CCPs.
19. To facilitate cooperation under this MOU, the Authorities hereby designate contact persons as set forth in Appendix A, which may be amended from time to time by an Authority transmitting revised contact information in writing to the other Authorities.

ARTICLE THREE: SCOPE OF SUPERVISORY CONSULTATION, COOPERATION, AND EXCHANGE OF INFORMATION

General

20. The Authorities recognize the importance of close communication concerning their supervision of Cross-Border Covered Entities and intend to consult regularly, as appropriate, regarding:
 - a. General supervisory issues, including regulatory, oversight, or other related developments;
 - b. Issues relevant to the operations, activities, and regulation of Cross-Border Covered Entities; and
 - c. Any other areas of mutual supervisory interest.
21. The Authorities recognize in particular the importance of close cooperation in the event that a Cross-Border Covered Entity experiences, or is threatened by, a potential financial crisis or other Emergency Situation.
22. Cooperation will be most useful in, but is not limited to, the following circumstances where issues of common regulatory concern may arise:
 - a. The initial application for registration, authorization, licensure, designation, recognition, qualification, or exemption therefrom, by a Cross-Border Covered Entity that is registered, authorized, licensed, designated, recognized, qualified or exempted therefrom, in the other jurisdiction;
 - b. The ongoing supervision and oversight of a Cross-Border Covered Entity including, for example, compliance with applicable statutory and regulatory requirements in either jurisdiction or with international standards; and
 - c. Regulatory or supervisory actions or approvals taken by an Authority in relation to a Cross-Border Covered Entity that may impact the operations of the entity in the jurisdiction of the other Authority.

Event-Triggered Notification

23. As appropriate in the particular circumstances, the OSC and BaFin endeavor to inform the other Authority promptly, and where practicable in advance, of:
- a. Pending regulatory and/or legislative changes that may have a significant impact on the operations, activities, or reputation of a Cross-Border Covered Entity, including those that may affect the rules or procedures of a Cross-Border Covered Entity;
 - b. Any material event of which the Authority is aware that could adversely impact the financial or operational stability of a Cross-Border Covered Entity, including such events as any known adverse material change in the ownership, operating environment, operations, financial resources, management, or systems and controls of a Cross-Border Covered Entity, including such as material cyberattack, breach in security or material system failure, and the failure of a Cross-Border Covered Entity to satisfy any of its requirements for continued authorization, designation, recognition, qualification, or registration, or exemption therefrom, where that failure could have a material adverse effect in the jurisdiction of the other Authority;
 - c. The status of efforts of which the Authority is aware to address any material event that could adversely impact the financial or operational condition of a Cross-Border Covered Entity, as described in Subparagraph b; and
 - d. Enforcement actions or sanctions or significant regulatory actions, including the revocation, suspension, or modification of relevant registration, authorization, recognition, designation or licensure, or exemption therefrom, concerning a Cross-Border Covered Entity.
24. The determination of what constitutes “significant impact”, “material event”, “adversely impact”, “difficulties”, “material adverse effect”, “adverse material change”, “material” or “significant regulatory actions” for purposes of Paragraph 23 shall be left to the reasonable discretion of the relevant Authority that determines to notify the other Authority.
25. Paragraphs 23 and 24 shall not preclude the Authorities from entering into any further arrangements relating to notification regarding specific financial or operational issues related to a Cross-Border Covered Entity.

Request-Based Information Sharing

26. To the extent appropriate to supplement informal consultations, upon written request, the Requested Authority intends to provide to the Requesting Authority the fullest possible cooperation subject to the terms in this MOU in assisting the Requesting Authority’s supervision and oversight of a Cross-Border Covered Entity, including assistance in obtaining and interpreting information that is relevant to ensuring compliance with the Laws and Regulations of the Requesting Authority and that is not otherwise available to the Requesting Authority. Such requests shall be made pursuant to Article Four of this MOU, and the Authorities anticipate that such requests will be made in a manner that is consistent with the goal of minimizing administrative burdens.
27. The cooperation covered by Paragraph 26 includes:
- a. Information relevant to the financial and operational condition of a Cross-Border Covered Entity including, for example, financial resources, risk management, and internal control procedures;
 - b. Relevant regulatory information and filings that a Cross-Border Covered Entity is required to submit to an Authority including, for example, interim and annual financial statements and event-specific notices; and
 - c. Regulatory reports prepared by an Authority including, for example, examination reports, findings, or information contained in such reports regarding Cross-Border Covered Entities.

Periodic Meetings

28. Representatives of the Authorities intend to meet periodically, as appropriate, to update each other on their respective functions and regulatory oversight programs and to discuss issues of common interest relating to the supervision of Cross-Border Covered Entities, including but not limited to: contingency planning and crisis management, the adequacy of existing cooperative arrangements, systemic risk concerns, and the possible improvement of cooperation and coordination among the Authorities. Such meetings may be conducted by conference call or on a face-to-face basis, as appropriate.

ARTICLE FOUR: EXECUTION OF REQUESTS FOR INFORMATION

29. To the extent possible, a request for information pursuant to Article Three should be made in writing (which may be transmitted electronically), and addressed to the relevant contact person in Appendix A. A request generally should specify the following:
- a. The information sought by the Requesting Authority;
 - b. A general description of the matter that is the subject of the request;
 - c. The purpose for which the information is sought; and
 - d. The desired time period for reply and, where appropriate, the urgency thereof.

Information responsive to the request, as well as any subsequent communication among Authorities, may be transmitted electronically. Any electronic transmission should use means that are appropriately secure in light of the confidentiality of the information being transmitted.

30. In an Emergency Situation, the Authorities will endeavor to notify the other(s) as soon as possible of the Emergency Situation and communicate information as appropriate in the particular circumstances, taking into account all relevant factors, including the status of efforts to address the Emergency Situation. During an Emergency Situation, requests for information may be made in any form, including orally, provided such communication is confirmed in writing as promptly as possible following such notification.

ARTICLE FIVE: ON-SITE VISITS

31. In fulfilling its supervision and oversight responsibilities pursuant to, and to ensure compliance with, Laws and Regulations, an Authority may need to conduct On-Site Visits to a Cross-Border Covered Entity physically located in the jurisdiction of the other Authority. The Authorities will consult and work collaboratively in conducting an On-Site Visit.
32. An On-Site Visit by an Authority will be conducted in accordance with the following procedure:
- a. The Visiting Authority will provide reasonable advance notice to the Local Authority of its intent to conduct an On-Site Visit and the intended time frame for, and the purpose and scope of, the On-Site Visit. Other than in exceptional circumstances, the Visiting Authority will notify the Local Authority prior to notifying the Cross-Border Covered Entity.
 - b. The Local Authority will endeavor to share any relevant reports, or information contained therein, related to examinations it may have undertaken of the Cross-Border Covered Entity.
 - c. The Authorities will assist each other regarding On-Site Visits, including providing information that the Visiting Authority may request and that is available prior to the On-Site Visit; cooperating and consulting in reviewing, interpreting, and analyzing the contents of public and non-public Books and Records; and obtaining information from directors and senior management of a Cross-Border Covered Entity.
 - d. The Authorities will consult with each other, and the Local Authority may in its discretion accompany or assist the Visiting Authority during the On-Site Visit, or the Authorities may conduct joint visits where appropriate.

ARTICLE SIX: PERMISSIBLE USES OF INFORMATION

33. The Requesting Authority may use non-public information obtained under this MOU solely for the supervision and oversight of Cross-Border Covered Entities and seeking to ensure compliance with the Laws and Regulations of the Requesting Authority.
34. The Authorities recognize that, while this MOU is not intended to gather information for enforcement purposes, the Authorities may subsequently want to use the non-public information provided pursuant to this MOU for enforcement purposes. In cases where a Requesting Authority seeks to use non-public information obtained pursuant to this MOU for enforcement purposes, including in conducting investigations or bringing administrative, civil or criminal proceedings, treatment of the non-public information will be in accordance with the terms and conditions of the IOSCO MMOU, as amended from time to time.

35. Before using non-public information furnished under this MOU for any purpose other than those stated in Paragraph 33 and Paragraph 34, the Requesting Authority must first consult with and obtain the written consent of the Requested Authority for the intended use. If consent is denied by the Requested Authority, the Requesting and Requested Authorities will discuss the reasons for withholding approval and the circumstances, if any, under which the intended use by the Requesting Authority might be allowed.
36. The restrictions in this Article do not apply to an Authority's use of information it obtains directly from a Cross-Border Covered Entity, whether during an On-Site Visit or otherwise. However, where non-public information is provided to the Requesting Authority pursuant to an information-sharing request pursuant to Article Four of this MOU, the restrictions in this MOU apply to the use of the information by that Requesting Authority.

ARTICLE SEVEN: CONFIDENTIALITY OF INFORMATION AND ONWARD SHARING

37. Except as provided in Paragraphs 38-42, each Authority will keep confidential, to the extent permitted by law, non-public information shared under this MOU, requests made under this MOU, the contents of such requests, and any other matters arising under this MOU.
38. In cases where the BaFin seeks to share non-public information obtained from the OSC pursuant to this MOU with an ESA, prior to sharing such information, the BaFin shall:
 - a. Consult with the OSC and work with the ESA to establish a written arrangement for sharing non-public information;
 - b. Provide the OSC with adequate assurances that:
 - i. The sharing of the non-public information between the BaFin and the ESA is required pursuant to Article 8, Paragraph 1 of the Börsengesetz and Article 6, Paragraph 2 of the Wertpapierhandelsgesetz;
 - ii. The information will be used by the ESA for a relevant supervisory purpose;
 - iii. The use and confidential treatment of the information will be governed by Article 10 of the Börsengesetz, except that the information may also be used for a relevant supervisory purpose and shall not be shared by the ESA with other parties without getting the prior written consent of the OSC; and
 - iv. To the extent possible, the BaFin intends to notify the OSC of any legally enforceable demand to the ESA for non-public information furnished under this MOU and shared with the ESA. Prior to compliance with the demand, the ESA will assert all appropriate legal exemptions or privileges with respect to such information as may be available.
 - c. Provide the OSC with prompt notice of any relevant changes to German law or requirements and of any changes that would affect the sharing of non-public information obtained from the OSC pursuant to this MOU in accordance with a written arrangement with an ESA.
39. As required by law, it may become necessary for a Requesting Authority to share non-public information obtained under this MOU with a Governmental Entity. In these circumstances and to the extent permitted by law:
 - a. The Requesting Authority will notify the Requested Authority; and
 - b. Prior to the Requesting Authority sharing the non-public information, the Requesting Authority will notify the Requested Authority and provide it with adequate assurances concerning the use and confidential treatment of the information by the Governmental Entity, including, as necessary, assurances that:
 - i. The Governmental Entity has confirmed that it requires the information for a purpose within the scope of its jurisdiction; and
 - ii. The information will not be shared by the Governmental Entity with other parties unless:
 - A. The Governmental Entity is required to do so by law; or
 - B. The Requested Authority has provided prior written consent.

40. As required by EMIR, it may become necessary for BaFin to share non-public information obtained from the OSC under this MOU with the European Banking Authority, European Securities and Markets Authority, or the European Systemic Risk Board or, with regard to the implementation of the Single Supervisory Mechanism in the EU insofar as this is necessary for the BaFin on the basis of EU law in connection with Cross-Border Covered Entities, the European Central Bank in its function as banking supervisor (each an "EU Entity"). In these circumstances and to the extent permitted by law:
- a. BaFin will notify the OSC prior to sharing the information and indicate the purpose for which the information will be shared with an EU Entity; and
 - b. Prior to Bafin sharing the non-public information, BaFin will provide adequate assurances to the OSC concerning the EU Entity's use and confidential treatment of the information, including, as necessary, assurances that:
 - i. The EU Entity has confirmed that it requires the information and will use the information only for a purpose within the scope of its jurisdiction; and
 - ii. The information will not be shared by the EU Entity with other parties without getting the prior written consent of the OSC.
41. Except as provided in Paragraphs 37, 38, 39, 40 and 42, the Requesting Authority must obtain the prior written consent of the Requested Authority before disclosing non-public information received under this MOU to any non-signatory to this MOU. The Requested Authority will take into account the level of urgency of the request and respond in a timely manner. During an Emergency Situation, consent may be obtained in any form, including orally, provided such communication is confirmed in writing as promptly as possible following such notification. If consent is denied by the Requested Authority, the Requesting and Requested Authorities will consult to discuss the reasons for withholding approval of such disclosure and the circumstances, if any, under which the intended disclosure by the Requesting Authority might be allowed.
42. To the extent possible, the Requesting Authority intends to notify the Requested Authority of any legally enforceable demand for non-public information furnished under this MOU. When complying with the demand, the Requesting Authority intends to assert all appropriate legal exemptions or privileges with respect to such information as may be available.
43. The Authorities intend that the sharing or the disclosure of non-public information, including deliberative and consultative materials, such as written analysis, opinions, or recommendations relating to non-public information that is prepared by or on behalf of an Authority, pursuant to the terms of this MOU, will not constitute a waiver of privilege or confidentiality of such information.

ARTICLE EIGHT: AMENDMENTS

44. The Authorities intend periodically to review the functioning and effectiveness of the cooperation arrangements between the OSC and the BaFin with a view, *inter alia*, to expanding or altering the scope or operation of this MOU should that be judged necessary. This MOU may be amended with the written consent of all of the Authorities referred to in Paragraph 1.

ARTICLE NINE: EXECUTION OF MOU

45. Cooperation in accordance with this MOU will become effective on the date this MOU is signed by the Authorities and, in the case of the OSC, on the date determined in accordance with applicable legislation.

ARTICLE TEN: SUCCESSORS

46. Where the relevant functions of a signatory to this MOU are transferred or assigned to another authority or authorities, the terms of this MOU shall apply to the successor authority or authorities performing those relevant functions without the need for any further amendment to this MOU or for the successor to become a signatory to the MOU. This will not affect the right of any Authority to terminate the MOU as provided hereunder. The Authorities shall work to ensure a seamless transition to any successor into the MOU, including the continued handling of outstanding matters.
47. Where regulatory functions have been assigned to another authority or authorities under paragraph 46, the successor authority may use non-public information previously obtained under this MOU if the successor authority uses and treats the information in accordance with the terms of this MOU.

ARTICLE ELEVEN: TERMINATION

48. Cooperation in accordance with this MOU will continue until the expiration of 30 days after any Authority gives written notice to the other Authorities of its intention to terminate the MOU. If an Authority gives notice of termination, the relevant parties will consult concerning the disposition of any pending requests. If an agreement cannot be reached through consultation, cooperation will continue with respect to all requests for assistance that were made under this MOU before the expiration of the 30-day period until all such requests are fulfilled or the Requesting Authority withdraws such request(s) for assistance. In the event of termination of this MOU, information obtained under this MOU will continue to be treated in the manner described under Articles Six and Seven.

This MOU is executed in duplicate, this 21st day of October, 2019.

“Maureen Jensen”
Chair and Chief Executive Officer
Ontario Securities Commission

“Elisabeth Roegele”
Chief Executive Director
Bundesanstalt für Finanzdienstleistungsaufsicht

APPENDIX A

CONTACT PERSONS

In addition to the following contact information, the OSC and BaFin will exchange confidential emergency contact telephone information.

OSC

Office of Domestic and International Affairs
Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto ON
M5H 3S8
Phone: (416) 593-8314
Email: mourequest@osc.gov.on.ca
and inquiries@osc.gov.on.ca

Manager, Market Regulation
Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto ON
M5H 3S8
Phone: (416) 593-3676
Email: marketregulation@osc.gov.on.ca

BaFin

Thomas Schmitz-Lippert
Executive Director, Department IFR (International Policy, Financial Stability and Regulation)
Bundesanstalt für Finanzdienstleistungsaufsicht
Graurheindorfer Straße 108
53117 Bonn, Germany
Phone: +49 228 4108 1639
Email: thomas.schmitz-lippert@bafin.de

Susanne Bergsträsser
Executive Director, Department WA 2 / Asset Management
Bundesanstalt für Finanzdienstleistungsaufsicht
Marie-Curie-Straße 24-28
D – 60439 Frankfurt/Main
Phone: +49 228 4108 3128
Fax: +49 228 4108 63497
Email: susanne.bergstraesser@bafin.de

1.1.3 Notice of Memorandum of Understanding – Cooperation and the Exchange of Information Related to the Supervision of Regulated Entities Operating in Ontario and Ireland

**NOTICE OF MEMORANDUM OF UNDERSTANDING
COOPERATION AND THE EXCHANGE OF INFORMATION
RELATED TO THE SUPERVISION OF REGULATED ENTITIES
OPERATING IN ONTARIO AND IRELAND**

The Ontario Securities Commission has recently entered into a Memorandum of Understanding with the Central Bank of Ireland (“CBI”) concerning regulatory cooperation related to the supervision and oversight of regulated entities operating in Ontario and Ireland (the “MOU”). The MOU provides a comprehensive framework for consultation, cooperation and information-sharing related to the day-to-day supervision and oversight of regulated entities and enhances the OSC’s ability to supervise these entities.

The MOU is subject to the approval of the Minister of Finance.

Questions may be referred to:

Keir Wilmut
Legal Counsel
Market Regulation
416-593-8243
kwilmut@osc.gov.on.ca

**MEMORANDUM OF UNDERSTANDING CONCERNING COOPERATION
AND THE EXCHANGE OF INFORMATION RELATED TO THE SUPERVISION
OF CROSS-BORDER COVERED ENTITIES, among:**

the Ontario Securities Commission

and

the Central Bank of Ireland

In view of the growing globalization of the world's financial markets and the increase in cross-border operations and activities of regulated entities, the Central Bank of Ireland and the Ontario Securities Commission (collectively, the "**Authorities**") have reached this Memorandum of Understanding ("**MOU**") regarding cooperation and the exchange of information in the supervision and oversight of regulated entities that operate on a cross-border basis in both (i) Ireland and (ii) Ontario, Canada. This MOU does not preclude information sharing or cooperation with respect to persons that are not specifically defined as covered by this MOU but that nonetheless may be subject to regulatory requirements in Ireland or Canada. The Authorities express, through this MOU, their willingness to cooperate with each other in the interest of fulfilling their respective regulatory mandates regarding derivatives and/or securities markets particularly in the areas of: protecting investors and customers; fostering the integrity of and maintaining confidence in financial markets; and reducing systemic risk.

The Parties hereby agree as follows:

ARTICLE ONE: DEFINITIONS

For purposes of this MOU:

1. "**Authority**" means:
 - a. In Ireland, the Central Bank of Ireland ("**CBI**"); or
 - b. In Canada, the Ontario Securities Commission ("**OSC**"), or any other Canadian securities regulatory authority or Canadian derivatives authority that may become a party to the MOU in the manner set out in Article Eight (individually, a "**Canadian Authority**", or collectively, the "**Canadian Authorities**").
2. "**Requesting Authority**" means an Authority making a request under this MOU.
3. "**Requested Authority**" means:
 - a. Where the Requesting Authority is the CBI, the Canadian Authority to which a request is made under this MOU; or
 - b. Where the Requesting Authority is a Canadian Authority, the CBI.
4. "**Laws and Regulations**" means:
 - a. For the OSC, the *Securities Act* (Ontario) and related rules and regulations ("**OSA**") and successor legislation; the *Commodity Futures Act* (Ontario) and related rules and regulations ("**CFA**") and successor legislation; and other relevant requirements in Canada and Ontario;
 - b. For the CBI, the *Central Bank Acts 1942 - 2014*, the *European Union (Markets in Financial Instruments) Regulations 2017*, Regulation (EU) No 600 / 2014 *Markets in Financial Instruments Regulation* ("**MiFIR**"), Regulation (EU) No. 648/2012 on OTC derivatives, central counterparties and trade repositories ("**EMIR**"), European Union (Capital Requirements) Regulations 2014, Regulation 600 / 2014, Capital Requirements Regulation ("**CRR**") and related Regulatory or Implementing Technical Standards and other legal or regulatory requirements applicable in Ireland,
5. "**Person**" means a natural person, unincorporated association, partnership, trust, investment company, or corporation, and may be a Covered Entity or Cross-Border Covered Entity.
6. "**Covered Entity**" means a Person that is, or that has applied to be, authorized, designated, recognized, qualified, registered, supervised, exempt or overseen by one or more of the Authorities pursuant to Laws and Regulations, which may include but is not limited to regulated markets, exchanges, multilateral trading facilities ("**MTFs**"), organized trading facility ("**OTF**") and alternative trading systems ("**ATs**").

7. **“Cross-Border Covered Entity”** means:
- a. A Covered Entity of both the CBI and any one or more of the Canadian Authorities;
 - b. A Covered Entity in one jurisdiction that has been exempted from authorization, designation, recognition, qualification, or registration by an Authority in the other jurisdiction;
 - c. A Covered Entity in one jurisdiction that controls or is controlled by a Covered Entity located in the other jurisdiction; or
 - d. A Covered Entity in one jurisdiction that is physically located in the other jurisdiction.

For purposes of this MOU, references to jurisdiction will be determined as either the jurisdiction of the CBI or the jurisdiction of one of the Canadian Authorities.

8. **“Books and Records”** means documents, electronic media, and books and records within the possession, custody, and control of, and other information about, a Cross-Border Covered Entity.
9. **“Emergency Situation”** means the occurrence of an event that could materially impair the financial or operational condition of a Cross-Border Covered Entity.
10. **“On-Site Visit”** means any regulatory visit as described in Article Five to the premises of a Cross-Border Covered Entity for the purposes of ongoing supervision and oversight including the inspection of Books and Records.
11. **“Local Authority”** means the Authority in whose jurisdiction a Cross-Border Covered Entity that is the subject of an On-Site Visit is physically located.
12. **“Visiting Authority”** means the Authority conducting an On-Site Visit.
13. **“Governmental Entity”** means:
- a. If the Requesting Authority is the OSC:
 - (i) the Ministry of Finance – Ontario;
 - (ii) the Federal Ministry of Finance – Canada;
 - (iii) the Bank of Canada; and
 - (iv) any provincial or territorial securities or derivatives regulatory authority in Canada which, from time to time, is or becomes a party to the Memorandum of Understanding respecting the Oversight of Exchanges and Quotation and Trade Reporting Systems dated July 3, 2014 as amended or supplemented from time to time;
 - b. If the Requesting Authority is the CBI, any relevant department of the Government of Ireland ; and
 - c. Such other entity, as agreed to in writing by the signatories, as may be responsible for any other Canadian Authority which may become a party to this MOU in the manner set out in Article Eight.

ARTICLE TWO: GENERAL PROVISIONS

14. This MOU is a statement of intent to consult, cooperate, and exchange information in connection with the supervision and oversight of Cross-Border Covered Entities. The cooperation and information sharing arrangements under this MOU should be interpreted and implemented in a manner that is permitted by, and consistent with, the legal requirements applicable to each Authority. The Authorities may deny a request for assistance where the request would require an Authority to act in a manner that would violate applicable legislation. The Authorities anticipate that cooperation primarily will be achieved through ongoing informal consultations, supplemented as needed by more formal cooperation, including through mutual assistance in obtaining information related to Cross-Border Covered Entities. The provisions of this MOU are intended to support both informal consultations and formal cooperation, as well as to facilitate the written exchange of non-public information in accordance with applicable laws.
15. This MOU does not create any legally binding obligations, confer any rights, or modify or supersede domestic laws or regulations. This MOU does not confer upon any Person the right or ability directly or indirectly to obtain, suppress, or

exclude any information or to challenge the execution of a request for assistance under this MOU.

16. This MOU is not intended to limit or condition the discretion of an Authority in any way in the discharge of its regulatory responsibilities or to prejudice the individual responsibilities or autonomy of any Authority. This MOU does not limit an Authority to taking solely those measures described herein in fulfillment of its supervisory functions. In particular, this MOU does not affect any right of any Authority to communicate with, conduct an On-Site Visit of (subject to the procedures described in Article Five), or obtain information or documents from any Person subject to its jurisdiction that is physically located in the jurisdiction of another Authority.
17. This MOU is intended to complement but does not alter, except where explicitly noted, the terms and conditions of the following existing arrangements:
 - a. The *IOSCO Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information* (revised May 2012) ("**IOSCO MMOU**"), to which the Authorities are signatories, which covers primarily information sharing in the context of enforcement matters; and
 - b. any arrangements that have been or may be entered into between the OSC and the European Securities and Markets Authority ("**ESMA**") with regard to their respective responsibilities in connection with CCPs.
18. To facilitate cooperation under this MOU, the Authorities hereby designate contact persons as set forth in Appendix A, which may be amended from time to time by an Authority transmitting revised contact information to the other Authorities.

ARTICLE THREE: SCOPE OF SUPERVISORY CONSULTATION, COOPERATION, AND EXCHANGE OF INFORMATION

General

19. The Authorities recognize the importance of close communication concerning Cross-Border Covered Entities and intend to consult regularly, as appropriate, regarding:
 - a. General supervisory issues, including regulatory, oversight, or other related developments;
 - b. Issues relevant to the operations, activities, and regulation of Cross-Border Covered Entities; and
 - c. Any other areas of mutual supervisory interest.
20. The Authorities recognize in particular the importance of close cooperation in the event that a Cross-Border Covered Entity experiences, or is threatened by, a potential financial crisis or other Emergency Situation.
21. Cooperation will be most useful in, but is not limited to, the following circumstances where issues of common regulatory concern may arise:
 - a. The initial application with the CBI or a Canadian Authority for authorization, licensure, designation, recognition, qualification, registration, or exemption therefrom, by a Covered Entity that is authorized, licensed, designated, recognized, qualified, registered, or exempted by an Authority in the other jurisdiction; and
 - b. The ongoing supervision and oversight of a Cross-Border Covered Entity, including compliance with statutory and regulatory requirements in either jurisdiction or with international standards.
 - c. Regulatory or supervisory actions or approvals taken in relation to a Cross-Border Covered Entity by the CBI or a Canadian Authority that may impact the operations of the entity in the jurisdiction of the other Authority.

Event-Triggered Notification

22. As appropriate in the particular circumstances, the CBI or the relevant Canadian Authority will endeavor to inform, respectively, the relevant Canadian Authority (or Authorities) or the CBI promptly, and where practicable in advance, of:
 - a. Pending regulatory and/or legislative changes that may have a significant impact on the operations, activities, or reputation of a Cross-Border Covered Entity, including those that may affect the rules or procedures of a Cross-Border Covered Entity;
 - b. Any material event of which the Authority is aware that could adversely impact the financial or operational

stability of a Cross-Border Covered Entity. Such events include any known adverse material change in the ownership, operating environment, operations, financial resources, management, or systems and controls of a Cross-Border Covered Entity, including such as material cyberattack, breach in security or material system failure, and the failure of a Cross-Border Covered Entity to satisfy any of its requirements for continued authorization, designation, recognition, qualification, or registration, or exemption therefrom, where that failure could have a material adverse effect in the jurisdiction of the other Authority;

- c. The status of efforts to address any material financial or operating difficulties experienced by a Cross-Border Covered Entity as described in Subparagraph b; and
 - d. Enforcement actions or sanctions or significant regulatory actions, including the revocation, suspension, or modification of relevant authorization, licensure, designation, recognition, qualification, registration, or exemption therefrom, concerning a Cross-Border Covered Entity.
23. The determination of what constitutes “significant impact”, “material event”, “adversely impact”, “adverse material change”, “material adverse effect”, “market or settlement bank difficulties”, “adversely affect”, “material financial or operating difficulties”, or “significant regulatory actions” for purposes of Paragraph 22 shall be left to the reasonable discretion of the relevant Authority that determines to notify the other Authority.

Request-Based Information Sharing

24. To the extent appropriate to supplement informal consultations, upon written request, the Requested Authority intends to provide to the Requesting Authority the fullest possible cooperation subject to the terms in this MOU in assisting the Requesting Authority’s supervision and oversight of Cross-Border Covered Entities, including assistance in obtaining and interpreting information that is relevant to ensuring compliance with the Laws and Regulations of the Requesting Authority and that is not otherwise available to the Requesting Authority. Such requests shall be made pursuant to Article Four of this MOU, and the Authorities anticipate that such requests will be made in a manner that is consistent with the goal of minimizing administrative burdens.
25. The cooperation covered by Paragraph 24 includes:
- a. Information relevant to the financial and operational condition of a Cross-Border Covered Entity, including, for example, financial resources, risk management, and internal control procedures;
 - b. Relevant regulatory information and filings that a Cross-Border Covered Entity is required to submit to an Authority including, for example, interim and annual financial statements and event specific notices; and
 - c. Regulatory reports prepared by an Authority, including, for example, examination reports, findings, or information contained in such reports regarding Cross-Border Covered Entities.

Periodic Meetings

26. Representatives of the Authorities intend to meet periodically, as appropriate, to update each other on their respective functions and regulatory oversight programs and to discuss issues of common interest relating to the supervision of Cross-Border Covered Entities, including but not limited to: contingency planning and crisis management, the adequacy of existing cooperative arrangements, systemic risk concerns, and the possible improvement of cooperation and coordination among the Authorities. Such meetings may be conducted by conference call or on a face-to-face basis, as appropriate.

ARTICLE FOUR: EXECUTION OF REQUESTS FOR INFORMATION

27. To the extent possible, a request for information pursuant to Article Three should be made in writing (which may be transmitted electronically), and addressed to the relevant contact person identified in Appendix A. A request generally should specify the following:
- a. The information sought by the Requesting Authority;
 - b. A general description of the matter that is the subject of the request;
 - c. The purpose for which the information is sought; and
 - d. The desired time period for reply and, where appropriate, the urgency thereof.

Information responsive to the request, as well as any subsequent communication among Authorities, may be transmitted electronically. Any electronic transmission should use means that are appropriately secure in light of the confidentiality of the information being transmitted.

28. In an Emergency Situation, the CBI and the relevant Canadian Authority or Authorities will endeavor to notify the other(s) as soon as possible of the Emergency Situation and communicate information as appropriate in the particular circumstances, taking into account all relevant factors, including the status of efforts to address the Emergency Situation. During an Emergency Situation, requests for information may be made in any form, including orally, provided such communication is confirmed in writing as promptly as possible following such notification.

ARTICLE FIVE: ON-SITE VISITS

29. In fulfilling its supervision and oversight responsibilities and to ensure compliance with its Laws and Regulations, the CBI may need to conduct On-Site Visits to a Cross-Border Covered Entity located in Ontario, and a Canadian Authority may need to conduct On-Site Visits to a Cross-Border Covered Entity located in Ireland. Each Authority will consult and work collaboratively with the Local Authority in conducting an On-Site Visit.
30. An On-Site Visit by an Authority will be conducted in accordance with the following procedure:
- a. The Visiting Authority provides advance notice to the Local Authority of its intent to conduct an On-Site Visit and the intended timeframe for, and scope of, the On-Site Visit. Other than in exceptional circumstances, the Visiting Authority will notify the Local Authority prior to notifying the Cross-Border Covered Entity.
 - b. The Local Authority will endeavor to share any relevant reports, or information contained therein, related to examinations it may have undertaken of the Cross-Border Covered Entity.
 - c. The Authorities will endeavor to assist each other regarding On-Site Visits, including providing information that is available prior to the On-Site Visit; cooperating and consulting in reviewing, interpreting, and analyzing the contents of public and non-public Books and Records; and obtaining information from directors and senior management of a Cross-Border Covered Entity.
 - d. The Authorities will consult with each other, and the Local Authority may in its discretion accompany or assist the other Authority during the On-Site Visit, or the Authorities may conduct joint visits where appropriate.

ARTICLE SIX: PERMISSIBLE USES OF INFORMATION

31. The Requesting Authority may use non-public information obtained under this MOU solely for the supervision and oversight of Cross-Border Covered Entities and seeking to ensure compliance with the Laws and Regulations of the Requesting Authority.
32. The Authorities recognize that, while this MOU is not intended to gather information for enforcement purposes, the Authorities may subsequently want to use the non-public information provided pursuant to this MOU for enforcement purposes. In cases where a Requesting Authority seeks to use non-public information obtained pursuant to this MOU for enforcement purposes, including in conducting investigations or bringing administrative, civil or criminal proceedings, treatment of the non-public information will be in accordance with the use and confidentiality provisions of the IOSCO MMOU, as amended from time to time.
33. Before using non-public information furnished under this MOU for any purpose other than those stated in Paragraphs 31 and 32, the Requesting Authority must first consult with and obtain the consent of the Requested Authority for the intended use. If consent is denied by the Requested Authority, the Authorities will consult to discuss the reasons for withholding approval of such use and the circumstances, if any, under which the intended use by the Requesting Authority might be allowed.
34. The restrictions in this Article do not apply to an Authority's use of information it obtains directly from a Cross-Border Covered Entity, whether during an On-Site Visit or otherwise. However, where non-public information is provided to the Requesting Authority pursuant to an information-sharing request pursuant to Article Four of this MOU, the restrictions in this MOU apply to the use of the information by that Requesting Authority.

ARTICLE SEVEN: CONFIDENTIALITY OF INFORMATION AND ONWARD SHARING

35. Except as provided in Paragraphs 36-39, each Authority will keep confidential, to the extent permitted by law, non-public information shared under this MOU, requests made under this MOU, the contents of such requests, and any other matters arising under this MOU.

36. As required by law, it may become necessary for a Requesting Authority to share non-public information obtained under this MOU with a Governmental Entity in its jurisdiction. In such circumstances and to the extent permitted by law:
- a. The Requesting Authority intends to notify the Requested Authority; and
 - b. Prior to the Requesting Authority sharing the non-public information, the Requesting Authority will provide adequate assurances to the Requested Authority concerning the Governmental Entity's use and confidential treatment of the information, including, as necessary, assurances that:
 - i. The Governmental Entity has confirmed that it requires the information for a purpose within the scope of its jurisdiction; and
 - ii. The information will not be shared by the Governmental Entity with other parties unless:
 - A. The Governmental Entity is required to do so by law; or
 - B. The Requested Authority has provided prior written consent.
37. Except as provided in Paragraphs 36 and 38, the Requesting Authority must obtain the prior written consent of the Requested Authority before disclosing non-public information received under this MOU to any non-signatory to this MOU. The Requested Authority will take into account the level of urgency of the request and respond in a timely manner. During an Emergency Situation, consent may be obtained in any form, including orally, provided such communication is confirmed in writing as promptly as possible following such notification. If consent is denied by the Requested Authority, the Requesting and Requested Authorities will consult to discuss the reasons for withholding approval of such disclosure and the circumstances, if any, under which the intended disclosure by the Requesting Authority might be allowed.
38. To the extent possible, the Requesting Authority intends to notify the Requested Authority of any legally enforceable demand for non-public information furnished under this MOU. When complying with the demand, the Requesting Authority intends to assert all appropriate legal exemptions or privileges with respect to such information as may be available.
39. The Authorities intend that the sharing or disclosure of non-public information, including deliberative and consultative materials, such as written analysis, opinions, or recommendations relating to non-public information that is prepared by or on behalf of an Authority, pursuant to the terms of this MOU, will not constitute a waiver of privilege or confidentiality of such non-public information.

ARTICLE EIGHT: AMENDMENTS

40. The Authorities will periodically review the functioning and effectiveness of the cooperation arrangements between the CBI and the Canadian Authorities with a view, inter alia, to expanding or altering the scope or operation of this MOU should that be judged necessary. This MOU may be amended with the written consent of all of the Authorities referred to in Paragraph 1.
41. Subject to the approval of the CBI, any Canadian Authority may become a party to this MOU by executing a counterpart hereof together with the CBI and providing notice of such execution to the other Canadian Authorities that are signatories to this MOU.

ARTICLE NINE: EXECUTION OF MOU

42. Cooperation in accordance with this MOU will become effective on the date this MOU is signed by the Authorities and, in the case of the OSC, on the date determined in accordance with applicable legislation.

ARTICLE TEN: SUCCESSORS

43. Where the relevant functions of a signatory to this MOU are transferred or assigned to another authority or authorities, the terms of this MOU shall apply to the successor authority or authorities performing those relevant functions without the need for any further amendment to this MOU or for the successor to become a signatory to the MOU. This will not affect the right of any Authority to terminate the MOU as provided hereunder. The Authorities shall work to ensure a seamless transition to any successor into the MOU, including the continued handling of outstanding matters.
44. Where regulatory functions have been assigned to another authority or authorities under Paragraph 44, the successor authority may use non-public information previously obtained under this MOU if the successor authority uses and treats

the information in accordance with the terms of this MOU.

ARTICLE ELEVEN: TERMINATION

45. Cooperation in accordance with this MOU will continue until the expiration of 30 days after any Authority gives written notice to the other Authorities of its intention to terminate the MOU. If an Authority gives such notice, the parties will consult concerning the disposition of any pending requests. If an agreement cannot be reached through consultation, cooperation will continue with respect to all requests for assistance that were made under the MOU before the expiration of the 30-day period until all requests are fulfilled or the Requesting Authority withdraws such request(s) for assistance. In the event of termination of this MOU, information obtained under this MOU will continue to be treated in the manner prescribed under Articles Six and Seven.
46. If any Canadian Authority terminates the MOU in accordance with this Article, the MOU shall remain effective between the CBI and the remaining Canadian Authorities (if any).

This MOU is executed in duplicate, this 21st day of October, 2019.

“Maureen Jensen”
Chair
For the Ontario Securities Commission

“Derville Rowland”
Director General, Financial Conduct
For the Central Bank of Ireland

APPENDIX A

CONTACT PERSONS

In addition to the following contact information, the CBI and Canadian Authorities will exchange confidential emergency contact telephone information.

ONTARIO SECURITIES COMMISSION

20 Queen Street West
22nd Floor, Box C.P. 55
Toronto, ON M5H 3S8

Office of Domestic and International Affairs
Phone: (416) 593- 8314
Email: mourequest@osc.gov.on.ca
and inquiries@osc.gov.on.ca

Manager, Market Regulation
Phone: (416) 593-3676
Email: marketregulation@osc.gov.on.ca

CENTRAL BANK OF IRELAND

New Wapping Street
North Wall Quay
Dublin 1
D01 F7X3
Ireland

Mr Colm Kincaid
Director of Securities and Markets Supervision
Colm.Kincaid@centralbank.ie
+353 1 224 4046

Mr Michael Hodson
Director of Asset Management and Investment Banking Supervision
michael.hodson@centralbank.ie
+353 1 224 4310

1.4 Notices from the Office of the Secretary

1.4.1 Issam El-Bouji

**FOR IMMEDIATE RELEASE
October 16, 2019**

**ISSAM EL-BOUJI,
File No. 2018-28**

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

A copy of the Order dated October 15, 2019 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

1.4.2 MOAG Copper Gold Resources Inc. et al.

**FOR IMMEDIATE RELEASE
October 17, 2019**

**MOAG COPPER GOLD RESOURCES INC.,
GARY BROWN and
BRADLEY JONES,
File No. 2018-41**

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

A copy of the Order dated October 17, 2019 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

1.4.3 Jean-Smaille Germeil and FPE Trading

**FOR IMMEDIATE RELEASE
October 18, 2019**

**JEAN-SMAILLE GERMEIL and
FPE TRADING,
File No. 2019-26**

TORONTO – The Commission issued its Reasons and Decision and an Order pursuant to Subsections 127(1) and 127(10) of the *Securities Act* in the above named matter.

A copy of the Reasons and Decision and the Order dated October 17, 2019 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

1.4.4 Solar Income Fund Inc. et al – Notice of Correction

NOTICE OF CORRECTION

File No. 2019-35

**IN THE MATTER OF
SOLAR INCOME FUND INC.,
ALLAN GROSSMAN,
CHARLES MAZZACATO, and
KENNETH KADONOFF**

(2019), 42 O.S.C.B. 8281. Paragraph 2. should be corrected to read:

2. Staff shall file and serve on the Respondents a witness list, summary of each witnesses' anticipated evidence, notice of whether it intends to call an expert, and if so, the issues on which the expert will be expected to testify, by no later than November 30, 2019;

And paragraph 4. should be corrected to read:

4. Staff shall indicate to the Respondents the name of its expert, if it intends to call one, by no later than January 31, 2020;

1.4.5 Benedict Cheng et al.

FOR IMMEDIATE RELEASE
October 22, 2019

**BENEDICT CHENG,
FRANK SOAVE,
JOHN DAVID ROTHSTEIN AND
ERIC TREMBLAY,
File No. 2019-37**

TORONTO – The Commission issued its Reasons and Decision and an Order pursuant to Section 144 of the *Securities Act* in the above named matter.

A copy of the Reasons and Decision and the Order dated October 21, 2019 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Goldman Sachs International – s. 6.1 of OSC Rule 91-502 Trades in Recognized Options

Headnote

Application to the Director pursuant to section 6.1 of OSC Rule 91-502 Trades in Recognized Options (OSC Rule 91-502) to vary a previous decision exempting the Applicant and its representatives from the proficiency requirements in section 3.1 of OSC Rule 91-502 for trades in commodity futures options on exchanges located outside of Canada – Application filed due to potential impact of Brexit – conditions of relief include condition that the Applicant remain authorized to trade futures and options “in the U.K. and all EEA Member States” – decision varied to delete the words “and all EEA Member States” – fee for application waived.

Rules Cited

Ontario Securities Commission Rule 91-502 Trades in Recognized Options, ss. 3.1 and 6.1.

Ontario Securities Commission Rule 13-502 Fees.

October 21, 2019

By e-mail

Mr. Ken Ottenbreit
Stikeman Elliott (NY) LLP
445 Park Avenue, 7th Floor
New York, NY 10022
United States

Dear Mr. Ottenbreit:

Re OSC Rule 91-502 Trades in Recognized Options (Rule 91-502) and Request by Goldman Sachs International to vary Current Order to address potential Brexit-related implications (2016/0408)

This correspondence is further to your application on behalf of Goldman Sachs International (the **Filer**) dated October 10, 2019 (the **Application**) to the Director (the **Director**) for a decision, pursuant to section 6.1 of Rule 91-502, to vary the existing decision of the Director made under section 6.1 of Rule 91-502 entitled *Re Goldman Sachs International* dated October 11, 2017 (the **Current Order**) to delete the words “and all EEA Member States” in clause (a) of the Director’s decision in the Current Order as follows (the **Requested Amendment**):

IT IS THE DECISION of the Director, pursuant to section 6.1 of Rule 91-502, that section 3.1 of Rule 91-502 does not apply to the Applicant or its Representatives in respect of trades in Exchange-Traded Futures, provided that:

(a) *The Applicant and its Representatives maintain their respective authorizations and memberships with the FCA, the PRA and the NFA which permit them to trade and clear commodity futures options in the U.K. ~~and all EEA Member States~~, and remain subject to regulation by the FCA and the PRA; and ...*

This will confirm that the Requested Amendment is made, effective as of the date hereof.

The Filer has further made an application to the Director for a decision, pursuant to section 6.1 of Ontario Securities Commission Rule 13-502 Fees, that the Filer be exempt from the requirement to pay an activity fee for making the Application (the **Requested Fee Relief**).

This will further confirm that the Requested Fee Relief is granted, effective as of the date hereof.

If you have any questions or require anything further, please do not hesitate to copy the staff copied below.

Yours truly,

“Elizabeth King”
Deputy Director
Compliance and Registrant Regulation

2.1.2 **QuadraVest Capital Management Inc. and National Bank Financial Inc.**

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Existing and future investment funds granted relief from prospectus delivery requirement and certain prospectus form requirements, subject to conditions – relief required to permit “at-the-market” distribution of securities under NI 44-102 Shelf Distributions – funds to enter into equity distribution agreements with underwriters to distribute securities through the facilities of the TSX or other marketplace.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 71(1) and 147.

National Instrument 44-102 Shelf Distributions, ss. 6.7 and 11.1, and ss. 2.1 and 2.2 of Part 2 of Appendix A.

October 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
QUADRAVEST CAPITAL MANAGEMENT INC.
(the Manager)

AND

IN THE MATTER OF
NATIONAL BANK FINANCIAL INC.
(the Agent, and together with the Manager, the Filers)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filers, and on behalf of existing and future investment funds that are or will be managed from time to time by the Manager or by an affiliate or successor of the Manager (the **Funds**), for a decision under the securities legislation of the Jurisdiction (the **Legislation**) for the following relief (the **Exemption Sought**):

1. that the requirement that a dealer, not acting as agent of the purchaser, who receives an order or subscription for a security offered in a distribution to which the prospectus requirement applies, send or deliver to the purchaser or its agent the latest prospectus (including the applicable prospectus supplement) and any amendment to the prospectus (the **Prospectus Delivery Requirement**) does not apply to the Agent or any other registered investment dealer acting on behalf of the Agent as a selling agent (a **Selling Agent**) in connection with an at-the-market distribution as defined in National Instrument 44-102 *Shelf Distributions* (**NI 44-102**) made by a Fund pursuant to an equity distribution agreement to be entered into among the applicable Fund and the Filers (the **Equity Distribution Agreement**) (an **ATM Distribution**); and
2. that the requirements (collectively, the **Prospectus Form Requirements**) to include in a prospectus supplement:
 - A. a forward-looking issuer certificate of the Fund in the form specified in section 2.1 of Appendix A to NI 44-102; and

B. a forward-looking underwriter certificate in the form specified in section 2.2 of Appendix A to NI 44-102;

do not apply to a prospectus supplement (the **Prospectus Supplement**), to be filed in respect of the sale of Securities (as defined herein) of a Fund pursuant to ATM Distributions.

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

- (a) the Ontario Securities Commission is the principal regulator for this application; and
- (b) the Filers have provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System (MI 11-102)* is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Newfoundland and Labrador and Prince Edward Island (collectively, with the Jurisdiction, the **Jurisdictions**).

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102 or NI 44-102 have the same meanings if used in this decision, unless otherwise defined herein.

Representations

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

The Manager and the Funds

- 1. The head office of the Manager is located in Toronto, Ontario.
- 2. The Manager is registered as an investment fund manager in the following Jurisdictions: Newfoundland and Labrador, Ontario and Québec. The Manager is also registered as an exempt market dealer and portfolio manager in Ontario.
- 3. The Funds are, or will be, managed by the Manager or by an affiliate or successor of the Manager.
- 4. Each Fund is, or will be, an investment fund and is, or will be, a reporting issuer in one or more of the Jurisdictions.
- 5. The Funds are structured as either: (i) a corporation with a single class of publicly offered equity shares (**Equity Shares**), (ii) a trust with a single class of publicly offered units (**Trust Units**), or (iii) a split share corporation, which publicly offers one or more classes of preferred shares (**Preferred Shares**) and a class of equity shares designated as capital shares or class A shares (**Class A Shares**).
- 6. The Securities of each Fund are, or will be, listed on the Toronto Stock Exchange (**TSX**).
- 7. The Preferred Shares and Class A Shares of the Funds that are split share corporations are issued on the basis that an equal number of Preferred Shares and Class A Shares (each pair referred to as a **Unit**, and comprised of one Preferred Share and one Class A Share) will be issued and outstanding at all material times. Preferred Shares, Class A Shares, Units, Trust Units, and Equity Shares are collectively referred to herein as **Securities**.
- 8. Each Fund relying on the Exemption Sought has or will have filed a final base shelf prospectus (the **Shelf Prospectus**, and together with the Prospectus Supplement, the **Prospectus**).
- 9. Neither the Manager nor any of the existing Funds is in default of any of the requirements under applicable securities legislation in any jurisdiction of Canada.

The Agent

- 10. The Agent is a corporation incorporated under the laws of Québec.
- 11. The Agent is registered as an investment dealer under applicable securities legislation in each jurisdiction of Canada.
- 12. The Agent is not in default of any of the requirements under applicable securities legislation in any jurisdiction of Canada.

Proposed ATM Distribution

13. The Filers and the applicable Fund propose to enter into an Equity Distribution Agreement relating to an ATM Distribution by the Fund under the shelf prospectus procedures prescribed by Part 9 of NI 44-102.
14. Prior to making an ATM Distribution, the Fund will have filed the Prospectus Supplement in each of the provinces of Canada in connection with the ATM Distribution. The Prospectus Supplement will describe the terms of the ATM Distribution, including the terms of the Equity Distribution Agreement and otherwise supplement the disclosure in the Shelf Prospectus.
15. Upon entering into the Equity Distribution Agreement, the Fund will immediately:
 - (a) issue and file a news release pursuant to section 3.2 of NI 44-102 indicating that the Shelf Prospectus and the Prospectus Supplement have been filed on SEDAR and disclosing where and how purchasers may obtain a copy; and
 - (b) file the Equity Distribution Agreement on SEDAR.
16. The Equity Distribution Agreement will limit the number of Securities that the Fund may issue and sell pursuant to any ATM Distribution thereunder to an amount not to exceed 10% of the aggregate market value of the outstanding Securities (being the aggregate of the market value of the Securities) calculated in accordance with section 9.2 of NI 44-102.
17. The Fund will conduct ATM Distributions through the Agent, as underwriter, directly or through a Selling Agent, through the facilities of the TSX or any other "marketplace" (as defined in National Instrument 21-101 *Marketplace Operation*) in Canada (each a **Canadian Marketplace**).
18. The Agent will act as the sole underwriter on behalf of the Fund in connection with the sale of the Securities on the TSX or any other Canadian Marketplace directly by the Agent or through one or more Selling Agents and will be the sole entity paid an underwriting fee or commission by the Fund in connection with such sales. The Agent will sign an underwriter's certificate in the Prospectus Supplement.
19. The Agent will effect the ATM Distribution on a Canadian Marketplace either itself or through one or more Selling Agents. If sales are effected through a Selling Agent, the Selling Agent will be paid a seller's commission for effecting the trades on behalf of the Agent. A purchaser's rights and remedies under Canadian securities legislation as against the Agent, as underwriter of an ATM Distribution, through a Canadian Marketplace will not be affected by a decision to effect the sale directly or through a Selling Agent.
20. The aggregate number of Securities sold on a Canadian Marketplace under an ATM Distribution on any trading day will not exceed 25% of the aggregate trading volume of the applicable Securities on all Canadian Marketplaces on that day.
21. The Equity Distribution Agreement will provide that, at the time of each sale of Securities pursuant to an ATM Distribution, the Manager on behalf of the Fund will represent to the Agent that the Prospectus contains full, true and plain disclosure of all material facts relating to the Fund and the Securities. The Fund would therefore be unable to initiate sales under an ATM Distribution when it is in possession of undisclosed information that would constitute a material fact or a material change in respect of the Securities or the Fund.
22. Each Prospectus Supplement will include disclosure stating that, in accordance with paragraph 9.3(2)(a) of National Instrument 81-102 Investment Funds, the issue price of a Security must not, (a) as far as reasonably practicable, be a price that causes dilution of the net asset value of the Fund's other outstanding securities at the time of issue, and (b) be a price that is less than the most recently calculated net asset value per Security.
23. Accordingly, the sell notice provided by the Manager of the Fund, on behalf of the Fund, to the Agent will indicate that the applicable price minimum for the sale of a Security must be a price that is greater than both the most recently calculated net asset value per Security and the estimated real time calculation of net asset value per Security (the **Estimated Real Time NAVPS**). The Estimated Real Time NAVPS will be computed by revaluing the most recently calculated and publicly disclosed net asset value per Security of the Fund by multiplying it by a market factor (such as an index) that the Filer believes is highly correlated with changes in the net asset value per Security of the Fund.
24. In addition, the Agent will monitor closely the market's reaction to trades made under an ATM Distribution in order to evaluate the likely market impact of future trades. The Agent has experience and expertise in managing sell orders to limit downward pressure on trading prices. If the Agent has concerns as to whether a particular sell order placed by a Fund may have a significant effect on the market price of the Securities, the Agent will recommend against effecting the

trade at that time. It is in the interest of both the Fund and the Agent to minimize the market impact of sales under an ATM Distribution.

Disclosure of Sales in Monthly Report and Interim Report

25. Within seven calendar days after the end of each calendar month during which a Fund conducts an ATM Distribution, the Fund will disclose in a report filed on SEDAR the number and average selling price of the Securities distributed through a Canadian Marketplace under the ATM Distribution, and the commission and gross and net proceeds for such sales. Furthermore, for each financial period in which a Fund conducts an ATM Distribution, it will disclose in its annual and interim financial statements and related management reports of fund performance filed on SEDAR the number and average selling price of the Securities distributed pursuant to the ATM Distribution, and the commission and gross and net proceeds for such sales.

Prospectus Delivery Requirement

26. Under the Prospectus Delivery Requirement, a dealer effecting a trade of securities offered under a prospectus is required to deliver a copy of the prospectus (including the applicable prospectus supplement(s) in the case of a base shelf prospectus) to the purchaser within prescribed time limits.
27. Delivery of a prospectus is not practicable in the circumstances of an ATM Distribution as the Agent or any Selling Agent, as applicable, effecting the trade will not know the identity of the purchasers.
28. The Prospectus (together with all documents incorporated by reference therein) will be filed and readily available electronically via SEDAR to all purchasers under ATM Distributions. As stated in paragraph 15 above, the Fund will issue a news release that specifies where and how copies of the Prospectus can be obtained.
29. The liability of an issuer or an underwriter (or others) for a misrepresentation in a prospectus pursuant to the civil liability provisions of the Legislation will not be affected by the grant of an exemption from the Prospectus Delivery Requirement because purchasers of securities offered by a prospectus during the period of distribution have a right of action for damages or rescission without regard to whether the purchaser relied on the misrepresentation or in fact received a copy of the prospectus.

Withdrawal Right and Rescission or Damages for Non-Delivery

30. Pursuant to the Legislation, an agreement to purchase securities is not binding on the purchaser if a dealer receives, not later than midnight on the second day (exclusive of Saturdays, Sundays and holidays) after receipt by the purchaser of the latest prospectus or any amendment to the prospectus, a notice in writing that the purchaser does not intend to be bound by the agreement of purchase (the **Withdrawal Right**).
31. Pursuant to the Legislation, a purchaser of securities to whom a prospectus was required to be sent or delivered in compliance with the Prospectus Delivery Requirement, but was not so sent or delivered, has a right of action for rescission or damages against a dealer who did not comply with the Prospectus Delivery Requirement (the **Right of Action for Non-Delivery**).
32. Neither the Withdrawal Right nor the Right of Action for Non-Delivery is workable in the context of an ATM Distribution because of the impracticability of delivering the Prospectus to a purchaser of Securities thereunder.
33. As the Funds are mutual funds as defined in the *Securities Act* (Ontario), to the extent the purchase of securities is in an amount that does not exceed \$50,000, the purchaser will continue to have a rescission right under section 137 of the *Securities Act* (Ontario) for 48 hours after receipt from the dealer of the confirmation of trade relating to such purchase.

Prospectus Form Requirements

34. To reflect the fact that an ATM Distribution is a continuous distribution, the Prospectus Supplement will include the following issuer certificate:

“This short form prospectus, as supplemented by the foregoing, together with the documents incorporated in the prospectus by reference as of the date of a particular distribution of securities offered by the prospectus, will, as of that date, constitute full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement, as required by the securities legislation of each of the provinces of Canada.”

35. Also to reflect the fact that an ATM Distribution is a continuous distribution, the Prospectus Supplement will include the following underwriter certificate:

“To the best of our knowledge, information and belief, the short form prospectus, as supplemented by the foregoing, together with the documents incorporated in the prospectus by reference as of the date of a particular distribution of securities offered by the prospectus, will, as of that date, constitute full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement, as required by the securities legislation of each province of Canada.”

36. A different statement of purchasers' rights than that required by the Legislation is necessary in order to allow the Prospectus to accurately reflect the relief granted from the Prospectus Delivery Requirement. Accordingly, the Prospectus Supplement will state the following, with the date reference completed:

“Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities and with remedies for rescission or, in some jurisdictions, revision of the price or damages if the prospectus, prospectus supplements relating to the securities purchased by a purchaser and any amendment are not delivered to the purchaser, provided that the remedies are exercised by the purchaser within the time limit prescribed by securities legislation. However, purchasers of the Securities under an at-the-market distribution will not have any right to withdraw from an agreement to purchase the Securities and will not have remedies of rescission or, in some jurisdictions, revision of the price or damages for non-delivery of the prospectus because the prospectus, prospectus supplements relating to the Securities purchased by the purchaser and any amendment related to Securities purchased by such purchaser will not be delivered as permitted under a decision document dated [•] and granted pursuant to National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions*.

Securities legislation in certain of the provinces of Canada also provides purchasers with remedies for rescission or, in some jurisdictions, revision of the price or damages if the prospectus, prospectus supplements relating to the securities purchased by a purchaser and any amendment contain a misrepresentation, provided that the remedies are exercised by the purchaser within the time limit prescribed by securities legislation. Any remedies under securities legislation in the jurisdictions that a purchaser of the Securities under an at-the-market distribution may have against us or the Agents for rescission, or, in some jurisdictions, revision of the price or damages if the prospectus, prospectus supplements relating to the Securities purchased by the purchaser or any amendment related to Securities purchased by such purchaser contain a misrepresentation remain unaffected by the non-delivery of the prospectus and the decision referred to above.

Purchasers should refer to the applicable provisions of the securities legislation and the decision document referred to above for the particulars of their rights or consult with a legal advisor.”

37. The Prospectus Supplement will disclose that, in respect of ATM Distributions under a Prospectus Supplement, the statement prescribed in paragraph 36 above supersedes the statement of purchasers' rights in the Shelf Prospectus.
38. A Fund will not make a public announcement of its intention to conduct ATM Distributions prior to the execution of an Equity Distribution Agreement.

Decision

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

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

- (a) each Fund makes the disclosures described in paragraphs 15, 22, 25, 34, 35, 36 and 37 hereof; and
- (b) each Fund complies with the representations in paragraphs 17, 20, 21, 22 hereof, and the Agent complies with the representations in paragraphs 16, 18, 19, 20 and 24.

The Exemption Sought will terminate upon the coming into force in a Jurisdiction of new or amended securities legislation in the Jurisdiction that would allow investment funds to conduct ATM Distributions without obtaining exemptive relief.

Decisions, Orders and Rulings

As to the Exemption Sought in respect of the Prospectus Delivery Requirement:

“Lawrence Haber”
Commissioner
Ontario Securities Commission

“Heather Zordel”
Commissioner
Ontario Securities Commission

As to the Exemption Sought in respect of the Prospectus Delivery Requirement and the Prospectus Form Requirements:

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

2.1.3 Alvest Holding

Headnote

Dual application for Exemptive Relief – Application for relief from the prospectus and registration requirements for certain trades made in connection with an employee share offering by a French issuer – The issuer cannot rely on the employee exemption in section 2.24 of National Instrument 45-106 Prospectus Exemptions as the securities are not being offered to Canadian employees directly by the issuer but rather through a special purpose entity – Canadian participants will receive disclosure documents – The special purpose entity is subject to the supervision of the local securities regulator – Canadian employees will not be induced to participate in the offering by expectation of employment or continued employment – There is no market for the securities of the issuer in Canada – The number of Canadian participants and their share ownership are minimal – Relief granted, subject to conditions.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss.25, 53, 74.

May 22, 2019

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

AND

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

AND

**IN THE MATTER OF
ALVEST HOLDING
(the Filer)**

DECISION

Background

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

1. an exemption from the prospectus requirement (the **Prospectus Relief**) so that such requirement does not apply to trades of units “C” (each a **Unit “C”**) and units “D” (each a **Unit “D”** and, together with units “C”, the **Units**) of a *fonds commun de placement d’entreprise* or “FCPE”, a form of collective shareholding vehicle commonly used in France for the conservation and custodianship of shares held by employee-investors, named “Alvest” (the **Fund**), such trades made pursuant to an Employee Share Offering (as defined below) to or with Qualifying Employees (as defined below) resident in the Jurisdictions, Alberta and British Columbia (collectively, the **Canadian Employees**, and Canadian Employees who subscribe for Units, the **Canadian Participants**); and
2. an exemption from the dealer registration requirement (together with the Prospectus Relief, the **Exemption Sought**) so that such requirement does not apply to the Filer and its Local Affiliates (as defined below), the Fund and Equalis Capital France (the **Management Company**) in respect of trades in Units made pursuant to an Employee Share Offering to or with Canadian Employees.

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

- (a) the Autorité des marchés financiers is the principal regulator for this application;
- (b) the Filer has provided notice that section 4.7(1) of *Regulation 11-102 respecting Passport System* (chapter V-1.1, r. 1) (**Regulation 11-102**) is intended to be relied upon in Alberta and British Columbia; and

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

Interpretation

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

“Affiliate” has the same meaning given to such term in *Regulation 45-106 respecting Prospectus Exemptions* (chapter V-1.1, r. 21) (**Regulation 45-106**).

In Québec, “trade” has the same meaning given to such term in Regulation 45-106.

Representations

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

1. The Filer is a corporation formed under the laws of France. It is not, and has no current intention of becoming, a reporting issuer under the securities legislation of any jurisdiction of Canada. The head office of the Filer is located in France. No shares of the Filer (the **Shares**) are listed on any stock exchange, and the Filer does not intend to list its securities on any stock exchange.
2. The Filer carries on business in Canada through three affiliates that employ Canadian Employees, TLD (Canada) Inc., Sage Parts Canada Inc. and MTI Innovation Masquage Inc. (collectively, the **Local Affiliates**, and together with the Filer and other affiliates of the Filer, the **Alvest Group**).
3. Each Local Affiliate is an indirect controlled subsidiary of the Filer and is not, and has no current intention of becoming, a reporting issuer under the securities legislation of any jurisdiction of Canada.
4. The head office of the main Local Affiliate of the Filer, TLD (Canada) Inc., is located in Québec and the greatest number of employees in the Alvest Group in Canada reside in Québec.
5. At the date hereof and taking into account the Employee Share Offering, Canadian Participants do not and will not beneficially own (which term, for the purposes of this paragraph, is deemed to include all Shares held by the Fund on behalf of Canadian Participants) more than 1% of the Shares as shown on the books of the Filer.
6. The Filer has established a global employee share offering (the **Employee Share Offering**) for Qualifying Employees (as defined below). The Employee Share Offering involves an offering of Shares to be subscribed through the Fund.
7. Only persons who are employees of an entity forming part of the Alvest Group with at least three months' service on the last day of the subscription period and who are still employed on this last day of the subscription period for the Employee Share Offering (the **Qualifying Employees**) will be allowed to participate in the Employee Share Offering.
8. The Fund was established in 2014 for the purpose of implementing the Employee Share Offering. There is no current intention for the Fund to become a reporting issuer under the securities legislation of any jurisdiction of Canada.
9. The Fund is registered with, and has been approved, by the French Autorité des marchés financiers (the **French AMF**).
10. Under the Employee Share Offering, Canadian Participants will subscribe for Units and the Fund will then subscribe for Shares on behalf of Canadian Participants using the Canadian Participants' contributions. The subscription period to the Fund will be limited to a single period of two weeks, starting on or around June 10, 2019. The subscription price per Unit will be the Canadian dollar equivalent of 380,2569 €, based itself on a Share price of 1,15 €. The euro exchange rate used for the subscription will be fixed on May 31, 2019. The Share price has been set by an independent appraiser, Crowe Horwath, (the **Independent Appraiser**) in accordance with regulations from the French AMF and as described in the terms and rules of the Fund (the **Rules**).
11. A Canadian Participant's loss, if any, under the Employee Share Offering will be limited to the Canadian Participant's contributions to the Employee Share Offering and under no circumstances will a Canadian Participant be liable to the Filer or the Fund for any additional amounts.
12. The Units will be subject to a hold period of five years (the **Lock-Up Period**), subject to certain exceptions prescribed by French law and provided for in the Employee Share Offering (such as long-term disability, death, or termination of employment).

13. At the end of the Lock-Up Period, a Canadian Participant may (a) request the redemption of Units in the Fund in consideration for a cash payment equal to the value of the Unit based on the current share price as set by the Independent Appraiser, less a transaction cost of 1% (the **Transaction Cost**), or (b) continue to hold Units in the Fund and request the redemption of those Units at a later date in consideration for a cash payment equal to the value of the Unit based on the current share price as set by the Independent Appraiser less the Transaction Cost.
14. In the event of an early release resulting from a Canadian Participant exercising one of the exceptions to the Lock-Up Period and meeting the applicable criteria, the Canadian Participant may request the redemption of Units in the Fund in consideration for a cash payment equal to the value of the Unit based on the current share price as set by the Independent Appraiser less the Transaction Cost.
15. Any dividends paid on the Shares held by the Fund will be contributed to the Fund and
 - (a) either paid in cash to the Unit "D" holder; or
 - (b) reinvested by the Fund in cash or cash equivalents on behalf of the Unit "C" holder. To reflect this reinvestment, no new Units will be issued. Instead, the reinvestment will increase the asset base of the Unit "C" of the Fund as well as the value of the Units "C" held by the Canadian Participants.
16. In its activities, the Filer agreed to a loan contract. This loan contract does not allow the payment of dividends on the Shares before complete repayment of the loan (i.e. before January 30, 2025) unless such aforesaid payment is authorized prior to this date by a contractual amendment.
17. Under French law, an FCPE is a limited liability entity. The portfolio of the Fund will consist almost entirely of Shares, but may, from time to time, also include cash or cash equivalents in respect of dividends paid on the Shares (as described in paragraph 15). Initially, the portfolio of the Fund will solely consist of Shares.
18. The Management Company is a portfolio management company governed by the laws of France. The Management Company is registered with the French AMF as an investment manager and complies with the rules of the French AMF. To the best of the Filer's knowledge, the Management Company is not, and has no current intention of becoming, a reporting issuer under the securities legislation of any jurisdiction of Canada.
19. The Management Company's portfolio management activities in connection with the Employee Share Offering and the Fund are limited to subscribing to Shares from the Filer, selling such Shares to the Filer at the Share price set by the Independent Appraiser as necessary in order to fund redemption requests and investing available cash in cash equivalents.
20. The Management Company is also responsible for preparing accounting documents and publishing periodic informational documents about the Fund as provided by the Rules of the Fund.
21. The Management Company is bound to act exclusively in the best interests of Canadian Participants and is liable to them, jointly with the Depositary (as defined below), for any violation of the rules and regulations governing FCPEs, for any self-dealing or for any negligence.
22. The entities forming part of the Alvest Group, the Fund and the Management Company, as well as any director, officer, employee, agent or representative respective thereof will not provide investment advice to the Canadian Employees with respect to an investment in the Shares or the Units nor to the Canadian Participants in respect of the holding or redemption of the Units.
23. Shares issued pursuant to the Employee Share Offering will be deposited in the Fund through Banque Fédérative du Crédit Mutuel (the **Depositary**), a large French commercial bank subject to French banking legislation. The Depositary carries out orders to purchase, trade and sell securities in the portfolio and takes all necessary action to allow the Fund to exercise the rights relating to the securities held in its portfolio.
24. The accounts of the Fund are audited by chartered auditors, appointed for a period of six years with the agreement of the French AMF.
25. The Unit value of the Fund will be calculated and reported to the French AMF every six months, based on the net assets of the Fund divided by the number of Units outstanding, taking into account the value of Units, when appropriate, in accordance with the Rules of the Funds. The value of the Units will be based on the value of the underlying Shares but the number of Units of the Fund will not correspond to the number of the underlying. The underlying value of the Shares will be re-evaluated once a year based on the formula laid out by the Independent Appraiser in accordance with regulations from the French AMF and as described in the Rules of the Fund.

Decisions, Orders and Rulings

26. All management charges relating to the Fund will be paid by the Filer, as provided in the Rules of the Fund.
27. Participation in the Employee Share Offering is voluntary, and the Canadian Employees will not be induced to participate in the Employee Share Offering by expectation of employment or continued employment.
28. The total amount which may be invested by a Canadian Employee in the Employee Share Offering cannot exceed 1 000 €.
29. The Filer adds to the subscriptions made by the Canadian Participants a financial contribution of 100% of the subscriptions up to 500 €.
30. The Units are not transferable and will be not be listed on any exchange, and no market for the Units is expected to develop.
31. The Canadian Employees may request an information package in the French or English language, according to their preference, which will include a summary of the terms of the Employee Share Offering and a tax notice, for information purposes only, containing a description of Canadian income tax consequences of subscribing to and holding Units of the Fund and requesting the redemption of such Units for cash at the end of the Lock-Up Period.
32. Canadian Employees can have access, through their management or their human resources services, to a copy of a presentation of the Filer, its annual consolidated financial statements and audited, as well as a copy of the information documents of the Filer deposited with the French AMF relating to the Shares and the Rules of the Fund. The new value of the Shares and general information on the business of the Filer will also be communicated annually to the Canadian Employees.
33. Canadian Participants will receive an initial statement of their holdings under the Employee Share Offering, together with an updated statement at least once per year.
34. There are approximately 286 Qualifying Employees resident in Canada (with the greatest number, approximately 260, resident in Québec), who represent, in the aggregate, approximately 13% of the number of employees in the Alvest Group worldwide.
35. Neither the Fund nor an entity forming part of the Alvest Group is in default of securities legislation of any jurisdiction of Canada. To the Filer's knowledge, the Management Company is not in default of securities legislation of any jurisdiction of Canada.

Decision

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

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted provided that the prospectus requirement will apply to the first trade in any Units acquired by Canadian Participants pursuant to this decision.

"Lucie J. Roy"

Directrice principale du financement des sociétés

2.2 Orders

2.2.1 Issam El-Bouji – ss. 127(1), 127.1

File No. 2018-28

**IN THE MATTER
OF ISSAM EL-BOUJI**

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

October 15, 2019

**ORDER
(Subsections 127(1) and (2) and section 127.1 of
the *Securities Act*, RSO 1990, c S.5)**

WHEREAS on October 15, 2019, the Ontario Securities Commission held a hearing at 20 Queen Street West, 17th Floor, Toronto, Ontario;

ON HEARING the submissions of the representatives for Staff of the Commission and the respondent;

IT IS ORDERED THAT the merits hearing in this proceeding shall be on January 9, 10, 14, 16, 17, 23, and April 20, 21, 22 and 24, 2020, commencing at 10:00 a.m. on each scheduled day, or on such other dates and times as may be agreed to by the parties and set by the Office of the Secretary.

“D. Grant Vingoe”

2.2.2 Trez Capital Mortgage Investment Corporation

Headnote

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – The securities of the issuer are beneficially owned by more than 50 persons and are not traded through any exchange or market – The issuer is in the process of winding up; the issuer has distributed almost all of its assets to shareholders; the issuer has ceased all commercial activity and will be dissolved after the liquidation process is complete; shareholders voted to approve the liquidation plan and were notified of the issuer's intention to file an application to cease to report; the issuer has undertaken to provide shareholders with alternative disclosure and to notify the securities regulator if they commence an active business and no longer intend to dissolve.

Applicable Legislative Provisions

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

October 4, 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
TREZ CAPITAL MORTGAGE INVESTMENT CORPORATION
(the Filer)**

ORDER

¶ 1 Background

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, Newfoundland and Labrador, New Brunswick, the 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.

¶ 2 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.

¶ 3 Representations

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

1. the Filer was incorporated under the *Canada Business Corporations Act* (CBCA);
2. the Filer's head office is located in Vancouver, British Columbia;
3. the Filer currently has 11,649,711 issued and outstanding class A shares (Shares); the Shares are the only outstanding securities of the Filer;
4. the Filer has one registered shareholder and approximately 1,511 beneficial shareholders; of the Canadian beneficial shareholders, 861 are from Ontario, 305 are from British Columbia, 183 are from Alberta, 75 are from Québec, 22 are from Manitoba, 16 are from New Brunswick, 13 are from Nova Scotia, 11 are from Saskatchewan and 1 is from Prince Edward Island; of the remaining beneficial shareholders, 15 are from the United States and 9 are from other countries;
5. the Filer is a reporting issuer in each of the jurisdictions of Canada;
6. at an annual and special meeting of shareholders of the Filer held on June 16, 2016, holders of 99.92% of the Shares represented at the meeting voted in favour of a special resolution to do the following under subsection 210(3) of the CBCA:
 - (a) implement an orderly wind-up plan;
 - (b) discharge all liabilities;
 - (c) distribute any remaining property to the shareholders; and
 - (d) send articles of dissolution to the Director appointed under the CBCA;
7. on July 17, 2019, the Filer issued a press release disclosing that it intends to apply to cease to be a reporting issuer;
8. prior to the commencement of the orderly wind-up of the Filer (the Orderly Wind-Up), the Filer had total investments in mortgages of approximately \$165.2 million comprised of 31 mortgages;
9. under the Orderly Wind-Up, all such mortgages have been successfully repaid or divested;
10. since the commencement of the Orderly Wind-Up: (i) the Filer has returned capital to holders of Shares totalling \$109.1 million through regular and special distributions; and (ii) the Filer has purchased 7,236,095 of its Shares for total consideration of approximately \$58.3 million through normal course issuer bids and substantial issuer bids;
11. effective at the close of trading on July 31, 2019, the Shares were delisted from trading on the Toronto Stock Exchange;
12. the Filer currently has no active business or commercial operations; the remaining activities of the Filer involve solely the oversight of ongoing litigation and the maintenance of the corporation pending release and discharge of all liabilities, contingent or actual;
13. the Filer will satisfy all of its liabilities and distribute all of its assets, and intends to dissolve in accordance with the provisions of the CBCA, as approved by the shareholders; upon release and satisfaction of all liabilities (including contingent liabilities), the Filer intends to make a final distribution of all remaining funds to its shareholders, and may make one or more interim distributions to its shareholders prior to the final distribution;
14. the expected time frame to obtain the release or discharge of the liabilities of the Filer is expected to be approximately three to four years;
15. the Filer has no intention to seek public financing by way of offering of securities;
16. the Filer must secure a tax clearance certificate from the Canada Revenue Agency before it can dissolve;

17. all issued and outstanding securities of the Filer will be cancelled upon the dissolution of the Filer;
18. the Filer has undertaken that:
 - (a) it will, as soon as practicable following receipt of the Order Sought, issue a news release advising shareholders:
 - (i) that it has ceased to be a reporting issuer; and
 - (ii) the anticipated timing of its dissolution and final distribution to shareholders;
 - (b) if it has not dissolved on or before December 31, 2019, it will, on or about that date, issue a news release regarding the status of its liquidation, cash on hand and proceeds, if any, from ongoing litigation and the anticipated timing of its dissolution;
 - (c) if it has not dissolved by March 31, 2020, it will, on or about that date and thereafter on a quarterly basis until it dissolves, issue a news release on the status of its liquidation, cash on hand and proceeds, if any, from ongoing litigation and the anticipated timing of its dissolution;
 - (d) it will immediately notify the securities regulator of each of the Jurisdictions if at any time before its dissolution:
 - (i) it proposes to commence an active business or any commercial operations;
 - (ii) it proposes to undertake a public or private offering of securities in any jurisdiction; or
 - (iii) it no longer intends to dissolve; and
 - (e) as soon as practicable after the time of dissolution, it will issue a news release confirming the dissolution;
19. the Filer intends to maintain its website pending dissolution and will post its press releases on its website;
20. the Filer will continue to provide audited annual financial statements to shareholders until its dissolution in accordance with the CBCA;
21. the Filer is not in default of securities legislation in any jurisdiction;
22. 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;
23. the Filer is not eligible to use the simplified procedure in National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications* as it has more than 50 securityholders;
24. the Filer is applying for the Order Sought from the securities regulatory authority or regulator in each of the jurisdictions of Canada in which it is a reporting issuer; and
25. the Filer, upon the grant of the Order Sought, will no longer be a reporting issuer in any jurisdiction of Canada.

¶ 4 Order

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

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

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

2.2.3 Espial Group Inc.

Nova Scotia, Newfoundland and Labrador, Prince Edward Island, the Northwest Territories, Yukon and Nunavut.

Headnote

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – Application to cease to be a reporting issuer under applicable securities laws. – 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).

October 4, 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
ESPIAL GROUP INC.
(the Filer)
ORDER

Background

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

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

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

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 a corporation existing under the *Canada Business Corporations Act* (the **CBCA**).
2. The head office of the Filer is in the Province of Ontario.
3. The Filer is a reporting issuer under the securities legislation of each of the provinces and territories of Canada.
4. All of the Filer's outstanding common shares (the **Shares**) were acquired by a wholly-owned subsidiary (the **Acquiror**) of Enghouse Systems Limited (**Enghouse**), a reporting issuer in Ontario, British Columbia, Alberta, Saskatchewan, Manitoba and Québec, pursuant to a plan of arrangement under the provisions of the CBCA (the **Plan of Arrangement**). The Applicant does not have any securities issued or outstanding other than the Shares. The Plan of Arrangement was effective on May 24, 2019.
5. At all times since the effective time of the Plan of Arrangement, the Acquiror has been the sole securityholder of the Filer.
6. The Shares were delisted from the Toronto Stock Exchange on May 28, 2019, following completion of the Plan of Arrangement.
7. The Filer does not intend to seek financing by way of a public or private offering of its securities in Canada or elsewhere.
8. The Filer is subject to a failure-to-file cease trade order (**FFCTO**) issued by the OSC on September 5, 2019, and effective in each other jurisdiction in which Multilateral Instrument 11-103 *Failure-to-File Cease Trade Orders in Multiple Jurisdictions* applies, and in each jurisdiction that has a statutory reciprocal order provision.
9. The FFCTO was issued on the basis that the Filer had not filed the following: (a) interim financial statements for the period ended June 30, 2019; (b) management's discussion and analysis relating to the interim financial statements for the period ended June 30, 2019; and (c) certification of the

foregoing filings as required by National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (collectively, **Outstanding Documents**).

10. The Filer has concurrently filed an application (the **FFCTO Application**) with the OSC under National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions (NP 11-207)*, for an order (the **FFCTO Relief**) pursuant to Section 144 of the Legislation revoking the FFCTO without requiring the Filer to file the Outstanding Documents, to be effective on the same date as the Relief Sought.
11. The Filer is not in default of any requirements of the FFCTO or the applicable securities legislation of any jurisdiction in Canada or the rules and regulations made pursuant thereto, except for the deficiencies that led to the issuance of the FFCTO.
12. But for the fact that the Filer is subject to the FFCTO as a result of failing to file the Outstanding Documents, which were due to be filed after the completion of the Plan of Arrangement, the Filer would be eligible to use the "simplified procedure" under NP 11-206.
13. The Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 – *Issuers Quoted in the U.S. Over-the-Counter Markets*.
14. 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.
15. 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.

Order

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 Relief Sought is granted.

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

"Lawrence Haber"
Commissioner
Ontario Securities Commission

2.2.4 Espial Group Inc.

Headnote

Section 144 of the Securities Act (Ontario) – Application for revocation of cease trade order – issuer subject to cease trade order as a result of failure to file interim financial statements and certificates – issuer is also seeking to cease to be a reporting issuer in all jurisdictions of Canada in which it is currently a reporting issuer – full revocation granted effective as of the date the issuer is determined to not be a reporting issuer.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 1(10)(a)(ii) and 144.

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Legislation)**

AND

**IN THE MATTER OF
ESPIAL GROUP INC.**

REVOCATION ORDER

Background

Espial Group Inc. (the **Issuer**) is subject to a failure-to-file cease trade order (the **FFCTO**) issued by the Ontario Securities Commission (the **Decision Maker**) on September 5, 2019.

The Issuer has applied to the Decision Maker under National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions (NP 11-207)* for an order revoking the FFCTO.

This order is effective in each jurisdiction of Canada that has a statutory reciprocal order provision, subject to the terms of the local securities legislation.

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, or in NP 11-207 have the same meaning if used in this order, unless otherwise defined.

Representations

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

1. The Issuer was incorporated on April 25, 1997 under the *Canada Business Corporations Act* (the **CBCA**).
2. The Issuer is a reporting issuer under the securities legislation of each of the provinces and

territories of Canada (the **Jurisdictions**).

3. The head office of the Issuer is in the Province of Ontario.
4. All of the Issuer's outstanding common shares (the **Shares**) were acquired by a wholly-owned subsidiary (the **Acquiror**) of Enghouse Systems Limited (**Enghouse**), a reporting issuer in Ontario, British Columbia, Alberta, Saskatchewan, Manitoba and Québec, pursuant to a plan of arrangement under the provisions of the CBCA (the **Plan of Arrangement**). The Plan of Arrangement was effective on May 24, 2019.
5. The Applicant does not have any securities issued or outstanding other than the Shares.
6. At all times since the effective time of the Plan of Arrangement, the Acquiror has been the sole securityholder of the Issuer.
7. The Shares were delisted from the Toronto Stock Exchange on May 28, 2019, following completion of the Plan of Arrangement.
8. The Issuer filed a material change report in respect of the completion of the Plan of Arrangement on May 31, 2019.
9. The FFCTO was issued on September 5, 2019, on the basis that the Issuer had not filed (a) interim financial statements for the period ended June 30, 2019; (b) management's discussion and analysis relating to the interim financial statements for the period ended June 30, 2019; and (c) certification of the foregoing filings as required by National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (collectively, the **Outstanding Documents**).
10. The Issuer has filed a passport application with the Decision Maker, as principal regulator, for an order pursuant to section 1(10)(a)(ii) of the Legislation to cease to be a reporting issuer in all of the jurisdictions of Canada where it is a reporting issuer (the Cease Reporting Relief).
11. The Issuer expects the Cease Reporting Relief to be granted on the same date as this decision.
12. Upon the grant of the Cease Reporting Relief, the Issuer will not be a reporting issuer in any Jurisdiction.
13. The Issuer is not in default of any requirements of the FFCTO or the applicable securities legislation of any Jurisdiction or the rules and regulations made pursuant thereto, except for the deficiencies that led to the issuance of the FFCTO.
14. All of the continuous disclosure documents required to be filed by the Issuer under applicable

securities legislation of each Jurisdiction have been filed with the relevant securities regulatory authority, except for the Outstanding Documents.

15. The Issuer has paid all outstanding participation fees and filing fees owing to the each of the Jurisdictions.

Order

The Decision Maker is satisfied that the order to revoke the FFCTO meets the test set out in the Legislation for the Decision Maker to make the decision.

The decision of the Decision Maker under the Legislation is that the FFCTO is revoked as of the date on which the Issuer ceases to be a reporting issuer under the Legislation.

October 4, 2019

"Winnie Sanjoto"
Manager, Corporate Finance
Ontario Securities Commission

2.2.5 MOAG Copper Gold Resources Inc. et al.

FILE NO.: 2018-41

**IN THE MATTER OF
MOAG COPPER GOLD RESOURCES INC.,
GARY BROWN and
BRADLEY JONES**

Timothy Moseley, Vice-Chair and Chair of the Panel

October 17, 2019

ORDER

WHEREAS the Ontario Securities Commission (Commission) held a hearing in writing to consider a motion by Eyford Partners Inc. (Eyford) to remove Eyford as counsel of record for Gary Brown (Brown);

ON READING the materials filed by Eyford;

IT IS ORDERED THAT pursuant to Rule 21(2) of the Commission's *Rules of Procedure and Forms*, Eyford is removed as counsel of record for Brown.

"Timothy Moseley"

2.2.6 Hydrogenics 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).

October 11, 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
HYDROGENICS 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 in 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):

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

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 public 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.

“Michael Balter”
Manager, Corporate Finance
Ontario Securities Commission

2.2.7 Jean-Smaille Germeil and FPE Trading – ss. 127(1), 127(10)

FILE NO.: 2019-26

**IN THE MATTER OF
JEAN-SMAILLE GERMEIL and
FPE TRADING**

Raymond Kindiak, Commissioner and Chair of the Panel

October 17, 2019

**ORDER
(Subsections 127(1) and 127(10) of
the Securities Act, RSO 1990, c. S.5)**

WHEREAS the Ontario Securities Commission (the **Commission**) held a hearing, in writing, to consider a request by Staff of the Commission (**Staff**) for an order imposing sanctions against Jean-Smaille Germeil (**Germeil**) and FPE Trading (together, the **Respondents**) pursuant to subsections 127(1) and 127(10) of the *Securities Act*, RSO 1990, c. S.5 (the **Act**);

ON READING the Merits Decision of the Nova Scotia Securities Commission (the **NSSC**) dated March 27, 2019, and the Sanctions and Costs Decision and Order of the NSSC dated May 27, 2019 and on reading the materials filed by Staff, the Respondents not having filed any materials, although properly served;

IT IS ORDERED:

1. Against Germeil that:
 - (a) trading in any securities or derivatives by Germeil shall cease permanently, other than in securities or derivatives beneficially owned by him, pursuant to paragraph 2 of s. 127(1) of the Act;
 - (b) any exemptions contained in Ontario securities law do not apply to Germeil permanently, pursuant to paragraph 3 of s. 127(1) of the Act;
 - (c) Germeil resign any positions that he holds as a director or officer of any issuer, pursuant to paragraph 7 of s. 127(1) of the Act;
 - (d) Germeil be prohibited permanently from becoming or acting as a director or officer of any issuer, pursuant to paragraph 8 of s. 127(1) of the Act; and
 - (e) Germeil be prohibited permanently from becoming or acting as a registrant or promoter, pursuant to paragraph 8.5 of s. 127(1) of the Act;
2. Against FPE Trading that:
 - (a) trading in any securities or derivatives by

FPE Trading cease permanently, other than securities or derivatives beneficially owned by it, pursuant to paragraph 2 of s. 127(1) of the Act;

- (b) any exemptions contained in Ontario securities law do not apply to FPE Trading permanently, pursuant to paragraph 3 of s. 127(1) of the Act; and
- (c) FPE Trading be prohibited permanently from becoming or acting as a registrant or promoter, pursuant to paragraph 8.5 of s. 127(1) of the Act.

“Raymond Kindiak”

2.2.8 Solar Income Fund Inc. et al.

File No. 2019-35

**IN THE MATTER OF
SOLAR INCOME FUND INC.,
ALLAN GROSSMAN,
CHARLES MAZZACATO, and
KENNETH KADONOFF**

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

October 15, 2019

AMENDED ORDER

WHEREAS on October 15, 2019, the Ontario Securities Commission held a hearing at 20 Queen Street West, 17th Floor, Toronto, Ontario;

ON HEARING the submissions of the representatives for Staff of the Commission (**Staff**) and for Solar Income Fund Inc., Allan Grossman, Charles Mazzacato and Kenneth Kadonoff (the **Respondents**);

IT IS ORDERED THAT:

1. Staff shall disclose to the Respondents non-privileged relevant documents and things in the possession or control of Staff (**Staff's Disclosure**) by no later than November 14, 2019;
2. Staff shall file and serve on the Respondents a witness list, summary of each witnesses' anticipated evidence, notice of whether it intends to call an expert, and if so, the issues on which the expert will be expected to testify, by no later than November 30, 2019;
3. the Respondents shall serve and file a motion, if any, regarding Staff's Disclosure or seeking disclosure of additional documents by no later than January 28, 2020;
4. Staff shall indicate to the Respondents the name of its expert, if it intends to call one, by no later than January 31, 2020; and
5. the Second Attendance in this matter is scheduled for February 7, 2020 at 9:00 a.m., or on such other date and time as may be agreed to by the parties and set by the Office of the Secretary.

“D. Grant Vingoe”

2.2.9 TSO3 Inc.

Headnote

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

Applicable Legislative Provisions

Securities Act, CQLR, c. V-1.1, s. 69.
Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10)(a)(ii).

[TRANSLATION]

**Decision N°: 2019-IC-0018
File N°: 18594**

October 10, 2019

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

AND

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

AND

**IN THE MATTER OF
TSO3 INC.
(the Filer)**

ORDER

Background

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 Autorité des marchés financiers is the principal regulator for this application,
- (b) the Filer has provided notice that subsection 4C.5(1) of *Regulation 11-102 respecting Passport System* (Regulation 11-102) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland;

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

Interpretation

Terms defined in *Regulation 14-101 respecting Definitions*, in Regulation 11-102 and, in *Regulation 14-501Q respecting Definitions* 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 *Regulation 51-105 respecting 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 *Regulation 21-101 respecting Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;
4. the Filer is applying for an order that the Filer has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer; and
5. the Filer is not in default of securities legislation in any jurisdiction.

Order

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

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

"Martin Latulippe"
Director, Continuous Disclosure

2.2.10 Benedict Cheng et al. – s. 144

FILE NO.: 2019-37

IN THE MATTER OF
BENEDICT CHENG,
FRANK SOAVE,
JOHN DAVID ROTHSTEIN AND
ERIC TREMBLAY

Lawrence P. Haber, Commissioner and Chair of the Panel

October 21, 2019

ORDER
(Section 144 of
the *Securities Act*, RSO 1990, c. S.5)

WHEREAS the Ontario Securities Commission held a hearing in writing to consider an application made by Staff of the Commission (**Staff**) to revoke an oral decision made by the Commission on December 19, 2017 (the **Confidentiality Order**) during Benedict Cheng's privilege motion heard on December 18-22, 2017 (the **Privilege Motion**);

ON READING the materials filed by Staff and the email correspondence from Benedict Cheng dated October 14, 2019, and on considering that Mr. Cheng does not oppose the order being sought;

IT IS ORDERED THAT:

1. pursuant to s. 5.1 of the *Statutory Powers Procedure Act*, RSO 1990, c S.22 and Rule 23 of the Commission's *Rules of Procedure and Forms*, (2019) 42 OSCB 6528 this application is heard in writing; and
2. pursuant to s. 144 of the *Securities Act*, RSO 1990, c S.5 the Confidentiality Order is revoked and the following are made public:
 - (a) all exhibits marked and all submissions filed at the Privilege Motion; and
 - (b) the confidential transcripts dated December 19-22, 2017.

"Lawrence P. Haber"

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Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions

3.1.1 Jean-Smaille Germeil and FPE Trading – ss. 127(1), 127(10)

Citation: *Germeil (Re)*, 2019 ONSEC 34

Date: October 17, 2019

File No. 2019-26

**IN THE MATTER OF
JEAN-SMAILLE GERMEIL and
FPE TRADING**

**REASONS AND DECISION
(Subsections 127(1) and 127(10) of
the *Securities Act*, RSO 1990, c S.5)**

Hearing: In Writing

Decision: October 17, 2019

Panel: Raymond Kindiak Commissioner

Submissions: Vivian Lee For Staff of the Commission

No submissions made by or on behalf of Jean-Smaille Germeil and FPE Trading

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REASONS AND DECISION

I. INTRODUCTION

[1] On March 27, 2019, a hearing panel of the Nova Scotia Securities Commission (the **NSSC**) found that Jean-Smaille Germeil (**Germeil**) and FPE Trading (**FPE**) (together, the **Respondents**) acted as a dealer without registration and without any available exemption from doing so, engaged in an illegal distribution of securities, engaged in unfair practices, and made untrue and misleading statements contrary to ss. 31(1), 58(1), 44A(2) and 50(2) of the Nova

Scotia *Securities Act* (the **NS Act**)¹, respectively.² The NSSC further found that the Respondents' conduct was contrary to the public interest and harmful to the integrity of the Nova Scotia capital markets.³

- [2] Following the findings of misconduct, the NSSC held a sanctions hearing and on May 27, 2019 issued reasons⁴ and an order (the **NSSC Order**)⁵ imposing sanctions on the Respondents.
- [3] Staff of the Ontario Securities Commission (**Staff of the Commission**) relies on the inter-jurisdictional enforcement provisions found in s. 127(10) of the Ontario *Securities Act* (the **Act**)⁶ and requests that a protective order be issued in the public interest under s. 127(1) of the Act that imposes terms similar to the non-monetary sanctions imposed by the NSSC to the extent possible under the Act.
- [4] For the reasons that follow, I find that it is in the public interest to issue an order substantially in the form requested by Staff.

II. SERVICE AND PARTICIPATION

- [5] Staff provided an Affidavit of Service of Lee Crann, sworn July 22, 2019 (the **Affidavit**),⁷ which set out that Staff attempted to serve the Respondents by courier at two different street addresses, one in Quebec and one in Nova Scotia. With respect to the Nova Scotia address, the current resident of that address informed Staff that Germeil no longer resided there. With respect to the Quebec address, the Affidavit appended the FedEx tracking document; however, this document did not indicate who signed for the package.
- [6] To ascertain whether Staff took all reasonable steps to effect service pursuant to the Ontario Securities Commission *Rules of Procedure and Forms* (the **Rules**)⁸, I asked Staff by email dated July 31, 2019, to provide further written submissions on the issue of service by August 6, 2019.
- [7] In its email response dated August 1, 2019, Staff confirmed that the Quebec address was the last known address of the Respondents. Staff received this information about the Quebec address from NSSC Staff. In addition, NSSC Staff advised Staff that the email address they had on record for the Respondents was no longer in use. Consequently, Staff was unable to serve the Respondents by email. Further, Staff explained that while it is possible to conduct a driver's license search to verify an address, such searches are subject to limitations and the facts in this matter did not permit Staff to conduct a driver's license search.
- [8] As a result, Staff served the Respondent, pursuant to Rule 6(2)(d) of the Rules, by courier to the Respondents' last known address. I find that Staff complied with Rule 6(2)(d) and that the Respondents were provided with adequate notice of this proceeding. Pursuant to Rule 6(3)(e), service was effected on July 19, 2019. The Commission may proceed in the absence of a party where that party has been given notice of the hearing.⁹
- [9] Pursuant to Rule 11(3) of the Rules, the deadline for the Respondents to serve and file written submissions was August 16, 2019. Neither Respondent filed any materials.
- [10] By email on August 19, 2019, I asked Staff for additional written submissions explaining why a cease trade order relating to derivatives would be in the public interest in Ontario. Staff provided its response on August 26, 2019. Staff also provided a letter dated September 9, 2019, containing submissions and an Affidavit of Attempted Service of Lee Crann, sworn September 5, 2019,¹⁰ setting out the steps Staff took to attempt to serve the Respondents with its additional written submissions. In that affidavit, Staff confirmed that:
- a. on August 26, 2019, Staff attempted to serve the additional written submissions on the Respondents at the Quebec address;
 - b. on August 27, 2019, Staff contacted Staff at Quebec's Autorité des Marchés Financiers (**AMF**) to request assistance in locating an alternative address in Quebec for the Respondents;

¹ RSNS 1989, c 418

² *Re Germeil* [Merits Decision], (27 March 2019), online: Nova Scotia Securities Commission <<https://nssc.novascotia.ca>> (**NSSC Merits Decision**) at para 89

³ NSSC Merits Decision at para 89

⁴ *Re Germeil* [Sanctions Decision], (27 May 2019), online: Nova Scotia Securities Commission <<https://nssc.novascotia.ca>> (**NSSC Sanctions Decision**)

⁵ *Re Germeil* [Sanctions Order], (27 May 2019), online: Nova Scotia Securities Commission <<https://nssc.novascotia.ca>> (**NSSC Order**)

⁶ RSO 1990, c S.5

⁷ Marked as Exhibit 1 in this proceeding.

⁸ (2019) 42 OSCB 6528

⁹ *Statutory Powers Procedure Act*, RSO 1990, c S.22, s 7(2); *Rules*, r 21(3)

¹⁰ Marked as Exhibit 2 in this proceeding.

- c. on August 28, 2019, AMF Staff confirmed that the Quebec address they were using is currently owned by individuals with the same last name as Germeil and AMF Staff did not provide any other alternative addresses; and
- d. on September 5, 2019, NSSC Staff informed Staff that the Quebec address was the only address NSSC Staff knew of and that NSSC Staff were not aware of any active phone numbers for the Respondents.

[11] In my view, Staff has taken all reasonable steps to attempt to locate and serve the Respondents with materials in this proceeding. I find that Staff complied with Rule 6(2)(d) of the Rules by sending the materials to the Respondents' last known address.

III. THE NSSC DECISIONS

A. NSSC Findings

[12] Between June 2013 and January 2015 (the **Material Time**)¹¹ the Respondents raised funds from three residents of Ontario and one resident of Nova Scotia (the **Investors**).¹² Germeil, as partner and directing mind of FPE,¹³ promoted FPE to the Investors as a foreign currency trading opportunity.

[13] The Respondents were not registered with the NSSC to trade or distribute securities in any capacity, and FPE did not file a preliminary prospectus or prospectus with the NSSC during the Material Time, nor was it exempt from doing so.¹⁴

[14] On October 3, 2013, FPE Trading was registered as a partnership/business name with the Nova Scotia Registry of Joint Stock Companies (the **NS Registry**), and its business was noted as online currency trading. On December 4, 2014, the status of FPE Trading with the NS Registry was revoked for non-payment of fees.¹⁵

[15] Investors AA, BB and CC were residents of Ontario.¹⁶ During the Material Time, they respectively invested \$18,000, \$7,000, and \$12,000 with the Respondents, and they did not receive a prospectus or account opening documentation.¹⁷ Investors AA, BB and CC each received emails from the Respondents reflecting growth in their respective investments.¹⁸ After requesting a withdrawal of funds from their accounts, Investors AA and CC received \$9,500 and \$1,300, respectively, from the Respondents.¹⁹ Neither principal nor interest was returned to Investor BB.²⁰

[16] Investors AA and CC's funds were comingled into personal bank accounts controlled by Germeil and used by Germeil for day-to-day expenses.²¹

[17] Investor DD was a resident of Nova Scotia and Germeil's neighbour.²² During the Material Time, Investor DD invested \$500 with the Respondents, and signed a contract with FPE documenting the investment.²³ Investor DD did not receive a prospectus from the Respondents.²⁴ Investor DD did not receive back any of their funds. Only two of the Investors, AA and CC received a portion of their investments.²⁵

[18] The NSSC Panel concluded that²⁶:

- a. the Respondents acted as a dealer without being registered to do so and without an available exemption from the dealer registration requirement, contrary to s. 31(1) of the NS Act;
- b. the Respondents distributed securities when a preliminary prospectus and a prospectus had not been filed and receipts had not been issued for them by the NSSC's Director and without an available exemption from the prospectus requirements, contrary to s. 58(1) of the NS Act;
- c. the Respondents engaged in unfair practices contrary to s. 44A(2) of the NS Act;
- d. the Respondents made untrue and misleading statements contrary to s. 50(2) of the NS Act; and

¹¹ NSSC Merits Decision at para 3

¹² NSSC Merits Decision at paras 16-38

¹³ NSSC Merits Decision at para 11

¹⁴ NSSC Merits Decision at para 72

¹⁵ NSSC Merits Decision at paras 11-12

¹⁶ NSSC Merits Decision at paras 16, 23 and 29

¹⁷ NSSC Merits Decision at paras 17-18, 24-25 and 30-31

¹⁸ NSSC Merits Decision at paras 19, 26 and 32

¹⁹ NSSC Merits Decision at paras 20 and 33

²⁰ NSSC Merits Decision at para 27

²¹ NSSC Merits Decision at paras 22 and 35

²² NSSC Merits Decision at para 36

²³ NSSC Merits Decision at para 37

²⁴ NSSC Merits Decision at para 38

²⁵ NSSC Sanctions Decision at paras 20 and 33

²⁶ NSSC Merits Decision at para 89

- e. the Respondents' conduct was contrary to the public interest and harmful to the integrity of the Nova Scotia capital markets.

B. NSSC Order

[19] The NSSC Order imposed the following sanctions on the Respondents pursuant to the NS Act:

- a. pursuant to s. 134(1)(a) of the NS Act, the Respondents comply with and cease contravening Nova Scotia securities laws;
- b. pursuant to s. 134(1)(b) of the NS Act, the Respondents permanently cease trading in securities of any issuer, other than securities beneficially owned by the Respondents;
- c. pursuant to s. 134(1)(c) of the NS Act, any or all of the exemptions contained in Nova Scotia securities laws do not apply to the Respondents permanently;
- d. pursuant to s. 134(1)(d) of the NS Act, Germeil be permanently prohibited from becoming or acting as a director or officer of an issuer;
- e. pursuant to s. 134(1)(g) of the NS Act, the Respondents be permanently prohibited from becoming or acting as a registrant, investment fund manager, or promoter;
- f. pursuant to s. 134(1)(h) of the NS Act, the Respondents be reprimanded;
- g. pursuant to s. 135 of the NS Act, the Respondents, jointly and severally, pay to the NSSC an administrative penalty of \$150,000; and
- h. pursuant to s. 135A of the NS Act, the Respondents, jointly and severally, pay costs in connection with the NSSC's investigation and conduct of its proceeding in the amount of \$15,000.

IV. ANALYSIS

[20] The issues for me to consider are:

- a. whether one of the circumstances under s. 127(10) of the Act applies to the Respondents; namely, are the Respondents subject to an order made by a securities regulatory authority imposing sanctions, conditions, restrictions or requirements (s. 127(10)4); and if so
- b. whether the Commission should exercise its jurisdiction to make a protective order in the public interest in respect of the Respondents pursuant to s. 127(1) of the Act.

A. Subsection 127(10) of the Act

[21] Subsection 127(10) of the Act does not itself empower the Commission to make an order; rather, if the threshold criterion in s. 127(10) is met, then it provides a basis for an order under s. 127(1). This provision facilitates cross-jurisdictional enforcement by allowing the Commission to issue protective, preventive and prospective orders to ensure that misconduct that has taken place in another jurisdiction will not be repeated in Ontario's capital markets.

[22] The NSSC is a securities regulatory authority. The NSSC Order, set out in paragraph [19] above, imposes sanctions on the Respondents. The threshold test under s. 127(10)4 of the Act is therefore satisfied. I must now consider whether it is in the public interest to issue an order under s. 127(1) of the Act.

B. Subsection 127(1) of the Act

[23] Orders made under s. 127(1) of the Act are "protective and preventative" and are made to restrain potential conduct which could be detrimental to the integrity of the capital markets and therefore prejudicial to the public interest.²⁷

[24] In exercising its jurisdiction to make an order in reliance on s. 127(10) of the Act, the Commission does not require a pre-existing connection to Ontario. However, it is a factor that can be considered by the Commission in exercising its discretion.²⁸

[25] The Commission may consider a number of factors in determining the nature and scope of sanctions to be ordered under s. 127(1) of the Act, including the seriousness of the misconduct, the harm suffered by investors, specific and general deterrence and any mitigating factors.²⁹

²⁷ *Committee for Equal Treatment of Asbestos Minority Shareholders v Ontario (Securities Commission)*, 2001 SCC 26, [2001] 2 SCR 132 (SCC) at paras 42-43

²⁸ *Biller (Re)*, 2005 ONSEC 15, (2005) 28 OSCB 10131 at paras 32-35

²⁹ *Belteco Holdings Inc (Re)*, (1998) 21 OSCB 7743 at 7746-7747; *MCJC Holdings (Re)*, (2002) 25 OSCB 1133 at 1136

C. Appropriate Sanctions

[26] Staff submits that the Respondent's conduct warrants an order designed to protect Ontario investors from the Respondents, by limiting the Respondents' participation in Ontario's capital markets. I agree that such an order would be in the public interest, based upon the following factors.

1. Seriousness of the Misconduct

[27] In this case, the NSSC Panel determined that the Respondents carried out numerous examples of serious misconduct. The dealer registration requirement was not fulfilled. The delivery of a prospectus was not carried out. The Respondents also engaged in unfair practices and made untrue statements.

[28] Although the number of investors (four) and the amount of money lost by each was not large, I agree with the NSSC Panel that the Respondents' conduct throughout the Material Time constitutes serious misconduct.³⁰ I also note that this misconduct is prohibited by our Act. I also agree with the NSSC Panel's conclusion that the Respondents' conduct was contrary to the public interest. I find this misconduct to be harmful to the integrity of the capital markets in Ontario as demonstrated by the examples of misconduct listed above and also considering the fact that three of the four investors were from Ontario.

2. Harm Suffered by Investors

[29] Other factors I considered come from additional findings of the NSSC Panel. For example, the NSSC Panel determined that the investors suffered harm by being falsely told that their money would be invested in the foreign exchange market and a profit would be made.³¹ Further, even though amounts invested were not large, as noted by the NSSC Panel "they could have been significant losses for the Investors personally".³²

3. Enrichment of the Respondents

[30] Another important factor was that Germeil was personally enriched. The investors' funds were comingled with Germeil's personal bank accounts and used to pay Germeil's day-to-day expenses, without the investors' consent and knowledge.

4. Mitigating Factors

[31] I note that the Respondents did not participate in the proceeding before the NSSC and this Commission. Accordingly, there is no evidence of any mitigating factors.

5. Conclusion of Appropriate Sanctions

[32] It is important that this Commission impose sanctions that will protect Ontario investors by specifically deterring the Respondents from engaging in similar or other misconduct in Ontario, and by acting as a general deterrent to other like-minded persons. I accept Staff's submission that the sanctions requested are proportionate to the Respondents' misconduct and it would be appropriate for me to issue a substantially similar order to that of the NSSC to the extent possible under the Act, but also to include a prohibition against trading derivatives, for the reasons elaborated below.

D. Difference between NSSC and Ontario Sanctions

[33] Due to differences between the Act and the NS Act, some of the sanctions I impose in Ontario differ from those imposed in Nova Scotia, as outlined below.

[34] First, the NSSC ordered that pursuant to s.134(1)(a) of the NS Act, the Respondents comply with and cease contravening Nova Scotia securities laws. There is no equivalent to s. 134(1)(a) of the NS Act in Ontario's Act. Subsection 127(1) of the Act does not provide the Commission with the authority to make such an order.

[35] Second, the NSSC also ordered that pursuant to s.134(1)(g), the Respondents be permanently prohibited from becoming or acting as a registrant, investment fund manager, or promoter. As set out by the Commission in previous decisions,³³ the distinction between a "registrant" and "investment fund manager" is unnecessary, given that the definition of "registrant" in s. 1(1) of the Act includes an investment fund manager, by virtue of s. 25(4) of the Act. As a result, the order I shall issue refers to registrants, which term includes investment fund managers.

[36] Third, while both the NS Act and the Act provide the authority to prohibit trading in securities and derivatives, the NSSC ordered only that the Respondents cease trading in securities of any issuer. However, Staff requested an order

³⁰ NSSC Sanctions Decision at paras 19 and 27

³¹ NSSC Sanctions Decision at para 20

³² NSSC Sanctions Decision at para 21

³³ See *Inverlake Property Investment Group Inc (Re)*, 2018 ONSEC 35, (2018) 41 OSCB 5309 (*Inverlake*) at para 39; *Vantooen (Re)*, 2018 ONSEC 36, (2018) 41 OSCB 5603 at para 30

prohibiting trading both securities and derivatives. I asked Staff to provide additional written submissions to explain why a cease trade order relating to derivatives is in the public interest in Ontario.

- [37] In its supplementary written submissions filed August 26, 2019, Staff submitted that an Ontario order that extended to derivatives would be only slightly more restrictive than the NSSC Order and would impact the Respondents only should they choose to participate in the Ontario capital markets. Staff takes the position that such an order is necessary in Ontario because the NSSC found that the Respondents pose serious risks to both investors and the integrity of the capital markets.
- [38] Further, Staff emphasized that the Commission may make an order that differs from the originating jurisdiction (in this case the NSSC) as the Commission retains full discretion to make any order authorized by s. 127(1) of the Act that it believes to be in the public interest.³⁴ Staff also referred to me examples where the Commission has previously made orders that differed from the originating jurisdiction.³⁵
- [39] In particular, in the *Lim* case, which originated in British Columbia, the British Columbia Securities Commission did not prohibit trading in derivatives. In this regard, *Lim* was similar to the NSCC decision in this case. Nevertheless, in *Lim*, this Commission agreed that it was in the public interest for the respondents to be permanently prohibited in Ontario from trading in both securities and derivatives, in view of the findings concerning their manipulative conduct.³⁶
- [40] Therefore, it is my view that trading in any securities or derivatives by the Respondents shall cease permanently, other than in securities or derivatives beneficially owned by them, as they represent a serious future risk to investors and to the integrity of the capital markets. I note that while the NSSC Panel found that the Respondents represented a serious risk, the NSSC Panel did afford the Respondents an exception to the trading prohibition and Staff did not request denying the Respondents this exception.

V. ORDER

- [41] For the reasons set out above, I find that it is in the public interest to grant an order pursuant to the authority provided in s. 127(1) of the Act, and as requested by Staff. This will protect the Ontario capital markets from the Respondents, as well as deter other persons who may wish to conduct similar misconduct in Ontario. I therefore order:

1. Against Germeil that:
 - (a) trading in any securities or derivatives by Germeil shall cease permanently, other than in securities or derivatives beneficially owned by him, pursuant to paragraph 2 of s. 127(1) of the Act;
 - (b) any exemptions contained in Ontario securities law do not apply to Germeil permanently, pursuant to paragraph 3 of s. 127(1) of the Act;
 - (c) Germeil resign any positions that he holds as a director or officer of any issuer, pursuant to paragraph 7 of s. 127(1) of the Act;
 - (d) Germeil be prohibited permanently from becoming or acting as a director or officer of any issuer, pursuant to paragraph 8 of s. 127(1) of the Act; and
 - (e) Germeil be prohibited permanently from becoming or acting as a registrant or promoter, pursuant to paragraph 8.5 of s. 127(1) of the Act;
2. Against FPE Trading that:
 - (a) trading in any securities or derivatives by FPE Trading cease permanently, other than securities or derivatives beneficially owned by it, pursuant to paragraph 2 of s. 127(1) of the Act;
 - (b) any exemptions contained in Ontario securities law do not apply to FPE Trading permanently, pursuant to paragraph 3 of s. 127(1) of the Act; and
 - (c) FPE Trading be prohibited permanently from becoming or acting as a registrant or promoter, pursuant to paragraph 8.5 of s. 127(1) of the Act.

Dated at Toronto this 17th day of October, 2019.

“Raymond Kindiak”

³⁴ *Inverlake* at para 28

³⁵ *Lim (Re)*, 2018 ONSEC 39, (2018) 41 OSCB 6045 (*Lim*); *Black (Re)*, 2015 ONSEC 4, (2015) 38 OSCB 2043. See also *Bochinski (Re)*, 2017 BCSECCOM 300 at para 10, where the British Columbia Securities Commission made a similar finding under the British Columbia Securities Act.

³⁶ *Lim* at para 14

3.1.2 Benedict Cheng et al. – s. 144

Citation: *Cheng (Re)*, 2019 ONSEC 35

Date: October 21, 2019

File No. 2019-37

IN THE MATTER OF
BENEDICT CHENG,
FRANK SOAVE,
JOHN DAVID ROTHSTEIN AND
ERIC TREMBLAY

REASONS AND DECISION
(Section 144 of the *Securities Act*, RSO 1990, c. S.5)

Hearing:	In writing	
Decision:	October 21, 2019	
Panel:	Lawrence P. Haber	Commissioner and Chair of the Panel
Submissions by:	Katrina Gustafson Matthew Britton	For Staff of the Commission
	Shara N. Roy Brian Kolenda	For Benedict Cheng

REASONS AND DECISION

I. THE APPLICATION

- [1] This is an application made by Staff of the Ontario Securities Commission (**Staff of the Commission**), pursuant to s. 144 of the *Securities Act*¹ (the **Act**), to revoke an oral decision made by the Commission on December 19, 2017 (the **Confidentiality Order**).
- [2] Staff also requested that its application be heard in writing. As Benedict Cheng (**Mr. Cheng**) did not oppose, pursuant to Rule 23 of the Commission's *Rules of Procedure and Forms*² the application was heard in writing.

II. BACKGROUND

- [3] The Confidentiality Order was made in the context of the motion regarding privilege brought by Mr. Cheng which was heard on December 18-22, 2017 (the **Privilege Motion**). On December 19, 2017, the panel ordered that the evidence and submissions on the Privilege Motion be heard *in camera* on the basis that solicitor-client privilege was at issue.
- [4] The Panel later dismissed the Privilege Motion in a decision issued on January 10, 2018 (the **Privilege Motion Decision**)³ and found that solicitor-client privilege did not apply.

III. THE ISSUE

- [5] The issue before me is to determine whether the Confidentiality Order should be revoked.

IV. ANALYSIS

- [6] Under s. 144 of the Act, the Commission is authorized to revoke or vary a decision of the Commission on the application of, among others, a person affected by such decision if, in the opinion of the Commission, the order would not be prejudicial to the public interest.
- [7] I find that it would not be prejudicial to the public interest to grant the relief requested by Staff. Given that the Privilege Motion Decision found that solicitor-client privilege did not apply, and that solicitor-client privilege was the only basis for the Confidentiality Order, I agree with Staff's position that there is no longer any basis for confidentiality to continue.

¹ RSO 1990, c S.5

² (2019) 42 OSCB 6528

³ *Cheng (Re)*, 2018 ONSEC 2, (2018) 41 OSCB 819

[8] The Privilege Motion Decision is final, Mr. Cheng sought judicial review and his application was quashed by the Ontario Divisional Court⁴ and the Cheng proceeding before the Commission has concluded against all respondents.

[9] There are no special circumstances present which would support continuing the Confidentiality Order.

[10] Furthermore, Mr. Cheng, who brought the Privilege Motion and requested the Confidentiality Order, does not oppose the order sought by Staff.

V. CONCLUSION

[11] For the reasons above, I order that:

1. pursuant to s. 5.1 of the *Statutory Powers Procedure Act*, RSO 1990, c S.22 and Rule 23 of the *Commission's Rules of Procedure and Forms*, (2019) 42 OSCB 6528 this application is heard in writing; and
2. pursuant to s. 144 of the Act, the Confidentiality Order is revoked and the following are made public:
 - (a) all exhibits marked and all submissions filed at the Privilege Motion; and
 - (b) the confidential transcripts dated December 19-22, 2017.

Dated at Toronto this 21st day of October, 2019.

"Lawrence P. Haber"

⁴ *Cheng v Ontario Securities Commission*, 2018 ONSC 2502 (Div Ct)

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
Worldwide Marijuana Inc. (now known as Endocan Solutions Inc.)	06 May 2016	15 October 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
CannTrust Holdings Inc.	15 August 2019	

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Chapter 5

Rules and Policies

5.1.1 Amendments to OSC Rule 13-502 Fees

AMENDMENTS TO OSC RULE 13-502 FEES

1. ***Ontario Securities Commission Rule 13-502 Fees is amended by this Instrument.***

2. ***Section 3.3 is replaced with the following:***

3.3 Certification

(1) A form required to be filed under section 3.1 or 3.2 must contain a certificate signed by any one of the following:

- (a) the chief compliance officer of the registrant or the unregistered capital markets participant;
- (b) in the case of an unregistered capital markets participant without a chief compliance officer, an individual acting in a similar capacity;
- (c) a specified officer of the registrant or the unregistered capital markets participant, or an individual acting in a similar capacity;
- (d) a director of the registrant or unregistered capital markets participant.

(2) For the purposes of paragraph (1)(c), "specified officer" of a registrant or an unregistered capital markets participant, means an individual with any one or more of the following positions in relation to the registrant or the unregistered capital market participant:

- (a) chief executive officer;
- (b) chief financial officer;
- (c) chief operating officer.

3. ***Form 13-502F4 Capital Markets Participation Fee Calculation is amended***

(a) ***in the "General Instructions" by replacing paragraph 9 with the following:***

9. Information reported on this form must be certified by an individual specified in section 3.3 of this Rule to attest to its completeness and accuracy.; ***and***

(b) ***replacing the heading "Chief Compliance Officer's Certification" with "Certification".***

4. ***This Instrument comes into force on October 18, 2019.***

5.1.2 Amendments to OSC Rule 13-503 (Commodity Futures Act) Fees

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

1. **OSC Rule 13-503 (Commodity Futures Act) Fees is amended by this Instrument.**
2. **Section 2.4 is replaced with the following:**
 - 2.4 **Certification**
 - (1) A form required to be filed under section 2.2 or 2.3 must contain a certificate signed by any one of the following:
 - (a) the chief compliance officer of the registrant firm;
 - (b) a specified officer of the registrant firm, or an individual acting in a similar capacity;
 - (c) a director of the registrant firm.
 - (2) For the purposes of subsection (1)(b), "specified officer" of a registrant firm, means an individual with any or more of the following positions in relation to the registrant firm:
 - (a) chief executive officer;
 - (b) chief financial officer;
 - (c) chief operating officer.
3. **Form 13-503F1 (Commodity Futures Act) Participation Fee Calculation is amended**
 - (a) **in the "General Instructions" by replacing paragraph 7 with the following:**
 7. Information reported on this form must be certified by an individual specified in section 2.4 of this Rule to attest to its completeness and accuracy.; **and**
 - (b) **replacing the heading "Chief Compliance Officer's Certification" with "Certification".**
4. **This Instrument comes into force on October 18, 2019.**

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:

Financial 15 Split Corp.
Principal Regulator - Ontario

Type and Date:

Preliminary Shelf Prospectus (NI 44-102) dated October 15, 2019

NP 11-202 Preliminary Receipt dated October 17, 2019

Offering Price and Description:

Offering: \$300,000,000 Preferred Shares and Class A Shares

Price: \$10.09 per Preferred Shares was and \$6.50 per Class A Shares was

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #2975922

Issuer Name:

First Trust AlphaDEX Emerging Market Dividend ETF (CAD-Hedged)

Principal Regulator - Ontario

Type and Date:

Amendment #3 to Final Long Form Prospectus dated October 21, 2019

Received on October 21, 2019

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

FT Portfolios Canada Co.

Promoter(s):

N/A

Project #2889290

Issuer Name:

Purpose Behavioural Opportunities Fund

Purpose Pension Portfolio Fund

Purpose US Preferred Share Fund

Purpose Emerging Markets Dividend Fund

Purpose Energy Credit Fund

Principal Regulator - Ontario

Type and Date:

Amendment #5 to Final Simplified Prospectus dated August 30, 2019

NP 11-202 Receipt dated October 18, 2019

Offering Price and Description:

Series A units, Series A non-hedged units, Series F units and Series F non-hedged units, and Series A shares and Series F shares

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

Purpose Investments Inc.

Project #2823273

Issuer Name:

CI Vantage Managed Payout Portfolio 1946 - 1948

CI Vantage Managed Payout Portfolio 1949 - 1951

CI Vantage Managed Payout Portfolio 1952 - 1954

CI Vantage Managed Payout Portfolio 1955 - 1957

CI Vantage Managed Payout Portfolio 1958 - 1960

CI Vantage Managed RRSP/RRIF Payout Portfolio 1946 - 1948

CI Vantage Managed RRSP/RRIF Payout Portfolio 1949 - 1951

CI Vantage Managed RRSP/RRIF Payout Portfolio 1952 - 1954

CI Vantage Managed RRSP/RRIF Payout Portfolio 1955 - 1957

CI Vantage Managed RRSP/RRIF Payout Portfolio 1958 - 1960

Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectus dated Oct 16, 2019

NP 11-202 Preliminary Receipt dated Oct 16, 2019

Offering Price and Description:

Series A units and Series F units

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #2975489

Issuer Name:

VPI Dividend Growth Pool
Principal Regulator – Manitoba

Type and Date:

Preliminary Simplified Prospectus dated Oct 17, 2019
NP 11-202 Preliminary Receipt dated Oct 18, 2019

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #2975979

Issuer Name:

Clearpoint Short Term Income Fund
Principal Regulator – Ontario

Type and Date:

Preliminary Simplified Prospectus dated Oct 10, 2019
NP 11-202 Final Receipt dated Oct 15, 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:

BetaPro Canadian Gold Miners -2x Daily Bear ETF
(formerly Horizons BetaPro S&P/TSX Global Gold Bear Plus ETF)
BetaPro Canadian Gold Miners 2x Daily Bull ETF (formerly Horizons BetaPro S&P/TSX Global Gold Bull Plus ETF)
BetaPro Crude Oil -2x Daily Bear ETF (formerly Horizons BetaPro NYMEX® Crude Oil Bear Plus ETF)
BetaPro Crude Oil 2x Daily Bull ETF (formerly Horizons BetaPro NYMEX® Crude Oil Bull Plus ETF)
BetaPro Gold Bullion -2x Daily Bear ETF (formerly Horizons BetaPro COMEX® Gold Bullion Bear Plus ETF)
BetaPro Gold Bullion 2x Daily Bull ETF (formerly Horizons BetaPro COMEX® Gold Bullion Bull Plus ETF)
BetaPro Marijuana Companies 2x Daily Bull ETF
BetaPro Marijuana Companies Inverse ETF
BetaPro NASDAQ-100® -2x Daily Bear ETF (formerly Horizons BetaPro NASDAQ-100® Bear Plus ETF)
BetaPro NASDAQ-100® 2x Daily Bull ETF (formerly Horizons BetaPro NASDAQ-100® Bull Plus ETF)
BetaPro Natural Gas -2x Daily Bear ETF (formerly Horizons BetaPro NYMEX® Natural Gas Bear Plus ETF)
BetaPro Natural Gas 2x Daily Bull ETF (formerly Horizons BetaPro NYMEX® Natural Gas Bull Plus ETF)
BetaPro S&P 500 VIX Short-Term Futures ETF (formerly Horizons BetaPro S&P 500 VIX Short-Term Futures ETF)
BetaPro S&P 500® -2x Daily Bear ETF (formerly Horizons BetaPro S&P 500® Bear Plus ETF)
BetaPro S&P 500® 2x Daily Bull ETF (formerly Horizons BetaPro S&P 500® Bull Plus ETF)
BetaPro S&P 500® Daily Inverse ETF (formerly Horizons BetaPro S&P 500® Inverse ETF)
BetaPro S&P/TSX 60 -2x Daily Bear ETF (formerly Horizons BetaPro S&P/TSX 60 Bear Plus ETF)
BetaPro S&P/TSX 60 2x Daily Bull ETF (formerly Horizons BetaPro S&P/TSX 60 Bull Plus ETF)
BetaPro S&P/TSX 60 Daily Inverse ETF (formerly Horizons BetaPro S&P/TSX 60 Inverse ETF)
BetaPro S&P/TSX Capped Energy -2x Daily Bear ETF (formerly Horizons BetaPro S&P/TSX Capped Energy Bear Plus ETF)
BetaPro S&P/TSX Capped Energy 2x Daily Bull ETF (formerly Horizons BetaPro S&P/TSX Capped Energy Bull Plus ETF)
BetaPro S&P/TSX Capped Financials -2x Daily Bear ETF (formerly Horizons BetaPro S&P/TSX Capped Financials Bear Plus ETF)
BetaPro S&P/TSX Capped Financials 2x Daily Bull ETF (formerly Horizons BetaPro S&P/TSX Capped Financials Bull Plus ETF)
BetaPro Silver -2x Daily Bear ETF (formerly Horizons BetaPro COMEX® Silver Bear Plus ETF)
BetaPro Silver 2x Daily Bull ETF (formerly Horizons BetaPro COMEX® Silver Bull Plus ETF)
Horizons Crude Oil ETF (formerly Horizons NYMEX® Crude Oil ETF)
Horizons Gold ETF (formerly Horizons COMEX® Gold ETF)
Horizons Natural Gas ETF (formerly Horizons NYMEX® Natural Gas ETF)
Horizons Silver ETF (formerly Horizons COMEX® Silver ETF)
Principal Regulator – Ontario

Type and Date:

Preliminary Long Form Prospectus dated Oct 15, 2019
NP 11-202 Preliminary Receipt dated Oct 15, 2019

Offering Price and Description:

ETF Shares

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #29975186

Issuer Name:

CI India All Cap Fund
Principal Regulator – Ontario

Type and Date:

Preliminary Simplified Prospectus dated Oct 15, 2019
NP 11-202 Preliminary Receipt dated Oct 15, 2019

Offering Price and Description:

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

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #2975209

Issuer Name:

Horizons Cdn High Dividend Index ETF
Horizons Cdn Select Universe Bond ETF
Horizons Equal Weight Canada Banks Index ETF
Horizons Equal Weight Canada REIT Index ETF
Horizons EURO STOXX 50® Index ETF
Horizons Intl Developed Markets Equity Index ETF
Horizons Laddered Canadian Preferred Share Index ETF
Horizons NASDAQ-100® Index ETF
Horizons S&P 500 CAD Hedged Index ETF
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Horizons S&P/TSX 60 Index ETF
Horizons S&P/TSX Capped Energy Index ETF
Horizons S&P/TSX Capped Financials Index ETF
Horizons US 7-10 Year Treasury Bond CAD Hedged ETF
Horizons US 7-10 Year Treasury Bond ETF
Principal Regulator – Ontario

Type and Date:

Preliminary Long Form Prospectus dated Oct 15, 2019
NP 11-202 Preliminary Receipt dated Oct 15, 2019

Offering Price and Description:

ETF Shares

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #2975190

Issuer Name:

IG BlackRock International Equity Fund
Principal Regulator – Manitoba

Type and Date:

Preliminary Simplified Prospectus dated Oct 18, 2019
NP 11-202 Preliminary Receipt dated Oct 18, 2019

Offering Price and Description:

Series U Units

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #2976299

NON-INVESTMENT FUNDS

Issuer Name:

Continuum Residential Real Estate Investment Trust
Principal Regulator - Ontario

Type and Date:

Amendment dated October 21, 2019 to Preliminary Long
Form Prospectus dated October 3, 2019
NP 11-202 Preliminary Receipt dated October 21, 2019

Offering Price and Description:

\$ *
18,650,000 Units

Underwriter(s) or Distributor(s):

DESJARDINS SECURITIES INC.
CIBC WORLD MARKETS INC.
RBC DOMINION SECURITIES INC.
BMO NESBITT BURNS INC.
SCOTIA CAPITAL INC.
TD SECURITIES INC.
NATIONAL BANK FINANCIAL INC.
INDUSTRIAL ALLIANCE SECURITIES INC.
MANULIFE SECURITIES INCORPORATED

Promoter(s):

Q MANAGEMENT LP

Project #2972863

Issuer Name:

Dream Industrial Real Estate Investment Trust
Principal Regulator - Ontario

Type and Date:

Final Shelf Prospectus dated October 15, 2019
NP 11-202 Receipt dated October 15, 2019

Offering Price and Description:

\$2,000,000,000.00 - Units, Subscription Receipts, Debt
Securities

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2973119

Issuer Name:

Earth Alive Clean Technologies Inc.
Principal Regulator - Quebec

Type and Date:

Final Short Form Prospectus dated October 17, 2019
NP 11-202 Receipt dated October 18, 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:

Exchange Income Corporation
Principal Regulator - Manitoba

Type and Date:

Preliminary Short Form Prospectus dated October 15, 2019
NP 11-202 Preliminary Receipt dated October 15, 2019

Offering Price and Description:

\$70,029,000.00
1,860,000 Common Shares

Underwriter(s) or Distributor(s):

CIBC WORLD MARKETS INC.
NATIONAL BANK FINANCIAL INC.
LAURENTIAN BANK SECURITIES INC.
RAYMOND JAMES LTD.
RBC DOMINION SECURITIES INC.
SCOTIA CAPITAL INC.
TD SECURITIES INC.
BMO NESBITT BURNS INC.
CANACCORD GENUITY CORP.
INDUSTRIAL ALLIANCE SECURITIES INC.
WELLINGTON-ALTUS PRIVATE WEALTH INC.

Promoter(s):

-

Project #2973879

Issuer Name:

FAX Capital Corp.
Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated October 18, 2019
NP 11-202 Receipt dated October 18, 2019

Offering Price and Description:

Minimum: \$25,000,000.00 of Units
Maximum: \$150,000,000.00 of Units

Underwriter(s) or Distributor(s):

CIBC WORLD MARKETS INC.
NATIONAL BANK FINANCIAL INC.
BMO NESBITT BURNS INC.
SCOTIA CAPITAL INC.
TD SECURITIES INC.
CANACCORD GENUITY CORP.
INDUSTRIAL ALLIANCE SECURITIES INC.
RAYMOND JAMES LTD.
RICHARDSON GMP LIMITED
DESJARDINS SECURITIES INC.
MANULIFE SECURITIES INCORPORATED
CORMARK SECURITIES INC.
ECHELON WEALTH PARTNERS INC.
INFOR FINANCIAL INC.

Promoter(s):

FAX INVESTMENTS INC.

Project #2961428

Issuer Name:

Freeform Capital Partners Inc.
Principal Regulator - British Columbia

Type and Date:

Amendment dated October 16, 2019 to Preliminary CPC
Prospectus dated July 17, 2019
NP 11-202 Preliminary Receipt dated October 17, 2019

Offering Price and Description:

\$250,000.00
2,500,000 common shares
Price: \$0.10 per common share

Underwriter(s) or Distributor(s):

HAYWOOD SECURITIES INC.

Promoter(s):

Kevin Smith

Project #2941904

Issuer Name:

InMed Pharmaceuticals Inc.
Principal Regulator - British Columbia

Type and Date:

Preliminary Shelf Prospectus dated October 18, 2019
NP 11-202 Preliminary Receipt dated October 18, 2019

Offering Price and Description:

\$15,000,000.00
Common Shares
Preferred Shares

Warrants
Subscription Receipts
Debt Securities
Convertible Securities
Rights
Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2976201

Issuer Name:

Killam Apartment Real Estate Investment Trust
Principal Regulator - Nova Scotia

Type and Date:

Preliminary Short Form Prospectus dated October 21, 2019
NP 11-202 Preliminary Receipt dated October 21, 2019

Offering Price and Description:

\$100,495,000.00
5,050,000 Trust Units

Underwriter(s) or Distributor(s):

RBC DOMINION SECURITIES INC.
BMO NESBITT BURNS INC.
CIBC WORLD MARKETS INC.
SCOTIA CAPITAL INC.
TD SECURITIES INC.

CANACCORD GENUITY CORP.
DESJARDINS SECURITIES INC.
NATIONAL BANK FINANCIAL INC.
RAYMOND JAMES LTD.

BFIN SECURITIES LP
ECHELON WEALTH PARTNERS INC.
INDUSTRIAL ALLIANCE SECURITIES INC.
LAURENTIAN BANK SECURITIES INC.

Promoter(s):

-

Project #2975318

Issuer Name:

Liberty Defense Holdings, Ltd. (formerly, Gulfstream
Acquisition 1 Corp.)
Principal Regulator - British Columbia

Type and Date:

Final Shelf Prospectus dated October 17, 2019
NP 11-202 Receipt dated October 18, 2019

Offering Price and Description:

C\$75,000,000.00 - Common Shares, Debt Securities,
Subscription Receipts, Units, Warrants

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2949141

Issuer Name:

Logica Ventures Corp.
Principal Regulator - Ontario

Type and Date:

Final CPC Prospectus dated October 15, 2019
NP 11-202 Receipt dated October 16, 2019

Offering Price and Description:

OFFERING: \$300,000.00 (3,000,000 Common Shares)
Price: \$0.10 per Common Share

Underwriter(s) or Distributor(s):

Echelon Weather Partners Inc.

Promoter(s):

-

Project #2941915

Issuer Name:

Melcor Real Estate Investment Trust
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated October 15, 2019
NP 11-202 Preliminary Receipt dated October 15, 2019

Offering Price and Description:

\$40,000,000.00

5.1% Convertible Unsecured Subordinated Debentures

Underwriter(s) or Distributor(s):

CIBC WORLD MARKETS INC.
RBC DOMINION SECURITIES INC.
BMO NESBITT BURNS INC.
DESJARDINS SECURITIES INC.
NATIONAL BANK FINANCIAL INC.
SCOTIA CAPITAL INC.
TD SECURITIES INC.
CANACCORD GENUITY CORP.

Promoter(s):

-

Project #2974458

Issuer Name:

Mercer International Inc.
Principal Regulator - British Columbia

Type and Date:

Final Prospectus - MJDS dated October 15, 2019
NP 11-202 Receipt dated October 15, 2019

Offering Price and Description:

US\$750,000,000.00

Debt Securities

Common Stock

Preferred Stock

Warrants to Purchase Common Stock or Debt Securities

Any Combination of the Above

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2972374

Issuer Name:

Profound Medical Corp. (formerly Mira IV Acquisition Corp.)
Principal Regulator - Ontario

Type and Date:

Final Shelf Prospectus dated October 17, 2019
NP 11-202 Receipt dated October 18, 2019

Offering Price and Description:

US\$100,000,000.00

Common Shares

Warrants

Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2970941

Issuer Name:

Titan Medical Inc.
Principal Regulator - Ontario

Type and Date:

Amendment dated October 15, 2019 to Preliminary Short
Form Prospectus dated September 23, 2019

NP 11-202 Preliminary Receipt dated October 15, 2019

Offering Price and Description:

Minimum: US \$15,000,000.00 ([*] Units)

Maximum: US \$25,000,000.00 ([*] Units)

Price: US \$[*] per Unit

Underwriter(s) or Distributor(s):

BLOOM BURTON SECURITIES INC.

Promoter(s):

-

Project #2969015

Issuer Name:

WPT Industrial Real Estate Investment Trust
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated October 15, 2019
NP 11-202 Preliminary Receipt dated October 15, 2019

Offering Price and Description:

US\$85,008,000.00

6,160,000 Units

Underwriter(s) or Distributor(s):

DESJARDINS SECURITIES INC.
RBC DOMINION SECURITIES INC.
BMO NESBITT BURNS INC.
CIBC WORLD MARKETS INC.
NATIONAL BANK FINANCIAL INC.
SCOTIA CAPITAL INC.
TD SECURITIES INC.
CANACCORD GENUITY CORP.
INDUSTRIAL ALLIANCE SECURITIES INC.

Promoter(s):

-

Project #2974044

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Consent to Suspension (Pending Surrender)	Troon North Capital Inc.	Portfolio Manager	October 15, 2019
New Registration	Greyhill Capital Partners Inc.	Exempt Market Dealer	October 18, 2019
Name Change	From: Resolute Asset Management Inc. To: Marksman Asset Management Inc.	Portfolio Manager and Exempt Market Dealer	October 18, 2019

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Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.1 SROs

13.1.1 Mutual Fund Dealers Association of Canada (MFDA) – Proposed Amendments to MFDA Rule 1.1.1(A) (Business Structures – Members) – Request for Comment

REQUEST FOR COMMENT

MUTUAL FUND DEALERS ASSOCIATION OF CANADA (MFDA)

PROPOSED AMENDMENTS TO MFDA RULE 1.1.1(a) (BUSINESS STRUCTURES – MEMBERS)

The MFDA is publishing for public comment proposed amendments (Proposed Amendments) to MFDA Rule 1.1.1(a). This rule currently requires all business related to securities, engaged in by a Member or Approved Person in respect of a Member, to be carried on for the account of the Member through the facilities of the Member, with some exceptions permitted.

The primary objective of the Proposed Amendments is the expansion of the exceptions to permit Approved Persons to engage in securities-related business as an employee of a credit union, as permitted by applicable securities legislation, for the account of, and through, the facilities of the credit union, rather than the Member. The Proposed Amendments are similar to an exception currently available under MFDA Rule 1.1.1(a) to Approved Persons dually employed by banks.

A copy of the MFDA Notice, including the text of the Proposed Amendments, is published on our website at www.osc.gov.on.ca. The comment period ends on January 22, 2020.

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Chapter 25

Other Information

25.1 Consents

25.1.1 Generic Gold Corp. – s. 4(b) of Ont. Reg. 289/00 under the OBCA

Headnote

Consent given to an offering corporation under the Business Corporations Act (Ontario) to continue under the British Columbia Business Corporations Act.

Statutes Cited

Business Corporations Act, R.S.O. 1990, c. B.16, as am., s. 181.
Securities Act, R.S.O. 1990, c. S.5, as am.

Regulations Cited

Regulation made under the Business Corporations Act, Ont. Reg. 289/00, as am., s. 4(b).
Securities Act, R.S.O. 1990, c. S.5, as am.

**IN THE MATTER OF
R.R.O. 1990, REGULATION 289/00, AS AMENDED
(the Regulation)
UNDER THE *BUSINESS CORPORATIONS ACT* (ONTARIO),
R.S.O. 1990 c. B.16, AS AMENDED
(the OBCA)**

AND

**IN THE MATTER OF
GENERIC GOLD CORP.**

**CONSENT
(Subsection 4(b) of the Regulation)**

UPON the application of Generic Gold Corp. (the **Applicant**) to the Ontario Securities Commission (the **Commission**) requesting a consent from the Commission to continue into another jurisdiction pursuant to Section 181 of the OBCA (the **Continuance**);

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

AND UPON the Applicant having represented to the Commission that:

1. The Applicant is an offering corporation under the OBCA.
2. The Applicant's common shares (the **Common Shares**) are listed and posted for trading on the Canadian Securities Exchange (the **Exchange**) under the symbol "GGC". As at September 19, 2019, the Applicant had 37,953,365 common shares issued and outstanding.
3. The Applicant proposes to apply to the Director pursuant to Section 181 of the OBCA for authorization to continue as a corporation under the *Business Corporations Act* (British Columbia), S.B.C. 2002, c.57 (the **BCBCA**).
4. The principal reason for the Continuance is that the BCBCA has no requirement for directors of a British Columbia company to be residents of Canada, as does the OBCA. Due to the proposed business combination of the Applicant and OG DNA Genetics Inc., it is anticipated that a majority of the Applicant's new directors will be non-resident Canadians upon completion of the proposed business combination.

Other Information

5. The material rights, duties and obligations of a corporation governed by the BCBCA are substantially similar to those of a corporation governed by the OBCA.
6. The Applicant is a reporting issuer under the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the **Act**), the *Securities Act* (Alberta), R.S.A. 2000, c. S-4 and the *Securities Act* (British Columbia), R.S.B.C. 1996, C.418 (collectively, the **Legislation**) and will remain a reporting issuer in these jurisdictions following the Proposed Continuance.
7. The Applicant is not in default under any provision of the OBCA, the Act or the Legislation, including the regulations made thereunder;
8. The Applicant is not subject to any proceeding under the OBCA, the Act or the Legislation.
9. The Applicant is not in default of any provision of the rules, regulations or policies of the Exchange.
10. Following the Continuance, the Applicant intends to change its principal regulator from the Ontario Securities Commission to the British Columbia Securities Commission.
11. The Applicant's management information circular dated May 24, 2019 for its annual general and special meeting of shareholders held on June 21, 2019 (the **Shareholders' Meeting**), described the proposed Continuance, the reasons for it and its implications as well as full particulars of the dissent rights of the Applicant's shareholders under section 185 of the OBCA.
12. The Applicant's shareholders authorized the Continuance at the Shareholders' Meeting by a special resolution approved by 100% of the votes cast; no shareholders exercised dissent rights pursuant to section 185 of the OBCA.
13. Subsection 4(b) of the Regulation requires an application for continuance to be accompanied by a consent from the Commission.

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

THE COMMISSION CONSENTS to the continuance of the Applicant as a corporation under the BCBCA.

DATED at Toronto on this 17th day of October 2019.

"Heather Zordel"
Commissioner
Ontario Securities Commission

"Cecilia Williams"
Commissioner
Ontario Securities Commission

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