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Securities Act of Ontario (R.S.O. 1990, c. S.5) and the
Commodity Futures Act of Ontario (R.S.O. 1990, c. C.20)

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Table of Contents

Chapter 1

Notices

1.1 Notices

1.1.1 Ontario Instrument 25-502 Temporary Exemption from Certain Reporting Requirements for Regulated Entities Carrying on Business in Ontario – Notice of General Order

NOTICE OF GENERAL ORDER

ONTARIO INSTRUMENT 25-502
TEMPORARY EXEMPTION FROM CERTAIN REPORTING REQUIREMENTS FOR REGULATED ENTITIES CARRYING ON BUSINESS IN ONTARIO

As a result of the Coronavirus pandemic ("**COVID-19**"), the Ontario Securities Commission (the "**Commission**") is providing temporary relief from certain regulatory filing requirements under Ontario securities law and Ontario commodity futures law that apply to marketplaces, as defined in subsection 1(1) of the *Securities Act* (Ontario) ("**OSA**"), clearing agencies, as defined in subsection 1(1) of the OSA, designated trade repositories, as defined in subsection 1(1) of the OSA, designated information processors, as defined in subsection 1(1) of the OSA, and commodity futures exchanges, as defined in subsection 1(1) of the *Commodity Futures Act* (Ontario) ("**CFA**") (the "**Regulated Entities**").

Description of Order

The order provides that any Regulated Entity carrying on business in Ontario that would be required to provide the Commission with certain documents or other information specified in the order between the date of the order and June 1, 2020 is exempt from the requirement, provided that the Regulated Entity:

1. Provides the Commission with the documents or other information no later than 45 days after the original due date for the documents or information; and

2. Discloses to the Commission that it is relying on the order and states the reasons why it could not submit the document or information by the original due date.

Reasons for the Order

As a result of the outbreak of COVID-19 and the resulting disruptions to travel, access to office facilities and availability of personnel and resources, Regulated Entities carrying on business in Ontario may face challenges in providing the Commission with documents and other information under various reporting requirements of Ontario securities law and Ontario commodity futures law. Under the circumstances, the Commission has determined that it would not be prejudicial to the public interest to grant this temporary relief to assist affected Regulated Entities in meeting their obligations under Ontario securities law and Ontario commodity futures law.

Day on which the Order Ceases to Have Effect

The order comes into effect on March 23, 2020, and remains in effect for a period of 120 days.

1.1.2 Ontario Instrument 81-503 Extension of Certain Filing, Delivery and Prospectus Renewal Requirements of Investment Funds – Notice of General Order

NOTICE OF GENERAL ORDER

ONTARIO INSTRUMENT 81-503
EXTENSION OF CERTAIN FILING, DELIVERY AND PROSPECTUS RENEWAL REQUIREMENTS OF INVESTMENT FUNDS

As a result of the Coronavirus pandemic ("**COVID-19**"), the Ontario Securities Commission (the "**Commission**") is providing temporary relief from certain requirements under Ontario securities law that apply to investment funds, as defined in subsection 1(1) of the *Securities Act* (Ontario).

Description of Order

The order provides that:

(a) certain filing and delivery obligations of investment funds under securities legislation, where the obligations are required to be met during the period from March 23, 2020 to June 1, 2020, are extended for a period of 45 days; and

(b) certain investment funds distributing securities under a prospectus with a lapse date during the period from March 23, 2020 to June 1, 2020 will have the lapse date extended for a period of 45 days.

The relief provided above is subject to the following terms and conditions:

- any investment fund relying on the order must, as soon as reasonably practicable, notify the Director of the Investment Funds and Structured Products Branch by email at IFSPDirector@osc.gov.on.ca stating that the investment fund is relying on the order and each applicable requirement for which it is relying on the order;
- an investment fund relying on the order must, as soon as reasonably practicable, post a statement on its public website, or the public website of its investment fund manager, stating that the investment fund is relying on the order and each applicable requirement for which it is relying on the order; and
- reference made in a notice pursuant to section 8 of the order, or a public website statement pursuant to section 9 of the order, to an equivalent exemption granted by a securities regulatory authority or regulator in another jurisdiction of Canada that is the investment fund's principal regulator, will be deemed to constitute a reference to the relevant exemption in this order.

Reasons for the Order

The outbreak of COVID-19 and the resulting disruptions to travel, access to office facilities and availability of personnel and resources may present challenges to an investment fund's ability to meet certain filing and delivery requirements under Ontario securities law. Under the circumstances, the Commission has determined that it would not be prejudicial to the public interest to grant this temporary relief to assist affected investment funds in meeting their obligations under Ontario securities law.

Day on which the Order Ceases to Have Effect

The order comes into effect on March 23, 2020, and remains in effect for a period of 120 days.

1.1.3 Ontario Instrument 31-510 Temporary Exemption from Certain Financial Statement and Information Delivery Requirements for Registrants and Unregistered Capital Markets Participants – Notice of General Order

NOTICE OF GENERAL ORDER

ONTARIO INSTRUMENT 31-510
TEMPORARY EXEMPTION FROM CERTAIN FINANCIAL STATEMENT AND INFORMATION DELIVERY REQUIREMENTS FOR REGISTRANTS AND UNREGISTERED CAPITAL MARKETS PARTICIPANTS

As a result of the Coronavirus pandemic ("**COVID-19**"), the Ontario Securities Commission (the "**Commission**") is providing temporary relief from certain financial statement and information delivery requirements under Ontario securities law and Ontario commodity futures law that apply to registrants and unregistered capital markets participants.

Description of Order

The order provides that the due dates for registered dealers, registered advisers and registered investment fund managers to deliver certain financial statements and other information required under sections 12.12 to 12.14 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* and section 15 of R.R.O. 1990, Regulation 90 made under the *Commodity Futures Act* are extended by up to 45 days where the delivery deadlines fall during the period from March 23, 2020 to June 1, 2020. The order further provides that the due dates for registered firms and unregistered capital markets participants to satisfy certain fee-related requirements under section 3.2 of OSC Rule 13-502 *Fees* and for registered firms to satisfy certain fee-related requirements under section 2.3 of OSC Rule 13-503 *(Commodity Futures Act) Fees* are extended by up to 45 days where the delivery deadlines fall during the period from March 23, 2020 to June 1, 2020.

Reasons for the Order

As a result of the outbreak of COVID-19 and the resulting disruptions to travel, access to office facilities and availability of personnel and resources, registrants and unregistered capital markets participants may face challenges in providing the Commission with documents and other information under various reporting requirements of Ontario securities law and Ontario commodity futures law. Under the circumstances, the Commission has determined that it would not be prejudicial to the public interest to grant this temporary relief to assist affected registrants and unregistered capital markets participants in meeting their obligations under Ontario securities law and Ontario commodity futures law.

Day on which the Order Ceases to Have Effect

The order comes into effect on March 23, 2020, and remains in effect for a period of 120 days.

1.1.4 Ontario Instrument 51-502 Temporary Exemption from Certain Corporate Finance Requirements – Notice of General Order

NOTICE OF GENERAL ORDER

ONTARIO INSTRUMENT 51-502
TEMPORARY EXEMPTION FROM CERTAIN CORPORATE FINANCE REQUIREMENTS

As a result of the Coronavirus pandemic ("**COVID-19**"), the Ontario Securities Commission (the "**Commission**") is providing issuers and designated rating organizations with temporary relief from certain requirements of Ontario securities law.

Description of Order

The order provides that:

(i) A person or company required to make an annual or interim filing listed in Exhibit A of the order, or to send or deliver a document listed in Exhibit A, during the period from March 23, 2020 to June 1, 2020, has an additional 45 days from the deadline otherwise applicable under Ontario securities law to make the filing or to send or deliver the document, provided that certain conditions set out in the order are satisfied;

(ii) A person or company required to make a continuous disclosure filing listed in Exhibit B of the order, or to send or deliver a document listed in Exhibit B, during the period from March 23, 2020 to June 1, 2020, has an additional 45 days from the deadline otherwise applicable under Ontario securities law to make the filing or to send or deliver the document, subject to a condition set out in the order;

(iii) A person or company required to make a filing listed in Exhibit C of the order relating to an exempt distribution or to a designated rating organization, or to send or deliver a document listed in Exhibit C, during the period from March 23, 2020 to June 1, 2020, has an additional 45 days from the deadline otherwise applicable under Ontario securities law to make the filing or to send or deliver the document, provided that certain conditions set out in the order are satisfied; and

(iv) A person or company subject to a lapse date for a final base shelf prospectus referred to in Exhibit D of the order, that occurs during the period from March 23, 2020 to June 1, 2020, may add an additional 45 days to that lapse date, provided that certain conditions set out in the order are satisfied.

Reasons for the Order

As a result of the outbreak of COVID-19 certain reporting issuers may be unable to make certain filings, or to send or deliver certain documents, as and when required under continuous disclosure and prospectus requirements, certain issuers make be unable to make certain filings, or to send or deliver certain documents, as and when required under provisions relating to the use of exemptions from the prospectus requirements, and certain designated rating organizations may be unable to make certain filings as and when required under National Instrument 25-101 *Designated Rating Organizations*. Under the circumstances, the Commission has determined that it would not be prejudicial to the public interest to grant this temporary relief to assist affected persons or companies in meeting their obligations under Ontario securities law.

Day on which the Order Ceases to Have Effect

The order comes into effect on March 23, 2020, and remains in effect for a period of 120 days.

1.4 Notices from the Office of the Secretary

1.4.1 Issam El-Bouji et al.

FOR IMMEDIATE RELEASE
March 19, 2020

ISSAM EL-BOUJI and
GLOBAL RESP CORPORATION AND
GLOBAL GROWTH ASSETS INC.,
File Nos. 2018-28 and 2020-7

TORONTO – The Commission issued its Oral Reasons for Approval of Settlement in the above named matter.

A copy of the Oral Reasons for Approval of Settlement dated March 10, 2020 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 General Inquiries:

1-877-785-1555 (Toll Free)
inquiries@osc.gov.on.ca

1.4.2 Update on Proceedings Before the Ontario Securities Commission Tribunal

FOR IMMEDIATE RELEASE
March 19, 2020

UPDATE ON PROCEEDINGS BEFORE THE ONTARIO SECURITIES COMMISSION TRIBUNAL

TORONTO – The Ontario Securities Commission (OSC) is taking all necessary precautions to protect the health and safety of its employees and the public as we respond to challenges due to COVID-19. The OSC will not be holding in-person hearings until at least April 30, 2020. The Office of the Secretary will reach out to parties with hearings scheduled between now and April 30 to determine if a hearing may proceed via teleconference or in writing.

Statements of Allegations or Applications may continue to be filed by email to registrar@osc.gov.on.ca in accordance with the *Rules of Procedure and Forms* and *Practice Guideline.* Other filings may also continue to be made electronically in accordance with the *Rules of Procedure and Forms* and *Practice Guideline*.

The Registrar can be contacted by email at registrar@osc.gov.on.ca or by phone at (416) 595-8916.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For Media Inquiries:

media_inquiries@osc.gov.on.ca

For General Inquiries:

1-877-785-1555 (Toll Free)
inquiries@osc.gov.on.ca

1.4.3 Money Gate Mortgage Investment et al.

FOR IMMEDIATE RELEASE
March 19, 2020

MONEY GATE MORTGAGE INVESTMENT CORPORATION,
MONEY GATE CORP.,
MORTEZA KATEBIAN and
PAYAM KATEBIAN,
File No. 2017-79

TORONTO – Take notice that the hearing date in the above named matter scheduled to be heard on March 20, 2020 at 9:00 a.m. is vacated and further notice will follow regarding the hearing dates scheduled for April 8, 2020 and April 15, 2020.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For Media Inquiries:

media_inquiries@osc.gov.on.ca

For General Inquiries:

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inquiries@osc.gov.on.ca

1.4.4 Joseph Debus

FOR IMMEDIATE RELEASE
March 20, 2020

JOSEPH DEBUS,
File No. 2019-16

TORONTO – Take notice that the hearing date in the above named matter scheduled to be heard on March 23, 2020 at 10:00 a.m. is vacated.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For Media Inquiries:

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For General Inquiries:

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inquiries@osc.gov.on.ca

1.4.5 Sean Daley et al.

FOR IMMEDIATE RELEASE
March 20, 2020

SEAN DALEY; and
SEAN DALEY carrying on business as
the ASCENSION FOUNDATION,
OTO.Money,
SilentVault, and
CryptoWealth;
WEALTH DISTRIBUTED CORP.;
CYBERVISION MMX INC.;
KEVIN WILKERSON; and
AUG ENTERPRISES INC.,
File No. 2019-28

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

A copy of the Order dated March 20, 2020 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 General Inquiries:

1-877-785-1555 (Toll Free)
inquiries@osc.gov.on.ca

1.4.6 Sean Daley and Kevin Wilkerson

FOR IMMEDIATE RELEASE
March 20, 2020

SEAN DALEY and
KEVIN WILKERSON,
File No. 2019-39

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

A copy of the Order dated March 20, 2020 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 General Inquiries:

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inquiries@osc.gov.on.ca

1.4.7 Paramount Equity Financial Corporation et al.

FOR IMMEDIATE RELEASE
March 23, 2020

PARAMOUNT EQUITY FINANCIAL CORPORATION,
SILVERFERN SECURED MORTGAGE FUND,
SILVERFERN SECURED MORTGAGE LIMITED PARTNERSHIP,
GTA PRIVATE CAPITAL INCOME FUND,
GTA PRIVATE CAPITAL INCOME LIMITED PARTNERSHIP,
SILVERFERN GP INC.,
TRILOGY MORTGAGE GROUP INC.,
MARC RUTTENBERG,
RONALD BRADLEY BURDON and
MATTHEW LAVERTY,
File No. 2019-12

TORONTO – The Commission issued its Reasons for Decision and Order in the above named matter.

A copy of the Reasons for Decision and Order dated March 23, 2020 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 General Inquiries:

1-877-785-1555 (Toll Free)

inquiries@osc.gov.on.ca

1.4.8 Kuber Mortgage Investment Corporation and Sutharsan Kunaratnam

FOR IMMEDIATE RELEASE
March 23, 2020

KUBER MORTGAGE INVESTMENT CORPORATION and SUTHARSAN KUNARATNAM,
File No. 2020-6

TORONTO – Following a written hearing, the Commission issued an Order in the above named matter approving the Settlement Agreement reached between Staff of the Commission and Kuber Mortgage Investment Corporation and Sutharsan Kunaratnam.

A copy of the Order dated March 23, 2020, Settlement Agreement dated March 6, 2020 and Reasons for Approval of a Settlement dated March 23, 2020 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 General Inquiries:

1-877-785-1555 (Toll Free)
inquiries@osc.gov.on.ca

1.4.9 Buffalo Grand Hotel Inc. et al.

FOR IMMEDIATE RELEASE
March 24, 2020

BUFFALO GRAND HOTEL INC.,
STINSON HOSPITALITY MANAGEMENT INC.,
STINSON HOSPITALITY CORP.,
RESTORATION FUNDING CORPORATION, and
HARRY STINSON

TORONTO – The Commission issued a Temporary Order pursuant to (Subsections 127(1) and 127(5)) in the above named matter.

A copy of the Temporary Order dated March 20, 2020 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

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inquiries@osc.gov.on.ca

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Lysander Funds Limited and Canso Investment Counsel Ltd.

Headnote

Under paragraph 4.1(1)(b) of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations a registered firm must not permit an individual to act as a dealing, advising or associate advising representative of the registered firm if the individual is registered as a dealing, advising or associate advising representative of another registered firm. The Filers are affiliated entities and have valid business reasons for the individual to be registered with both firms. The Filers have agreed that up to a maximum of ten individuals will be dually registered under the exemption at any point in time. The Filers have policies in place to handle potential conflicts of interest. The Filers are exempted from the prohibition.

Applicable Legislative Provisions

National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 4.1 and 15.1.

March 6, 2020

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

AND

IN THE MATTER OF
LYSANDER FUNDS LIMITED
(Lysander)

AND

CANSO INVESTMENT COUNSEL LTD.
(CIC, and together with Lysander, the Filers)

DECISION

Background

The regulator in the Jurisdiction has received an application from the Filers for a decision under the securities legislation of the Jurisdiction (the **Legislation**) for relief for a decision:

(a) from the restriction under paragraph 4.1(1)(b) of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) (such restriction, the **Dual-Registration Restriction**), pursuant to section 15.1 of NI 31-103, to permit each of Mr. Timothy Hicks and Mr. Brian (Richard) Usher-Jones – and future individuals (such individuals, the **Future Representatives** and together with Messrs. Hicks and Usher-Jones, the **Representatives**) – to be registered as an advising representative, associate advising representative, and/or dealing representative, as the case may be, of each of Lysander and CIC (the **Relief Sought**); and

(b) to revoke and replace previous relief from the Dual-Registration Restriction granted to Lysander and CIC in May 2012 to permit each of Messrs. Hicks and Usher-Jones to be registered as a dealing representative of Lysander under its exempt market dealer registration while also being an advising representative (or associate advising representative, as Mr. Usher-Jones then was) of CIC (the **Prior Order**).

For clarity, the Relief Sought will apply to up to ten representatives at any one time, including Messrs. Hicks and Usher-Jones and any Future Representatives.

Interpretation

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

Representations

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

1. Lysander is registered as an exempt market dealer and investment fund manager with the Ontario Securities Commission (**OSC)**. It is also registered as an investment fund manager in each of Québec and Newfoundland & Labrador. The head office of Lysander is in Toronto, Ontario.

2. Lysander is the retail fund management arm within the Canso group and acts as the investment fund manager of (i) investment funds which are qualified for sale in Ontario and various other Canadian jurisdictions of Canada pursuant to a simplified prospectus, (ii) Canso Credit Income Fund (TSX: PBY.UN), a closed-end fund, and (iii) Lysander-Slater Preferred Share ActivETF (TSX: PR), an exchange-traded fund (the **Current Lysander Funds**). Lysander may, in the future, act as investment fund manager for non-prospectus-qualified funds and additional prospectus qualified funds (the **Future Lysander Funds**) (the Current Lysander Funds and the Future Lysander Funds are collectively referred to as the **Lysander Funds**). The Current Lysander Funds are distributed by third-party registered dealers. Lysander has an exempt market dealer registration but that registration is currently used in a limited manner, such as: (i) when an officer or employee of a portfolio management firm that advises a Lysander Fund wishes to (and is eligible to) purchase units of a Lysander Fund on a prospectus-exempt basis and such officer or employee does not wish to engage their own dealer; (ii) when Lysander purchases units of a Lysander Fund; and (iii) to operate a publicly-accessible website for the Lysander Funds and the CFM Funds (as defined below).

3. Lysander is a direct majority-owned subsidiary of Grip Investments Limited (**Grip**), while CIC is an indirect majority-owned subsidiary of Grip. Since each of Lysander and CIC is under Grip's common control, each is an affiliate of the other.

4. CIC is registered as a portfolio manager and exempt market dealer with the OSC and with each of the remaining 9 provincial securities regulatory authorities. The head office of CIC is in Richmond Hill, Ontario.

5. CIC acts as a portfolio manager for certain of the Lysander Funds as well as for the non-prospectus-qualified investment funds for which another affiliate, Canso Fund Management Ltd. (**CFM**), acts as investment fund manager (the **CFM Funds**). In addition to its portfolio manager role with the Lysander Funds and the CFM Funds, CIC also acts as portfolio manager to high net-worth individuals and institutions under separately managed account agreements. Finally, CIC also from time to time acts as sub-adviser for various prospectus- and non-prospectus qualified investment funds managed by third parties. In addition to these adviser activities, CIC acts as an exempt market dealer primarily to facilitate the purchase of the CFM Funds by CIC's managed accounts and to distribute the CFM Funds to clients that qualify for a prospectus exempt distribution, such as accredited investors.

6. The Current Lysander Funds are advised both by CIC and by third-party portfolio managers. There are currently no other portfolio advisers to the CFM Funds other than CIC. CFM does <u>not</u> act as the investment fund manager to prospectus-qualified investment funds. Therefore, each of Lysander and CFM act as the investment fund manager to different business lines, and CIC acts as a portfolio manager to both business lines.

7. CIC dealing representatives are permitted to trade (including acts in furtherance of a trade) in securities of the CFM Funds, subject to CIC procedures for permitted products. CIC may also trade in securities of the Lysander Funds on an exempt basis. Distribution of the Lysander Funds under the funds' prospectus to the retail public is done via third party dealers.

8. Each of Mr. Hicks and Mr. Usher-Jones is currently registered as a dealing representative of CIC and of Lysander, and as an advising representative of CIC, pursuant to the Prior Order.

9. Mr. Hicks is the Chief Investment Officer (**CIO**) and a Director of Lysander. Mr. Hicks is also Portfolio Manager at CIC and President, Chief Compliance Officer (**CCO**) and a Director of CFM. Mr. Usher-Jones is the Chief Executive Officer, President and the Ultimate Designated Person (**UDP**) of Lysander. Mr. Usher-Jones is also Portfolio Manager at CIC and a Director of CFM. Each of Messrs. Hicks and Usher-Jones provides portfolio management services in respect of the Current Lysander Funds in his capacity as an advising representative of CIC. Messrs. Hicks and Usher-Jones also provide portfolio management services to the CFM Funds and to certain managed account clients of CIC (i.e. outside of the Current Lysander Funds and the CFM Funds, as applicable) as an advising representative of CIC. They each also provide marketing and/or distribution services in respect of the CFM Funds to clients resident in various provinces of Canada in their capacities as dealing representatives of CIC.

10. The Current Lysander Funds are each advised by one or more registered firms located in Canada. Lysander has sought portfolio manager registration in Ontario in order to adopt one or both of the following advisory models: (i) utilizing sub-advisers availing themselves of the sub-adviser registration exemption in section 8.26.1 of NI 31-103 (the **Sub-Advisory Model**) and (ii) having multiple portfolio advisers for a single Lysander Fund, where each is managing a particular strategy or sleeve within the relevant fund's overall mandate (the **Multi-Manager Model**).

11. It is proposed that once Lysander is registered as a portfolio manager with the OSC, each of Messrs. Hicks and Usher-Jones will continue to be an advising representative of CIC and provide portfolio management services to managed account clients of CIC (i.e. including the Current Lysander Funds and the CFM Funds). They each will also continue to provide marketing and/or distribution services in their capacities as dealing representatives of CIC.

12. Messrs. Hicks and Usher-Jones trade with different client bases in their current dual roles with Lysander and CIC, and there has been minimal potential for conflicts of interest. Moreover, because the Filers are majority-owned subsidiaries of the same ultimate shareholder, the existing dual registration of Messrs. Hicks and Usher-Jones has not given rise to the conflicts of interest present in similar arrangements involving unrelated, arms'-length firms.

13. Messrs. Hicks and Usher-Jones will be registered as advising representatives with Lysander in order to permit them to oversee the activities of the portfolio advisers engaged under each of the Sub-Advisory Model and the Multi-Manager Model.

14. Because each of Lysander, CIC and CFM are affiliates, and because each of Messrs. Hicks and Usher-Jones is a dealing representative of both CIC and Lysander, and an advising representative of CIC – and any Future Representative will be an advising representative, associate advising representative and/or dealing representative, as the case may be, with CIC and Lysander – each is or will be intimately familiar with all of the investment products offered by each of Lysander and CFM and is or will be in the best position to act in the existing and proposed dual roles with Lysander and CIC. It is anticipated that any Future Representatives would have similar duties at Lysander and CIC in respect of the Lysander Funds to those described for each of Messrs. Hicks and Usher-Jones.

15. Dual registration as an advising representative of each of Lysander and CIC would allow each of Messrs. Hicks and Usher-Jones to continue to advise their current mandates with CIC while also overseeing the Sub-Advisory Model and the Multi-Manager Model at Lysander outlined above. Registration as an advising or associate advising representative, as the case may be, for each of the Future Representatives would permit them to conduct similar activities in their applicable capacity(ies).

16. The terms and conditions, if any, on the Representatives' dealing, advising or associate advising registration with Lysander, as the case may be, would be the same as under his or her applicable registration with CIC.

17. Each of the Representatives will be subject to supervision by each of the Filers and come under the applicable compliance requirements of both Filers.

18. Each of the Filers' respective Ultimate Designated Persons will ensure that the Representatives have sufficient time and resources to adequately serve each Filer and its clients. Each of the Filers' respective Chief Compliance Officers will monitor and assess whether the Representatives have sufficient time and resources to adequately serve each Filer and its clients.

19. Neither Lysander nor CIC is in default of any requirement of securities legislation in any jurisdiction of Canada.

20. In order to implement the Sub-Advisory Model and the Multi-Manager Model, Lysander must seek portfolio manager registration itself. Once such registration is obtained, a Representative would not be able to directly advise a CIC client (including a Lysander Fund) pursuant to his or her registration with CIC and simultaneously perform duties related to the Sub-Advisory Model and the Multi-Manager Model, absent the Relief Sought. In order for such Representative to be able to perform both sets of duties, he or she must seek registration with Lysander. Also, absent the Relief Sought, Messrs. Hicks and Usher-Jones would not be able to continue their dealing activities on behalf of Lysander and CIC.

21. The dual registration of the Representatives as advising or associate advising representatives, as the case may be, will not give rise to conflicts of interest because CIC already acts as a portfolio adviser to some of the Current Lysander Funds. As such a dually-registered Representative of CIC and Lysander will be overseeing 2 different business lines with no or minimal overlap. Finally, as noted above, Lysander is the investment fund manager of prospectus-qualified investment funds in the Canso group, and CIC acts as a portfolio manager to some of those Lysander Funds. The interests of the Filers are aligned, and because the role of the Representatives is to support the business activities and interests of the Canso group of companies (including Lysander and CIC), the potential for conflicts of interest is remote.

22. The Filers each have adequate policies and procedures in place to address any potential conflicts of interest that may arise as a result of the dual registration of the Representatives and will be able to deal appropriately with any such

conflicts. Lysander and CIC have previously obtained dual-registration relief via the Prior Order and are thus familiar with the rules, requirements and necessary procedures of having dually-registered individuals.

23. The Filers do not expect that the dual registration of the Representatives will create significant additional work and are confident that each Representative will have sufficient time to adequately serve both firms, especially given the current roles that each of Messrs. Hicks and Usher-Jones currently perform (and each Future Representative would otherwise perform) in respect of the Lysander Funds and as advising representatives with CIC.

24. Disclosure regarding the dual employment of a Representative will be disclosed in writing to clients of both Lysander and CIC and in the offering documentation for each of the CFM Funds and Lysander Funds for which the Representative acts as an advising or associate advising representative, as applicable.

25. Each Representative will act in the best interest of all clients of each Filer and will deal fairly, honestly and in good faith with these clients.

26. In the absence of the Relief Sought, the Filers would be prohibited by the Dual-Registration Restriction from permitting the Representatives to be registered as an advising representative, associate advising representative, and/or dealing representative, as the case may be, of each Filer, even though the Filers are affiliates and have controls and compliance procedures in place to deal with such advising, associate advising and/or dealing activities.

Decision

The regulator is satisfied that the decision meets the test set out in the Legislation for the regulator to make the decision. The decision of the regulator under the Legislation is as follows:

(a) the Prior Order, as it pertains to the Filers and any associate or affiliate of the Filers, is revoked; and

(b) the Relief Sought is granted on the following conditions:

  (i) That at any point in time, no more than ten (10) Representatives are dually registered with both Filers;

  (ii) The Representatives are subject to supervision by, and the applicable compliance requirements of, both Filers;

  (iii) The Chief Compliance Officer and Ultimate Designated Person of each Filer ensures that the Representatives have sufficient time and resources to adequately serve each Filer and its respective clients;

  (iv) The Filers each have adequate policies and procedures in place to address any potential conflicts of interest that may arise as a result of the dual registration of the Representatives and deal appropriately with any such conflicts; and

  (v) The relationship between the Filers and the fact that the Representatives are dually registered with both of them is fully disclosed in writing to clients of each of them that deal with such person.

“Felicia Tedesco”
Deputy Director, Compliance and Registrant Regulation
Ontario Securities Commission

2.1.2 National Bank Investments Inc.

Headnote

Multilateral Instrument 11-102 Passport System – National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations ("NI 31-103") – relief from the requirement contained in section 11.2 of NI 31-103 to designate an individual to be the UDP, and instead be permitted to designate and register two individuals as UDPs in respect of the two distinct operational divisions of the Filer.

Applicable Legislative Provisions

Multilateral Instrument 11-102 Passport System.
National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions.
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 11.2 and 15.1.

February 26, 2020

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
NATIONAL BANK INVESTMENTS INC.
(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. relief, pursuant to section 15.1 of NI 31-103, from the requirement contained in section 11.2 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) to permit the Filer to designate and register two individuals as the ultimate designated person (**UDP**) in respect of the two distinct operational divisions of the Filer (the **Exemption Sought**).

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 Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in all of the provinces and territories of Canada other than Québec and Ontario; 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 National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

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

1. The Filer, formerly known as National Bank Securities Inc., is a corporation resulting from a merger performed under the *Canada Business Corporations Act*.

2. The Filer's head office is located in Montréal, Québec.

3. The Filer is registered as:

   (a) a mutual fund dealer under the securities legislation of each of the jurisdictions of Canada; and

   (b) an investment fund manager in the provinces of Québec, Ontario and Newfoundland and Labrador.

4. The Filer is not in default of any requirements of securities legislation in any jurisdiction of Canada.

Operational structure

5. The Filer's operational structure has always been organized in two distinct divisions, which are based on the nature of its operations (the **Divisions**):

   (a) the product development and manufacturing division (the **Investment Fund Manager Division**) is responsible for all activities of the Filer related to the creation and management of mutual funds, including all activities related to its independent review committee, the preparation of all outbound documents of the Filer, and the distribution of the Filer's products through dealers other than the Filer.

   (b) the internal dealer distribution division (the **Mutual Fund Dealer Division**) is responsible for all product distribution activities of the Filer within its own dealer network, *i.e.*, all activities of the Filer related to its registered dealing representatives, the implementation of a distribution network with a compliance supervision model for its 467 branches and the implementation of procedures pertaining to the validation of the suitability of transactions.

The Investment Fund Manager Division and the Mutual Fund Dealer Division each have separate and distinct senior management structures. Although they are part of the same corporate entity, each Division is functionally a stand-alone operation within the Filer's business. The Filer therefore seeks to ensure that its operational structure remains aligned with its business model while effectively meeting the policy objectives of NI 31-103.

The chief compliance officer ("CCO")

6. The Filer now has only one compliance team that is part of the NBC Corporate Compliance function and is composed of the Investment Fund Manager Division compliance staff and the Mutual Fund Dealer Division compliance staff, all reporting to the same manager. In total, five dedicated staff members are responsible for the Filer's compliance supervision.

7. The CCO will benefit from all of the expertise of the NBC Corporate Compliance team, including more than one hundred and fifty employees with different specializations such as conduct of business, regulatory watch, inspections, anti-money laundering, proceeds of crime, strategy and governance.

8. The Filer's CCO will also have access to the NBC Wealth Management legal team for the settlement of client complaints and the processing of internal investigations.

9. The Filer has one CCO for the Divisions to allow supervision and reporting on controls to be more efficient as it does not affect the investment management and distribution activities. The investment management and distribution activities are well defined and have been managed through two separate business divisions for years.

The UDPs

10. There is currently a UDP appointed and registered for each of the Divisions. The current UDPs (the **Division Heads**) are the most senior executive member of each Division. If the Exemption Sought is granted, the Filer will keep its two current UDPs in their respective positions.

11. Despite the fact that only the UDP of the Investment Fund Manager Division holds the title of Chief Executive Officer (**CEO**) of the Filer, both UDPs have equivalent roles to that of a CEO in respect of their Division. There is no line of reporting between the Division Heads and they each report independently to different members of the senior management team of NBC and have direct access to the Filer's Board of Directors.

12. No other executive officer of the Filer has authority to overrule a decision of either of the UDPs or control either of the UDP's access to the Board of Directors of the Filer.

Reasons for the Exemption Sought

13. Pursuant to section 11.2 of NI 31-103, a registered firm must designate an individual who is registered under securities legislation in the category of UDP and the UDP must be: (i) the CEO or, if the firm does not have a CEO, an individual acting in a capacity similar to a CEO; (ii) the sole proprietor of the registered firm; or (iii) the officer in charge of a division of the registered firm, if the activity that requires the firm to register occurs only in the division and the firm has significant other business activities (the **UDP Requirement**).

14. Granting the Exemption Sought would be consistent with the policy objectives that the UDP Requirement is intended to achieve, because:

    (a) each Division is an independent operation that is distinct from the other and is conducted on a very large scale; and

    (b) the current Division Heads are effectively the most senior executive member of their respective operation line.

Previous Decision

The Exemption Sought is substantially similar to the decision dated January 13, 2017, *In the Matter of National Bank Investments Inc*., which granted the Filer relief from the UDP Requirement subject to a sunset clause (the **Previous Relief**). The Previous Relief ceased to be valid three years after the date of the decision.

Decision

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

(a) each Division shall have its own UDP, who shall be its Division Head;

(b) only one individual shall be the UDP of each Division; and

(c) each UDP shall fulfill the responsibilities set out in section 5.1 of NI 31-103, and any successor provision thereto, in respect of the Division for which he/she is designated UDP.

“Frédéric Pérodeau”
Superintendent, Client Services and Distribution Oversight

2.1.3 Agrifoods International Cooperative Ltd.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 62-104 Take-Over Bids and Issuer Bids, s. 6.1 – An issuer requires an exemption from all issuer bid requirements in connection with a repurchase of its securities – The issuer is a cooperative in a specific industry; membership is limited to members within the same industry who have used the services of the issuer; members are familiar with the business and operations of the issuer; the investment shares of the issuer trade on a private marketplace that can only be accessed by members; inactive members are often unable to dispose of their investment shares due to low liquidity; the issuer will offer to repurchase investment shares from members who meet certain criteria; repurchases by the issuer within any 12 month period will not exceed 5% of shares outstanding at the beginning of the 12 month period.

Applicable Legislative Provisions

National Instrument 62-104 Take-Over Bids and Issuer Bids, Part 2 and s. 6.1.

March 18, 2020

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

AND

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

AND

IN THE MATTER OF
AGRIFOODS INTERNATIONAL COOPERATIVE LTD.
(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) that the issuer bid requirements set out in Part 2 of National Instrument 62-104 *Take-Over Bids and Issuer Bids* (NI 62-104) do not apply to certain repurchases by the Filer of investment shares (Investment Shares) of the Filer in one or more transactions that meet certain conditions (the Exemption Sought).

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

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

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in Alberta, Manitoba and Saskatchewan (together with the Jurisdictions, the Relief Jurisdictions); 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 National Instrument 14-101 *Definitions*, MI 11-102 and NI 62-104 have the same meaning if used in this decision, unless otherwise defined.

Representations

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

1. the Filer is a cooperative organized under the *Canada Cooperatives Act* (the Federal Co-Op Act);

2. the Filer is not a reporting issuer in any jurisdiction and has no intention of becoming a reporting issuer;

3. the members of the Filer are dairy producers located in each of the Relief Jurisdictions; the Filer offers its members the service of picking up milk from their farms and delivering the milk to dairies for processing; the ability of some members to use this service is limited by provincial milk board regulations or policies;

4. the Filer's capital structure consists of:

   (a) an unlimited number of membership shares (Membership Shares) with a par value of $1.00 per Membership Share, owned by active dairy producers, and

   (b) an unlimited number of Investment Shares without par value, owned by individuals or entities no longer active in dairy farming, including estates of deceased dairy farmers, and shareholders, partners and other participants of entities that own Membership Shares;

5. the Filer currently has:

   (a) approximately 800 members (Members) who are actively involved in dairy farming;

   (b) approximately 2,100 auxiliary members (Auxiliary Members) who either:

      (i) were previously, but are no longer, active in dairy farming but have a continuing interest in the Filer in the form of Investment Shares; or

      (ii) are shareholders of active or formerly active corporate Members or partners of or participants in active or formerly active unincorporated Members;

6. under the Federal Co-Op Act and the Articles and By-laws of the Filer:

   (a) only Members and Auxiliary Members are able to hold Investment Shares;

   (b) membership is limited to current Members, and may be granted by the Filer to active dairy producers licensed by the provincial milk board in one of the Relief Jurisdictions who are (i) capable of using the services of the Filer, and (ii) use the Filer's services unless prevented from doing so by provincial milk board regulations, orders or policies; and

   (c) auxiliary membership is limited to current Auxiliary Members, Members who have ceased dairy farming but continue to hold Investment Shares, and shareholders, partners or other owners of Members and Auxiliary Members who are admitted to auxiliary membership in the Filer;

7. there are currently Members in all Relief Jurisdictions and Auxiliary Members in all Relief Jurisdictions;

8. the Articles of the Filer provide that Investment Shares may be issued and transferred only to:

   (a) Members or Auxiliary Members;

   (b) the executor or administrator of the estate of a Member or Auxiliary Member, provided that the executor or administrator may only hold and sell the Investment Shares owned by the deceased person at the time of his or her death and any additional Investment Shares issued to the deceased's estate as a result of the mandatory investment of patronage returns (which are annual distributions to Members based on pro rata usage of the Filer's services) to the deceased's estate, but the executor or administrator may not otherwise acquire additional Investment Shares; and

   (c) employees of the Filer;

9. no person or shareholder group can hold more than five percent of the issued and outstanding Investment Shares; previously issued Investment Shares can be transferred only to a person who has been a Member or Auxiliary Member for at least 12 months before the date of transfer;

10. pursuant to exemptive relief granted by the securities regulators in British Columbia, Alberta and Saskatchewan dated February 28, 2006, the Filer operates a private marketplace (Trading System) through which Members and Auxiliary Members may trade their Investment Shares;

11. trading data on the Trading System is available only to Members and Auxiliary Members through a password protected website; as such, the trading data from the Trading System is not available to the public;

12. the actual trading volume of Investment Shares on the Trading System is small (on average, no more than 0.06% of the Investment Shares trade in any month, and in some months there are no trades) and accordingly holders of Investment Shares (Investment Shareholders) who wish to divest of their Investment Shares are often unable to do so in a timely fashion or on terms acceptable to the sellers;

13. each Member and Auxiliary Member is provided with the Filer's annual financial statements and periodic newsletters with information regarding the Filer;

14. each Member and Auxiliary Member has access to trading data and information about the Filer through the Trading System website;

15. the inability of Investment Shareholders to divest of their Investment Shares has the greatest impact on Auxiliary Members who are no longer active dairy producers and, other than their Investment Share holdings, no longer maintain an interest in the dairy industry or the operations of the Filer, including estates of deceased Investment Shareholders which cannot be fully disgorged due to holding the illiquid Investment Shares;

16. making an issuer bid to all Investment Shareholders (being both Members and Auxiliary Members) on a proportionate basis is unlikely to accomplish the objective of allowing the target group of Investment Shareholders who no longer have an interest in participating in the operations of the Filer, particularly elderly Auxiliary Members and estates, to fully divest of all their Investment Shareholdings on a timely basis or on acceptable terms;

17. Section 4.9 of NI 62-104 provides an exemption (the Exemption) from the issuer bid requirements of Part 2 of NI 62-104 if:

    (a) the offeree issuer is not a reporting issuer;

    (b) there is no published market for the securities that are the subject of the bid; and

    (c) the number of security holders of that class of securities at the commencement of the bid is not more than 50, exclusive of holders who (i) are in the employment of the offeree issuer or an affiliate of the offeree issuer, or (ii) were formerly in the employment of the offeree issuer or in the employment of an entity that was an affiliate of the offeree issuer at the time of that employment, and who while in that employment were, and have continued after that employment to be, security holders of the offeree issuer; and

18. as the Filer has more than 50 holders of Investment Shares that are not current or former employees of the Filer or an affiliate of the Filer, and as there is a market for the securities that would be the subject of the bid (namely the Trading System), the Exemption is not available in respect of the Issuer Bid.

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:

(a) any offer by the Filer to repurchase Investment Shares (each, an Issuer Bid) is made only to the following:

    (A) executors or administrators of the estates of deceased Members or Auxiliary Members; and

    (B) Auxiliary Members who either:

    (C) have been an Auxiliary Member for more than 10 years preceding the date of the commencement of the Issuer Bid,

    (D) certify to the Filer that they have not been directly or indirectly (as a shareholder in a corporation, partner in a partnership or participant in another form of unincorporated organization) active in dairy farming for more than 10 years preceding the date of the commencement of the Issuer Bid, or

    (E) are 70 years of age or older at the date of the commencement of the Issuer Bid;

(b) the repurchase price for an Issuer Bid is equal to the average of the trading price of Investment Shares in the Trading System during the most recent three months during which trading occurred preceding the commencement of the Issuer Bid; and

(c) the aggregate number of Investment Shares acquired by the Filer pursuant to one or more Issuer Bids within any 12-month period does not exceed 5% of the Investment Shares outstanding at the beginning of the 12-month period.

"Brenda M. Leong"
Chair
British Columbia Securities Commission

2.1.4 CI Investments Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief granted from the concentration restriction requirements to permit fixed income funds to invest in debt securities issued by the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac) – relief is required to allow funds to invest more than 10 percent of their net asset value in Fannie Mae and Freddie Mac – Fannie Mae and Freddie Mac are implicitly guaranteed by the U.S. government – Fannie Mae and Freddie Mac are government sponsored entities in the U.S. – Fannie Mae and Freddie Mac are classified as "government securities" under the U.S. Investment Company Act of 1940 – Fannie Mae and Freddie Mac has a U.S. government equivalent credit rating – exemptive relief granted from subsection 2.1(1) of National Instrument 81-102 Investment Funds, subject to certain conditions.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 2.1(1) and 19.1.

March 10, 2020

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
CI INVESTMENTS INC.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of each investment fund of which the Filer currently is the manager (the **Current Funds**) and each investment fund of which the Filer in the future becomes the manager (the **Future Funds** and, together with the Current Funds, the **Funds**) for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that grants exemptive relief to the Filer and the Funds from:

(a) subsection 2.1(1) of National Instrument 81-102 *Investment Funds* (**NI 81-102**) to permit each Fund that is a mutual fund, other than an alternative mutual fund, to purchase a security of an issuer, enter into a specified derivative transaction or purchase index participation units (each a **Purchase**) when, immediately after the Purchase, more than 10 percent of the net asset value of the Fund would be invested in debt obligations issued or guaranteed by either the Federal National Mortgage Association (**Fannie Mae**) or the Federal Home Loan Mortgage Corporation (**Freddie Mac**); and

(b) subsection 2.1(1.1) of NI 81-102 to permit each Fund that is an alternative mutual fund or a non-redeemable investment fund to make a Purchase when, immediately after the Purchase, more than 20 percent of the net asset value of the Fund would be invested in debt obligations issued or guaranteed by either the Fannie Mae or Freddie Mac,

(together, the **Exemption Sought**).

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

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

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

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102, and NI 81-102 have the same meaning if used in this decision, unless otherwise defined. In addition:

1940 Act means the United States *Investment Company Act of 1940*, as amended from time to time;

Fannie and Freddie Securities means debt obligations issued or guaranteed by either Fannie Mae or Freddie Mac including, without limitation, bonds and mortgage-backed securities and **Fannie or Freddie Security** means any one such debt obligation;

Minimum Rating means a credit rating of BBB- assigned by Standard & Poor's Rating Service or an equivalent rating by one or more other designated rating organizations; and

U.S. Government Equivalent Rating means a credit rating assigned by Standard & Poor's Rating Services (Canada), or an equivalent rating assigned by one or more other designated rating organizations, to a Fannie or Freddie Security that is not less than the credit rating then assigned by such designated rating organization to the debt of the United States government of approximately the same term as the remaining term to maturity of, and denominated in the same currency as, the Fannie or Freddie Security.

Representations

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

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

2. The Filer is registered under the securities legislation in:

   (a) as an investment fund manager in Ontario, Québec and Newfoundland and Labrador,

   (b) as a portfolio manager and exempt market dealer in each of the Jurisdictions, and

   (c) as a commodity trading counsel and commodity trading manager under the *Commodity Futures Act* in Ontario.

3. The Filer, or an affiliate, is or will be the manager of each Fund.

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

5. Each Fund is or will be an investment fund to which NI 81-102 applies, subject to any exemptions therefrom that have been, or may be, granted by the applicable securities regulatory authorities.

6. Each Current Fund is a reporting issuer under the securities legislation of all the Jurisdictions. Each Future Fund will be a reporting issuer under the securities legislation of Ontario and may be a reporting issuer under the securities legislation of one or more other Jurisdictions.

7. Each Current Fund is not in default of securities legislation in any Jurisdiction.

8. The investment objectives of each Fund that will rely on the Exemption Sought is or will permit the Fund to invest a majority of its assets in fixed income securities. The ability to invest in Fannie and Freddie Securities is or will be an important feature of each Fund due to the size and role of Fannie Mae and Freddie Mac in the United States mortgage industry and the expertise of the Filer and its sub-advisers in investing in such securities.

9. Fannie Mae is a financial services corporation originally established by the United States Congress in 1938 to provide United States federal government money to local banks to finance home mortgages during the Great Depression. Its business includes borrowing money in the debt markets by selling bonds and providing liquidity to mortgage originators by purchasing whole loans which it then securitizes by issuing mortgage-backed securities. Fannie Mae also earns guarantee fees for assuming the credit risk on mortgage loans.

10. Freddie Mac is a financial services corporation that was created by the United States Congress in 1970 to expand the secondary market for mortgages in the United States. It was established to provide competition to Fannie Mae. Similar to Fannie Mae, the business of Freddie Mac includes buying mortgages in the secondary market, pooling them, and issuing mortgage-backed securities, as well as earning guarantee fees for assuming the credit risk on mortgage loans.

11. Fannie and Freddie Securities provide a substantial portion of the financing for residential mortgages in the United States.

12. Originally, the obligations of Fannie Mae were explicitly guaranteed by the United States government. The explicit guarantee was removed as part of a reorganization of Fannie Mae in 1968. Like Fannie Mae, there is no explicit guarantee of the obligations of Freddie Mac by the United States government.

13. Notwithstanding the absence of an explicit guarantee, it is widely assumed that there is an implied guarantee of the obligations of both Fannie Mae and Freddie Mac by the United States government. This assumption is based on the view that Fannie Mae and Freddie Mac each are considered to be "to big to fail" due to the critical roles they play as instrumentalities of the United States government existing to support the liquidity of the residential real estate mortgage market. Accordingly, it is widely believed that the United States government implicitly guarantees the obligations of Fannie Mae and Freddie Mac. This is reflected in Fannie and Freddie Securities currently having a U.S. Government Equivalent Rating.

14. The implied guarantee was evidenced during the 2008 financial crisis. At that time, Fannie Mae and Freddie Mac together owned or guaranteed approximately half of the United States' US$12 trillion mortgage market and were at risk of defaulting on their obligations. Such a default would have increased the cost of obtaining mortgage financing from other sources, thereby exacerbating the decline in the U.S. residential real estate market, as well as negatively impacting investors (including retirement funds and money market funds) that held Fannie and Freddie Securities. As a result, on September 7, 2008, Fannie Mae and Freddie Mac were placed into conservatorship of the United States Federal Housing Financing Agency in order to stabilize them. The United States government avoided creating an explicit guarantee of the obligations of Fannie Mae and Freddie Mac due to the negative impact it would have had on the United States Treasury. Fannie Mae and Freddie Mac were expressly excluded from the bail-in regime created under Title II of the United States Dodd-Frank Wall Street Reform and Consumer Protection Act to preclude future U.S. government bail-outs of large financial companies. It is expected that a further act of the U.S. Congress would be required to remove the implied guarantee of Fannie and Freddie Securities as part of a larger reform of the U.S. residential real estate market. No such initiative currently is a priority of the U.S. Congress.

15. Under the 1940 Act, an investment company registered with the United States Securities and Exchange Commission (the **SEC**) seeking to qualify as a "diversified company" is required, among other matters, to invest at least 75% of its total assets in a manner whereby not more than 5% of the value of its total assets is invested in the securities of any single issuer. This restriction is analogous to the diversification requirement imposed on public mutual funds in Canada by subsection 2.1(1) of NI 81-102 on public mutual funds in Canada. Similar to paragraph 2.1(2)(a) of NI 81-102, the 1940 Act excludes a "government security" from the 5% limit described.

16. The definition of "government security" in the 1940 Act differs from that contained in NI 81-102 by including any security issued by a person controlled or supervised by and acting as an instrumentality of the Government of the United States pursuant to authority granted by the Congress of the United States (a **U.S. government instrumentality**). Each of Fannie Mae and Freddie Mac is considered to be a U.S. government instrumentality and Fannie and Freddie Securities therefore are "government securities" under the 1940 Act.

17. The definition of "government security" in NI 81-102 does not include U.S. government instrumentalities. Accordingly, the only United States securities which qualify as government securities are those directly issued by, or fully and unconditionally guaranteed by, the United States government. Fannie and Freddie Securities do not meet this definition since their obligations are not explicitly fully and unconditionally guaranteed by the United States government.

18. As a result, the restriction in subsection 2.1(1) applies to each investment by a Fund in Fannie and Freddie Securities.

19. Fannie and Freddie Securities represent a large, attractive and unique category of investment that cannot be replicated by any other issuer. For this reason, it is important to the Funds that they be entitled to maximize their opportunity to invest in Fannie and Freddie Securities.

20. Investments in Fannie and Freddie Securities are considered by the Filer to be more prudent than investments in equivalent bonds and mortgage-backed securities of other issuers due to the implied guarantee by the United States government. Accordingly, if the Exemption Sought is granted, each Fund will have the opportunity to maintain a more prudent portfolio through greater exposure to securities implicitly guaranteed by the United States government.

21. The US-based sub-adviser that the Filer intends to retain to advise certain Future Funds manages investment companies in the United States that currently hold significant amounts of Fannie and Freddie Securities, in many cases with individual investment companies investing more than 10% of their net assets in the securities of either Fannie Mae or Freddie Mac. Granting the Exemption Sought will enable the Funds to invest in Fannie and Freddie Securities to the same degree and proportions as their equivalent U.S. investment company counterparts managed by such sub-adviser.

22. The Filer intends, either directly or through sub-advisers, to research and monitor the investment attributes and trading operations for Fannie and Freddie Securities. Such ongoing research and monitoring will include monitoring proposals to restructure the U.S. residential housing market that may impact the implied guarantee of Fannie and Freddie Securities by the U.S. government. If, the U.S. Congress proposes legislation to change or remove the implied guarantee and the Filer determines in its judgement that, as a result of the announced proposed legislation, there is a significant risk that the Fannie and Freddie Securities held by the Funds could cease to have a U.S. Government Equivalent Rating or their credit ratings could decline below a Minimum Rating, the Funds will take steps that are

reasonably required to dispose of their Fannie and Freddie Securities in an orderly and timely fashion such that the Fannie and Freddie Securities held by the Fund comply with subsection 2.1(1) of NI 81-102.

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 is that the Exemption Sought is granted provided that:

(a) at the time of Purchase, the Fannie or Freddie Security has a U.S. Government Equivalent Rating and a rating not less than the Minimum Rating;

(b) the simplified prospectus of each Fund that is a mutual fund distributing its securities, the prospectus of each Fund that is a non-redeemable investment fund distributing its securities, and the annual information form of each Fund that is not distributing its securities:

(i) discloses that the Fund has received permission to invest more than 10% (or, in the case of an alternative mutual fund or a non-redeemable investment fund, 20%) of its net assets in each of Fannie Mae and Freddie Mac provided the Fannie and Freddie Securities maintain a U.S. Government Equivalent Rating and a rating not less than the Minimum Rating;

(ii) discloses (in the case of a prospectus or simplified prospectus, under the heading or sub-heading "Investment Strategies") the maximum amount the Fund may invest in Fannie and Freddie Securities; and

(iii) contains risk factors that:

(A) the U.S. government may not guarantee payment of Fannie and Freddie Securities; and

(B) describe the risks associated with the Fund investing more than 10% (or, in the case of an alternative mutual fund or a non-redeemable investment fund, 20%) of its net assets in securities of Fannie Mae or Freddie Mac,

provided that in the case of a Fund that is a mutual fund currently distributing its securities, the information required by this condition (b) may instead be included in the simplified prospectus of the Fund when it is next renewed or amended;

(c) if the rating of a Fannie or Freddie Security held by a Fund ceases to have a U.S. Government Equivalent Rating or declines below the Minimum Rating, the Fund will take the steps that are reasonably required to dispose of such Fannie or Freddie Security in an orderly and timely fashion such that the Fannie and Freddie Securities of such issuer held by the Fund comply with subsection 2.1(1) of NI 81-102; and

(d) if the U.S. Congress:

(i) proposes legislation intended to change or remove the implied guarantee by the U.S. government of Fannie Mae and/or Freddie Mac and the Filer determines in its judgement that, as a result of the announced proposed legislation, there is a significant risk that the Fannie and Freddie Securities held by the Funds could cease to have a U.S. Government Equivalent Rating or their credit ratings could decline below the Minimum Rating; or

(ii) enacts legislation that:

(A) removes the implied guarantee by the U.S. government of Fannie Mae and/or Freddie Mac; or

(B) specifies a future effective date on which the implied guarantee by the U.S. government of Fannie Mae and/or Freddie Mac will end,

the Funds will take the steps that are reasonably required to dispose of such Fannie and Freddie Securities in an orderly and timely fashion such that the Fannie and Freddie Securities held by the Funds comply with subsection 2.1(1) of NI 81-102.

“Darren McKall”
Manager
Investment Funds & Structured Products Branch
Ontario Securities Commission
Government of Ontario

2.1.5 Brookfield Infrastructure Partners L.P. and Brookfield Infrastructure Corporation

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions – partnership creates corporation to provide investors with alternative way to hold its units – corporation issues exchangeable shares whose terms are structured so that each exchangeable share is functionally and economically equivalent to a partnership unit – each exchangeable share provides an equivalent economic return as a partnership unit – both the partnership and the corporation are reporting issuers – related party transactions between the partnership and the corporation are exempt from the related party transaction requirements, subject to conditions – partnership may include corporation's exchangeable shares when calculating market capitalization for the purposes of using the 25% market capitalization exemption for certain related party transactions, subject to conditions.

Applicable Legislative Provisions

Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions, Part 5, ss. 5.5(a), 5.7(1)(a) and 9.1.

March 11, 2020

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
BROOKFIELD INFRASTRUCTURE PARTNERS L.P., AND
BROOKFIELD INFRASTRUCTURE CORPORATION

DECISION

Background

The principal regulator in the Jurisdiction has received an application from Brookfield Infrastructure Partners L.P. (**BIP**) and Brookfield Infrastructure Corporation (**BIPC**, and together with BIP, the **Filers**) for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) that:

(a) BIP be exempt from the requirements of Part 5 of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (**MI 61-101**, and such requirements, the **Related Party Transaction Requirements**) in connection with any related party transaction of BIP with BIPC or any of BIPC's subsidiary entities (the **BIP Related Party Relief**);

(b) BIPC be exempt from the Related Party Transaction Requirements in connection with any related party transaction of BIPC with BIP or any of BIP's subsidiary entities (the **BIPC Related Party Relief**); and

(c) BIP be exempt from the requirements of sections 5.4 and 5.6 of MI 61-101 (the **Valuation and Minority Approval Requirements**) in connection with any related party transaction of BIP entered into indirectly through Holding LP (as defined below) or any subsidiary entity of Holding LP, if that transaction would qualify for the transaction size exemptions set out in sections 5.5(a) and 5.7(1)(a) of MI 61-101 if the class A exchangeable subordinate voting shares of BIPC (the **Exchangeable Shares**) were included in the calculation of BIP's market capitalization (the **Transaction Size Relief**, collectively with the BIP Related Party Relief and the BIPC Related Party Relief, the **Exemption Sought**).

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

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

(b) the Filers have provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in Alberta, Manitoba, New Brunswick, Quebec, and Saskatchewan.

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102 and MI 61-101 have the same meaning if used in this decision, unless otherwise defined.

Representations

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

BIP

1. BIP is an exempted limited partnership established, registered and in good standing under the laws of Bermuda. BIP's registered and head office is located at 73 Front Street, 5th Floor, Hamilton HM 12, Bermuda.

2. BIP is a reporting issuer in all of the provinces and territories of Canada and is a SEC foreign issuer within the meaning of section 1.1 of National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers* (**NI 71-102**). BIP satisfies its continuous disclosure obligations by complying with U.S. federal securities laws in accordance with NI 71-102. BIP is not in default of any requirement of securities legislation in the jurisdictions in which it is a reporting issuer.

3. The authorized capital of BIP consists of: (a) non-voting limited partnership units (the **BIP Units**); (b) Class A preferred limited partnership units, issuable in series; and (c) general partnership units.

4. The BIP Units are listed on the New York Stock Exchange (**NYSE**) and the Toronto Stock Exchange (**TSX**) under the symbols "BIP" and "BIP.UN", respectively.

5. BIP's sole asset is its managing general partnership interest and preferred limited partnership interest in Brookfield Infrastructure L.P. (**Holding LP**), a Bermuda exempted limited partnership that was established on August 17, 2007 and is in good standing under the laws of Bermuda.

6. Brookfield Infrastructure Partners Limited, a wholly-owned subsidiary of Brookfield Asset Management Inc. (**Brookfield**), holds the general partner interest in BIP.

Brookfield

7. Brookfield is a corporation existing and in good standing under the *Business Corporations Act* (Ontario). Brookfield's registered and head office is located at Suite 300, Brookfield Place, 181 Bay Street, Toronto, Ontario, M5J 2T3.

8. Brookfield is a reporting issuer in all of the provinces and territories of Canada and is not in default of any requirement of securities legislation in the jurisdictions in which it is a reporting issuer.

9. The Class A Limited Voting Shares of Brookfield are listed on the NYSE and the TSX under the symbols "BAM" and "BAM.A", respectively.

10. Brookfield indirectly holds an approximate 29.2% economic interest in BIP (on a fully-exchanged basis) through its ownership of redeemable partnership units of Holding LP (the **Redeemable Partnership Units**).

11. Brookfield indirectly holds all of the voting interests in BIP through its ownership of the general partner unit of BIP.

12. BIP, Holding LP and certain of their subsidiaries have retained Brookfield and its related entities to provide management, administrative and advisory services under a master services agreement.

BIPC

13. BIPC is a corporation existing and in good standing under the *Business Corporations Act* (British Columbia). BIPC was incorporated on August 30, 2019. BIPC's registered office is located at 1500 Royal Centre, 1055 West Georgia Street, P.O. Box 11117, Vancouver, British Columbia, V6E 4N7. BIPC's head office is located at 250 Vesey Street, 15th Floor, New York, New York, 10281, United States of America.

14. The authorized share capital of BIPC consists of an unlimited number of common shares (the **BIPC Common Shares**).

15. All of the BIPC Common Shares are held by Brookfield Instructure Holdings (Canada) Inc., a wholly-owned subsidiary of BIP.

16. BIPC's principal investments are expected to initially consist of indirect interests in utilities businesses in Europe and South America.

17. BIPC is not a reporting issuer in any jurisdiction and is not in default of any applicable requirement of securities legislation.

The Special Distribution

18. BIP believes that certain investors in certain jurisdictions may be dissuaded from investing in BIP because of the tax reporting framework that results from investing in units of a Bermuda exempted limited partnership.

19. BIPC was created, in part, to provide investors that would not otherwise invest in BIP with an opportunity to gain access to BIP's portfolio of infrastructure assets, and to provide investors with the flexibility to own, through the ownership of an Exchangeable Share, the economic equivalent of a BIP Unit.

20. BIP will be distributing Exchangeable Shares to holders of BIP Units (the **Special Distribution**). The Special Distribution is, in effect, a stock split of the BIP Units.

21. On November 13, 2019, (i) BIPC filed a preliminary long form prospectus to qualify the distribution of the Exchangeable Shares to be distributed pursuant to the Special Distribution, and (ii) BIP filed a preliminary short form prospectus to qualify the BIP Units issuable or deliverable upon the exchange, redemption or purchase of Exchangeable Shares pursuant to their terms.

22. Upon obtaining a receipt for the final prospectus, BIPC will become a reporting issuer in each of the provinces and territories of Canada.

23. BIPC has applied to have the Exchangeable Shares listed on the NYSE and TSX.

24. BIPC filed a registration statement on Form F-1 with the U.S. Securities and Exchange Commission (the **SEC**), as amended, to register the Exchangeable Shares that will be distributed pursuant to the Special Distribution, and BIP filed a registration statement of Form F-3 with the SEC, as amended, to register the BIP Units issuable or deliverable upon the exchange, redemption or purchase of Exchangeable Shares pursuant to their terms.

25. Prior to the closing of the Special Distribution:

    (a) BIPC will reclassify its share structure such that, following the reclassification, BIPC's authorized share capital will consist of: (i) an unlimited number of Exchangeable Shares; (ii) an unlimited number of class B multiple voting shares (the **Class B Shares**); (iii) an unlimited number of class C non-voting shares (the **Class C Shares**); (iv) an unlimited number of class A senior preferred shares (issuable in series); and (v) an unlimited number of class B junior preferred shares (issuable in series);

    (b) the following ownership interests will be contributed or transferred by BIP, or subsidiaries thereof, to BIPC:

        (i) approximately 80% of BUUK Infrastructure Holdings Limited, a gas distribution business located in the United Kingdom; and

        (ii) approximately 28% of Nova Transportadora do Sudeste S.A., a gas transportation business located in Brazil; and

    (c) BIP will receive Exchangeable Shares through a distribution by Holding LP of Exchangeable Shares to all the holders of equity units of Holding LP, including Brookfield through its indirect ownership of Redeemable Partnership Units and special general partner units in Brookfield Infrastructure Special LP.

26. The distribution ratio of Exchangeable Shares for each BIP Unit held will be based on the fair market value of the businesses to be transferred by BIP to BIPC, the number of BIP Units outstanding at the time of the Special Distribution (assuming exchange of the Redeemable Partnership Units), and the market capitalization of BIP. It is expected that holders of BIP Units will receive one (1) Exchangeable Share (less any Exchangeable Shares withheld to satisfy withholding tax obligations) for every nine (9) BIP Units held as of the record date of the Special Distribution.

27. Each Exchangeable Share has been structured with the intention of providing an economic return equivalent to a BIP Unit and the rights, privileges, restrictions and conditions attached to each Exchangeable Share (the **Exchangeable Share Provisions**) are such that each Exchangeable Share is as nearly as practicable, functionally and economically, equivalent to a BIP Unit. In particular:

    (a) each Exchangeable Share will be exchangeable at the option of a holder for one (1) BIP Unit (subject to adjustment to reflect certain capital events) or its cash equivalent (the form of payment to be determined at the election of BIPC) (an **Exchange**);

    (b) the Exchangeable Shares are redeemable by BIPC for BIP Units (or its cash equivalent, at BIPC's election) on a one-for-one basis (subject to adjustment to reflect certain capital events) (a **Redemption**);

(c) upon a liquidation, dissolution or winding up of BIPC, holders of Exchangeable Shares will be entitled to receive BIP Units (or its cash equivalent, at BIPC's election) on a one-for-one basis (subject to adjustment to reflect certain capital events) and not any remaining property or assets of BIPC following such payment (a **BIPC Liquidation**);

(d) upon a liquidation, dissolution or winding up of BIP, including where substantially concurrent with a BIPC Liquidation, all of the Exchangeable Shares will be automatically redeemed for BIP Units (or its cash equivalent, at BIPC's election) on a one-for-one basis (subject to adjustment to reflect certain capital events) (a **BIP Liquidation**); and

(e) subject to applicable law and in accordance with the Exchangeable Share Provisions, each Exchangeable Share will entitle the holder to dividends from BIPC payable at the same time as, and equivalent to, each distribution on a BIP Unit. The Exchangeable Share Provisions also provide that if a distribution is declared on the BIP Units and an equivalent dividend is not declared and paid concurrently on the Exchangeable Shares, then the undeclared or unpaid amount of such dividend accrues and accumulates and is to be paid upon the first to occur of any of the circumstances contemplated by paragraphs (a) to (d) above, if not yet paid.

28. Upon being notified by BIPC that BIPC has received a request for an Exchange, BIP has an overriding call right to purchase (or have one of its affiliates purchase) all of the Exchangeable Shares that are the subject of the Exchange notice from the holder of Exchangeable Shares for BIP Units (or its cash equivalent, at BIP's election) on a one-for-one basis (subject to adjustment to reflect certain capital events).

29. Upon being notified by BIPC that it intends to conduct a Redemption, BIP has an overriding call right to purchase (or have one of its affiliates purchase) all but not less than all of the then outstanding Exchangeable Shares for BIP Units (or its cash equivalent, at BIP's election) on a one-for-one basis (subject to adjustment to reflect certain capital events).

30. Upon the occurrence of a BIP Liquidation or BIPC Liquidation, BIP will have an overriding liquidation call right to purchase (or have one of its affiliates purchase) all but not less than all of the then outstanding Exchangeable Shares on the day prior to the effective date of such BIP Liquidation or BIPC Liquidation for BIP Units on a one-for-one basis (subject to adjustment to reflect certain capital events).

31. Prior to the Special Distribution, Brookfield will enter into a rights agreement (the **Rights Agreement**) pursuant to which it will agree that, for the five-year period beginning on the date of the Special Distribution, Brookfield will guarantee BIPC's obligation to deliver BIP Units or its cash equivalent in connection with an Exchange.

32. An investment in Exchangeable Shares will be as nearly as practicable, functionally and economically, equivalent to an investment in BIP Units. BIP expects that:

(a) investors of Exchangeable Shares will purchase Exchangeable Shares as an alternative way of owning BIP Units rather than a separate and distinct investment; and

(b) the market price of the Exchangeable Shares will be significantly impacted by (i) the combined business performance of BIPC and BIP as a single economic unit, and (ii) the market price of the BIP Units, in a manner that should result in the market price of the Exchangeable Shares closely tracking the market price of the BIP Units.

33. BIPC is intended to be an entity through which persons who do not wish to hold BIP Units directly, may hold their interests in BIP, and BIP is the entity through which holders of Exchangeable Shares and BIP Units hold their interests in the collective operations of BIP and its subsidiaries, including BIPC and its subsidiaries.

Ownership and Control of BIPC

34. The Related Party Transaction Requirements do not apply to an issuer carrying out a related party transaction if:

(a) as provided under paragraph 5.1(d) of MI 61-101, the parties to the transaction consist solely of (i) an issuer and one or more of its wholly-owned subsidiary entities, or (ii) wholly-owned subsidiary entities of the same issuer. A person is considered to be a "wholly-owned subsidiary entity" of an issuer if the issuer owns, directly or indirectly, all of the voting and equity securities and securities convertible into voting and equity securities of the person; and/or

(b) as provided under paragraph 5.1(g) of MI 61-101 (the **Downstream Transaction Carve-Out**), the transaction is a downstream transaction for the issuer. A "downstream transaction" means, for an issuer, a transaction between the issuer and a related party of the issuer if, at the time the transaction is agreed to, (i) the issuer is a control person of the related party, and (ii) to the knowledge of the issuer after reasonable inquiry, no related party of the issuer, other than a wholly-owned subsidiary entity of the issuer, beneficially owns or exercises control or direction over, other than through its interest in the issuer, more than five per cent of any class of voting or equity securities of the related party that is a party to the transaction.

35. Section 1.3 of MI 61-101 provides that, for the purposes of MI 61-101, a transaction of a wholly-owned subsidiary entity of an issuer is deemed to be a transaction of the issuer.

36. Related party transactions among BIP and BIPC will be required for the operation of the Exchangeable Share Provisions and in connection with ordinary course financial support arrangements which may be entered into from time to time.

37. The only voting securities of BIPC are the Exchangeable Shares and the Class B Shares. Holders of Exchangeable Shares are entitled to one (1) vote per Exchangeable Share held and holders of Class B Shares are entitled to cast, in the aggregate, a number of votes equal to three (3) times the number of votes attached to the Exchangeable Shares.

38. Neither the Exchangeable Shares nor the Class B Shares carry a residual right to participate in the assets of BIPC upon liquidation or winding-up of BIPC, and accordingly, are not equity securities under the Legislation. The Class C Shares are the only equity securities of BIPC.

39. All of the Class B Shares and the Class C Shares will be indirectly owned by BIP and none of them will be transferable except to an affiliate of BIP. Accordingly, all of the equity securities of BIPC are held indirectly by BIP.

40. BIPC is not a wholly-owned subsidiary of BIP; BIP will not own, directly or indirectly, all of the voting securities of BIPC because Brookfield and members of the public will hold Exchangeable Shares. However, by virtue of the terms of the Class B Shares, BIP holds a 75% voting interest in BIPC, will control BIPC and the appointment and removal of directors of BIPC; the voting rights attached to the Exchangeable Shares do not allow holders of Exchangeable Shares to affect the control of BIPC. The voting right attached to each Exchangeable Share is expected to assist with index inclusion.

41. BIP is not able to rely on the Downstream Transaction Carve-Out because, upon completion of the Special Distribution, Brookfield will beneficially own or exercise control or direction over, more than five per cent of the Exchangeable Shares, as it will hold, directly or indirectly, approximately 29.6% of the Exchangeable Shares. Brookfield will accordingly have a 7.4% voting interest in BIPC.

42. BIPC is a controlled subsidiary of BIP and BIP will consolidate BIPC and its businesses in BIP's financial statements.

43. By virtue of the Exchangeable Share Provisions, the economic rights of the holders of the Exchangeable Shares will not be affected by transactions between BIP and BIPC. BIP, as the sole holder of equity securities of BIPC, will receive any benefit and/or bear any detriment from related party transactions between BIP and BIPC.

44. Minority approval is required of every class of affected securities, being equity securities of the issuer. For BIPC, minority approval of a related party transaction of BIPC with BIP would be sought from the holders of its Class C Shares, all of which are held by BIP. BIP, as the counterparty to such a related party transaction, does not require the protections of MI 61-101.

Market Capitalization Calculation

45. It is anticipated that BIP will, from time to time, enter into transactions with certain related parties, including Brookfield and its affiliates (other than BIP and its related entities, including BIPC) indirectly through Holding LP and its subsidiaries (including BIPC and its subsidiaries).

46. The Valuation and Minority Approval Requirements require, subject to the availability of an exemption, that an issuer obtain: (a) a formal valuation of the transaction in a form satisfying the requirements of MI 61-101 by an independent valuator; and (b) approval of the transaction by disinterested holders of the affected securities of the issuer.

47. A related party transaction that is subject to MI 61-101 may be exempt from the Valuation and Minority Approval Requirements if, at the time the transaction is agreed to, neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the transaction, exceeds 25% of the issuer's market capitalization (the **Market Cap Exemption**).

48. It is unclear whether BIP would be entitled to rely on the Market Cap Exemption available under the Legislation because the definition of market capitalization in the Legislation does not contemplate securities of another entity that are exchangeable into equity securities of the issuer.

49. The Exchangeable Shares represent part of the equity value of BIP and are functionally and economically equivalent to the BIP Units. As a result of the Exchangeable Share Provisions, holders of Exchangeable Shares have the ability to receive a BIP Unit or its cash equivalent (the form of payment to be determined at the election of BIPC) and will receive identical distributions to the BIP Units, as and when declared by the board of directors of BIPC. Moreover, the economic interests that underlie the Exchangeable Shares are identical to those underlying the BIP Units; namely, the assets and operations held directly or indirectly by BIP.

50. Any costs related to a transaction occurring within the BIPC group would be borne by BIP as the sole holder of the equity securities of BIPC. BIP will consolidate BIP and its businesses in its financial statements and the business of BIP (including BIPC and its subsidiaries) will be the same as it was before the creation of BIPC and the transactions conducted in connection with, and to facilitate, the Special Distribution.

51. If the Exchangeable Shares are not included in the market capitalization of BIP, the equity value of BIP will be understated initially by the value of the Exchangeable Shares, being approximately 11% (assuming a one-for-nine distribution ratio). As a result, related party transactions of BIP that are entered into through a subsidiary entity of BIPC may be subject to the Valuation and Minority Approval Requirements in circumstances where the fair market value of the transactions are effectively less than 25% of the fully diluted market capitalization of BIP.

52. BIP has already received relief similar to the Transaction Size Relief in respect of the Redeemable Partnership Units. On December 21, 2007, the Ontario Securities Commission granted BIP an exemption from the Valuation and Minority Approval Requirements in connection with any related party transaction of BIP entered into indirectly through Holding LP and its subsidiaries if that transaction would qualify for the Market Cap Exemption if the Redeemable Partnership Units were included in the calculation of BIP's market capitalization.

Decision

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

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

1. in respect of the BIP Related Party Relief and BIPC Related Party Relief:

   (a) all of the equity securities of BIPC are owned, directly or indirectly, by BIP;

   (b) all of the voting securities of BIPC (other than the Exchangeable Shares) are owned, directly or indirectly, by BIP;

   (c) there are no material changes to the Exchangeable Share Provisions, as described above; and

   (d) BIP consolidates BIPC and its businesses in BIP's financial statements;

2. in respect of the Transaction Size Relief:

   (a) the transaction would qualify for the Market Cap Exemption if the Exchangeable Shares were considered an outstanding class of equity securities of BIP that were convertible into BIP Units;

   (b) there are no material changes to the Exchangeable Share Provisions, as described above; and

   (c) any annual information form or equivalent of BIP that is required to be filed in accordance with applicable securities laws contain the following disclosure, with any immaterial modifications as the context may require:

> Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") provides a number of circumstances in which a transaction between an issuer and a related party may be subject to valuation and minority approval requirements. An exemption from such requirements is available when the fair market value of the transaction is not more than 25% of the market capitalization of the issuer. Brookfield Infrastructure Partners L.P. ("**BIP**") has been granted exemptive relief from the requirements of MI 61-101 that, subject to certain conditions, permits it to be exempt from the minority approval and valuation requirements for transactions that would have a value of less than 25% of BIP's market capitalization, if Brookfield's indirect equity interest in BIP and the class A exchangeable subordinate voting shares of Brookfield Infrastructure Corporation ("**BIPC**") are included in the calculation of BIP's market capitalization. As a result, the 25% threshold above which the minority approval and valuation requirements would apply is increased to include the approximately 29.2% indirect interest in BIP in the form of redeemable partnership units of Brookfield Infrastructure L.P. held by Brookfield and the approximately 11.1% indirect interest in BIP in the form of class A exchangeable subordinate voting shares of BIPC held by Brookfield and the public.

"Naizam Kanji"
Director, Office of Mergers & Acquisitions
Ontario Securities Commission

2.1.6 CI Investments Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted to permit investment funds to invest in underlying ETFs whose securities would meet the definition of index participation unit in NI 81-102, but for the fact that they are traded in Japan or Hong Kong – relief also granted to permit investment funds to invest in other investment funds that hold more than 10% of NAV in securities of one or more of the Japan or Hong Kong-traded ETFs to form a three-tier structure – relief is subject to certain conditions and requirements including that the underlying funds are not synthetic exchange-traded mutual funds – National Instrument 81-102 Investment Funds.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 2.5(2)(a), 2.5(2)(a.1), 2.5(2)(b) and 2.5(2)(c), and 19.1.

March 20, 2020

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
CI INVESTMENTS INC.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the investment funds that are subject to National Instrument 81-*102 Investment Funds* (**NI 81-102**) for which the Filer or its affiliate acts as a manager (the **Existing Funds**) and the investment funds that are subject to NI 81-102 for which the Filer or its affiliate will act as manager in the future (the **Future Funds**, and together with the Existing Funds, the **Funds**, and each, a **Fund**), for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) exempting the Funds from:

(a) paragraph 2.5(2)(a) of NI 81-102 to permit each Fund that is a mutual fund but not an alternative mutual fund to purchase and/or hold securities of the Underlying ETFs (as defined below), even though the Underlying ETFs are not subject to NI 81-102;

(b) paragraph 2.5(2)(a.1) of NI 81-102 to permit each Fund that is an alternative mutual fund or a non-redeemable investment fund to purchase and/or hold securities of the Underlying ETFs, even though the Underlying ETFs are not subject to NI 81-102;

(c) paragraph 2.5(2)(c) of NI 81-102 to permit each Fund to purchase and/or hold securities of the Underlying ETFs, even though the Underlying ETFs are not reporting issuers in a Canadian Jurisdiction (as defined below) (together with paragraphs (a) and (b) above, the **Two Tier Relief**); and

(d) paragraph 2.5(2)(b) of NI 81-102 to permit each Fund to purchase and/or hold a security of another Fund that holds more than 10% of its net asset value (**NAV**) in securities of one or more Underlying ETFs (a **Middle Fund**, and collectively, the **Middle Funds**) (the **Three Tier Relief**, and together with the Two Tier Relief, the **Exemption Sought**).

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

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

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

Interpretation

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

Representations

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

The Filer and the Funds

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

2. The Filer is registered under applicable securities laws as: (a) an investment fund manager in Ontario, Québec and Newfoundland and Labrador; (b) a portfolio manager in each of the Canadian Jurisdictions; (c) an exempt market dealer in each of the Canadian Jurisdictions; (d) a commodity trading counsel in Ontario; and (e) a commodity trading manager in Ontario.

3. The Filer or its affiliate acts, or will act, as the manager of each of the Funds.

4. Each of the Funds is, or will be: (a) an investment fund; (b) structured as a trust or corporation or class thereof that is governed by the laws of the province of Ontario; (c) a reporting issuer in the Canadian Jurisdiction(s) in which its securities are distributed; and (d) governed by the provisions of NI 81-102, subject to any relief therefrom granted by the securities regulatory authorities of any Canadian Jurisdiction.

5. The securities of each of the Funds are, or will be, qualified for distribution in all of the Canadian Jurisdictions under a long form prospectus prepared pursuant to National Instrument 41-101 *General Prospectus Requirements* (**NI 41-101**) and Form 41-101F2 *Information Required in an Investment Fund Prospectus* (**Form 41-101F2**) or a simplified prospectus prepared pursuant to National Instrument 81-101 *Mutual Fund Prospectus Disclosure (***NI 81-101***)* and Form 81-101F1 *Contents of Simplified Prospectus* (**Form 81-101F1**), as applicable.

6. Units of each Fund that is an exchange-traded mutual fund (an **ETF**) are, or will be, listed and traded on the Toronto Stock Exchange and may also be listed on one or more other stock exchanges.

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

8. In order to achieve its investment objective, each Fund may, from time to time, wish to invest up to 100% of its NAV in:

   (a) securities of one or more Underlying ETFs (as defined below); and/or

   (b) securities of one or more Middle Funds.

The Underlying ETFs

9. The key features of the TOPIX Exchange Traded Fund, NEXT FUNDS Nomura Shareholder Yield 70 ETF, iShares FTSE A50 China Index ETF and the ChinaAMC CSI 300 Index ETF (the **Underlying ETFs**) are set out below. The short-form name used for each Underlying ETF is its Bloomberg ticker.

*TOPIX Exchange Traded Fund ("**1306 JP**")*

10. 1306 JP is an investment trust established under Japanese law by a trust deed between Nomura Asset Management Co., Ltd. (**Nomura**), as manager, and Mitsubishi UFJ Trust and Banking Corporation (**Mitsubishi**), as trustee.

11. Nomura, the manager of 1306 JP, was established in 1959 under the laws of Japan and is regulated by the Japanese Financial Services Agency (the **JFSA**). Nomura is authorized by the JFSA to (i) engage in the issuance, offering and management of investment trusts, and (ii) provide investment advisory and discretionary management services.

12. 1306 JP was established on July 11, 2001 and currently lists its securities on the Tokyo Stock Exchange pursuant to a prospectus dated September 27, 2019.

13. The investment objective of 1306 JP is to track the performance of the Tokyo Stock Price Index (**TOPIX**). Nomura seeks to achieve this investment objective by investing all or substantially all of its assets in shares that are included in, or are due to be included in, the TOPIX. Individual shares that comprise the 1306 JP are held in proportions approximately equivalent to the ratio derived from the component proportions in terms of market capitalization of

individual shares included in the TOPIX. In addition, 1306 JP may make complementary purchases of stock index futures connected with the TOPIX to keep the fund's performance tracked to the TOPIX.

14. The TOPIX was launched on July 1, 1969, and is calculated and maintained by the Tokyo Stock Exchange Co., Ltd.

15. The Filer and Nomura are independent of the Tokyo Stock Exchange Co., Ltd.

16. TOPIX is a free-float adjusted, market capitalization-weighted, index that is calculated based on all the domestic Japanese common shares listed on the First Section of the Tokyo Stock Exchange.

17. The methodology for the selection and weighting of the index constituents, including the names of the issuers included in TOPIX, is publicly available and updated from time to time.

*NEXT FUNDS Nomura Shareholder Yield 70 ETF (**2359 JP**)*

18. 2359 JP is an investment trust established under Japanese law by a trust deed between Nomura, as manager, and The Nomura Trust and Banking Co., Ltd., as trustee.

19. Nomura, the manager of 2359 JP, was established in 1959 under the laws of Japan and is regulated by the JFSA. Nomura is authorized by the JFSA to (i) engage in the issuance, offering and management of investment trusts, and (ii) provide investment advisory and discretionary management services.

20. 2359 JP was established on April 18, 2019 and currently lists its securities on the Tokyo Stock Exchange pursuant to a prospectus dated April 18, 2019.

21. The investment objective of 2359 JP is to seek to replicate the performance of the Nomura Shareholder Yield 70 index (the **Nomura Index**). Nomura seeks to achieve this investment objective by primarily investing in securities comprising the Nomura Index. In addition, 2359 JP may make complementary purchases of stock index futures connected with the Nomura Index or other Japanese indices to keep the fund's performance tracked to the Nomura Index.

22. The Nomura Index was launched in January 2008, and is calculated and maintained by Nomura Securities Co., Ltd.

23. The Filer is independent of Nomura Securities Co., Ltd. but Nomura, as an affiliate of Nomura Securities Co., Ltd., is not.

24. The Nomura Index is a share price index comprising shares in 70 companies that quantitative indicators, based on dividends, share buy-backs, etc., indicate to be proactive on shareholder returns. Constituent shares are selected from a universe of all common shares listed on Japanese stock exchanges (excluding shares in the "banks", "securities and commodities futures", "insurance" and "other financing business" sectors, based on the Tokyo Stock Exchange's 33 sector classifications).

25. The methodology for the selection and weighting of the Nomura Index constituents, including the names of the issuers included in the Nomura Index, is publicly available and updated from time to time.

*iShares FTSE A50 China Index ETF **(2823 HK)***

26. 2823 HK is a Hong Kong unit trust and a sub-fund of iShares Asia Trust, an umbrella trust established under Hong Kong law by a trust deed between BlackRock North Asia Limited, as manager (**BlackRock North Asia**), and HSBC Institutional Trust Services (Asia) Limited, as trustee.

27. BlackRock North Asia, the manager of 2823 HK, was incorporated in 1998 under the laws of Hong Kong and is regulated by the Hong Kong Securities and Futures Commission (**HKSFC**). BlackRock North Asia is licensed by the HKSFA to (i) deal in securities, (ii) deal in futures contracts, (iii) advise on securities and corporate finance, and (iv) provide asset management services.

28. 2823 HK was established on November 18, 2004 and currently lists its units on the Stock Exchange of Hong Kong (**SEHK**) pursuant to a prospectus dated April 30, 2019.

29. The investment objective of 2823 HK is to provide investment results that, before fees and expenses, closely correspond to the performance of the FTSE A50 China Index (the "**FTSE China Index**). BlackRock North Asia seeks to achieve this objective by investing primarily in the securities of the companies constituting the FTSE China Index. 2823HK may also invest in futures contracts, index futures contracts, options on futures contracts and options related to the FTSE China Index, local currency and forward currency exchange contracts, and cash and cash equivalents for both hedging and non-hedging purposes, which the manager believes will help 2823 HK to achieve its investment objective. Investments in financial derivative instruments for non-hedging purposes will not exceed 10% of its NAV.

30. The FTSE China Index was launched in December 2003 and is calculated and maintained by the FTSE Group.

31. The Filer and BlackRock North Asia are independent of the FTSE Group.

32. The FTSE China Index is designed to represent the performance of the 50 largest companies by full market capitalization in the mainland Chinese market.

33. The methodology for the selection and weighting of the FTSE China Index constituents, including the names of the issuers included in the FTSE China Index, is publicly available and updated from time to time.

*ChinaAMC CSI 300 Index ETF **(3188 HK)***

34. 3188 HK is a Hong Kong unit trust and a sub fund of ChinaAMC ETF, an umbrella unit trust established under Hong Kong law by a trust deed between China Asset Management (Hong Kong) Limited, as manager (**ChinaAMC HK**), and Cititrust Limited, as trustee.

35. ChinaAMC, the manager of 3188 HK, was established in 2008 under the laws of Hong Kong and is regulated by the HKSFC.

36. ChinaAMC HK is licensed by the HKSFA to (i) deal in securities, (ii) advise on securities and (iii) provide asset management services.

37. 3188 HK was established on October 26, 2012 and currently lists its securities on the Hong Kong Stock Exchange pursuant to a prospectus dated December 2019.

38. The investment objective of 3188 HK is to provide investment results that, before fees and expenses, closely correspond to the performance of the CSI 300 Index. ChinaAMC HK seeks to achieve this objective by investing primarily in the securities of the companies constituting the CSI 300 Index. Apart from derivative instruments that may be received as a result of corporate actions by issuers in the index, ChinaAMC HK has indicated that it has no intention to invest 3188 HK in any financial derivative instruments (including structured products or instruments) for hedging or non-hedging purposes. ChinaAMC HK will seek the prior approval of the HKSFC and provide at least one month's prior notice to unitholders before it engages in any such investments.

39. The CSI 300 Index was launched in January 2008, and is calculated and maintained by China Securities Index Co., Ltd. (**CSI**).

40. The Filer and ChinaAMC HK are independent of CSI.

41. The CSI 300 Index is a free float adjusted, category-weighted index which measures the performance of A-shares traded on the Shanghai Stock Exchange or the Shenzhen Stock Exchange. The CSI 300 Index consists of the 300 stocks with the largest market capitalization and good liquidity from the entire universe of listed A-shares companies in China. The CSI Index is calculated and disseminated in RMB on a real-time basis and is quoted in RMB.

42. The methodology for the selection and weighting of the CSI 300 Index constituents, including the names of the issuers included in the CSI 300 Index, is publicly available and updated from time to time.

43. Nomura, BlackRock North Asia and China AMC HK (collectively, the **Underlying ETF Managers**), as managers of the Underlying ETFs, being subject to the laws of Japan and Hong Kong, respectively, and subject to regulatory oversight by the JFSA and HKSFC, respectively, are subject to substantially equivalent regulatory oversight as the Filer, as the manager of the Funds, which is primarily regulated by the OSC. In discharging their duties, the Underlying ETF Managers must conduct their business with due skill, care and diligence.

44. The Tokyo Stock Exchange and Hong Kong Stock Exchange are each subject to substantially equivalent regulatory oversight to securities exchanges in Canada, and the listing requirements to be complied with by the Underlying ETFs in order to be admitted to trading on their exchanges are consistent with the listing requirements of the Toronto Stock Exchange.

45. Each index tracked by each Underlying ETF is, or will be, transparent, in that the methodology for the selection and weighting of index components is, or will be, publicly available.

46. Details of the components of each index tracked by each Underlying ETF, such as issuer name, ISIN and weighting of index components, are, or will be, publicly available and updated from time to time.

47. Each index tracked by each Underlying ETF includes sufficient component securities as to be broad-based and is distributed and referenced sufficiently so as to be broadly utilized.

48. Each Underlying ETF makes, or will make, the NAV of its holdings available to the public through at least one price information system associated with its exchange. Each Underlying ETF makes, or will make, its NAV available to the public on the website of its manager.

49. Each Underlying ETF is an "investment fund" and a "mutual fund" within the meaning of applicable Canadian securities legislation.

50. Each Underlying ETF will either: (a) hold securities that are included in a specified widely-quoted market index in substantially the same proportion as those securities are reflected in that index; or (b) invest in a manner that causes the issuer to replicate the performance of that index.

51. The Underlying ETFs are, or will be, subject to the following regulatory requirements and restrictions:

    a) Each Underlying ETF is subject to a risk management framework through prescribed rules on governance, risk, regulation of service providers and safekeeping of assets;

    b) No Underlying ETF is a "synthetic ETF", meaning that no Underlying ETF will principally rely on an investment strategy that makes use of swaps or other derivatives to gain an indirect financial exposure to the return of an index;

    c) Each Underlying ETF is required to prepare a prospectus that discloses material facts similar to the disclosure required to be included in a prospectus or simplified prospectus of a Fund under NI 81-101or NI 41-101;

    d) Each Underlying ETF prepares a condensed prospectus and/or a key investor information document, which forms part of the prospectus, and a factsheet, which together contain disclosure that is similar to the disclosure required to be included in the ETF Facts document required by Form 41-101F4 *Information Required in an ETF Facts Document*;

    e) Each Underlying ETF is subject to continuous disclosure obligations which are similar to the disclosure obligations under National Instrument 81-106 *Investment Fund Continuous Disclosure,* including the requirement to prepare, in the case of 2823 HK and 3188 HK, unaudited semi-annual reports and, in the case of all Underlying ETFs, audited annual reports;

    f) Each Underlying ETF is subject to investment restrictions limiting its holdings in a single issuer to no more than 10% of the Underlying ETF's NAV;

    g) Each Underlying ETF is subject to investment restrictions limiting its holdings of illiquid securities to no more than 10% of the Underlying ETF's NAV;

    h) Each Underlying ETF is subject to investment restrictions limiting its holdings of other investment funds, including other collective investment undertakings, to no more than 10% of the Underlying ETF's NAV;

    i) Each Underlying ETF is required to update information of material significance in the prospectus;

    j) In addition to complying with its stated investment objectives, each Underlying ETF is subject to restrictions concerning some or all of the following: portfolio concentration, ability to control issuers in its portfolio, the liquidity of its portfolio securities, investments in other investment funds, investments in real estate, short selling, writing of call options, and securities lending and the use of financial derivative instruments; and

    k) each Underlying ETF has an investment manager that is subject to a governance framework which sets out the duty of care and standard of care, requiring the management board of the investment manager to act in the best interest of unitholders of the Underlying ETF.

The Two Tier Relief

52. Each Fund may, from time to time, wish to invest up to 100% of its NAV in securities of one or more Underlying ETFs, but will not invest more than, in the case of:

    (a) a mutual fund that is not an alternative mutual fund, 10%; and

    (b) an alternative mutual fund or a non-redeemable investment fund, 20%;

    of its NAV in securities of a single Underlying ETF.

53. The Filer considers that investments in securities of the Underlying ETFs provide an efficient and cost-effective way for the Funds to achieve diversification and obtain exposure to the markets and asset classes in which such Underlying ETFs invest.

54. A Fund may also wish to invest in securities of Underlying ETFs to gain exposure to certain unique equity and fixed income strategies in global or international markets in circumstances where it would be in the best interests of the Fund to do so through investment in the securities of Underlying ETFs rather than through investments in individual securities, due to costs, difficulty in replicating those strategies or lack of availability of those strategies.

55. But for the fact that the securities of the Underlying ETFs are traded on a stock exchange in the Japan or Hong Kong and not on a stock exchange in Canada or the United States, such securities would otherwise qualify as "index participation units" (**IPUs**) within the meaning of NI 81-102.

56. The Filer wishes to invest assets of the Funds in securities of the Underlying ETFs on the same basis as would be permitted under NI 81-102 if the securities of the Underlying ETFs were traded on a stock exchange in Canada or the United States and were therefore IPUs.

57. In the absence of the Two Tier Relief, the Funds would not be permitted to purchase or hold securities of an Underlying ETF:

    (a) since the Underlying ETF is not subject to NI 81-102 as prohibited by paragraphs 2.5(2)(a) and (a.1) of NI 81-102; and

    (b) since the Underlying ETF is not a reporting issuer in a Canadian Jurisdiction, as prohibited by paragraph 2.5(2)(c) of NI 81-102.

58. If the securities of an Underlying ETF were IPUs within the meaning of NI 81-102, a Fund would be permitted to purchase and/or hold securities of one or more Underlying ETFs, since the Funds would be able to rely on the exceptions to the prohibitions in paragraphs 2.5(2)(a), (a.1) and (c) of NI 81-102 for investments in IPUs. The prospectus of each Fund that is relying on the Two Tier Relief will, no later than the next time that the prospectus of the Fund is renewed after the date of this decision, disclose the fact that the Fund has obtained the Two Tier Relief to permit investments in one or more of the Underlying ETFs on the terms described in this decision.

59. An investment by a Fund in one or more Underlying ETFs will be made in accordance with the Fund's investment objectives.

60. The investment objective and strategies of each Fund are, or will be, disclosed in each Fund's prospectus or simplified prospectus and any Fund that invests in an Underlying ETF will be permitted to do so in accordance with its investment objectives and strategies.

61. In particular, the investment strategies of each Fund stipulate, or will stipulate, that the Fund may invest a portion of its assets in other investment funds, domestic or foreign, which will permit each Fund to invest in an Underlying ETF.

62. The prospectus or simplified prospectus of each Fund provides, or will provide, all disclosure required by the securities legislation of the Canadian Jurisdictions for investment funds investing in other investment funds.

63. There will be no duplication of management fees or incentive fees as a result of an investment by a Fund in an Underlying ETF.

64. The amount of loss that could result from an investment by a Fund in an Underlying ETF will be limited to the amount invested by the Fund in such Underlying ETF.

65. Trading in securities of the existing Underlying ETFs will occur in the secondary market rather than by subscribing for or redeeming such securities directly from the Underlying ETFs.

66. As is the case with the purchase or sale of any other equity security made on an exchange, brokers are typically paid a commission in connection with trading in securities of exchange traded funds, such as the existing Underlying ETFs. Where a Fund purchases or sells securities of an Underlying ETF in the secondary market it will pay commissions to brokers in connection with the purchase or sale of securities of an Underlying ETF.

67. Securities of the existing Underlying ETFs are typically only directly subscribed for or redeemed by an authorized participant and the Funds would not directly subscribe for securities from the Underlying ETFs. The Funds will purchase and sell securities of the Underlying ETFs on the Tokyo Stock Exchange or the Hong Kong Stock Exchange.

68. Investment by a Fund in an Underlying ETF meets, or will meet, the fundamental investment objectives of such Fund.

69. An investment by a Fund in securities of each Underlying ETF represents, or will represent, the business judgement of responsible persons uninfluenced by considerations other than the best interests of the Fund.

70. A Fund, other than an alternative mutual fund or a non-redeemable investment fund, will not invest more than 10% of its NAV in securities issued by a single Underlying ETF and a Fund that is an alternative mutual fund or a non-redeemable investment fund will not invest more than 20% of its NAV in securities issued by a single Underlying ETF.

The Three-Tier Relief

71. Each Fund may, from time to time, wish to invest up to 100% of its NAV in securities of one or more Middle Funds.

72. The Filer submits that employing a three-tier fund-of-fund structure in this way achieves efficiencies from both an investment diversification and operational perspective. Such a structure will allow a Fund to obtain exposure to one or more Underlying ETFs on a cost-effective basis, including by allowing a Fund to purchase a currency-hedged Fund that employs a fund-of-fund structure.

73. In the absence of the Three Tier Relief, the Funds would not be permitted to purchase or hold a security of a Middle Fund if the Middle Fund holds more than 10% of its NAV in securities of Underlying ETFs, as prohibited by paragraph 2.5(2)(b) of NI 81-102.

74. But for the fact that the securities of the Underlying ETFs are traded on a stock exchange in Japan or Hong Kong and not on a stock exchange in Canada or the United States, such securities would otherwise qualify as IPUs within the meaning of NI 81-102.

75. If the securities of an Underlying ETF were IPUs within the meaning of NI 81-102, a Fund would be permitted to purchase and/or hold securities of one or more Middle Funds up to 100% of its NAV, since the Funds would be able to rely on the exception to the prohibition in subsection 2.5(2)(b) of NI 81-102 for investments in funds that hold IPUs.

76. The Filer wishes to be able to invest assets of the Funds in securities of Middle Funds on the same basis as would be permitted under NI 81-102 if the securities of the Underlying ETFs were traded on a stock exchange in Canada or the United States and were therefore IPUs.

77. Each Fund that is relying on the Three Tier Relief will provide the disclosure required by the securities legislation of the Canadian Jurisdictions, if any, for investment funds investing in other investment funds that themselves invest in other investment funds.

78. The prospectus of each Fund that is relying on the Three Tier Relief will, no later than the next time that the prospectus of the Fund is renewed after the date of this decision, disclose the fact that the Fund has obtained the Three Tier Relief to permit investments in one or more Middle Funds on the terms described in this decision.

79. There will be no duplication of management fees or incentive fees for the same service as a result of an investment by a Fund in a Middle Fund.

80. The amount of loss that could result from an investment by a Fund in a Middle Fund will be limited to the amount invested by the Fund in the Middle Fund.

81. An investment by a Fund in one or more Middle Funds will be made in accordance with the fundamental investment objectives of the Fund.

82. An investment by a Fund in a Middle Fund represents, or will represent, the business judgement of responsible persons uninfluenced by considerations other than the best interests of the Fund.

The Exemption Sought

83. In the absence of the Exemption Sought, the Funds would not be permitted to:

    (a) purchase and/or hold securities of one or more Underlying ETFs; or

    (b) purchase and/or hold securities of one or more Middle Funds.

Decision

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

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

(a) the investment by a Fund in securities of an Underlying ETF is made in accordance with the fundamental investment objectives of the Fund;

(b) securities of the Underlying ETFs qualify as IPUs within the meaning of NI 81-102 but for the fact that they are traded on a stock exchange in Japan or Hong Kong and not a stock exchange in Canada or the United States;

(c) none of the Underlying ETFs are synthetic ETFs, meaning that they will not principally rely on an investment strategy that makes use of swaps or other derivatives to gain an indirect financial exposure to the return of an index;

(d) investments by a Fund, directly or indirectly, in securities of one or more of the Underlying ETFs comply with NI 81-102 as if securities of the Underlying ETFs were IPUs within the meaning of NI 81-102;

(e) in the event that there is a significant change to the regulatory regime applicable to the Underlying ETFs that results in a less restrictive regulatory regime compared to the current regime and that has a material impact on the management or operation of the Underlying ETFs in which the Funds are invested, the Funds do not acquire additional securities of such Underlying ETFs, and dispose of any securities of such Underlying ETFs in an orderly and prudent manner.

The Exemption Sought will terminate six months after the coming into force of any amendments to NI 81-102 that restrict or regulate a Fund's ability to invest in the Underlying ETFs or Middle Funds.

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

2.2 Orders

2.2.1 Continental Gold Inc.

Headnote

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

Applicable Legislative Provisions

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

March 12, 2020

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
CONTINENTAL GOLD INC.
(the "Filer")

ORDER

Background

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

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

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

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

Interpretation

Terms defined in National Instrument 14-101 *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 Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*;

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

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

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

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

Order

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

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

"Michael Balter"
Manager, Corporate Finance
Ontario Securities Commission

2.2.2 Granite Oil Corp.

Headnote

National Policy 11-206 Process for Cease to be a Reporting Issuer – issuer deemed to be no longer a reporting issuer under securities legislation.

Applicable Legislative Provisions

Securities Act, R.S.A., 2000, c. S-4, s. 153.

Citation: *Re Granite Oil Corp.*, 2020 ABASC 32

March 18, 2020

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

AND

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

AND

IN THE MATTER OF
GRANITE OIL CORP.
(the Filer)

ORDER

Background

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

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

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

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

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

Interpretation

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

Representations

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

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

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

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

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

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

Order

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

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

“Timothy Robson”
Manager, Legal
Corporate Finance
Alberta Securities Commission

2.2.3 Sean Daley et al. – ss. 127(8), 127(1)

IN THE MATTER OF
SEAN DALEY; and
SEAN DALEY carrying on business as
the ASCENSION FOUNDATION,
OTO.Money,
SilentVault, and
CryptoWealth;
WEALTH DISTRIBUTED CORP.;
CYBERVISION MMX INC.;
KEVIN WILKERSON; and
AUG ENTERPRISES INC.

Lawrence P. Haber, Commissioner and Chair of the Panel

File No. 2019-28

March 20, 2020

ORDER
(Subsection 127(8) and 127(1) of *Securities Act*,
RSO 1990 c S.5)

WHEREAS on March 16, 2020, the Ontario Securities Commission announced that it would not be holding in-person hearings in response to COVID-19;

ON READING the submissions of the representative*s* for Staff of the Commission, and considering Sean Daley's consent to an adjournment of the motion to extend the Temporary Order, originally scheduled for April 3, 2020, and the extension of the Temporary Order until a motion date is set, and no one appearing on behalf of the remaining respondents;

IT IS ORDERED that the motion to extend the Temporary Order is adjourned to a date to be determined and the Temporary Order is extended until the date that the motion date is set.

"Lawrence P. Haber"

2.2.4 Sean Daley and Kevin Wilkerson

IN THE MATTER OF
SEAN DALEY and
KEVIN WILKERSON

File No. 2019-39

Lawrence P. Haber, Commissioner and Chair of the Panel

March 20, 2020

ORDER

WHEREAS on March 16, 2020, the Ontario Securities Commission announced that it would not be holding in-person hearings in response to COVID-19;

ON READING the submissions of the representative*s* for Staff of the Commission and Sean Daley and considering their consent to an adjournment of the Second Attendance, originally scheduled for April 3, 2020, and no one appearing on behalf of Kevin Wilkerson;

IT IS ORDERED THAT the Second Attendance in this proceeding is adjourned to a date to be determined.

"Lawrence P. Haber"

2.2.5 Tralucent Asset Management Inc.

March 23, 2020

IN THE MATTER OF
THE SECURITIES ACT (ONTARIO)
(the Act)

AND

IN THE MATTER OF
TRALUCENT ASSET MANAGEMENT INC.
(the Filer)

ORDER

Background

The Ontario Securities Commission (the **Commission**) has received an application from the Filer requesting an exemption pursuant to section 15.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) from the prohibitions in subparagraphs 13.5(2)(b)(ii) and 13.5(2)(b)(iii) of NI 31-103 to permit specified *In-specie* Transfers (the **Exemption Sought**).

Interpretation

Terms defined in the Act, National Instrument 14-101 *Definitions* or NI 31-103 have the same meaning if used in this Order, unless otherwise defined.

In addition:

Fund Securities means units of a Pooled Fund.

Future Pooled Fund means each investment fund that is established after the formation of the Initial Pooled Fund, and for which the Filer will act as the investment fund manager and adviser, and which is not a reporting issuer.

***In-specie* Transfer** means the Filer's actions to cause a Managed Account to deliver securities to a Pooled Fund in payment for the purchase by the Managed Account of Fund Securities of such Pooled Fund or to receive securities from the investment portfolio of a Pooled Fund in respect of a redemption of Fund Securities of such Pooled Fund in respect of the Managed Account.

Initial Pooled Fund means the Tralucent Global Equity Fund, an investment fund that the Filer acts as the investment fund manager and adviser for, and which is not a reporting issuer.

Managed Account means an existing or future account over which the Filer has discretionary authority for a client in its capacity as a registered adviser.

NI 81-102 means National Instrument 81-102 *Investment Funds*.

Pooled Funds means, collectively, the Initial Pooled Fund and the Future Pooled Funds.

Representations

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

The Filer

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

2. The Filer is registered as an adviser in the category of portfolio manager, as an investment fund manager and as an exempt market dealer in Ontario.

3. The Filer's principal business is that of an adviser (portfolio manager). It is an independently owned firm providing customized wealth management solutions to various clients in Ontario.

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

The Managed Accounts

5. The Filer enters into Managed Accounts with its clients. Each Managed Account is, or will be, managed pursuant to an investment management agreement or other documentation which is, or will be, executed by the client who wishes to receive the portfolio management services of the Filer and which provides the Filer full discretionary authority to trade in securities for the Managed Account without obtaining the specific consent of the client to execute the trade.

Pooled Funds

6. The Filer wishes to manage certain classes of assets for its Managed Account clients within a Pooled Fund in order to achieve greater efficiencies for its Managed Account clients, including through reduced transaction costs and the ability to acquire larger blocks of securities, as well as a more diversified portfolio of securities. Initially, the Filer intends to create the Initial Pooled Fund with an investment objective to invest on a long-short basis in exchange traded securities. Securities of the Initial Pooled Fund will be suitable for the Managed Account clients. Future Pooled Funds may be created with other specific investment objectives and will be designed to be suitable for some or all of the Filer's Managed Account clients.

7. The Filer established the Initial Pooled Fund as a trust. The Filer will be the manager of the Pooled Funds. The Filer acts and will act as the trustee of the Pooled Funds, pursuant to Revised Approval 81-901 *Mutual Fund Trusts: Approval of Trustees Under Clause 213(3)(b) of the Loan and Trust Corporations Act* dated June 11, 2019.

8. The Filer wishes to invest existing and future Managed Accounts in one or more of the Pooled Funds, to the extent that a Pooled Fund's investment objectives are consistent with the investment objectives of the applicable Managed Accounts.

***In-specie* Transfers**

9. The Filer proposes to cause those Managed Accounts that today invest a portion of their assets on a long-short basis in exchange traded securities to subscribe for units of the Initial Pooled Fund and transfer sufficient of those exchange traded securities held by that Managed Account to the Initial Pooled Fund as required as payment for those units, where the Filer considers this action to be in the best interests of the Managed Account clients. The Filer may do this in the future with the Managed Accounts for Future Pooled Funds. Additionally, the Filer may cause a Pooled Fund to effect an *In-specie* Transfer of assets to a Managed Account in payment of proceeds of any redemption of securities of the Pooled Fund held by the Managed Account. As such, the Filer wishes to use the Exemption Sought to:

    (a) effect a one-time *In-specie* Transfer of assets held by Managed Account clients with respect to the establishment of the Initial Pooled Fund and any Future Pooled Funds where those assets are appropriate for the Initial Pooled Fund and Future Pooled Fund (as the case may be) and where it is appropriate for the Managed Account to invest in the applicable Pooled Fund;

    (b) effect future *In-specie* Transfers with respect to Managed Account clients where it is appropriate for them to invest in a Pooled Fund and transfer assets held in the Managed Account to pay the subscription price for the securities so acquired; and

    (c) effect *In-specie* Transfers from a Pooled Fund to a Managed Account in order to pay the proceeds of any redemption of securities of the Pooled Fund held by the Managed Account.

10. The purpose of the *In-specie* Transfers will be to allow the Filer to reduce transaction costs for the existing and future Managed Account clients. By pooling the applicable securities held by the Managed Accounts in the applicable Pooled Fund through the *In-specie* Transfers, the Filer may be able to reduce market impact costs, which can be detrimental to the Managed Accounts. The *In-specie* Transfer of assets will allow the Filer to retain within its control institutional-sized blocks of securities that otherwise would need to be broken and re-assembled.

11. The only cost which will be incurred by a Pooled Fund or a Managed Account in connection with any *In-specie* Transfer will be a nominal administrative charge levied by the custodian of the Pooled Fund.

12. The Filer, as manager of the Pooled Funds, will value the securities transferred under an *In-specie* Transfer on the same valuation day on which the purchase or redemption price of the Fund Securities is determined. With respect to the purchase of Fund Securities of a Pooled Fund, the securities transferred to a Pooled Fund under an *In-specie* Transfer in satisfaction of all or part of the purchase price of those Fund Securities will be valued as if the securities were portfolio assets of the Pooled Fund, as contemplated by section 9.4(2)(b)(iii) of NI 81-102 for public mutual funds subject to NI 81-102. With respect to the redemption of Fund Securities of a Pooled Fund, the securities transferred to a Managed Account in satisfaction of the redemption price of those Fund Securities will have a value equal to the amount at which those securities were valued in calculating the net asset value per security used to establish the

redemption price of the Fund Securities of the Pooled Fund, as contemplated by section 10.4(3)(b) of NI 81-102 for public mutual funds subject to NI 81-102.

13. The Filer will ensure that each Managed Account client consents to an *In-specie* Transfer prior to the *In-specie* Transfer taking place. The account statement next prepared for the Managed Account will describe the portfolio securities delivered to the Pooled Fund or received by the Managed Account, as the case may be, and the value assigned to the portfolio securities.

14. The Filer will rely on the dealer exemption set out in section 8.6 of NI 31-103 with respect of the trades in the Fund Securities to the Managed Accounts.

15. Absent the Exemption Sought, neither the Managed Accounts nor the Pooled Funds, or the Filer, on their behalf, would be permitted to engage in *In-specie Transfers* due to the provisions of section 13.5(2)(b) of NI 31-103.

16. At the time of each *In-specie* Transfer, the Filer will have in place policies and procedures governing such transactions, including the following:

    (a) the Filer has obtained the consent of the applicable Managed Account client before it engages in any *In-specie* Transfer and will report on the *In-specie* Transfer in the next account statement for the Managed Account;

    (b) the portfolio securities transferred in an *In-specie* Transfer will be consistent with the investment criteria of the applicable Pooled Fund or Managed Account acquiring the portfolio securities;

    (c) the portfolio securities transferred in an *In-specie* Transfer will be valued on the same valuation day using the same valuation principles as are used to calculate the net asset value for the purpose of the issue price or redemption price of securities of the Pooled Fund;

    (d) the valuation of any illiquid securities which would be the subject of an *In-specie* Transfer will be carried out according to the Filer's policies and procedures for the fair valuation of portfolio securities, including illiquid securities. Should any *In-specie* Transfer involve the transfer of an "illiquid asset" (as defined in NI 81-102), the Filer will obtain at least one quote for the asset from an independent arm's length purchaser or seller, immediately before effecting the *In-specie* Transfer;

    (e) if any illiquid securities are the subject of an *In-specie* Transfer, the illiquid securities will be transferred on a *pro rata* basis. The Pooled Funds generally invest in liquid securities. The Filer will not cause any Pooled Fund to engage in an *In-specie* Transfer if the applicable Pooled Fund or Managed Account is not in compliance with the portfolio restrictions on the holding of illiquid securities described in section 2.4 of NI 81-102; and

    (f) the Filer will keep written records of each *In-specie* Transfer, including records of each purchase and redemption of portfolio securities and the terms thereof for a period of at least five years commencing after the end of the financial year in which the trade occurred, the most recent two years in a reasonably accessible place.

17. *In-specie* Transfers will be subject to:

    (a) compliance with the written policies and procedures of the Filer respecting *In-specie* Transfers that are consistent with applicable securities legislation and the Exemption Sought; and

    (b) the oversight of the Filer's Chief Compliance Officer to ensure that the *In-specie* Transfers represent the business judgment of the Filer acting in its discretionary capacity with respect to a Pooled Fund and the Managed Account, uninfluenced by considerations other than the best interests of the Pooled Fund and the Managed Account. Any issues detected in the oversight and review by the Filer will be reported in the Chief Compliance Officer's annual report to the board of directors of the Filer.

Order

The Commission is satisfied that the decision meets the test set out in NI 31-103 for the Commission to make the decision.

The decision of the principal regulator pursuant to section 15.1 of NI 31-103 is that the Exemption Sought is granted so long as:

(a) if the *In-specie* Transfer is in respect of the purchase of Fund Securities by a Managed Account:

    (i) the Managed Account client has consented to the *In-specie* Transfer before the Filer carries out the *In-specie* Transfer;

(ii) the Pooled Fund would, at the time of payment, be permitted to purchase the securities that are the subject of the *In-specie* Transfer;

(iii) the securities are acceptable to the Filer as portfolio manager of the Pooled Fund and are consistent with the investment objectives of the Pooled Fund;

(iv) the value of the securities transferred to the Pooled Fund is at least equal to the issue price of the Fund Securities for which they are used as payment, valued as if the securities were portfolio assets of the Pooled Fund;

(v) the account statement next prepared for the Managed Account describes the securities delivered to the Pooled Fund and the value assigned to such securities; and

(vi) the Pooled Funds keep written records of all *In-specie* Transfers during the financial year of the Pooled Fund, reflecting details of the securities delivered to the Pooled Funds and the value assigned to such securities, for five years after the end of the financial year, the most recent two years in a reasonably accessible place;

(b) if the *In-specie* Transfer is in respect of the redemption of Fund Securities by a Managed Account:

(i) the Managed Account client has consented to the *In-specie* Transfer before the Filer carries out the *In-specie* Transfer;

(ii) the securities are acceptable to the Filer as portfolio manager of the Managed Account and consistent with the Managed Account's investment objectives;

(iii) the value of the securities is equal to the amount at which those securities were valued in calculating the net asset value per Fund Security used to establish the redemption price;

(iv) the holder of the Managed Account has not provided notice to terminate its investment management agreement with the Filer;

(v) the account statement next prepared for the Managed Account describes the securities received from the Pooled Fund and the value assigned to such securities; and

(vi) the Pooled Funds keep written records of all *In-specie* Transfers during the financial year, reflecting details of the securities delivered by the Pooled Funds and the value assigned to such securities, for five years after the end of the financial year, the most recent two years in a reasonably accessible place;

(c) the Filer does not receive any compensation in respect of any sale or redemption of Fund Securities and, in respect of any delivery of securities further to an *In-specie* Transfer, the only charge paid by the Managed Account or Pooled Fund, as the case may be, if any, is any administrative charge levied by the custodian of the assets of the Managed Account or Pooled Fund; and

(d) should any *In-specie* Transfer involve the transfer of an "illiquid asset" (as defined in NI 81-102) the Filer will obtain at least one quote for the asset from an independent arm's length purchaser or seller, immediately before effecting the *In-specie* Transfer (as contemplated by commentary #7 to section 6.1 of National Instrument 81-107 *Independent Review Committee for Investment Funds*).

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

2.2.6 Paramount Equity Financial Corporation et al.

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

File No. 2019-12

Timothy Moseley, Vice-Chair and Chair of the Panel
Garnet W. Fenn, Commissioner
Heather Zordel, Commissioner

March 23, 2020

ORDER

WHEREAS on March 16, 2020, the Ontario Securities Commission announced that it would not be holding in-person hearings in response to COVID-19;

ON READING submissions of the representatives for Staff of the Commission (**Staff**), Ronald Bradley Burdon and Matthew Laverty;

IT IS ORDERED THAT:

1. the hearing dates of March 23, 24, 25, 26, 27 and 30, 2020 are vacated;

2. Staff shall file and serve an affidavit of Leon Dadoun, attaching his expert report, written submissions regarding the qualification of Mr. Dadoun as an expert witness, and affidavits from each of Staff's remaining witnesses by no later than April 13, 2020;

3. the respondents shall advise Staff and the Registrar, in writing, whether they object to Staff's proposed qualification of Mr. Dadoun as an expert witness and file written submissions in support of that objection or advise whether they intend to cross-examine Mr. Dadoun by no later than April 27, 2020; and

4. the respondents shall advise Staff and the Registrar, in writing, whether they intend to cross-examine any of Staff's remaining witnesses by no later than April 27, 2020.

"Timothy Moseley"

"Garnet W. Fenn"

"Heather Zordel"

2.2.7 Strongco Corporation

Headnote

Application for an order that the issuer is not a reporting issuer under applicable securities laws – requested relief granted.

Applicable Legislative Provisions

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

March 24, 2020

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
STRONGCO CORPORATION
(the "Filer")

ORDER

Background

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

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

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

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

Interpretation

Terms defined in National Instrument 14-101 *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 Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*;

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

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

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

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

Order

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

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

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

2.2.8 Buffalo Grand Hotel Inc. et al. – ss. 127(1), 127(5)

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

AND

IN THE MATTER OF
BUFFALO GRAND HOTEL INC.,
STINSON HOSPITALITY MANAGEMENT INC.,
STINSON HOSPITALITY CORP.,
RESTORATION FUNDING CORPORATION, and
HARRY STINSON

TEMPORARY ORDER
(Subsections 127(1) and 127(5))

WHEREAS:

1. it appears to the Ontario Securities Commission (the **Commission**) that:

   a. Buffalo Grand Hotel Inc. (**BGHI**) is a New York corporation, the owner of the Buffalo Grand Hotel, and entered into agreements with Ontario residents relating to investments in the Buffalo Grand Hotel;

   b. Stinson Hospitality Management Inc. (**SHMI**), formerly Stinson Hospitality Buffalo Inc., is an Ontario corporation that entered into agreements with Ontario residents relating to investments in the Buffalo Grand Hotel;

   c. Stinson Hospitality Corp. (**SHC**) is an Ontario Corporation that issued shares to investors in the Buffalo Grand Hotel;

   d. Restoration Funding Corporation (**Restoration**) is an Ontario corporation that received investor funds from Ontario residents for investments related to the Buffalo Grand Hotel;

   e. Harry Stinson (**Stinson**) is an Ontario resident and is the controlling shareholder and sole officer and director of BGHI, SHMI, SHC, and Restoration;

   f. BGHI, SHMI, SHC, Restoration, and Stinson (collectively, the **Respondents**) are not registered with the Commission in any capacity;

   g. the Respondents are not reporting issuers and have never filed a prospectus in Ontario with respect to the Buffalo Grand Hotel;

   h. the Respondents may have traded securities without registration and without

an exemption to the registration requirement, contrary to section 25(1) of the *Securities Act*, R.S.O. 1990, c. S.5 (the **Act**);

i. the Respondents may have traded securities without a prospectus being filed and receipted by the Director, and without an applicable exemption from the prospectus requirement, contrary to section 53(1) of the Act;

j. The Respondents may have made a statement that a reasonable investor would consider relevant in deciding whether to enter into or maintain a trading relationship with the Respondents, where the statement may have been untrue, or omitted information necessary to prevent the statement from being false or misleading in the circumstances in which it was made, contrary to section 44(2) of the Act.

k. The Respondents may have acted contrary to the public interest; and

l. Staff are conducting an investigation into the conduct described above;

2. the Commission is of the opinion that the time required to conclude a hearing could be prejudicial to the public interest as set out in subsection 127(5) of the Act;

3. the Commission is of the opinion that it is in the public interest to make this Order; and

4. by Authorization Order made January 24, 2020, pursuant to subsection 3.5(3) of the Act, each of Maureen Jensen, D. Grant Vingoe, Timothy Moseley, Mary Anne De Monte-Whelan, Garnet W. Fenn, Lawrence P. Haber, Craig Hayman, Raymond Kindiak, M. Cecilia Williams and Heather Zordel, acting alone, is authorized to make orders under section 127 of the Act;

IT IS ORDERED pursuant to section 127 of the Act that:

1. pursuant to clause 2 of subsection 127(1) of the Act, all trading in any securities by BGHI, SHMI, SHC, Restoration, and Stinson or by any person on their behalf shall cease, including but not limited to any act, advertisement, solicitation, conduct, or negotiation, directly or indirectly in furtherance of a trade;

2. pursuant to clause 2 of subsection 127(1), all trading in securities related to the Buffalo Grand Hotel shall cease, including:

a. trading relating to Buffalo Grand Hotel suites or ‘units’;

b. trading relating to Buffalo Grand Hotel ‘wholesale room blocks’;

3. pursuant to clause 3 of subsection 127(1), any exemptions contained in Ontario securities law do not apply to BGHI, SHMI, SHC, Restoration, and Stinson; and

4. pursuant to subsection 127(6) of the Act, this order shall take effect immediately and shall expire on the 15th day after its making unless extended by order of the Commission.

DATED at Toronto, this 20th day of March, 2020.

Grant Vingoe
Vice-Chair

2.2.9 Ontario Instrument 25-502 Temporary Exemption from Certain Reporting Requirements for Regulated Entities Carrying on Business in Ontario

ONTARIO SECURITIES COMMISSION

ONTARIO INSTRUMENT 25-502
TEMPORARY EXEMPTION FROM CERTAIN REPORTING REQUIREMENTS FOR REGULATED ENTITIES CARRYING ON BUSINESS IN ONTARIO

The Ontario Securities Commission, considering that to do so would not be prejudicial to the public interest, orders, effective March 23, 2020, that any Regulated Entity, as defined, carrying on business in Ontario that would be required to provide the Commission with a document or other information listed in Exhibit A, as applicable, between the date of this order and June 1, 2020 is exempt from the requirement, provided that:

1. A Regulated Entity required to provide the Commission with a document or other information listed in Exhibit A, as applicable, between the date of this order and June 1, 2020 must provide the Commission with the document or other information no later than 45 days after the original due date for the document or other information.

2. For a document or other information listed in Exhibit A, a Regulated Entity required to provide the document or other information to the Commission between the date of this order and June 1, 2020 must disclose to the Commission when it provides the document or other information that it is relying on this order and state the reasons why it could not submit the document or other information by the original due date.

March 23, 2020

"Maureen Jensen"
Chair

"Grant Vingoe"
Vice-Chair

Authority under which the order is made:
Act and section: *Securities Act*, subsection 143.11(2), *Commodity Futures Act*, subsection 75(2)

Ontario Securities Commission

Ontario Instrument 25-502

Temporary exemption from certain reporting requirements for Regulated Entities carrying on business in Ontario

Definitions

1. Terms defined in the *Securities Act* (Ontario) ("OSA"), *Commodity Futures Act* (Ontario) ("CFA") or National Instrument 14-101 *Definitions* have the same meaning in this Instrument.

2. In this Instrument:

   "Regulated Entity" means a marketplace, as defined in subsection 1(1) of the OSA, a clearing agency, as defined in subsection 1(1) of the OSA, a designated trade repository, as defined in subsection 1(1) of the OSA, a designated information processor, as defined in subsection 1(1) of the OSA and a commodity futures exchange, as defined in subsection 1(1) of the CFA.

Exemptive relief

3. As a result of the current coronavirus disease 2019 ("COVID-19") outbreak, which was declared a pandemic by the World Health Organization on March 11, 2020 and has led to a "Declaration of Emergency" under the Emergency Management and Civil Protection Act by the Lieutenant Governor of Ontario on March 17, 2020, the Ontario Securities Commission (the "Commission" or "OSC") acknowledges that the pandemic may present challenges for market participants in the meeting of certain obligations under Ontario securities law and Ontario commodity futures law.

4. Specifically, as a result of the outbreak of COVID-19 and the resulting disruptions to travel, access to office facilities and availability of personnel and resources, Regulated Entities carrying on business in Ontario may face challenges in providing the Commission with documents and other information under various reporting requirements of Ontario securities law and Ontario commodity futures law, including the documents and other information identified in Exhibit A to this order.

5. Under subsection 143.11(2) of the OSA and subsection 75(2) of the CFA, if the Commission considers that it would not be prejudicial to the public interest to do so, the Commission may, on application by an interested person or company or on its own initiative, make an order exempting a class of persons or companies, trades, intended trades, securities or derivatives from any requirement of Ontario securities law on such terms or conditions as may be set out in the order, effective for a period of no longer than 18 months

after the day on which it comes into force unless extended pursuant to paragraph (b) of subsection 143.11(3) of the OSA and paragraph (b) of subsection 75(3) of the CFA.

Order

6. In light of the COVID-19 pandemic, to assist affected Regulated Entities with the meeting of their obligations under Ontario securities law and Ontario commodity futures law, any Regulated Entity carrying on business in Ontario that would be required to provide the Commission with a document or other information listed in Exhibit A, as applicable, between the date of this order and June 1, 2020 is exempt from the requirement, subject to the terms and conditions listed below.

Terms and conditions

7. A Regulated Entity required to provide the Commission with a document or other information listed in Exhibit A, as applicable, between the date of this order and June 1, 2020 must provide the Commission with the document or other information no later than 45 days after the original due date for the document or other information.

8. For a document or other information listed in Exhibit A, a Regulated Entity required to provide the document or other information to the Commission between the date of this order and June 1, 2020 must disclose to the Commission when it provides the document or other information that it is relying on this order and state the reasons why it could not submit the document or other information by the original due date.

Effective date and term

9. This order comes into effect on March 23, 2020 and remains in effect for a period of 120 days.

Exhibit A

The exemptions provided herein to Regulated Entities covered by this order are applicable to the requirements described below, made under subsection 21(2), subsection 21.2(1), subsection 21.2.2(1), subsection 21.2.3(1), subsection 25(1), and section 147 of the OSA and subsection 15(2), subsection 34(1) and section 80 of the CFA under which recognition orders, exemption from recognition orders, registration orders, exemption from registration orders, and designation orders and any processes or protocols are established, and National Instrument 21-101 *Marketplace Operation*, National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*, National Instrument 24-102 *Clearing Agency Requirements,* OSC Rule 91-507 *Trade Repositories and Derivatives Data Reporting* and OSC Rule 13-502 *Fees*.

- Audited annual financial statements
- Unaudited non-consolidated annual financial statements with or without notes
- Unaudited consolidated and unconsolidated interim financial reports and financial viability ratios
- Risk assessments
- Independent auditor written report on cost allocation model and internal transfer pricing
- Report - Exemptions or waivers granted
- Report - Original listing applications
- Report - Issuer compliance with rules
- List of internal audit reports and risk management reports
- Form 21-101F3 *Quarterly Report of Marketplace Activities*
- Report - Quarterly report of users and activities (including qualitative and quantitative data)
- Report – Quarterly report containing bylaws, rules, circulars made/published during quarter
- SOC 1 Report - Annual
- Annual compliance reports
- Report - Competitors listed on Neo Exchange
- Report - Conflicts with respect to Competitors
- Self-assessment report
- Cost recovery letter
- Governance Committee’s comments

- Section 3000 Report
- Independent Systems Review
- Form 13-502F7 *Specified Regulated Entities – Participation Fee* and any associated fees
- Report – List of participants with access to services

2.2.10 Ontario Instrument 81-503 Extension of Certain Filing, Delivery and Prospectus Renewal Requirements of Investment Funds

ONTARIO SECURITIES COMMISSION

ONTARIO INSTRUMENT 81-503
EXTENSION OF CERTAIN FILING, DELIVERY AND PROSPECTUS RENEWAL REQUIREMENTS OF INVESTMENT FUNDS

The Ontario Securities Commission, considering that to do so would not be prejudicial to the public interest, orders that effective on March 23, 2020, Ontario Instrument 81-503 entitled "Extension of Certain Filing, Delivery and Prospectus Renewal Requirements of Investment Funds" is made, such that certain filing and delivery obligations of investment funds under securities legislation, where the obligations are required to be met during the period from March 23, 2020 to June 1, 2020, are extended for a period of 45 days, and such that certain investment funds distributing securities under a prospectus with a lapse date during the period from March 23, 2020 to June 1, 2020, have the lapse date extended for a period of 45 days.

March 23, 2020

"Maureen Jensen"
Chair

"Grant Vingoe"
Vice-Chair

Authority under which the order is made:
Act and section: *Securities Act*, subsection 143.11(2)

Ontario Securities Commission

Ontario Instrument 81-503
Extension of Certain Filing, Delivery and Prospectus Renewal Requirements of Investment Funds

Definitions

1. Terms defined in the *Securities Act* (Ontario) ("OSA"), Multilateral Instrument 11-102 *Passport System* ("MI 11-102"), National Instrument 14-101 *Definitions*, National Instrument 41-101 *General Prospectus Requirements* ("NI 41-101"), National Instrument 81-102 *Investment Funds* ("NI 81-102") National Instrument 81-106 *Investment Fund Continuous Disclosure* ("NI 81-106") and National Instrument 81-107 *Independent Review Committee for Investment Funds* ("NI 81-107") have the same meaning as in this order.

Exemptive Relief

2. As a result of the coronavirus disease 2019 ("COVID-19") outbreak, which was declared a pandemic by the World Health Organization on March 11, 2020 and has led to a "Declaration of Emergency" under the *Emergency Management and Civil Protection Act* by the Lieutenant Governor of Ontario on March 17, 2020, the Ontario Securities Commission (the "Commission" or "OSC") acknowledges that this pandemic may present challenges for market participants in the meeting of certain obligations under Ontario securities law.

3. Specifically, the outbreak of COVID-19 may present challenges to an investment fund's ability to meet the filing and delivery requirements (the "Filing and Delivery Requirements") under Ontario securities law listed in Exhibit A and the prospectus renewal requirements (the "Prospectus Renewal Requirements") under Ontario securities law listed in Exhibit B.

4. Under subsection 143.11(2) of the OSA if the Commission considers that it would not be prejudicial to the public interest to do so, the Commission may, on application by an interested person or company or on its own initiative, make an order exempting a class of persons or companies, trades, intended trades, securities or derivatives from any requirement of Ontario securities law on such terms or conditions as may be set out in the order, effective for a period of no longer than 18 months after the day on which it comes into force unless extended pursuant to paragraph (b) of subsection 143.11(3) of the OSA.

Order

5. Consequently, this order provides for the temporary exemptions listed below.

6. Any investment fund required to make a filing and/or delivery in accordance with the Filing and Delivery Requirements during the period from March 23, 2020 to June 1, 2020 has an additional 45 days from the deadline otherwise applicable under Ontario securities law to make the filing or to send or deliver the document, subject to the terms and conditions listed below.

7. Any investment fund distributing securities under a prospectus with a lapse date that occurs during the period from March 23, 2020 to June 1, 2020, may add an additional 45 days to that lapse date in fulfilling the Prospectus Renewal Requirements, subject to the terms and conditions listed below.

Terms and conditions

8. Any investment fund relying on this order must, as soon as reasonably practicable and in advance of its filing or delivery deadline, notify the Director of the Investment Funds and Structured Products Branch by email at IFSPDirector@osc.gov.on.ca stating that the investment fund is relying on this order and each applicable requirement for which it is relying on this order.

9. An investment fund relying on this order must, as soon as reasonably practicable and in advance of its filing or delivery deadline, post a statement on its public website, or the public website of its investment fund manager, stating that the investment fund is relying on this order and each applicable requirement for which it is relying on this order.

10. Reference made in a notice pursuant to section 8 of this order, or a public website statement pursuant to section 9 of this order, to an equivalent exemption granted by a securities regulatory authority or regulator in another jurisdiction of Canada that is the investment fund's principal regulator, as defined in MI 11-102, will be deemed to constitute a reference to the relevant exemption in this order.

11. This order will come into effect on March 23, 2020, for a period of 120 days.

Exhibit A – Filing and Delivery Requirements

(a) section 14.6(3) of NI 41-101 and section 6.7(3) of 81-102, which require a custodian to deliver to the securities regulatory authority, custodian compliance reports within 30 days after the filing of the annual financial statements of an investment fund,

(b) section 12.1 of NI 81-102, which requires a mutual fund, other than an exchange-traded mutual fund that is not in continuous distribution, that does not have a principal distributor, to complete and file a compliance report, within 140 days after the financial year end of the mutual fund,

(c) section 2.2 of NI 81-106, which requires that annual financial statements and an auditor's report be filed on or before the 90th day after the investment fund's most recently completed financial year,

(d) section 2.4 of NI 81-106, which requires that interim financial statements be filed on or before the 60th day after the end of the most recent interim period of the investment fund,

(e) section 2.11 of NI 81-106, which requires a mutual fund that is not a reporting issuer to provide notice to the regulator of reliance on the section 2.11 exemption to file its financial statements,

(f) section 4.2 of NI 81-106, which requires an investment fund, other than an investment fund that is a scholarship plan, to file an annual management report of fund performance for each financial year and an interim management report of fund performance for each interim period at the same time that it files its annual financial statements or its interim financial statements for that financial period,

(g) section 4.3 of NI 81-106, which requires a scholarship plan to file an annual management report of fund performance at the same time as it files its annual financial statements,

(h) section 5.1(2) of NI 81-106, which requires an investment fund to deliver to a securityholder its annual financial statements, interim financial statements, and the related management report on fund performance concurrently with the filing deadline set out in Part 2 of NI 81-106,

(i) section 5.2(5) of NI 81-106, which requires an investment fund acting in accordance with section 5.2 of NI 81-106, to send annually to each securityholder a request form that they may use to instruct the investment fund as to which of the documents the securityholder wishes to receive,

(j) section 5.3(3) of NI 81-106, which requires an investment fund to send annually to each securityholder a request form the securityholder may use to instruct the investment fund as to which document listed in subsection 5.1(2) of NI 81-106 the securityholder wishes to receive,

(k) section 5.4 of NI 81-106, which requires an investment fund to send a copy of the document listed in subsection 5.1(2) of NI 81-106 requested by securityholder by the later of the filing deadline of the requested document and ten calendar days after the request,

(l) section 8.2(c) of NI 81-106, which requires a labour sponsored or venture capital fund to concurrently file, where applicable, an independent valuation with the filing of its annual financial statements,

(m) section 9.3 of NI 81-106, which requires an investment fund to file an annual information form on or before 90 days after the most recently completed financial year, and

(n) section 4.4 of NI 81-107, which requires an independent review committee to prepare, for each financial year of an investment fund and no later than the date the investment fund files its annual financial statements, a report to securityholders of the investment fund that describes the independent review committee and its activities for the financial year.

Exhibit B – Prospectus Renewal Requirements

Section 62 of the OSA which requires an investment fund to file and obtain a receipt for a new prospectus, in accordance with certain timelines, in order to continue distribution of the investment fund's securities for a further 12 months after the lapse date.

2.2.11 Ontario Instrument 31-510 Temporary Exemption from Certain Financial Statement and Information Delivery Requirements for Registrants and Unregistered Capital Markets Participants

ONTARIO SECURITIES COMMISSION

ONTARIO INSTRUMENT 31-510
TEMPORARY EXEMPTION FROM CERTAIN FINANCIAL STATEMENT AND INFORMATION DELIVERY REQUIREMENTS FOR REGISTRANTS AND UNREGISTERED CAPITAL MARKETS PARTICIPANTS

The Ontario Securities Commission, considering that to do so would not be prejudicial to the public interest, orders that effective on March 23, 2020 Ontario Instrument 31-510 entitled "Temporary Exemption from Certain Financial Statement and Information Delivery Requirements for Registrants and Unregistered Capital Markets Participants" is made, such that due dates for registered dealers, registered advisers and registered investment fund managers to deliver financial statements and certain other information required under Ontario securities law and Ontario commodity futures law be extended by up to 45 days and that due dates for registrant firms and unregistered capital markets participants to satisfy certain fee-related requirements under Ontario securities law and Ontario commodity futures law be extended by up to 45 days where such obligations are required to be met during the period from March 23, 2020 to June 1, 2020.

March 20, 2020

"Maureen Jensen"
Chair

"Grant Vingoe"
Vice-Chair

Authority under which the order is made:
Act and section: *Securities Act*, subsection 143.11(2), *Commodity Futures Act*, subsection 75(2)

Ontario Securities Commission

Ontario Instrument 31-510
Temporary Exemption from Certain Financial Statement and Information Delivery Requirements for Registrants and Unregistered Capital Markets Participants

Definitions

1. Corresponding terms defined in any of the following have the same meaning in this Instrument:

   a. the *Securities Act* (Ontario) (**OSA**),

   b. *Commodity Futures Act* (Ontario) (**CFA**)

   c. National Instrument 14-101 *Definitions*

   d. National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**)

   e. OSC Rule 13-502 *Fees* (**OSC Rule 13-502**)

   f. OSC Rule 13-503 (*Commodity Futures Act*) *Fees* (**OSC Rule 13-503**)

   g. R.R.O. 1990, Regulation 90 made under the *Commodity Futures Act* (the **CFA General Regulation**)

Exemptive relief

2. As a result of the coronavirus disease 2019 (**COVID-19**) outbreak, which was declared a pandemic by the World Health Organization on March 11, 2020 and has led to a "Declaration of Emergency" under the *Emergency Management and Civil Protection Act* by the Lieutenant Governor of Ontario on March 17, 2020, the Ontario Securities Commission (the **Commission** or **OSC**) acknowledges that the pandemic may present challenges for market participants in the meeting of certain obligations under Ontario securities law and Ontario commodity futures law.

3. Specifically, the outbreak of COVID-19 and the resulting disruptions to travel, access to office facilities and availability of personnel and resources present challenges to a registrant's or an unregistered capital markets participant's ability to meet certain obligations under Ontario securities law and Ontario commodity futures law.

4. Under subsection 143.11(2) of the OSA and subsection 75(2) of the CFA, if the Commission considers that it would not be prejudicial to the public interest to do so, the Commission may, on application by an interested person or company or on its own initiative, make an order exempting a class of persons or companies, trades, intended trades, securities or derivatives from any requirement of Ontario securities law or Ontario commodity futures law on such terms or conditions as may be set out in the order, effective for a period of no longer than 18 months after the day on which it comes into force unless extended pursuant to paragraph (b) of subsection 143.11(3) of the OSA or paragraph (b) of subsection 75(3) of the CFA.

Order

5. Consequently, this order provides for the temporary exemptions set out below.

6. A person or company that is a registered dealer, registered adviser or registered investment fund manager is temporarily exempt from the delivery deadline for the following documents that are specified in the following provisions of NI 31-103, where the delivery deadline falls during the period from March 23, 2020 to June 1, 2020, provided that the person or company delivers the document to the regulator no later than 45 days after the delivery deadline for the document:

   (a) in the case of a registered dealer, its annual financial statements and its completed Form 31-103F1 *Calculation of Excess Working Capital*, as specified in subsection 12.12(1)

   (b) in the case of a registered dealer, its interim financial information and its completed Form 31-103F1 *Calculation of Excess Working Capital*, as specified in subsection 12.12(2)

   (c) in the case of a registered adviser, its annual financial statements and its completed Form 31-103F1 *Calculation of Excess Working Capital*, as specified in section 12.13

   (d) in the case of a registered investment fund manager, its annual financial statements, its completed Form 31-103F1 *Calculation of Excess Working Capital* and its completed Form 31-103F4 *Net Asset Value Adjustments*, as specified in subsection 12.14(1)

   (e) in the case of a registered investment fund manager, its interim financial information, its completed Form 31-103F1 *Calculation of Excess Working Capital* and its completed Form 31-103F4 *Net Asset Value Adjustments*, as specified in subsection 12.14(2)

   (f) in the case of a registered mutual fund dealer that is a member of the MFDA and is registered as an exempt market dealer or scholarship plan dealer, its completed MFDA Form 1 *MFDA Financial*

Questionnaire and Report, as specified in paragraph 12.12(2.1)(b)

(g) in the case of a registered mutual fund dealer that is a member of the MFDA and is registered as an exempt market dealer or scholarship plan dealer, its completed MFDA Form 1 *MFDA Financial Questionnaire and Report*, as specified in paragraph 12.12(2.1)(c)

(h) in the case of a registered investment dealer that is a member of IIROC and is registered as an investment fund manager, its completed IIROC Form 1 *Joint Regulatory Financial Questionnaire and Report*, as specified in paragraph 12.14(4)(b)

(i) in the case of a registered investment dealer that is a member of IIROC and is registered as an investment fund manager, its completed IIROC Form 1 *Joint Regulatory Financial Questionnaire and Report*, as specified in paragraph 12.14(4)(c)

(j) in the case of a registered mutual fund dealer that is a member of the MFDA and is registered as an investment fund manager, its completed MFDA Form 1 MFDA Financial Questionnaire and Report, as specified in paragraph 12.14(5)(b)

(k) in the case of a registered mutual fund dealer that is a member of the MFDA and is registered as an investment fund manager, its completed MFDA Form 1 MFDA Financial Questionnaire and Report, as specified in paragraph 12.14(5)(c)

7. An adviser referred to in section 15 of the CFA General Regulation is exempt from the delivery deadline for the adviser's audited financial statements that is specified in subsection 15(1) of the CFA General Regulation where such delivery deadline falls during the period from March 23, 2020 to June 1, 2020, provided that the adviser delivers the audited financial statements to the Commission no later than 45 days after the delivery deadline.

8. A registrant firm or an unregistered capital markets participant (as defined under OSC Rule 13-502) that estimated its specified Ontario revenues for a previous financial year under subsection 3.2(1) of OSC Rule 13-502 is exempt from the deadline to satisfy the requirements set out in paragraphs (a) to (c) of subsection 3.2(2) of OSC Rule 13-502 where such deadline falls during the period from March 23, 2020 to June 1, 2020, provided that the registrant firm or unregistered capital markets participant satisfies the requirements no later than 45 days after the deadline.

9. A registrant firm (as defined under OSC Rule 13-503) that estimated its specified Ontario revenues for a previous financial year under subsection 2.3(1) of OSC Rule 13-503 is exempt from the deadline to satisfy the requirements set out in paragraphs (a) to (c) of subsection 2.3(2) of OSC Rule 13-503 where such deadline falls during the period from March 23 to June 1, 2020, provided that the registrant firm satisfies the requirements no later than 45 days after the deadline.

Effective date and term

10. This order comes into effect on March 23, 2020, for a period of 120 days.

2.2.12 Ontario Instrument 51-502 Temporary Exemption from Certain Corporate Finance Requirements

ONTARIO SECURITIES COMMISSION

ONTARIO INSTRUMENT 51-502
TEMPORARY EXEMPTION FROM CERTAIN CORPORATE FINANCE REQUIREMENTS

The Ontario Securities Commission, considering that to do so would not be prejudicial to the public interest, orders that effective on March 23, 2020, Ontario Instrument 51-502 entitled "Temporary Exemption from Certain Corporate Finance Requirements" is made, such that affected persons or companies are temporarily exempted from certain requirements of Ontario securities law.

March 23, 2020

"Maureen Jensen"
Chair

"Grant Vingoe"
Vice-Chair

Authority under which the order is made:
Act and section: Securities Act, subsection 143.11(2)

Ontario Securities Commission

Ontario Instrument 51-502
Temporary Exemption from Certain Corporate Finance Requirements

Definitions

1. Terms defined in the *Securities Act* (Ontario) ("OSA"), National Instrument 14-101 *Definitions*, National Instrument 25-101 *Designated Rating Organizations* ("National Instrument 25-101"), National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("National Instrument 43-101"), National Instrument 44-102 *Shelf Distributions* ("National Instrument 44-102"), National Instrument 45-106 *Prospectus Exemptions* ("National Instrument 45-106"), Multilateral Instrument 45-108 *Crowdfunding* ("Multilateral Instrument 45-108"), National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ("National Instrument 51-101") and National Instrument 51-102 *Continuous Disclosure Obligations* ("National Instrument 51-102") have the same meaning in this Instrument.

2. In this Instrument, "extension period" means the period between

   (a) the date a person or company was required to make a filing listed in Exhibit A, or to send or deliver a document listed in Exhibit A, under Ontario securities law, and

   (b) 45 days following that date.

Exemptive relief

3. As a result of the coronavirus disease 2019 ("COVID-19") outbreak, which was declared a pandemic by the World Health Organization on March 11, 2020 and has led to a "Declaration of Emergency" under the *Emergency Management and Civil Protection Act* by the Lieutenant Governor of Ontario on March 17, 2020, the Ontario Securities Commission (the "Commission" or "OSC") acknowledges that this pandemic may present challenges for market participants in the meeting of certain obligations under Ontario securities law.

4. Specifically,

   (a) certain reporting issuers may be unable to make certain filings, or to send or deliver certain documents, as and when required under continuous disclosure and prospectus requirements,

   (b) certain issuers may be unable to make certain filings, or to send or deliver certain documents, as and when required under provisions relating to the use of

exemptions from the prospectus requirements, and

(c) certain designated rating organizations may be unable to make certain filings as and when required under National Instrument 25-101.

5. Under subsection 143.11(2) of the OSA if the Commission considers that it would not be prejudicial to the public interest to do so, the Commission may, on application by an interested person or company or on its own initiative, make an order exempting a class of persons or companies, trades, intended trades, securities or derivatives from any requirement of Ontario securities law on such terms or conditions as may be set out in the order, effective for a period of no longer than 18 months after the day on which it comes into force unless extended pursuant to paragraph (b) of subsection 143.11(3) of the OSA.

Order

6. Consequently, this order provides for the temporary exemptions listed below.

7. A person or company required to make a filing listed in Exhibit A, or to send or deliver a document listed in Exhibit A, during the period from March 23, 2020 to June 1, 2020 has an additional 45 days from the deadline otherwise applicable under Ontario securities law to make the filing or to send or deliver the document, provided that:

(a) the person or company issues, and files on SEDAR as soon as reasonably practicable, a news release in advance of its filing deadline that discloses

(i) each applicable requirement for which it is relying on this exemption,

(ii) that its management and other insiders are subject to an insider trading black-out policy that reflects the principles in section 9 of National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions* ("National Policy 11-207"),

(iii) the estimated date by which the required disclosure is expected to be filed or the required document is expected to be sent or delivered, and

(iv) the following information about the person or company

(A) an update of any material business developments since the date of the last annual financial statements or interim financial reports that were filed, or

(B) confirmation that there have been no material business developments since that date;

(b) the person or company issues, and files on SEDAR as soon as reasonably practicable,

(i) a news release no later than 30 days after the first day of the extension period, and

(ii) a subsequent news release no later than 30 days following the date of the news release referred to in subparagraph (i) if the person or company has not yet filed each document for which it is relying on this exemption;

(c) the news release required by paragraph (b) above must provide the following information about the person or company

(i) an update of any material business developments since the date of the last news release required by this section, or

(ii) confirmation that there have been no material business developments since that date;

(d) if the person or company is relying on this exemption for one or more documents, it does not file a preliminary prospectus or a final prospectus for an offering of securities until it has filed all documents for which it is relying on this exemption;

(e) if the person or company is relying on this exemption for the sending of an annual request form required by subsection 4.6(1) of National Instrument 51-102, the annual request form is sent before the record date for its next annual meeting of securityholders;

(f) if the person or company is relying on this exemption for the delivery of annual financial statements required by subsection 4.6(5) of National Instrument 51-102 or management's discussion & analysis required by subsection 5.6(3) of National Instrument 51-102, those documents are delivered before, or in conjunction with, the delivery of the management information

circular for its next annual meeting of securityholders.

8. A person or company required to make a filing listed in Exhibit B, or to send or deliver a document listed in Exhibit B, during the period from March 23, 2020 to June 1, 2020 has an additional 45 days from the deadline otherwise applicable under Ontario securities law to make the filing or to send or deliver the document, provided that the person or company issues, and files on SEDAR as soon as reasonably practicable, a news release in advance of its filing deadline that discloses each applicable requirement for which it is relying on this exemption.

9. A person or company required to make a filing listed in Exhibit C, or to send or deliver a document listed in Exhibit C, during the period from March 23, 2020 to June 1, 2020 has an additional 45 days from the deadline otherwise applicable under Ontario securities law to make the filing or to send or deliver the document, provided that:

   (a) the person or company issues, and files on SEDAR as soon as reasonably practicable if the person or company is a SEDAR filer, a news release in advance of its filing deadline that discloses each applicable requirement for which it is relying on this exemption;

   (b) if a designated rating organization is relying on this exemption for the annual filing of a designated rating organization on Form 25-101F1 *Designated Rating Organization Application and Annual Filing* ("Form 25-101F1") required by subsection 14(1) of National Instrument 25-101 and any amendment to that filing required by subsection 14(2) of National Instrument 25-101, the news release required by paragraph (a) above must provide the following information and may refer to current information on the designated rating organization's website

      (i) a brief discussion of any information in the previous annual filing, or an amendment to that filing, that is now materially inaccurate, or

      (ii) confirmation that there is no such information that is materially inaccurate;

   (c) despite paragraph (a), if the person or company is a designated rating organization, the designated rating organization is not required to file the news release on SEDAR provided the designated rating organization sends the news release to the securities regulatory authority that was its principal regulator for the purposes of its designation as a designated rating organization.

10. A person or company subject to a lapse date listed in Exhibit D that occurs during the period from March 23, 2020 to June 1, 2020 may add an additional 45 days to that lapse date, provided that the person or company:

   (a) issues, and files on SEDAR as soon as reasonably practicable, a news release in advance of its lapse date that discloses the specific requirements for which it is relying on this exemption, and

   (b) is not also relying on the exemption in section 7.

11. A reference made in a news release to an equivalent exemption granted by a securities regulatory authority or regulator in another jurisdiction of Canada that is the person's or company's principal regulator, as defined in National Policy 11-207, will be deemed to constitute a reference to the relevant exemption in this order.

Effective date and term

12. This order comes into effect on March 23, 2020, for a period of 120 days.

Exhibit A – Annual and interim filings or delivery requirements

1. The filing of:

   - annual financial statements required by section 4.2 of National Instrument 51-102,
   - an interim financial report required by section 4.4 of National Instrument 51-102,
   - management's discussion & analysis required by subsection 5.1(2) of National Instrument 51-102,
   - management's discussions & analysis of SEC issuers required by section 5.2 of National Instrument 51-102,
   - an annual information form required by section 6.2 of National Instrument 51-102,
   - executive compensation disclosure required by section 11.6 of National Instrument 51-102,
   - financial statements after becoming a reporting issuer required by subsection 4.7(2) and (3) of National Instrument 51-102,
   - financial statements of a reverse takeover acquirer for periods ending before a reverse takeover required by subsection 4.10(2) of National Instrument 51-102,
   - a statement of reserves data and other information required by section 2.1 of National Instrument 51-101,
   - a technical report required by paragraph 4.2(1)(j) of National Instrument 43-101, or
   - any similar annual or interim disclosure document of a reporting issuer required pursuant to an exemption from one of the requirements listed above included in an exemptive relief decision made by a securities regulatory authority or regulator prior to the date of this order.

2. The sending of an annual request form required by subsection 4.6(1) of National Instrument 51-102.

3. The delivery of:

   - annual financial statements required by subsection 4.6(3) and (5) of National Instrument 51-102, or
   - management's discussion & analysis required by subsection 5.6(1) and (3) of National Instrument 51-102.

Exhibit B – Other continuous disclosure filings

1. The filing of:

   - a change of auditor reporting package required by section 4.11 of National Instrument 51-102,
   - a notice of change in year end required by section 4.8 of National Instrument 51-102,
   - a business acquisition report required by section 8.2 of National Instrument 51-102, or
   - a notice of change in corporate structure required by section 4.9 of National Instrument 51-102.

Exhibit C – Filings related to exempt distributions and designated rating organizations

1. The filing of:

   - annual financial statements required by subsection 2.9(17.5) of National Instrument 45-106 National Instrument 45-106,
   - a notice of use of proceeds on Form 45-106F16 *Notice of Use of Proceeds* required by subsection 2.9(17.19) of National Instrument 45-106,
   - annual financial statements required by section 16 of Multilateral Instrument 45-108,
   - annual disclosure of use of proceeds required by section 17 of Multilateral Instrument 45-108, or
   - an annual filing of a designated rating organization on Form 25-101F1 required by subsection 14(1) of National Instrument 25-101 and any amendment to that filing required by subsection 14(2) of National Instrument 25-101.

Exhibit D – Lapse date for a base shelf prospectus

1. The lapse date for a final base shelf prospectus referred to in paragraph 2.2(3)(a), 2.3(3)(a), 2.4(3)(a), 2.5(3)(a), 2.6(3)(a) or section 2.7 of National Instrument 44-102.

2.3 Orders with Related Settlement Agreements

2.3.1 Kuber Mortgage Investment Corporation and Sutharsan Kunaratnam – ss. 127, 127.1

IN THE MATTER OF
KUBER MORTGAGE INVESTMENT CORPORATION and
SUTHARSAN KUNARATNAM

File No. 2020-6

Timothy Moseley, Vice-Chair and Chair of the Panel

March 23, 2020

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

WHEREAS the Ontario Securities Commission (the **Commission**) held a hearing in writing to consider the request made jointly by Kuber Mortgage Investment Corporation (**Kuber**) and Sutharsan Kunaratnam (**Kunaratnam**) (collectively, the **Respondents**) and Staff of the Commission (**Staff**) for approval of a settlement agreement dated March 6, 2020 (the **Settlement Agreement**);

AND WHEREAS Kuber has given an undertaking to the Commission, in the form attached as Appendix A to this Order (the **Undertaking**);

ON READING the Statement of Allegations dated March 13, 2020, the Settlement Agreement and the submissions of the representative of Staff, and on considering the Undertaking;

IT IS ORDERED THAT:

1. the Settlement Agreement is approved;

2. each of the Respondents is reprimanded, pursuant to paragraph 6 of subsection 127(1) of the *Securities Act*, RSO 1990, c S.5 (the **Act**);

3. the Respondents shall pay an administrative penalty in the amount of $400,000, on a joint and several basis, pursuant to paragraph 9 of subsection 127(1) of the Act, which amount is designated for allocation or use by the Commission in accordance with paragraph 3.4(2)(b) of the Act; and

4. Kuber shall pay costs in the amount of $30,000, pursuant to section 127.1 of the Act.

“Timothy Moseley”

APPENDIX A

UNDERTAKING OF KUBER MORTGAGE INVESTMENT CORPORATION

IN THE MATTER OF
KUBER MORTGAGE INVESTMENT CORPORATION and
SUTHARSAN KUNARATNAM

UNDERTAKING TO THE ONTARIO SECURITIES COMMISSION

1. This Undertaking is given in connection with the settlement agreement dated March 6, 2020 (the **Settlement Agreement**) between Kuber Mortgage Investment Corporation (**Kuber**), Sutharsan Kunaratnam (**Kunaratnam**) and Staff (**Staff**) of the Ontario Securities Commission (the **Commission**). All terms shall have the same meanings in this Undertaking as in the Settlement Agreement.

2. Kuber undertakes to the Commission to:

   (a) conduct any subsequent trades of securities of Kuber through or to a firm registered under Ontario securities law in a category that permits such trade, or by Kuber directly only if and when registered to conduct such trades;

   (b) amend its most recent offering memorandum by:

      (i) removing all references to the Blanket Order,

      (ii) stating that Kuber is not registered as a dealer and trades its securities through a firm registered under Ontario securities law in a category that permits such trades,

      (iii) stating that Kuber would be required to be registered in the appropriate dealer category under Ontario securities law if it does not trade through a dealer registered in a category that permits such a trade, and

      (iv) detailing Square Capital's control over the general partner of Zephyr LP;

   (c) retain an EMD to:

      (i) conduct a review of the adequacy of the KYC and suitability documentation obtained by Kuber with respect to its current existing investors who did not purchase Kuber's preferred shares through a registered dealer, to be completed within four months from the date of the Settlement Hearing,

      (ii) obtain such additional KYC and suitability information as required for a suitability assessment where the EMD deems that the existing documentation at Kuber is inadequate pursuant to paragraph 2(c)(i) above,

      (iii) conduct suitability analysis in accordance with sections 13.2 and 13.3 of NI 31-103 for a random sample of 20 current existing investors, selected by the EMD, who did not purchase Kuber's preferred shares through a registered dealer, to be completed within four months from the date of the Settlement Hearing, and

      (iv) if 5 or more of the 20 investors are identified by the EMD to have made unsuitable investments in Kuber pursuant to paragraph 2(c)(iii) above, conduct suitability analysis in accordance with sections 13.2 and 13.3 of NI 31-103 for all current existing investors who did not purchase Kuber's preferred shares through a registered dealer, to be completed within a time period proposed by the EMD which is not unacceptable to Staff;

   (d) once an EMD has been retained pursuant to paragraph 2(c) above, Kuber shall immediately provide Staff with a written authorization granting Staff free and unfettered access to communicate with the EMD; and

   (e) redeem the preferred shares held by all investors identified by the EMD to have made an unsuitable investment in Kuber pursuant to paragraph 2(c) above at the issue price of $10 per preferred share, unless the investors instruct the EMD that they wish to retain their investments in accordance with subsection 13.3(2) of NI 31-103.

DATED at Toronto, Ontario this 6th day of March, 2020.

KUBER MORTGAGE INVESTMENT CORPORATION

"Ranier De Lambert"
COO

IN THE MATTER OF
KUBER MORTGAGE INVESTMENT CORPORATION and
SUTHARSAN KUNARATNAM

SETTLEMENT AGREEMENT

PART I - INTRODUCTION

1. Beginning in June 2016, Kuber Mortgage Investment Corporation ("**Kuber**") and Sutharsan Kunaratnam ("**Kunaratnam**") (collectively, the "**Respondents**") sold approximately $26 million worth of preferred shares in Kuber to approximately 200 investors in the exempt market. The Respondents engaged in the business of trading in securities without being registered as a dealer, contrary to subsection 25(1) of the *Securities Act*, RSO 1990, c S.5 (the "**Act**").

2. Registration is a cornerstone of Ontario securities law. The registration requirement serves an important gate-keeping function by ensuring that only properly qualified and suitable persons are permitted to trade with or on behalf of the public. Issuers in the exempt market that are in the business of trading their own securities, including mortgage investment entities ("**MIEs**") such as Kuber, must comply with the registration requirements under Ontario securities law.

3. The parties shall jointly file a request that the Ontario Securities Commission (the "**Commission**") issue a Notice of Hearing (the "**Notice of Hearing**") to announce that it will hold a hearing ("**Settlement Hearing**") to consider whether, pursuant to sections 127 and 127.1 of the Act, it is in the public interest for the Commission to make certain orders against the Respondents.

PART II - JOINT SETTLEMENT RECOMMENDATION

4. Staff of the Commission ("**Staff**") recommend settlement of the proceeding (the "**Proceeding**") against the Respondents commenced by the Notice of Hearing, in accordance with the terms and conditions set out in Part V of this Settlement Agreement. The Respondents consent to the making of an order (the "**Order**") substantially in the form attached as Schedule "A" to this Settlement Agreement based on the facts set out herein.

5. For the purposes of the Proceeding, and any other regulatory proceeding commenced by a securities regulatory authority, the Respondents agree with the facts set out in Part III of this Settlement Agreement and the conclusion in Part IV of this Settlement Agreement.

PART III - AGREED FACTS

THE RESPONDENTS

6. Kuber is an Ontario corporation based in Toronto. As a MIE, Kuber's primary business is mortgage origination and lending. In order to fund its mortgages, Kuber primarily raises capital from investors in the exempt market and has also obtained debt financing.

7. Kunaratnam is one of the founding directors of Kuber and its Chief Executive Officer. Kunaratnam also provides various mortgage brokerage, management and administrative services to Kuber through his company, Square Capital Management Inc. ("**Square Capital**").

8. Neither Kuber nor Kunaratnam have been registered with the Commission in any capacity.

UNREGISTERED TRADING

9. During the period between June 2016 and January 2019, Kuber raised approximately $26 million through distributions of its preferred shares to approximately 200 investors. Almost all of the distributions were made pursuant to the accredited investor exemption to the prospectus requirement.

10. Beginning in November 2018, Kuber had used a registered exempt market dealer ("**EMD**") from time to time to sell its securities. However, most of the investors in Kuber purchased the preferred shares without the involvement of any registered dealer.

11. Kunaratnam was the individual at Kuber primarily responsible for selling its preferred shares to investors. He engaged in activities in furtherance of the sale of the preferred shares, including by preparing and disseminating promotional materials, soliciting investors, and performing "know your client" ("**KYC**") procedures.

12. The Respondents engaged in the business of trading in securities without being registered as a dealer under Ontario securities law.

13. In response to a request from Staff, Kuber voluntarily agreed in January 2019 to cease trading in securities, except trades of its own securities that were distributed through a registered EMD, including by removing solicitations for investment on its website.

OFFERING MEMORANDA

(1) Statements Regarding the Dealer Registration Requirement

14. Kuber disseminated three offering memoranda to prospective investors which contained the following statement concerning its registration status:

> Neither the Corporation nor the Manager is registered with the Ontario Securities Commission ("OSC") as an adviser, dealer or as an investment fund manager and is operating in reliance on the blanket order issued by the OSC on August 17, 2010 that provides relief from these registration requirements and the Corporation's interpretation of Staff Notice 31-323 *Guidance Relating to Registration Obligations of Mortgage Investment Entities* ("Staff Notice 31-323"). If the Corporation's interpretation of Staff Notice 31-323 is incorrect or the OSC otherwise requires registration for MICs or MIC managers/administrators, the Corporation will comply with the requirements or seek further relief if appropriate.

15. The Commission's blanket order dated August 17, 2010[1] ("**Blanket Order**") did not provide any relief to the requirement to be registered as a dealer. Furthermore, any relief provided by the Blanket Order (and a subsequent order extending the relief[2]) expired on March 31, 2011.

(2) Information Regarding Related Party Loan Facility

16. Between January 2018 and November 2018, Kuber disseminated an offering memorandum which disclosed in multiple sections that Kuber may obtain debt financing. The offering memorandum did not disclose an unsecured loan between Kuber and a limited partnership ("**Zephyr LP**") which was controlled by Kunaratnam's company, Square Capital. A subsequent offering memorandum disclosed the loan and certain aspects of Square Capital's relationship with Zephyr LP but did not detail Square Capital's control over Zephyr LP.

MITIGATING FACTORS

17. The Respondents cooperated with Staff during its investigation, including by:

    (a) voluntarily providing Staff with information and documents relevant to Staff's investigation, including documents that had not been requested by Staff; and

    (b) voluntarily agreeing to cease all securities trading activities at Kuber that did not involve a registered firm authorized to trade exempt securities, including by removing all solicitations for investment on Kuber's website.

18. Neither Kuber nor Kunaratnam have a prior disciplinary record with any securities regulatory authority, including the Commission.

19. The Respondents have agreed to reach an early resolution of this matter, prior to the commencement of proceedings in this matter.

20. Kunaratnam, on his own initiative, undertook and in January 2020 successfully completed the Partners, Directors & Senior Officers Course offered by the IFSE Institute and the Canadian Securities Course offered by the Canadian Securities Institute.

21. Kunaratnam, also on his own initiative, voluntarily agreed to pay the administrative penalty referred to in paragraph 23(c) below in order to not impact the dividend distributions payable to investors in Kuber.

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

22. By engaging in the conduct described above, the Respondents acknowledge and admit that they:

[1] *In the Matter of the Securities Legislation of Ontario and In the Matter of Trez Capital Corporation (The Lead Filer) and Other Persons and Companies Conducting Investment Fund Management Activities or Advising in Respect of Mortgage Investment Entities* (2010), 33 OSCB 7355.

[2] See 33 OSCB 11155.

(a) engaged in or held themselves out as engaging in the business of trading in securities, without being registered in accordance with Ontario securities law as a dealer, where no exemption to the registration requirement was available, contrary to subsection 25(1) of the Act; and

(b) in so doing acted in a manner contrary to the public interest.

PART V - TERMS OF SETTLEMENT

23. The Respondents agree to the terms of settlement set forth below and consent to the Order, to be made by the Commission pursuant to sections 127 and 127.1 of the Act, the terms of which include that:

(a) this Settlement Agreement be approved;

(b) each of the Respondents be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act;

(c) the Respondents pay an administrative penalty in the amount of $400,000, on a joint and several basis, pursuant to paragraph 9 of subsection 127(1) of the Act, which amount be designated for allocation or use by the Commission in accordance with paragraph 3.4(2)(b) of the Act; and

(d) Kuber pay costs in the amount of $30,000, pursuant to section 127.1 of the Act.

24. Kunaratnam agrees to pay the administrative penalty set out in paragraph 23(c) above in its entirety by wire transfer to the Commission, through an account held by his company Square Capital, before the commencement of the Settlement Hearing. Kunaratnam will not be reimbursed for or receive a contribution toward this payment from Kuber.

25. Kuber agrees to pay the costs set out in paragraph 23(d) above in its entirety by wire transfer to the Commission before the commencement of the Settlement Hearing.

26. The Respondents acknowledge that this Settlement Agreement and the Order may form the basis for orders of parallel effect in other jurisdictions in Canada. The securities laws of some other Canadian jurisdictions allow orders made in this matter to take effect in those other jurisdictions automatically, without further notice to the Respondents. The Respondents should contact the securities regulator of any other jurisdiction in which the Respondents intend to engage in any securities- or derivatives-related activities, prior to undertaking such activities.

27. Kuber has given an undertaking (the "**Undertaking**") to the Commission in the form attached as Schedule "B" to this Settlement Agreement to:

(a) conduct any subsequent trades of securities of Kuber through or to a firm registered under Ontario securities law in a category that permits such trades, or by Kuber directly only if and when registered to conduct such trades;

(b) amend its most recent offering memorandum by:

(i) removing all references to the Blanket Order,

(ii) stating that Kuber is not registered as a dealer and trades its securities through a firm registered under Ontario securities law in a category that permits such trades,

(iii) stating that Kuber would be required to be registered in the appropriate dealer category under Ontario securities law if it does not trade through a dealer registered in a category that permits such a trade, and

(iv) detailing Square Capital's control over the general partner of Zephyr LP;

(c) retain an EMD to:

(i) conduct a review of the adequacy of the KYC and suitability documentation obtained by Kuber with respect to its current existing investors who did not purchase Kuber's preferred shares through a registered dealer, to be completed within four months from the date of the Settlement Hearing,

(ii) obtain such additional KYC and suitability information as required for a suitability assessment where the EMD deems that the existing documentation at Kuber is inadequate pursuant to paragraph 27(c)(i) above,

(iii) conduct suitability analysis in accordance with sections 13.2 and 13.3 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("**NI 31-103**") for a

random sample of 20 current existing investors, selected by the EMD, who did not purchase Kuber's preferred shares through a registered dealer, to be completed within four months from the date of the Settlement Hearing, and

(iv) if 5 or more of the 20 investors are identified by the EMD to have made unsuitable investments in Kuber pursuant to paragraph 27(c)(iii) above, conduct suitability analysis in accordance with sections 13.2 and 13.3 of NI 31-103 for all current existing investors who did not purchase Kuber's preferred shares through a registered dealer, to be completed within a time period proposed by the EMD which is not unacceptable to Staff;

(d) once an EMD has been retained pursuant to paragraph 27(c) above, Kuber shall immediately provide Staff with a written authorization granting Staff free and unfettered access to communicate with the EMD; and

(e) redeem the preferred shares held by all investors identified by the EMD to have made an unsuitable investment in Kuber pursuant to paragraph 27(c) above at the issue price of $10 per preferred share, unless the investors instruct the EMD that they wish to retain their investments in accordance with subsection 13.3(2) of NI 31-103.

28. But for the mitigating factors set out in Part III.D of this Settlement Agreement and the Undertaking, Staff would have requested additional sanctions against the Respondents.

29. This Settlement Agreement, as well as any failure to satisfy the terms of the Settlement Agreement, may be considered as a factor relevant to suitability for registration in any future application for registration by the Respondents.

PART VI - FURTHER PROCEEDINGS

30. If the Commission approves this Settlement Agreement, Staff will not commence or continue any proceeding against the Respondents under Ontario securities law in relation to the facts set out in Part III of this Settlement Agreement, unless one or both of the Respondents fail to comply with any term in this Settlement Agreement (including the Undertaking), in which case Staff may bring proceedings under Ontario securities law against that or those Respondents that may be based on, among other things, the facts set out in Part III of this Settlement Agreement as well as the breach of this Settlement Agreement.

31. The Respondents acknowledge that, if the Commission approves this Settlement Agreement and any of the Respondents fail to comply with any term in it, Staff or the Commission, as the case may be, is entitled to bring any proceedings necessary to enforce compliance with the terms of the Settlement Agreement.

32. The Respondents waive any defences to a proceeding referenced in paragraph 30 or 31 that are based on the limitation period in the Act, provided that no such proceeding shall be commenced later than six years from the date of the occurrence of the last failure to comply with this Settlement Agreement.

PART VII - PROCEDURE FOR APPROVAL OF SETTLEMENT

33. The parties will seek approval of this Settlement Agreement at the Settlement Hearing before the Commission, which shall be held on a date determined by the Secretary to the Commission in accordance with this Settlement Agreement and the Commission's *Rules of Procedure* (2019), 42 O.S.C.B. 9714.

34. Kunaratnam will attend the Settlement Hearing in person.

35. The parties confirm that this Settlement Agreement sets forth all of the agreed facts that will be submitted at the Settlement Hearing, unless the parties agree that additional facts should be submitted at the Settlement Hearing.

36. If the Commission approves this Settlement Agreement:

(a) the Respondents irrevocably waive all rights to a full hearing, judicial review or appeal of this matter under the Act; and

(b) neither Staff nor the Respondents will make any public statement that is inconsistent with this Settlement Agreement or with any additional agreed facts submitted at the Settlement Hearing.

37. Whether or not the Commission approves this Settlement Agreement, the Respondents will not use, in any proceeding, this Settlement Agreement or the negotiation or process of approval of this Settlement Agreement as the basis for any attack on the Commission's jurisdiction, alleged bias, alleged unfairness or any other remedies or challenges that may be available.

PART VIII - DISCLOSURE OF SETTLEMENT AGREEMENT

38. If the Commission does not make the Order or an order substantially in the form attached as Schedule "A" to this Settlement Agreement:

    (a) this Settlement Agreement and all discussions and negotiations between Staff and the Respondents before the Settlement Hearing will be without prejudice to Staff and the Respondents; and

    (b) Staff and the Respondents will each be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing on the merits of the allegations contained in the Statement of Allegations in respect of the Proceeding. Any such proceedings, remedies and challenges will not be affected by this Settlement Agreement, or by any discussions or negotiations relating to this Settlement Agreement.

39. The parties will keep the terms of this Settlement Agreement confidential until the Settlement Hearing, unless they agree in writing not to do so or unless otherwise required by law.

PART IX - EXECUTION OF SETTLEMENT AGREEMENT

40. This Settlement Agreement may be signed in one or more counterparts which together constitute a binding agreement.

41. A facsimile copy or other electronic copy of any signature will be as effective as an original signature.

DATED at Toronto, Ontario this 6th day of March, 2020.

"Usman M. Sheikh"

"Sutharsan Kunaratnam"

KUBER MORTGAGE INVESTMENT CORPORATION

"Ranier De Lambert"
COO

DATED at Toronto, Ontario this 3rd day of March, 2020.

ONTARIO SECURITIES COMMISSION

"Jeff Kehoe"
Director, Enforcement Branch

SCHEDULE "A"

IN THE MATTER OF
KUBER MORTGAGE INVESTMENT CORPORATION
AND SUTHARSAN KUNARATNAM

File No.____

(Name(s) of Commissioner(s) comprising the panel)

[*Day and date Order made*]

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

WHEREAS on **[date]**, the Ontario Securities Commission (the "**Commission**") held a hearing at the offices of the Commission, located at 20 Queen Street West, 17th Floor, Toronto, Ontario to consider the request made jointly by Kuber Mortgage Investment Corporation ("**Kuber**") and Sutharsan Kunaratnam ("**Kunaratnam**") (collectively, the "**Respondents**") and Staff of the Commission ("**Staff**") for approval of a settlement agreement dated **[date]** (the "**Settlement Agreement**").

AND WHEREAS Kuber has given an undertaking to the Commission, in the form attached as Annex I to this Order (the "**Undertaking**").

ON READING the Statement of Allegations dated **[date]** and the Settlement Agreement and on hearing the submissions of the representatives of each of the parties, appearing in person, and on considering the Undertaking,

IT IS ORDERED THAT:

(a) the Settlement Agreement is approved;

(b) each of the Respondents is reprimanded, pursuant to paragraph 6 of subsection 127(1) of the *Securities Act*, RSO 1990, c S.5 (the "**Act**");

(c) the Respondents shall pay an administrative penalty in the amount of $400,000, on a joint and several basis, pursuant to paragraph 9 of subsection 127(1) of the Act, which amount is designated for allocation or use by the Commission in accordance with paragraph 3.4(2)(b) of the Act; and

(d) Kuber shall pay costs in the amount of $30,000, pursuant to section 127.1 of the Act.

_____

[Chair of the Panel]

_____

[Commissioner]

_____

[Commissioner]

ANNEX I

UNDERTAKING OF KUBER MORTGAGE INVESTMENT CORPORATION

IN THE MATTER OF
KUBER MORTGAGE INVESTMENT CORPORATION
and SUTHARSAN KUNARATNAM

UNDERTAKING TO THE ONTARIO SECURITIES COMMISSION

1. This Undertaking is given in connection with the settlement agreement dated **[date]** (the "**Settlement Agreement**") between Kuber Mortgage Investment Corporation ("**Kuber**"), Sutharsan Kunaratnam ("**Kunaratnam**") and Staff ("**Staff**") of the Ontario Securities Commission (the "**Commission**"). All terms shall have the same meanings in this Undertaking as in the Settlement Agreement.

2. Kuber undertakes to the Commission to:

   (a) conduct any subsequent trades of securities of Kuber through or to a firm registered under Ontario securities law in a category that permits such trade, or by Kuber directly only if and when registered to conduct such trades;

   (b) amend its most recent offering memorandum by:

      (i) removing all references to the Blanket Order,

      (ii) stating that Kuber is not registered as a dealer and trades its securities through a firm registered under Ontario securities law in a category that permits such trades,

      (iii) stating that Kuber would be required to be registered in the appropriate dealer category under Ontario securities law if it does not trade through a dealer registered in a category that permits such a trade, and

      (iv) detailing Square Capital's control over the general partner of Zephyr LP;

   (c) retain an EMD to:

      (i) conduct a review of the adequacy of the KYC and suitability documentation obtained by Kuber with respect to its current existing investors who did not purchase Kuber's preferred shares through a registered dealer, to be completed within four months from the date of the Settlement Hearing,

      (ii) obtain such additional KYC and suitability information as required for a suitability assessment where the EMD deems that the existing documentation at Kuber is inadequate pursuant to paragraph 2(c)(i) above,

      (iii) conduct suitability analysis in accordance with sections 13.2 and 13.3 of NI 31-103 for a random sample of 20 current existing investors, selected by the EMD, who did not purchase Kuber's preferred shares through a registered dealer, to be completed within four months from the date of the Settlement Hearing, and

      (iv) if 5 or more of the 20 investors are identified by the EMD to have made unsuitable investments in Kuber pursuant to paragraph 2(c)(iii) above, conduct suitability analysis in accordance with sections 13.2 and 13.3 of NI 31-103 for all current existing investors who did not purchase Kuber's preferred shares through a registered dealer, to be completed within a time period proposed by the EMD which is not unacceptable to Staff;

   (d) once an EMD has been retained pursuant to paragraph 2(c) above, Kuber shall immediately provide Staff with a written authorization granting Staff free and unfettered access to communicate with the EMD; and

   (e) redeem the preferred shares held by all investors identified by the EMD to have made an unsuitable investment in Kuber pursuant to paragraph 2(c) above at the issue price of $10 per preferred share, unless the investors instruct the EMD that they wish to retain their investments in accordance with subsection 13.3(2) of NI 31-103.

DATED at **[city]**, Ontario this **[date]** day of **[month]**, 2020.

KUBER MORTGAGE INVESTMENT CORPORATION

By: _____

Name:

Title:

SCHEDULE "B"

UNDERTAKING OF KUBER MORTGAGE INVESTMENT CORPORATION

IN THE MATTER OF
KUBER MORTGAGE INVESTMENT CORPORATION
and SUTHARSAN KUNARATNAM

UNDERTAKING TO THE ONTARIO SECURITIES COMMISSION

1. This Undertaking is given in connection with the settlement agreement dated **[date]** (the "**Settlement Agreement**") between Kuber Mortgage Investment Corporation ("**Kuber**"), Sutharsan Kunaratnam ("**Kunaratnam**") and Staff ("**Staff**") of the Ontario Securities Commission (the "**Commission**"). All terms shall have the same meanings in this Undertaking as in the Settlement Agreement.

2. Kuber undertakes to the Commission to:

   (a) conduct any subsequent trades of securities of Kuber through or to a firm registered under Ontario securities law in a category that permits such trade, or by Kuber directly only if and when registered to conduct such trades;

   (b) amend its most recent offering memorandum by:

      (i) removing all references to the Blanket Order,

      (ii) stating that Kuber is not registered as a dealer and trades its securities through a firm registered under Ontario securities law in a category that permits such trades,

      (iii) stating that Kuber would be required to be registered in the appropriate dealer category under Ontario securities law if it does not trade through a dealer registered in a category that permits such a trade, and

      (iv) detailing Square Capital's control over the general partner of Zephyr LP;

   (c) retain an EMD to:

      (i) conduct a review of the adequacy of the KYC and suitability documentation obtained by Kuber with respect to its current existing investors who did not purchase Kuber's preferred shares through a registered dealer, to be completed within four months from the date of the Settlement Hearing,

      (ii) obtain such additional KYC and suitability information as required for a suitability assessment where the EMD deems that the existing documentation at Kuber is inadequate pursuant to paragraph 2(c)(i) above,

      (iii) conduct suitability analysis in accordance with sections 13.2 and 13.3 of NI 31-103 for a random sample of 20 current existing investors, selected by the EMD, who did not purchase Kuber's preferred shares through a registered dealer, to be completed within four months from the date of the Settlement Hearing, and

      (iv) if 5 or more of the 20 investors are identified by the EMD to have made unsuitable investments in Kuber pursuant to paragraph 2(c)(iii) above, conduct suitability analysis in accordance with sections 13.2 and 13.3 of NI 31-103 for all current existing investors who did not purchase Kuber's preferred shares through a registered dealer, to be completed within a time period proposed by the EMD which is not unacceptable to Staff;

   (d) once an EMD has been retained pursuant to paragraph 2(c) above, Kuber shall immediately provide Staff with a written authorization granting Staff free and unfettered access to communicate with the EMD; and

   (e) redeem the preferred shares held by all investors identified by the EMD to have made an unsuitable investment in Kuber pursuant to paragraph 2(c) above at the issue price of $10 per preferred share, unless the investors instruct the EMD that they wish to retain their investments in accordance with subsection 13.3(2) of NI 31-103.

DATED at Toronto, Ontario this 6th day of March, 2020.

KUBER MORTGAGE INVESTMENT CORPORATION

"Ranier De Lambert"
COO

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions

3.1.1 Issam El-Bouji et al. – ss. 127, 127.1

Citation: *Issam El- Bouji (Re)*, 2020 ONSEC 8
Date: 2020-03-10
File Nos. 2018-28 and 2020-7

IN THE MATTER OF
ISSAM EL-BOUJI

AND

IN THE MATTER OF
GLOBAL RESP CORPORATION AND
GLOBAL GROWTH ASSETS INC.

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

Hearing:	March 10, 2020	
Decision:	March 10, 2020	
Panel:	M. Cecilia Williams	Commissioner and Chair of the Panel
	Mary Anne De Monte-Whelan	Commissioner
	Craig Hayman	Commissioner
Appearances:	Derek Ferris Carlo Rossi Hanchu Chen	For Staff of the Commission
	Joseph Groia Bethanie Pascutto Kevin Richard	For Issam El-Bouji For Global RESP Corporation and Global Growth Assets Inc.

ORAL REASONS FOR APPROVAL OF SETTLEMENT

The following reasons have been prepared for publication in the Ontario Securities Commission Bulletin, based on the transcript of the reasons delivered orally in the hearing, and as edited and approved by the panel, to provide a public record of the oral reasons.

[1] Staff of the Ontario Securities Commission (**Staff**), Issam El-Bouji (**Bouji**), Global RESP Corporation (**Global RESP**) and Global Growth Assets Inc. (**GGAI**) (collectively the **Respondents**) have jointly submitted that it would be in the public interest to approve a joint settlement between the parties dated March 3, 2020 (**Settlement Agreement**). The Settlement Agreement pertains to allegations described in a Statement of Allegations:

a. dated May 24, 2018, relating to allegations that Bouji breached a Commission order (**Bouji Allegations**); and

b. dated March 4, 2020, relating to allegations of continued non-compliance with Ontario securities law by Global RESP and GGAI (**Global Allegations**).

We conclude that it would be in the public interest to approve the Settlement Agreement.

[2] The relevant facts are set out in detail in the Settlement Agreement, and we need not repeat them here. The parties have agreed that:

a. Bouji is the sole shareholder of GGAI and indirectly owns Global RESP through a family trust. Bouji was the CEO and Ultimate Designated Person (**UDP**) at Global RESP and GGAI until he was suspended as UDP and

banned for nine years from acting as a director or officer of a registrant as part of a 2014 settlement with the Commission, described further below;

b. Global RESP is a registered scholarship plan dealer and sells units in scholarship plans for registered education savings plans (the **Global Plans**);

c. GGAI is the registered investment fund manager for the Global Plans;

d. Bouji, Global RESP and GGAI have a history of non-compliance with Ontario securities law, which is described in further detail in the Settlement Agreement;

e. Bouji, Global RESP and GGAI settled enforcement allegations in 2014 and the Commission imposed sanctions against Bouji, Global RESP and GGAI, including:

1. A disgorgement order of approximately $1.9 million against Bouji;

2. An order requiring Bouji resign as CEO and UDP of Global RESP and GGAI and prohibiting him from acting as a director or officer of any reporting issuer or registrant for nine years;

3. an order requiring that GGAI record in its books and records an obligation to reimburse enrolment fees to beneficiaries for investments in the Global Plans purchased pursuant to prospectuses dated between 2002 and 2004 (the **Enrolment Fee Obligation**); and

4. terms and conditions on the registration of Global RESP and GGAI (the **2014 Order**);

f. in 2018, Global RESP settled enforcement allegations that it allowed Bouji to act as a *de facto* officer in contravention of the 2014 Order, agreeing to an administrative penalty, additional terms and conditions on its registration and costs (the **2018 Order**);

g. despite the 2014 Order, between January 2015 and December 2017 Bouji was in charge of sales at Global RESP, including recruitment, interviewing, hiring and firing, performance reviews, terminations, training, strategic sales planning, participation in meetings, control over expenses and compensation;

h. compliance reviews of Global RESP and GGAI completed in 2018 revealed that the firms continued to breach Ontario securities laws in areas that underlay the 2014 Order, including:

1. Global RESP's and GGAI's failure to fulfill its Enrolment Fee Obligation to eligible beneficiaries by approximately $900,000;

2. GGAI's failure to adequately respond to a conflict of interest;

3. Global RESP's failure to fulfill its know-your-client and suitability obligations; and

4. Global RESP's and GGAI's failure to maintain adequate systems of control and supervision.

[3] The Respondents admit that they have breached Ontario securities law and have acted contrary to the public interest. The details are more fully set out in the Settlement Agreement, but to summarize:

a. Bouji, acting as a *de facto* officer of Global RESP in violation of the 2014 Order;

b. Global RESP failing to deal fairly, honestly and in good faith with its clients, failing to take reasonable steps to ensure that it had sufficient information to enable it to meet its suitability obligations, and failing to deliver to its clients statements including information required under Ontario securities law;

c. GGAI failing to act honestly, in good faith and in the best interests of the Global Plans and/or failing to act with the degree of care, diligence and skill of a reasonably prudent person in the circumstances, failing to comply with its obligations respecting conflicts of interest, and failing to keep and retain books, records and other documents as required by Ontario securities law; and

d. Global RESP and GGAI failing to establish and maintain systems of control and supervision sufficient to provide reasonable assurance that Global RESP and GGAI and each individual acting on their behalf complied with securities legislation.

[4] The breaches here are serious. It must be clear to all who participate in Ontario's capital markets that repeat misconduct, breach of Commission orders, repeated failures to address compliance deficiencies and failure to commit to compliance will have significant consequences.

[5] The details of the terms under which the parties have agreed to settle the Bouji Allegations and the Global Allegations are contained in the Settlement Agreement and need not be repeated here. To summarize:

a. Bouji will be permanently prohibited from acting as a registrant and from becoming or acting as a director or officer of any reporting issuer or registrant;

b. Bouji delivered a certified cheque in the amount of $190,000 to Staff before the commencement of the Settlement Hearing to satisfy the amount of costs set out in the Order;

c. Global RESP will surrender its registration; and

d. terms and conditions will be placed on GGAI's registration including, approximately $900,000 will be paid in compensation to eligible beneficiaries, constraints will be placed on GGAI's use of capital until compensation is effected, ownership in GGAI will be placed in an irrevocable blind trust, GGAI will maintain a 100% independent board of directors, GGAI will continue to retain a third-party consultant to make recommendations on its policies, procedures, internal controls and compliance systems and will report on progress in complying with those recommendations to the Commission, GGAI will not permit Bouji or any members of the Bouji family to provide services or to be involved in its operation or management, and GGAI's role in connection with the Global Plans will be limited to servicing only existing subscribers to ensure the least disruption to these subscribers who have invested in long-term scholarship plans for the benefit of their children.

[6] The Commission's role at a settlement hearing is to determine whether the negotiated result falls within a range of reasonable outcomes, and whether it would be in the public interest to make the order requested.

[7] We have reviewed this settlement in detail and have had the benefit of a confidential settlement conference with counsel for all parties. We asked questions of counsel and heard their submissions.

[8] We recognize that the Settlement Agreement is the product of negotiation between Staff and the Respondents. When considering settlements for approval, the Commission respects the negotiation process and accords significant deference to the resolution reached by the parties.

[9] Approval of this settlement would resolve two proceedings promptly, efficiently and with certainty. A settlement avoids the expenditure of significant resources that would be associated with two lengthy contested merits hearings, one already underway. The payment of costs helps to reduce the burden on market participants to pay for investigations and enforcement proceedings.

[10] The settlement addresses investor protection, a core mandate of the Commission.

[11] Bouji and Global RESP will be permanently removed from positions of trust in the capital markets. GGAI will cease accepting new RESP clients and will slowly exit the RESP business as the Global Plans mature.

[12] The agreement to reimburse the Enrolment Fee Obligation to eligible beneficiaries provides certainty to subscribers about the amounts owed them. The Panel also takes comfort in the significant supervisory role Commission Staff will have under the agreement over GGAI's commitment to enhance and maintain appropriately robust internal controls and compliance systems.

[13] These are all important factors fostering investor protection and instilling confidence in the capital markets.

[14] Administrative penalties are not part of the settlement. Staff submits in their written submissions, and we agree, that such penalties are not required in this instance. The features of the Settlement including compensation to beneficiaries, continuing remediation of compliance deficiencies, improved corporate governance along with the other terms and conditions imposed in their entirety achieve specific deterrence and send a strong general deterrence message that this type of misconduct in Ontario's capital markets will have serious consequences.

[15] In our view, the terms of the settlement fall within a range of reasonable outcomes in the circumstances. The settlement also properly reflects the principles applicable to sanctions, including recognition of the seriousness of the misconduct and the importance of fostering investor protection and confidence in the capital markets.

[16] For these reasons, we conclude that it is in the public interest to approve the settlement. We will therefore issue an order substantially in the form of the draft attached to the Settlement Agreement.

Dated at Toronto this 10th day of March, 2020.

"M. Cecilia Williams"

"Mary Anne De Monte-Whelan"

"Craig Hayman"

3.1.2 Paramount Equity Financial Corporation et al. – s. 25.0.1(a)

Citation: *Paramount (Re)*, 2020 ONSEC 9
Date: 2020-03-23
File No. 2019-12

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

REASONS FOR DECISION
(Section 25.0.1(a) of the *Statutory Powers Procedure Act*, RSO 1990, c S.22)

Hearing:	In writing	
Decision:	March 23, 2020	
Panel:	Timothy Moseley	Vice-Chair and Chair of the Panel
	Garnet W. Fenn	Commissioner
	Heather Zordel	Commissioner
Submissions received from:	Mark Bailey Vivian Lee	For Staff of the Ontario Securities Commission
	Ronald Bradley Burdon	On his own behalf
	Matthew Laverty	On his own behalf
		No submissions received from other respondents

REASONS AND DECISION

I. OVERVIEW

[1] This decision and these reasons relate to the continuation of a merits hearing that has been interrupted by the COVID-19 pandemic. The hearing will proceed. Staff of the Commission is to complete its case in writing, following which the parties will be invited to make submissions as to next steps.

II. BACKGROUND

[2] The merits hearing in this proceeding began on March 10, 2020, and continued over three days. Staff called some but not all of its witnesses. When the hearing adjourned on March 12, it was to resume on March 23. None of the respondents has attended or participated in the merits hearing to date, although the respondent Matthew Laverty was scheduled to testify in person on March 26.

[3] The intervening days have seen the implementation of increasingly strict social distancing measures in response to the COVID-19 pandemic. These are extraordinary circumstances with many consequential effects, including on this proceeding and on other matters before the Commission.

[4] On March 17, the Commission advised the parties that it would not be holding any in-person hearings until at least April 30, 2020. Accordingly, the merits hearing in this proceeding cannot proceed as scheduled.

[5] The Commission invited submissions from the parties as to whether the proceeding should be adjourned, or if not then how it should proceed. Options included the submission of evidence in writing, and/or continuing the hearing by telephone or videoconference.

[6] Staff submits that we should not continue the merits hearing by teleconference. Staff identifies several practical issues, including the risk of participants speaking over each other or not being able to interject where necessary, and the likely challenges associated with the introduction of documents as exhibits.

[7] Staff proposes to deliver the rest of its evidence in writing, on or before April 13, 2020. That evidence would include the written report of Staff's proposed expert (Mr. Leon Dadoun) and an affidavit from each of Staff's other witnesses. Staff submits that this option would allow the hearing to proceed expeditiously under the circumstances.

[8] Mr. Laverty and the respondent Ronald Bradley Burdon submitted that there is no urgency to the matter and that the hearing should be adjourned. No other respondents replied to the invitation to make submissions.

III. ANALYSIS AND CONCLUSION

[9] We agree with Staff's submission that the merits hearing should not proceed by teleconference. The number of individuals (panel members, registrar, witnesses, parties, counsel, and court reporter) and the volume of documents make that option impractical in this instance, at this time.

[10] We disagree with Mr. Laverty's and Mr. Burdon's submission that we should simply adjourn the hearing. Staff's proposed manner of continuing, *i.e.*, by submitting evidence in writing, is permissible in any proceeding (with or without the constraints imposed by the current pandemic), is a common means of making hearings as efficient as possible, and causes no prejudice to the respondents.

[11] Once the respondents receive Staff's written evidence, they will have the opportunity to decide whether to cross-examine any of Staff's witnesses, and if so which ones. If cross-examination is to take place, appropriate arrangements can be made to do so by videoconference.

[12] Then, as a next step, whether there has been any cross-examination or not, the respondents can decide whether they want to adduce evidence on their own behalf. They can be permitted to do so, subject to all of the usual requirements regarding advance disclosure of anticipated evidence.

[13] Proceeding as Staff proposes is consistent with the public interest in bringing the merits hearing to a timely and appropriate conclusion, in a manner that preserves the respondents' right to procedural fairness.

[14] One issue that the parties did not address in their brief written submissions is the testimony of Staff's proposed expert, Mr. Dadoun. As has been addressed earlier in this proceeding, it remains to be determined whether Mr. Dadoun should be qualified as an expert witness, and if so, to what extent. Accordingly, our decision contemplates an opportunity for the parties to address this question.

[15] We therefore decide that the merits hearing shall continue according to the following schedule, and on the following terms and conditions:

a. on or before April 13, 2020, Staff shall serve on all other parties and file:

   i. an affidavit of Leon Dadoun, attaching his expert report;

   ii. written submissions regarding the qualification of Mr. Dadoun as an expert witness; and

   iii. affidavits from each of Staff's remaining witnesses;

b. on or before April 27, 2020:

   i. any respondent who objects to Staff's proposed qualification of Mr. Dadoun as an expert witness shall serve on all other parties and file written submissions in support of that objection;

   ii. any respondent who does not object to Staff's proposed qualification of Mr. Dadoun as an expert witness, but who wishes to cross-examine Mr. Dadoun, shall so indicate in writing; and

   iii. any respondent who wishes to cross-examine any of Staff's remaining witnesses (whose testimony was received in writing) shall so indicate in writing.

[16] All written materials may be served and filed by email.

[17] Following delivery of Staff's materials on or before April 13, 2020, any party may apply to modify the above. Absent further order, the Commission will, in due course following April 27, take appropriate steps in response to the parties' submissions.

Dated at Toronto this 23rd day of March, 2020.

“Timothy Moseley”

“Garnet W. Fenn”

“Heather Zordel”

3.1.3 Kuber Mortgage Investment Corporation and Sutharsan Kunarathan – ss. 127, 127.1

Citation: *Kuber Mortgage Investment Corporation (Re)*, 2020 ONSEC 10
Date: 2020-03-23
File No. 2020-6

IN THE MATTER OF
KUBER MORTGAGE INVESTMENT CORPORATION and
SUTHARSAN KUNARATNAM

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

Hearing:	In writing	
Decision:	March 23, 2020	
Panel:	Timothy Moseley	Vice-Chair and Chair of the Panel
Appearances:	Alvin Qian	For Staff of the Commission
	Usman M. Sheikh Andrew Locatelli	For Kuber Mortgage Investment Corporation and Sutharsan Kunaratnam

REASONS AND DECISION

¶ 1 Beginning in 2016, Kuber Mortgage Investment Corporation and Sutharsan Kunaratnam sold approximately $26 million worth of preferred shares of Kuber to approximately 200 investors. Staff of the Ontario Securities Commission alleges that Kuber and Mr. Kunaratnam contravened Ontario securities law by doing so. Staff, Kuber and Mr. Kunaratnam have entered into a settlement agreement regarding those allegations, and they jointly submit that it would be in the public interest for the Commission to approve that settlement. I agree.

¶ 2 The facts, which are set out in detail in the settlement agreement, include the following:

a. over the course of two and a half years, Kuber raised approximately $26 million from approximately 200 investors, through distributions of its preferred shares;

b. most investors purchased their shares without the involvement of a registered dealer;

c. Mr. Kunaratnam is a founder of Kuber, and is a director and the CEO, and he was the individual at Kuber who was primarily responsible for selling Kuber shares to investors, including by preparing and disseminating promotional materials, and by soliciting investors; and

d. Mr. Kunaratnam performed “know your client” procedures.

¶ 3 Kuber and Mr. Kunaratnam have agreed that by engaging in this conduct, they contravened Ontario securities law by engaging in, or holding themselves out as engaging in, the business of trading in securities, without being registered to do so, and without an available exemption under Ontario securities law.

¶ 4 The parties submit, and we agree, that the conduct described in the settlement agreement meets the “business purpose” test (also referred to as the “business trigger” test) set out in s. 1.3 of Companion Policy 31-103CP *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. In particular, the amount raised, the number of investors, and the period over which Kuber raised the funds, constitute trading with repetition, regularity and continuity. In addition, the respondents engaged in activities similar to those of a registrant, by promoting the sale of Kuber’s shares and by performing the “know your client” procedures.

¶ 5 Registration is a cornerstone of Ontario’s securities regulatory regime. It is important that companies and individuals that engage in the business of trading in securities, or that hold themselves out as doing so, be properly registered, or be entitled to rely on available exemptions.

¶ 6 There are mitigating circumstances in this case, as follows:

a. in response to a request from Staff, Kuber agreed to remove solicitations for investment on its website and to cease trading securities, except for distributions of its own securities through a registered dealer;

b. the respondents cooperated with Staff during its investigation, as detailed in the settlement agreement;

c. neither of the respondents has a prior disciplinary record with any securities regulatory authority; and

d. Mr. Kunaratnam has accepted responsibility and demonstrated his desire to make things right, by successfully completing two securities industry courses, and by agreeing to pay an administrative penalty personally, so as not to affect the dividend distributions payable to Kuber's investors.

¶ 7 The parties have agreed to a $400,000 administrative penalty (which has been paid by Mr. Kunaratnam pending this settlement approval hearing), a payment by Kuber of $30,000 in costs, and a reprimand of both respondents.

¶ 8 In addition, Kuber has given an undertaking to the Commission. Kuber has promised to ensure that future trades of Kuber's securities are conducted through appropriate channels and to amend its offering memorandum to correct deficiencies. Kuber will also retain a registered exempt market dealer to review Kuber's know-your-client and suitability documentation, and to conduct a suitability analysis first for a random sample of existing investors who did not purchase through a registered dealer, and then depending on the results of that analysis, potentially for all such investors. Finally, Kuber has undertaken to redeem the shares of any investors whose investment in Kuber is found to have been unsuitable.

¶ 9 The Commission's role at a settlement hearing is to determine whether the negotiated result falls within a range of reasonable outcomes, and whether it would be in the public interest to approve the settlement. The Commission respects the negotiation process and accords significant deference to the resolution reached by the parties.

¶ 10 In all the circumstances, I conclude that the sanctions in this proceeding are appropriate, and that it would be in the public interest for me to approve the settlement. I shall therefore issue an order substantially in the form of the draft attached to the settlement agreement.

¶ 11 Kuber and Mr. Kunaratnam have agreed to a reprimand. That permits me to reinforce the importance of compliance with Ontario securities law. They are hereby reprimanded.

Dated at Toronto this 23rd day of March, 2020.

"Timothy Moseley"

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
Grown Rogue International Inc.	05 March 2020	23 March 2020

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	
EEStor Corporation	29 January 2020	

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Chapter 5

Rules and Policies

5.1.1 National Instrument 24-101 Institutional Trade Matching and Settlement – Notice of Amendment

NOTICE OF AMENDMENT

NATIONAL INSTRUMENT 24-101
INSTITUTIONAL TRADE MATCHING AND SETTLEMENT

Making of the Amending Instrument

On December 10, 2019 the Commission made amendments (the **Amendments**) to National Instrument 24-101 *Institutional Trade Matching and Settlement* (**NI 24-101**).

Delivery of Amendments to Minister

The Commission delivered the Amendments to the Minister of Finance on March 24, 2020. If the Minister approves the Amendments within 60 days, they will come into force on July 1, 2020. If no action is taken by the Minister under subsection 143.3(3) of the *Securities Act* (**OSA**) the Amendments will come into force on July 1, 2020.

Substance and Purpose of the Amendments

The substance and purpose of the Amendments is to provide a three-year moratorium on the applicability of section 4.1 Exception reporting requirement of NI 24-101 (**Exception Reporting Requirement**). Specifically, registered dealers and advisers (**registered firms**) will not be required to deliver Form 24-101F1 to the Commission beginning on July 1, 2020 and ending on July 1, 2023.

Summary of Amendments

Background

NI 24-101 has been in effect since 2007. It provides a framework for ensuring efficient and timely settlement processing of institutional trades (equity and debt) by registered firms. NI 24-101 has a number of requirements including that registered firms are required to establish, maintain and enforce policies and procedures designed to achieve the matching threshold of institutional trades.

Under the Exception Reporting Requirement, registered firms are required to deliver Form 24-101F1 to the OSC if less than 90% of trades executed by or for the registered firm during the quarter matched within the time required by NI 24-101. Form 24-101FI requires registered firms, among other things, to explain why they did not meet the exception reporting thresholds and the steps to address the delay.

Summary of the Amendments - Moratorium on the Applicability of the Exception Reporting Requirement

The Commission has decided to implement a three-year moratorium on the applicability of the Exception Reporting Requirement. Staff of other Canadian Securities Administrators (**CSA**) jurisdictions are recommending a three-year moratorium through blanket orders with a similar effective date.

During the three-year moratorium, the Commission will review NI 24-101 to determine, among other things, whether further changes should be made and whether requirements including the Exception Reporting Requirement should be permanently removed. Harmonising any amendments to NI 24-101 would require a CSA initiative.

NI 24-101 and Regulatory Burden Reduction

This initiative is linked to the work of the Burden Reduction Task Force (the **Task Force)** established by the Commission in coordination with the Ontario Ministry of Finance.

The Task Force is intended to focus efforts and to identify steps that can be taken to enhance competitiveness for Ontario businesses by saving time and money for issuers, registrants, investors and other market participants.

The Task Force has a mandate to consider and act on any suggestions to eliminate unnecessary rules and processes while protecting investors and the integrity of our markets.

On January 14, 2019, OSC staff issued OSC Staff Notice 11-784 *Burden Reduction* (**SN 11-784**). SN 11-784 sought comments on additional ways to reduce unnecessary regulatory burden.

Specific to NI 24-101, five commenters generally noted that the Exception Reporting Requirement is burdensome, not necessary and may not be useful. Staff agree with these comments and have identified the Exception Reporting Requirement as an area to remove unnecessary regulatory burden. As the industry has evolved, Staff are of the view that the Exception Reporting Requirement no longer meaningfully contributes to the OSC's oversight.

Continued Obligation Under NI 24-101

The amendment to NI 24-101 provides a three-year moratorium on the applicability of the Exception Reporting Requirement. The amendment to NI 24-101 does not relieve registered firms from complying with other requirements in NI 24-101 for example, establishing, maintaining and enforcing policies and procedures to achieve the matching threshold for institutional trades.

Authority for the Amendments

The authority for the Amendments is paragraph 11 of subsection 143(1) and subparagraph (2)(i) of subsection 143(1) of the OSA. Under subsection 143.2(5) of the OSA the Amendments are not required to be published for comment.

Annex

Annex A contains the Amendments.

Questions

If you have questions, please contact:

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ANNEX "A"

ONTARIO SECURITIES COMMISSION AMENDMENTS TO NATIONAL INSTRUMENT 24-101 *INSTITUTIONAL TRADE MATCHING AND SETTLEMENT*

1. ***National Instrument 24-101 Institutional Trade Matching and Settlement is amended by this Instrument.***

2. Part 4 is amended by adding the following section:

4.1.1 Moratorium: In Ontario, despite subsection 2(1) of Ontario Securities Commission Rule 11-501 *Electronic Delivery Of Documents To The Ontario Securities Commission*, section 4.1 does not apply to a registered firm beginning on July 1, 2020 and ending on July 1, 2023.

3. This Instrument comes into force on July 1, 2020.

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Chapter 7

Insider Reporting

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

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

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

Chapter 11

IPOs, New Issues and Secondary Financings

INVESTMENT FUNDS

Issuer Name:
Marquis Institutional Canadian Equity Portfolio
Principal Jurisdiction - Ontario
Type and Date:
Amendment #1 to Final Simplified Prospectus dated March 20, 2020
NP 11-202 Final Receipt dated Mar 23, 2020
Offering Price and Description:
Series A securities, Series F securities, Series I securities, Series O securities, Series T securities and Series V securities
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #2976263

Issuer Name:
IG AGF Global Equity Fund
IG Fiera Canadian Small Cap Fund
IG AGF U.S. Growth Fund
IG Mackenzie Low Volatility Canadian Equity Fund
IG Irish Life Low Volatility Global Equity Fund
IG Putnam U.S. Growth Fund
Principal Jurisdiction - Manitoba
Type and Date:
Amendment #2 to Final Simplified Prospectus dated March 11, 2020
NP 11-202 Final Receipt dated Mar 18, 2020
Offering Price and Description:
Series C, Series A, Series B, Series JDSC, Series JNL, and Series U Mutual Fund Units.
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #2926993

Issuer Name:
Dynamic Real Estate & Infrastructure Income II Fund
Principal Jurisdiction - Ontario
Type and Date:
Amendment #1 to Final Simplified Prospectus dated March 13, 2020
NP 11-202 Final Receipt dated Mar 17, 2020
Offering Price and Description:
Series A Units, Series F Units, Series FH Units, Series H Units, Series I Units, Series O Units
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #2959230

Issuer Name:
IG AGF Global Equity Class
IG Fiera Canadian Small Cap Class
IG AGF U.S. Growth Class
IG Mackenzie Low Volatility Canadian Equity Class
IG Irish Life Low Volatility Global Equity Class
Principal Jurisdiction -Manitoba
Type and Date:
Amendment #2 to Final Simplified Prospectus dated March 11, 2020
NP 11-202 Final Receipt dated Mar 18, 2020
Offering Price and Description:
Series A, Series B, Series JDSC, Series JNL, and Series U Mutual Fund Shares
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #2927043

Issuer Name:
Dynamic Global Asset Allocation Class
Dynamic Global Dividend Fund
Principal Jurisdiction - Ontario
Type and Date:
Amendment #1 to Final Simplified Prospectus dated March 13, 2020
NP 11-202 Final Receipt dated Mar 17, 2020
Offering Price and Description:
Series A shares, Series F shares, Series FT shares, Series G units, Series I shares, Series IT units, Series O shares, Series T shares
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #2974048

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NON-INVESTMENT FUNDS

Issuer Name:
Brookfield Property Finance ULC
Principal Regulator - Ontario
Type and Date:
Preliminary Shelf Prospectus dated March 18, 2020
NP 11-202 Preliminary Receipt dated March 19, 2020
Offering Price and Description:
US$1,500,000,000 - Limited Partnership Units, Preferred Limited Partnership Units, Debt Securities, Class A Preference Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
BROOKFIELD PROPERTY PARTNERS L.P.
BROOKFIELD PROPERTY L.P.
BROOKFIELD BPY HOLDINGS INC.
BROOKFIELD BPY RETAIL HOLDINGS II INC.
BPY BERMUDA HOLDINGS LIMITED
BPY BERMUDA HOLDINGS II LIMITED
BPY BERMUDA HOLDINGS IV LIMITED
BPY BERMUDA HOLDINGS V LIMITED
BPY BERMUDA HOLDINGS VI LIMITED
Project #3030440

Issuer Name:
Brookfield Property Partners L.P.
Principal Regulator - Ontario
Type and Date:
Preliminary Shelf Prospectus dated April 3, 2020
NP 11-202 Preliminary Receipt dated March 19, 2020
Offering Price and Description:
US$1,500,000,000 - Limited Partnership Units, Preferred Limited Partnership Units, Debt Securities, Class A Preference Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
BROOKFIELD PROPERTY PARTNERS L.P.
BROOKFIELD PROPERTY L.P.
BROOKFIELD BPY HOLDINGS INC.
BROOKFIELD BPY RETAIL HOLDINGS II INC.
BPY BERMUDA HOLDINGS LIMITED
BPY BERMUDA HOLDINGS II LIMITED
BPY BERMUDA HOLDINGS IV LIMITED
BPY BERMUDA HOLDINGS V LIMITED
BPY BERMUDA HOLDINGS VI LIMITED
Project #3030434

Issuer Name:
Brookfield Property Preferred Equity Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Shelf Prospectus (NI 44-102) dated March 18, 2020
NP 11-202 Preliminary Receipt dated March 19, 2020
Offering Price and Description:
US$1,500,000,000 - Limited Partnership Units, Preferred Limited Partnership Units, Debt Securities, Class A Preference Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
BROOKFIELD PROPERTY PARTNERS L.P.
BROOKFIELD PROPERTY L.P.
BROOKFIELD BPY HOLDINGS INC.
BROOKFIELD BPY RETAIL HOLDINGS II INC.
BPY BERMUDA HOLDINGS LIMITED
BPY BERMUDA HOLDINGS II LIMITED
BPY BERMUDA HOLDINGS IV LIMITED
BPY BERMUDA HOLDINGS V LIMITED
BPY BERMUDA HOLDINGS VI LIMITED
Project #3030445

Issuer Name:
CINDRIGO ENERGY LTD.
Type and Date:
Amended and Restated Preliminary Long Form Prospectus dated March 20, 2020 amending
and restating the Preliminary Long Form Prospectus dated December 20, 2019
NP 11-202 Preliminary Receipt dated March 20, 2020
Offering Price and Description:
No securities are being offered pursuant to this Prospectus
Underwriter(s) or Distributor(s):
-
Promoter(s):
Mustaq Patel
Project #3002634

Issuer Name:
FortisBC Energy Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Shelf Prospectus dated March 18, 2020
NP 11-202 Preliminary Receipt dated March 19, 2020
Offering Price and Description:
$800,000,000.00 - Medium Term Note Debentures (unsecured)
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
Casgrain & Company Limited
CIBC World Markets Inc.
HSBC Securities (Canada) Inc.
MUFG Securities (Canada), Ltd.
National Bank Financial Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
Promoter(s):
-
Project #3030412

Issuer Name:
George Weston Limited
Principal Regulator - Ontario
Type and Date:
Preliminary Shelf Prospectus dated March 16, 2020
NP 11-202 Preliminary Receipt dated March 17, 2020
Offering Price and Description:
$1,000,000,000.00 - Senior Unsecured Debt Securities Subordinated Unsecured Debt Securities Preferred Shares Common Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3029592

Issuer Name:
Isracann Biosciences Inc. (formerly, Atlas Blockchain Group Inc.)
Principal Regulator - British Columbia
Type and Date:
Preliminary Shelf Prospectus dated March 16, 2020
NP 11-202 Preliminary Receipt dated March 17, 2020
Offering Price and Description:
$10,000,000.00 - Common Shares, Warrants, Subscription Receipts, Debt Securities, Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3029774

Issuer Name:
TransAlta Corporation
Principal Regulator - Alberta
Type and Date:
Preliminary Shelf Prospectus dated March 20, 2020
NP 11-202 Preliminary Receipt dated March 23, 2020
Offering Price and Description:
$2,000,000,000.00 - Common Shares, First Preferred Shares, Warrants, Subscription Receipts, Debt Securities, Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3031563

Issuer Name:
Cen-ta Real Estate Ltd.
Type and Date:
Final Long Form Prospectus dated March 17, 2020
Receipted on March 18, 2020
Offering Price and Description:
0.00
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3017817

Issuer Name:
Plum Financial Planning Ltd. (formerly Gro-Net Financial Tax & Pension Planners Ltd.)
Type and Date:
Final Long Form Prospectus dated March 17, 2020
Receipted on March 17, 2020
Offering Price and Description:
0.00
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3017819

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Change in Registration Category	Takota Asset Management Inc.	From: Investment Fund Manager, Portfolio Manager and Exempt Market Dealer To: Portfolio Manager and Exempt Market Dealer	March 18, 2020
New Registration	Kinsman Oak Capital Partners Inc.	Portfolio Manager, Exempt Market Dealer and Investment Fund Manager	March 19, 2020

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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 Amendment to MFDA Policy No. 9 Continuing Education (CE) Requirements – Request for Comment

REQUEST FOR COMMENT

MUTUAL FUND DEALERS ASSOCIATION OF CANADA (MFDA)

PROPOSED AMENDMENTS TO MFDA POLICY NO. 9 *CONTINUING EDUCATION (CE) REQUIREMENTS*

The MFDA is publishing for public comment proposed amendments to MFDA Policy No. 9 *Continuing Education (CE) Requirements*. The amendments intend to establish the MFDA's CE accreditation process including:

- the entities that can be recognized as accreditors to assess CE activities;
- the criteria which accreditors must use to evaluate CE activities; and
- CE eligibility periods.

A copy of the MFDA Notice is published on our website at www.osc.gov.on.ca. The comment period ends on August 10, 2020.

As a reminder, on September 26, 2019, the Ontario Securities Commission approved MFDA Rules 1.2 (Definitions) and 1.2.6 (Continuing Education), and MFDA Policy No. 9 *Continuing Education (CE) Requirements*. The rules and policy establish CE requirements for MFDA Members and their Approved Persons. They also establish minimum standards for complying with such requirements, which will further assist Approved Persons in maintaining high standards of professionalism and keeping their industry knowledge current. The rules and policy will be effective on a date to be subsequently determined by the MFDA. The Notice of Commission Approval is published on our website at www.osc.gov.on.ca.

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Index

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