

The Ontario Securities Commission

# OSC Bulletin

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The Ontario Securities Commission administers the *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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# Chapter 1

## Notices

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### 1.1 Notices

#### 1.1.1 OSC Notice 11-788 – Statement of Priorities – Request for Comments Regarding Statement of Priorities for Financial Year to End March 31, 2021

##### Ontario Securities Commission

##### OSC Notice 11-788 – Statement of Priorities

##### Request for Comments

##### Regarding Statement of Priorities for Financial Year to End March 31, 2021

The *Securities Act* (Act) requires the Ontario Securities Commission (OSC or Commission) to deliver to the Minister of Finance and publish in its Bulletin each year a statement of the Chair setting out the proposed priorities of the Commission for its current fiscal year in connection with the administration of the Act, the regulations and rules, together with a summary of the reasons for the adoption of the priorities.

In 2019, the OSC solicited stakeholder feedback on a number of priorities and important work as outlined in its *2019-2020 Statement of Priorities* (SoP) published on June 27, 2019, and its report on *Reducing Regulatory Burden in Ontario's Capital Markets* published on November 19, 2019. Significant progress on these priorities has been made since that time, and the OSC will continue to work to complete this work over the next few months.

Considering the current and unprecedented environment and significant challenges affecting stakeholders given the outbreak of COVID-19 and the related financial market uncertainty, the OSC has decided not to consult on a more detailed 2020-2021 SoP at this time. Instead, the OSC Business Plan for the fiscal year 2020-2021 was informed by the 2019-2020 SoP, and the initiatives as outlined in the *Reducing Regulatory Burden in Ontario's Capital Markets* report. The OSC anticipates adjusting and re-aligning priorities throughout the year to accommodate changes due to the impact of the COVID-19 pandemic, as well as the outcomes of the Ontario Government's Capital Markets Modernization Taskforce.

The OSC will engage with its stakeholders in a substantive consultation on proposed priorities of the Commission in the early fall of 2020, which will inform the 2021-2022 OSC Business Plan and priorities.

In the meantime, through a 30-day comment period, the Commission will consider stakeholder feedback on existing OSC priorities, as well as suggestions on potential priorities or areas for consideration for fiscal year 2020-2021.

#### Comments

Any comments should be made in writing by June 1, 2020 and sent to:

Robert Day  
Senior Specialist Business Planning  
Ontario Securities Commission  
rday@osc.gov.on.ca

**1.1.2 Memorandum of Understanding Concerning Consultation, Cooperation and the Exchange of Information Between the Ontario Securities Commission and the Canadian Public Accountability Board – Notice of Coming into Effect**

**Notice of Coming into Effect**

**Memorandum of Understanding Concerning Consultation, Cooperation and the Exchange of Information Between the Ontario Securities Commission and the Canadian Public Accountability Board**

On February 19, 2020, the Ontario Securities Commission and the Canadian Public Accountability Board renewed their Memorandum of Understanding (MOU), which focuses on consultation, cooperation and the sharing of information. The MOU will facilitate the exchange of information that will support collaboration on review and oversight matters.

The MOU came into effect on April 27, 2020, pursuant to section 143.10(4) of the Securities Act (Ontario).

Questions may be referred to:

Ritika Rohailla  
Senior Accountant  
Office of the Chief Accountant  
Tel: 416-595-8913  
E-mail: rrohailla@osc.gov.on.ca

Mark Pinch  
Associate Chief Accountant  
Office of the Chief Accountant  
Tel: 416-593-8057  
E-mail: mpinch@osc.gov.on.ca

**1.4 Notices from the Office of the Secretary**

**1.4.1 Canada Cannabis Corporation et al.**

**FOR IMMEDIATE RELEASE**  
**April 23, 2020**

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

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

A copy of the Order dated April 22, 2020 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
GRACE KNAKOWSKI  
SECRETARY TO THE COMMISSION

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## Chapter 2

# Decisions, Orders and Rulings

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### 2.1 Decisions

#### 2.1.1 Wheaton Precious Metals Corp. et al.

##### Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions -Application for exemptive relief to permit issuer and underwriter, acting as agent for the issuer, to enter into an equity distribution agreement to make "at the market" (ATM) distributions of common shares over the facilities of the TSX, the NYSE or another marketplace in Canada or the United States – ATM distributions to be made pursuant to shelf prospectus procedures in Part 9 of NI 44-102 Shelf Distributions– issuer will issue a press release and file agreements on SEDAR – application for relief from prospectus delivery requirement – delivery of prospectus not practicable in circumstances of an ATM distribution – relief from prospectus delivery requirement has effect of removing two-day right of withdrawal and remedies of rescission or damages for non-delivery of the prospectus – application for relief from certain prospectus form requirements – relief granted to permit modified forward-looking certificate language – relief granted on terms and conditions set out in decision document – decision will terminate 25 months after the issuance of a receipt for the shelf prospectus – decision and application also held in confidence by decision makers until the earlier of the entering into of an equity distribution agreement, waiver of confidentiality, or 90 days from the date of the decision.

##### Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 71, 147.

National Instrument 44-101 Short Form Prospectus Distributions, Part 8, Item 20 of Form 44-101F1.

National Instrument 44-102 Shelf Distributions, ss. 6.3, 6.7, Part 9, Part 11, ss. 2.1, 2.2 of Appendix A.

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions.

April 7, 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  
WHEATON PRECIOUS METALS CORP.  
(the Issuer)

AND

MERRILL LYNCH CANADA INC.,  
BMO NESBITT BURNS INC.,  
RBC DOMINION SECURITIES INC.,  
SCOTIA CAPITAL INC.,  
CIBC WORLD MARKETS INC.,  
TD SECURITIES INC.,  
NATIONAL BANK FINANCIAL INC.,  
EIGHT CAPITAL,  
RAYMOND JAMES LTD. AND

**CANACCORD GENUITY CORP.**  
**(as Canadian Agents),**  
**BofA SECURITIES, INC.,**  
**BMO CAPITAL MARKETS CORP.,**  
**RBC CAPITAL MARKETS, LLC,**  
**SCOTIA CAPITAL (USA) INC.,**  
**MUFG SECURITIES AMERICAS INC. AND**  
**MIZUHO SECURITIES USA LLC**  
**(as US Agents and, together with the Canadian Agents,**  
**the Agents, and together with the Issuer, the Filers)**

**DECISION**

**Background**

¶ 1 The securities regulatory authority or regulator in each of the Jurisdictions (the Decision Makers) has received an application from the Filers for a decision under the securities legislation of the Jurisdictions (the Legislation) for the following relief (the Exemption Sought):

- (a) that the requirement that a dealer, not acting as agent of the purchaser, who receives an order or subscription for a security offered in a distribution to which the prospectus requirement applies, send or deliver to the purchaser or its agent the latest prospectus (including the applicable prospectus supplement(s) in the case of a base shelf prospectus) and any amendment to the prospectus (the Delivery Requirement) does not apply to the Agents or other registered investment dealer acting on behalf of the Agents as a selling agent (each, a Selling Agent) in connection with any at-the-market distribution, as defined in National Instrument 44-102 *Shelf Distributions* (NI 44-102) of newly issued common shares (Common Shares) of the Issuer under an equity distribution agreement (the Equity Distribution Agreement) to be entered into among the Filers (the ATM Distribution); and
- (b) that the requirements to include in a base shelf prospectus or prospectus supplement or in an amendment thereto:
  - (i) a forward-looking issuer certificate in the form specified in section 2.1 or 2.4 of Appendix A to NI 44-102;
  - (ii) a forward-looking underwriter certificate in the form specified in section 2.2 or 2.4 of Appendix A to NI 44-102; and
  - (iii) a statement respecting purchasers' statutory rights of withdrawal and remedies for rescission or damages in substantially the form prescribed in Item 20 of Form 44-101F1 *Short Form Prospectus*,

do not apply to the Shelf Prospectus (as defined below), the Prospectus Supplement (as defined below) or any amendment thereto.

The Decision Makers have also received a request from the Filers for a decision that the application and this decision be kept confidential and not made public until the earliest of (i) the date on which the Filers enter into the Equity Distribution Agreement, (ii) the date on which the Issuer advises the Decision Makers that there is no longer any need to hold the application and this decision in confidence, and (iii) the date that is 90 days after the date of this decision (the Confidentiality Relief).

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 (the Principal Regulator);
- (b) the Filers have provided notice that section 4.7 of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in Alberta, Saskatchewan, Manitoba, Quebec, Newfoundland and Labrador, New Brunswick, Nova Scotia and Prince Edward Island (collectively, the Passport 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

- ¶ 2 Terms defined in National Instrument 14-101 *Definitions*, NI 11-102, National Instrument 21-101 *Marketplace Operation* and National Instrument 13-101 *System for Electronic Document Analysis and Retrieval* (SEDAR) have the same meaning if used in this decision, unless otherwise defined.

## Representations

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

### *Wheaton Precious Metals Corp.*

1. the Issuer is a corporation continued under the Business Corporations Act (Ontario). The head office of the Issuer is located at 3500 – 1021 West Hastings Street, Vancouver, British Columbia, V6E 0C3 and its registered office is located at Suite 2100, 40 King Street West, Toronto, Ontario, M5H 3C2;
2. the Common Shares are listed on the TSX and are also listed on the New York Stock Exchange (NYSE) under the symbol “WPM”;
3. the Issuer is a reporting issuer in each province of Canada; the Issuer is not in default of securities legislation in any such jurisdiction of Canada;
4. the Issuer is subject to reporting obligations under the United States Securities Exchange Act of 1934, as amended (the 1934 Act), and files its continuous disclosure documents with the Securities and Exchange Commission (the SEC) in the United States as a foreign private issuer, pursuant to the U.S.-Canada multi-jurisdictional disclosure system;
5. the Issuer filed a short form base shelf prospectus (the Shelf Prospectus) in British Columbia, Ontario and the Passport Jurisdictions and a registration statement on Form F-10/A with the SEC on May 3, 2019 under the multi-jurisdictional disclosure system providing for the distribution, from time to time, of Common Shares, preferred shares, debt securities, subscription receipts, units and warrants having an aggregate offering price of up to US\$2,000,000,000 (or the equivalent thereof in other currencies);
6. the Issuer plans to enter into an Equity Distribution Agreement with the Agents and file a prospectus supplement in each of the provinces of Canada (the Prospectus Supplement) and with the SEC (the U.S. Prospectus Supplement) to qualify the distribution of Common Shares in connection with the ATM Distribution;

### *The Agents*

7. each of the Canadian Agents is registered as an investment dealer under the securities legislation in each province of Canada. None of the Canadian Agents are in default of securities legislation in any jurisdiction of Canada;
8. each of the U.S. Agents is a broker-dealer registered with the SEC;

### *Proposed ATM Distribution*

9. subject to mutual agreement on terms and conditions, the Issuer proposes to enter into the Equity Distribution Agreement with the Agents providing for the sale from time to time by the Issuer through the Agents, as agents, of Common Shares under ATM Distributions pursuant to the shelf procedures prescribed by Part 9 of NI 44-102 and otherwise in the United States;
10. before making any ATM Distributions, the Issuer will have filed the Prospectus Supplement in each province of Canada and the U.S. Prospectus Supplement with the SEC to qualify the sale of Common Shares under the Equity Distribution Agreement; the Prospectus Supplement and the U.S. Prospectus Supplement will supplement the disclosure in the Shelf Prospectus and will describe the terms of the ATM Distribution, including the terms of the Equity Distribution Agreement;
11. if the Equity Distribution Agreement is entered into, the Issuer will immediately do both of the following:
  - (a) issue and file a news release pursuant to section 3.2 of NI 44-102 announcing the Equity Distribution Agreement and indicating that the Prospectus Supplement has been filed on SEDAR and specifying where and how purchasers under an ATM Distribution may obtain copies; and
  - (b) file the Equity Distribution Agreement on SEDAR;

12. the Issuer will not, during the period that the final receipt for the Shelf Prospectus is effective, distribute by way of one or more ATM Distributions a total market value of Common Shares that exceeds 10% of the aggregate market value of Common Shares, such aggregate market value calculated in accordance with section 9.2 of NI 44-102 and as at the last trading day of the month before the month in which the first ATM Distribution is made;
13. the Issuer will conduct ATM Distributions only through the Agents, as agents, directly or through one or more Selling Agents and only through methods constituting “at-the-market distributions” within the meaning of NI 44-102 through the facilities of (i) the TSX, (ii) the NYSE, or (iii) any other “marketplace” (as defined in National Instrument 21-101 – *Marketplace Operation*) in Canada or the United States (each, a Marketplace);
14. the Canadian Agents will act as agents of the Issuer in connection with an ATM Distribution directly or through one or more Selling Agents on the TSX or any other Marketplace in Canada (a Canadian Marketplace), and will be paid an agency fee or commission by the Issuer in connection with such sales; if sales are effected through one or more Selling Agents, the Selling Agents will be paid a seller’s commission for effecting the trades on behalf of the Canadian Agents. The Canadian Agents will sign an underwriter’s certificate in the Prospectus Supplement in the form set out in paragraph 31 below;
15. a purchaser’s rights and remedies under applicable securities legislation against the Canadian Agents, as agents of an ATM Distribution through a Canadian Marketplace, will not be affected by a decision to effect the sale directly or through one or more Selling Agents;
16. the aggregate number of Common Shares sold on the TSX or any other Canadian Marketplace under an ATM Distribution on any trading day will not exceed 25% of the trading volume of the Common Shares on the TSX or any other Canadian Marketplace on that day;
17. the Equity Distribution Agreement will require that, at the time of each sale of Common Shares under an ATM Distribution, the Issuer represents to the Agents that the Shelf Prospectus, as supplemented by the Prospectus Supplement (or the U.S. Prospectus Supplement, as applicable), including the documents incorporated by reference in the Shelf Prospectus (which will include any news release that has been designated and filed as a Designated News Release as defined and outlined below) and any applicable amendment or supplement to the Shelf Prospectus or the Prospectus Supplement (or the U.S. Prospectus Supplement, as applicable) (collectively, the Prospectus), contains full, true and plain disclosure of all material facts relating to the Issuer and the Common Shares being distributed; the Issuer will therefore be unable to proceed with sales under an ATM Distribution when it is in possession of undisclosed information that would constitute a material fact or a material change in respect of the Issuer or the Common Shares;
18. after the date of the Prospectus Supplement and before the termination of any ATM Distribution, if the Issuer disseminates a news release disclosing information that, in the Issuer’s determination, constitutes a “material fact” (as defined in the Legislation), the Issuer will identify such news release as a “designated news release” for the purposes of the Prospectus; this designation will be made on the face page of the version of such news release filed on SEDAR (any such news release, a Designated News Release); the Prospectus Supplement and the U.S. Prospectus Supplement will provide that any such Designated News Release will be deemed to be incorporated by reference into the Prospectus. A Designated News Release will not be used to update disclosure in the Prospectus by the Issuer in the event of a “material change” (as defined in the Legislation);
19. if, after the Issuer delivers a notice to the Agents directing the Agents to sell Common Shares on the Issuer’s behalf under the Equity Distribution Agreement (a Sell Notice), the sale of the Common Shares specified in the Sell Notice, taking into consideration prior sales under all previous ATM Distributions, would constitute a material fact or material change, the Issuer will suspend sales under the Equity Distribution Agreement until either: (i) it has filed a material change report or a Designated News Release, as applicable, or amended the Prospectus, or (ii) circumstances have changed such that the sale would no longer constitute a material fact or material change;
20. in determining whether the sale of the number of Common Shares specified in a Sell Notice would constitute a material fact or material change, the Issuer will take into account a number of factors, including, without limitation (i) the parameters of the Sell Notice, including the number of Common Shares proposed to be sold and any price or timing restrictions that the Issuer may impose with respect to the particular ATM Distribution, (ii) the percentage of outstanding Common Shares represented by the number of Common Shares proposed to be sold under the Sell Notice, (iii) sales under earlier Sell Notices, (iv) trading volume and volatility of Common Shares, (v) recent developments in the business, affairs and capital structure of the Issuer, and (vi) prevailing market conditions generally;
21. it is in the interest of the Filers to minimize the market impact of sales under an ATM Distribution; the Agents will monitor closely the market’s reaction to trades made on Marketplaces under an ATM Distribution in order to evaluate the likely market impact of future trades; the Agents have experience and expertise in managing sell orders to limit downward pressure on trading prices; if the Agents have concerns as to whether a particular sell order placed by the

Issuer may have a significant effect on the market price of the Common Shares, the Agents will recommend against effecting the trade at that time;

*Disclosure of Common Shares Sold*

22. the Issuer will disclose the number and average price of Common Shares sold under ATM Distributions, as well as total gross proceeds, commission and net proceeds, in its annual and interim financial statements or management discussion and analysis filed on SEDAR;

*Prospectus Delivery Requirement*

23. under the Delivery Requirement, a dealer effecting a trade of securities offered under a prospectus is required to deliver a copy of the prospectus (including the applicable prospectus supplement(s) in the case of a base shelf prospectus) to the purchaser within prescribed time limits;
24. the delivery of a prospectus is not practicable in the circumstances of an ATM Distribution as neither the Agents nor the Selling Agents, as applicable, effecting the trade will know the purchaser's identity;
25. although purchasers under an ATM Distribution would not physically receive a printed prospectus, the Shelf Prospectus and the Prospectus Supplement (together with all documents incorporated by reference) will be filed and readily available to all purchasers electronically via SEDAR; moreover, as stated in paragraph 11 above the Issuer will issue a news release that specifies where and how copies of the Shelf Prospectus and the Prospectus Supplement can be obtained;
26. the liability of an issuer or an underwriter (and others) for misrepresentation in a prospectus under the civil liability provisions of the Legislation will not be affected by the grant of an exemption from the Delivery Requirement because a purchaser of the securities offered by a prospectus during the period of distribution has a right of action for damages or rescission without regard as to whether the purchaser relied on the misrepresentation or in fact received a copy of the prospectus;

*Withdrawal Right and Right of Action for Non-Delivery*

27. under the Legislation, an agreement of purchase and sale in respect of a distribution to which the prospectus requirement applies is not binding upon the purchaser if the dealer from whom the purchaser purchases the security receives, not later than midnight on the second day (exclusive of Saturdays, Sundays and holidays) after receipt by the purchaser of the latest prospectus or any amendment to the prospectus, a notice in writing evidencing the intention of the purchaser not to be bound by the agreement of purchase and sale (the Withdrawal Right);
28. under the Legislation, a purchaser of a security to whom a prospectus was required to be sent or delivered in compliance with the Delivery Requirement, but was not so sent or delivered, has a right of action for rescission or damages against the dealer who did not comply with the Delivery Requirement (the Right of Action for Non-Delivery);
29. neither the Withdrawal Right nor the Right of Action for Non-Delivery is workable in the context of an ATM Distribution because of the impracticability of delivering the Prospectus to a purchaser of Common Shares;

*Prospectus Form Requirements*

30. to reflect the fact that an ATM Distribution is a continuous distribution, the Prospectus Supplement and any amendment thereto will include the following issuer certificate (with appropriate modifications in respect of the filing of an amendment prescribed by section 2.4 of Appendix A to NI 44-102), such issuer certificate to supersede and replace the issuer certificate included in the Shelf Prospectus solely with regard to the ATM Distribution:

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

31. to reflect the fact that an ATM Distribution is a continuous distribution, the Prospectus Supplement and any amendment thereto will include the following underwriter certificate (with appropriate modifications in respect of the filing of an amendment prescribed by section 2.4 of Appendix A to NI 44-102), such underwriter certificate to supersede and replace the underwriter certificate included in the Shelf Prospectus solely with regard to the ATM Distribution:

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

32. a different statement of purchasers' rights than that required by the Legislation is necessary so that the Prospectus Supplement will accurately reflect the relief granted from the Delivery Requirements. Accordingly, the Prospectus Supplement will state the following, with the date reference completed:

*Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities and with remedies for rescission or, in some jurisdictions, revision of the price, or damages if the prospectus, prospectus supplements relating to securities purchased by a purchaser and any amendment are not delivered to the purchaser, provided that the remedies are exercised by the purchaser within the time limit prescribed by securities legislation. However, purchasers of Common Shares under an at-the-market distribution by the Issuer will not have the right to withdraw from an agreement to purchase the Common Shares and will not have remedies for rescission or, in some jurisdictions, revision of the price, or damages for non-delivery, because the prospectus, prospectus supplements relating to Common Shares purchased by a purchaser and any amendment relating to Common Shares purchased by such purchaser will not be delivered as permitted under a decision dated [●], 2020 and granted under National Policy 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions.*

*In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus, the accompanying prospectus supplement and any amendment contains a misrepresentation, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. Any remedies under securities legislation that a purchaser of Common Shares under an at-the-market distribution by the Issuer may have against the Issuer or the Agents for rescission or, in some jurisdictions, revisions of the price, or damages if the prospectus, prospectus supplements relating to securities purchased by a purchaser and any amendment contain a misrepresentation will remain unaffected by the non-delivery and the decision referred to above.*

*The purchaser should refer to the decision referred to above and any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.;* and

33. the Prospectus Supplement will disclose that, solely with regards to the ATM Distribution, the statement prescribed in paragraph 32 above supersedes and replaces the statement of purchasers' rights included in the Shelf Prospectus.

#### Decision

- ¶ 4 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) during the 60-day period ending not earlier than 10 days prior to the commencement of an ATM Distribution, the Common Shares have traded, in total, on one or more Marketplaces, as reported on a consolidated market display:
  - (i) an average of at least 100 times per trading day, and
  - (ii) with an average trading value of at least \$1,000,000 per trading day;
- (b) the Issuer does not, during the period that the final receipt for the Shelf Prospectus is effective, distribute by way of one or more ATM Distributions a total market value of Common Shares that exceeds 10% of the aggregate market value of Common Shares, such aggregate market value calculated in accordance with section 9.2 of NI 44-102 and as at the last trading day of the month before the month in which the first ATM Distribution is made;
- (c) the Issuer complies with the disclosure requirements set out in paragraphs 22, 30, 31, 32, and 33 above; and
- (d) the Filers respectively comply with the representations made in paragraphs 3, 7, 8, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20 and 21 above.

**Decisions, Orders and Rulings**

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This decision will terminate 25 months from the date of the receipt for the Shelf Prospectus.

The further decision of the Decision Makers is that the Confidentiality Relief is granted.

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

## 2.1.2 Sun Life Global Investments (Canada) Inc.

### Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – approval of investment fund mergers – approval required because mergers do not meet the criteria for pre-approved reorganizations and transfers in National Instrument 81-102 Investment Funds – certain terminating funds and continuing funds do not have substantially similar fundamental investment objectives – mergers will not be a “qualifying exchange” or a tax-deferred transaction under the Income Tax Act (Canada) – mergers otherwise comply with pre-approval criteria, including securityholder vote, IRC approval – securityholders provided with timely and adequate disclosure regarding the mergers.

### Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 5.5(1)(b), 5.7(1)(b), 19.1(2).

April 24, 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  
SUN LIFE GLOBAL INVESTMENTS (CANADA) INC.  
(the Filer)

AND

THE MERGING FUNDS  
(as defined below)

DECISION

### Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Merging Funds for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) approving the proposed merger (each, a **Merger** and collectively, the **Mergers**) of each Merging Fund (as defined below) into the applicable Continuing Fund (as defined below) pursuant to paragraph 5.5(1)(b) of National Instrument 81-102 *Investment Funds* (**NI 81-102**) (the **Approval 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(2) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of the other provinces and territories of Canada (together with Ontario, the **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. The following additional terms shall have the following meanings:

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**Decisions, Orders and Rulings**

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**Continuing Funds** means Sun Life Tactical Balanced ETF Portfolio, Sun Life BlackRock Canadian Equity Fund, Sun Life MFS U.S. Growth Fund, Sun Life Dynamic Equity Income Fund, Sun Life Dynamic Strategic Yield Fund, Sun Life MFS Global Total Return Fund, Sun Life Excel Emerging Markets Fund, Sun Life MFS Canadian Equity Fund, Sun Life MFS Dividend Income Fund, Sun Life Granite Income Portfolio, and Sun Life Tactical Fixed Income ETF Portfolio;

**Corporation** means Sun Life Global Investments Corporate Class Inc.;

**Fund** or **Funds** means, individually or collectively, the Merging Funds and the Continuing Funds;

**IRC** means, in respect of each Fund, the independent review committee for the Fund;

**Merging Corporate Funds** means Sun Life BlackRock Canadian Balanced Class, Sun Life BlackRock Canadian Composite Equity Class, Sun Life BlackRock Canadian Equity Class, Sun Life Dynamic Equity Income Class, Sun Life Dynamic Strategic Yield Class, Sun Life Franklin Bissett Canadian Equity Class, Sun Life Invesco Canadian Class, Sun Life MFS Canadian Equity Growth Class, Sun Life Sentry Value Class and Sun Life MFS Dividend Income Class;

**Merging Funds** means the Merging Corporate Funds and the Merging Trust Funds;

**Merging Trust Funds** means Sun Life BlackRock Canadian Balanced Fund, Sun Life Dynamic American Fund, Sun Life Dynamic Energy Fund, Sun Life Excel Emerging Markets Balanced Fund, Sun Life Excel China Fund, Sun Life Sentry Value Fund, Sun Life MFS Monthly Income Fund and Sun Life Templeton Global Bond Fund;

**NI 81-101** means National Instrument 81-101 *Mutual Fund Prospectus Disclosure*;

**NI 81-106** means National Instrument 81-106 *Investment Fund Continuous Disclosure*;

**NI 81-107** means National Instrument 81-107 *Independent Review Committee for Investment Funds*;

**Tax Act** means the *Income Tax Act* (Canada).

**Trust Funds** means funds structured as trusts, which includes the Continuing Funds and the Merging Trust Funds.

**Representations**

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

*The Filer*

1. The Filer is a corporation incorporated under the laws of Canada with its head office in Toronto, Ontario. The Filer is an indirect wholly-owned subsidiary of Sun Life Financial Inc., a public company incorporated under the *Insurance Companies Act* (Canada) and listed on the Toronto Stock Exchange, the New York Stock Exchange and the Philippines Stock Exchange.
2. The Filer is the manager, trustee and portfolio manager of the Funds.
3. The Filer is registered as an investment fund manager in Ontario, Quebec and Newfoundland and Labrador, as a mutual fund dealer in each of the Canadian Jurisdictions, and as a commodity trading manager and portfolio manager in Ontario.

*The Funds*

4. The Funds are either open-ended mutual funds established as trusts under the laws of Ontario or a class of shares of a mutual fund corporation governed under the laws of Ontario.
5. Securities of the Funds are currently qualified for sale in each of the Canadian Jurisdictions under a simplified prospectus, annual information form and fund facts documents dated February 22, 2019, as amended by Amendment No. 1 dated May 24, 2019, Amendment No. 2 dated November 29, 2019 and Amendment No. 3 dated February 26, 2020 to the simplified prospectus, Amendment No. 1 dated April 16, 2019, Amendment No. 2 dated May 24, 2019, Amendment No. 3 dated November 29, 2019 and Amendment No. 4 dated February 26, 2020 to the annual information form, or under a simplified prospectus, annual information form and fund facts documents dated July 18, 2019, as amended by Amendment No. 1 dated November 29, 2019 and Amendment No. 2 dated February 26, 2020.

6. New series have been created for certain Continuing Funds (the **New Series**) in order to facilitate the Mergers. The New Series of Sun Life MFS Global Total Return Fund will only be available for existing eligible investors in Series DB of Sun Life Excel Emerging Markets Balanced Fund and those investors may continue to purchase and redeem the New Series of Sun Life MFS Global Total Return Fund after the Mergers are complete. The New Series of all other Continuing Funds are only available for redemption by existing eligible investors of the applicable Merging Fund. The New Series will not be available for purchase by new investors.
7. The New Series will be offered for sale in each of the Canadian Jurisdictions on or about June 5, 2020.
8. Each of the Funds is a reporting issuer under the applicable securities legislation of the Canadian Jurisdictions.
9. Neither the Filer nor the Funds are in default under the securities legislation of any of the Canadian Jurisdictions.
10. Other than circumstances in which the securities regulatory authority of a Canadian Jurisdiction has expressly exempted a Fund therefrom, each of the Funds follows the standard investment restrictions and practices established under NI 81-102.
11. The net asset value for each series of the Funds is calculated on a daily basis in accordance with the Funds' valuation policy and as described in the respective simplified prospectus of each of the Funds.

*Reasons for Approval Sought*

12. Regulatory approval for the Mergers is required under subsection 5.5(1)(b) of NI 81-102, and pre-approval for the Mergers under section 5.6(1) is unavailable, because:
  - (a) the fundamental investment objectives of Sun Life Tactical Balanced ETF Portfolio, Sun Life BlackRock Canadian Equity Fund (with respect to the Merger of Sun Life BlackRock Canadian Composite Equity Class), Sun Life Dynamic Equity Income Fund (with respect to the Merger of Sun Life Dynamic Energy Fund), Sun Life Excel Emerging Markets Fund, Sun Life MFS Global Total Return Fund and Sun Life Tactical Fixed Income ETF Portfolio are not, or may be considered not to be, "substantially similar" to the investment objectives of their corresponding Merging Funds; and
  - (b) each of the Mergers will not be completed as a "qualifying exchange" or other tax deferred transaction under the Tax Act.
13. Except as noted above, each of the other conditions for pre-approval under subsection 5.6(1) of NI 81-102 is, or will be, met in respect of each Merger.

*The Proposed Mergers*

14. Effective on or about June 5, 2020 (the **Merger Date**), it is proposed that the Merging Funds will be merged into the Continuing Funds as follows:
  - (a) Sun Life BlackRock Canadian Balanced Class into Sun Life Tactical Balanced ETF Portfolio;
  - (b) Sun Life BlackRock Canadian Balanced Fund into Sun Life Tactical Balanced ETF Portfolio;
  - (c) Sun Life BlackRock Canadian Composite Equity Class into Sun Life BlackRock Canadian Equity Fund;
  - (d) Sun Life BlackRock Canadian Equity Class into Sun Life BlackRock Canadian Equity Fund;
  - (e) Sun Life Dynamic American Fund into Sun Life MFS U.S. Growth Fund;
  - (f) Sun Life Dynamic Energy Fund into Sun Life Dynamic Equity Income Fund;
  - (g) Sun Life Dynamic Equity Income Class into Sun Life Dynamic Equity Income Fund;
  - (h) Sun Life Dynamic Strategic Yield Class into Sun Life Dynamic Strategic Yield Fund;
  - (i) Sun Life Excel China Fund into Sun Life Excel Emerging Markets Fund;
  - (j) Sun Life Excel Emerging Markets Balanced Fund into Sun Life MFS Global Total Return Fund;

- (k) Sun Life Franklin Bissett Canadian Equity Class into Sun Life MFS Canadian Equity Fund;
  - (l) Sun Life Invesco Canadian Class into Sun Life MFS Canadian Equity Fund;
  - (m) Sun Life MFS Dividend Income Class into Sun Life MFS Dividend Income Fund;
  - (n) Sun Life MFS Canadian Equity Growth Class into Sun Life MFS Canadian Equity Fund;
  - (o) Sun Life MFS Monthly Income Fund into Sun Life Granite Income Portfolio;
  - (p) Sun Life Sentry Value Class into Sun Life MFS Canadian Equity Fund;
  - (q) Sun Life Sentry Value Fund into Sun Life MFS Canadian Equity Fund; and
  - (r) Sun Life Templeton Global Bond Fund into Sun Life Tactical Fixed Income ETF Portfolio.
15. Each of paragraphs (d), (g), (h), (m) and (n) above is referred to as a **Fund of Fund Merger**.
16. Each Merger will be effected on a taxable basis.
17. The assets of each Merging Fund to be acquired by the applicable Continuing Fund to effect each Merger are currently or will, on the Merger Date, be acceptable to the portfolio manager of the applicable Continuing Fund and are, or will be, consistent with the investment objectives of the applicable Continuing Fund.
18. Securityholders of each Merging Fund will be asked to approve the relevant Merger at a special meeting to be held on or about May 21, 2020 (the **Meeting**).
19. The Filer, as manager of the Continuing Funds, is of the view that the Mergers will not be a “material change” for any of the Continuing Funds.
20. The Filer will pay for the costs of the Mergers. These costs consist mainly of brokerage charges associated with the merger-related trades that occur both before and after the Merger Date and legal, proxy solicitation, printing, mailing and regulatory fees.
21. No sales charges will be payable in connection with the acquisition by a Continuing Fund of the investment portfolio of the corresponding Merging Fund.
22. Securityholders of each Merging Fund will continue to have the right to redeem securities of the Merging Fund at any time up to the close of business on the business day immediately before the Merger Date.
23. If securityholders of a Merging Fund approve the applicable Merger, the Filer will waive any applicable redemption charges for those securityholders who wish to submit a redemption request to redeem securities of the Merging Fund originally purchased under the deferred sales charge option or the low load sales charge option between the business day following the Meeting and the effective date of the Merger.
24. Securities of the Continuing Funds are, and are expected to continue to be at all material times, “qualified investments” under the Tax Act for registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax free savings accounts (collectively, the **Registered Plans**).

*Securityholder Disclosure*

25. In accordance with NI 81-106, a press release announcing the proposed Mergers was issued and filed via System for Electronic Document Analysis and Retrieval (**SEDAR**) on February 19, 2020. An amendment to the relevant simplified prospectus and annual information form of the Merging Funds, along with amended fund facts documents and a material change report with respect to the proposed Mergers were filed via SEDAR on February 26, 2020.
26. As required by NI 81-107, an IRC has been appointed for each of the Merging Funds. The Filer presented the potential conflict of interest matters related to the proposed Mergers to the IRC of each Merging Fund. Each IRC reviewed the potential conflict of interest matters related to the proposed Mergers and, on February 12, 2020, provided its positive recommendation for the Mergers, after determining that the proposed Mergers, if implemented, would achieve a fair and reasonable result for each Fund.

27. Pursuant to a decision dated December 5, 2016 (the **Notice-and-Access Decision**), The Filer has obtained an exemption from the requirement in paragraph 12.2(2)(a) of NI 81-106 to send an information circular and proxy-related materials to the securityholders of each Merging Fund and instead allows each Merging Fund to make use of a notice-and-access process.
28. The notice prescribed by the Notice-and-Access Decision (the **Notice-and-Access Document**), the form of proxy and the fund facts document(s) relating to the relevant series of the applicable Continuing Fund will be sent to securityholders of each Merging Fund commencing on or about April 20, 2020. Additionally, the Notice-and-Access Document, form of proxy and information circular (the **Meeting Materials**) will be filed via SEDAR and posted on the Filer's website on or about April 20, 2020.
29. The Meeting Materials will provide securityholders of each Merging Fund with sufficient information to permit them to make an informed decision as to whether or not to approve the Mergers, including a discussion regarding the tax implications of the Mergers and the potential benefits of the Mergers.

*Merger Steps*

30. If the necessary approvals are obtained, the Filer will carry out the following steps to complete the Mergers:
  - (a) In respect of the Merger of a Merging Trust Fund into another Trust Fund:
    - (i) Prior to effecting a Merger, each Merging Trust Fund will sell some or all securities in its portfolio. As a result, the Merging Trust Funds will temporarily hold cash or cash equivalents and will not be fully invested in accordance with their investment objectives for a brief period of time prior to the Merger.
    - (ii) The value of each Merging Trust Fund's portfolio and other assets will be determined at the close of business on the applicable Merger Date in accordance with its declaration of trust.
    - (iii) Each Merging Trust Fund will declare, pay and automatically reinvest a distribution to its unitholders of a sufficient amount of its net income and net realized capital gains, if any, to ensure that the Merging Trust Fund will not be subject to tax for its current taxation year that includes the applicable Merger Date.
    - (iv) Each relevant Continuing Fund will acquire the assets of the applicable Merging Trust Fund in exchange for units of the Continuing Fund.
    - (v) Each relevant Continuing Fund will not assume any liabilities of the Merging Trust Fund and the Merging Trust Fund will retain sufficient assets to satisfy its estimated liabilities, if any, as of the applicable Merger Date.
    - (vi) The units of each relevant Continuing Fund received by the applicable Merging Trust Fund will have a total net asset value equal to the value of the assets acquired by the relevant Continuing Fund from the Merging Trust Fund, and the units of the relevant Continuing Fund will be issued at the applicable series net asset value per unit as of the close of business on the applicable Merger Date.
    - (vii) On the applicable Merger Date, the units of each Continuing Fund received by the applicable Merging Trust Fund will be distributed to unitholders of the Merging Trust Fund on a dollar for dollar basis in exchange for their units in the Merging Trust Fund, with unitholders of each series of the Merging Trust Fund receiving the corresponding series of units of the Continuing Fund in the manner described further below.
    - (viii) As soon as reasonably possible following the Mergers, each Merging Trust Fund will be wound up and the applicable Continuing Fund will continue as a publicly offered open end mutual fund.
  - (b) In respect of the Merger of a Merging Corporate Fund into a Trust Fund (other than the Fund of Fund Mergers):
    - (i) Prior to effecting a Merger, each of Sun Life BlackRock Canadian Balanced Class, Sun Life BlackRock Canadian Composite Equity Class, Sun Life Franklin Bissett Canadian Equity Class, Sun Life Invesco Canadian Class and Sun Life Sentry Value Class will sell all securities in its portfolio. As a result, these Merging Corporate Funds will temporarily hold cash or cash equivalents and will not be fully invested in accordance with its investment objectives for a brief period of time prior to the Merger.

- (ii) The value of each such Merging Corporate Fund's portfolio and other assets will be determined at the close of business on the applicable Merger Date in accordance with the articles of the Corporation.
  - (iii) The Corporation may declare, pay and automatically reinvest ordinary dividends or capital gains dividends to securityholders of these Merging Corporate Funds, as determined by the Filer at the time of the Merger.
  - (iv) Each relevant Continuing Fund will acquire the assets (being the cash and cash equivalents) of the applicable Merging Corporate Fund in exchange for units of the Continuing Fund.
  - (v) Each relevant Continuing Fund will not assume any liabilities of the applicable Merging Corporate Fund and the Merging Corporate Fund will retain sufficient assets to satisfy its estimated liabilities, if any, as of the applicable Merger Date.
  - (vi) The units of each relevant Continuing Fund received by the applicable Merging Corporate Fund will have a total net asset value equal to the value of the assets acquired by the relevant Continuing Fund from the Merging Corporate Fund, and the units of the relevant Continuing Fund will be issued at the applicable series net asset value per unit as of the close of business on the applicable Merger Date.
  - (vii) On the applicable Merger Date, the units of each relevant Continuing Fund received by the applicable Merging Corporate Fund will be distributed to securityholders of the Merging Corporate Fund on a dollar for dollar basis in exchange for their securities in the Merging Corporate Fund, with securityholders of each Merging Corporate Fund receiving the corresponding series of units of the Continuing Fund in the manner described further below.
  - (viii) As soon as reasonably possible following the Mergers, each Merging Corporate Fund will be terminated and the applicable Continuing Fund will continue as a publicly offered open end mutual fund.
  - (ix) The articles of the Corporation will be amended to reflect the termination of each applicable Merging Corporate Fund.
- (c) In respect of the Fund of Fund Mergers:
- (i) The Corporation may declare, pay and automatically reinvest ordinary dividends or capital gains dividends to securityholders of Sun Life BlackRock Canadian Equity Class, Sun Life Dynamic Equity Income Class, Sun Life Dynamic Strategic Yield Class, Sun Life MFS Dividend Income Class and Sun Life MFS Canadian Equity Growth Class, as determined by the Filer at the time of the Fund of Fund Merger.
  - (ii) The value of each such Merging Corporate Fund's portfolio and other assets will be determined at the close of business on the applicable Merger Date in accordance with the articles of the Corporation.
  - (iii) On the Merger Date, each series of securities held by these Merging Corporate Funds in the Continuing Funds will be redeemed by the Filer and the value of those securities receivable by the Merging Corporate Funds will form part of the cash equivalents of the Merging Corporate Funds.
  - (iv) Each relevant Continuing Fund will acquire the assets (being the cash and cash equivalents) of the applicable Merging Corporate Fund in exchange for units of the Continuing Fund.
  - (v) Each relevant Continuing Fund will not assume any liabilities of the applicable Merging Corporate Fund and the Merging Corporate Fund will retain sufficient assets to satisfy its estimated liabilities, if any, as of the applicable Merger Date.
  - (vi) The units of each relevant Continuing Fund received by the applicable Merging Corporate Fund will have a total net asset value equal to the value of the assets acquired by the relevant Continuing Fund from the Merging Corporate Fund, and the units of the relevant Continuing Fund will be issued at the applicable series net asset value per unit as of the close of business on the applicable Merger Date.

- (vii) Immediately thereafter, the units of each relevant Continuing Fund held by the applicable Merging Corporate Fund will be distributed to securityholders of the Merging Corporate Fund in exchange for their securities of the Merging Corporate Fund on a dollar for dollar basis in exchange for their securities in the Merging Corporate Fund, with securityholders of each Merging Corporate Fund receiving the corresponding series of units of the relevant Continuing Fund in the manner described further below.
- (viii) As soon as reasonably possible following the Fund of Fund Mergers, each Merging Corporate Fund will be terminated and the applicable Continuing Fund will continue as a publicly offered open end mutual fund.
- (ix) The articles of the Corporation will be amended to reflect the termination of each applicable Merging Corporate Fund.

*Benefits of Mergers*

- 31. When undertaking a Merger, the Filer considers both qualitative and quantitative factors when choosing the Continuing Fund for a Merging Fund. The qualitative factors considered include the comparability of investment objectives, investment strategies, risk rating, investment philosophy and portfolio construction. When considering quantitative factors, the Filer reviews fund performance (using both calendar year and to date metrics), the investment performance correlation between the potential Merging and Continuing Funds, any overlap in investment holdings, the asset allocation / sector allocation / geographic allocation of each Fund, fees for each series, the assets under management difference between the Funds, a taxation analysis at both the Fund and securityholder level and any unique factors that would be applicable for the given Merger. Once each of these items has been reviewed, the Filer will formalize the analysis and recommend a Continuing Fund with which to proceed.
- 32. With respect to the Mergers involving Sun Life BlackRock Canadian Balanced Class, Sun Life BlackRock Canadian Balanced Fund, Sun Life BlackRock Canadian Composite Equity Class, Sun Life Dynamic American Fund, Sun Life Dynamic Energy Fund, Sun Life Excel China Fund, Sun Life Excel Emerging Markets Balanced Fund, Sun Life Franklin Bissett Canadian Equity Class, Sun Life Invesco Canadian Class, Sun Life MFS Monthly Income Fund, Sun Life Sentry Value Class, Sun Life Sentry Value Fund and Sun Life Templeton Global Bond Fund, securityholders of the applicable Merging Fund may benefit from:
  - (a) receiving securities of a Continuing Fund that has a management fee and administration fee that are the same as, or lower than, that charged in respect of the series of securities of the Merging Fund that they currently hold;
  - (b) the greater size and scale of the Continuing Fund, which allows securityholders to benefit from the Continuing Fund's ability to provide more effective portfolio implementation, while also generating a larger profile in the marketplace by potentially attracting more investors and enabling it to maintain a "critical mass";
  - (c) the Continuing Fund's portfolio provides increased portfolio diversification opportunities; and
  - (d) the Merger will result in a more streamlined and simplified product line-up that is easier for investors to understand.
- 33. With respect to the Mergers involving Sun Life BlackRock Canadian Equity Class, Sun Life Dynamic Equity Income Class, Sun Life Dynamic Strategic Yield Class, Sun Life MFS Canadian Equity Growth Class and Sun Life MFS Dividend Income Class, securityholders of the applicable Merging Fund may benefit from:
  - (a) receiving securities of a Continuing Fund that has a management fee and administration fee that are the same as, or lower than, that charged in respect of the series of securities of the Merging Fund that they currently hold;
  - (b) the greater size and scale of the Continuing Fund, which allows securityholders to benefit from the Continuing Fund's ability to provide more effective portfolio implementation, while also generating a larger profile in the marketplace by potentially attracting more investors and enabling it to maintain a "critical mass"; and
  - (c) the Merger will result in a more streamlined and simplified product line-up that is easier for investors to understand.

*Taxable Mergers*

34. The Filer has determined that it would not be appropriate to effect the Mergers as a “qualifying exchange” or a tax deferred transaction under the Tax Act for the following reasons: (a) the Mergers involving the Merging Corporate Funds cannot be effected on a tax-deferred basis under the Tax Act without dissolving the entire mutual fund corporation; (b) the Continuing Fund has significant loss carryforwards that would be lost if the Merger was completed on a tax-deferred basis under the Tax Act; (c) with respect to certain Mergers, the vast majority of investors in the Merging Trust Funds are tax-exempt Registered Plans and a taxable merger is neither beneficial nor detrimental to a tax-exempt Registered Plan; (d) with respect to certain Mergers, investors that hold their securities of the Merging Trust Funds outside a Registered Plan are in a loss position and triggering a loss can be beneficial as such losses can be used to offset any capital gains realized in the same year or any of the previous three years, and thus immediately reduce their tax liability; or (e) with respect to certain Mergers, the number of taxable investors in a gain position is quite small relative to the number of tax-exempt investors of each of those Merging Trust Funds, and the Filer has determined that the median gain for taxable investors in each of those Merging Trust Funds is not significant when considered in connection with the median market value of a taxable investor’s account.

**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 Approval Sought is granted, provided that the Filer obtains the prior approval of the securityholders of the Merging Funds at special meetings held for that purpose.

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

### 2.1.3 Brookfield Infrastructure Corporation and Brookfield Asset Management Inc.

#### Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – exemption from the requirements of paragraph 2.2(e) of National Instrument 44-101 Short Form Prospectus Distributions requiring an issuer's equity securities to be listed and posted for trading on short form eligible exchange – relief granted from the prospectus requirements pursuant to the terms of a rights agreement – relief granted on terms and conditions and a five-year sunset clause.

March 27, 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 CORPORATION

AND

BROOKFIELD ASSET MANAGEMENT INC.

DECISION

#### Background

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

- (a) the requirements contained in the Legislation to file a preliminary prospectus and a final prospectus and receive receipts therefor (the **Prospectus Requirement**) shall not apply to specific trades in non-voting limited partnership units of Brookfield Infrastructure Partners L.P. (**BIP**), (the **BIP Units**) to be made in connection with the distribution and exchange of class A exchangeable subordinate voting shares of BIPC (the **Exchangeable Shares**) by Brookfield pursuant to the terms of the Rights Agreement (each as defined below); and
- (b) BIPC be exempt from the requirements contained in paragraph 2.2(e) of National Instrument 44-101 *Short Form Prospectus Distributions* (**NI 44-101**) with respect to equity securities (the **Short Form Prospectus Eligibility Requirements**, together with the Prospectus Requirement, the **Exemption Sought**).

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

- (a) the Ontario Securities Commission is the principal regulator for this application; and
- (b) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, the Northwest Territories, Yukon and Nunavut, as applicable.

#### Interpretation

Terms defined in National Instrument 14-101 *Definitions* (**NI 14-101**), MI 11-102 and NI 44-101 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:

### Relevant Affiliates

#### *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.
6. Brookfield Infrastructure Partners Limited, a wholly-owned subsidiary of 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 (on a fully-exchanged basis) through its ownership of redeemable partnership units of Holding LP (the **Redeemable Partnership Units**).
11. Brookfield indirectly holds an approximate 100% voting interest 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 (the **Master Services Agreement**).

#### *BIPC*

13. BIPC is a corporation existing and in good standing under the *Business Corporations Act* (British Columbia), and 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 Infrastructure Holdings (Canada) Inc., a wholly-owned subsidiary of BIP.

16. BIPC's principal investments are initially expected to consist of indirect interests in utilities businesses in Europe and South America.
17. BIPC 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 any jurisdiction in which it is a reporting issuer.

The Special Distribution

18. BIPC filed a preliminary long form prospectus on November 13, 2019 (the **Preliminary Prospectus**) to qualify the distribution of the Exchangeable Shares to be distributed by BIP to holders of BIP Units (the **Special Distribution**) and BIP filed a preliminary short form prospectus on the same day for the distribution of BIP Units issuable or deliverable upon the exchange, redemption or purchase of Exchangeable Shares pursuant to their terms.
19. Upon obtaining a receipt for the final prospectus, BIPC will become a reporting issuer in each of the provinces and territories of Canada.
20. BIPC filed a registration statement on Form F-1 with the U.S. Securities and Exchange Commission (the **SEC**), as amended, which was declared effective on March 12, 2020, to register the Exchangeable Shares that will be distributed pursuant to the Special Distribution; and BIP filed a registration on Form F-3 with the SEC, as amended, which was declared effective on March 12, 2020, to register the BIP Units issuable or deliverable upon the exchange, redemption or purchase of Exchangeable Shares pursuant to their terms.
21. Prior to the closing of the Special Distribution, 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).
22. 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.
23. 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.
24. Prior to the closing of the Special Distribution, the following ownership interests will be contributed or transferred by Holding LP, or a subsidiary thereof, to BIPC:
  - (a) approximately 80% of BUUK Infrastructure Holdings Limited, a gas distribution business located in the United Kingdom; and
  - (b) approximately 28% of Nova Transportadora do Sudeste S.A., a gas transportation business located in Brazil.
25. Prior to the closing of the Special Distribution, 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. 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. BIPC has applied to have the Exchangeable Shares listed on the NYSE and TSX.
28. 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. With the objective of providing investors that would not otherwise invest in BIP with an opportunity to gain access to BIP's portfolio of infrastructure assets, BIP created BIPC and is distributing Exchangeable Shares pursuant to the Special Distribution.
29. 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 intended to be, 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 of 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.
30. 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).
31. 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).
32. 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).
33. 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.
34. An investment in Exchangeable Shares is intended to be, as nearly as practicable, functionally and economically, equivalent to an investment in BIP Units. BIP expects that:
- (a) investors of Exchangeable Shares may 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.
35. A holder of Exchangeable Shares would be able to terminate its investment by either (i) selling the Exchangeable Shares on the TSX or on the NYSE, or (ii) selling the BIP Units received by operation of the Exchangeable Share Provisions on the TSX or on the NYSE.

Issuance of BIP Units Under the Rights Agreement

36. The attributes of the Exchangeable Shares, as set out in the Exchangeable Share Provisions, and the trades contemplated by the Rights Agreement involve or may involve:
- (a) the delivery by Brookfield of BIP Units to a holder of Exchangeable Shares; and
  - (b) the first trade of BIP Units received by a holder of Exchangeable Shares in connection with the Rights Agreement.
37. Under section 2.42 of National Instrument 45-106 *Prospectus Exemptions* and in connection with the conversion, exchange, or exercise of a security, the Prospectus Requirement does not apply to a distribution by an issuer if (a) the issuer distributes a security of its own issue to a security holder of the issuer in accordance with the terms and conditions of a security previously issued by that issuer, or (b) subject to certain notification requirements, the issuer distributes a security of a reporting issuer held by it to a security holder of the issuer in accordance with the terms and conditions of a security previously issued by that issuer.
38. If Brookfield were required to deliver the BIP Units pursuant to the Rights Agreement in the future, it could not rely on paragraph 2.42(b) of NI 45-106, because Brookfield would be delivering BIP Units to a security holder of BIPC, not of Brookfield.
39. In absence of an exemption, the delivery by Brookfield of BIP Units to a holder of Exchangeable Shares, must comply with the Prospectus Requirement under the Legislation in each jurisdiction of Canada where the delivery occurs.
40. The Exchangeable Shares represent part of the equity value of BIP and are intended to be, in all material respects, functionally and economically equivalent to the BIP Units. As a result of the Exchangeable Share Provisions, holders of Exchangeable Shares are able 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. Investors may purchase Exchangeable Shares as an alternative way of owning BIP Units rather than a separate and distinct investment.
41. A key factor in ensuring that an investment in the Exchangeable Shares will be as nearly as practicable, functionally and economically equivalent to an investment in BIP Units is the ability of holders of Exchangeable Shares to (i) exchange their Exchangeable Shares, (ii) receive BIP Units on the exchange, and (iii) sell the BIP Units on the TSX or the NYSE.
42. Relief from the Prospectus Requirement for the delivery by Brookfield of BIP Units to holders of Exchangeable Shares is necessary for the operation of the backstop provided by Brookfield to holders of Exchangeable Shares. As such, granting relief from the Prospectus Requirement is not contrary to the public interest.

Qualification to File Short Form Prospectus

43. BIPC wishes to be eligible to file short form prospectuses under NI 44-101 upon completion of the Special Distribution. While BIPC does not currently intend to complete a distribution immediately following the completion of the Special Distribution, BIPC's eligibility to file short form and shelf prospectuses is critical to its viability as an issuer of a security offering an alternative way of owning BIP Units. In addition, there are short time frames associated with financings undertaken in current market conditions. As a result, the relief from the Short Form Prospectus Eligibility Requirements is being sought in advance of the completion of the Special Distribution and any possible follow on distribution of BIPC securities.
44. The qualification criteria for short form prospectus eligibility are outlined in section 2.2 of NI 44-101. Once BIPC becomes a reporting issuer, it will satisfy all of the qualification criteria for short form prospectus eligibility in section 2.2 of NI 44-101 with the exception of subsection 2.2(e) which requires that an issuer's equity securities are listed and posted for trading on a short form eligible exchange and that an issuer is not an issuer whose (i) operations have ceased, or (ii) whose principal asset is cash, cash equivalents, or its exchange listing (the **Equity Security Requirement**). The term "equity security" is defined under the Legislation as a security that carries a residual right to participate in the earnings of the issuer and, on the liquidation or winding up of the issuer, in its assets. The Exchangeable Shares do not 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.
45. In the event that BIPC undertakes an offering or other distribution of its securities prior to the filing of its audited financial statements for the year ended December 31, 2020, BIPC intends to rely on the exemption in subsection 2.7(1) of NI 44-101 from the requirements to have (i) current annual financial statements and (ii) a current AIF.

46. BIPC is not eligible for the exemption for alternative qualification criteria for conventional preferred shares under Part 2 of NI 44-101 because the Exchangeable Shares are not conventional preferred shares.
47. Except for not meeting the Equity Security Requirement, BIPC would otherwise be qualified to file a prospectus in the form of a short form prospectus pursuant to, and in accordance with, NI 44-101.

**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. the Prospectus Requirement shall not apply to the delivery by Brookfield of BIP Units to holders of Exchangeable Shares as may be required, provided that:
  - (a) such BIP Units are delivered strictly pursuant to Brookfield's agreement to guarantee BIPC's obligation to deliver BIP Units in connection with an Exchange under the terms of the Rights Agreement;
  - (b) BIP is a reporting issuer, as defined in the Legislation, in a jurisdiction of Canada at the time such relief is relied upon for the delivery of BIP Units;
  - (c) the terms of the Rights Agreement are not materially amended; and
  - (d) Brookfield has provided prior written notice of the distribution to the principal regulator;
2. any first trade in BIP Units acquired by a holder of Exchangeable Shares in connection with Brookfield satisfying its obligations under the Rights Agreement shall not be a distribution under the Legislation, provided that:
  - (a) BIP is and has been a reporting issuer, as defined in the Legislation, in a jurisdiction of Canada for the four months immediately preceding the trade;
  - (b) the trade is not in previously issued securities of an issuer from the holdings of any control person, as that term is defined in subsection 1(1) of the Securities Act (Ontario);
  - (c) no unusual effort is made to prepare the market or to create a demand for the BIP Units;
  - (d) no extraordinary commission or consideration is paid to a person or company in respect of the trade;
  - (e) if the selling securityholder is an insider or officer of BIP, the selling security holder has no reasonable grounds to believe that BIP is in default of securities legislation; and
  - (f) the terms of the Rights Agreement are not materially amended;
3. the decision as it relates to the Prospectus Requirement shall terminate on the date that is the earlier of:
  - (a) the fifth anniversary of the Special Distribution; and
  - (b) the day on which the Rights Agreement is terminated prior to the fifth anniversary of the Special Distribution;
4. BIPC does not have to comply with the Short Form Prospectus Eligibility Requirements so long as:
  - (a) BIPC is otherwise qualified to file a preliminary short form prospectus under section 2.2 of NI 44-101;
  - (b) the Exchangeable Shares are listed and posted for trading on a short form eligible exchange (as defined in NI 44-101);
  - (c) BIPC is not an issuer whose operations have ceased; and
  - (d) BIPC is not an issuer whose principal asset is cash, cash equivalents, or its exchange listing.

**Decisions, Orders and Rulings**

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As to the Prospectus Requirement,

“Tim Moseley”  
Commissioner  
Ontario Securities Commission

“Grant Vingoe”  
Commissioner  
Ontario Securities Commission

As to the Short Form Eligibility Requirements,

“Michael Balter”  
Manager, Corporate Finance  
Ontario Securities Commission

## 2.1.4 Priviti Capital Corporation

### Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted from the self-dealing provision in s.4.2(1) of National Instrument 81-102 Investment Funds to permit transfer of illiquid assets from one fund to another managed and advised by the same manager – one fund not a reporting issuer – relief subject to conditions including independent valuation and requirement for independent review committee approval.

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief from subparagraphs 13.5(2)(b)(ii) and (iii) of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations to permit transfer of illiquid assets from one fund to another managed and advised by the same manager – one fund not a reporting issuer – relief subject to conditions including independent valuation and requirement for independent review committee approval.

### Applicable Legislative Provisions

National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 13.5(2)(b)(ii)-(iii), 15.1.

National Instrument 81-105 Investment Funds, ss. 4.2(1), 4.3(1), 19.1.

National Instrument 81-107 Independent Review Committee for Investment Funds, s. 6.1(2).

April 24, 2020

Citation: *Re Priviti Capital Corporation*, 2020 ABASC 52

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

AND

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

AND

IN THE MATTER OF  
PRIVITI CAPITAL CORPORATION  
(the Filer)

DECISION

### Background

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

- (a) an exemption (the **NI 81-102 Relief**) from the prohibition in subsection 4.2(1) of National Instrument 81-102 *Investment Funds (NI 81-102)*, which prohibits an investment fund from purchasing or selling a security from or to, *inter alia*, an affiliate of the manager or portfolio adviser of the fund, to permit Priviti Oil & Gas Opportunities Limited Partnership 2013 (the **Expiring Fund**) to sell the Illiquid Assets (as defined below) to Priviti Oil & Gas Opportunities Limited Partnership 2014 (the **2014 Fund** and collectively with the Expiring Fund, the **Funds**);
- (b) an exemption (the **NI 31-103 Relief**) from the prohibition in subparagraphs 13.5(2)(b)(ii) and 13.5(2)(b)(iii) of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations (NI 31-103)* which prohibit a registered adviser from knowingly causing an investment portfolio managed by it, including an investment fund for which it acts as an adviser, to purchase or sell a security from or to the

investment portfolio of a responsible person, an associate of the registered adviser or an investment fund for which the registered adviser acts as an adviser, in order to permit the Expiring Fund to sell the Illiquid Assets to the 2014 Fund and the 2014 Fund to purchase the Illiquid Assets from the Expiring Fund.

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

- (a) the Alberta Securities Commission is the principal regulator for this application,
- (b) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in each province in Canada other than Alberta 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*, MI 11-102, NI 81-102, and NI 31-103 have the same meaning if used in this decision, unless otherwise defined herein.

### Representations

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

1. The Filer is a corporation incorporated under the laws of Alberta with its head office in Calgary, Alberta.
2. The Filer is registered as a restricted portfolio manager in Alberta and an investment fund manager in Alberta, Ontario, Quebec, and Newfoundland and Labrador.
3. The Filer is not in default of applicable securities laws.
4. The Funds are investment funds formed as limited partnerships under the laws of Alberta. The Funds are not in default of applicable securities laws.
5. Priviti Oil & Gas Opportunities 2013 General Partner Corp., a corporation incorporated under the laws of the Province of Alberta, is the general partner of the Expiring Fund (the **Expiring Fund GP**) and Priviti Oil & Gas Opportunities 2014 General Partner Corp., a corporation incorporated under the laws of the Province of Alberta, is the general partner of the 2014 Fund (collectively with the Expiring Fund GP, the **General Partners**). The Filer is the sole shareholder of each General Partner.
6. The General Partners have retained the Filer to act as the investment fund manager and portfolio manager for each of the Funds.
7. The Expiring Fund is a reporting issuer under applicable securities laws in each of the provinces of Canada and is subject to NI 81-102. The investment objectives of the Expiring Fund are to invest in a portfolio of securities of private and public companies that operate in the Canadian oil and gas sector to provide the opportunity for capital appreciation and to distribute to unitholders cash proceeds realized on periodic liquidity events.
8. The 2014 Fund is not a reporting issuer under applicable securities laws and is not subject to NI 81-102. The investment objectives of the 2014 Fund are the same as the Expiring Fund. Pursuant to the terms of the 2014 Fund's limited partnership agreement, its term, as extended by a maximum of two one-year extensions, will expire on December 9, 2021.
9. Pursuant to the terms of the Expiring Fund's limited partnership agreement, the Expiring Fund's original term has been extended by the maximum permitted two one-year periods and its extended term will expire on June 28, 2020 (the **Term**). The Filer has been liquidating and will continue to liquidate the Expiring Fund's existing portfolio securities in an orderly manner, subject to market conditions, and has been distributing and will distribute the proceeds of the sale of the Expiring Fund's assets to its unitholders.
10. The Filer anticipates certain of the Expiring Fund's assets, the equity securities of two private issuers (collectively the **Private Issuers**) that are not traded on any exchange, may be difficult to sell prior to the expiry of the Term given that there is not a strong secondary or "grey" market for such securities as they are "illiquid assets" as defined in NI 81-102 (the **Illiquid Assets**).

11. Rather than trying to extend the Term to allow for the sale of the Illiquid Assets by holding a special meeting of the Expiring Fund's unitholders or the Filer selling the Illiquid Assets to a third party at a price below their value due to an illiquid market (both of which options the Filer does not believe are in the best interests of the Expiring Fund unitholders) it is proposed that the Expiring Fund sell the Illiquid Assets to the 2014 Fund at a fair value based on an independent quote of the fair value of the Illiquid Assets obtained from an independent and experienced broker (the **Trade**).
12. It will be neither practical nor economical to make a distribution "in kind" of portions of the Illiquid Assets to unitholders of the Expiring Fund since unitholders will have difficulty finding a market, if any, for the Illiquid Assets. Further, any "in kind" distribution would result in very small "odd lot" share positions of the Private Issuers, thus increasing the difficulty for holders of such position to find a market for such securities. In addition, many of the unitholders in the Expiring Fund have held their interest in the Expiring Fund for approximately seven years and have indicated to the Filer in informal conversations regarding the Trade that they do not want to receive an "in kind" distribution.
13. The 2014 Fund unitholders will receive disclosure that the 2014 Fund has purchased the Illiquid Assets from the Expiring Fund and a description of the conflicts of interest related to the Trade. The Filer will also disclose how the fair value of the Illiquid Assets was determined.
14. The Filer is a responsible person for the purpose of paragraph 13.5(2)(b) of NI 31-103 and, absent the NI 31-103 Relief, is prohibited from effecting the Trade.
15. The 2014 Fund is an affiliate of the Filer for the purposes of subsection 4.2(1) of NI 81-102, and absent the NI 81-102 Relief, the Expiring Fund is prohibited from effecting the Trade under this section.
16. The exception in subsection 4.3(1) of NI 81-102, which permits certain inter-fund trades of securities for which public quotations are available, is not available for the Trade as public quotations are not available for the Illiquid Assets.
17. The Filer cannot rely on the exception in section 6.1 of National Instrument 81-107 *Independent Review Committee for Investment Funds (NI 81-107)* for the Trade because, among other things, the 2014 Fund does not have an independent review committee pursuant to NI 81-107 and is not a reporting issuer.
18. The Trade will be consistent with the investment objectives of the Funds.
19. The decision to sell the Illiquid Assets on behalf of the Expiring Fund to the 2014 Fund has been made based on the judgment of responsible persons uninfluenced by considerations other than the best interests of the Funds.
20. The Expiring Fund has established an independent review committee (the **IRC**) in accordance with section 3.7 of NI 81-107 which is subject to all of the provisions of section 3.9 of NI 81-107. The 2014 Fund will engage the IRC solely in respect of the Trade in compliance with NI 81-107 as if the 2014 Fund were a reporting issuer subject to NI 81-107. The IRC will oversee the Trade for both the Expiring Fund and the 2014 Fund after making separate determinations for each Fund in respect of the Trade as provided under paragraphs 5.2(2)(a), (b), (c) and (d) of NI 81-107.
21. The Filer will receive no remuneration with respect to any purchase or sale of the Illiquid Assets between the Funds.
22. With respect to the delivery of Illiquid Assets, the only expenses which will be incurred by the Expiring Fund will be nominal administrative charges levied by the custodian and/or record keeper of the Expiring Fund for recording the trades.
23. For each purchase or sale of Illiquid Assets between the Funds, each of the Funds will keep written records in the financial year of the respective Fund. These records will reflect details of the securities received or delivered by the respective Fund and the value assigned to such securities. These records will be retained for five years after the end of the financial year in which the trade occurred, and for the most recent two years, these records will be kept in a reasonably accessible place.
24. The Expiring Fund provides annual audited financial statements and unaudited financial statements as at December 31 and June 30 to its unitholders in accordance with applicable securities laws. The 2014 Fund provides audited annual financial statements and unaudited quarterly financial statements to its unitholders. Unitholders of both Funds have received audited financial statements for the year ended December 31, 2019.

**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.

## Decisions, Orders and Rulings

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The decision of the Decision Makers under the Legislation is that the Exemptions Sought are granted, provided that the following conditions are satisfied:

- (a) The Illiquid Assets are securities of private companies that are not traded on an exchange, and are sold by the Expiring Fund to the 2014 Fund at fair value based on an independent quote of the fair value of the Illiquid Assets obtained from an independent broker.
- (b) The Filer will refer the Trade to the IRC for review. The IRC will oversee the Trade for both Funds after making the determinations for each Fund provided under paragraphs 5.2(2)(a), (b), (c) and (d) of NI 81-107. The IRC of the Funds will be composed in accordance with section 3.7 of NI 81-107 and will be subject to all of the provisions set out in section 3.9 of NI 81-107.
- (c) The Filer will receive no remuneration with respect to any purchase or sale of Illiquid Assets between the Funds.
- (d) With respect to the delivery of Illiquid Assets, the only expenses which will be incurred by the Expiring Fund will be nominal administrative charges levied by the custodian and/or record keeper of the Expiring Fund for recording the trades.
- (e) The Funds will keep written records of the transactions reflecting the details of the portfolio securities delivered by the Expiring Fund to the 2014 Fund and the value assigned to such securities for five years after the end of the financial year in which the trade occurred, and for the most recent two years, these records will be kept in a reasonably accessible place.

“Tom Graham, CPA, CA”  
Director, Corporate Finance  
Alberta Securities Commission

2.2 Orders

2.2.1 Canada Cannabis Corporation et al.

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

File No. 2019-34

Raymond Kindiak, Commissioner and Chair of the Panel

April 22, 2020

**ORDER**

**WHEREAS** on April 21, 2020, the Ontario Securities Commission held a hearing by teleconference, with respect to an attendance in this proceeding;

**ON HEARING** the submissions of the representatives for Staff of the Commission (**Staff**) and for each of the respondents;

**IT IS ORDERED THAT:**

1. a motion hearing is scheduled for June 10, 2020 commencing at 10:00 a.m. or on such other dates or times as may be agreed to by the parties and set by the Office of the Secretary;
2. the timetable for filing materials for the motion hearing is as follows:
  - (a) the moving parties shall file their motion record by 4:30 p.m. on April 29, 2020;
  - (b) the other respondents shall advise if they are participating in the motion by 4:30 p.m. on May 4, 2020;
  - (c) motion materials, if any, from any of the other respondents participating in the motion, shall be filed by 4:30 p.m. on May 7, 2020;
  - (d) Staff shall file its motion materials, if any, by 4:30 p.m. on May 12, 2020;
  - (e) the moving parties shall file their factum by 4:30 p.m. on May 20, 2020;
  - (f) the other respondents participating in the motion shall file their factum, if any, by 4:30 p.m. on May 25, 2020;
  - (g) Staff shall file its factum, if any, by 4:30 p.m. on June 2, 2020; and
  - (h) the moving parties shall file their reply factum, if any, by 4:30 p.m. on June 5, 2020.

“Raymond Kindiak”

**2.2.2 State Street Global Markets International Limited – s. 147**

**Headnote**

Application for an order that an entity registered with the Financial Conduct Authority in the United Kingdom to operate two Multilateral Trading Facilities is exempt from the requirement to be recognized as an exchange in Ontario – requested order granted.

**Applicable Legislative Provisions**

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 21, 147.

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

**AND**

**IN THE MATTER OF  
STATE STREET GLOBAL MARKETS INTERNATIONAL LIMITED**

**ORDER  
(Section 147 of the Act)**

**WHEREAS** State Street Global Markets International Limited ("**Applicant**") has filed an application dated August 12, 2019 ("**Application**") with the Ontario Securities Commission ("**Commission**") to request an order pursuant to section 147 of the Act exempting it from the requirement to be recognized as an exchange under subsection 21(1) of the Act in order to operate FX Connect Multilateral Trading Facility ("**FX Connect**") in Ontario;

**AND WHEREAS** the Applicant has filed an application dated September 26, 2019 with the Commission to request an order pursuant to section 147 of the Act exempting it from the requirement to be recognized as an exchange under subsection 21(1) of the Act in order to operate Currenex Multilateral Trading Facility ("Currenex" and, together with FX Connect, "State Street MTFs") in Ontario;

**AND WHEREAS** the Applicant has not requested as part of the Application that any other marketplace or trading platform operated by the Applicant, or the provision of access by any such marketplace or trading platform to prospective participants in Ontario, be exempted from any provision of Ontario securities law;

**AND WHEREAS** on May 10, 2019 the Commission issued an interim order under section 147 of the Act exempting the Applicant on an interim basis from the requirement in subsection 21(1) to be recognized as an exchange in order to operate FX Connect ("**FX Connect Interim Order**"), terminating on the earlier of (i) May 11, 2020 and (ii) the effective date of a subsequent order exempting the Applicant from the requirement to be recognized as an exchange;

**AND WHEREAS** on June 21, 2019 the Commission issued an interim order under section 147 of the Act exempting the Applicant on an interim basis from the requirement in subsection 21(1) to be recognized as an exchange to operate Currenex ("**Currenex Interim Order**" and, together with the FX Connect Interim Order, "**Interim Orders**"), terminating on the earlier of (i) June 30, 2020 and (ii) the effective date of a subsequent order exempting the Applicant from the requirement to be recognized as an exchange;

**AND WHEREAS** the Interim Orders will therefore terminate upon the issuance of this order;

**AND WHEREAS** the Applicant has represented to the Commission that:

- 1.1 The Applicant is authorized by the Financial Conduct Authority ("**FCA**") in the United Kingdom to act as the operator of each of the State Street MTFs, both multilateral trading facilities ("**MTF**");
- 1.2 The State Street MTFs are registered with the FCA as MTFs operated by the Applicant;
- 1.3 The State Street MTFs offer request for quote ("**RFQ**") trading in certain instruments related to foreign currencies (spot, deliverable and non-deliverable forwards and swaps) and related trade support services to their subscribers

("Members"). It is understood that, as of the date of the application, exchange relief is not required in respect of foreign currencies spot;

- 1.4 All State Street MTF Members, including Members in Ontario ("**Ontario Members**") must qualify as an "eligible counterparty" or "professional client" under the Markets in Financial Instruments Directive 2014/65/EU ("MiFID II") and the Markets in Financial Instruments Regulation (EU) No 600/2014 ("MiFIR"), both as amended;
- 1.5 As required by the FCA Handbook, the Applicant has implemented a trade surveillance program for the State Street MTFs. As part of the program, the Applicant conducts real-time monitoring of trading activity on the State Street MTFs;
- 1.6 As MTFs, the State Street MTFs are required under the FCA Handbook to have requirements governing the conduct of their Members, to monitor compliance with those requirements and to discipline their Members, including by means other than exclusion from the State Street MTF trading platforms;
- 1.7 Because the Applicant regulates the conduct of the Members, it is considered by the Commission to be an exchange;
- 1.8 Because the State Street MTFs have Members located in Ontario, the Applicant would be considered by the Commission to be carrying on business as an exchange in Ontario with respect to the State Street MTFs and would be required to be recognized as such or exempted from recognition pursuant to section 21 of the Act to operate the State Street MTFs;
- 1.9 The State Street MTFs do not list or trade derivative instruments that are required to be cleared;
- 1.10 The Applicant and the State Street MTFs have no physical presence in Ontario and do not otherwise carry on business in Ontario except as described above; and

**AND WHEREAS** the products traded on the State Street MTFs are not commodity futures contracts as defined in the *Commodity Futures Act* (Ontario) and the Applicant is not considered to be carrying on business as a commodity futures exchange in Ontario with respect to the State Street MTFs;

**AND WHEREAS** the Commission will monitor developments in international and domestic capital markets and the Applicant's activities on an ongoing basis to determine whether it is appropriate for the Exchange Relief to continue to be granted subject to the terms and conditions set out in Schedule "A" to this order;

**AND WHEREAS** the Applicant has acknowledged to the Commission that the scope of the Exchange Relief and the terms and conditions imposed by the Commission set out in Schedule "A" to this order may change as a result of the Commission's monitoring of developments in international and domestic capital markets or the activities of the Applicant or the State Street MTFs, or as a result of any changes to the laws in Ontario affecting trading in derivatives or securities;

**AND WHEREAS** based on the Application, together with the representations made by and acknowledgements of the Applicant to the Commission with respect to the State Street MTFs, the Commission has determined that the granting of the Exchange Relief would not be prejudicial to the public interest;

**IT IS HEREBY ORDERED** by the Commission that, pursuant to section 147 of the Act, the Applicant is exempt from recognition as an exchange under subsection 21(1) of the Act in order to operate the State Street MTFs,

**PROVIDED THAT** the Applicant, in respect of the State Street MTFs, complies with the terms and conditions contained in Schedule "A".

**DATED** April 24, 2020.

"Mary Anne De Monte-Whelan"

"Cecilia Williams"

**SCHEDULE "A"**

**TERMS AND CONDITIONS**

**Meeting Criteria for Exemption**

1. The Applicant will continue to meet and will cause the State Street MTFs to continue to meet the criteria for exemption included in Appendix 1 to this Schedule.

**Regulation and Oversight of the Applicant**

2. The Applicant will maintain its permission to operate the State Street MTFs as MTFs with the FCA in the United Kingdom and will continue to be subject to the regulatory oversight of the FCA.
3. The Applicant will continue to comply with the ongoing requirements applicable to it as the operator of an MTF registered with the FCA.
4. The Applicant will promptly notify the Commission if its authorization to operate FX Connect or Currenex has been revoked, suspended, or amended by the FCA, or the basis on which its authorization to operate FX Connect or Currenex has been granted has significantly changed.
5. The Applicant will only operate the State Street MTFs in Ontario.
6. The Applicant, as operator of the State Street MTFs, must do everything within its control to ensure that, in respect of FX Connect and Currenex, it carries out activities as an exchange exempted from recognition under subsection 21(1) of the Act in compliance with Ontario securities law.

**Access**

7. The Applicant will not provide direct access to an Ontario Member to FX Connect or Currenex unless the Ontario Member is appropriately registered as applicable under Ontario securities laws or is exempt from or not subject to those requirements and qualifies as an "eligible counterparty" under MiFID II and MiFIR, both as amended.
8. For each Ontario Member provided direct access to FX Connect and Currenex, the Applicant will require, as part of its application documentation or continued access to FX Connect and Currenex, the Ontario Member to represent that it is appropriately registered as applicable under Ontario securities laws or is exempt from or not subject to those requirements.
9. The Applicant may reasonably rely on a written representation from the Ontario Member that specifies either that it is appropriately registered as applicable under Ontario securities laws or is exempted from or not subject to those requirements provided the Applicant notifies such Ontario Member that this representation is deemed to be repeated each time it enters an order, request for quote or response to a request for quote or otherwise uses FX Connect or Currenex.
10. The Applicant will require Ontario Members to notify the Applicant if their registration as applicable under Ontario securities laws has been revoked, suspended, or amended by the Commission or if they are no longer exempt from or become subject to those requirements and, following notice from the Ontario Member and subject to applicable laws, the Applicant will promptly restrict the Ontario Member's access to FX Connect and Currenex if the Ontario Member is no longer appropriately registered or exempt from those requirements.
11. The Applicant must make available to Ontario Members appropriate training for each person who has access to trade on FX Connect and Currenex.

**Trading by Ontario Members**

12. The Applicant, as operator of the State Street MTFs, will not provide access to an Ontario Member to trade in products other than swaps and security-based swaps, as defined in section 1a(47) of the United States Commodity Exchange Act, as amended, without prior Commission approval.

**Submission to Jurisdiction and Agent for Service**

13. With respect to a proceeding brought by the Commission arising out of, related to, concerning or in any other manner connected with the Commission's regulation and oversight of the activities of the Applicant in Ontario, the Applicant will

submit to the non-exclusive jurisdiction of (i) the courts and administrative tribunals of Ontario and (ii) an administrative proceeding in Ontario.

14. The Applicant will file with the Commission a valid and binding appointment of an agent for service in Ontario upon whom the Commission may serve a notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal, penal or other proceeding arising out of or relating to or, concerning the Commission's regulation and oversight of the Applicant's activities in Ontario.

**Disclosure**

15. The Applicant will provide to the Ontario Members disclosure that:
- (a) rights and remedies against the Applicant may only be governed by the laws of the United Kingdom, rather than the laws of Ontario and may be required to be pursued in the United Kingdom rather than in Ontario;
  - (b) the rules applicable to trading on the State Street MTFs may be governed by the laws of the United Kingdom rather than the laws of Ontario; and
  - (c) the Applicant is regulated by the FCA, rather than the Commission.

**Prompt Reporting**

16. The Applicant will promptly notify staff of the Commission of any of the following:
- (a) any material change to its business or operations or the information provided in the Applications, including, but not limited to material changes to:
    - (i) the regulatory oversight by the FCA;
    - (ii) the corporate governance structure of the Applicant;
    - (iii) the access model, including eligibility criteria, for Ontario Members;
    - (iv) systems and technology; and
    - (v) the clearing and settlement arrangements for FX Connect and Currenex;
  - (b) any change in the regulations applicable to FX Connect and Currenex or the laws, rules and regulations in the United Kingdom relevant to the financial instruments available for trading on FX Connect and Currenex where such change may materially affect its ability to meet the criteria set out in Appendix 1 to this Schedule;
  - (c) any condition or change in circumstances whereby the Applicant is unable or anticipates it will not be able to continue to meet any of the rules or regulations of the FCA that are relevant to FX Connect and Currenex, as set forth in the FCA Handbook;
  - (d) any known investigations of, or disciplinary action against the Applicant by the FCA or any other regulatory authority to which it is subject;
  - (e) any matter known to the Applicant that may materially affect its financial or operational viability, including, but not limited to, any significant system failure or interruption;
  - (f) any default, insolvency, or bankruptcy of a Member known to the Applicant or its representatives that may have a material, adverse impact upon FX Connect, Currenex or any Ontario Member; and
  - (g) any material systems outage, malfunction or delay with respect to FX Connect and Currenex;
17. The Applicant will promptly provide staff of the Commission with the following information to the extent it is required to provide to or file such information with the FCA:
- (a) details of any material legal proceeding instituted against the Applicant;

- (b) notification that the Applicant has instituted a petition for a judgment of bankruptcy or insolvency or similar relief, or to wind up or liquidate the Applicant or has a proceeding for any such petition instituted against it; and
- (c) the appointment of a receiver or the making of any voluntary arrangement with creditors.

### Quarterly Reporting

18. The Applicant will maintain the following updated information in reference to FX Connect and Currenex and submit such information for each of FX Connect and Currenex in a manner and form acceptable to the Commission on a quarterly basis (within 30 days of the end of each calendar quarter), and at any time promptly upon the request of staff of the Commission:
- (a) a current list of all Ontario Members and whether the Ontario Member is registered under Ontario securities laws or is exempt or not subject to registration and, to the extent known to the Applicant, of other persons or companies located in Ontario trading on FX Connect and Currenex as customers of participants ("**Other Ontario Participants**");
  - (b) the legal entity identifier assigned to each Ontario Member and, to the extent known by the Applicant, to Other Ontario Participants, in accordance with the standards set by the Global Legal Entity Identifier System;
  - (c) a list of all Ontario Members against whom disciplinary action has been taken in the last quarter by the Applicant or, to the best of the Applicant's knowledge, by the FCA with respect to such Ontario Members' activities on FX Connect and Currenex and the aggregate number of all Members referred to the FCA in the last quarter by the Applicant;
  - (d) a list of all active investigations by the Applicant relating to Ontario Members and the aggregate number of active investigations during the quarter relating to all Members;
  - (e) a list of all Ontario applicants for status as a Member who were denied such status or access to FX Connect or Currenex during the quarter, together with the reasons for each such denial;
  - (f) a list of all products available for trading during the quarter, identifying any additions, deletions, or changes since the prior quarter;
  - (g) for each product, in the required format, and for each of FX Connect and Currenex:
    - (i) the total trading volume and value originating from Ontario Members and, to the extent known by the Applicant, from Other Ontario Participants presented on a per Ontario Member or a per Other Ontario Participant basis,
    - (ii) the proportion of worldwide trading volume and value conducted by Ontario Members and, to the extent known by the Applicant, by Other Ontario Participants presented in the aggregate for such Ontario Members and Other Ontario Participants, and
    - (iii) the proportion of worldwide trading volume and value conducted by Ontario Members and, to the extent known by the Applicant, by Other Ontario Participants, presented in the aggregate for such Ontario Members and Other Ontario Participants; and
  - (h) a list outlining each material incident of a security breach, systems failure, malfunction or delay (including cyber security breaches, systems failures, malfunctions or delays reported under section 15(g) of this Schedule) that occurred at any time during the quarter for any system relating to trading activity, including trading, routing or data of FX Connect or Currenex, specifically identifying the date, duration and reason for the failure, malfunction or delay, and noting any corrective action taken.

### Annual Reporting

19. The Applicant will file with the Commission any annual financial report or financial statements (audited or unaudited) of the Applicant provided to or filed with the FCA promptly after filing with the FCA.

**Information Sharing**

20. The Applicant, in reference to the State Street MTFs, will provide such information as may be requested from time to time by, and otherwise cooperate with, the Commission or its staff, subject to any applicable privacy or other laws (including solicitor-client privilege) governing the sharing of information and the protection of personal information.

## Appendix 1

### CRITERIA FOR EXEMPTION OF A FOREIGN EXCHANGE TRADING OTC DERIVATIVES FROM RECOGNITION AS AN EXCHANGE

#### **PART 1 REGULATION OF THE EXCHANGE**

##### **1.1 Regulation of the Exchange**

The exchange is regulated in an appropriate manner in another jurisdiction by a foreign regulator (Foreign Regulator).

##### **1.2 Authority of the Foreign Regulator**

The Foreign Regulator has the appropriate authority and procedures for oversight of the exchange. This includes regular, periodic oversight reviews of the exchange by the Foreign Regulator.

#### **PART 2 GOVERNANCE**

##### **2.1 Governance**

The governance structure and governance arrangements of the exchange ensure:

- (a) effective oversight of the exchange,
- (b) that business and regulatory decisions are in keeping with its public interest mandate,
- (c) fair, meaningful and diverse representation on the board of directors (Board) and any committees of the Board, including:
  - (i) appropriate representation of independent directors, and
  - (ii) a proper balance among the interests of the different persons or companies using the services and facilities of the exchange,
- (d) the exchange has policies and procedures to appropriately identify and manage conflicts of interest for all officers, directors and employees, and
- (e) there are appropriate qualifications, remuneration, limitation of liability and indemnity provisions for directors, officers and employees of the exchange.

##### **2.2 Fitness**

The exchange has policies and procedures under which it will take reasonable steps, and has taken such reasonable steps, to ensure that each director and officer is a fit and proper person and past conduct of each officer or director affords reasonable grounds for belief that the officer or director will perform his or her duties with integrity.

#### **PART 3 REGULATION OF PRODUCTS**

##### **3.1 Review and Approval of Products**

The products traded on the exchange and any changes thereto are submitted to the Foreign Regulator, and are either approved by the Foreign Regulator or are subject to requirements established by the Foreign Regulator that must be met before implementation of a product or changes to a product.

##### **3.2 Product Specifications**

The terms and conditions of trading the products are in conformity with the usual commercial customs and practices for the trading of such products.

##### **3.3 Risks Associated with Trading Products**

The exchange maintains adequate provisions to measure, manage and mitigate the risks associated with trading products on the exchange that may include, but are not limited to, daily trading limits, price limits, position limits, and internal controls.

**PART 4 ACCESS**

**4.1 Fair Access**

- (a) The exchange has established appropriate written standards for access to its services including requirements to ensure
  - (i) participants are appropriately registered as applicable under Ontario securities laws, or exempted from these requirements,
  - (ii) the competence, integrity and authority of systems users, and
  - (iii) systems users are adequately supervised.
- (b) The access standards and the process for obtaining, limiting and denying access are fair, transparent and applied reasonably.
- (c) The exchange does not unreasonably prohibit, condition or limit access by a person or company to services offered by it.
- (d) The exchange does not
  - (i) permit unreasonable discrimination among participants, or
  - (ii) impose any burden on competition that is not reasonably necessary and appropriate.
- (e) The exchange keeps records of each grant and each denial or limitation of access, including reasons for granting, denying or limiting access.

**PART 5 REGULATION OF PARTICIPANTS ON THE EXCHANGE**

**5.1 Regulation**

The exchange has the authority, resources, capabilities, systems and processes to allow it to perform its regulation functions, whether directly or indirectly through a regulation services provider, including setting requirements governing the conduct of its participants, monitoring their conduct, and appropriately disciplining them for violations of exchange requirements.

**PART 6 RULEMAKING**

**6.1 Purpose of Rules**

- (a) The exchange has rules, policies and other similar instruments (Rules) that are designed to appropriately govern the operations and activities of participants and do not permit unreasonable discrimination among participants or impose any burden on competition that is not reasonably necessary or appropriate.
- (b) The Rules are not contrary to the public interest and are designed to:
  - (i) ensure compliance with applicable legislation,
  - (ii) prevent fraudulent and manipulative acts and practices,
  - (iii) promote just and equitable principles of trade,
  - (iv) foster co-operation and co-ordination with persons or companies engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in the products traded on the exchange,
  - (v) provide a framework for disciplinary and enforcement actions, and
  - (vi) ensure a fair and orderly market.

**PART 7 DUE PROCESS**

**7.1 Due Process**

For any decision made by the exchange that affects a participant, or an applicant to be a participant, including a decision in relation to access, exemptions, or discipline, the exchange ensures that:

- (a) parties are given an opportunity to be heard or make representations, and
- (b) it keeps a record of, gives reasons for, and provides for appeals or reviews of its decisions.

**PART 8 CLEARING AND SETTLEMENT**

**8.1 Clearing Arrangements**

The exchange has or requires its participants to have appropriate arrangements for the clearing and settlement of transactions for which clearing is mandatory through a clearing house.

**8.2 Risk Management of Clearing House**

The exchange has assured itself that the clearing house has established appropriate risk management policies and procedures, contingency plans, default procedures and internal controls.

**PART 9 SYSTEMS AND TECHNOLOGY**

**9.1 Systems and Technology**

Each of the exchange's critical systems has appropriate internal controls to ensure completeness, accuracy, integrity and security of information, and, in addition, has sufficient capacity and business continuity plans to enable the exchange to properly carry on its business. Critical systems are those that support the following functions:

- (a) order entry;
- (b) order routing;
- (c) execution;
- (d) trade reporting;
- (e) trade comparison;
- (f) data feeds;
- (g) market surveillance;
- (h) trade clearing; and
- (i) financial reporting

**9.2 System Capability/Scalability**

- (a) Without limiting the generality of section 9.1, for each of its systems supporting order entry, order routing, execution, data feeds, trade reporting and trade comparison, the exchange:
- (b) makes reasonable current and future capacity estimates;
- (c) conducts capacity stress tests to determine the ability of those systems to process transactions in an accurate, timely and efficient manner;
- (d) reviews the vulnerability of those systems and data centre computer operations to internal and external threats, including physical hazards and natural disasters;

- (e) ensures that safeguards that protect a system against unauthorised access, internal failures, human errors, attacks and natural catastrophes that might cause improper disclosures, modification, destruction or denial of service are subject to an independent and ongoing audit which should include the physical environment, system capacity, operating system testing, documentation, internal controls and contingency plans;
- (f) ensures that the configuration of the system has been reviewed to identify potential points of failure, lack of back-up and redundant capabilities;
- (g) maintains reasonable procedures to review and keep current the development and testing methodology of those systems; and
- (h) maintains reasonable back-up, contingency and business continuity plans, disaster recovery plans and internal controls.

### **9.3 Information Technology Risk Management Procedures**

The exchange has appropriate risk management procedures in place including those that handle trading errors, trading halts and respond to market disruptions and disorderly trading.

## **PART 10 FINANCIAL VIABILITY**

### **10.1 Financial Viability**

The exchange has sufficient financial resources for the proper performance of its functions and to meet its responsibilities.

## **PART 11 TRADING PRACTICES**

### **11.1 Trading Practices**

Trading practices are fair, properly supervised and not contrary to the public interest.

### **11.2 Orders**

Rules pertaining to order size and limits are fair and equitable to all market participants and the system for accepting and distinguishing between and executing different types of orders is fair, equitable and transparent.

### **11.3 Transparency**

The exchange has adequate arrangements to record and publish accurate and timely information as required by applicable law or the Foreign Regulator. This information is also provided to all participants on an equitable basis.

## **PART 12 COMPLIANCE, SURVEILLANCE AND ENFORCEMENT**

### **12.1 Jurisdiction**

The exchange or the Foreign Regulator has the jurisdiction to perform member and market regulation, including the ability to set rules, conduct compliance reviews and perform surveillance and enforcement.

### **12.2 Member and Market Regulation**

The exchange or the Foreign Regulator maintains appropriate systems, resources and procedures for evaluating compliance with exchange and legislative requirements and for disciplining participants.

### **12.3 Record Keeping**

The exchange maintains adequate provisions for keeping books and records, including operations of the exchange, audit trail information on all trades and compliance and/or violations of exchange requirements and applicable legislation.

### **12.4 Availability of Information to Regulators**

The exchange has mechanisms in place to ensure that the information necessary to conduct adequate surveillance of the system for supervisory or enforcement purposes is available to the relevant regulatory authorities, including the Commission, on a timely basis.

**PART 13 RECORD KEEPING**

**13.1 Record Keeping**

The exchange has and maintains adequate systems in place for the keeping of books and records, including, but not limited to, those concerning the operations of the exchange, audit trail information on all trades, and compliance with, and/or violations of exchange requirements.

**PART 14 OUTSOURCING**

**14.1 Outsourcing**

Where the exchange has outsourced any of its key services or systems to a service provider, it has appropriate and formal arrangements and processes in place that permit it to meet its obligations and that are in accordance with industry best practices.

**PART 15 FEES**

**15.1 Fees**

- (a) All fees imposed by the exchange are reasonable and equitably allocated and do not have the effect of creating an unreasonable condition or limit on access by participants to the services offered by the exchange.
- (b) The process for setting fees is fair and appropriate, and the fee model is transparent.

**PART 16 INFORMATION SHARING AND OVERSIGHT ARRANGEMENTS**

**16.1 Information Sharing and Regulatory Cooperation**

The exchange has mechanisms in place to enable it to share information and otherwise co-operate with the Commission, self-regulatory organisations, other exchanges, clearing agencies, investor protection funds, and other appropriate regulatory bodies.

**16.2 Oversight Arrangements**

Satisfactory information sharing and oversight agreements exist between the Commission and the Foreign Regulator.

**PART 17 IOSCO PRINCIPLES**

**17.1 IOSCO Principles**

To the extent it is consistent with the laws of the foreign jurisdiction, the exchange adheres to the standards of the International Organisation of Securities Commissions (IOSCO) including those set out in the "Principles for the Regulation and Supervision of Commodity Derivatives Markets" (2011).

### 2.2.3 Golden Queen Mining Consolidated Ltd.

#### Headnote

Multilateral Instrument 11-102 *Passport System* and National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications – Securities Act s. 88 Cease to be a reporting issuer in BC* – The securities of the issuer are beneficially owned by not more than 50 persons and are not traded through any exchange or market – The issuer is not an OTC reporting issuer; the securities of the issuer are beneficially owned by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders worldwide; no securities of the issuer are traded on a market in Canada or another country; the issuer is not in default of securities legislation.

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.B.C. 1996, c. 418, s. 88.  
Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10)(a)(ii).

Citation: 2020 BCSECCOM 122

April 22, 2020

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

**AND**

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

**AND**

**IN THE MATTER OF  
GOLDEN QUEEN MINING CONSOLIDATED LTD.  
(the Filer)**

**ORDER**

#### Background

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

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

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

#### Interpretation

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

### Representations

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

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

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

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

## Chapter 3

# Reasons: Decisions, Orders and Rulings

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### 3.2 Director's Decisions

#### 3.2.1 Michael Forsey

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

AND

IN THE MATTER OF  
AN OPPORTUNITY TO BE HEARD  
REQUESTED BY MICHAEL FORSEY

#### DECISION OF THE DIRECTOR

Having reviewed and considered the settlement agreement signed by Michael Forsey on April 15, 2020, and by staff of the Ontario Securities Commission on April 16, 2020 (the "Settlement Agreement"), a copy of which is attached as Schedule "A" to this Decision, and on the basis of the Settlement Agreement, I, Pat Chaukos, in my capacity as Director under the *Securities Act*, R.S.O. 1990, c. S.5 (the "Act"), hereby make the following decision:

1. The registration of Michael Forsey under the Act as a dealing representative in the category of mutual fund dealer is revoked effectively immediately.

April 22, 2020

"Pat Chaukos"

**Schedule "A"**

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

- and -

**IN THE MATTER OF  
AN OPPORTUNITY TO BE HEARD  
REQUESTED BY MICHAEL FORSEY**

**SETTLEMENT AGREEMENT**

**I. INTRODUCTION**

1. This settlement agreement (the "Settlement Agreement") relates to the opportunity to be heard (the "OTBH") under s. 31 of the *Securities Act*, R.S.O. 1990, c. S.5 (the "Act") that has been requested by Michael Forsey ("Forsey"), a registered mutual fund dealing representative, regarding the recommendation by staff of the Ontario Securities Commission ("Staff") that his registration be revoked pursuant to s. 28 of the Act.
2. As more particularly described in this Settlement Agreement, during a time that he was not registered under the Act, Forsey held himself out as engaging in the business of trading and advising in securities, and did engage in the business of trading and advising in securities, contrary to s. 25 of the Act.
3. Through this Settlement Agreement, Forsey consents to Staff's recommendation to the Director that his registration be revoked.

**II. AGREED STATEMENT OF FACTS**

4. The parties agree to the facts as stated below.

**A. The Registrant**

5. Forsey has been registered under the Act as follows:
  - (a) mutual fund salesperson (before September 28, 2009) and dealing representative (after September 28, 2009) with Quadrus Investment Services Canada Ltd. ("Quadrus") from April 23, 2001 to October 31, 2017; and
  - (b) mutual fund dealing representative with Sterling Mutuals Inc. ("Sterling") from April 3, 2018 to April 1, 2020.
6. Forsey has carried on his financial services business (mutual funds and insurance products) in and around the London and Strathroy areas. From 2010 to 2019, Forsey provided financial services to clients as an associate of Masterpiece Financial Inc., a Strathroy-based financial planning company.
7. Staff is only aware of one disciplinary incident involving Forsey prior to this matter. On October 27, 2017, Quadrus sent Forsey a letter stating that it had found 11 blank pre-signed forms in 7 of his client files, and internal disciplinary measures were taken as a result. On March 29, 2018, the Mutual Fund Dealers Association of Canada issued a warning letter to Forsey regarding that conduct.

**B. Termination by Quadrus and Sale of Book of Business to PG**

8. Forsey was terminated by Quadrus effective October 31, 2017. Pursuant to s. 29(3) of the Act, a registered individual's registration is suspended when their employment with their sponsor firm is terminated. Accordingly, this termination had the effect of immediately suspending Forsey's registration.
9. Upon his termination, Forsey was given the opportunity by Quadrus to sell his book of business to another registered individual, and Forsey elected to sell his book of business to PG. Under this agreement, PG was to pay over to Forsey all of the trailer fees earned from clients he assumed from Forsey for a period of three years.

10. In November 2017, Forsey entered into discussions with Sterling about reactivating his registration with that firm. Forsey applied for registration through Sterling on November 14, 2017, and was approved as a registrant on April 3, 2018.

**C. Forsey Engages in Unregistered Trading and Advising**

11. Forsey's violations of s. 25 of the Act occurred during the period November 1, 2017 (the day following his termination from Quadrus) to April 2, 2018 (the day prior to his reactivation of registration with Sterling).
12. Forsey's unregistered trading and advising took at least three forms:
- (a) *Representing to clients that he would manage their portfolios* – In November and December 2017, Forsey sent out a standard form email to some of his former clients to inform them about his departure from Quadrus, and to set out their options going forward, which included continuing to invest their funds with Quadrus or “continu[ing] to work with me when my transition is complete”. In these emails, Forsey also wrote: “If you elect to stay with me I will be managing your portfolio through [PG] during the transition.” By making this representation to clients, Forsey held himself out as engaging in the business of trading and advising in securities without registration, contrary to s. 25 of the Act.
  - (b) *Providing clients with investment advice* – Forsey regularly emailed portfolio reports to his former clients with advice to either make a change to some aspect of their portfolio, or to remain invested in the existing portfolio. By providing this type of advice, Forsey engaged in the business of advising in securities without registration, contrary to s. 25 of the Act.
  - (c) *Providing clients with documents for the buying or selling of securities* – Forsey regularly received instructions from his former clients to buy or sell mutual funds, and would in turn instruct his administrative assistant, NK, to prepare the documents necessary to effect these transactions, which Forsey or NK would then provide to the former clients. In some instances, Forsey provided NK with the know-your-client information used to prepare the forms, and he also provided instructions to NK regarding the specific mutual funds to be bought or sold. All such documents indicated that PG was the dealing representative of record, and included PG's representative code. Once signed by the former clients, the documents would be given to PG to sign. By carrying out this activity, Forsey engaged in the business of trading in securities without registration, contrary to s. 25.
13. Staff is aware of at least 30 clients towards whom Forsey directed the activities in paragraph 12 above.
14. It is Forsey's position that he undertook these activities in an attempt to provide continuous client service and to maintain a relationship with clients during his transition from Quadrus to Sterling. However, Forsey acknowledges that, as he was not registered at the time, he was not permitted by Ontario securities law to carry out these activities, and that they instead should have been performed by a duly registered individual.

**D. Staff Takes Regulatory Action Against Forsey**

15. On January 16, 2020, following an investigation into the matters described herein, Staff sent a letter to Forsey informing him that it had recommended to the Director that his registration be revoked pursuant to s. 28 of the Act, based on his unregistered trading and advising. Upon receipt of Staff's letter, Forsey sent a request to the Director for an OTBH pursuant to s. 31 of the Act
16. After the scheduling of the OTBH, Forsey sold his book of business to another Sterling dealing representative. Staff has made inquiries of Sterling and is reasonably satisfied that the firm has in place appropriate measures to guard against the prospect of further unregistered trading and advising by Forsey regarding this book of business.

**III. ADMISSIONS BY FORSEY AND CONSENT TO REVOCATION**

17. Forsey admits that by engaging in the conduct described in paragraphs 11 to 13 above, he held himself out as engaging in the business of trading or advising in securities without registration, and engaged in the business of trading and advising in securities without registration, contrary to s. 25 of the Act.
18. Forsey consents to Staff's recommendation to the Director that his registration be revoked pursuant to s. 28 of the Act.

**IV. ACKNOWLEDGMENTS**

19. Staff acknowledges the following:

**Reasons: Decisions, Orders and Rulings**

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- (a) Forsey cooperated with Staff's investigation into his conduct. Specifically, Forsey voluntarily provided Staff with documents and testimony.
  - (b) Staff is not aware of any monetary loss to clients caused by Forsey's actions as described in this Settlement Agreement.
  - (c) By selling his book of business to another Sterling dealing representative, Forsey has sought to minimize any disruption to clients that could have otherwise resulted from a revocation of his registration.
  - (d) By agreeing to settle this matter, Forsey has accepted responsibility for his breach of Ontario securities law, and has saved Staff and the Director the resources required to conduct an OTBH.
20. The parties acknowledge that if the Director does not accept this Settlement Agreement and the recommendation contained herein:
- (a) This Settlement Agreement and all related negotiations between the parties shall be without prejudice.
  - (b) Forsey will be entitled to the OTBH that he has requested.

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Michael Forsey

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Elizabeth King  
Deputy Director  
Compliance and Registrant Regulation

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Date

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Date

## 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
THERE IS NOTHING TO REPORT THIS WEEK.		

### 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
North Bud Farms Inc.	31 March 2020	

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## Chapter 7

# Insider Reporting

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

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

To obtain Insider Reporting information, please visit the SEDI website ([www.sedi.ca](http://www.sedi.ca)).



## Chapter 11

# IPOs, New Issues and Secondary Financings

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### INVESTMENT FUNDS

**Issuer Name:**

iShares ESG Aware MSCI Canada Index ETF (formerly iShares ESG MSCI Canada Index ETF)  
iShares ESG Aware MSCI USA Index ETF (formerly iShares ESG MSCI USA Index ETF)  
iShares ESG Aware MSCI EAFE Index ETF (formerly iShares ESG MSCI EAFE Index ETF)  
iShares ESG Aware MSCI Emerging Markets Index ETF (formerly iShares ESG MSCI Emerging Markets Index ETF)  
iShares ESG Canadian Aggregate Bond Index ETF  
iShares ESG Canadian Short Term Bond Index ETF  
Principal Regulator - Ontario

**Type and Date:**

Amendment #2 to Final Long Form Prospectus dated April 21, 2020

Received on April 21, 2020

**Offering Price and Description:**

-

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

N/A

**Promoter(s):**

N/A

**Project #2865331**

**Issuer Name:**

Wealthsimple Developed Markets ex North America Socially Responsible Index ETF  
Wealthsimple North America Socially Responsible Index ETF

Principal Regulator – Ontario

**Type and Date:**

Preliminary Long Form Prospectus dated Apr 21, 2020

NP 11-202 Final Receipt dated Apr 22, 2020

**Offering Price and Description:**

Units

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

N/A

**Promoter(s):**

N/A

**Project #3009720**

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**Issuer Name:**

iShares ESG Aware MSCI Canada Index ETF (formerly iShares ESG MSCI Canada Index ETF)  
iShares ESG Aware MSCI USA Index ETF (formerly iShares ESG MSCI USA Index ETF)  
iShares ESG Aware MSCI EAFE Index ETF (formerly iShares ESG MSCI EAFE Index ETF)  
iShares ESG Aware MSCI Emerging Markets Index ETF (formerly iShares ESG MSCI Emerging Markets Index ETF)  
iShares ESG Canadian Aggregate Bond Index ETF  
iShares ESG Canadian Short Term Bond Index ETF  
Principal Regulator - Ontario

**Type and Date:**

Amendment #2 to Final Long Form Prospectus dated April 21, 2020

NP 11-202 Receipt dated April 23, 2020

**Offering Price and Description:**

-

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

N/A

**Promoter(s):**

N/A

**Project #2865331**

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**Issuer Name:**

Guardian Balanced Fund  
Guardian Canadian Bond Fund  
Guardian Canadian Equity Fund  
Guardian Canadian Equity Select Fund  
Guardian Canadian Focused Equity Fund  
Guardian Canadian Growth Equity Fund  
Guardian Canadian Short-Term Investment Fund  
Guardian Emerging Markets Equity Fund  
Guardian Equity Income Fund  
Guardian Fixed Income Select Fund  
Guardian Fundamental Global Equity Fund  
Guardian Global Dividend Growth Fund  
Guardian Global Equity Fund  
Guardian High Yield Bond Fund  
Guardian International Equity Fund  
Guardian International Equity Select Fund  
Guardian Investment Grade Corporate Bond Fund  
Guardian Managed Growth Portfolio  
Guardian Managed Income & Growth Portfolio  
Guardian Managed Income Portfolio  
Guardian Risk Managed Conservative Portfolio  
Guardian Short Duration Bond Fund  
Guardian SteadyFlow Equity Fund  
Guardian SteadyPace Equity Fund  
Guardian U.S. Equity All Cap Growth Fund  
Guardian U.S. Equity Fund  
Guardian U.S. Equity Select Fund  
Principal Regulator – Ontario

**Type and Date:**

Combined Preliminary and Pro Forma Simplified Prospectus dated Apr 21, 2020  
NP 11-202 Final Receipt dated Apr 22, 2020

**Offering Price and Description:**

Series WF units, Series I units, Series W units, Series F units and Series C units

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

N/A

**Promoter(s):**

N/A

**Project #**3030353

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**Issuer Name:**

AGF American Growth Class  
AGF American Growth Fund  
AGF Asian Growth Class  
AGF Canadian Growth Equity Class  
AGF Canadian Large Cap Dividend Class  
AGF Canadian Large Cap Dividend Fund  
AGF Canadian Money Market Fund  
AGF Canadian Small Cap Fund  
AGF China Focus Class  
AGF Diversified Income Class  
AGF Diversified Income Fund (formerly, Acuity Diversified Income Fund)  
AGF Elements Balanced Portfolio  
AGF Elements Balanced Portfolio Class  
AGF Elements Conservative Portfolio  
AGF Elements Conservative Portfolio Class  
AGF Elements Global Portfolio  
AGF Elements Global Portfolio Class  
AGF Elements Growth Portfolio  
AGF Elements Growth Portfolio Class  
AGF Elements Yield Portfolio  
AGF Elements Yield Portfolio Class  
AGF Emerging Markets Balanced Fund  
AGF Emerging Markets Bond Fund  
AGF Emerging Markets Class  
AGF Emerging Markets Fund  
AGF Equity Income Focus Fund  
AGF European Equity Class  
AGF European Equity Fund  
AGF Fixed Income Plus Class  
AGF Fixed Income Plus Fund (formerly, Acuity Fixed Income Fund)  
AGF Floating Rate Income Fund  
AGF Global Bond Fund (formerly, AGF Global Aggregate Bond Fund)  
AGF Global Convertible Bond Fund  
AGF Global Dividend Class  
AGF Global Dividend Fund  
AGF Global Equity Class  
AGF Global Equity Fund  
AGF Global Real Assets Class (formerly, AGF Global Resources Class)  
AGF Global Real Assets Fund (formerly, AGF Precious Metals Fund)  
AGF Global Select Fund (formerly, AGF Aggressive Global Stock Fund)  
AGF Global Strategic Balanced Fund (formerly, AGF Global Balanced Fund)  
AGF Global Sustainable Growth Equity Fund (formerly, AGF Clean Environment Equity Fund)  
AGF High Yield Bond Fund (formerly, AGF Canadian High Yield Bond Fund)  
AGF Income Focus Fund  
AGF Short-Term Income Class  
AGF Strategic Income Fund (formerly, AGF Canadian Asset Allocation Fund)  
AGF Tactical Fund  
AGF Tactical Income Fund (formerly, Acuity Growth & Income Fund)  
AGF Total Return Bond Class  
AGF Total Return Bond Fund (formerly, AGF Global High Yield Bond Fund)

AGF U.S. Small-Mid Cap Fund (formerly, AGF Aggressive U.S. Growth Fund)  
AGFIQ Dividend Income Fund (formerly, AGF Dividend Income Fund)  
AGFIQ U.S. Sector Class (formerly, AGF U.S. Sector Class)

Principal Regulator – Ontario

**Type and Date:**

Combined Preliminary and Pro Forma Simplified Prospectus dated Apr 22, 2020

NP 11-202 Final Receipt dated Apr 22, 2020

**Offering Price and Description:**

Series T Securities, Series F Securities, Series S Securities, Series W Securities, Series FV Securities, Series V Securities, Series Q Securities, MF Series Securities, Series I Securities, Classic Series Securities and Series O Securities

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

N/A

**Promoter(s):**

N/A

**Project #3028319**

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**Issuer Name:**

CI DoubleLine Core Plus Fixed Income US\$ Fund

CI DoubleLine Income US\$ Fund

CI DoubleLine Total Return Bond US\$ Fund

Principal Regulator – Ontario

**Type and Date:**

Preliminary Simplified Prospectus dated Apr 21, 2020

NP 11-202 Final Receipt dated Apr 22, 2020

**Offering Price and Description:**

ETF C\$ Hedged Series, ETF US\$ Series, Series A units, Series PH units, Series I units, Series FH units, ETF C\$ Unhedged Series, Series F units, Series AH units, Series IH units and Series P units

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

N/A

**Promoter(s):**

N/A

**Project #3027840**

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**Issuer Name:**

Brompton Global Real Assets Dividend ETF

Brompton North American Low Volatility Dividend ETF

Principal Regulator – Ontario

**Type and Date:**

Preliminary Long Form Prospectus dated Apr 20, 2020

NP 11-202 Final Receipt dated Apr 22, 2020

**Offering Price and Description:**

USD Units and CAD Units

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

N/A

**Promoter(s):**

N/A

**Project #3028816**

**Issuer Name:**

Vision Alternative Income Fund

Vision Market Neutral Alternative Fund

Principal Regulator – Ontario

**Type and Date:**

Combined Preliminary and Pro Forma Simplified Prospectus dated Apr 24, 2020

NP 11-202 Final Receipt dated Apr 27, 2020

**Offering Price and Description:**

Class F Units, Class F-US Units, Class I Units, Class A Units, Class D Units, Class D-US Units and Class A-US Units

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

N/A

**Promoter(s):**

N/A

**Project #3029417**

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**Issuer Name:**

CI Global Infrastructure Private Pool

CI Global Real Asset Private Pool

CI Global REIT Private Pool

Principal Regulator – Ontario

**Type and Date:**

Preliminary Simplified Prospectus dated Apr 21, 2020

NP 11-202 Preliminary Receipt dated Apr 21, 2020

**Offering Price and Description:**

Series A, Series F, Series I and ETF C\$ Series

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

N/A

**Promoter(s):**

N/A

**Project #3045829**

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**Issuer Name:**

Waratah Alternative ESG Fund

Principal Regulator – Ontario

**Type and Date:**

Preliminary Simplified Prospectus dated Apr 27, 2020

NP 11-202 Preliminary Receipt dated Apr 27, 2020

**Offering Price and Description:**

Class F Units, Class I Units and Class F\$US Units

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

N/A

**Promoter(s):**

N/A

**Project #3047874**

**Issuer Name:**

BetaPro Crude Oil 2x Daily Bull ETF (ETF Shares)  
BetaPro Crude Oil -2x Daily Bear ETF (ETF Shares)  
Principal Regulator – Ontario

**Type and Date:**

Amendment #1 to Final Long Form Prospectus dated April 22, 2020

NP 11-202 Final Receipt dated Apr 27, 2020

**Offering Price and Description:**

Class A units and ETF Shares

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

N/A

**Promoter(s):**

N/A

**Project #2975186**

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**Issuer Name:**

Phillips, Hager & North High Yield Bond Fund  
Principal Regulator - Ontario

**Type and Date:**

Amendment #3 to Final Simplified Prospectus dated April 20, 2020

NP 11-202 Final Receipt dated Apr 22, 2020

**Offering Price and Description:**

Advisor Series, Series A units, Series D units, Series F units and Series O units

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

N/A

**Promoter(s):**

N/A

**Project #2917644**

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**Issuer Name:**

Friedberg Asset Allocation Fund  
Principal Regulator - Ontario

**Type and Date:**

Amendment #1 to Final Simplified Prospectus dated April 3, 2020

NP 11-202 Final Receipt dated Apr 27, 2020

**Offering Price and Description:**

U.S. Denominated Series units

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

N/A

**Promoter(s):**

N/A

**Project #2929208**

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**Issuer Name:**

Fiera Canadian Bond Fund  
Loomis Sayles Global Diversified Corporate Bond Fund  
Loomis Sayles Strategic Monthly Income Fund  
Fiera Strategic Balanced Registered Fund  
Fiera Intrinsic Balanced Registered Fund  
Fiera Canadian Dividend Registered Fund  
Fiera U.S. Dividend Registered Fund  
Fiera Core Global Equity Registered Fund  
Fiera Canadian Preferred Share Registered Fund  
Oakmark U.S. Equity Registered  
Oakmark International Equity Registered Fund  
Fiera Canadian Bond Class  
Loomis Sayles Global Diversified Corporate Bond Class  
Fiera Strategic Balanced Class  
Fiera Intrinsic Balanced Class  
Fiera Canadian Dividend Class  
Fiera U.S. Dividend Class  
Fiera Core Global Equity Class  
Fiera Canadian Preferred Share Class  
Oakmark U.S. Equity Class  
Oakmark International Equity Class  
Principal Regulator - Ontario

**Type and Date:**

Amendment #2 to Final Simplified Prospectus dated April 17, 2020

NP 11-202 Final Receipt dated Apr 23, 2020

**Offering Price and Description:**

Series A units, Series F units, Series I units, Compound Growth (Series A, Series F and Series I), Dividend (Series A, Series F and Series I), Return of Capital (Series A, Series F and Series I)

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

N/A

**Promoter(s):**

N/A

**Project # 2913136**

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**Issuer Name:**

Dynamic Energy Income Fund  
Principal Regulator - Ontario

**Type and Date:**

Amendment #2 to Final Simplified Prospectus dated April 17, 2020

NP 11-202 Final Receipt dated Apr 21, 2020

**Offering Price and Description:**

Series A units, Series F units, Series FT units, Series G, Series I units, Series IP units, Series O units, Series OP units and Series T units

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

N/A

**Promoter(s):**

N/A

**Project #2974048**

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**Issuer Name:**

International Core Equity Fund (Putnam) (now International Core Equity Fund (JPMorgan))

Dividend Fund (GWLIM)

Focused Canadian Equity Class (CGOV)\* (now Focused Canadian Equity Class (Beutel Goodman))

International Core Equity Class (Putnam)\* (now International Core Equity Class (JPMorgan))

Principal Regulator - Ontario

**Type and Date:**

Amendment #3 to Final Simplified Prospectus and Amendment #4 to Annual Information Form dated April 17, 2020

NP 11-202 Final Receipt dated Apr 24, 2020

**Offering Price and Description:**

D5 series securities, D8 series securities, H series securities, H5 series securities, H8 series securities, HW series

securities, HW5 series securities, HW8 series securities, L series securities, L5 series securities, L8 series securities, N

series securities, N5 series securities, N8 series securities, QF series securities, QF5 series

securities, QFW series securities, QFW5 series securities, Quadrus series securities

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

N/A

**Promoter(s):**

N/A

**Project #2915449**

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NON-INVESTMENT FUNDS

**Issuer Name:**

Brookfield Renewable Corporation  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Long Form Prospectus dated April 24, 2020  
NP 11-202 Preliminary Receipt dated April 27, 2020

**Offering Price and Description:**

44,700,000 Class A Exchangeable Subordinate Voting  
Shares of Brookfield Renewable  
Corporation

Up to 77,800,000 Limited Partnership Units of Brookfield  
Renewable Partners L.P.

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

-

**Promoter(s):**

BROOKFIELD RENEWABLE PARTNERS L.P.  
Project #3047705

**Issuer Name:**

Brookfield Renewable Partners L.P.  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Long Form Prospectus dated April 24, 2020  
NP 11-202 Preliminary Receipt dated April 27, 2020

**Offering Price and Description:**

44,700,000 Class A Exchangeable Subordinate Voting  
Shares of Brookfield Renewable  
Corporation

Up to 77,800,000 Limited Partnership Units of Brookfield  
Renewable Partners L.P.

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

-

**Promoter(s):**

BROOKFIELD RENEWABLE PARTNERS L.P.  
Project #3047706

**Issuer Name:**

Golden Predator Mining Corp.  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Short Form Prospectus dated April 20, 2020  
NP 11-202 Preliminary Receipt dated April 21, 2020

**Offering Price and Description:**

\$2,500,000.00 - 10,000,000 Units  
Price: \$0.25 per Unit

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

Clarus Securities Inc.

**Promoter(s):**

-

Project #3045619

**Issuer Name:**

Golden Predator Mining Corp.  
Principal Regulator - British Columbia

**Type and Date:**

Amendment dated April 22, 2020 to Preliminary Short Form  
Prospectus dated April 20, 2020  
NP 11-202 Preliminary Receipt dated April 23, 2020

**Offering Price and Description:**

\$2,800,000 - 11,200,000 Units  
Price: \$0.25 per Unit

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

Clarus Securities Inc.

**Promoter(s):**

-

Project #3045619

**Issuer Name:**

Rogers Communications Inc.  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Shelf Prospectus dated April 23, 2020  
NP 11-202 Preliminary Receipt dated April 23, 2020

**Offering Price and Description:**

\$4,000,000.00  
Debt Securities

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

-

**Promoter(s):**

-

Project #3046839

**Issuer Name:**

Victoria Gold Corp.  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated April 27, 2020  
NP 11-202 Preliminary Receipt dated April 27, 2020

**Offering Price and Description:**

\$20,004,750.00 - 2,615,000 Common Shares  
\$7.65 per Common Share

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

BMO NESBITT BURNS INC.  
PI FINANCIAL CORP.  
CORMARK SECURITIES INC.

**Promoter(s):**

-

Project #3046810

**Issuer Name:**

Village Farms International, Inc.  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Shelf Prospectus dated April 22, 2020  
NP 11-202 Preliminary Receipt dated April 22, 2020

**Offering Price and Description:**

US\$200,000,000.00

Common Shares  
Preferred Shares  
Warrants  
Subscription Receipts  
Debt Securities  
Units

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

-

**Promoter(s):**

-

**Project #3046417**

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**Issuer Name:**

Yamana Gold Inc.  
Principal Regulator - Ontario

**Type and Date:**

Amendment dated April 24, 2020 to Preliminary Shelf  
Prospectus dated April 17, 2020  
NP 11-202 Preliminary Receipt dated April 27, 2020

**Offering Price and Description:**

US\$1,000,000,000.00

Common Shares  
Preference Shares  
Debt Securities  
Subscription Receipts  
Units  
Warrants

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

-

**Promoter(s):**

-

**Project #3044923**

---

**Issuer Name:**

A-Labs Capital V Corp.  
Principal Regulator - Ontario

**Type and Date:**

Amendment dated April 23, 2020 to Final CPC Prospectus  
dated January 28, 2020  
NP 11-202 Receipt dated April 27, 2020

**Offering Price and Description:**

MINIMUM OFFERING: \$250,000.00 or 2,500,000 Common  
Shares

MAXIMUM OFFERING: \$500,000.00 or 5,000,000  
Common Shares

PRICE: \$0.10 per Common Share

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

Leede Jones Gable Inc.

**Promoter(s):**

-

**Project #2982592**

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**Issuer Name:**

Can-Gow Capital Inc.  
Principal Regulator - Alberta

**Type and Date:**

Final CPC Prospectus dated April 24, 2020  
NP 11-202 Receipt dated April 27, 2020

**Offering Price and Description:**

\$310,000.00 - 3,100,000 Class A Common Shares  
Price: \$0.10 per Class A Common Share

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

LEEDE JONES GABLE INC

**Promoter(s):**

-

**Project #3020038**

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**Issuer Name:**

Fédération des caisses Desjardins du Québec  
Principal Regulator - Quebec

**Type and Date:**

Final Shelf Prospectus dated April 24, 2020  
NP 11-202 Receipt dated April 24, 2020

**Offering Price and Description:**

\$3,000,000,000

Debt Securities (unsubordinated indebtedness)  
Debt Securities (subordinated indebtedness)

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

-

**Promoter(s):**

-

**Project #3042697**

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**Issuer Name:**

mCloud Technologies Corp. (formerly Universal mCloud  
Corp.)

Principal Regulator - British Columbia

**Type and Date:**

Amendment dated April 22, 2020 to Final Shelf Prospectus  
dated April 17, 2020  
NP 11-202 Receipt dated April 24, 2020

**Offering Price and Description:**

\$200,000,000.00

COMMON SHARES  
PREFERRED SHARES  
DEBT SECURITIES  
SUBSCRIPTION RECEIPTS  
WARRANTS  
UNITS

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

-

**Promoter(s):**

Russel McMeekin  
Michael Sicuro  
Costantino Lanza  
**Project #2987423**

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**Issuer Name:**

Tecsys Inc.  
Principal Regulator - Quebec

**Type and Date:**

Final Short Form Prospectus dated April 21, 2020  
NP 11-202 Receipt dated April 21, 2020

**Offering Price and Description:**

\$19,999,995  
1,159,420 Common Shares  
Price: \$17.25 per Common Share

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

STIFEL NICOLAUS CANADA INC.  
CORMARK SECURITIES INC.  
LAURENTIAN BANK SECURITIES INC.  
ECHELON WEALTH PARTNERS INC.

**Promoter(s):**

-

**Project #3042226**

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**Issuer Name:**

The Green Organic Dutchman Holdings Ltd.  
Principal Regulator - Ontario

**Type and Date:**

Final Short Form Prospectus dated April 22, 2020  
NP 11-202 Receipt dated April 22, 2020

**Offering Price and Description:**

\$5,000,240.00 - 17,858,000 Units  
Price: \$0.28 per Unit

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

CANACCORD GENUITY CORP.

**Promoter(s):**

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**Project #3040673**

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**Issuer Name:**

The Supreme Cannabis Company, Inc.  
Principal Regulator - Ontario

**Type and Date:**

Final Shelf Prospectus dated April 22, 2020  
NP 11-202 Receipt dated April 22, 2020

**Offering Price and Description:**

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

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

-

**Promoter(s):**

-

**Project #3032751**

## Chapter 12

# Registrations

### 12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Change in Registration Category	Innerkip Capital Management Inc.	From: Investment Fund Manager, Portfolio Manager and Exempt Market Dealer  To: Investment Fund Manager and Portfolio Manager	April 21, 2020
Voluntary Surrender	Real Crowd Capital Inc.	Exempt Market Dealer	April 23, 2020
Voluntary Surrender	Callidus Capital Corporation	Exempt Market Dealer and Investment Fund Manager	April 24, 2020

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<b>BMO Nesbitt Burns Inc.</b>		<b>National Bank Financial Inc.</b>	
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<b>BofA Securities, Inc.</b>		<b>North Bud Farms Inc.</b>	
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<b>Brookfield Asset Management Inc.</b>		<b>OSC Notice 11-788 – Statement of Priorities – Request for Comments Regarding Statement of Priorities for Financial Year to End March 31, 2021</b>	
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<b>Brookfield Infrastructure Corporation</b>		<b>Performance Sports Group Ltd.</b>	
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<b>Canaccord Genuity Corp.</b>		<b>Raymond James Ltd.</b>	
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<b>Canada Cannabis Corporation</b>		<b>RBC Capital Markets, LLC</b>	
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**Wheaton Precious Metals Corp.**

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