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1.1.1 Current Proceedings Before The Ontario Securities Commission

August 2, 2012

CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

- -

Unless otherwise indicated in the date column, all hearings will take place at the following location:

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Ontario Securities Commission
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Vern Krishna	—	VK
Christopher Portner	—	CP
Judith N. Robertson	—	JNR
Charles Wesley Moore (Wes) Scott	—	CWMS

SCHEDULED OSC HEARINGS

August 7-13, August 15-16 and August 21, 2012 10:00 a.m.	**Irwin Boock, Stanton Defreitas, Jason Wong, Saudia Allie, Alena Dubinsky, Alex Khodjaiants, Select American Transfer Co., Leasesmart, Inc., Advanced Growing Systems, Inc., International Energy Ltd., Nutrione Corporation, Pocketop Corporation, Asia Telecom Ltd., Pharm Control Ltd., Cambridge Resources Corporation, Compushare Transfer Corporation, Federated Purchaser, Inc., TCC Industries, Inc., First National Entertainment Corporation, WGI Holdings, Inc. and Enerbrite Technologies Group** s. 127 and 127.1 D. Campbell in attendance for Staff Panel: VK
August 9, 2012 3:00 p.m.	**Maitland Capital Ltd., Allen Grossman, Hanoch Ulfan, Leonard Waddingham, Ron Garner, Gord Valde, Marianne Hyacinthe, Dianna Cassidy, Ron Catone, Steven Lanys, Roger McKenzie, Tom Mezinski, William Rouse and Jason Snow** s. 127 and 127.1 D. Ferris in attendance for Staff Panel: EPK
August 10, 2012 9:30 a.m.	**Global RESP Corporation and Global Growth Assets Inc.** s. 127 D. Ferris in attendance for Staff Panel: JEAT

August 13, 2012 10:00 a.m.	**Crown Hill Capital Corporation and Wayne Lawrence Pushka** s. 127
August 15, 2012 10:30 a.m.	A. Perschy/A. Pelletier in attendance for Staff Panel: JEAT/CP/JNR
September 18-19, 2012 10:00 a.m.	
August 13, 2012 2:00 p.m.	**Shaun Gerard McErlean and Securus Capital Inc.** s. 127 M. Britton in attendance for Staff Panel: VK/JDC
August 15, 2012 10:00 a.m.	**Morgan Dragon Development Corp., John Cheong (aka Kim Meng Cheong), Herman Tse, Devon Ricketts and Mark Griffiths** s. 127 J. Feasby in attendance for Staff Panel: EPK
August 15 and 16, 2012 10:00 a.m.	**Goldpoint Resources Corporation, Pasqualino Novielli also known as Lee or Lino Novielli, Brian Patrick Moloney also known as Brian Caldwell, and Zaida Pimentel also known as Zaida Novielli** s. 127(1) and 127(5) C. Watson in attendance for Staff Panel: MGC
August 21, 2012 10:30 a.m.	**Energy Syndications Inc., Green Syndications Inc., Syndications Canada Inc., Land Syndications Inc. and Douglas Chaddock** s. 127 C. Johnson in attendance for Staff Panel: MGC
August 28, 2012 2:30 p.m.	**David Charles Phillips and John Russell Wilson** s. 127 Y. Chisholm in attendance for Staff Panel: JDC
September 4-10, September 12-14, September 19-24, and September 26 – October 5, 2012 10:00 a.m.	**Portus Alternative Asset Management Inc., Portus Asset Management Inc., Boaz Manor, Michael Mendelson, Michael Labanowich and John Ogg** s. 127 H Craig in attendance for Staff Panel: TBA
September 4, 2012 11:00 a.m.	**Juniper Fund Management Corporation, Juniper Income Fund, Juniper Equity Growth Fund and Roy Brown (a.k.a. Roy Brown-Rodrigues)** s. 127 and 127.1 D. Ferris in attendance for Staff Panel: VK/MCH
September 5, 2012 10:00 a.m.	**Vincent Ciccone and Cabo Catoche Corp. (a.k.a. Medra Corp. and Medra Corporation)** s. 127 M. Vaillancourt in attendance for Staff Panel: VK
September 5-10, September 12-14 and September 19-21, 2012 10:00 a.m.	**Vincent Ciccone and Medra Corp.** s. 127 M. Vaillancourt in attendance for Staff Panel: VK

September 11, 2012 3:00 p.m.	**Systematech Solutions Inc., April Vuong and Hao Quach** s. 127 J. Feasby in attendance for Staff Panel: EPK
September 12, 2012 9:00 a.m.	**Sage Investment Group, C.A.D.E Resources Group Inc., Greenstone Financial Group, Fidelity Financial Group, Antonio Carlos Neto David Oliveira, and Anne Marie Ridley** s. 127 C. Watson in attendance for Staff Panel: EPK
September 18, 2012 10:00 a.m.	**Roger Carl Schoer** s. 21.7 C. Johnson in attendance for Staff Panel: JDC
September 21, 2012 10:00 a.m.	**Oversea Chinese Fund Limited Partnership, Weizhen Tang and Associates Inc., Weizhen Tang Corp., and Weizhen Tang** s. 127 and 127.1 H. Craig in attendance for Staff Panel: TBA
September 24, September 26 – October 5 and October 10-19, 2012 10:00 a.m.	**New Found Freedom Financial, Ron Deonarine Singh, Wayne Gerard Martinez, Pauline Levy, David Whidden, Paul Swaby and Zompas Consulting** s. 127 A. Heydon in attendance for Staff Panel: JDC
October 10, 2012 10:00 a.m.	**Sino-Forest Corporation, Allen Chan, Albert Ip, Alfred C.T. Hung, George Ho and Simon Yeung** s. 127 H. Craig in attendance for Staff Panel: MGC
October 10, 2012 10:00 a.m	**Sino-Forest Corporation, Allen Chan, Albert Ip, Alfred C.T. Hung, George Ho, Simon Yeung and David Horsley** s. 127 H. Craig in attendance for Staff Panel: MGC
October 11, 2012 9:00 a.m.	**New Solutions Capital Inc., New Solutions Financial Corporation, New Solutions Financial (II) Corporation, New Solutions Financial (III) Corporation, New Solutions Financial (VI) Corporation and Ron Ovenden** s. 127 S. Horgan in attendance for Staff Panel: TBA
October 19, 2012 10:00 a.m.	**Global Energy Group, Ltd., New Gold Limited Partnerships, Christina Harper, Howard Rash, Michael Schaumer, Elliot Feder, Vadim Tsatskin, Oded Pasternak, Alan Silverstein, Herbert Groberman, Allan Walker, Peter Robinson, Vyacheslav Brikman, Nikola Bajovski, Bruce Cohen and Andrew Shiff** s. 127 C. Watson in attendance for Staff Panel: PLK

October 22 and October 24 – November 5, 2012 10:00 a.m.	**MBS Group (Canada) Ltd., Balbir Ahluwalia and Mohinder Ahluwalia** s. 37, 127 and 127.1 C. Rossi in attendance for staff Panel: TBA
October 29-31, 2012 10:00 a.m.	**Shallow Oil & Gas Inc., Eric O'Brien, Abel Da Silva and Abraham** **Herbert Grossman aka Allen Grossman and Kevin Wash** s. 127 H. Craig/S. Schumacher in attendance for Staff Panel: JDC
October 31 – November 5, November 7-9, December 3, December 5-17 and December 19, 2012 10:00 a.m.	**Rezwealth Financial Services Inc., Pamela Ramoutar, Justin Ramoutar, Tiffin Financial Corporation, Daniel Tiffin, 2150129 Ontario Inc., Sylvan Blackett, 1778445 Ontario Inc. and Willoughby Smith** s. 127(1) and (5) A. Heydon in attendance for Staff Panel: TBA
November 5, 2012 10:00 a.m.	**Heir Home Equity Investment Rewards Inc.; FFI First Fruit Investments Inc.; Wealth Building Mortgages Inc.; Archibald Robertson; Eric Deschamps; Canyon Acquisitions, LLC; Canyon Acquisitions International, LLC; Brent Borland; Wayne D. Robbins; Marco Caruso; Placencia Estates Development, Ltd.; Copal Resort Development Group, LLC; Rendezvous Island, Ltd.; The Placencia Marina, Ltd.; and The Placencia Hotel and Residences Ltd.** s. 127 B. Shulman in attendance for Staff Panel: TBA
November 12-19 and November 21, 2012 10:00 a.m.	**Sandy Winick, Andrea Lee McCarthy, Kolt Curry, Laura Mateyak, Gregory J. Curry, American Heritage Stock Transfer Inc., American Heritage Stock Transfer, Inc., BFM Industries Inc., Liquid Gold International Inc., and Nanotech Industries Inc.** s. 127 J. Feasby in attendance for Staff Panel: TBA
November 21 – December 3 and December 5-14, 2012 10:00 a.m.	**Bernard Boily** s. 127 and 127.1 M. Vaillancourt/U. Sheikh in attendance for Staff Panel: TBA
November 27-28, 2012 10:00 a.m.	**Simply Wealth Financial Group Inc., Naida Allarde, Bernardo Giangrosso, K&S Global Wealth Creative Strategies Inc., Kevin Persaud,** **Maxine Lobban and Wayne Lobban** s. 127 and 127.1 C. Johnson in attendance for Staff Panel: JDC
December 4, 2012 3:30 p.m.	**Global Consulting and Financial Services, Crown Capital Management Corporation, Canadian Private Audit Service, Executive Asset Management, Michael Chomica, Peter Siklos (Also Known As Peter Kuti), Jan Chomica, and Lorne Banks** s. 127 H. Craig/C. Rossi in attendance for Staff Panel: CP

December 20, 2012 10:00 a.m.	**New Hudson Television Corporation, New Hudson Television L.L.C. & James Dmitry Salganov** s. 127 C. Watson in attendance for Staff Panel: TBA
January 7 – February 5, 2013 10:00 a.m.	**Jowdat Waheed and Bruce Walter** s. 127 J. Lynch in attendance for Staff Panel: TBA
January 21-28 and January 30 – February 1, 2013 10:00 a.m.	**Moncasa Capital Corporation and John Frederick Collins** s. 127 T. Center in attendance for Staff Panel: TBA
January 23-25 and January 30-31, 2013 10:00 a.m.	**Sage Investment Group, C.A.D.E Resources Group Inc., Greenstone Financial Group, Fidelity Financial Group, Antonio Carlos Neto David Oliveira, and Anne Marie Ridley** s. 127 C. Watson in attendance for Staff Panel: TBA
February 4-11 and February 13, 2013 10:00 a.m.	**Alexander Christ Doulis (aka Alexander Christos Doulis, aka Alexandros Christodoulidis) and Liberty Consulting Ltd.** s. 127 J. Feasby in attendance for Staff Panel: TBA
March 18-25, March 27-28, April 1-5 and April 24-25, 2013 10:00 a.m.	**Peter Sbaraglia** s. 127 J. Lynch in attendance for Staff Panel: CP
April 29 – May 6 and May 8-10, 2013 10:00 a.m.	**North American Financial Group Inc., North American Capital Inc., Alexander Flavio Arconti, and Luigino Arconti** s. 127 M. Vaillancourt in attendance for Staff Panel: TBA
TBA	**Yama Abdullah Yaqeen** s. 8(2) J. Superina in attendance for Staff Panel: TBA
TBA	**Microsourceonline Inc., Michael Peter Anzelmo, Vito Curalli, Jaime S. Lobo, Sumit Majumdar and Jeffrey David Mandell** s. 127 J. Waechter in attendance for Staff Panel: TBA
TBA	**Frank Dunn, Douglas Beatty, Michael Gollogly** s. 127 K. Daniels in attendance for Staff Panel: TBA

TBA

MRS Sciences Inc. (formerly Morningside Capital Corp.), Americo DeRosa, Ronald Sherman, Edward Emmons and Ivan Cavric

s. 127 and 127(1)

D. Ferris in attendance for Staff

Panel: TBA

TBA

Gold-Quest International, 1725587 Ontario Inc. carrying on business as Health and Harmoney, Harmoney Club Inc., Donald Iain Buchanan, Lisa Buchanan and Sandra Gale

s. 127

H. Craig in attendance for Staff

Panel: TBA

TBA

Gold-Quest International, Health and Harmoney, Iain Buchanan and Lisa Buchanan

s. 127

H. Craig in attendance for Staff

Panel: TBA

TBA

Brilliante Brasilcan Resources Corp., York Rio Resources Inc., Brian W. Aidelman, Jason Georgiadis, Richard Taylor and Victor York

s. 127

H. Craig in attendance for Staff

Panel: TBA

TBA

Paul Azeff, Korin Bobrow, Mitchell Finkelstein, Howard Jeffrey Miller and Man Kin Cheng (a.k.a. Francis Cheng)

s. 127

T. Center/D. Campbell in attendance for Staff

Panel: TBA

TBA

Uranium308 Resources Inc., Michael Friedman, George Schwartz, Peter Robinson, and Shafi Khan

s. 127

H. Craig/C.Rossi in attendance for Staff

Panel: TBA

TBA

Paul Donald

s. 127

C. Price in attendance for Staff

Panel: TBA

TBA

Axcess Automation LLC, Axcess Fund Management, LLC, Axcess Fund, L.P., Gordon Alan Driver, David Rutledge, 6845941 Canada Inc. carrying on business as Anesis Investments, Steven M. Taylor, Berkshire Management Services Inc. carrying on business as International Communication Strategies, 1303066 Ontario Ltd. Carrying on business as ACG Graphic Communications, Montecassino Management Corporation, Reynold Mainse, World Class Communications Inc. and Ronald Mainse

s. 127

Y. Chisholm in attendance for Staff

Panel: TBA

TBA

FactorCorp Inc., FactorCorp Financial Inc. and Mark Twerdun

s. 127

C. Price in attendance for Staff

Panel: TBA

TBA

2196768 Ontario Ltd carrying on business as Rare Investments, Ramadhar Dookhie, Adil Sunderji and Evgueni Todorov

s. 127

D. Campbell in attendance for Staff

Panel: TBA

TBA

York Rio Resources Inc., Brilliante Brasilcan Resources Corp., Victor York, Robert Runic, George Schwartz, Peter Robinson, Adam Sherman, Ryan Demchuk, Matthew Oliver, Gordon Valde and Scott Bassingdale

s. 127

H. Craig/C. Watson in attendance for Staff

Panel: TBA

TBA

Innovative Gifting Inc., Terence Lushington, Z2A Corp., and Christine Hewitt

s. 127

M. Vaillancourt in attendance for Staff

Panel: TBA

TBA

Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton

s. 127

H. Craig in attendance for Staff

Panel: TBA

TBA

David M. O'Brien

s. 37, 127 and 127.1

B. Shulman in attendance for Staff

Panel: TBA

TBA

Ground Wealth Inc., Armadillo Energy Inc., Paul Schuett, Doug DeBoer, James Linde, Susan Lawson, Michelle Dunk, Adrion Smith, Bianca Soto and Terry Reichert

s. 127

S. Schumacher in attendance for Staff

Panel: TBA

TBA

Eda Marie Agueci, Dennis Wing, Santo Iacono, Josephine Raponi, Kimberley Stephany, Henry Fiorillo, Giuseppe (Joseph) Fiorini, John Serpa, Ian Telfer, Jacob Gornitzki and Pollen Services Limited

s. 127

J, Waechter/U. Sheikh in attendance for Staff

Panel: TBA

TBA

Empire Consulting Inc. and Desmond Chambers

s. 127

D. Ferris in attendance for Staff

Panel: TBA

TBA

American Heritage Stock Transfer Inc., American Heritage Stock Transfer, Inc., BFM Industries Inc., Denver Gardner Inc., Sandy Winick, Andrea Lee McCarthy, Kolt Curry and Laura Mateyak

s. 127

J. Feasby in attendance for Staff

Panel: TBA

TBA

Energy Syndications Inc. Green Syndications Inc., Syndications Canada Inc., Daniel Strumos, Michael Baum and Douglas William Chaddock

s. 127

C. Johnson in attendance for Staff

Panel: TBA

TBA

Bunting & Waddington Inc., Arvind Sanmugam, Julie Winget and Jenifer Brekelmans

s. 127

S. Schumacher in attendance for Staff

Panel: TBA

TBA

Global Energy Group, Ltd., New Gold Limited Partnerships, Christina Harper, Vadim Tsatskin, Michael Schaumer, Elliot Feder, Oded Pasternak, Alan Silverstein, Herbert Groberman, Allan Walker, Peter Robinson, Vyacheslav Brikman, Nikola Bajovski, Bruce Cohen and Andrew Shiff

s. 37, 127 and 127.1

C. Watson in attendance for Staff

Panel: TBA

TBA

Colby Cooper Capital Inc. Colby Cooper Inc., Pac West Minerals Limited John Douglas Lee Mason

s. 127

B. Shulman in attendance for Staff

Panel: TBA

TBA

Normand Gauthier, Gentree Asset Management Inc., R.E.A.L. Group Fund III (Canada) LP, and CanPro Income Fund I, LP

s. 127

B. Shulman in attendance for Staff

Panel: TBA

TBA

Beryl Henderson

s. 127

S. Schumacher in attendance for Staff

Panel: TBA

TBA

Ciccone Group, Cabo Catoche Corp. (a.k.a Medra Corp. and Medra Corporation), 990509 Ontario Inc., Tadd Financial Inc., Cachet Wealth Management Inc., Vincent Ciccone (a.k.a. Vince Ciccone), Darryl Brubacher, Andrew J Martin, Steve Haney, Klaudiusz Malinowski and Ben Giangrosso

s. 127

M. Vaillancourt in attendance for Staff

Panel: TBA

TBA

International Strategic Investments, International Strategic Investments Inc., Somin Holdings Inc., Nazim Gillani and Ryan J. Driscoll.

s. 127

C. Watson in attendance for Staff

Panel: TBA

TBA **Majestic Supply Co. Inc., Suncastle Developments Corporation, Herbert Adams, Steve Bishop, Mary Kricfalusi, Kevin Loman and CBK Enterprises Inc.**

s. 37, 127 and 127.1

D. Ferris in attendance for Staff

Panel: TBA

TBA **David Charles Phillips**

s. 127

Y. Chisholm in attendance for Staff

Panel: TBA

TBA **Nest Acquisitions and Mergers, IMG International Inc., Caroline Myriam Frayssignes, David Pelcowitz, Michael Smith, and Robert Patrick Zuk**

s. 37, 127 and 127.1

C. Price in attendance for Staff

Panel: TBA

ADJOURNED SINE DIE

Global Privacy Management Trust and Robert Cranston

Livent Inc., Garth H. Drabinsky, Myron I. Gottlieb, Gordon Eckstein, Robert Topol

LandBankers International MX, S.A. De C.V.; Sierra Madre Holdings MX, S.A. De C.V.; L&B LandBanking Trust S.A. De C.V.; Brian J. Wolf Zacarias; Roger Fernando Ayuso Loyo, Alan Hemingway, Kelly Friesen, Sonja A. McAdam, Ed Moore, Kim Moore, Jason Rogers and Dave Urrutia

Hollinger Inc., Conrad M. Black, F. David Radler, John A. Boultbee and Peter Y. Atkinson

1.1.2 OSC Staff Notice 81-717 – Report on Staff's Continuous Disclosure Review of Portfolio Holdings by Investment Funds

OSC STAFF NOTICE 81-717
REPORT ON STAFF'S CONTINUOUS DISCLOSURE REVIEW OF
PORTFOLIO HOLDINGS BY INVESTMENT FUNDS

Purpose of the Notice

This notice reports the findings and recommendations of staff of the Investment Funds Branch of the Ontario Securities Commission (**Staff** or **we**) arising from a targeted review of portfolio holdings and other related disclosure filed by investment funds. This notice supplements the guidance and interpretations provided in National Instrument 81-106 *Investment Fund Continuous Disclosure* (**NI 81-106)**, National Instrument 81-101 *Mutual Fund Prospectus Disclosure* (**NI 81-101**), and Form 81-101F3 *Contents of Fund Facts Document* (**Form 81-101F3**).

Objective and Scope of Review

Disclosure of a fund's investment portfolio provides key information to investors in assessing consistency and performance against the fund's stated investment objectives and strategies. As part of our continuous disclosure review program, we recently sought to assess how effectively the categorization of a fund's investment portfolio in its disclosure reflects the fund's investment objective and to assess regulatory compliance in the fund's on-going disclosure.

Between August 2011 and June 2012, staff reviewed portfolio disclosure of a sample of investment funds as presented in their annual or interim Management Reports of Fund Performance (**MRFPs**), Fund Facts as applicable, and Statements of Investment Portfolio. These items were reviewed against the investment objectives set out in the prospectus of each fund.

We reviewed disclosure of a sample of 203 investment funds managed by 40 different fund managers with a head office in Ontario, covering annual financial periods ending in 2010 and interim periods ending in 2011. Fund managers included in the sample were selected for review based on criteria designed to reflect a fair representation of fund family size and type.

Of the 40 fund managers reviewed,

- 24 were fund managers of conventional mutual funds representing 52.5**%** of total assets under management of all conventional mutual funds
- 5 were fund managers of exchange-traded funds (**ETFs**) representing approximately 98.7% of the total market capitalization of ETFs listed on the TSX
- 6 were fund managers of closed-end funds
- 3 were fund managers of flow-through limited partnerships; and
- 2 were fund managers of labour sponsored investment funds.

Summary of Findings and Comments

Our findings indicate that the portfolio disclosure presented in a fund's MRFP, Statement of Investment Portfolio and Fund Facts can be improved to provide more meaningful information to investors about the composition of the portfolio and how the fund's investments align with the investment objectives set out in the fund's prospectus. Specifically, we observed three key trends:

- the use of portfolio categories that did not reflect the unique characteristics of the fund as set out in its investment objectives;
- inconsistencies in the categories used across different disclosure documents of the fund to describe the investments in the portfolio; and
- the use of broad, generic categories instead of more discrete, specific categories that would provide more meaningful information on portfolio composition and the alignment of portfolio investments with the fund's investment objectives.

We sent comment letters to all 40 fund managers in our sample. Of the 203 funds we reviewed, we issued comments on 120 funds. No funds were required to refile or restate any disclosure documents as a result of our review. However, the fund managers that received a comment letter committed to improve future disclosure as follows:

- 33% will improve the portfolio listing in their financial statements;
- 36% will improve portfolio categorization in their MRFP; and
- 26% will improve the categorization of the investment mix in their Fund Facts.

Our findings are discussed below.

1. Statement of Investment Portfolio – Financial Statements

1.1 Existing Requirements in NI 81-106

NI 81-106 sets out the minimum disclosure requirements for an investment fund's financial statements.[1] For example, section 3.5 of NI 81-106 requires investment funds to separate long and short portfolio holdings and to aggregate disclosure for portfolio assets having the same description and issuer.[2]

Staff take the view that the portfolio holdings disclosed in the fund's financial statements should be presented in a way that is meaningful and understandable to readers and that the statement of investment portfolio should be clearly organized. In our view, subtotals should be provided so that investors can understand their exposure immediately, without having to perform calculations.

In addition, we remind investment funds of the guidance provided by the Canadian Institute of Chartered Accountants (**CICA**)[3] which has indicated that the statement of investment portfolio should provide a profile of securities, summarized by type and/or other groupings considered the most meaningful to users. One of the suggested groupings is classification by investment objective.

1.2 Choice of Portfolio Classification in view of Investment Objectives

From our review of the statement of investment portfolio in the financial statements, we saw that the majority of fund managers rely on common portfolio breakdowns. As a result, many funds in the same fund family break down their portfolios using the same categories regardless of the type or unique characteristics of the fund.

Staff generally expect the statement of investment portfolio to break down the portfolio into the most discrete, specific categories given the nature and unique characteristics of the fund. For example, we observed one fund focused on investing in equity securities of issuers connected to global financial infrastructure which categorized its portfolio by country. In our view, further classification of the portfolio into specific categories such as sector or company type would have better demonstrated how the fund's investments aligned with its investment objectives.

Staff look to the investment objectives and strategies of an investment fund, as disclosed in the prospectus, to determine its key characteristics. Since the investment objectives and strategies outline what the fund will primarily invest in and how it will distinguish itself from similar funds, we generally expect the objectives to be reflected in the categories selected. This will allow an investor to better understand if the fund holds what it set out to invest in, or whether over time its investments have drifted from the stated objectives.

Some fund managers expressed the view that since the statement of investment portfolio is part of the financial statements, they choose to classify the portfolio by asset class, consistent with the purpose of the financial statements. Other fund managers thought it would be more beneficial to use standard classifications from service providers such as Bloomberg or Standard & Poors, which are widely available and would offer comparability when reviewing financial statements of similar funds across fund families. A number of fund managers expressed the view that groupings based on investment objectives would only detract from the clarity of the existing disclosure.

In Staff's view, it is critical that an investor be provided with disclosure that shows how the investments made by the fund are consistent with the fund's investment objectives. Presenting breakdowns strictly by asset class may be of limited utility to investors. Classification by the categories reflected in a fund's investment objectives is important because it is likely that the fund was sold to the investor based on the distinguishing characteristics described in the fund's investment objectives and strategies.

1 Section 2.1(2) of Companion Policy 81-106CP.
2 Section 3.5(2) and (3) of NI 81-106.
3 The Research Report *Financial Reporting by Investment Funds* in 1997, which was subsequently updated in 2009. The Study Group was comprised primarily of auditors and members of the investment fund industry.

Market Capitalization

Some funds stated in their investment objectives or strategies that they would invest in companies of a certain market capitalization, only to fail to break down their portfolio by issuer size in the financial statements.

Again, we generally expect that if the fund or the name of the fund indicates a focus on market capitalization, a break down by company size should be included to demonstrate to investors that the investment objectives and strategies have been followed. While we recognize that the industry has not standardized definitions for small, medium, and large capitalization, we encourage portfolio managers to consider using their own categories which can be explained in the disclosure. We also encourage fund managers to revisit the wording in the prospectus to ensure clarity and plain meaning.

1.3 Other Disclosure Documents

Some fund managers stated that the additional classifications we requested in the financial statements were already provided in other parts of the fund's continuous disclosure record, such as in the MRFP, Fund Facts, or the fund's website. We remind issuers that while the MRFP is intended to supplement the financial statements, funds are not required to bind or deliver the two documents together,[4] and that each continuous disclosure document must be considered independent of any other document. In light of this, fund managers should consider whether the specific portfolio categories used in the MRFP should also be mirrored in the financial statements. We note that this approach is consistent with the principles underlying Canadian generally accepted accounting principles (**Canadian GAAP**) which discuss the concepts of reliability, relevance and understandability.[5]

1.4 Inconsistency in Disclosure Documents

In some cases, we identified inconsistency between the disclosure in the financial statements and the fund's other documents. For example, one fund's results of operations in the MRFP discussed how the fund's performance was affected by sector and investments in different countries, yet the portfolio categorization in the financial statements was based only on geography. We generally take the view that classifications in the statement of investment portfolio should provide the same level of insight in the financial statements as is available in the MRFP, especially since investors may not review or receive both documents.

1.5 Broad Categories

As part of our review, we commented on categories in the statement of investment portfolio we considered to be too broad or generic. For example, we reviewed a fund identified as a gold and precious metals fund by its name, which classified over 96% of its portfolio as "Mining and Precious Metals" without any further classification. While we did not consider the heading Mining and Precious Metals to be incorrect, the presentation of the portfolio would have been enhanced by use of more discrete, specific categories providing a more detailed description of the fund's portfolio investments, for example, by type of precious metal. Staff expect that the categories used will reflect the unique composition of a fund's portfolio. We also generally expect that fund managers will consult with their portfolio managers on how the fund's portfolio should be categorized to effectively demonstrate how the fund's investments are aligned with its investment objectives.

In another case, we observed that a fund's classifications had not been updated to reflect a change in the portfolio mix and, as a result, a number of companies with varying business models were grouped together under the broad heading "Business", which we found to be vague and confusing. Staff expect funds to perform periodic reviews to ensure that the categories initially selected in the Statement of Investment Portfolio remain applicable and relevant to the fund and its investment objectives.

2. Management Report of Fund Performance

2.1 Existing Requirements in Form 81-106F1

Form 81-106F1 *Contents of Annual and Interim Management Report of Fund Performance* (**Form 81-106F1**) includes a number of requirements to ensure that the MRFP is in a format that assists readability and comprehension.[6] It also specifies that care should be taken to ensure that the information in the Summary of Investment Portfolio is presented in an easily accessible and understandable way[7].

Form 81-106F1 further requires that an investment fund should use the most appropriate categories to break down its summary of investment portfolio given the nature of the fund. If appropriate, more than one breakdown can be used according to type, industry, geographical locations, etc[8].

4 Refer to National Instrument 81-106, Part 5 – *Delivery of Financial Statements and Management Reports of Fund Performance*.
5 Section 1000 of the CICA Handbook.
6 Item 1(c) – Part A of Form 81-106F1.
7 Instruction 1 to Item 5 – Part B of Form 81-106F1.
8 Instruction 2 to Item 5 – Part B of Form 81-106F1.

2.2 Summary of Investment Portfolio

In our review of funds' MRFPs, we observed the same trends and raised the same comments discussed above under *Choice of Portfolio Classification in view of Investment Objectives* and *Broad Categories*.

2.3 Top 25 Holdings – Labour Sponsored Investment Funds (LSIFs)

We observed that the two labour-sponsored investment funds we reviewed did not list their top 25 holdings in their MRFPs. One of these LSIFs considered the obligation to disclose the fund's top 25 positions to only apply if the fund held more than 25 positions.

LSIFs are reminded of the requirement in Instruction 10 to Item 5 – Part B of Form 81-106F1 to disclose the fund's top 25 positions. If the LSIF holds fewer than 25 positions, we take the view that these positions should be disclosed in the Summary of Investment Portfolio in the MRFP.

3. Fund Facts

3.1 Inconsistency in Portfolio Categorization – Fund Facts versus the MRFP

As part of our review, we compared the categories used to break down fund portfolios in the Fund Facts against those disclosed in the funds' MRFP. In most cases, at least one of the categories used in the MRFP to break down the portfolio was reflected in the Fund Facts.

However, we also observed some inconsistencies. We saw portfolio breakdowns in the Fund Facts of some funds that were based on categories not used in the MRFP. In these instances, we viewed the categories used in the MRFP as more reflective of the investment objectives of the fund as well as more appropriate for use in the Fund Facts. For example, a life sciences and technology mutual fund categorized its Investment Mix in the Fund Facts by generic sectors such as information technology, health care, cash, and telecommunication services among other categories. The fund's MRFP, however, used specific categories more suitable to life sciences and technology such as software, communications equipment, computers and peripherals, internet software and services.

In another example, an asset allocation fund categorized its portfolio in the MRFP by sectors such as Canadian equities, Canadian fixed income, global fixed income, cash and cash equivalents, international equities and U.S. equities. The Investment Mix, however, was categorized by the type of underlying funds in which the fund invested.

We also observed a small number of mutual funds that used two or more categories in their MRFP to break down the fund's portfolio while the Fund Facts used only one of these categories. In Staff's view, the Investment Mix of each fund would have better reflected the fund's investment objective if an additional categorization, consistent with that of the MRFP, had also been included. This approach would have resulted in an Investment Mix composed of two pie charts or tables in the Fund Facts, as permitted by Form 81-101F3[9], instead of one. Fund managers of these funds indicated that they would consider using the mirrored basis for portfolio categorization in the Fund Facts and MRFP. Staff's view is that fund managers should consider using more than one pie chart or table in the Fund Facts when doing so would better display how the fund's investments align with its investment objectives.

We remind fund managers of the requirement in Form 81-101F3 *Contents of Fund Facts Document* (**Form 81-101F3**) to ensure consistency between the basis for portfolio categorization in the Fund Facts and the MRFP[10].

3.2 Absence of a 'Look-Through' to the Holdings of Related Underlying Funds

In our review of the Fund Facts, we also observed that the Investment Mix disclosure of certain mutual funds which invested in related underlying funds did not "look-through" to the actual holdings of the underlying funds. Instead, the Investment Mix of the top fund specified only the types of related underlying funds. In our view, the Investment Mix of the top fund would have provided more meaningful disclosure to investors if it had used categories based on the actual holdings of its related underlying funds.

Staff remind fund managers that where a top fund is substantially invested in a single underlying fund, Form 81-101F3 requires that there should be a look-through to the holdings of the underlying fund as appropriate[11].

We acknowledge that Form 81-101F3 does not currently require a "look-through" to portfolio holdings where one top fund invests in multiple, related or unrelated, underlying funds. However, where a top fund is invested in underlying funds managed

[9] Item 3(5) – Part I of Form 81-101F3.
[10] Instruction 11 to Item 3 – Part I of Form 81-101F3.
[11] Instruction 9 to Item 3 – Part I of Form 81-101F3.

by the same fund manager, we encourage fund managers to consider an Investment Mix that looks through to the holdings of the related underlying funds. Given the common management of top and bottom funds, Staff would expect a fund manager to have access to the portfolio holdings of the underlying funds and, accordingly, be in a position to provide meaningful information to investors in the Investment Mix on the exposure to various securities resulting from the fund-of-funds structure.

3.3 Broad Categories

Our review of the Fund Facts highlighted the same trends discussed above under *Broad Categories* that were observed with respect to the MRFP and the Statement of Investment Portfolio.

3.4 General Compliance – Top 10 Holdings

In our review, we found a high level of compliance with Item 3(4) – *Investments of the Fund* of Form 81-101F3 which mandates Fund Facts disclosure of a mutual fund's top 10 investments. We did, however, find one fund that inadvertently provided the top 10 industry sectors in which the fund had invested, instead of the top 10 positions held by the mutual fund. The fund manager agreed to make the appropriate change to the issuer's Fund Facts.

CONCLUSION

Our review indicates that investment funds can further improve the quality of their continuous disclosure relating to portfolio holdings. Useful, relevant disclosure is critical to maintaining and strengthening investor confidence and efficient capital markets. In our view, the categorization of a fund's portfolio should be directly connected to the specific asset classes and unique characteristics of the funds as set out in its investment objectives. Each of the Fund Facts, MRFP and financial statements of the fund should be considered independent of each other and provide investors with meaningful information to assess how closely the investment objectives of the fund are being implemented over time.

We encourage fund managers to consider the guidance in this notice when preparing their continuous disclosure to ensure it complies with securities rules and regulations.

Questions may be referred to:

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August 2, 2012

1.2 Notices of Hearing

1.2.1 Ground Wealth Inc. et al. – ss. 127(7), 127(8)

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

AND

IN THE MATTER OF
GROUND WEALTH INC., ARMADILLO ENERGY INC., PAUL SCHUETT, DOUG DEBOER, JAMES LINDE, SUSAN LAWSON, MICHELLE DUNK, ADRION SMITH, BIANCA SOTO AND TERRY REICHERT

AMENDED NOTICE OF HEARING
Sections 127(7) & 127(8)

WHEREAS the Ontario Securities Commission (the "Commission") issued a temporary order on July 27, 2011 (the "Temporary Order") pursuant to sections 127(1) and 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") that:

1. pursuant to paragraph 2 of subsection 127(1) that all trading in the securities of Armadillo Energy Inc. ("the Armadillo Securities") shall cease;

2. pursuant to paragraph 2 of subsection 127(1) that Armadillo Energy Inc. ("Armadillo), Ground Wealth Inc. ("GWI"), Paul Schuett ("Schuett"), Doug DeBoer ("DeBoer"), James Linde ("Linde"), Susan Lawson ("Lawson"), Michelle Dunk ("Dunk"), Adrion Smith ("Smith"), Bianca Soto ("Soto") and Terry Reichert ("Reichert") shall cease trading in all securities;

3. pursuant to subsection 127(6) that this order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by order of the Commission.

AND WHEREAS on August 11, 2011 the Commission held a hearing to consider whether it is in the public interest to extend the Temporary Order pursuant to subsections 127(7) and 127(8), and heard submissions from counsel for the Respondents and from Staff of the Commission;

AND WHEREAS on August 11, 2011, the Commission extended the Temporary Order to February 13, 2012 on the same terms and conditions as provided for in the Temporary Order; provided the Temporary Order shall not prevent a Respondent from trading for the Respondent's own account, solely through a registered dealer or a registered dealer in a foreign jurisdiction (which dealer must be given a copy of the Temporary Order dated August 11, 2011 (the "Amended Temporary Order")), in (a) any "exchange traded security" or "foreign exchange traded security" within the meaning of National Instrument 21-101, provided the Respondent does not own beneficially or exercise control or direction over more than 5 per cent of the voting or equity securities of the issuer of any such securities, or (b) any security issued by a mutual fund that is a reporting issuer; and provided the Respondent provides Staff with the particulars of the accounts in which such trading is to occur before any trading in such accounts occurs;

AND WHEREAS on February 8, 2012, the Commission held a hearing to consider whether it is in the public interest to extend the Amended Temporary Order pursuant to subsections 127(7) and 127(8), and heard submissions from counsel for the Respondents and from Staff of the Commission;

AND WHEREAS on February 8, 2012, the Commission extended the Amended Temporary Order to August 8, 2012 subject to the following terms: that all trading in the Armadillo Securities shall cease and that the Respondents shall cease trading in Armadillo Securities and/or in securities of a nature similar to Armadillo Securities, which are securities evidencing an interest in the production of barrels of oil still in the ground (the "February 2012 Order");

TAKE NOTICE THAT the Commission will hold a hearing pursuant to subsections 127(7) and 127(8) at the offices of the Commission, 17th Floor, 20 Queen Street West, Toronto, commencing on August 2, 2012 at 10:00 am or as soon thereafter as the hearing can be held;

TO CONSIDER whether it is in the public interest for the Commission:

1. to extend the February 2012 Order pursuant to subsections 127(7) and 127(8) until the conclusion of the hearing or until such further time as considered necessary by the Commission; and

2. to make such further orders as the Commission considers appropriate;

BY REASON OF the facts recited in the February 2012 Order and of such allegations and evidence as counsel may advise and the Commission may permit;

AND TAKE FURTHER NOTICE that any party to the proceeding may be represented by counsel at the hearing;

AND TAKE FURTHER NOTICE that upon failure of any party to attend at the time and place aforesaid, the hearing may proceed in the absence of that party and such party is not entitled to further notice of the proceeding.

Dated at Toronto this 24th day of July, 2012.

"Daisy Aranha"
Per: John Stevenson
Secretary

1.2.2 Roger Carl Schoer – s. 21.7

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

AND

IN THE MATTER OF
AN APPLICATION FOR A HEARING AND REVIEW OF A DECISION OF THE ONTARIO COUNCIL OF THE INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA, PURSUANT TO SECTION 21.7 OF THE SECURITIES ACT, R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
DISCIPLINE PROCEEDINGS PURSUANT TO THE BY-LAWS OF THE INVESTMENT DEALERS ASSOCIATION OF CANADA AND THE DEALER MEMBER RULES OF THE INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA

BETWEEN

STAFF OF THE INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA

AND

ROGER CARL SCHOER

NOTICE OF HEARING
Section 21.7

TAKE NOTICE THAT the Ontario Securities Commission will hold a hearing pursuant to section 21.7 of the *Securities Act*, R.S.O. 1990, c S.5, as amended, to consider the Application made by Roger Carl Schoer for a review of a decision of the Investment Industry Regulatory Organization of Canada made May 26, 2011;

AND TAKE FURTHER NOTICE THAT the hearing will be held on September 18, 2012 at 10:00 a.m. on the 17th floor of the Commission's offices located at 20 Queen Street West, Toronto.

Dated at Toronto this 24th day of July, 2012

"Daisy G. Aranha"
Per: John Stevenson
Secretary to the Commission

1.3 News Releases

1.3.1 OSC Lays Quasi-Criminal Charges Against Abraham Herbert Grossman

FOR IMMEDIATE RELEASE
July 20, 2012

OSC LAYS QUASI-CRIMINAL CHARGES AGAINST ABRAHAM HERBERT GROSSMAN

TORONTO – On July 20, 2012, the Ontario Securities Commission (OSC) laid quasi-criminal charges against Abraham Herbert Grossman in connection with alleged breaches of section 122(1)(c) and 126.1(b) of the *Securities Act* (Ontario).

Between October 2009 and February 2011, Mr. Grossman and the Strategic Gifting Group, a sole proprietorship in Ontario registered to Mr. Grossman, operated a fraudulent fund raising/donor introduction share gifting scheme of Dixon Perot & Champion Inc. securities (DPC Securities) involving four Ontario charities.

Specially, Grossman and Strategic Gifting brokered introductions between the charities and the donors for a service fee of 90 per cent of the donation. Grossman and Strategic Gifting then issued shares of DPC Securities to the donors, which they valued at an inflated amount. A total of $332,620 was received by Strategic Gifting from the charities as a result of this scheme.

Mr. Grossman engaged in this scheme while he was prohibited from trading in securities by orders of the OSC and while he was in the middle of two unrelated trading and fraud trials. In addition to this new fraud charge, Mr. Grossman is charged with breaching the trading restrictions placed on him by the OSC.

A first appearance for Mr. Grossman is scheduled to take place on Thursday, August 23, 2012 at 10:30 a.m. in Courtroom 205 at the Newmarket Courthouse, 50 Eagle Street, Newmarket.

Under section 122 of the *Securities Act*, the OSC has the authority to lay quasi-criminal charges against individuals or companies in the Ontario Court of Justice for alleged violations of the Act. The maximum penalty available upon conviction is a fine of not more than $5 million or imprisonment for a term of not more than five years less a day, or both. The OSC pursues cases in court in order to seek sanctions and penalties that send a strong message of deterrence and denunciation to those who try to exploit investors.

The mandate of the OSC is to provide protection to investors from unfair, improper or fraudulent practices and to foster fair and efficient capital markets and confidence in capital markets. Investors are urged to check the registration of any person or company offering an investment opportunity and to review the OSC's investor materials available at www.osc.gov.on.ca

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1.3.2 OSC Lays Quasi-Criminal Charges Against Berik Yessirkegenov and North American Business Equipment Corporation

FOR IMMEDIATE RELEASE
July 19, 2012

OSC LAYS QUASI-CRIMINAL CHARGES AGAINST BERIK YESSIRKEGENOV AND NORTH AMERICAN BUSINESS EQUIPMENT CORPORATION

TORONTO – On July 18, 2012, the Ontario Securities Commission (OSC) laid quasi-criminal charges against Berik Yessirkegenov and North American Business Equipment Corporation (NABEC) for perpetrating a fraud contrary to section 126.1 of the *Securities Act* (Ontario).

During the period of April 1, 2009 to April 12, 2010, Mr. Yessirkegenov misrepresented to a pension fund that Mr. Yessirkegenov's firm, NABEC, was licensed to trade in securities by the "Securities and Exchange Commission of the Canada". The pension fund was located in the Republic of Kazakhstan.

The pension fund entered into an investment services agreement with NABEC dated May 18, 2009. As a result, the pension fund forwarded approximately U.S. $8 million to NABEC on the belief that the monies would be invested in financial instruments, including equities, as directed by the pension fund. NABEC produced false trading confirmations and false monthly account statements in order to create the illusion that the funds were invested as directed and concealed the actual trading losses and payments made from NABEC's trading accounts.

A first appearance for the defendants is scheduled to take place on Tuesday, August 28, 2012 at 10:30 a.m. in Courtroom 205 at the Newmarket Courthouse, 50 Eagle Street, Newmarket.

Under section 122 of the *Securities Act*, the OSC has the authority to lay quasi-criminal charges against individuals or companies in the Ontario Court of Justice for alleged violations of the Act. The maximum penalty available upon conviction is a fine of not more than $5 million or imprisonment for a term of not more than five years less a day, or both. The OSC pursues cases in court in order to seek sanctions and penalties that send a strong message of deterrence and denunciation to those who try to exploit investors.

The mandate of the OSC is to provide protection to investors from unfair, improper or fraudulent practices and to foster fair and efficient capital markets and confidence in capital markets. Investors are urged to check the registration of any person or company offering an investment opportunity and to review the OSC's investor materials available at www.osc.gov.on.ca

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1.4 Notices from the Office of the Secretary

1.4.1 Ground Wealth Inc. et al.

FOR IMMEDIATE RELEASE
July 25, 2012

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

AND

IN THE MATTER OF
GROUND WEALTH INC., ARMADILLO ENERGY INC., PAUL SCHUETT, DOUG DEBOER, JAMES LINDE, SUSAN LAWSON, MICHELLE DUNK, ADRION SMITH, BIANCA SOTO AND TERRY REICHERT

TORONTO – The Office of the Secretary issued an Amended Notice of Hearing on July 24, 2012 setting the matter down to be heard on August 2, 2012 at 10:00 a.m. to consider whether it is in the public interest for the Commission:

1. to extend the February 2012 Order pursuant to subsections 127(7) and 127(8) until the conclusion of the hearing or until such further time as considered necessary by the Commission; and

2. to make such further orders as the Commission considers appropriate;

A copy of the Amended Notice of Hearing dated July 24, 2012 is available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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1.4.2 David M. O'Brien

FOR IMMEDIATE RELEASE
July 25, 2012

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

AND

IN THE MATTER OF
DAVID M. O'BRIEN

TORONTO – The Commission issued an Order, with certain provisions, and adjourning the pre-hearing conference to September 28, 2012 at 11:00 am.

The pre-hearing conference will be held *in camera*.

A copy of the Order dated July 19, 2012 is available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
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1.4.3 Roger Carl Schoer – s. 21.7

FOR IMMEDIATE RELEASE
July 26, 2012

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

AND

IN THE MATTER OF
AN APPLICATION FOR A HEARING AND REVIEW OF A DECISION OF THE ONTARIO COUNCIL OF THE INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA, PURSUANT TO SECTION 21.7 OF THE SECURITIES ACT, R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
DISCIPLINE PROCEEDINGS PURSUANT TO THE BY-LAWS OF THE INVESTMENT DEALERS ASSOCIATION OF CANADA AND THE DEALER MEMBER RULES OF THE INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA

BETWEEN

STAFF OF THE INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA

AND

ROGER CARL SCHOER

TORONTO – The Office of the Secretary issued a Notice of Hearing setting the matter down to be heard on September 18, 2012 at 10:00 a.m. or as soon thereafter as the hearing can be held in the above named matter.

A copy of the Notice of Hearing dated July 24, 2012 is available at **www.osc.gov.on.ca**.

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1.4.4 Global RESP Corporation and Global Growth Assets Inc.

FOR IMMEDIATE RELEASE
July 26, 2012

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

AND

IN THE MATTER OF
GLOBAL RESP CORPORATION AND
GLOBAL GROWTH ASSETS INC.

TORONTO – The Commission issued a Temporary Order in the above named matter pursuant to section 127 of the Act which provides that:

1. under paragraph 1 of subsection 127(1) of the Act, the terms and conditions set out in Schedule "A" to this Order are imposed on Global RESP's registration;

2. under paragraph 1 of subsection 127(1) of the Act, the terms and conditions set out in Schedule "B" to this Order are imposed on GGAI's registration;

3. the Temporary Order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by order of the Commission; and

4. the hearing is returnable August 10, 2012 at 9:30 a.m. for the purpose of providing the Commission with an update on the implementation of the terms and conditions imposed on Global RESP and GGAI.

A copy of the Temporary Order dated July 26, 2012 is available at **www.osc.gov.on.ca**.

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1.4.5 2196768 Ontario Ltd et al.

FOR IMMEDIATE RELEASE
July 27, 2012

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

AND

IN THE MATTER OF
2196768 ONTARIO LTD carrying on business as
RARE INVESTMENTS, RAMADHAR DOOKHIE,
ADIL SUNDERJI and EVGUENI TODOROV

TORONTO – The Commission issued an Order in the above named matter which provides that the confidential pre-hearing conference is adjourned to Friday September 14, 2012 at 11:00 a.m. to permit two of the Respondents to obtain counsel and to canvass dates for the hearing on the merits.

The pre-hearing conference will be *in camera*.

A copy of the Order dated July 19, 2012 is available at **www.osc.gov.on.ca**.

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1.4.6 New Found Freedom Financial et al.

FOR IMMEDIATE RELEASE
July 27, 2012

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

AND

IN THE MATTER OF
NEW FOUND FREEDOM FINANCIAL,
RON DEONARINE SINGH,
WAYNE GERARD MARTINEZ,
PAULINE LEVY, DAVID WHIDDEN, PAUL SWABY AND
ZOMPAS CONSULTING

AND

IN THE MATTER OF
A SETTLEMENT AGREEMENT BETWEEN STAFF OF
THE ONTARIO SECURITIES COMMISSION AND
PAUL SWABY AND ZOMPAS CONSULTING

TORONTO – Following a hearing held on July 26, 2012, the Commission issued an Order in the above named matter approving the Settlement Agreement reached between Staff of the Commission and Paul Swaby and Zompas Consulting.

A copy of the Order dated July 26, 2012 and Settlement Agreement dated July 23, 2012 are available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
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1.4.7 Simply Wealth Financial Group Inc. et al.

FOR IMMEDIATE RELEASE
July 30, 2012

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

AND

IN THE MATTER OF
SIMPLY WEALTH FINANCIAL GROUP INC.,
NAIDA ALLARDE, BERNARDO GIANGROSSO,
K&S GLOBAL WEALTH CREATIVE STRATEGIES INC.,
KEVIN PERSAUD, MAXINE LOBBAN AND
WAYNE LOBBAN

TORONTO – Take notice that a sanctions hearing in the above named matter is scheduled to commence on November 27, 2012 at 10:00 a.m. and shall continue on November 28, 2012 at 10:00 a.m. at the offices of the Commission, 20 Queen Street West, 17th Floor.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Valeant Pharmaceuticals International, Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief applications in Multiple Jurisdictions – Exemption from the requirement to include the financial statement disclosure under section 8.4 of National Instrument 51-102 Continuous Disclosure Obligations (NI 51-102) – The Filer wants relief from the requirement to include in a business acquisition report the financial statements prescribed by section 8.4 of NI 51-102. The issuer will instead provide abbreviated financial statements of the business acquired.

Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations, ss. 8.4, 13.1.

TRANSLATION

July 3, 2012

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

AND

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

AND

IN THE MATTER OF
VALEANT PHARMACEUTICALS INTERNATIONAL, INC.
(the "Filer")

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the "Decision Maker") has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the "Legislation") exempting the Filer from the requirement to include the financial statement disclosure under section 8.4 of Regulation 51-102 *Continuous Disclosure Obligations* ("Regulation 51-102") in the business acquisition report ("BAR") of the Filer relating to the Acquisition and the Related Acquisitions (as such terms are defined herein) (the "Exemption Sought").

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

(a) the Autorité des marchés financiers (the "AMF") is the principal regulator for this application;

(b) the Filer has provided notice that section 4.7(1) of Regulation 11-102 *Passport System* ("Regulation 11-102") is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador (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

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

Representations

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

1. The Filer was formed under the *Business Corporations Act* (Ontario) on February 18, 2000, as a result of the amalgamation of TXM Corporation and Biovail Corporation International. The Filer was continued under the *Canada Business Corporations Act* effective June 29, 2005. On September 28, 2010, the Filer completed the acquisition of Valeant Pharmaceuticals International ("Valeant") through a wholly-owned subsidiary pursuant to an Agreement and Plan of Merger, dated as of June 20, 2010, with Valeant surviving as a wholly-owned subsidiary of the Filer (the "Merger"). In connection with the Merger, the Filer was renamed "Valeant Pharmaceuticals International, Inc."

2. The Filer is a multinational specialty pharmaceutical company that develops, manufactures and markets a broad range of pharmaceutical products primarily in the areas of neurology, dermatology and branded generics. The Filer markets and sells its products in the United States, Canada, Australia and New Zealand, and has additional operations in Europe, Latin America, South East Asia and South Africa.

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

4. The Filer is a reporting issuer in each of the Jurisdictions and Passport Jurisdictions and is an "SEC issuer" as defined in Regulation 51-102.

5. The Filer's common shares are listed on the Toronto Stock Exchange and on the New York Stock Exchange under the symbol "VRX".

6. On July 15, 2011, the Filer entered into an asset purchase agreement (the "Asset Purchase Agreement") to acquire certain assets (the "Assets") of the U.S. Ortho Dermatologics division (the "Business") of Jansen Pharmaceuticals, Inc. (the "Seller"), a consolidated subsidiary of Johnson & Johnson (the "Parent"), for a total purchase price of approximately USD $345 million (the "Acquisition"). The Assets included the rights to certain prescription brands in the United States. The Asset Purchase Agreement also granted the Filer a right to negotiate with the Seller for the purchase, individually or in the aggregate, of analogous rights in Brazil (the "Brazilian Related Business") and Canada (the "Canadian Related Business", and together with the Brazilian Related Business, the "Related Businesses") under a separate agreement. The Acquisition was completed on December 12, 2011. Following the completion of the Acquisition, the Filer and the Seller reached an agreement with respect to the Related Businesses and the Filer subsequently completed the acquisition of the Canadian Related Business on February 29, 2012 and the Brazilian Related Business on April 4, 2012 (collectively, the "Related Acquisitions").

7. Ortho Dermatologics is a specialty healthcare division of the Seller that discovers, develops, distributes and commercializes products for dermatological conditions. As the Business and the Related Businesses were run by the Seller together with other businesses, there are no separate financial statements for the specific assets and liabilities comprising the Business and the Related Businesses.

8. As a result of the Business being "significant" (as defined in Rule 3-05 of Regulation S-X of the 1934 Act), the Filer filed certain audited financial statements in the U.S. following the completion of the Acquisition.

9. On August 23, 2011, the Filer submitted a pre-clearance request to the SEC to include certain abbreviated financial statements (the "Abbreviated Financial Statements") for the purposes of its U.S. filings. The SEC consented to the pre-clearance request on October 26, 2011.

10. The Abbreviated Financial Statements consist of the following:

    (a) Audited special-purpose statement of assets that comprise the Business as of January 2, 2011 and the related statement of revenues and expenses for the fiscal year ended January 2, 2011; unaudited special-purpose statement of assets that comprise the Business as of October 2, 2011, and the related statements of revenues and expenses for the nine-month periods ended October 2, 2011 and October 3, 2010.

    (b) Unaudited pro forma condensed combined statements of income of the Filer for the year ended December 31, 2010 and the nine-month period ended September 30, 2011, giving effect to the Filer's acquisition of the Business; unaudited pro forma condensed combined balance sheet of the Filer as of September 30, 2011, giving effect to the Acquisition.

11. The Abbreviated Financial Statements were included as an exhibit to a Form 8-K/A Current Report (the "8-K/A") filed by the Filer with the SEC on February 17, 2012. The 8-K/A was filed in the Jurisdictions and the Passport Jurisdictions on April 23, 2012.

12. The Filer has filed in the Jurisdictions and the Passport Jurisdictions its 2011 audited consolidated annual financial statements (the "Annual Financial Statements") that reflect the Acquisition and the Business.

13. For the purposes of profit or loss test (the "P&L Test") contained in Section 8.3(2)(c) of Regulation 51-102, the proportionate share of the 2010 consolidated specified profit or loss of the Business equalled approximately 26.3% of the 2010 consolidated specified profit or loss of the Filer. Accordingly, the Acquisition constitutes a significant acquisition for the purposes of Part 8 of Regulation 51-102 which requires the filing of a BAR within 75 days after the acquisition date pursuant to Section 8.2 of Regulation 51-102. The Acquisition fell significantly below the thresholds for the asset test and the investment test contained in Sections 8.3(2)(a) and (b) of Regulation 51-102.

14. As the Related Businesses were under common control with the Business prior to the Acquisition, the Related Acquisitions would constitute an acquisition of related businesses pursuant to Part 8 of Regulation 51-102.

15. Pursuant to Section 8.4(8) of Regulation 51-102, the financial statements required to be included in the BAR must be presented separately for the Business and each Related Business, except for

the periods during which they were under common control or management.

16. The Filer is unable to prepare the required financial statements for the Business in accordance with Section 8.4 of Regulation 51-102 for the following reasons:

    (a) The Business was not accounted for as a separate legal entity of the Seller's or the Parent's business.

    (b) The Business did not represent a separate operating segment or external reporting unit within the Seller's or the Parent's business. It is a product portfolio within the Parent's pharmaceutical segment.

    (c) Stand-alone financial statements of the Business have never been prepared.

    (d) Historically, the assets and liabilities of the Business have generally been commingled with the assets and liabilities of other businesses of the Seller. Therefore, balance sheet information which reflects only the assets acquired and liabilities assumed is most relevant to the users of the Filer's financial information. Similarly, income and cash flow information which reflects only the revenue and direct expenses of the assets acquired and liabilities assumed is most relevant to such users of the Filer's financial information.

    (e) The Seller only allocated certain corporate expenses and certain assets and liabilities to the Business, not including interest expense, corporate overhead expenses, and income taxes since any allocation of them would be subjective.

    (f) The Filer was not provided with and does not have access to the historical financial information of the Seller and the Parent that would be required in order to prepare such financial statements for the Business. Accordingly, it is not possible to prepare such financial statements.

17. The Related Businesses would not be considered "significant" under Section 8.3 of Regulation 51-102 individually or in the aggregate and would have only a de minimis effect on the level of significance of the Business for the purposes of the P&L Test, the asset test and the investment test. The 2010 combined full year revenue for the Related Businesses was approximately USD $2.2 million, representing less than 0.2% of the Filer's revenue of USD $1.2 billion for the same year. The Related Businesses were marginally profitable in 2010. The combined gross margin for the Related Businesses was approximately 80%, with operating expenses representing approximately 30% of revenue. The total assets of the Related Businesses as of December 31, 2010 were approximately USD $370,000, which represented only 3.7% of the total assets of the Business of USD $10.025 million and 0.003% of total assets of the Filer of USD $10.8 billion. The total purchase price for the Related Businesses of approximately USD $5 million represents approximately 1% of the combined purchase price of approximately USD $350 million paid for the Business and the Related Businesses.

18. The Filer is unable to prepare the required financial statements for the Related Businesses in accordance with Section 8.4 of Regulation 51-102 for the following reasons:

    (a) The Seller did not maintain product level income statement or balance sheet information for the assets comprising the Related Businesses.

    (b) The Related Businesses are managed under local legal entities, separate from the Business. These Related Businesses do not receive direct promotional support and therefore do not have direct marketing and sales expenses allocated to them.

    (c) No other operating expenses are allocated at the level of the assets that make up the Related Businesses since any allocation of them would be subjective.

    (d) The Filer does not have access to the historical financial information of the Seller and the Parent that would be required in order to prepare such financial statements for the Related Businesses. Accordingly, it is not possible to prepare such financial statements.

19. No financial statement will be included in the BAR with respect to the Related Businesses considering that they are immaterial. As a result, the Filer proposes to include the Abbreviated Financial Statements in the BAR in respect of the Acquisition and the Related Acquisitions.

20. With the exception of the failure to file a BAR in respect of the Acquisition and the Related Acquisitions by the deadline provided for in Part 8 of Regulation 51-102, the Filer is not in default as to any other requirement under the securities legislation of the Jurisdictions and the Passport Jurisdictions.

Decision

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

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted provided that the Filer files the BAR as quickly as possible in respect of the Acquisition and the Related Acquisitions that includes the Abbreviated Financial Statements.

"Louis Morisset"
Superintendent, Capital Markets
Autorité des marchés financiers

2.1.2 Pitchstone Exploration Ltd. – s. 1(10)(a)(ii)

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Issuer deemed to no longer be a reporting issuer under securities legislation.

Applicable Legislative Provisions

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

July 25, 2012

Pitchstone Exploration Ltd.
315 – 1100 Melville Street
Vancouver, BC V6E 4A6

Dear Sirs/Mesdames:

Re: Pitchstone Exploration Ltd. (the Applicant) – application for a decision under the securities legislation of Alberta and Ontario (the Jurisdictions) that the Applicant is not a reporting issuer

The Applicant has applied to the local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions for a decision under the securities legislation (the Legislation) of the Jurisdictions that the Applicant is not a reporting issuer.

As the Applicant has represented to the Decision Makers that:

(a) the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 security holders in each of the jurisdictions in Canada and fewer than 51 security holders in total in Canada;

(b) no securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*;

(c) the Applicant is applying for a decision that it is not a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer; and

(d) the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer,

each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met and orders that the Applicant is not a reporting issuer.

Yours truly,

"Jo-Anne Matear"
Manager, Corporate Finance
Ontario Securities Commission

2.1.3 Cryptologic Exchange Corporation (formerly Cryptologic Inc.) – s. 1(10)(a)(ii)

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Issuer deemed to no longer be a reporting issuer under securities legislation.

Applicable Legislative Provisions

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

July 25, 2012

Charles-Antoine Souliere
McCarthy Tétrault S.E.N.C.R.L., s.r.l.
Le Complexe St-Amable
1150, rue de Claire Fontaine, 7e étage
Québec QC G1R 5G4

Dear Sir/Madam:

Re: Cryptologic Exchange Corporation (Formerly Cryptologic Inc.) (the "Applicant") – Application for a decision under the securities legislation of Ontario, Alberta, Saskatchewan, Manitoba, Nova Scotia and Prince Edward Island (the "Jurisdictions") that the Applicant is not a reporting issuer

The Applicant has applied to the local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions for a decision under the securities legislation (the Legislation) of the Jurisdictions that the Applicant is not a reporting issuer.

As the Applicant has represented to the Decision Makers that:

(a) the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 security holders in each of the jurisdictions in Canada and fewer than 51 security holders in total in Canada;

(b) no securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*;

(c) the Applicant is applying for a decision that it is not a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer; and

(d) the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer,

each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met and orders that the Applicant is not a reporting issuer.

"Jo-Anne Matear"
Manager, Corporate Finance
Ontario Securities Commission

2.1.4 Jite Technologies Inc. – s. 1(10)

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – application for an order that the issuer is not a reporting issuer.

Ontario Statutes

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

July 25, 2012

Jite Technologies Inc.
55 University Ave., Suite 605
Toronto, ON M5J 2H7

Dear Sirs/Mesdames:

Re: Jite Technologies Inc. (the Applicant) – application for a decision under the securities legislation of Ontario and Alberta (the Jurisdictions) that the Applicant is not a reporting issuer

The Applicant has applied to the local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions for a decision under the securities legislation (the Legislation) of the Jurisdictions that the Applicant is not a reporting issuer.

As the Applicant has represented to the Decision Makers that:

(a) the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 security holders in each of the jurisdictions in Canada and fewer than 51 security holders in total in Canada;

(b) no securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*;

(c) the Applicant is applying for a decision that it is not a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer; and

(d) the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer,

each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met and orders that the Applicant is not a reporting issuer.

"Jo-Anne Matear"
Manager, Corporate Finance
Ontario Securities Commission

2.1.5 CI Investments Inc. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted to mutual funds for extension of lapse date of prospectuses for 66 days – Lapse date extended to accommodate system conversion and fund mergers – Extension of lapse date will not affect the currency or accuracy of the information contained in the prospectuses – Securities Act (Ontario).

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as amended, s.62(1.1) and 147.

July 25, 2012

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

AND

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

AND

**IN THE MATTER OF
CI INVESTMENTS INC.
(the Manager)**

AND

**IN THE MATTER OF
CASTLEROCK BALANCED GROWTH PORTFOLIO
CASTLEROCK BALANCED PORTFOLIO
CASTLEROCK CANADIAN BALANCED FUND
CASTLEROCK CANADIAN BOND FUND
CASTLEROCK CANADIAN STOCK FUND
CASTLEROCK CANADIAN VALUE FUND
CASTLEROCK CANADIAN MONEY MARKET FUND
CASTLEROCK CONSERVATIVE PORTFOLIO
CASTLEROCK GLOBAL HIGH INCOME FUND
CASTLEROCK GROWTH PORTFOLIO
CASTLEROCK TOTAL RETURN FUND
CI EUROPEAN CORPORATE CLASS
CI EUROPEAN FUND
CI INTERNATIONAL BALANCED CORPORATE CLASS
CI INTERNATIONAL BALANCED FUND
CI JAPANESE CORPORATE CLASS
CI VALUE TRUST CORPORATE CLASS
LAKEVIEW DISCIPLINED LEADERSHIP U.S. EQUITY FUND
SIGNATURE MORTGAGE FUND
(the Funds, and together with the Manager, the Filers)**

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filers for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for an exemption that the time limits pertaining to filing the renewal prospectuses of the Filers be extended as if the lapse date of the simplified prospectuses, annual information forms and fund facts dated July 27, 2011 of the Funds, as amended from time to time, (collectively, the **Prospectuses**) is October 1, 2012 (the **Requested Relief**).

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

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

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

Interpretation

Defined terms contained in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning in this decision unless they are defined in this decision.

Representations

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

1. Each Fund is a reporting issuer (or the equivalent) as defined in the Legislation of each of the Jurisdictions and is not in default of any of the requirements of the Legislation.

2. Each Fund currently distributes its securities in all the Jurisdictions pursuant to the Prospectuses.

3. The lapse date of the Prospectuses under the Legislation is July 27, 2012.

4. There was a change of control of the former manager of the Castlerock Funds (defined in Appendix "A") on December 15, 2010 as the Manager purchased all of the outstanding shares of Hartford Investments Canada Corp.

5. The Manager and Castlerock Investments Inc. (formerly Hartford Investments Canada Corp.) amalgamated on June 30, 2011.

6. The Manager manages, in aggregate, over 170 mutual funds (the **Affiliated Funds**). The Affiliated Funds currently distribute their securities to the public under three simplified prospectuses and annual information forms (collectively, the **CI Prospectuses**), each of which have July 27, 2012 as their earliest lapse dates under the Legislation.

7. The Affiliated Funds share many common operational and administrative features which simplify the ability of investors to compare the Affiliated Funds and implement switches of investments between the Affiliated Funds.

8. The Manager intends to convert the Castlerock Funds onto the CI platform (the **Conversion**) thereby simplifying the ability of investors to compare the Funds with the Affiliated Funds and implement switches of investments between the Castlerock Funds and the Affiliated Funds.

9. The current back office provider has indicated that the earliest they can accommodate the Conversion is during the month of July 2012, with a fall back date of August 2012. As such, the Manager intends to undertake the Conversion during July or August 2012.

10. On May 28, 2012, the Manager announced by press release, in connection with which a material change report and amendment to the Prospectuses were filed on SEDAR, that it is proposing to streamline its mutual fund line-up by merging the Funds with certain Affiliated Funds (the **Mergers**). These Mergers cannot be completed until after the Conversion has been completed. As a result, the Manager may not be able to implement these Mergers until September 2012. The Mergers will allow unitholders to benefit from larger funds with better investment opportunities and lower portfolio costs due to economies of scale. Certain of the Mergers may also allow unitholders of the Funds to participate in the tax-advantaged corporate class funds that are part of the Affiliated Funds.

11. It is the intention of the Manager to adopt additional operational and administrative features for the Castlerock Funds which are consistent with the Affiliated Funds in order for investors in the Castlerock Funds and the Affiliated Funds to more easily compare the features of these mutual funds, including aligning the deferred sales charge methodology. These changes require the Conversion to have been completed.

12. Because the changes relating to the Manager adopting operational and administrative features for the Castlerock Funds are extensive and require changes to the back office facilities (that can only be implemented once the Conversion is complete), that information be disseminated to financial advisors and that prospectus disclosure of the Castlerock Funds may be amended, the Manager cannot complete the changes until the Conversion which is expected to be in July or August 2012.

13. The independent review committee for the Funds has reviewed the Mergers with respect to conflict of interest issues and has determined that the Mergers achieve a fair and reasonable result for

investors. Subject to obtaining all applicable investor, regulatory and other required approvals, the Manager intends to effect the Mergers on or about September 7, 2012, after which the Funds will be wound up. An extension of the Lapse date is therefore requested until October 1, 2012.

14. The Mergers will be effected in accordance with applicable requirements of the Legislation, including National Instrument 81-102 *Mutual Funds*, National Instrument 81-106 *Investment Fund Continuous Disclosure* and National Instrument 81-107 *Independent Review Committee for Investment Funds*.

15. Special meetings of the securityholders of certain Funds will be held on or about September 7, 2012 to approve the Mergers of certain of the Funds into other mutual funds managed by the Filers.

16. If the Requested Relief is not granted, a pro forma simplified prospectus and a final prospectus for the Funds would have to be filed by June 30, 2012 and July 27, 2012 respectively in accordance with the existing time limits for the renewal of the Prospectuses, notwithstanding that the Funds will be wound up after the effective date of the Mergers. It is not planned to file a pro forma simplified prospectus in order to avoid the costs and potential confusion which may result from the Funds having a renewal prospectus that would be used for only approximately two months.

17. There have been no material changes in the affairs of any Fund since the filing of the Prospectuses, other than those for which amendments have been filed. Accordingly, the Prospectuses represent current information regarding each Fund.

18. The Requested Relief will not affect the accuracy of the information in the Prospectuses and therefore will not be prejudicial to the public interest.

Decision

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

The decision of the principal regulator under the Legislation is that the Requested Relief is granted.

"C. Portner"
Commissioner
Ontario Securities Commission

"C. Wesley M. Scott"
Commissioner
Ontario Securities Commission

Appendix "A"

In this order, "Castlerock Funds" mean:

Castlerock Balanced Growth Portfolio
Castlerock Balanced Portfolio
Castlerock Canadian Balanced Portfolio
Castlerock Canadian Bond Fund
Castlerock Canadian Stock Fund
Castlerock Canadian Value Fund
Castlerock Canadian Money Market Fund
Castlerock Conservative Portfolio
Castlerock Global High Income Fund
Castlerock Global Growth Portfolio
Castlerock Total Return Fund

2.1.6 OSI Geospatial Inc. – s. 1(10)(a)(ii)

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Issuer deemed to no longer be a reporting issuer under securities legislation.

Applicable Legislative Provisions

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

Citation: OSI Geospatial Inc., Re, 2012 ABASC 329

July 26, 2012

Blake, Cassels & Graydon LLP
2600, 595 Burrard Street
Vancouver BC V7X 1L3

Attention: Hila Wesa

Dear Madam:

Re: OSI Geospatial Inc. (the Applicant) – Application for a decision under the securities legislation of Alberta, Ontario and Québec (the Jurisdictions) that the Applicant is not a reporting issuer

The Applicant has applied to the local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions for a decision under the securities legislation (the **Legislation**) of the Jurisdictions that the Applicant is not a reporting issuer.

In this decision, "security holder" means, for a security, the beneficial owner of the security.

The Applicant has represented to the Decision Makers that:

(a) the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 security holders in each of the jurisdictions of Canada and fewer than 51 security holders in total worldwide;

(b) no securities of the Applicant, 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;

(c) the Applicant is applying for a decision that it is not a reporting issuer in all of the jurisdictions of Canada in which it is currently a reporting issuer; and

(d) the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer,

each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met and orders that the Applicant is deemed to have ceased to be a reporting issuer and that the Applicant's status as a reporting issuer is revoked.

"Blaine Young"
Associate Director, Corporate Finance

2.1.7 Integra Capital Limited et al.

Headnote

Relief granted from the mutual fund conflict of interest investment restrictions of the Securities Act (Ontario) to permit a pooled fund to employ a fund-on-fund structure and invest in underlying funds under common management.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 111(2)(b), 111(3).

July 24, 2012

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

AND

IN THE MATTER OF
INTEGRA CAPITAL LIMITED
(the Manager)

AND

INTEGRA DIVERSIFIED FUND
INTEGRA ACADIAN GLOBAL EQUITY FUND
INTEGRA GROWTH ALLOCATION FUND
INTEGRA STRATEGIC ALLOCATION FUND
INTEGRA CONSERVATIVE ALLOCATION FUND
INTEGRA CANADIAN FIXED INCOME PLUS FUND
PRINCIPAL HIGH QUALITY CANADIAN FIXED INCOME FUND
INTEGRA EMERGING MARKETS EQUITY FUND
(the Initial Top Funds)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Manager, on its behalf and on behalf of the Initial Top Funds and any other investment fund which is not a reporting issuer under the *Securities Act* (Ontario) (the **Act**) established, advised or managed by the Manager after the date hereof (the **Future Top Funds** and, together with the Initial Top Funds, the **Top Funds**), for a decision under the securities legislation of the Jurisdiction (the **Legislation**), exempting the Manager and the Top Funds from paragraph 111(2)(b) and subsection 111(3) of the Act which prohibit the following:

(a) a mutual fund from knowingly making an investment in a person or company in which the mutual fund, alone or together with one or more related mutual funds, is a substantial security holder; and

(b) a mutual fund, its management company or its distribution company from knowingly holding an investment described in paragraph (a) above

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

Interpretation

Defined terms contained in National Instrument 14-101 *Definitions* have the same meaning if used in this decision, unless otherwise defined.

Representations

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

Manager

1. The Manager is a corporation incorporated under the laws of the Province of Ontario and has its head office in Oakville, Ontario.

2. The Manager is registered as an investment fund manager and commodity manager in Ontario, and a portfolio manager and exempt market dealer in Ontario and in other provinces of Canada.

3. Pursuant to a management agreement or a trust agreement establishing the Top Funds (collectively hereinafter referred to as the **Management Agreements**), the Manager is the investment fund manager and portfolio manager of each of the Initial Top Funds, will be the investment fund manager and portfolio manager of each of the Future Top Funds, is or will be responsible for managing the assets of the Top Funds, has or will have complete discretion to invest and reinvest or to arrange for the investment and reinvestment of the Top Funds' assets, and is or will be responsible for executing or arranging for the execution of all portfolio transactions in respect of the Top Funds.

4. Pursuant to the Management Agreements, the Manager has the power and authority to appoint a portfolio manager to manage the investment portfolios of the Top Funds and will have the power and authority to appoint portfolio managers to manage the investment portfolios of the Future Top Funds.

5. The Manager is not a reporting issuer in any jurisdiction of Canada and is not in default of securities legislation of any jurisdiction of Canada.

Top Funds

6. Each Top Fund is or will be a trust formed under the laws of Ontario by a declaration of trust.

7. Each Top Fund is or will be a mutual fund for the purposes of the Act.

8. Securities of each of the Initial Top Funds are, and securities of each of the Future Top Funds will be, sold pursuant to available prospectus exemptions in accordance with National Instrument 45-106 *Prospectus and Registration Exemptions* (**NI 45-106**).

9. The Initial Top Funds are not reporting issuers under the Act and are not in default of securities legislation of any jurisdiction of Canada. None of the Future Top Funds will be a reporting issuer under the Act.

Fund-on-Fund Structure

10. The Top Funds may provide investors with exposure to the investment portfolios of underlying funds (the **Underlying Funds**) and their respective investment strategies (the **Fund-on-Fund Structure**).

11. Each of the Underlying Funds has, or will have, separate investment objectives, strategies and investment restrictions.

12. Securities of each of the Underlying Funds, are, or will be, sold pursuant to available prospectus exemptions in accordance with NI 45-106.

13. To achieve their investment objectives, a Top Fund may invest in Underlying Funds which are managed by various fund managers.

14. While in certain cases, the Manager may retain a portfolio manager to invest the assets of the Top Funds, in other cases, it is in the best interests of the Top Fund to invest in an Underlying Fund due to the efficiencies and diversification which will be achieved by combining the assets of the Top Fund with those of the Underlying Funds.

15. The Manager believes that the Fund-on-Fund Structure provides an efficient and cost-effective manner of pursuing portfolio diversification on behalf of the Top Funds, rather than through the direct purchase of securities or the use of managed accounts with the various fund managers (which would yield the same results with greater administrative cost to both the Top Funds and the Underlying Funds' managers). Through investing in the Underlying Funds, the Top Funds will be able to achieve greater diversification at a lower cost than investing directly in the securities held by the applicable Underlying Funds.

16. The Fund-on-Fund Structure will allow investors with smaller investments to have access to a larger variety of investments than would otherwise be available.

17. Investment by the Top Funds in the Underlying Funds will increase the asset base of the Underlying Funds, enabling the Underlying Funds to further diversify their portfolios to the benefit of all their investors. The larger asset base will also benefit investors in the Underlying Funds through achieving favourable pricing and transaction costs on portfolio trades, increased access to investments where there is a minimum subscription or purchase amount, and economies of scale through greater administrative efficiency.

18. Purchasers of securities of a Top Fund are generally investment management clients of the Manager pursuant to a managed account agreement (the **MAA**). The MAA specifically authorizes or will authorize the Manager to use other portfolio managers and to invest in Underlying Funds.

19. On occasion, the purchaser may subscribe for securities of the Top Funds pursuant to a subscription agreement (the **Subscription Agreement**). Prior to the execution of the Subscription Agreement, the purchaser will be provided with a copy of the Top Fund's offering memorandum or, if no offering memorandum is prepared in respect of the Top Fund, will be provided with details about the Top Fund and given disclosure respecting relationships and potential conflicts of interest between the Top Fund and the applicable Underlying Funds.

20. Each of the Top Funds will prepare annual audited financial statements and interim unaudited financial statements in accordance with National Instrument 81-106 *Investment Fund Continuous Disclosure* (**NI 81-106**) and will otherwise comply with the requirements of NI 81-106 applicable to them. The holdings by a Top Fund of securities of an Underlying Fund will be disclosed in the financial statements of the Top Fund.

21. Investors of a Top Fund will receive, on request, a copy of the offering document of the Underlying Funds, if available, and the audited annual financial statements and interim unaudited financial statements of any Underlying Fund in which the Top Fund invests.

22. The amounts invested from time to time in an Underlying Fund by a Top Fund may exceed 20% of the outstanding voting securities of the Underlying Fund. As a result, each Top Fund could, either alone or together with other Top Funds, become a substantial security holder of an Underlying Fund. The Top Funds are, or will be, related mutual funds by virtue of the common management by the Manager.

23. In the absence of the Requested Relief, the Top Funds would be precluded from implementing the Fund-on-Fund Structure due to certain investment restrictions in the Legislation.

24. The actual weightings of the investment by a Top Fund in an Underlying Fund will be reviewed and adjusted by the Manager to ensure that the investment weighting continues to be appropriate for the Top Fund's investment objectives.

25. Any investment made by a Top Fund in an Underlying Fund will be aligned with the investment objectives, investment strategy, risk profile and other principal terms of the Top Fund.

26. A Top Fund's investments in the Underlying Funds represent the business judgment of responsible persons uninfluenced by considerations other than the best interests of the Top Funds.

Decision

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

The decision of the principal regulator under the Legislation is that the Requested Relief is granted provided that:

(a) securities of a Top Fund are distributed in Canada solely pursuant to exemptions in accordance with National Instrument 45-106 *Prospectus and Registration Exemptions*;

(b) the investment by a Top Fund in an Underlying Fund is compatible with the fundamental investment objectives of the Top Fund;

(c) no Top Fund will invest in an Underlying Fund unless the Underlying Fund invests less than 10% of its net assets in other mutual funds other than mutual funds that are money market funds or that issue index participation units;

(d) no management fees or incentive fees are payable by a Top Fund that, to a reasonable person, would duplicate a fee payable by the Underlying Fund for the same service;

(e) no sales fees or redemption fees are payable by a Top Fund in relation to its purchases or redemptions of securities of an Underlying Fund that is managed by the investment fund manager or the portfolio manager of that Top Fund;

(f) where an Underlying Fund is managed or advised by the same investment fund manager or portfolio manager as the Top Fund, the investment fund manager or portfolio manager, as applicable, does not cause the securities of the Underlying Fund held by a Top Fund to be voted at any meeting of the securityholders of an Underlying Fund, except that a Top Fund may arrange for the securities it holds of an Underlying Fund to be voted by the beneficial holders of securities of the Top Fund;

(g) the offering memorandum (or similar document) of each Top Fund discloses:

(i) that the Top Fund may purchase securities of the Underlying Funds;

(ii) that the Underlying Funds may be managed and/or advised by the same investment fund manager and/or portfolio manager as the Top Funds, as applicable;

(iii) the approximate or maximum percentage of net assets of the Top Fund that will be invested in securities of the Underlying Funds; and

(iv) the process or criteria used to select the Underlying Funds.

"Charles Wesley Moore Scott"
Commissioner
Ontario Securities Commission

"Christopher Portner"
Commissioner
Ontario Securities Commission

2.1.8 Mackenzie Financial Corporation et al.

Headnote

NP 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions – Approval of mutual fund reorganizations pursuant to section 5.5(1)(b) of NI 81-102 required because the reorganizations do not meet criteria for pre-approval – the reorganizations do not meet the requirements in sections 5.6(1)(f)(ii) and (iii) of NI 81-102 because the continuing funds will be new funds and do not have a simplified prospectus or fund facts documents – Exemption from seed capital requirements from section 3.1 of NI 81-102.

Upon reorganization, portfolio assets of terminating funds to continue as portfolio assets referable to the continuing funds – Reorganization will take two existing classes (hedged and unhedged) and put each existing class into a separate fund going forward, one hedged and one unhedged – Continuing funds to have same investment objectives, investment strategies, management fees, portfolio investment manager, and, at effective date of mergers, same portfolio assets as the terminating funds – Financial data of terminating funds is significant information that can assist investors in making decision to purchase or hold shares of continuing funds.

Exemption from requirement in section 2.1 of NI 81-101 and Item 5(b) of Form 81-101F1, Item 2 of Form 81-101F3, to permit terminating funds to preserve their respective start dates once continued as new classes of a mutual fund corporation further to mergers – Exemption from Item 4 of Form 81-101F3 to permit continuing funds to use information of terminating Funds for the average return and year-by-year return in the fund facts – Exemption from sections 15.3(2), 15.6(a)(i), 15.6(b), 15.6(d), 15.8(2)(a), 15.8(3)(a) and 15.9(2)(d) of NI 81-102 to permit the continuing funds to use the performance data of the terminating funds in sales communications and reports to securityholders – Exemption from section 4.4 of NI 81-106 and Items 3.1(1), 3.1(7), 3.1(8), 4.1(1), 4.1(2), 4.2(1), 4.2(2) and 4.3(1)(a) of Part B of Form 81-106F1 and Items 3(1) and 4 of Part C of Form 81-106F1 to permit the continuing funds to include in their annual and interim management reports of fund performance the financial highlights and past performance of the terminating funds.

Applicable Legislative Provisions

National Instrument 81-101 Mutual Fund Prospectus Disclosure, s. 6.1.
National Instrument 81-102 Mutual Funds, s. 19.1.
National Instrument 81-106 Investment Fund Continuous Disclosure, s. 17.1.

July 17, 2012

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
MACKENZIE FINANCIAL CORPORATION
(the Filer)

AND

IN THE MATTER OF

MACKENZIE IVY FOREIGN EQUITY CLASS
(HEDGED CLASS AND UNHEDGED CLASS),
MACKENZIE UNIVERSAL AMERICAN GROWTH CLASS
(HEDGED CLASS AND UNHEDGED CLASS),
MACKENZIE IVY FOREIGN EQUITY CLASS,
MACKENZIE IVY FOREIGN CURRENCY NEUTRAL CLASS,
MACKENZIE UNIVERSAL AMERICAN GROWTH CLASS AND
MACKENZIE UNIVERSAL AMERICAN GROWTH CURRENCY NEUTRAL CLASS
(the Funds)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Funds for a decision under the securities legislation of the Jurisdiction (the **Legislation**) granting an exemption from the following provisions of the Legislation to enable the Continuing Funds (as defined below) to include in their annual and interim management reports of fund performance (**MRFPs**) the performance data and information derived from the financial statements (collectively, the **Financial Data**) of the corresponding Terminating Funds (as defined below) that will be presented in the Terminating Funds' annual MRFPs for the year ended March 31, 2012 and interim MRFPs for the period ended September 30, 2012:

(a) Section 4.4 of National Instrument 81-106 – *Investment Fund Continuous Disclosure* (**NI 81-106**) for the relief requested from Form 81-106F1 – *Contents of Annual and Interim Management Report of Fund Performance* (**Form 81-106F1**) for the Continuing Funds;

(b) Items 3.1(1), 3.1(7), 3.1(8), 4.1(1) in respect of the requirement to comply with subsections 15.3(2) and 15.9(2)(d) of National Instrument 81-102 – *Mutual Funds* (**NI 81-102**), 4.1(2), 4.2(1), 4.2(2), and 4.3(1)(a) of Part B of Form 81-106F1; and

(c) Items 3(1) and 4 of Part C of Form 81-106F1 for the Continuing Funds;

(collectively, 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 (**Principal Regulator**); and

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

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.

"Capitalcorp" means Mackenzie Financial Capital Corporation, a corporation formed under the Business Corporations Act (Ontario).

"Continuing Funds" means the Continuing Hedged Funds and the Continuing Unhedged Funds.

"Continuing Hedged Funds" means the portfolio of assets owned by Capitalcorp that will be referable to each of Mackenzie Ivy Foreign Equity Currency Neutral Class and Mackenzie Universal American Growth Currency Neutral Class after the Effective Date.

"Continuing Unhedged Funds" means the portfolio of assets owned by Capitalcorp that will be referable to each of Mackenzie Ivy Foreign Equity Class and Mackenzie Universal American Growth Class after the Effective Date.

"Effective Date" means the date of the Proposed Reorganizations, which is expected to be on or about the date on which the simplified prospectus of each Continuing Fund is receipted.

"Fund" or **"Funds"** means, individually or collectively, the Continuing Funds and the Terminating Funds.

"Hedged Class" means the hedged class of shares of the Terminating Funds.

"Proposed Reorganizations" means the proposed reorganizations pursuant to which shareholders in the Terminating Funds will become shareholders in the corresponding Continuing Funds set out below:

Terminating Funds	Continuing Funds
Mackenzie Ivy Foreign Equity Class (unhedged class)	Mackenzie Ivy Foreign Equity Class
Mackenzie Ivy Foreign Equity Class (hedged class)	Mackenzie Ivy Foreign Equity Currency Neutral Class

Terminating Funds	Continuing Funds
Mackenzie Universal American Growth Class (unhedged class)	Mackenzie Universal American Growth Class
Mackenzie Universal American Growth Class (hedged class)	Mackenzie Universal American Growth Currency Neutral Class

"Terminating Funds" means the portfolio of assets owned by Capitalcorp that is referable to Mackenzie Ivy Foreign Equity Class and Mackenzie Universal American Growth Class prior to the Effective Date.

"Unhedged Class" means the unhedged class of shares of the Terminating Funds.

Representations

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

The Filer and the Funds

1. The Filer is a corporation governed by the laws of Ontario and is registered as portfolio manager and exempt market dealer in all of the provinces and territories of Canada. The Filer is also registered as an investment fund manager in Ontario and registered under the *Commodity Futures Act* (Ontario) in the category of Commodity Trading Manager.

2. The Filer is the manager and portfolio manager of the Terminating Funds and will be the manager and portfolio manager of the Continuing Funds.

3. The head office of the Filer is located in Toronto, Ontario.

4. The Filer and the Terminating Funds are not in default of securities legislation in any province or territory of Canada.

5. Capitalcorp. is a mutual fund corporation incorporated under the laws of Ontario. Each Terminating Fund is referable to two classes of shares of Capitalcorp, namely, the Hedged Class and the Unhedged Class and each Continuing Fund will be referable to a single class of shares of Capitalcorp. Each class of shares is issuable in more than one series.

6. The Terminating Funds are, and the Continuing Funds will be, reporting issuers under the applicable securities legislation of each province and territory of Canada. The Terminating Funds have been reporting issuers for at least 12 months.

7. The Terminating Funds, and the Continuing Funds will, operate in accordance with NI 81-102, except for exemptive relief that has been previously obtained.

8. The Terminating Funds are currently qualified for sale in each of the provinces and territories of Canada pursuant to the following simplified prospectuses, fund facts, and annual information forms:

   (a) for both Mackenzie Ivy Foreign Equity Class (hedged class and unhedged class) and Mackenzie Universal American Growth Class (hedged class and unhedged class), a simplified prospectus, fund facts, and annual information form for the Mackenzie Funds dated September 30, 2011 (as amended) (the **Mackenzie prospectus**);

   (b) for Mackenzie Universal American Growth Class (unhedged class), a simplified prospectus, fund facts, and annual information form for the Quadrus Group of Funds dated June 30, 2011 (as amended) (the **Quadrus prospectus**);

   (c) for Mackenzie Universal American Growth Class (unhedged class), a simplified prospectus, fund facts, and annual information form for the Laurentian Bank Group of Funds dated December 30, 2011 (the **LB prospectus**);

   (collectively, the **Prospectuses**).

9. The Continuing Funds will be new funds. The Filer intends to file preliminary simplified prospectuses, fund facts, and annual information forms for each of the Continuing Funds, which will be part of the annual renewal for the Mackenzie Prospectus, and a standalone simplified prospectus, fund facts, and annual information form for the Quadrus

prospectus and the LB prospectus in respect of Mackenzie Universal American Growth Class, on or about August 28, 2012. The simplified prospectuses for the Continuing Funds will be filed on or about September 28, 2012.

The Proposed Reorganizations

10. The Filer is proposing to reorganize each Terminating Fund by:

    (a) causing the pool of assets comprising each Terminating Fund to be "split" to become two separate pools of assets, with one pool of assets becoming referable solely to the Hedged Class and the other pool of assets becoming referable solely to the Unhedged Class, and

    (b) amending Capitalcorp's articles of incorporation such that the Hedged Classes of Mackenzie Ivy Foreign Equity Class and Mackenzie Universal American Growth Class will be renamed "Mackenzie Ivy Foreign Equity Currency Neutral Class" and "Mackenzie Universal American Growth Currency Neutral Class", respectively, and the Unhedged Classes of Mackenzie Ivy Foreign Equity Class and Mackenzie Universal American Growth Class will be renamed "Mackenzie Ivy Foreign Equity Class" and "Mackenzie Universal American Growth Class", respectively.

11. The Proposed Reorganizations are not mergers of mutual funds as is commonly understood since the classes of shares referable to the Terminating Funds will not terminate under the Ontario *Business Corporations Act* but will continue as classes of shares referable to the Continuing Funds after the Effective Date.

12. Upon completion of the Proposed Reorganizations:

    (a) their rights as shareholders of the Continuing Funds will be identical to the rights they had as shareholders of the Terminating Funds;

    (b) the net asset value (NAV) for each share of the Continuing Hedged Fund and Continuing Unhedged Fund will be equal to the NAV per share of the corresponding Hedged Classes and Unhedged Classes;

    (c) the investment objectives, investment strategies, investment portfolio manager, fee structures and valuation procedures applicable to each Continuing Hedged Fund will be identical to those of the corresponding Hedged Class, except that the Continuing Hedged Fund's investment objectives and investment strategies will reflect that the fund will hedge its foreign currency exposure, and

    (d) the investment objectives, investment strategies, investment portfolio manager, fee structures and valuation procedures applicable to each Continuing Unhedged Fund will be identical to those of the corresponding Unhedged Class, except that the Continuing Unhedged Fund's investment strategies will reflect that the fund will not hedge its foreign currency exposure.

13. As a result, notwithstanding the reorganization by way of the Proposed Reorganizations, the Continuing Funds will be managed identically to the Terminating Funds.

14. The Proposed Reorganizations will benefit shareholders of the Terminating Funds as follows:

    (a) improved hedging: by having two separate mutual funds, with only one using hedging as a fundamental investment strategy, there will be an improved system for administering the hedging activities for the Continuing Funds. This could lead to improved accuracy in hedging and could reduce the potential for administrative errors.

    (b) improved clarity: by having two separate mutual funds, there will be improved clarity to shareholders in disclosure documents. Currently, the Terminating Funds' disclosure documents describe information relating to both the Hedged Class and Unhedged Class of each Terminating Fund in one document. If the Proposed Reorganizations are implemented, there will be separate disclosure documents for each Continuing Hedged Fund and the Continuing Unhedged Fund, thereby improving clarity to shareholders.

15. Although shareholders in each of the Continuing Funds will hold the same class of shares of Capitalcorp after the Effective Date as they did before as shareholders of the corresponding Terminating Funds, and they will experience no change in investment objectives or investment strategies (other than as described above), investment portfolio manager, fee structure or valuation procedures, the Proposed Reorganizations will result in the creation of two new mutual funds for each Terminating Fund as contemplated by section 1.3 of NI 81-102. Accordingly, a special meeting (**Special Meeting**) of shareholders of the Terminating Funds will be held to vote on the Proposed on or about August 27, 2012.

16. If approval of the Proposed Reorganizations by shareholders of the Terminating Funds is obtained at the Special Meeting, subject to having obtained regulatory approval, the Filer wishes to have the Proposed Reorganizations become effective concurrently with the date a receipt is issued for the simplified prospectuses of the Continuing Funds.

17. If approval of investors of the Termination Funds is not received, then the Proposed Reorganizations will not proceed. Accordingly, it is unlikely that the Continuing Funds would be launched if the Proposed Reorganizations are not approved because it would be extremely costly for the Filer to file simplified prospectuses, annual information forms, and fund facts for each Continuing Fund, and have to terminate the Continuing Funds forthwith.

18. The Continuing Funds' financial year-end going forward will be March 31.

19. The Continuing Funds will be new funds. However, while the Continuing Hedged Funds and the Continuing Unhedged Funds will each have the same assets and liabilities as the corresponding Hedged Classes and Unhedged Classes, as new funds, they will not have their own Financial Data as at the Effective Date. In order for the Proposed Reorganizations to be as seamless as possible for shareholders in the Terminating Funds and the Continuing Funds, the Filer proposes that:

    (a) the Continuing Funds MRFPs' will include the Financial Data presented in the Terminating Funds' annual MRFPs for the year ended March 31, 2012 and interim MRFPs for the period ended September 30, 2012. The Continuing Funds will file their first annual MRFPs within 90 days of March 31, 2013 as required under NI 81-106. The Continuing Funds will file their first interim MRFPs within 60 days of September 30, 2013 as required under NI 81-106;

    (b) the Terminating Funds will each prepare annual financial statements for the year ended March 31, 2012. The Terminating Funds will file and deliver annual financial statements and an annual MRFP for their financial year ended March 31, 2012 within 90 days as required under NI 81-106; and

    (c) provided that the simplified prospectuses for the Continuing Funds are filed on or about September 28, 2012, the Terminating Funds will prepare interim financial statements for the period ended September 30, 2012. The Terminating Funds will file and deliver interim financial statements and interim MRFPs for the interim period ended September 30, 2012 within 60 days as required under NI 81-106;

    (d) the Continuing Funds will prepare comparative interim and annual financial statements for 2013 under section 2.1 of NI 81-106 using the Terminating Fund's annual financial statements for the year ended March 31, 2012 and interim financial statements for the period ended September 30, 2012. The Continuing Funds will file their first comparative annual financial statements within 90 days of March 31, 2013 as required under NI 81-106. The Continuing Funds will file their first comparative interim financial statements within 60 days of September 30, 2013 as required under NI 81-106.

20. The Financial Data of the Terminating Funds is significant information which can assist shareholders in determining whether to purchase or hold securities of the corresponding Continuing Funds.

21. The Filer has filed a separate application for exemptive relief from certain provisions of (a) NI 81-102 to permit the Continuing Funds to use performance data of the Terminating Funds in sales communications and reports to shareholders (the **Fund Communications**) and (b) National Instrument 81-101 – Mutual Fund Prospectus Disclosure and Form 81-101F1 – *Contents of Simplified Prospectus* and Form 81-101F3 *Contents of Fund Facts Document* to permit the Continuing Funds to disclose the state dates of the Terminating Funds as their respective state dates (**NI 81-102 and NI 81-101 Relief**).

Decision

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

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

    (a) the Terminating Funds prepare annual financial statements under section 2.1 of NI 81-106 for the year ended March 31, 2012 and interim financial statements for the period ended September 30, 2012;

    (b) the MRFP for each series of each Continuing Fund includes Financial Data of the corresponding series of the corresponding Terminating Fund and discloses the Proposed Reorganization for the relevant time periods; and

(c) the Continuing Funds prepare their simplified prospectuses and other Fund Communications in accordance with NI 81-102 and NI 81-101 Relief.

"Darren McKall"
Manager, Investment Funds Branch
Ontario Securities Commission

2.1.9 Mackenzie Financial Corporation et al.

Headnote

NP 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions – Approval of mutual fund reorganizations pursuant to section 5.5(1)(b) of NI 81-102 required because the reorganizations do not meet criteria for pre-approval – the reorganizations do not meet the requirement in section 5.6(1)(a)(ii) of NI 81-102 because the investment objectives of the terminating Funds may not be considered by a reasonable person to be "substantially similar" to the investment objectives of the continuing Funds – the reorganizations do not meet the requirement in sections 5.6(1)(f)(ii) of NI 81-102 because the continuing funds do not have a simplified prospectus or fund facts documents for certain series that correspond to the terminating funds – those certain series are offered under a prospectus exempt basis only

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, s. 19.1.

July 17, 2012

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
MACKENZIE FINANCIAL CORPORATION
(the Filer)

AND

IN THE MATTER OF
MACKENZIE UNIVERSAL U.S. DIVIDEND INCOME FUND
(HEDGED CLASS AND UNHEDGED CLASS),
MACKENZIE UNIVERSAL U.S. GROWTH LEADERS CLASS
(HEDGED CLASS AND UNHEDGED CLASS) AND
MACKENZIE UNIVERSAL U.S. BLUE CHIP CLASS
(the Funds)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Terminating Funds for a decision under the securities legislation of the Jurisdiction (the **Legislation**) approving the proposed reorganizations of the Terminating Funds with the Continuing Fund (as defined below) pursuant to subsection 5.5(1)(b) of National Instrument 81-102 *Mutual Funds* (**NI 81-102**)(the **Approval Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions:

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

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

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning in this decision unless they are defined in this decision.

"Capitalcorp" means Mackenzie Financial Capital Corporation.

"Continuing Fund" means the portfolio of assets owned by Capitalcorp that is referable to Mackenzie Universal U.S. Blue Chip Class.

"Effective Date" means on or about September 14, 2012, the anticipated date of the Proposed Reorganizations.

"Fund" or **"Funds"** means, individually or collectively, the Continuing Fund and the Terminating Funds.

"Mackenzie" means Mackenzie Financial Corporation, the manager of the Funds.

"Proposed Reorganizations" means the proposed reorganizations pursuant to which securityholders of the Terminating Funds will become securityholders of the Continuing Fund as set out below:

Terminating Funds	Continuing Fund
Mackenzie Universal U.S. Dividend Income Fund (Hedged Class and Unhedged Class)	Mackenzie Universal U.S. Blue Chip Class
Mackenzie Universal U.S. Growth Leaders Class (Hedged Class and Unhedged Class)	Mackenzie Universal U.S. Blue Chip Class

"Terminating Funds" means the portfolio of assets that is referable to Mackenzie Universal U.S. Dividend Income Fund (Hedged Class and Unhedged Class) and Mackenzie Universal U.S. Growth Leaders Class (Hedged Class and Unhedged Class).

Representations

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

The Filer and the Funds

1. The Filer is a corporation governed by the laws of Ontario and is registered as portfolio manager and exempt market dealer in all of the provinces and territories of Canada. The Filer is also registered in Ontario as an investment fund manager and under the *Commodity Futures Act* (Ontario) in the category of Commodity Trading Manager.

2. The Filer is the manager and portfolio manager of the Funds.

3. The head office of the Filer is located in Toronto, Ontario.

4. The Filer and the Funds are not in default of securities legislation in any province or territory of Canada.

5. Mackenzie Universal U.S. Dividend Income Fund (Hedged Class and Unhedged Class) is an open-ended mutual fund trust established under the laws of Ontario.

6. Mackenzie Universal U.S. Growth Leaders Class (Hedged Class and Unhedged Class) is referable to a class of shares of Capitalcorp, a mutual fund corporation formed under the *Business Corporations Act* (Ontario).

7. Capitalcorp qualifies as a "mutual fund corporation" under the *Income Tax Act* (Canada).

8. Each of the Funds is a mutual fund that is subject to the requirements in NI 81-102 and National Instrument 81-101 *Mutual Fund Prospectus Disclosure*. Each of the Funds operate in accordance with NI 81-102, except for exemptive relief that has been previously obtained.

9. The Funds are reporting issuers under the applicable securities legislation of each province and territory of Canada.

10. The Funds are currently qualified for sale in each of the provinces and territories of Canada pursuant to a simplified prospectus, fund facts and an annual information form dated September 30, 2011, as amended (the **Funds' Prospectus**).

11. The net asset value for each series of securities of the Funds is calculated on a daily basis on each day the Toronto Stock Exchange is open for trading.

The Proposed Reorganizations

12. Pursuant to the Proposed Reorganizations, investors of each Terminating Fund will become investors of the Continuing Fund.

13. In accordance with National Instrument 81-106 Investment Fund Continuous Disclosure, a press release announcing the Proposed Reorganizations was filed on SEDAR on June 27, 2012. A material change report and amendments to the Funds' Prospectus were filed on SEDAR on July 5, 2012.

14. As required by National Instrument 81-107 *Independent Review Committee for Investment Funds*, the Independent Review Committee (the **IRC**) has been appointed for the Funds. The Filer presented the terms of the Proposed Reorganizations to the IRC for a recommendation. The IRC reviewed the Proposed Reorganizations and provided a positive recommendation for the Proposed Reorganizations, having determined that the Proposed Reorganizations, if implemented, would achieve a fair and reasonable result for each of the Funds.

15. Regulatory approval of the Proposed Reorganizations is required because the Proposed Reorganizations do not satisfy all of the criteria for pre-approved reorganizations and transfers set out in section 5.6 of NI 81-102 in the following ways:

    (a) contrary to subsection 5.6(1)(a)(ii) of NI 81-102, the investment objectives of the Terminating Funds may not be considered by a reasonable person to be "substantially similar" to the investment objectives of the Continuing Fund;

    (b) contrary to subsection 5.6(1)(f)(ii) of NI 81-102 (**SP Delivery Requirement**), the materials to be sent to securityholders of Series D shares of Mackenzie Universal U.S. Growth Leaders Class (Unhedged Class) will not include the current simplified prospectus or the most recently filed fund facts document of series D of the Continuing Fund; and

    (c) contrary to subsection 5.6(1)(f)(ii) of NI 81-102, the materials to be sent to securityholders of Series R shares of the Terminating Funds will not include the current simplified prospectus or the most recently filed fund facts document of Series R shares of the Continuing Fund.

16. Except as noted above, the Proposed Reorganizations will otherwise comply with all other criteria for pre-approved reorganizations and transfers set out in section 5.6 of NI 81-102.

17. Investors of the Terminating Funds will be asked to approve the Proposed Reorganizations at a special meeting of investors scheduled to be held on or about August 27, 2012. The Filer will pay the costs of holding the special meetings and solicitation of proxies in connection with the Proposed Reorganizations.

18. On or about August 3, 2012, a management information circular and proxy in connection with the Proposed Reorganizations will be both filed on SEDAR and mailed to securityholders of record of the Terminating Fund, as at July 25, 2012.

19. Fund facts relating to the relevant series of the Continuing Fund will be mailed to securityholders of the corresponding series of each of the Terminating Funds, with the exception of securityholders of Series D shares of Mackenzie Universal U.S. Growth Leaders Class (Unhedged Class) and Series R securities of the Terminating Funds.

20. The Continuing Fund does not have fund facts documents to send to securityholders of Series D shares of Mackenzie Universal U.S. Growth Leaders Class (Unhedged Class) and Series R securities of the Terminating Funds.

21. Series D shares of the Mackenzie Universal U.S. Growth Leaders Class (Unhedged Class) are no longer in distribution, and the Continuing Fund does not currently offer Series D shares. In order to effect the Proposed Reorganization for Mackenzie Universal U.S. Growth Leaders Class (Unhedged Class), the Continuing Fund will distribute Series D shares to securityholders of Series D shares of Mackenzie Universal U.S. Growth Leaders Class (Unhedged Class) in reliance on the prospectus exemption contained in section 2.11(a) of National Instrument 45-106. No further Series D shares will be issued by the Continuing Fund subsequent to the Proposed Reorganizations.

22. Series R securities of the Terminating Funds and the Continuing Fund are offered on an exempt distribution basis only to other mutual funds in connection with fund-of-funds investing.

23. The Filer submits that it would not be prejudicial to the interests of the securityholders of the Series D shares of the Mackenzie Universal U.S. Growth Leaders Class (Unhedged Class) and Series R securities of the Terminating Funds that the materials to be sent to them in connection with the Proposed Reorganizations will not include the current simplified prospectus or the most recently filed fund facts documents of the corresponding series of the Continuing Fund because the management information circular that is sent to them will provide sufficient information about the Proposed Reorganizations to permit them to make an informed decision about the Proposed Reorganizations. In particular, the management information circular will describe similarities and differences between the investment objectives and investment strategies of the Terminating Funds and the Continuing Fund, the fees, the tax implications of the Proposed Reorganizations as well as a summary of the Independent Review Committees' decision with respect to the Proposed Reorganizations.

24. The portfolio and other assets of the Terminating Funds that will become assets of the Continuing Fund are acceptable to the portfolio advisor of the Continuing Fund and are consistent with the investment objectives of the Continuing Fund. To the extent that a particular security may be unsuitable or undesirable for the Continuing Fund, that security will be sold prior to the Proposed Reorganizations.

25. No sales charges will be payable in connection with the acquisition by the Continuing Fund of the investment portfolio of the Terminating Funds.

26. All of the issued and outstanding securities of the Terminating Fund will be exchanged for shares of the Continuing Fund on a dollar-for-dollar and series-by-series basis.

27. Terminating Fund securityholders will continue to have the right to redeem their securities or exchange their securities for securities of any other Mackenzie-sponsored mutual fund at any time up to the close of business on the Effective Date. Terminating Fund investors that switch their securities for securities of other Mackenzie-sponsored mutual funds will not incur any charges. Investors who redeem securities may be subject to redemption charges.

28. If the approval of investors of the Terminating Funds is not obtained at the special meeting, then the Proposed Reorganization for that Terminating Fund will not proceed.

29. If the necessary approvals are obtained, Mackenzie will carry out the following steps to complete the Proposed Reorganizations on the Effective Date:

    (a) Creating the Continuing Class (as defined below):

        (i) The directors of Capitalcorp will redesignate one of the authorized, but unissued classes of mutual fund shares of Capitalcorp as the "Mackenzie Universal U.S. Blue Chip Class" (the "**Continuing Class**").

        (ii) Capitalcorp will cause the Continuing Class to adopt the investment objectives, investment strategies and fee structure of the class of shares of the Continuing Fund.

    (b) For the Proposed Reorganization of Mackenzie Universal U.S. Growth Leaders Class (Hedged Class and Unhedged Class):

        (i) Capitalcorp will combine the net assets that are referable to Mackenzie Universal U.S. Growth Leaders Class (Hedged Class and Unhedged Class) with the net assets that are referable to the Continuing Fund and will cause the combined net assets to become the net assets that are referable to the Continuing Class.

        (ii) The articles of Capitalcorp will be amended to exchange all outstanding shares of Mackenzie Universal U.S. Growth Leaders Class (Hedged Class and Unhedged Class) and the Continuing Fund for corresponding series of shares of the Continuing Class and the shares of Mackenzie Universal U.S. Growth Leaders Class (Hedged Class and Unhedged Class) and the Continuing Fund will then be cancelled.

    (c) For the Proposed Reorganization of Mackenzie Universal U.S. Dividend Income Fund (Hedged Class and Unhedged Class):

(i) The declaration of trust of Mackenzie Universal U.S. Dividend Income Fund (Hedged Class and Unhedged Class) will be amended to create the right of Capitalcorp to purchase the units of Mackenzie Universal U.S. Dividend Income Fund (Hedged Class and Unhedged Class) held by each investor of that fund.

(ii) Capitalcorp will purchase the units of Mackenzie Universal U.S. Dividend Income Fund (Hedged Class and Unhedged Class) held by each investor of that fund.

(iii) In exchange, Capitalcorp will issue to each such investor shares of the Continuing Class that will have an aggregate value equal to the aggregate value of the units of Mackenzie Universal U.S. Dividend Income Fund held by that investor.

(iv) Capitalcorp, which will then be the sole unitholder of Mackenzie Universal U.S. Dividend Income Fund, will then cause that fund to be terminated. As a result, all of the assets of Mackenzie Universal U.S. Dividend Income Fund will be distributed to the Continuing Class.

30. The Continuing Fund is not required by NI 81-102 to vote on the Proposed Reorganizations because it is not a material change for the Continuing Fund.

31. The Filer believes that the Proposed Reorganizations are beneficial to securityholders of the Terminating Funds for the following reasons:

(a) **Performance.** The Continuing Fund has generally demonstrated better historical performance over most time periods than the Unhedged Class of the Terminating Funds and even though the Continuing Fund does not hedge its currency exposures, its performance has been comparable to that of the Hedged Class of each Terminating Fund. Accordingly, the Proposed Reorganizations will allow the securityholders of the Terminating Funds to be part of a comparable or better performing fund and to possibly benefit from the potential for improved future performance of their investments.

(b) **Similar or lower fees.** Generally, the management fees and administration fees for each series of the Continuing Fund are similar to, or lower than, the management fees and administration fees of each corresponding series of the Terminating Funds.

(c) **Tax efficiencies for taxable investors of Mackenzie Universal U.S. Dividend Income Fund (Hedged Class and Unhedged Class).** The Continuing Fund offers tax benefits that Mackenzie Universal U.S. Dividend Income Fund (Hedged Class and Unhedged Class) does not provide:

(i) Mackenzie Universal U.S. Dividend Income Fund (Hedged Class and Unhedged Class) is a mutual fund trust. On an annual basis, the fund distributes its net income and any net capital gains to its investors, and taxable investors may incur a tax liability in respect of these distributions. The Continuing Fund is a class of shares of Capitalcorp, and as a result it is less likely that the Continuing Fund will pay taxable dividends to its investors.

(ii) Switches among the funds offered by Capitalcorp, including the Continuing Fund, are entirely tax-deferred. In comparison, if a taxable investor switches out of a mutual fund trust such as Mackenzie Universal U.S. Dividend Income Fund, the investor will realize capital gains or losses on the switch.

32. For each Proposed Reorganization that is approved, the reorganization will be implemented after close of business on the Effective Date and the costs of the Proposed Reorganizations will be borne by the Filer.

33. Following the Proposed Reorganizations, the Continuing Fund will continue as a publicly offered open-ended mutual fund.

34. Following the Proposed Reorganizations, a material change report and amendments to the simplified prospectus, and annual information form of each Terminating Fund in respect of its respective Proposed Reorganization will be filed.

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 the management information circular sent to securityholders of the Terminating Funds provides sufficient information about the Proposed Reorganizations to permit securityholders to make an informed decision about the Proposed Reorganizations.

"Darren McKall"
Manager, Investment Funds Branch
Ontario Securities Commission

2.1.10 Mackenzie Financial Corporation et al.

Headnote

NP 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions – Approval of mutual fund reorganizations pursuant to section 5.5(1)(b) of NI 81-102 required because the reorganizations do not meet criteria for pre-approval – the reorganizations do not meet the requirements in sections 5.6(1)(f)(ii) and (iii) of NI 81-102 because the continuing funds will be new funds and do not have a simplified prospectus or fund facts documents – Exemption from seed capital requirements from section 3.1 of NI 81-102.

Upon reorganization, portfolio assets of terminating funds to continue as portfolio assets referable to the continuing funds – Reorganization will take two existing classes (hedged and unhedged) and put each existing class into a separate fund going forward, one hedged and one unhedged – Continuing funds to have same investment objectives, investment strategies, management fees, portfolio investment manager, and, at effective date of mergers, same portfolio assets as the terminating funds – Financial data of terminating funds is significant information that can assist investors in making decision to purchase or hold shares of continuing funds.

Exemption from requirement in section 2.1 of NI 81-101 and Item 5(b) of Form 81-101F1, Item 2 of Form 81-101F3, to permit terminating funds to preserve their respective start dates once continued as new classes of a mutual fund corporation further to mergers – Exemption from Item 4 of Form 81-101F3 to permit continuing funds to use information of terminating Funds for the average return and year-by-year return in the fund facts – Exemption from sections 15.3(2), 15.6(a)(i), 15.6(b), 15.6(d), 15.8(2)(a), 15.8(3)(a) and 15.9(2)(d) of NI 81-102 to permit the continuing funds to use the performance data of the terminating funds in sales communications and reports to securityholders – Exemption from section 4.4 of NI 81-106 and Items 3.1(1), 3.1(7), 3.1(8), 4.1(1), 4.1(2), 4.2(1), 4.2(2) and 4.3(1)(a) of Part B of Form 81-106F1 and Items 3(1) and 4 of Part C of Form 81-106F1 to permit the continuing funds to include in their annual and interim management reports of fund performance the financial highlights and past performance of the terminating funds.

Applicable Legislative Provisions

National Instrument 81-101 Mutual Fund Prospectus Disclosure, s. 6.1.
National Instrument 81-102 Mutual Funds, s. 19.1.
National Instrument 81-106 Investment Fund Continuous Disclosure, s. 17.1.

July 17, 2012

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
MACKENZIE FINANCIAL CORPORATION
(the Filer)

AND

IN THE MATTER OF
MACKENZIE IVY FOREIGN EQUITY CLASS
(HEDGED CLASS AND UNHEDGED CLASS),
MACKENZIE UNIVERSAL AMERICAN GROWTH CLASS
(HEDGED CLASS AND UNHEDGED CLASS),
MACKENZIE IVY FOREIGN EQUITY CLASS,
MACKENZIE IVY FOREIGN CURRENCY NEUTRAL CLASS,
MACKENZIE UNIVERSAL AMERICAN GROWTH CLASS AND
MACKENZIE UNIVERSAL AMERICAN GROWTH CURRENCY NEUTRAL CLASS
(the Funds)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Funds for a decision under the securities legislation of the Jurisdiction (the **Legislation**):

(a) approving the proposed reorganizations (**Reorganization Approval**) of the Terminating Funds (as defined below) into the Continuing Funds (as defined below) pursuant to subsection 5.5(1)(b) of National Instrument 81-102 – *Mutual Funds* (**NI 81-102**); and

(b) exempting the Filer from section 3.1 of NI 81-102 (the **Seed Capital Relief**) to permit the filing of a simplified prospectus for each Continuing Fund notwithstanding that the investment required under section 3.1 of NI 81-102 will not be provided, and

(c) exempting the Filer from:

i) section 2.1 of National Instrument 81-101 *Mutual Funds* (**NI 81-101**) for the purposes of the exemption sought from Form 81-101F1 – *Contents of Simplified Prospectus* (**Form 81-101F1**) and for the purposes of the exemption sought from Form 81-101F3 – *Contents of Fund Facts Document* (**Form 81-101F3**);

ii) sections 15.3(2), 15.6(a)(i), 15.6(b), 15.6(d), 15.8(2)(a), 15.8(3)(a) and 15.9(2)(d) of NI 81-102 to permit the Continuing Funds to use performance data of the Terminating Funds in sales communications and reports to securityholders (collectively, the **Fund Communications**);

iii) item 5(b) of Part B of Form 81-101F1 to permit the Continuing Funds to disclose the start dates of the Terminating Funds as their respective start dates in the simplified prospectuses;

iv) section 13.2 of NI 81-101F1 to permit the Continuing Funds to use the information of the Terminating Funds for the purpose of calculating the information required under the heading "Fund Expenses Indirectly Borne by Investors" in the simplified prospectuses;

v) item 2 of Part I of Form 81-101F3 to permit the Continuing Funds to disclose the Date Fund Created dates of the respective Terminating Funds as their Date Fund Created dates in the fund facts documents; and

vi) item 4 of Part 1 of Form 81-101 F3 to permit the Continuing Funds to use performance data of the Terminating Funds in the Average Return and Year-by-Year Returns in the fund facts documents

(collectively, the **Past Performance Relief**, and together with the Reorganization Approval and Seed Capital Relief, the **Exemption Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions:

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

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

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning in this decision unless they are defined in this decision.

"Capitalcorp" means Mackenzie Financial Capital Corporation, a corporation formed under the *Business Corporations Act* (Ontario).

"Continuing Funds" means the Continuing Hedged Funds and the Continuing Unhedged Funds.

"Continuing Hedged Funds" means the portfolio of assets owned by Capitalcorp that will be referable to each of Mackenzie Ivy Foreign Equity Currency Neutral Class and Mackenzie Universal American Growth Currency Neutral Class after the Effective Date.

"Continuing Unhedged Funds" means the portfolio of assets owned by Capitalcorp that will be referable to each of Mackenzie Ivy Foreign Equity Class and Mackenzie Universal American Growth Class after the Effective Date.

"Effective Date" means the date of the Proposed Reorganizations, which is expected to be on or about the date that the simplified prospectus of each Continuing Fund is reciepted.

"Fund" or **"Funds"** means, individually or collectively, the Continuing Funds and the Terminating Funds.

"Hedged Class" means the hedged class of shares of the Terminating Funds.

"Mackenzie" means Mackenzie Financial Corporation, the manager of the Funds.

"Proposed Reorganizations" means the proposed reorganizations pursuant to which shareholders in the Terminating Funds will become shareholders in the corresponding Continuing Funds set out below:

Terminating Funds	Continuing Funds
Mackenzie Ivy Foreign Equity Class (unhedged class)	Mackenzie Ivy Foreign Equity Class
Mackenzie Ivy Foreign Equity Class (hedged class)	Mackenzie Ivy Foreign Equity Currency Neutral Class
Mackenzie Universal American Growth Class (unhedged class)	Mackenzie Universal American Growth Class
Mackenzie Universal American Growth Class (hedged class)	Mackenzie Universal American Growth Currency Neutral Class

"Terminating Funds" means the portfolio of assets owned by Capitalcorp that is referable to Mackenzie Ivy Foreign Equity Class and Mackenzie Universal American Growth Class prior to the Effective Date.

"Unhedged Class" means the unhedged class of shares of the Terminating Funds.

Representations

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

The Filer and the Funds

1. The Filer is a corporation governed by the laws of Ontario and is registered as portfolio manager and exempt market dealer in all of the provinces and territories of Canada. The Filer is also registered as an investment fund manager in Ontario and registered under the *Commodity Futures Act* (Ontario) in the category of Commodity Trading Manager.

2. The Filer is the manager and portfolio manager of the Terminating Funds and will be the manager and portfolio manager of the Continuing Funds.

3. The head office of the Filer is located in Toronto, Ontario.

4. The Filer and the Terminating Funds are not in default of securities legislation in any province or territory of Canada.

5. Capitalcorp is a mutual fund corporation incorporated under the laws of Ontario. Each Terminating Fund is referable to two classes of shares of Capitalcorp, namely, the Hedged Class and the Unhedged Class and each Continuing Fund will be referable to a single class of shares of Capitalcorp. Each class of shares is issuable in more than one series.

6. The Terminating Funds are, and the Continuing Funds will be, reporting issuers under the applicable securities legislation of each province and territory of Canada.

7. The Terminating Funds, and the Continuing Funds will, operate in accordance with NI 81-102, except for exemptive relief that has been previously obtained.

8. On September 10, 2007, Mackenzie Ivy Foreign Equity Class was granted relief from section 2.1 of NI 81-102 to invest more than 10 percent of its net assets in debt securities issued by a foreign government or supranational agency. The fund does not rely on this relief, and therefore, does not currently intend on seeking the same relief for the two corresponding Continuing Funds, Mackenzie Ivy Foreign Equity Class and Mackenzie Ivy Foreign Equity Currency Neutral Class.

9. The Terminating Funds are currently qualified for sale in each of the provinces and territories of Canada pursuant to the following simplified prospectuses, fund facts, and annual information forms:

(a) for both Mackenzie Ivy Foreign Equity Class (hedged class and unhedged class) and Mackenzie Universal American Growth Class (hedged class and unhedged class), a simplified prospectus, fund facts, and annual information form for the Mackenzie Funds dated September 30, 2011 (as amended) (the **Mackenzie prospectus**);

(b) for Mackenzie Universal American Growth Class (unhedged class), a simplified prospectus, fund facts, and annual information form for the Quadrus Group of Funds dated June 30, 2011 (as amended) (the **Quadrus prospectus**);

(c) for Mackenzie Universal American Growth Class (unhedged class), a simplified prospectus, fund facts, and annual information form for the Laurentian Bank Group of Funds dated December 30, 2011 (the **LB prospectus**);

(collectively, the **Prospectuses**).

10. The Continuing Funds will be new funds. The Filer intends to file concurrently, preliminary simplified prospectuses, fund facts, and annual information forms for each of the Continuing Funds, which will be part of the annual renewal for the Mackenzie Prospectus, and a standalone simplified prospectus, fund facts, and annual information form for the Quadrus prospectus and the LB prospectus in respect of Mackenzie Universal American Growth Class, on or about August 28, 2012. The simplified prospectuses for the Continuing Funds will be filed on or about September 28, 2012.

11. The net asset value for each series of securities of the Terminating Funds is, and the net asset value for each series of securities of the Continuing Funds will be, calculated on a daily basis on each day the Toronto Stock Exchange is open for trading.

12. Information regarding series offered, net assets as at May 31, 2012, and start dates for the Funds are as follows:

Terminating Fund	Date first offered for sale	Net assets	Series offered by Terminating Funds and to be offered by Continuing Funds
Mackenzie Ivy Foreign Equity Class (unhedged class)	October 2000	$195.77 Million	A, E, F, F8, J, O, O6, T6 & T8
Mackenzie Ivy Foreign Equity Class (hedged class)	August 2007	$130.46 million	A, E, F, J, O, T6 & T8
Mackenzie Universal American Growth Class (unhedged class)	November 2002	$233.49 million	A, E, F, I, J, O, T6, T8, Quadrus Series, H, L, N & LB
Mackenzie Universal American Growth Class (hedged class)	February 2006	$89.46 million	A, E, F, I, J, O, T6 &T8

The Proposed Reorganizations

13. The Filer is proposing to reorganize each Terminating Fund by:

(a) causing the pool of assets comprising each Terminating Fund to be “split” to become two separate pools of assets, with one pool of assets becoming referable solely to the Hedged Class and the other pool of assets becoming referable solely to the Unhedged Class, and

(b) amending Capitalcorp’s articles of incorporation such that the Hedged Classes of Mackenzie Ivy Foreign Equity Class and Mackenzie Universal American Growth Class will be renamed “Mackenzie Ivy Foreign Equity Currency Neutral Class” and “Mackenzie Universal American Growth Currency Neutral Class”, respectively, and the Unhedged Classes of Mackenzie Ivy Foreign Equity Class and Mackenzie Universal American Growth Class will be renamed “Mackenzie Ivy Foreign Equity Class” and “Mackenzie Universal American Growth Class”, respectively.

14. The Proposed Reorganizations are not mergers of mutual funds as is commonly understood since the classes of shares referable to the Terminating Funds will not terminate under the Ontario Business Corporations Act but each will continue as a class of shares referable to one of the Continuing Funds after the Effective Date.

15. Upon completion of the Proposed Reorganizations:

    (a) shareholders in each of the Continuing Funds will hold the same class of shares of Capitalcorp after the Effective Date as they did before as shareholders of the corresponding Terminating Funds, and therefore:

        i. their rights as shareholders of the Continuing Funds will be identical to the rights they had as shareholders of the Terminating Funds; and

        ii. the net asset value (NAV) for each share of the Continuing Hedged Fund and Continuing Unhedged Fund will be equal to the NAV per share of the corresponding Hedged Classes and Unhedged Classes; and

    (b) the investment objectives, investment strategies, investment portfolio manager, fee structures and valuation procedures applicable to each Continuing Hedged Fund will be identical to those of the corresponding Hedged Class, except that the Continuing Hedged Fund's investment objectives and investment strategies will reflect that the fund will hedge its foreign currency exposure; and

    (c) the investment objectives, investment strategies, investment portfolio manager, fee structures and valuation procedures applicable to each Continuing Unhedged Fund will be identical to those of the corresponding Unhedged Class, except that the Continuing Unhedged Fund's investment strategies will reflect that the fund will not hedge its foreign currency exposure.

16. As a result, notwithstanding the reorganization by way of the Proposed Reorganizations, the Continuing Funds will be managed identically to the Terminating Funds.

17. The Proposed Reorganizations will benefit shareholders of the Terminating Funds as follows:

    (a) improved hedging: by having two separate mutual funds, with only one using hedging as a fundamental investment strategy, there will be an improved system for administering the hedging activities for the Continuing Funds. This could lead to improved accuracy in hedging and could reduce the potential for administrative errors.

    (b) improved clarity: by having two separate mutual funds, there will be improved clarity to shareholders in disclosure documents. Currently, the Terminating Funds' disclosure documents describe information relating to both the Hedged Class and Unhedged Class of each Terminating Fund in one document. If the Proposed Reorganizations are implemented, there will be separate disclosure documents for each Continuing Hedged Fund and the Continuing Unhedged Fund, thereby improving clarity to shareholders.

18. Although shareholders in each of the Continuing Funds will hold the same class of shares of Capitalcorp after the Effective Date as they did before as shareholders of the corresponding Terminating Funds, and they will experience no change in investment objectives or investment strategies (other than as described above), investment portfolio manager, fee structure or valuation procedures, the Proposed Reorganizations will result in the creation of two new mutual funds for each Terminating Fund as contemplated by section 1.3 of NI 81-102. Accordingly, a special meeting (**Special Meeting**) of shareholders of the Terminating Funds will be held to vote on the Proposed on or about August 27, 2012.

19. On or about August 3, 2012, a management information circular in connection with the Proposed Reorganizations (**Management Information Circular**) will be filed on SEDAR and will be mailed to shareholders of record of the Terminating Funds as at July 25, 2012. The Management Information Circular will provide sufficient information about the Proposed Reorganizations to permit securityholders to make an informed decision about the Proposed Reorganizations and will include information about the similarities and technical differences between the investment objectives and investment strategies of the Terminating Funds and the Continuing Funds, as well as the fees of the Continuing Funds, and the income tax considerations of the Proposed Reorganizations.

20. The Continuing Funds will be new funds. The Filer intends to file preliminary simplified prospectuses, fund facts, and annual information forms for each of the Continuing Funds, which will be part of the annual renewal for the Mackenzie Prospectus, and a standalone simplified prospectus, fund facts, and annual information form for the Quadrus prospectus and the LB prospectus in respect of Mackenzie Universal American Growth Class, on or about August 28, 2012. The simplified prospectuses for the Continuing Funds will be filed on or about September 28, 2012.

21. Terminating Fund shareholders will continue to have the right to redeem their securities or exchange their securities for securities of any other mutual funds for which they are eligible and which are offered under either the Mackenzie prospectus, Quadrus prospectus or LB prospectus, as applicable, at any time up to the close of business on the

Effective Date. Terminating Fund shareholders who switch their securities for securities of other mutual funds for which the Filer is the manager will not incur any charges. Shareholders who redeem securities may be subject to redemption charges.

22. The portfolio and other assets of each Terminating Fund that will become referable to the corresponding Continuing Fund are acceptable to the portfolio advisor of the corresponding Continuing Fund, and are consistent with the investment objectives of the corresponding Continuing Fund. The rights associated with each series of shares referable to the Continuing Funds will be identical to the rights formerly associated with the corresponding series of shares of the Terminating Funds.

23. As required by National Instrument 81-107 *Independent Review Committee for Investment Funds*, an Independent Review Committee (the **IRC**) has been appointed for the Terminating Funds. The Filer presented the terms of the Proposed Reorganizations to the IRC for a recommendation. The IRC reviewed the Proposed Reorganizations and recommended that it be put to shareholders of the Terminating Funds for their consideration on the basis that the Proposed Reorganizations would achieve a fair and reasonable result for the Terminating Funds.

24. None of the costs and expenses associated with the Proposed Reorganizations will be borne by the Funds. All such costs will be borne by the Filer. There are no charges payable by shareholders of the Terminating Funds who acquire securities of the corresponding Continuing Funds as a result of the Proposed Reorganizations.

25. Material change reports and amendments to the simplified prospectus and annual information form of each Terminating Fund in respect of the Proposed Reorganizations were filed on SEDAR on July 5, 2012.

26. The Proposed Reorganizations will not involve the disposition by shareholders of securities of the Terminating Funds nor the acquisition of securities of the Continuing Funds. The Proposed Reorganizations will also not involve the disposition or acquisition of portfolio securities by any of the Terminating Funds or the Continuing Funds. Accordingly, there are no tax consequences to the Proposed Reorganizations.

27. If approval of the Proposed Reorganizations by shareholders of the Terminating Funds is obtained at the Special Meeting, subject to having obtained regulatory approval, the Filer wishes to have the Proposed Reorganizations become effective concurrently with the date a receipt is issued for the simplified prospectuses of the Continuing Funds, which is expected to be on or about September 28, 2012.

28. If approval of shareholders of the Terminating Funds is not received, then the Proposed Reorganizations will not proceed. Accordingly, it is unlikely that the Continuing Funds would be launched if the Proposed Reorganizations are not approved because it would be extremely costly for the Filer to file simplified prospectuses, annual information forms, and fund facts for each Continuing Fund, and have to terminate the Continuing Funds forthwith.

Reorganization Approval

29. Reorganization Approval is required because the Proposed Reorganizations do not satisfy all of the criteria for pre-approved reorganizations and transfers set out in section 5.6 of NI 81-102 in the following ways:

    (a) contrary to section 5.6(1)(f)(ii) of NI 81-102 (**SP Delivery Requirement**), the simplified prospectus or the most recently filed fund facts document of the Continuing Funds will not be sent to shareholders of the Terminating Funds in connection with the Proposed Reorganizations; and

    (b) contrary to section 5.6(1)(f)(iii) of NI 81-102 (**Circular Disclosure Requirement**), the management information circular that will be sent to shareholders of the Terminating Funds will not include a statement that shareholders may obtain information about the corresponding Continuing Funds as prescribed by the Circular Disclosure Requirement.

30. Except as noted above, the Proposed Reorganizations will otherwise comply with all of the other criteria for pre-approved reorganizations and transfers set out in section 5.6 of NI 81-102.

31. The Filer wishes to hold the Special Meeting on August 27, 2012. Accordingly, simplified prospectuses and fund facts documents for the Continuing Funds, which are expected to be filed on or about September 28, 2012, will not be available for mailing to shareholders together with the Management Information Circular until on or about August 3, 2012. As a result, the Filer will not be able to comply with the SP Delivery Requirement. However, the Management Information Circular will provide the Terminating Funds' shareholders with key information which would otherwise be provided in the simplified prospectuses and fund facts of the Continuing Funds.

32. As the simplified prospectuses for the Continuing Funds will be filed on or about September 28, 2012, and will be not available by the time the Management Information Circular is mailed, the Filer will not be able to comply with the Circular Disclosure Requirement. However, the current shareholders of the Terminating Funds already have access to the documents referred in Circular Disclosure Requirement including the simplified prospectus, annual information form, most recently filed fund facts document, annual and interim financial statements and most recently filed management reports of fund performance (**MRFP**) of their respective Terminating Fund.

33. The Filer submits that it would not be prejudicial to the interests of Terminating Funds' shareholders to grant the Reorganization Approval because:

    (a) shareholders in each of the Hedged Classes and Unhedged Classes will continue to hold the same class of shares of Capitalcorp after the Effective Date as they did before as shareholders of the corresponding Terminating Funds,

    (b) each Continuing Hedged Fund will be managed in the same manner as the corresponding Hedged Class, and will have the same investment portfolio manager, fee structures and valuation procedures,

    (c) each Continuing Unhedged Fund will be managed in the same manner as the corresponding Unhedged Class, and will have the same investment portfolio manager, fee structures and valuation procedures, and

    (d) the management information circular that is sent to shareholders will provide sufficient information about the Proposed Reorganizations to permit securityholders to make an informed decision about the Proposed Reorganizations including a full description of the Proposed Reorganizations, the income tax considerations of the Proposed Reorganizations, information about the similarities and technical differences between the investment objectives and investment strategies of the Terminating Funds and the Continuing Funds, as well as a summary of the Independent Review Committees' decision with respect to the Proposed Reorganizations.

34. Shareholders in each of the Continuing Funds will hold the same class of shares of Capitalcorp after the Effective Date as they did before, and they will be managed in the same manner as the corresponding Terminating Fund, and will experience no change in investment portfolio manager, fee structure or valuation procedures. Currently, the MRFPs and marketing materials for the Terminating Funds contain separate disclosure for each of the Hedged Classes and Unhedged Classes.

Seed Capital

35. The Filer does not intend to subscribe for $150,000 of shares of each of the Continuing Funds as required by the Seed Capital Requirement because the assets of the Terminating Funds (which will become the assets of the Continuing Funds) are significantly in excess of the $150,000 seed capital requirement. Accordingly, the Filer is of the view that any seed capital injected into the Continuing Funds prior to the Proposed Reorganizations will not provide any additional benefit to securityholders.

36. On the Effective Date, the shareholders of the Continuing Funds will hold the same class of shares of Capitalcorp as they did before as shareholders of the Terminating Funds, and therefore, each Continuing Fund would have already received subscriptions aggregating not less than $500,000 (the **Fund Seed Capital**).

Past Performance

37. The Continuing Funds will be new funds. However, while the Continuing Hedged Funds and the Continuing Unhedged Funds will each have the same assets and liabilities as the corresponding Hedged Classes and Unhedged Classes, as new funds, they will not have their own performance data or information derived from financial statements (collectively, the **Financial Data**) as at the Effective Date. In order for the Proposed Reorganizations to be as seamless as possible for securityholders in the Terminating Funds and the Continuing Funds, the Filer proposes that:

    (a) the Continuing Funds' Fund Communications include the performance data of the Terminating Funds;

    (b) the simplified prospectus of each Continuing Fund:

        (i) incorporate by reference the following financial statements and MRFP of each Terminating Fund (the **Terminating Fund Disclosure**):

            (1) the annual financial statements and MRFPs referable to the corresponding Hedged Class or the Unhedged Class, as applicable, for the year ended March 31, 2012, when available; and

(2) the interim financial statements and MRFPs referable to the corresponding Hedged Class or the Unhedged Class, as applicable, for the period ended September 30, 2012, when available;

until such Terminmating Fund Disclosure is superseded by more current financial statements and MRFPs of each Continuing Fund;

(ii) state that the start date in the "Fund Details" table in the Part B for each Continuing Hedged Funds and Continuing Unhedged Funds is based upon the start date of the corresponding Hedged Class and Unhedged Class, respectively; and

(iii) use information of the Hedged Class and Unhedged Class for the purpose of calculating the information required under the "Fund Expenses Indirectly Borne by Investors" heading in Part B for each corresponding Continuing Hedged Fund and Continuing Unhedged Fund;

(c) the fund facts documents of each Continuing Fund:

(i) state under the Date Fund Created under the "Quick Facts" heading is based upon each Continuing Hedged Funds and Continuing Unhedged Funds was created on the date the corresponding Hedged Class was created and state under the "Quick Facts" heading that each Continuing Unhedged Fund was created on the date the corresponding Unhedged Class was created; and

(ii) include the performance data of the corresponding Terminating Funds.

38. The Financial Data of the Terminating Funds is significant information which can assist shareholders in determining whether to purchase or hold shares of the corresponding Continuing Funds.

39. The Filers have filed a separate application for exemptive relief from certain provisions of National Instrument 81-106 – *Investment Fund Continuous Disclosure* to enable the Continuing Funds' to include in its annual and interim MRFPs Financial Data presented in the Terminating Fund's annual MRFP for the year ended March 31, 2012 and interim MRFP for the period ended September 30, 2012 (**NI 81-106 Relief**).

Decision

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

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

1. In respect of the Reorganization Approval, the Management Information Circular sent to shareholders of the Terminating Funds provides sufficient information about the Proposed Reorganizations to permit shareholders to make an information decision about the Proposed Reorganizations; and

2. In respect of the Past Performance Relief:

(a) the Continuing Funds' Fund Communications include the applicable performance data of the Terminating Funds prepared in accordance with Part 15 of NI 81-102, including section 15(1) of NI 81-102;

(b) the Continuing Funds' simplified prospectus:

i. incorporates by reference the Terminating Fund Disclosure, until such Terminating Fund Disclosure is superseded by more current financial statements and MRFPs of the Continuing Funds;

ii. states that the start date for each series of Continuing Hedged Funds and Continuing Unhedged Funds is the start date of the corresponding series of the Hedged Classes and Unhedged Classes, respectively;

iii. discloses the Proposed Reorganization where the start date of each series of Continuing Hedged Funds and Continuing Unhedged Funds is stated;

(c) the fund facts document of each series of the Continuing Funds:

i. states that the Date Fund Created date for each series of the Continuing Hedged Funds and Continuing Unhedged Funds is the Date Fund Created date of the corresponding series of the Hedged Classes and Unhedged Classes, respectively;

ii. includes the performance data of the Terminating Funds prepared in accordance with Part 15 of NI 81-102, including section 15.9(1) of NI 81-102; and

iii. discloses the Proposed Reorganization where the Date Fund Created date of each series of the Continuing Funds is stated; and

(d) the Continuing Funds prepare their respective MRFPs in accordance with the NI 81-106 Relief.

"Darren McKall"
Manager, Investment Funds Branch
Ontario Securities Commission

2.1.11 Blackrock Investments Canada Inc. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted from s. 4.1(2) of NI 81-102, following the acquisition of the manager by another organization, to permit mutual funds to purchase securities of related entities on secondary market – Relief also granted from self-dealing provisions in s. 4.2 of NI 81-102 to permit funds to conduct inter-fund trades with pooled funds – Relief subject to conditions including IRC approval and pricing requirements – inter-fund transfers will comply with conditions in s. 6.1(2) of NI 81-107.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 4.1(2), 4.2(1), 4.3, 19.1.
National Instrument 81-107 Independent Review Committee for Investment Funds, s. 6.1(2).

July 20, 2012

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO

AND

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

AND

IN THE MATTER OF
BLACKROCK INVESTMENTS CANADA INC.
(BlackRock Investments),
BLACKROCK ASSET MANAGEMENT CANADA LIMITED
(BlackRock Canada) AND
BLACKROCK INSTITUTIONAL TRUST COMPANY, N.A.
(BTC) (each, a Filer and, collectively, the Filers)

AND

IN THE MATTER OF
THE NI 81-102 FUNDS (as defined below)

DECISION

Background

The securities regulatory authority or regulator in Ontario received an Application (the **Application**) on behalf of the Filers and on behalf of the existing mutual funds and future mutual funds of which BlackRock Investments is the investment fund manager to which National Instrument 81-102 – *Mutual Funds* (**NI 81-102**) applies (each, an **NI 81-102 Fund** and, collectively, the **NI 81-102 Funds**) for a decision under section 19.1 of NI 81-102 providing the following relief:

Transactions in Securities of Related Issuers

(a) from the requirement in section 4.1(2) of NI 81-102 that prohibits a dealer managed mutual fund from knowingly making an investment in a class of securities of an issuer (a **Related Issuer**) of which a partner, director, officer or employee of the dealer manager of the mutual fund, or a partner, director, officer or employee of an affiliate or associate of the dealer manager, is a partner, director or officer, unless the partner, director, officer or employee

(A) does not participate in the formulation of investment decisions made on behalf of the dealer managed mutual fund;

(B) does not have access before implementation to information concerning investment decisions made on behalf of the dealer managed mutual fund; and

(C) does not influence, other than through research, statistical and other reports generally available to clients, the investment decisions made on behalf of the dealer managed mutual fund;

(the foregoing individuals being referred to as **Access Persons**)

in order to permit an NI 81-102 Fund to purchase certain exchange-traded securities and non-exchange-traded debt securities of a Related Issuer in the secondary market;

Transactions with Related Parties

(b) from the requirement in section 4.2(1) of NI 81-102 that prohibits a mutual fund from purchasing a security from or selling a security to any of the following acting as principal:

(i) the manager, portfolio adviser or trustee of the mutual fund;

(ii) a partner, director or officer of the mutual fund or of the manager, portfolio adviser or trustee of the mutual fund;

(iii) an associate or affiliate of a person or company referred to in (i) or (ii);

(iv) a person or company, having fewer than 100 security holders of record, of which a partner, director or officer of the mutual fund or of the manager or portfolio adviser of the mutual fund, is a partner, director, officer or security holder;

in order to permit an NI 81-102 Fund to purchase debt securities from or sell debt securities to an existing mutual fund or a future mutual fund of which BlackRock Canada is the investment fund manager and to which NI 81-102 does not apply, (each, a **BlackRock Canada Pooled Fund** and, collectively, the **BlackRock Canada Pooled Funds**) and to an existing mutual fund or a future mutual fund of which BlackRock Investments is the investment fund manager to which NI 81-102 does not apply (each a **BlackRock Investments Pooled Fund** and, collectively, the **BlackRock Investments Pooled Funds**),

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

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions:

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

(b) the Filers have provided notice that section 4.7(1) of Multilateral Instrument 11-102 – *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Price Edward Island, Newfoundland & Labrador, Northwest Territories, Yukon and Nunavut (the **Passport Jurisdictions**).

Interpretation

Terms defined in MI 11-102, National Instrument 14-101 – *Definitions*, NI 81-102 or National Instrument 81-107 – Independent Review Committee for Investment Funds (**NI 81-107**) have the same meanings if used in this Decision, unless otherwise defined.

Representations

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

General

1. The head office of BlackRock Canada and BlackRock Investments is located in Toronto, Ontario. The head office of BTC is located in San Francisco, California.

2. BlackRock Canada is registered as a portfolio manager, investment fund manager and exempt market dealer in Ontario and in each of the Passport Jurisdictions (together, the **Jurisdictions**) and as a commodity trading manager in Ontario.

3. BlackRock Investments is registered as a portfolio manager, investment fund manager and exempt market dealer in Ontario.

4. BTC is relying on a combination of the international adviser exemption in NI 31-103 in all of the Jurisdictions and the sub-adviser exemption in (i) OSC Rule 35-502 in Ontario, (ii) a blanket order in Quebec and (iii) discretionary exemptive relief in the other provinces of Canada.

5. BlackRock Investments is, or will be, the investment fund manager of each of the NI 81-102 Funds and the BlackRock Investments Pooled Funds, each of which is, or will be, organized under the laws of Ontario or Alberta.

6. BlackRock Canada is, or will be, the investment fund manager of each of the BlackRock Canada Pooled Funds, each of which is, or will be, organized under the laws of Ontario.

7. Each of the NI 81-102 Funds is or will be a reporting issuer in each of the Jurisdictions and is or will be listed on the Toronto Stock Exchange.

8. Each of the NI 81-102 Funds is, or will be, subject to NI 81-102 and may also be subject to National Instrument 81-104 – *Commodity Pools*.

9. None of the BlackRock Investments Pooled Funds or BlackRock Canada Pooled Funds (each, a Pooled Fund and, collectively the **Pooled Funds**) are, or will be, a reporting issuer in any of the Jurisdictions except for certain BlackRock Investments Pooled Funds which will be reporting issuers in Quebec as a result of filing a non-offering prospectus in Quebec.

10. One or more of the NI 81-102 Funds and the Pooled Funds is, or will be, an index fund, the investment objective of which is to replicate the performance of an index.

11. BlackRock Investments is, or will be, the primary portfolio manager of each of the NI 81-102 Funds and the BlackRock Investments Pooled Funds and BlackRock Canada is, or will be, the primary portfolio manager of each of the BlackRock Canada Pooled Funds.

12. BTC or an affiliated or third party portfolio manager is, or may be, a sub-adviser of each of the NI 81-102 Funds and the Pooled Funds.

13. Each of the Filers is currently, indirectly, a subsidiary of BlackRock, Inc. (**BlackRock**).

14. With respect to the ownership of BlackRock:

    (i) the PNC Financial Services Group, Inc. (**PNC**) holds, indirectly through its holding in BlackRock, approximately 21.0% of the outstanding voting securities of BlackRock Canada, BlackRock Investments and BTC and approximately 21.7% of the outstanding securities of BlackRock Canada, BlackRock Investments and BTC; and

    (ii) the public, BlackRock employees and other investors will hold, indirectly through their holdings in BlackRock, the remaining outstanding voting securities and outstanding securities of BlackRock Canada, BlackRock Investments and BTC.

15. On March 7, 2012, BlackRock completed the acquisition of a 100% interest in Claymore Investments, Inc. (the "**Transaction**"). As a result of the Transaction, Claymore Investments, Inc. ("**Claymore**") became an indirect, wholly-owned subsidiary of BlackRock. Following the Transaction, Claymore was continued under the laws of the province of Alberta and changed its name to BlackRock Investments Canada Inc.

16. Each of BlackRock and PNC is a reporting issuer in the United States, the equity securities of which are listed on the New York Stock Exchange.

17. None of the Filers, the NI 81-102 Funds or the Pooled Funds is in default of securities legislation in any of the Jurisdictions.

Transactions in Securities of Related Issuers

18. BlackRock is a principal shareholder of a dealer. As a result BlackRock Investments and BTC will each be a dealer manager and the NI 81-102 Funds will be dealer managed mutual funds.

19. A director, officer or employee of BlackRock Investments, BlackRock Canada or BTC who is an Access Person may be a director or officer of BlackRock or another affiliate and a director, officer or employee of BlackRock or another affiliate

who is an Access Person may be a director or officer of other issuers, including PNC which will result in BlackRock and such others being Related Issuers.

20. One or more directors of BlackRock may be a director or officer of other related entities including PNC. The directors and officers of such other issuers may be Access Persons as a result of the structure of the investment management activities of the Filers, BlackRock and its related entities, which will result in such other issuers being Related Issuers.

21. The securities of BlackRock, PNC or other Related Issuers may be included in an index which an NI 81-102 Fund or a BlackRock Investments Pooled Fund, which is an index fund, seeks to replicate.

22. BlackRock Investments may wish to invest the assets of the NI 81-102 Funds and the BlackRock Investments Pooled Funds in exchange-traded and non-exchange-traded securities of BlackRock, PNC or other Related Issuers in the secondary market.

23. The NI 81-102 Funds are permitted to invest in exchange-traded securities of Related Issuers in the secondary market pursuant to section 6.2 of NI 81-107. However, section 6.2 of NI 81-107 does not provide relief from section 4.1(2) of NI 81-102 and it does not provide an exemption for purchases of non-exchange-traded debt securities.

24. The investment strategies of an NI 81-102 Fund or a BlackRock Investments Pooled Fund that relies on the Exemption Sought permit, or will permit, the NI 81-102 Fund or BlackRock Investments Pooled Fund to invest in the securities purchased, either as a principal strategy in achieving its investment objective or as a temporary strategy pending the purchase of other securities.

25. Some of the Related Issuers are, or may be, issuers of non-exchange-traded debt securities that have an "approved credit rating" within the meaning of NI 81-102. The Filers consider that the NI 81-102 Funds should have access to such securities for the following reasons:

    (a) there is currently and has been for several years a very limited supply of such securities; to limit the supply available to the NI 81-102 Funds even further by removing debt issued by a Related Issuer puts the NI 81-102 Funds at a competitive disadvantage and may increase the cost a fund pays for available securities;

    (b) diversification is reduced to the extent that an NI 81-102 Fund is limited with respect to investment opportunities; and

    (c) to the extent that an NI 81-102 Fund is trying to track or outperform a benchmark, it is important for the NI 81-102 Fund to be able to purchase any securities included in the benchmark; debt securities of the Related Issuers may be included in a number of debt indices.

26. The Filers are seeking the Exemption Sought because it may be appropriate for the NI 81-102 Funds to invest in non-exchange-traded debt and exchange-traded securities of BlackRock, PNC or other Related Issuers.

27. In respect of the NI 81-102 Funds which are index funds, the Exemption Sought is required because non-exchange-traded debt and exchange-traded securities of BlackRock, PNC or other Related Issuers may be included in an index which an NI 81-102 Fund seeks to replicate.

28. Each purchase of non-exchange-traded debt securities of a Related Issuer will occur in the secondary market and not under primary distributions or treasury offerings of a Related Issuer.

29. Each purchase of a non-exchange-traded debt security of a Related Issuer purchased by a NI 81-102 Fund or a Pooled Fund will have, at the time of the purchase, an "approved credit rating" by an "approved credit rating organization" within the meaning of those terms in NI 81-102.

30. If an NI 81-102 Fund's purchase of non-exchange-traded debt securities issued by a Related Issuer involves an inter-fund trade with another fund to which NI 81-107 applies, the provisions of section 6.1(2) of NI 81-107 will apply to such transactions.

Transactions with Related Parties

31. The Pooled Funds are associates of BlackRock Canada or BlackRock Investments.

32. BlackRock Investments may wish to cause an NI 81-102 Fund to purchase securities from or sell securities to an NI 81-102 Fund or a Pooled Fund.

33. Sections 4.3(1) and 4.3(2) of NI 81-102 permit an NI 81-102 Fund to purchase exchange-traded securities from or sell exchange-traded securities to an NI 81-102 Fund or a Pooled Fund and to purchase debt securities from or sell debt securities to an NI 81-102 Fund, provided the terms of sections 4.3(1) and 4.3(2) are complied with.

34. BlackRock Canada and BlackRock Investments cannot rely on section 4.3(2) of NI 81-102 to permit an NI 81-102 Fund to purchase non-exchange traded debt securities from or sell non-exchange-traded debt securities to a Pooled Fund because the Pooled Funds are not subject to NI 81-107.

35. BlackRock Investments has established, or will establish, an independent review committee (**IRC**) in respect of each NI 81-102 Fund in accordance with the requirements of NI 81-107.

36. BlackRock Canada or BlackRock Investments has established, or will establish, an IRC (the members of which may also be members of the IRC of the NI 81-102 Funds) in respect of the Pooled Funds which rely on the Exemption Sought.

37. The IRC of the Pooled Funds is, or will be, composed by BlackRock Canada or BlackRock Investments in accordance with section 3.7 of NI 81-107 and is, or will be, expected to comply with the standard of care set out in section 3.9 of NI 81-107.

38. The mandate of the IRC of a Pooled Fund will include:

    (i) approving purchases and sales of securities between the Pooled Fund and an NI 81-102 Fund; and

    (ii) approving purchases of securities issued by a Related Issuer;

    on behalf of the Pooled Fund.

39. The IRC of the Pooled Funds will not provide any of the approvals referred to in paragraph 38 unless it has made the determination set out in section 5.2(2) of NI 81-107.

40. Purchases and sales of securities involving an NI 81-102 Fund will be referred to the IRC of the NI 81-102 Fund under section 5.2(1) of NI 81-107 for approval on behalf of the NI 81-102 Fund.

41. Each purchase and sale of securities between two NI 81-102 Funds and/or Pooled Funds will be consistent with the investment objective of the NI 81-102 Fund or the Pooled Fund, as the case may be.

42. If the IRC of an NI 81-102 Fund or a Pooled Fund becomes aware of an instance where BlackRock Canada or BlackRock Investments, as investment fund manager of the NI 81-102 Fund or Pooled Fund, did not comply with the terms of the relief, or a condition imposed by the IRC in its approval, the IRC of the NI 81-102 Fund or the Pooled Fund will, as soon as practicable, notify in writing the securities regulatory authority or regulator in the Jurisdiction under which the NI 81-102 Fund or Pooled Fund is organized.

Decision

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

The Decision of the principal regulator is that the Exemptions Sought are granted on the following conditions:

(a) In respect of the relief from section 4.1(2) of NI 81-102

    (i) in respect of the purchase by an NI 81-102 Fund of exchange-traded securities of a Related Issuer in the secondary market:

        (A) the purchase or holding is consistent with, or is necessary to meet, the investment objective of the NI 81-102 Fund;

        (B) the IRC of the NI 81-102 Fund has approved the transaction in accordance with section 5.2(2) of NI 81-107;

        (C) the purchase is made on an exchange on which the securities are listed and traded;

(D) no later than the time the NI 81-102 Fund files its annual financial statements, BlackRock Investments files with the securities regulatory authority or regulator the particulars of any such investments; and

(ii) in respect of the purchase by an NI 81-102 Fund of non-exchange-traded debt securities of a Related Issuer in the secondary market:

(A) the purchase or holding is consistent with, or is necessary to meet, the investment objective of the NI 81-102 Fund;

(B) the applicable IRC of the NI 81-102 Fund has approved the transaction in accordance with section 5.2(2) of NI 81-107;

(C) BlackRock Investments complies with section 5.1 of NI 81-107 and BlackRock Investments and the applicable IRC of the NI 81-102 Fund comply with section 5.4 of NI 81-107 for any standing instructions the applicable IRC provides in connection with the transaction;

(D) the price payable for the security is not more than the ask price of the security;

(E) the ask price of the security is determined as follows:

(1) if the purchase occurs on a marketplace, the price payable is determined in accordance with the requirements of that marketplace; or

(2) if the purchase does not occur on a marketplace,

A. the NI 81-102 Fund may pay the price for the security at which an independent, arm's-length seller is willing to sell the security, or

B. if the NI 81-102 Fund does not purchase the security from an independent, arm's-length seller, consistent with Commentary 7 of section 6.1 of NI 81-107, the NI 81-102 Fund must pay the price quoted publicly by an independent marketplace or obtain, immediately before the purchase, at least one quote from an independent, arm's-length purchaser or seller and not pay more than that quote;

(F) the transaction complies with any applicable "market integrity requirements" as defined in NI 81-107; and

(G) no later than the time the fund files its annual financial statements, in the case of an NI 81-102 Fund, BlackRock Investments files with the securities regulatory authority or regulator the particulars of any such investments.

(b) In respect of the relief from section 4.2(1) of NI 81-102:

(A) the IRC of the NI 81-102 Fund has approved the transaction on behalf of the NI 81-102 Fund in accordance with the terms of sections 5.2(2) of NI 81-107;

(B) the IRC of the Pooled Fund has approved the transaction in respect of the Pooled Fund in accordance with the terms of sections 5.2(2) of NI 81-107; and

(C) the transaction complies with paragraphs (c) to (g) of subsection 6.1(2) of NI 81-107.

"Darren McKall"
Manager, Investment Funds
Ontario Securities Commission

2.1.12 Blackrock Investments Canada Inc. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted from s. 13.5(2)(a) of NI 31-103, following the acquisition of the manager by another organization, to permit mutual funds to purchase securities of related entities on secondary market – Relief also granted from s. 13.5(2)(b) of NI 31-103 to permit inter-fund trades and in specie transfers between public mutual funds, pooled funds and managed accounts – Relief subject to conditions including IRC approval or client consent – relief also subject to pricing and transparency conditions – inter-fund trades will comply with conditions in s. 6.1(2) of NI 81-107.

Applicable Legislative Provisions

National Instrument 31-103 Registration Requirements and Exemptions, ss. 13.5, 15.1.
National Instrument 81-107 Independent Review Committee for Investment Funds, ss. 6.1, 6.2.

July 20, 2012

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO

AND

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

AND

IN THE MATTER OF
BLACKROCK INVESTMENTS CANADA INC. (BlackRock Investments),
BLACKROCK ASSET MANAGEMENT CANADA LIMITED (BlackRock Canada),
BLACKROCK INSTITUTIONAL TRUST COMPANY, N.A. (BTC), AND
BLACKROCK FINANCIAL MANAGEMENT, INC. (BFM)
(each, a Filer and, collectively, the Filers)

AND

IN THE MATTER OF
THE NI 81-102 FUNDS (as defined below) AND
THE POOLED FUNDS (as defined below)

DECISION

Background

The securities regulatory authority or regulator in Ontario received an application (the **Application**) on behalf of the Filers and on behalf of the existing mutual funds and future mutual funds of which BlackRock Investments is the investment fund manager to which National Instrument 81-102 – *Mutual Funds* (**NI 81-102**) applies (each, an **NI 81-102 Fund** and, collectively, the **NI 81-102 Funds**) and on behalf of the existing mutual funds and future mutual funds of which BlackRock Canada is the investment fund manager and to which NI 81-102 does not apply (each, a **BlackRock Canada Pooled Fund** and, collectively, the **BlackRock Canada Pooled Funds**) and on behalf of the existing mutual funds and future mutual funds of which BlackRock Investments is the investment fund manager to which NI 81-102 does not apply (each a **BlackRock Investments Pooled Fund** and, collectively, the **BlackRock Investments Pooled Funds**) for a decision under section 15.1 of National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) providing relief from the following:

Transactions in Securities of Related Issuers

(a) from the requirement in section 13.5(2)(a) of NI 31-103 that prohibits a registered adviser from knowingly causing an investment portfolio managed by it, including an investment fund for which it acts as an adviser, from purchasing a security of an issuer (a **Related Issuer**) in which a responsible person or an associate of a responsible person

(referred to as **Access Persons**) is a partner, officer or director unless this fact is disclosed to the client and the written consent of the client is obtained before the purchase, in order to permit

(i) an NI 81-102 Fund or a BlackRock Investments Pooled Fund to purchase certain non-exchange-traded debt securities of a Related Issuer in the secondary market; and

(ii) a BlackRock Investments Pooled Fund to purchase exchange-traded securities of a Related Issuer in the secondary market;

Transactions with Related Parties

(b) from the requirement in section 13.5(2)(b) of NI 31-103 that prohibits a registered adviser from knowingly causing an investment portfolio managed by it, including an investment fund for which it acts as an adviser, from purchasing or selling a security from or to the investment portfolio of any of the following:

(i) a responsible person;

(ii) an associate of a responsible person;

(iii) an investment fund for which a responsible person acts as an adviser;

in order to permit

(i) an NI 81-102 Fund to purchase securities from or sell securities to a BlackRock Investments Pooled Fund or a BlackRock Canada Pooled Fund (each a **Pooled Fund** and, collectively, the **Pooled Funds**) or a fully managed account managed by BlackRock Canada, BTC or BFM for a Canadian resident client (each, a **Managed Account** and, collectively, the **Managed Accounts**);

(ii) a Pooled Fund to purchase securities from or sell securities to another Pooled Fund, an NI 81-102 Fund or a Managed Account;

(iii) a Managed Account to purchase securities from or sell securities to a BlackRock Investments Pooled Fund or an NI 81-102 Fund;

(iv) a BlackRock Investments Pooled Fund and a Managed Account to engage in *In Specie* Transactions, as described below;

(v) a Pooled Fund and an NI 81-102 Fund to engage in *In Specie* Transactions; and

(vi) an NI 81-102 Fund and a Managed Account to engage in *In Specie* Transactions,

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

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions:

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

(b) the Filers have provided notice that section 4.7(1) of Multilateral Instrument 11-102 – *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland & Labrador, Northwest Territories, Yukon and Nunavut (the **Passport Jurisdictions**).

Interpretation

Terms defined in MI 11-102, National Instrument 14-101 – *Definitions*, NI 81-102 or National Instrument 81-107 – *Independent Review Committee for Investment Funds* (**NI 81-107**) and NI 31-103 have the same meanings if used in this Decision, unless otherwise defined.

Representations

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

1. The head office of each of BlackRock Canada and BlackRock Investments is located in Toronto, Ontario. The head office of BTC is located in San Francisco, California. The head office of BFM is located in New York, New York.

2. BlackRock Canada is registered as a portfolio manager, investment fund manager and exempt market dealer in Ontario and in each of the Passport Jurisdictions (together, the **Jurisdictions**) and as a commodity trading manager in Ontario.

3. BlackRock Investments is registered as a portfolio manager, investment fund manager and exempt market dealer in Ontario.

4. BTC is relying on a combination of the international adviser exemption in NI 31-103 in all of the Jurisdictions and the sub-adviser exemption in (i) OSC Rule 35-502 in Ontario, (ii) a blanket order in Quebec and (iii) discretionary exemptive relief in the other provinces of Canada.

5. BFM is relying on a combination of the international adviser exemption in NI 31-103 in all of the provinces of Canada and the sub-adviser exemption in (i) OSC Rule 35-502 in Ontario, (ii) a blanket order in Quebec and (iii) discretionary exemptive relief in the other Jurisdictions.

6. BlackRock Investments is, or will be, the investment fund manager of each of the NI 81-102 Funds, each of which is, or will be, organized under the laws of Ontario or Alberta.

7. BlackRock Canada is, or will be, the investment fund manager of each of the BlackRock Canada Pooled Funds, each of which is, or will be, organized under the laws of Ontario.

8. BlackRock Investments is, or will be, the investment fund manager of each of the BlackRock Investments Pooled Funds, each of which is, or will be, organized under the laws of Ontario or Alberta.

9. Each of the NI 81-102 Funds is or will be a reporting issuer in each of the Jurisdictions and is or will be listed on the Toronto Stock Exchange.

10. Each of the NI 81-102 Funds is, or will be, subject to NI 81-102 and may also be subject to National Instrument 81-104 – *Commodity Pools*.

11. None of the Pooled Funds are, or will be, a reporting issuer in any of the Jurisdictions except for certain BlackRock Investments Pooled Funds which will be reporting issuers in Quebec as a result of filing a non-offering prospectus in Quebec.

12. One or more of the NI 81-102 Funds and the Pooled Funds is, or will be, an index fund, the investment objective of which is to replicate the performance of an index.

13. BlackRock Investments is, or will be, the primary portfolio manager of each of the NI 81-102 Funds and the BlackRock Investments Pooled Funds; BlackRock Canada is, or will be, the primary portfolio manager of each of the BlackRock Canada Pooled Funds; and BlackRock Canada, BTC or BFM is, or will be, the primary portfolio manager of each of the Managed Accounts.

14. BTC or an affiliated or third party portfolio manager is, or may be, a sub-adviser of each of the NI 81-102 Funds of which BlackRock Investments is the primary portfolio manager, each of the Pooled Funds of which BlackRock Canada or BlackRock Investments is the primary portfolio manager and each of the Managed Accounts of which BlackRock Canada is the primary portfolio manager.

15. Each of BlackRock Canada, BlackRock Investments, BTC and BFM is currently, indirectly a wholly-owned subsidiary of BlackRock.

16. With respect to the ownership of BlackRock:

    (i) the PNC Financial Services Group, Inc. (**PNC**) holds, indirectly through its holding in BlackRock, approximately 21.0% of the outstanding voting securities of BlackRock Canada, BlackRock Investments, BTC and BFM and approximately 21.7% of the outstanding securities of BlackRock Canada, BlackRock Investments, BTC and BFM; and

    (ii) the public, BlackRock employees and other investors will hold, indirectly through their holdings in BlackRock, the remaining outstanding voting securities and outstanding securities of BlackRock Canada, BlackRock Investments, BTC and BFM.

17. On March 7, 2012, BlackRock completed the acquisition of a 100% interest in Claymore Investments, Inc. (the "**Transaction**"). As a result of the Transaction, Claymore Investments, Inc. ("**Claymore**") became an indirect, wholly-owned subsidiary of BlackRock. Following the Transaction, Claymore was continued under the laws of the province of Alberta and changed its name to BlackRock Investments Canada Inc.

18. Each of BlackRock and PNC is a reporting issuer in the United States, the equity securities of which are listed on the New York Stock Exchange.

19. None of the Filers, the NI 81-102 Funds or the Pooled Funds is in default of securities legislation in any of the Jurisdictions.

Transactions in Securities of Related Issuers

20. A director, officer or employee of BlackRock Investments, BlackRock Canada or BTC who is an Access Person may be a director or officer of BlackRock or another affiliate and a director, officer or employee of BlackRock or another affiliate who is an Access Person may be a director or officer of other issuers, including PNC which will result in BlackRock and such others being Related Issuers.

21. One or more directors of BlackRock may be a director or officer of other related entities including PNC. The directors and officers of such other issuers may be Access Persons as a result of the structure of the investment management activities of the Filers, BlackRock and its related entities, which will result in such other issuers being Related Issuers.

22. The securities of BlackRock, PNC or other Related Issuers may be included in an index which an NI 81-102 Fund or a BlackRock Investments Pooled Fund, which is an index fund, seeks to replicate.

23. BlackRock Investments may wish to invest the assets of the NI 81-102 Funds and the BlackRock Investments Pooled Funds in exchange-traded and non-exchange-traded securities of BlackRock, PNC or other Related Issuers in the secondary market.

24. The NI 81-102 Funds are permitted to invest in exchange-traded securities of Related Issuers in the secondary market pursuant to section 6.2 of NI 81-107.

25. The investment strategies of an NI 81-102 Fund or a BlackRock Investments Pooled Fund that relies on the Exemption Sought permit, or will permit, the NI 81-102 Fund or BlackRock Investments Pooled Fund to invest in the securities purchased, either as a principal strategy in achieving its investment objective or as a temporary strategy pending the purchase of other securities.

26. Some of the Related Issuers are, or may be, issuers of non-exchange-traded debt securities that have an "approved credit rating" within the meaning of NI 81-102. The Filers consider that the NI 81-102 Funds and the Pooled Funds should have access to such securities for the following reasons:

    (a) there is currently and has been for several years a very limited supply of such securities; to limit the supply available to the NI 81-102 Funds and the Pooled Funds even further by removing debt issued by a Related Issuer puts the NI 81-102 Funds and the Pooled Funds at a competitive disadvantage and may increase the cost a fund pays for available securities;

    (b) diversification is reduced to the extent that an NI 81-102 Fund or a Pooled Fund is limited with respect to investment opportunities; and

    (c) to the extent that an NI 81-102 Fund or a Pooled Fund is trying to track or outperform a benchmark, it is important for the NI 81-102 Fund or the Pooled Fund to be able to purchase any securities included in the benchmark; debt securities of the Related Issuers may be included in a number of debt indices.

27. The Filers are seeking the Exemption Sought because securities of BlackRock, PNC or other Related Issuers that are exchange-traded may be appropriate for the Pooled Funds to invest in and debt securities of BlackRock, PNC or other Related Issuers that are non-exchange-traded may be appropriate for the NI 81-102 Funds or the Pooled Funds to invest in.

28. Each purchase of non-exchange-traded debt securities of a Related Issuer will occur in the secondary market and not under primary distributions or treasury offerings of a Related Issuer.

29. Each purchase of a non-exchange-traded debt security of a Related Issuer purchased by an NI 81-102 Fund or a Pooled Fund will have, at the time of the purchase, an "approved credit rating" by an "approved credit rating organization" within the meaning of those terms in NI 81-102.

30. If a purchase by an NI 81-102 Fund or a Pooled Fund of non-exchange-traded debt securities issued by a Related Issuer involves an inter-fund trade with another fund to which NI 81-107 applies, the provisions of section 6.1(2) of NI 81-107 will apply to such transaction.

Transactions with Related Parties

31. The Pooled Funds are associates of BlackRock Canada or BlackRock Investments.

32. BlackRock Investments may wish to cause an NI 81-102 Fund to purchase securities from or sell securities to an NI 81-102 Fund, a Pooled Fund or a Managed Account.

33. BlackRock Canada or BlackRock Investments may wish to cause a Pooled Fund to purchase securities from or sell securities to another Pooled Fund, an NI 81-102 Fund or a Managed Account.

34. BlackRock Canada, BlackRock Investments, BTC or BFM may wish to cause a Managed Account to purchase securities from or sell securities to an NI 81-102 Fund or a BlackRock Investments Pooled Fund.

35. The transactions in paragraphs 32 to 34 are referred to as **Inter-Fund Trades**.

36. Effecting Inter-Fund Trades has a number of benefits, including that such trades will (i) allow the Filers to manage asset classes more effectively and reduce transaction costs for both parties to the trades; (ii) reduce market impact costs which could be detrimental to both parties to the trade; (iii) allow the Filer to retain within its control blocks of securities that might otherwise need to be broken or re-assembled; and (iv) provide liquidity for securities that may trade in lower volumes with less frequency and at larger bid-ask spreads.

37. BlackRock Canada, BlackRock Investments, BTC or BFM may wish to or be required to deliver securities to an NI 81-102 Fund in respect of the purchase by a Pooled Fund or a Managed Account of units of an NI 81-102 Fund and may wish to or be required to receive securities from an NI 81-102 Fund in respect of a redemption of units of an NI 81-102 Fund by a Pooled Fund or a Managed Account. (Such transactions are referred to as ***In Specie* Transactions**.)

38. BlackRock Canada, BlackRock Investments, BFM or BTC may wish to or be required to cause a Managed Account to engage in *In Specie* Transactions with a BlackRock Investments Pooled Fund or an NI 81-102 Fund in respect of the purchase or redemption of units of a BlackRock Investments Pooled Fund or an NI 81-102 Fund by a Managed Account.

39. Effecting *In Specie* Transactions has a number of benefits, including that such trades ensure that (i) an NI 81-102 Fund or a Pooled Fund does not incur any transaction costs on the acquisition or disposition of securities in connection with the investment of proceeds resulting from an issue of units, or the delivery of proceeds resulting from a redemption of units as would be the case if the NI 81-102 Fund or the Pooled Fund received and delivered cash proceeds; (ii) the party that is purchasing or redeeming units of an NI 81-102 Fund or a Pooled Fund does not have to dispose of securities it holds, thereby incurring transaction costs in order to acquire units, if it holds securities acceptable to the NI 81-102 Fund or the Pooled Fund, and can redeem its holding of units and receive securities without incurring transaction costs; and (iii) if there are transaction costs associated with the acquisition or disposition of securities, they are incurred by the party purchasing or redeeming units of an NI 81-102 Fund or a Pooled Fund and not by the other unitholders of the NI 81-102 Fund or the Pooled Fund.

40. BlackRock Canada and BlackRock Investments cannot rely on the exemption under section 6.1(4) of NI 81-107 in connection with the purchase and sale of securities between NI 81-102 Funds and/or Pooled Funds unless the parties are both NI 81-102 Funds. An exemption for the purchase and sale of securities involving the Pooled Funds or Managed Accounts is not provided for in section 6.1(4) of NI 81-107. The purchase and sale of securities involving only NI 81-102 Funds will be conducted in accordance with the exemption codified under section 6.1(4) of NI 81-107.

41. BlackRock Investments has established, or will establish, an independent review committee (**IRC**) in respect of each NI 81-102 Fund in accordance with the requirements of NI 81-107.

42. BlackRock Canada or BlackRock Investments has established, or will establish, an IRC (the members of which may also be members of the IRC of the NI 81-102 Funds) in respect of the Pooled Funds which rely on the Exemption Sought.

43. The IRC of the Pooled Funds is, or will be, composed by BlackRock Canada or BlackRock Investments in accordance with section 3.7 of NI 81-107 and is, or will be, expected to comply with the standard of care set out in section 3.9 of NI 81-107.

44. The mandate of the IRC of a Pooled Fund will include:

    (i) approving purchases and sales of securities between the Pooled Fund and another Pooled Fund, an NI 81-102 Fund or a Managed Account;

    (ii) approving purchases of securities issued by a Related Issuer; and

    (iii) approving *In Specie* Transactions with a Managed Account, an NI 81-102 Fund or another Pooled Fund;

    on behalf of the Pooled Fund.

45. The IRC of the Pooled Funds will not provide any of the approvals referred to in paragraph 44 unless it has made the determination set out in section 5.2(2) of NI 81-107.

46. Purchases and sales of securities involving an NI 81-102 Fund will be referred to the IRC of the NI 81-102 Fund under section 5.2(1) of NI 81-107 for approval on behalf of the NI 81-102 Fund.

47. If the IRC of an NI 81-102 Fund or a Pooled Fund becomes aware of an instance where BlackRock Canada or BlackRock Investments, as investment fund manager of the NI 81-102 Fund or Pooled Fund, did not comply with the terms of the relief, or a condition imposed by the IRC in its approval, the IRC of the NI 81-102 Fund or the Pooled Fund will, as soon as practicable, notify in writing the securities regulatory authority or regulator in the Jurisdiction under which the NI 81-102 Fund or Pooled Fund is organized.

48. The investment management agreement or other documentation in respect of a Managed Account will contain the authorization of the client for BlackRock Canada, BTC or BFM to purchase securities from or sell securities to an NI 81-102 Fund or a BlackRock Investments Pooled Fund and engage in *In Specie* Transactions with an NI 81-102 Fund or a BlackRock Investments Pooled Fund.

49. BlackRock Canada, BlackRock Investments and BTC cannot rely on the exemption under section 6.1(4) of NI 81-107 unless the parties are both NI 81-102 Funds.

50. BlackRock Canada and BlackRock Investments issues a conflict disclosure document to clients setting out the relationship of the NI 81-102 Funds and the Pooled Funds to such Filer. In addition, clients of Managed Accounts specifically authorize the Filer to invest in securities of the NI 81-102 Funds and the Pooled Funds pursuant to the terms of their investment management agreements or other documentation.

51. BlackRock Investments and BTC cannot rely on the exemption under section 6.2(2) of NI 81-107 in respect of purchases of securities of a Related Issuer by the BlackRock Investments Pooled Funds because that exemption does not apply to the BlackRock Investments Pooled Funds.

52. The only cost which will be incurred by a Managed Account or by a NI 81-102 Fund or Pooled Fund for an *In Specie* Transaction will be a nominal administrative charge levied by the custodian of the Managed Account or NI 81-102 Fund or Pooled Fund in recording the trades and/or any transfer costs charged by a dealer in transferring the securities in specie (the **Transfer Charge**). Normal transaction costs will be incurred in acquiring the securities prior to their delivery in specie or in disposing of the securities after a redemption in specie.

53. The Filers have determined that it would be in the best interests of the NI 81-102 Funds, the Pooled Funds, and the Managed Accounts to receive the Exemption Sought.

Decision

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

The Decision of the principal regulator is that the Exemptions Sought is granted on the following conditions:

(a) In respect of the relief from section 13.5(2)(a) of NI 31-103:

(i) In respect of the purchase by an NI 81-102 Fund or a BlackRock Investments Pooled Fund of non-exchange-traded debt securities of a Related Issuer in the secondary market:

(A) the purchase or holding is consistent with, or is necessary to meet, the investment objective of the NI 81-102 Fund or the BlackRock Investments Pooled Fund;

(B) the applicable IRC of the NI 81-102 Fund or the BlackRock Investments Pooled Fund has approved the transaction in accordance with section 5.2(2) of NI 81-107;

(C) BlackRock Investments complies with section 5.1 of NI 81-107 and BlackRock Investments and the applicable IRC of the NI 81-102 Fund or the BlackRock Investments Pooled Fund comply with section 5.4 of NI 81-107 for any standing instructions the applicable IRC provides in connection with the transaction;

(D) the price payable for the security is not more than the ask price of the security;

(E) the ask price of the security is determined as follows:

(1) if the purchase occurs on a marketplace, the price payable is determined in accordance with the requirements of that marketplace; or

(2) if the purchase does not occur on a marketplace,

A. the NI 81-102 Fund or the BlackRock Investments Pooled Fund may pay the price for the security at which an independent, arm's-length seller is willing to sell the security, or

B. if the NI 81-102 Fund or the BlackRock Investments Pooled Fund does not purchase the security from an independent, arm's-length seller, consistent with Commentary 7 of section 6.1 of NI 81-107, the NI 81-102 Fund or the BlackRock Investments Pooled Fund must pay the price quoted publicly by an independent marketplace or obtain, immediately before the purchase, at least one quote from an independent, arm's-length purchaser or seller and not pay more than that quote;

(F) the transaction complies with any applicable "market integrity requirements" as defined in NI 81-107; and

(G) no later than the time the fund files its annual financial statements, in the case of an NI 81-102 Fund, and no later than the 90th day after the end of each financial year, in the case of a BlackRock Investments Pooled Fund, BlackRock Investments files with the securities regulatory authority or regulator the particulars of any such investments; and

(ii) in respect of the purchase by a BlackRock Investments Pooled Fund of exchange-traded securities of a Related Issuer in the secondary market:

(A) the purchase or holding is consistent with, or is necessary to meet, the investment objective of the BlackRock Investments Pooled Fund;

(B) the IRC of the BlackRock Investments Pooled Fund has approved the transaction in accordance with section 5.2(2) of NI 81-107;

(C) the purchase is made on an exchange on which the securities are listed and traded; and

(D) no later than the 90th day after the end of each financial year, BlackRock Investments files with the securities regulatory authority or regulator the particulars of any such investments.

(b) In respect of the relief from section 13.5(2)(b) of NI 31-103:

(i) in respect of the purchase by an NI 81-102 Fund of securities from or the sale by an NI 81-102 Fund of securities to a Pooled Fund or a Managed Account:

(A) the IRC of the NI 81-102 Fund has approved the transaction on behalf of the NI 81-102 Fund in accordance with the terms of subsection 5.2(2) of NI 81-107;

(B) if the transaction is with a Pooled Fund, the IRC of the Pooled Fund has approved the transaction on behalf of the Pooled Fund in accordance with the terms of subsection 5.2(2) of NI 81-107;

(C) if the transaction is with a Managed Account, the investment management agreement or other documentation in respect of the Managed Account authorizes the transaction; and

(D) the transaction complies with paragraphs (c) to (g) of subsection 6.1(2) of NI 81-107;

(ii) in respect of the purchase by a Pooled Fund of securities from or the sale by a Pooled Fund of securities to a Pooled Fund, an NI 81-102 Fund or a Managed Account:

(A) the IRC of the Pooled Fund has approved the transaction on behalf of the Pooled Fund in accordance with the terms of subsection 5.2(2) of NI 81-107;

(B) if the transaction is with another Pooled Fund, the IRC of the other Pooled Fund has approved the transaction on behalf of the other Pooled Fund in accordance with the terms of subsection 5.2(2) of NI 81-107;

(C) if the transaction is with an NI 81-102 Fund, the IRC of the NI 81-102 Fund has approved the transaction on behalf of the NI 81-102 Fund in accordance with the terms of subsection 5.2(2) of NI 81-107;

(D) if the transaction is with a Managed Account, the investment management agreement or other documentation in respect of the Managed Account authorizes the transaction; and

(E) the transaction complies with paragraphs (c) to (g) of subsection 6.1(2) of NI 81-107;

(iii) in respect of the purchase by a Managed Account of securities from or the sale by a Managed Account of securities to an NI 81-102 Fund or a BlackRock Investments Pooled Fund:

(A) the investment management agreement or other documentation in respect of the Managed Account authorizes the transaction;

(B) if the transaction is with an NI 81-102 Fund, the IRC of the NI 81-102 Fund has approved the transaction on behalf of the NI 81-102 Fund in accordance with the terms of subsection 5.2(2) of NI 81-107;

(C) if the transaction is with a BlackRock Investments Pooled Fund, the IRC of the BlackRock Investments Pooled Fund has approved the transaction on behalf of the BlackRock Investments Pooled Fund in accordance with the terms of subsection 5.2(2) of NI 81-107; and

(D) the transaction complies with paragraphs (c) to (g) of subsection 6.1(2) of NI 81-107;

(iv) in respect of *In Specie* Transactions:

(A) in the case of an *In Specie* Transaction between (x) an NI 81-102 Fund or a BlackRock Investments Pooled Fund and (y) a Managed Account:

(1) if the transaction is the purchase of units of an NI 81-102 Fund or a BlackRock Investments Pooled Fund by a Managed Account:

A. the applicable IRC of the NI 81-102 Fund or BlackRock Investments Pooled Fund has approved the transaction in accordance with section 5.2(2) of NI 81-107;

B. BlackRock Investments and the applicable IRC of the NI 81-102 Fund or BlackRock Investments Pooled Fund comply with section 5.4 of NI 81-107

for any standing instructions the applicable IRC provides in connection with the transaction;

C. BlackRock Canada, BTC or BFM obtains the prior written consent of the relevant Managed Account client before it engages in any *In Specie* Transactions in connection with the purchase of units;

D. the NI 81-102 Fund or BlackRock Investments Pooled Fund would at the time of payment be permitted to purchase those securities;

E. the securities are acceptable to the portfolio adviser of the NI 81-102 Fund or the BlackRock Investments Pooled Fund, and consistent with the investment objective of the NI 81-102 Fund or the BlackRock Investments Pooled Fund;

F. the value of the securities is at least equal to the issue price of the securities of the NI 81-102 Fund or the BlackRock Investments Pooled Fund for which they are payment, valued as if the securities were portfolio assets of that NI 81-102 Fund or the BlackRock Investments Pooled Fund;

G. the account statement next prepared for the Managed Account will include a note describing the securities delivered to the NI 81-102 Fund or the BlackRock Investments Pooled Fund and the value assigned to such securities; and

H. the NI 81-102 Fund or the BlackRock Investments Pooled Fund will keep written records of an *In Specie* Transaction in a financial year of the NI 81-102 Fund or the BlackRock Investments Pooled Fund, reflecting details of the securities delivered to the NI 81-102 Fund or the BlackRock Investments Pooled Fund and the value assigned to such securities, for five years after the end of the financial year, the most recent two years in a reasonably accessible place.

(2) if the transaction is the redemption of units of an NI 81-102 Fund or a BlackRock Investments Pooled Fund by a Managed Account:

A. the applicable IRC of the NI 81-102 Fund or BlackRock Investments Pooled Fund has approved the transaction in accordance with section 5.2(2) of NI 81-107;

B. BlackRock Investments and the applicable IRC of the NI 81-102 Fund or BlackRock Investments Pooled Fund comply with section 5.4 of NI 81-107 for any standing instructions the applicable IRC provides in connection with the transaction;

C. BlackRock Canada, BTC or BFM obtains the prior written consent of the relevant Managed Account client before it engages in any *In Specie* Transactions in connection with the redemption of units of the NI 81-102 Fund or the BlackRock Investments Pooled Fund;

D. the securities are acceptable to the portfolio adviser of the Managed Account, and are consistent with the Managed Account's investment objective;

E. the value of the securities is equal to the amount at which those securities were valued in calculating the net asset value per unit used to establish the redemption price of the NI 81-102 Fund or the BlackRock Investments Pooled Fund;

F. the holder of the Managed Account has not provided notice to terminate its Managed Account;

G. the account statement next prepared for the Managed Account will include a note describing the securities delivered to the Managed Account and the value assigned to such securities; and

H. the NI 81-102 Fund or the BlackRock Investments Pooled Fund will keep written records of an *In Specie* Transaction in a financial year of the NI 81-102 Fund or the BlackRock Investments Pooled Fund, reflecting details of the securities delivered by the NI 81-102 Fund or the BlackRock Investments Pooled Fund and the value assigned to such securities, for five years after the end of the financial year, the most recent two years in a reasonably accessible place; and

(3) BlackRock Investments does not receive any compensation in respect of any sale or redemption of units of an NI 81-102 Fund or a BlackRock Investments Pooled Fund and, in respect of any delivery of securities further to an *In Specie* Transaction, the only charge paid by the Managed Account or the NI 81-102 Fund or the BlackRock Investments Pooled Fund is the Transfer Charge; and

(B) in the case of an *In Specie* Transaction between an NI 81-102 Fund and a Pooled Fund:

(1) if the transaction is the purchase of units of an NI 81-102 Fund by a Pooled Fund:

A. the IRC of the NI 81-102 Fund has approved *In Specie* Transactions on behalf of the NI 81-102 Fund in accordance with the terms of subsection 5.2(2) of NI 81-107;

B. the NI 81-102 Fund would at the time of payment be permitted to purchase those securities;

C. the securities are acceptable to the portfolio adviser of the NI 81-102 Fund, and consistent with the investment objective of the NI 81-102 Fund;

D. the value of the securities is at least equal to the issue price of the units of the NI 81-102 Fund for which they are payment, valued as if the securities were portfolio assets of that NI 81-102 Fund; and

E. each of the NI 81-102 Fund and the Pooled Fund will keep written records of an *In Specie* Transaction in a financial year of the NI 81-102 Fund, reflecting details of the securities delivered to the NI 81-102 Fund or the Pooled Fund, and the value assigned to such securities, for five years after the end of the financial year, the most recent two years in a reasonably accessible place;

(2) if the transaction is the redemption of units of an NI 81-102 Fund by a Pooled Fund:

A. the IRC of the NI 81-102 Fund has approved *In Specie* Transactions on behalf of the NI 81-102 Fund in accordance with the terms of subsection 5.2(2) of NI 81-107;

B. the securities are acceptable to the portfolio adviser of the Pooled Fund, and consistent with the investment objective of the Pooled Fund;

C. the value of the securities is equal to the amount at which those securities were valued in calculating the net asset value per unit used to establish the redemption price of the NI 81-102 Fund; and

D. each of the NI 81-102 Fund and the Pooled Fund will keep written records of an *In Specie* Transaction in a financial year of the NI 81-102 Fund or the Pooled Fund, reflecting details of the securities delivered by the NI 81-102 Fund and the value assigned to such securities, for five years after the end of the financial year, the most recent two years in a reasonably accessible place; and

(3) BlackRock Investments does not receive any compensation in respect of any sale or redemption of units of an NI 81-102 Fund and, in respect of any delivery of securities further to an *In Specie* Transaction, the only charge paid by the Pooled Fund or the NI 81-102 Fund is the Transfer Charge.

"Darren McKall"
Manager, Investment Funds
Ontario Securities Commission

2.1.13 American Express Credit Corporation et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Issuer does not satisfy conditions of exemption in section 13.4 of NI 51-102 and section 13.2 of Form 44-101F1 – Credit supporter's accounting systems will not allow it to compile consolidated summary financial information for non-credit supporter subsidiaries that represent more than 3% of consolidated operations – Issuer exempt from certain continuous disclosure, certification, audit committee, and corporate governance requirements, subject to conditions – issuer exempt from certain form requirements under Form 44-101F1 in respect of short form base shelf prospectuses together with applicable prospectus supplements and pricing supplements in respect of the issuance by the issuer of medium term notes guaranteed by the credit supporter, subject to conditions.

Applicable Legislative Provisions

National Instrument 44-101 Short Form Prospectus Distributions, s. 8.1.
Form 44-101F1 Short Form Prospectus, s. 13.2.
National Instrument 51-102 Continuous Disclosure Obligations, ss. 13.1, 13.4.
National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, s. 8.6.
National Instrument 52-110 Audit Committees, s. 8.1.
National Instrument 58-101 Corporate Governance Practices, s. 3.1.

July 26, 2012

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
AMERICAN EXPRESS CREDIT CORPORATION
(AMEX CREDIT USA) AND AMERICAN EXPRESS
CANADA CREDIT CORPORATION (AMEX CREDIT
CANADA AND TOGETHER WITH AMEX CREDIT USA,
THE FILERS)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filers for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for an exemption from the following requirements contained in the Legislation:

(a) the requirement under the Legislation that Amex Credit Canada comply with the requirements of National Instrument 51-102 *Continuous Disclosure Obligations* (**NI 51-102**) (the **Continuous Disclosure Relief**);

(b) the requirement under the Legislation that Amex Credit Canada comply with the requirements of National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (the **Certification Relief**);

(c) the requirements under the Legislation that Amex Credit Canada comply with the requirements of National Instrument 52-110 *Audit Committees* (the **Audit Committee Relief**);

(d) the requirement under the Legislation that Amex Credit Canada comply with the requirements of National Instrument 58-101 *Disclosure of Corporate Governance Practices* (the **Corporate Governance Relief**); and

(e) the requirement under the Legislation that Amex Credit Canada: (i) include in Future Prospectuses (as defined below) filed with the securities regulatory authorities in each of the provinces of Canada for Future Offerings (as defined below) its earnings coverage ratios required under Item 6.1 of Form 44-101F1 promulgated under National Instrument 44-101 *Short Form Prospectus Distributions* (**NI 44-101**) and (ii) incorporate by reference in Future Prospectuses filed with the securities regulatory authorities in each of the provinces of Canada for Future Offerings any of the documents specified under paragraphs 1 through 4, 6, 7 and 8 of Item 11.1(1) of Form 44-101F1 (the **Prospectus Disclosure Relief**).

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

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

(b) the Filers have provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Prince Edward Island, Québec, and Saskatchewan.

Interpretation

Defined terms contained in National Instrument 14-101 *Definitions* have the same meaning in this decision unless otherwise set forth herein.

Representations

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

1. Amex Credit USA is incorporated under the laws of the State of Delaware and was incorporated in 1962. Its principal executive offices are located at 200 Vesey Street, New York, New York, USA, 10285.

2. Amex Credit USA is a wholly-owned subsidiary of American Express Travel Related Services Company, Inc., which itself is a wholly-owned subsidiary of American Express Company.

3. Amex Credit USA is the beneficial owner of all of the outstanding voting securities of Amex Credit Canada.

4. Amex Credit USA is engaged in the business of financing non-interest-bearing charge cardmember receivables arising from the use of various American Express cards in the United States and in certain countries outside the United States. Amex Credit USA also finances certain interest-bearing and discounted revolving loans generated by cardmember spending on American Express credit cards issued in countries outside the United States.

5. Amex Credit USA has non-convertible debt securities outstanding with an "approved rating" (as defined in NI 44-101) and Amex Credit USA has not been the subject of an announcement by an "approved rating organization" (as defined in NI 51-102) that the "approved rating" given by the organization may be down-graded to a rating category that would not be an "approved rating".

6. Amex Credit USA has a class of securities registered under Section 12(b) of the United States Securities Exchange Act of 1934 (the **1934 Act**).

7. Amex Credit USA has filed with the United States Securities and Exchange Commission (the SEC) all filings required to be made with the SEC under the 1934 Act, including without limitation, any required during the last 12 calendar months.

8. Amex Credit USA is not registered or required to be registered as an investment company under the United States Investment Company Act of 1940, as amended.

9. Amex Credit USA is not a commodity pool issuer as defined in National Instrument 71-101 *Multijurisdictional Disclosure System* (**NI 71-101**).

10. Amex Credit USA is not a reporting issuer or the equivalent in any of the provinces or territories of Canada.

11. Amex Credit USA has fully and unconditionally guaranteed the Notes (as defined below) and no other subsidiary of Amex Credit USA has provided a guarantee or alternative credit support for the Notes.

12. Amex Credit Canada is an indirect wholly-owned subsidiary of Amex Credit USA and is an unlimited liability company incorporated under the laws of the province of Nova Scotia on April 15, 2004. Its principal executive offices are located at 101 McNabb Street, Markham, Ontario, L3R 4H8.

13. Amex Credit Canada filed a final short form base shelf prospectus with the securities regulatory authorities in each of the provinces of Canada on October 28, 2005 (the **2005 Prospectus**) and a MRRS Decision Document was issued in respect thereof on October 31, 2005.

14. Amex Credit Canada filed a final short form base shelf prospectus with the securities regulatory authorities in each of the provinces of Canada on February 12, 2008 (the **2008 Prospectus**) and a MRRS Decision Document was issued in respect thereof on the same date.

15. Amex Credit Canada filed a final short form base shelf prospectus with the securities regulatory authorities in each of the provinces of Canada on May 27, 2010 (the **2010 Prospectus**) and a receipt was issued under MI 11-102 in respect thereof on the same date.

16. The 2005 Prospectus, 2008 Prospectus and 2010 Prospectus each concerned the distribution by Amex Credit Canada of non-convertible medium term notes in respect of which Amex Credit USA has provided a full and unconditional guarantee of the payments to be made by Amex Credit Canada, as stipulated in the terms of the medium term notes or in an agreement governing the rights of holders of the medium term notes, that results in the holder of such medium term notes being entitled to receive payment from Amex Credit USA upon demand following any failure by Amex Credit Canada to make a payment (such medium term notes, together with similar medium term notes to be issued by Amex Credit Canada under any Future Prospectuses, the **Notes**).

17. Since October 31, 2005, Amex Credit Canada has issued non-convertible medium term notes under the 2005 Prospectus, 2008 Prospectus and 2010 Prospectus in the aggregate principal amount of Cdn. $4.675 billion and Cdn. $2.225 billion aggregate principal amount remain outstanding as of the date hereof.

18. Amex Credit Canada is a reporting issuer or the equivalent in each of the provinces of Canada.

19. Amex Credit Canada is not in default of any applicable requirements of securities legislation in any of the provinces of Canada.

20. Amex Credit Canada does not have any securities outstanding other than the types of securities listed in paragraph 13.4(2)(c) of NI 51-102.

21. Amex Credit Canada files in electronic format with the securities regulatory authorities in each of the provinces of Canada copies of all documents that Amex Credit USA is required to file with the SEC under the 1934 Act, at the same time or as soon as practicable after the filing by Amex Credit USA of those documents with the SEC.

22. Amex Credit Canada has no assets, operations, revenues or cash flows other than those related to the issuance, administration and repayment of the Notes and is a "finance subsidiary" as defined in Rule 3-10(h)(7) of Regulation S-X promulgated by the SEC and as defined in Item 13.1(1)(c) of Form 44-101F1.

23. The Notes have received an "approved rating" (as defined in NI 44-101) and the Notes have not been the subject of an announcement by an "approved rating organization" (as defined in NI 51-102) that the "approved rating" given by the organization may be down-graded to a rating category that would not be an "approved rating".

24. Amex Credit Canada meets the eligibility requirements set out in subsection 13.4(2) of NI 51-102 except that Amex Credit USA does not meet the test set forth in clause 13.4(2)(g)(i)(B) and it is unable to prepare the table required by clause 13.4(2)(g)(ii).

25. Amex Credit Canada meets the eligibility requirements of Item 13.2 of Form 44-101F1 except that Amex Credit USA does not meet the test set forth in Item 13.2(f)(i)(B) and it is unable to prepare the table required by Item 13.2(f)(ii) of Form 44-101F1.

26. Amex Credit Canada may in the future file additional short form base shelf prospectuses together with applicable prospectus supplements and pricing supplements with the securities regulatory authorities in each of the provinces of Canada (the **Future Prospectuses**) in respect of the issuance by Amex Credit Canada of additional medium term notes from time to time (the **Future Offerings**). All medium term notes issued by Amex Credit Canada pursuant to any Future Offering will have an "approved rating".

27. If Amex Credit Canada were incorporated under United States law, it would be permitted under section 3.2 of NI 71-101 to effect a direct offering of the Notes in Canada based on compliance with United States prospectus requirements with certain additional Canadian disclosure so long as Amex Credit USA fully and unconditionally guarantees payment of principal and interest due under such securities.

28. The requested Continuous Disclosure Relief, the Certification Relief, the Audit Committee Relief, the Corporate Governance Relief and the Prospectus Disclosure Relief is substantially the same as the relief granted pursuant to a decision of the securities regulatory authorities in each of the provinces of Canada dated April 30, 2007 (the **2007 Decision**). The 2007 Decision is valid until December 31, 2012 and valid for Future Prospectuses filed prior to December 31, 2012.

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.

Continuous Disclosure Relief

THE DECISION of the principal regulator under the Legislation is that the Continuous Disclosure Relief is granted provided that:

(a) Amex Credit Canada and Amex Credit USA continue to satisfy all the conditions set forth in subsection 13.4(2) of NI 51-102, other than paragraph 13.4(2)(g), unless otherwise exempted therefrom;

(b) Amex Credit USA discloses in each of its quarterly reports on Form 10-Q and each of its annual reports on Form 10-K filed with the SEC and the securities regulatory authorities in each of the provinces of Canada, any significant restrictions on the ability of Amex Credit USA to obtain funds from its subsidiaries by dividend or loan;

(c) Amex Credit USA discloses in each of its quarterly reports on Form 10-Q and each of its annual reports on Form 10-K filed with the SEC and the securities regulatory authorities in each of the provinces of Canada: (i) the nature of any restrictions on the ability of consolidated subsidiaries and unconsolidated subsidiaries of Amex Credit USA to transfer funds to Amex Credit USA in the form of cash dividends, loans or advances (i.e., borrowing arrangements, regulatory constraints, foreign government, etc.) and (ii) the amount of "restricted net assets" (calculated in the manner specified in paragraph (d) below) for unconsolidated subsidiaries and consolidated subsidiaries of Amex Credit USA as of the end of its most recently completed fiscal year (with such amounts for unconsolidated subsidiaries and consolidated subsidiaries disclosed separately), provided that, the disclosure contemplated in paragraphs (c)(i) and (c)(ii) above are only required to be provided when the "restricted net

assets" of consolidated and unconsolidated subsidiaries of Amex Credit USA, and Amex Credit USA's equity in undistributed earnings of 50% or less owned persons accounted for by the equity method, together exceed 25% of the consolidated net assets of Amex Credit USA as of the end of its most recently completed fiscal year;

(d) "Restricted net assets" shall be calculated in the manner specified in this paragraph (d). "Restricted net assets" of subsidiaries shall mean that amount of Amex Credit USA's proportionate share of net assets (after intercompany eliminations) reflected in the balance sheets of its consolidated and unconsolidated subsidiaries as of the end of the most recent fiscal year which may not be transferred to Amex Credit USA in the form of loans, advances or cash dividends by the subsidiaries without the consent of a third party (i.e., lender, regulatory agency, foreign government, etc.). Not all limitations on transferability of assets are considered to be restrictions for purposes of calculating "restricted net assets", which considers only specific third party restrictions on the ability of subsidiaries to transfer funds outside of the entity. For example, the presence of subsidiary debt which is secured by certain of the subsidiary's assets does not constitute a restriction for purposes of calculating "restricted net assets". However, if there are any loan provisions prohibiting dividend payments, loans or advances to Amex Credit USA by a subsidiary, these are considered restrictions for purposes of computing "restricted net assets". When a loan agreement requires that a subsidiary maintain certain working capital, net tangible asset, or net asset levels, or where formal compensating arrangements exist, there is considered to be a restriction because the lender's intent is normally to preclude the transfer by dividend or otherwise of funds to Amex Credit USA. Similarly, a provision which requires that a subsidiary reinvest all of its earnings is a restriction, since this precludes loans, advances or dividends in the amount of such undistributed earnings by the entity. Where restrictions on the amount of funds which may be loaned or advanced differ from the amount restricted as to transfer in the form of cash dividends, the amount least restrictive to the subsidiary shall be used. Redeemable preferred stocks and minority interests shall be deducted in computing net assets for purposes of these calculations;

(e) Amex Credit Canada continues to have minimal or no assets, operations, revenues or cash flows other than those related to the issuance, administration and repayment of the Notes; and

(f) Amex Credit USA includes in each quarterly report on Form 10-Q and each annual report on Form 10-K, a statement that the financial results of Amex Credit Canada are included in the consolidated financial results of Amex Credit USA.

Certification Relief

THE FURTHER DECISION of the principal regulator under the Legislation is that the Certification Relief is granted provided that the Filers continue to satisfy the conditions of the Continuous Disclosure Relief, above.

Audit Committee Relief

THE FURTHER DECISION of the principal regulator under the Legislation is that the Audit Committee Relief is granted provided that the Filers continue to satisfy the conditions of the Continuous Disclosure Relief, above.

Corporate Governance Relief

THE FURTHER DECISION of the principal regulator under the Legislation is that the Corporate Governance Relief is granted provided that the Filers continue to satisfy the conditions of the Continuous Disclosure Relief, above.

Prospectus Disclosure Relief

THE FURTHER DECISION of the principal regulator under the Legislation is that the Prospectus Disclosure Relief is granted provided that:

(a) Amex Credit Canada and Amex Credit USA satisfy the conditions set forth in Item 13.2 of Form 44-101F1 and NI 44-101, other than Item 13.2(f) of Form 44-101F1, unless otherwise exempted therefrom;

(b) Amex Credit USA provides the disclosure contemplated in paragraphs (b) and (c) of the Continuous Disclosure Relief granted above in each of its quarterly reports on Form 10-Q and each of its annual reports on Form 10-K incorporated by reference by Amex Credit Canada into any Future Prospectus filed with the securities regulatory authorities in each of the provinces of Canada in respect of any Future Offering;

(c) Amex Credit Canada has minimal or no assets, operations, revenues or cash flows other than those related to the issuance, administration and repayment of the Notes, at the time a Future Prospectus is filed in respect of a Future Offering; and

(d) each Future Prospectus includes a statement that the financial results of Amex Credit Canada are included in the consolidated financial results of Amex Credit USA.

“Jo-Anne Matear”
Manager, Corporate Finance Branch
Ontario Securities Commission

2.1.14 BlackRock Investments Canada Inc. and BlackRock Institutional Trust Company, N.A.

Headnote

NP 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief from section 111 of the Securities Act (Ontario) granted to permit filers, following their acquisition by another organization, to purchase debt securities of related entities in the secondary market on behalf of public mutual funds they manage and to purchase securities of related entities in the secondary market on behalf of pooled funds they manage – relief conditional on IRC approval and compliance with independent pricing and transparency requirements.

Applicable Legislative Provisions

Securities Act (Ontario), ss. 111(2)(a), 111(2)(c)(ii), 111(3), 113.
National Instrument 81-107 Independent Review Committee for Investment Funds, s. 6.2.

July 25, 2012

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO

AND

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

AND

IN THE MATTER OF
BLACKROCK INVESTMENTS CANADA INC.
(BlackRock Investments) AND
BLACKROCK INSTITUTIONAL TRUST COMPANY, N.A.
(BTC) (the Filers)

AND

IN THE MATTER OF
THE NI 81-102 FUNDS (as defined below) AND
THE BLACKROCK INVESTMENTS POOLED FUNDS
(as defined below)

DECISION

Background

The securities regulatory authority or regulator in Ontario received an application (the **Application**) from the Filers under the securities legislation of the principal regulator (the **Legislation**) for a decision providing an exemption from the requirement that prohibits a mutual fund from knowingly making or holding an investment in any person or company who is a substantial security holder of the mutual fund, its management company or distribution company or in an issuer in which any person or company who is a substantial security holder of the mutual fund, its management company or its distribution company has a significant interest (in each case, a **Related Issuer**), in order to permit

(i) existing mutual funds and future mutual funds of which BlackRock Investments is the investment fund manager to which National Instrument 81-102 – *Mutual Funds* (**NI 81-102**) applies (each, an **NI 81-102 Fund** and, collectively, the **NI 81-102 Funds**) and existing mutual funds and future mutual funds of which BlackRock Investments is the investment fund manager to which NI 81-102 does not apply (each, a **BlackRock Investments Pooled Fund** and, collectively the **BlackRock Investments Pooled Funds**) to purchase certain non-exchange-traded debt securities of a Related Issuer in the secondary market; and

(ii) a BlackRock Investments Pooled Fund to purchase exchange-traded securities of a Related Issuer in the secondary market,

(the **Exemption Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions:

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

(b) the Filers have provided notice that section 4.7(1) of Multilateral Instrument 11-102 – *Passport System* (**MI 11-102**) is intended to be relied upon in respect of the Exemption Sought in Alberta, British Columbia, Saskatchewan, New Brunswick, Nova Scotia and Newfoundland and Labrador (the Passport Jurisdictions).

Interpretation

Terms defined in MI 11-102, National Instrument 14-101 – *Definitions*, NI 81-102 and National Instrument 81-107 – *Independent Review Committee for Investment Funds* (**NI 81-107**), have the same meaning if used in this decision, unless otherwise defined.

Representations

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

1. The head office of BlackRock Investments is located in Toronto, Ontario. The head office of BTC is located in San Francisco, California.

2. BlackRock Investments is registered as a portfolio manager, investment fund manager and exempt market dealer in Ontario.

3. BTC is relying on a combination of the international adviser exemption in NI 31-103 in Ontario and in each of the Passport Jurisdictions (the "**Jurisdictions**") and the sub-adviser exemption in (i) OSC Rule 35-502 in Ontario, (ii) a blanket order in Quebec and (iii) discretionary exemptive relief in the other Passport Jurisdictions.

4. BlackRock Investments is, or will be, the investment fund manager of each of the NI 81-102 Funds and the BlackRock Investments Pooled Funds, each of which is, or will be, organized under the laws of Ontario or Alberta.

5. Each of the NI 81-102 Funds is or will be a reporting issuer in each of the Jurisdictions and is or will be listed on the Toronto Stock Exchange.

6. None of the BlackRock Investments Pooled Funds are, or will be, a reporting issuer in any of the Jurisdictions except for certain BlackRock Investments Pooled Funds which will be reporting issuers in Quebec as a result of filing a non-offering prospectus in Quebec.

7. One or more of the NI 81-102 Funds and the BlackRock Investments Pooled Funds is, or will be, an index fund, the investment objective of which is to replicate the performance of an index.

8. BlackRock Investments is, or will be, the primary portfolio manager of each of the NI 81-102 Funds and the BlackRock Investments Pooled Funds.

9. BTC or an affiliated or third party portfolio manager is, or may be, a sub-adviser of each of the NI 81-102 Funds and the BlackRock Investments Pooled Funds.

10. Each of the Filers is currently, indirectly, a subsidiary of BlackRock, Inc. (**BlackRock**).

11. With respect to the ownership of BlackRock:

    (i) the PNC Financial Services Group, Inc. (**PNC**) holds, indirectly through its holding in BlackRock, approximately 21.0% of the outstanding voting securities of BlackRock Investments and BTC and approximately 21.7% of the outstanding securities of BlackRock Investments and BTC; and

    (ii) the public, BlackRock employees and other investors will hold, indirectly through their holdings in BlackRock, the remaining outstanding voting securities and outstanding securities of BlackRock Investments and BTC.

12. On March 7, 2012, BlackRock completed the acquisition of a 100% interest in Claymore Investments, Inc. (the "**Transaction**"). As a result of the Transaction, Claymore Investments, Inc. ("**Claymore**") became an indirect, wholly-owned subsidiary of BlackRock. Following the Transaction, Claymore was continued under the laws of the province of Alberta and changed its name to BlackRock Investments Canada Inc.

13. Each of BlackRock and PNC is a reporting issuer, the equity securities of which are listed on the New York Stock Exchange.

14. BlackRock is a Related Issuer with respect to an NI 81-102 Fund or a BlackRock Investments Pooled Fund because it is a substantial security holder of BlackRock Investments.

15. BlackRock may, from time to time, hold a significant interest in other issuers which will be Related Issuers.

16. PNC will be a Related Issuer with respect to an NI 81-102 Fund or a BlackRock Investments Pooled Fund because it will be a substantial security holder of BlackRock Investments and any issuer in which PNC has a significant interest will also be a Related Issuer.

17. None of the Filers, the NI 81-102 Funds or the BlackRock Investments Pooled Funds is in default of securities legislation in any of the Jurisdictions.

18. BlackRock Investments has established, or will establish, an independent review committee (**IRC**) in respect of each NI 81-102 Fund in accordance with the requirements of NI 81-107.

19. BlackRock Investments has established, or will establish, an IRC (the members of which may also be members of the IRC of the NI 81-102 Funds) in respect of each BlackRock Investments Pooled Fund which relies on the Exemption Sought.

20. The IRC of each BlackRock Investments Pooled Fund is, or will be, composed by BlackRock Investments in accordance with section 3.7 of NI 81-107 and is or will be expected to comply with the standard of care set out in section 3.9 of NI 81-107.

21. The mandate of the IRC of a BlackRock Investments Pooled Fund will include reviewing and approving purchases of securities issued by a Related Issuer on behalf of a BlackRock Investments Pooled Fund.

22. BlackRock Investments cannot rely on the exemption under section 6.2(2) of NI 81-107 in respect of purchases of securities of a Related Issuer by the BlackRock Investments Pooled Funds because that exemption does not apply to the BlackRock Investments Pooled Funds.

23. Some of the Related Issuers are, or may be, issuers of non-exchange-traded debt securities that have an "approved credit rating" within the meaning of NI 81-102. The Filers consider that the NI 81-102 Funds and the BlackRock Investments Pooled Funds should have access to such securities for the following reasons:

    (a) there is currently and has been for several years a very limited supply of such securities; to limit the supply available to the NI 81-102 Funds and the BlackRock Investments Pooled Funds even further by removing debt issued by a Related Issuer puts the NI 81-102 Funds and the BlackRock Investments Pooled Funds at a competitive disadvantage and may increase the cost a fund pays for available securities;

    (b) diversification is reduced to the extent that an NI 81-102 Fund or a BlackRock Investments Pooled Fund is limited with respect to investment opportunities; and

    (c) to the extent that an NI 81-102 Fund or a BlackRock Investments Pooled Fund is trying to track or outperform a benchmark, it is important for the NI 81-102 Fund or the BlackRock Investments Pooled Fund to be able to purchase any securities included in the benchmark; debt securities of the Related Issuers may be included in a number of debt indices.

24. BlackRock Investments is seeking the Exemption Sought because securities of BlackRock, PNC or other Related Issuers that are exchange-traded may be appropriate for the BlackRock Investments Pooled Funds to invest in and debt securities of BlackRock, PNC, or other Related Issuers that are non-exchange traded may be appropriate for the NI 81-102 Funds or the BlackRock Investments Pooled Funds to invest in.

25. In respect of the NI 81-102 Funds and the BlackRock Investments Pooled Funds which are or will be index funds, the Exemption Sought is required because exchange-traded and non-exchange-traded securities of BlackRock, PNC or other Related Issuers may be included in an index which an NI 81-102 Fund or a BlackRock Investments Pooled Fund seeks to replicate.

26. Each purchase of non-exchange-traded debt securities of a Related Issuer will occur in the secondary market and not under primary distributions or treasury offerings of a Related Issuer.

27. Each purchase of a non-exchange-traded debt security of a Related Issuer purchased by a NI 81-102 Fund or a BlackRock Investments Pooled Fund will have, at the time of the purchase, an "approved credit rating" by an "approved credit rating organization" within the meaning of those terms in NI 81-102.

28. If the purchase by an NI 81-102 Fund or a BlackRock Investments Pooled Fund of non-exchange-traded debt securities issued by a Related Issuer involves an inter-fund trade with another fund to which NI 81-107 applies, the provisions of section 6.1(2) of NI 81-107 will apply to such transactions.

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 Exemptions Sought is granted:

(a) to permit an NI 81-102 Fund or a BlackRock Investments Pooled Fund to make and hold an investment in non-exchange-traded debt securities of a Related Issuer in the secondary market on the following conditions:

A. the purchase or holding is consistent with, or is necessary to meet, the investment objective of the NI 81-102 Fund or the BlackRock Investments Pooled Fund;

B. the applicable IRC of the NI 81-102 Fund or the BlackRock Investments Pooled Fund has approved the transaction in accordance with section 5.2(2) of NI 81-107;

C. BlackRock Investments complies with section 5.1 of NI 81-107 and BlackRock Investments and the applicable IRC of the NI 81-102 Fund or the BlackRock Investments Pooled Fund comply with section 5.4 of NI 81-107 for any standing instructions the applicable IRC provides in connection with the transaction;

D. the price payable for the security is not more than the ask price of the security;

E. the ask price of the security is determined as follows:

(1) if the purchase occurs on a marketplace, the price payable is determined in accordance with the requirements of that marketplace; or

(2) if the purchase does not occur on a marketplace,

a. the NI 81-102 Fund or the BlackRock Investments Pooled Fund may pay the price for the security at which an independent, arm's-length seller is willing to sell the security, or

b. if the NI 81-102 Fund or the BlackRock Investments Pooled Fund does not purchase the security from an independent, arm's-length seller, consistent with Commentary 7 of section 6.1 of NI 81-107, the NI 81-102 Fund or the BlackRock Investments Pooled Fund must pay the price quoted publicly by an independent marketplace or obtain, immediately before the purchase, at least one quote from an independent, arm's-length purchaser or seller and not pay more than that quote;

F. the transaction complies with any applicable "market integrity requirements" as defined in NI 81-107; and

G. no later than the time the fund files its annual financial statements, in the case of an NI 81-102 Fund, and no later than the 90th day after the end of each financial year, in the case of a BlackRock Investments Pooled Fund, BlackRock Investments files with the securities regulatory authority or regulator the particulars of any such investments; and

(ii) to permit a BlackRock Investments Pooled Fund to make and hold an investment in exchange-traded securities of a Related Issuer in the secondary market on the following conditions:

A. the purchase or holding is consistent with, or is necessary to meet, the investment objective of the BlackRock Investments Pooled Fund;

B. the IRC of the BlackRock Investments Pooled Fund has approved the transaction in accordance with section 5.2(2) of NI 81-107;

C. the purchase is made on an exchange on which the securities are listed and traded; and

D. no later than the 90th day after the end of each financial year, BlackRock Investments files with the securities regulatory authority or regulator the particulars of any such investments.

“James Turner”
Vice-Chair
Ontario Securities Commission

”Sarah Kavanagh”
Commissioner
Ontario Securities Commission

2.1.15 HSE Integrated Ltd. – s. 1(10)

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – application for an order that the issuer is not a reporting issuer.

Ontario Statutes

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

July 27, 2012

Davis LLP
2800 Park Place
666 Burrard Street
Vancouver, BC V6C 2Z7

Attention: Elaine Tham

Dear Madam:

Re: HSE Integrated Ltd. (the Applicant) – Application for a decision under the securities legislation of Alberta and Ontario (the Jurisdictions) that the Applicant is not a reporting issuer

The Applicant has applied to the local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions for a decision under the securities legislation (the **Legislation**) of the Jurisdictions that the Applicant is not a reporting issuer.

In this decision, "security holder" means, for a security, the beneficial owner of the security.

The Applicant has represented to the Decision Makers that:

(a) the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 security holders in each of the jurisdictions of Canada and fewer than 51 security holders in total worldwide;

(b) no securities of the Applicant, 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;

(c) the Applicant is applying for a decision that it is not a reporting issuer in all of the jurisdictions of Canada in which it is currently a reporting issuer; and

(d) the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer,

each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met and orders that the Applicant is deemed to have ceased to be a reporting issuer.

"Blaine Young"
Associate Director, Corporate Finance
Alberta Securities Commission

2.2 Orders

2.2.1 David M. O'Brien

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

AND

IN THE MATTER OF
DAVID M. O'BRIEN

ORDER

WHEREAS on December 8, 2010, the Secretary of the Ontario Securities Commission (the "Commission") issued a Notice of Hearing, pursuant to sections 37, 127 and 127.1 of the Ontario *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), for a hearing to commence at the offices of the Commission on December 20, 2010 at 10:30 a.m., or as soon thereafter as the hearing could be held;

AND WHEREAS on December 9, 2010, the Respondent ("O'Brien") was served with the Notice of Hearing and Statement of Allegations dated December 7, 2010;

AND WHEREAS the Notice of Hearing provided for the Commission to consider, among other things, whether, in the opinion of the Commission, it is in the public interest, pursuant to section 127 of the Act, to issue temporary orders against O'Brien, as follows:

(a) O'Brien shall cease trading in any securities for a prescribed period or until the conclusion of the hearing on the merits in this matter;

(b) O'Brien is prohibited from acquiring securities for a prescribed period or until the conclusion of the hearing on the merits in this matter; and

(c) Any exemptions contained in Ontario securities law do not apply to O'Brien for a prescribed period or until the conclusion of the hearing on the merits in this matter;

AND WHEREAS on December 20, 2010, Staff of the Commission ("Staff") and O'Brien appeared before the Commission and made submissions and O'Brien advised the Commission that he was opposed to Staff's request that temporary orders be issued against him and that he wished to cross-examine Lori Toledano, a member of Staff, on her affidavit;

AND WHEREAS on December 20, 2010, the hearing with respect to the issuance of the temporary orders was adjourned until December 23, 2010 at 12:30 p.m.;

AND WHEREAS on December 23, 2010, a hearing with respect to the issuance of the temporary orders was held and the panel of the Commission considered the affidavit of Toledano, the cross-examination of Toledano and the submissions made by Staff and O'Brien;

AND WHEREAS on December 23, 2010, the Commission issued a temporary cease trade order pursuant to section 127 of the Act ordering that:

(a) O'Brien shall cease trading in any securities;

(b) O'Brien is prohibited from acquiring any securities; and

(c) Any exemptions contained in Ontario securities law do not apply to O'Brien;

(the "Temporary Cease Trade Order");

AND WHEREAS on December 23, 2010, the Commission ordered that the Temporary Cease Trade Order shall expire on April 1, 2011;

AND WHEREAS on December 23, 2010, the Commission ordered that Staff and O'Brien shall consult with the Office of the Secretary and schedule a confidential pre-hearing conference for this matter;

AND WHEREAS a confidential pre-hearing conference was scheduled for February 24, 2011;

AND WHEREAS at the confidential pre-hearing conference on February 24, 2011, Staff and O'Brien appeared and made submissions regarding the disclosure made by Staff, and Staff requested an extension of the Temporary Cease Trade Order;

AND WHEREAS on February 24, 2011, the Commission ordered that:

a) a hearing to extend the Temporary Cease Trade Order shall take place on March 30, 2011 at 11:30 a.m.;

b) a motion regarding disclosure shall take place on April 21, 2011 at 10:00 a.m., and in accordance with rule 3.2 of the Commission *Rules of Procedure* (2010), 33 O.S.C.B. 8017 (the "*Rules of Procedure*"), O'Brien shall serve and file a motion record, including any affidavits to be relied upon, by April 11, 2011 at 4:30 p.m.; and

c) a further confidential pre-hearing conference shall take place on May 30, 2011 at 10:00 a.m;

AND WHEREAS on March 30, 2011, a hearing with respect to the extension of the Temporary Cease

Trade Order was held, and the panel of the Commission considered the evidence filed and the submissions made by Staff and O'Brien;

AND WHEREAS on March 30, 2011, the Commission ordered that:

a) the Temporary Cease Trade Order shall be extended to April 26, 2011; and

b) a further hearing to extend the Temporary Cease Trade Order shall take place on April 21, 2011 at 10:00 a.m.;

AND WHEREAS on April 21, 2011, a hearing with respect to the extension of the Temporary Cease Trade Order was held, and the panel of the Commission considered the evidence filed and the submissions made by Staff and O'Brien;

AND WHEREAS on April 21, 2011, the Commission ordered that:

a) the Temporary Cease Trade Order shall be extended until the conclusion of the hearing of the merits of this matter; and

b) O'Brien may, if he wishes to do so, apply to the Commission for an order revoking or varying this Order pursuant to section 144 of the Act;

AND WHEREAS also on April 21, 2011, O'Brien brought a motion regarding disclosure, wherein he sought an order from the Commission requiring Staff to provide him with all additional disclosure materials without requiring him to execute a further undertaking, and the panel of the Commission considered the evidence filed and the submissions made by Staff and O'Brien;

AND WHEREAS on April 21, 2011, the Commission ordered that Staff shall provide further disclosure materials to O'Brien without requiring the signing by him of an undertaking as to the confidentiality of that disclosure. The Commission further ordered that:

1) all disclosure materials provided to O'Brien are confidential and may be used by him only for the purpose of making full answer and defence in this proceeding. The use of disclosure materials for any other purpose is strictly prohibited. All disclosure materials provided to O'Brien are subject to the strict confidentiality restrictions imposed by section 16 of the Act;

2) O'Brien is also subject to the implied undertaking that all disclosure materials provided to him are subject to the restrictions on use referred to in paragraph (1);

3) the Previous Undertaking signed by O'Brien is binding upon him and applies by its terms to all of the disclosure materials provided by Staff to O'Brien, including all disclosure materials provided by Staff to O'Brien in the future; if O'Brien wishes to challenge the validity of the Previous Undertaking he is entitled to bring a motion before the Commission to do so;

4) if O'Brien wishes to use the disclosure materials provided by Staff to him for any purpose other than as provided in paragraph (1), he must make an application to the Commission under section 17 of the Act for an order of the Commission consenting to that use;

AND WHEREAS at the confidential pre-hearing conference on May 30, 2011, Staff of the Commission and O'Brien appeared and Staff sought to set dates for a hearing on the merits, while O'Brien advised the Commission that he was opposed to Staff's request. The Commission adjourned the hearing to June 20, 2011 at 10:00 a.m., for the purpose of setting the dates for the hearing on the merits;

AND WHEREAS at the confidential pre-hearing conference on June 20, 2011, Staff of the Commission and O'Brien appeared and scheduling of the hearing on the merits was discussed and the Commission ordered that:

1. the hearing on the merits is to commence on March 12, 2012 at 10:00 a.m. at the offices of the Commission, and shall continue on March 14, 15, 16, 19, 20, 21, 22, 23, 26, and 28, 2012, or such further or other dates as may be agreed upon by the parties and fixed by the Office of the Secretary; and

2. a further confidential pre-hearing conference shall take place on January 11, 2012 at 10:00 a.m.;

AND WHEREAS at the confidential pre-hearing conference on January 11, 2012, Staff of the Commission appeared and Counsel on behalf of O'Brien appeared, who advised the Commission that he had just been appointed to represent O'Brien in this matter;

AND WHEREAS Counsel for O'Brien requested that the pre-hearing conference be continued in a few weeks time to permit him to address certain matters that had just been brought to his attention. The Commission ordered that a further confidential pre-hearing conference take place on January 31, 2012 at 3:30 p.m.;

AND WHEREAS at the confidential pre-hearing conference on January 31, 2012, Staff and Counsel for O'Brien appeared and Counsel for O'Brien requested an adjournment of the hearing on the merits to permit interim

issues to be raised before the Commission. Counsel for O'Brien also requested that the records from both the January 11 and 31, 2012 confidential pre-hearing conferences be sealed and treated as confidential. The Commission ordered that the hearing dates of March 12, 14, 15, 16, 19, 20, 21, 22, 23, 26 and 28, 2012 be vacated, a further confidential pre-hearing conference take place on March 12, 2012 at 10:00 a.m., and that the records from both the January 11 and 31, 2012 confidential pre-hearing conferences be sealed and treated as confidential pursuant to subsection 9(1) of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22, as amended (the "SPPA") and rule 8.1 and subrule 5.2(1) of the *Rules of Procedure*;

AND WHEREAS at the confidential pre-hearing conference on March 12, 2012, Staff and Counsel for O'Brien appeared and Counsel for O'Brien requested a confidential motion be scheduled to seek an adjournment of the hearing dates. The Commission ordered that a confidential motion take place on April 18, 2012 at 10:00 a.m., for which O'Brien shall serve and file a motion record, including any affidavits to be relied upon, by April 5, 2012 at 4:30 p.m, Staff shall serve and file any responding materials by April 12, 2012, O'Brien shall serve and file a factum by April 13, 2012, and Staff shall file its factum by April 16, 2012, and that the records from the March 12, 2012 confidential pre-hearing conference and from the April 18, 2012 confidential motion shall be sealed and treated as confidential pursuant to subsection 9(1) of the SPPA and rule 8.1 and subrule 5.2(1) of the *Rules of Procedure*;

AND WHEREAS at the confidential motion on April 18, 2012, Staff and Counsel for O'Brien appeared and Counsel for O'Brien presented evidence and requested an adjournment of any hearing dates and that a further confidential pre-hearing conference be scheduled. Staff did not oppose the adjournment request and agreed to the scheduling of a further pre-hearing conference. The Commission ordered that a confidential pre-hearing conference shall take place on July 19, 2012 at 10:00 a.m., for which O'Brien shall deliver any materials relevant to the pre-hearing conference by July 9, 2012, and that the records from the July 19, 2012 confidential pre-hearing conference shall be sealed and treated as confidential pursuant to subsection 9(1) of the SPPA and rule 8.1 and subrule 5.2(1) of the *Rules of Procedure*;

AND WHEREAS at the confidential pre-hearing conference on July 19, 2012, Staff and Counsel for O'Brien appeared and presented evidence and requested that a further confidential pre-hearing conference be scheduled;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this order;

IT IS HEREBY ORDERED THAT:

1. a confidential pre-hearing conference shall take place on September 28, 2012 at 11:00 a.m;
2. O'Brien shall deliver any materials relevant to the pre-hearing conference by September 18, 2012; and
3. the records from the September 28, 2012 confidential pre-hearing conference shall be sealed and treated as confidential pursuant to subsection 9(1) of the SPPA and rule 8.1 and subrule 5.2(1) of the *Rules of Procedure*.

DATED at Toronto this 19th day of July, 2012.

"Mary G. Condon"

2.2.2 Global RESP Corporation and Global Growth Assets Inc. – ss. 127(1), 127(5)

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

AND

IN THE MATTER OF
GLOBAL RESP CORPORATION AND
GLOBAL GROWTH ASSETS INC.

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

WHEREAS it appears to the Ontario Securities Commission (the "Commission") that:

1. Global RESP Corporation ("Global RESP") distributes units of the Global Educational Trust Plan (the "Plan") and has been registered with the Commission as a scholarship plan dealer since March 14, 2003;

2. Global Growth Assets Inc. ("GGAI") has been the investment fund manager of the Plan since 2010 and has been registered with the Commission since August 2, 2011;

3. From July 13, 2011 to the end of August 2011 inclusive, Staff conducted a compliance review at Global RESP's head office in Richmond Hill, Ontario and at Global RESP's various branch locations in the Greater Toronto Area;

4. Staff identified a number of compliance deficiencies which were set out in Staff's compliance report dated March 7, 2012;

AND WHEREAS Staff of the Commission and counsel for the Respondents have agreed on the terms and conditions to be imposed on the registration of Global RESP and GGAI by way of this Temporary Order;

AND WHEREAS Staff has served Robert Brush, counsel for the Respondents with the Affidavit of Stratis Kourous sworn July 24, 2012 and filed a copy with the Commission in support of the requested Temporary Order;

AND WHEREAS the Respondents' counsel advised that the Respondents have reviewed and consent to the terms of this Temporary Order;

AND WHEREAS Staff's investigation of the Respondents' conduct is ongoing;

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

AND WHEREAS the Commission considers that it is in the public interest to make this Order;

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

1. under paragraph 1 of subsection 127(1) of the Act, the terms and conditions set out in Schedule "A" to this Order are imposed on Global RESP's registration;

2. under paragraph 1 of subsection 127(1) of the Act, the terms and conditions set out in Schedule "B" to this Order are imposed on GGAI's registration;

3. the Temporary Order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by order of the Commission; and

4. the hearing is returnable August 10, 2012 at 9:30 a.m. for the purpose of providing the Commission with an update on the implementation of the terms and conditions imposed on Global RESP and GGAI.

DATED at Toronto this 26th day of July, 2012.

"James E. A. Turner"

SCHEDULE "A"

1. Global RESP shall retain, at its own expense, within 20 days of this Order, an independent consultant (the "Consultant") that is approved by a Manager in the Compliance and Registrant Regulation Branch of the Ontario Securities Commission (the "OSC Manager") to:

   (a) prepare and assist Global RESP in implementing a plan (the "Plan") to strengthen Global RESP's "compliance system" within the meaning of section 11.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*, including the expected dates of completion and person(s) responsible for the implementation. In the Plan, the Consultant will examine Global RESP's operations, internal policies, practices and procedures and make recommendations for rectifying all identified compliance deficiencies raised in a Compliance Report dated March 7, 2012, including but not limited to, in relation to:

      (i) documenting and collecting clients' know-your-client information ("KYC Information");

      (ii) ensuring that all trades are suitable for Global RESP's clients;

      (iii) training dealing representatives and preparing training materials;

      (iv) overseeing branch locations and performing branch audits; and

      (v) preparing and distributing marketing materials;

   (b) review Global RESP's progress with respect to implementation of the Plan; and

   (c) submit written progress reports ("Progress Reports") to the OSC Manager detailing Global RESP's progress with respect to the implementation of the Plan and stating whether the specific recommendations included in the Plan have been implemented and, if not, the expected date of completion and person(s) responsible for the implementation.

2. The Plan and the Progress Reports must be reviewed and approved by the ultimate designated person ("UDP") and chief compliance officer ("CCO") of Global RESP, and signed by the UDP and CCO of Global RESP as evidence of their review and approval.

3. The Consultant shall provide the Plan to the OSC Manager no later than 60 days from the date of this Order for review and approval.

4. Global RESP shall retain a monitor that is independent of Global RESP and that is approved by the OSC Manager (the "Monitor"). The Monitor must be in place before Global RESP can accept any new clients or new accounts from existing clients from the date of this Order (collectively "New Clients").

5. Until such time as the Plan has been approved by the OSC Manager, the Monitor will use best efforts to contact all New Clients of Global RESP within 30 days of the client's investment for the purpose of confirming:

   a. the accuracy of the client's KYC Information;

   b. that the investment is suitable for the client including that the client has the ability to make the payments for a long term investment; and

   c. that the client understands the fee structure of the investment including the impact of enrolment fees on early termination of the investment and any fees and charges as a result of missed payments.

6. In the event that the Monitor determines that the investment was not suitable to the client, the investment shall be unwound at no cost to the client and any deposits made will be returned in full to the client. In the event the Monitor determines that the client did not understand the fee structure, the Monitor will explain the fee structure and advise the client of the client's option to unwind the investment, at no cost to the client, within 60 days following the investment. In the event that the Monitor is unable to confirm the information set out in paragraph 5 above within 60 days of the client's investment, the investment will be unwound at no cost to the client and any deposits made will be returned in full the client.

7. Global RESP will disclose to new clients that their investment will be unwound if the Monitor determines the investment is not suitable for them or if the Monitor is unable to speak with the investor within 60 days of the date of the investment.

8. The Monitor shall provide bi-weekly reports of its findings to the OSC Manager.

9. The Plan to be submitted by the Consultant shall include a continuing role for the Monitor during the period after the Plan has been approved and until the Plan has been fully implemented in relation to the items set out in paragraph 5 above and to allow for the unwinding of investments at no cost to the client where appropriate.

10. The Consultant shall submit Progress Reports to the OSC Manager every 30 days following delivery of the Plan to the OSC Manager until the Plan has been fully implemented.

11. Until the Plan has been fully implemented, Global RESP is prohibited from opening any new branch locations, and may not sponsor any new dealing representatives, except so as to replace dealing representatives that depart Global RESP subsequent to the date of this Order and only on the condition that the Consultant has provided a letter in writing to the OSC Manager, in respect of each proposed dealing representative, confirming that the proposed dealing representative:

    a. has received adequate training to sell the investment(s) offered by Global RESP, including appropriate sales conduct and practices; and

    b. will be supervised by a branch manager that has the capacity and the demonstrated ability to properly oversee the proposed dealing representative.

12. Global RESP shall immediately submit to the Commission a direction from Global RESP giving consent to unrestricted access by staff of the Commission to communicate with the Monitor and with the Consultant regarding Global RESP's progress with respect to the implementation of the Plan or any of its specific recommendations.

SCHEDULE "B"

1. GGAI shall retain, at its own expense, within 20 days of this Order, an independent consultant (the Consultant) that is approved by a Manager in the Compliance and Registrant Regulation Branch of the Ontario Securities Commission (the "OSC Manager") to:

    (a) prepare and assist GGAI in implementing a plan (the "Plan") to strengthen GGAI's "compliance system" within the meaning of Section 11.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*, including the expected dates of completion and person(s) responsible for the implementation. In the Plan, the Consultant will examine GGAI's fund manager operations, corporate governance, internal policies, practices and procedures and make recommendations for rectifying all identified compliance deficiencies raised in a Compliance Report dated March 7, 2012 to Global RESP that relate to GGAI, including but not limited to, for retaining and utilizing registered portfolio managers to manage the assets of the Global Educational Trust Plan;

    (b) review GGAI's progress with respect to implementation of the Plan; and

    (c) submit written progress reports ("Progress Reports") to the OSC Manager detailing GGAI's progress with respect to the implementation of the Plan and stating whether the specific recommendations included in the Plan have been implemented and, if not, the expected date of completion and person(s) responsible for the implementation.

2. The Consultant shall provide the Plan to the OSC Manager no later than within 60 days of this Order for review and approval.

3. The Plan and the Progress Reports must be reviewed and approved by the ultimate designated person ("UDP") and chief compliance officer ("CCO") of GGAI, and signed by the UDP and CCO of GGAI as evidence of their review and approval.

4. The Consultant shall submit Progress Reports to the OSC Manager every 30 days following delivery of the Plan to the OSC Manager until the Plan has been fully implemented.

5. GGAI shall immediately submit to the Commission a direction from GGAI giving consent to

unrestricted access by Staff of the Commission to communicate with the Consultant regarding GGAI's progress with respect to the implementation of the Plan or any of its specific recommendations.

2.2.3 2196768 Ontario Ltd et al.

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

AND

IN THE MATTER OF
2196768 ONTARIO LTD carrying on business as RARE INVESTMENTS, RAMADHAR DOOKHIE, ADIL SUNDERJI and EVGUENI TODOROV

ORDER

WHEREAS on November 22, 2011, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing, pursuant to s.127 and 127.1 of the *Securities Act,* R.S.O. 1990, c. S.5, as amended, in connection with a Statement of Allegations filed by Staff of the Commission ("Staff") on the same day with respect to 2196768 Ontario Ltd carrying on business as RARE Investments, Ramadhar Dookhie, Adil Sunderji and Evgueni Todorov (collectively, the "Respondents") for a hearing to commence on December 5, 2011;

AND WHEREAS on November 23, 2011, the Respondents were served with the Notice of Hearing and Statement of Allegations dated November 22, 2011;

AND WHEREAS at a hearing on December 5, 2011, counsel for Staff advised that disclosure will be made to the Respondents by Staff on or by January 16, 2012, and the parties consented to the scheduling of a confidential pre-hearing conference for March 5, 2012 at 10:00 a.m.;

AND WHEREAS the confidential pre-hearing conference was adjourned from March 5, 2012 at 10:00 a.m. to May 2, 2012 at 10:00 a.m., with the consent of Staff, to permit two of the Respondents to retain legal counsel;

AND WHEREAS the parties attended on May 2, 2012 and Staff advised that disclosure was complete and two of the Respondents advised they had not yet retained legal counsel;

AND WHEREAS the parties requested a confidential pre-hearing conference be scheduled for July 19, 2012 at 10:00 a.m.;

AND WHEREAS a confidential pre-hearing conference was held on July 19, 2012;

AND WHEREAS the Commission considers it to be in the public interest to make this order;

IT IS ORDERED that the confidential pre-hearing conference is adjourned to Friday September 14, 2012 at 11:00 a.m. to permit two of the Respondents to obtain counsel and to canvass dates for the hearing on the merits.

DATED at Toronto this 19th day of July, 2012.

"Paulette L. Kennedy"

2.2.4 New Found Freedom Financial et al.

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

AND

IN THE MATTER OF
NEW FOUND FREEDOM FINANCIAL,
RON DEONARINE SINGH, WAYNE GERARD MARTINEZ,
PAULINE LEVY, DAVID WHIDDEN, PAUL SWABY AND ZOMPAS CONSULTING

ORDER

WHEREAS on November 2, 2011, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the S*ecurities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), in connection with the allegations set out in the Statement of Allegations filed by Staff of the Commission ("Staff") on November 1, 2011;

AND WHEREAS Paul Swaby ("Swaby") and Zompas Consulting ("Zompas") entered into a settlement agreement with Staff dated July 23, 2012 (the "Settlement Agreement") in relation to the matters set out in the Statement of Allegations;

AND WHEREAS on July 24, 2012, the Commission issued a Notice of Hearing pursuant to section 127 of the Act to announce that it proposed to hold a hearing to consider whether it is in the public interest to approve the Settlement Agreement;

AND UPON reviewing the Settlement Agreement, the Notice of Hearing, and the Statement of Allegations, and upon hearing submissions from Staff and counsel for Swaby and Zompas;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this Order;

IT IS HEREBY ORDERED, PURSUANT TO SECTIONS 127(1) AND 127.1 OF THE ACT, THAT:

(a) the Settlement Agreement is approved;

(b) pursuant to clause 2 of subsection 127(1) of the Act, trading in any securities by Swaby and Zompas shall cease for a period of ten (10) years commencing from the date of this Order, with the exception that, once the entire amount of payments set out in paragraphs (i), (j) and (k) below are paid in full, Swaby shall be permitted to trade securities for the account of his registered retirement savings plan as defined in the *Income Tax Act*, 1985, c.1 as amended (the "*Income Tax Act*") solely through a

registered dealer or, as appropriate, a registered dealer in a foreign jurisdiction (which dealer must be given a copy of this Order) in (a) any "exchange-traded security" or "foreign exchange-traded security" within the meaning of National Instrument 21-101 provided that he does not own beneficially or exercise control or direction over more than 5 percent of the voting or equity securities of the issuer(s) of any such securities, or (b) any security issued by a mutual fund that is a reporting issuer;

(c) pursuant to clause 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Swaby and Zompas is prohibited for a period of ten (10) years commencing from the date of this Order, with the exception that Swaby shall be permitted to acquire securities for the account of his registered retirement savings plan as defined in the *Income Tax Act* once the entire amount of payments set out in paragraphs (i), (j) and (k) below are paid in full, in accordance with the exception requirements as set out in paragraph (b) above;

(d) pursuant to clause 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Swaby and Zompas for a period of ten (10) years commencing from the date of this Order;

(e) pursuant to clause 6 of subsection 127(1) of the Act, Swaby and Zompas are reprimanded;

(f) pursuant to clause 7 of subsection 127(1) of the Act, Swaby shall resign any positions he holds as a director or officer of an issuer;

(g) pursuant to clauses 8, 8.2 and 8.4 of subsection 127(1) of the Act, Swaby is prohibited for a period of ten (10) years from the date of this Order from becoming or acting as a director or officer of an issuer, registrant or investment fund manager;

(h) pursuant to clause 8.5 of subsection 127(1) of the Act, Swaby is prohibited for a period of ten (10) years from the date of this Order from becoming or acting as a registrant, investment fund manager or promoter;

(i) pursuant to clause 9 of subsection 127(1) of the Act, Swaby and Zompas shall pay to the Commission an administrative penalty in the amount of $7,500, on a joint and several basis, for their failure to comply with Ontario securities law, which is designated under subsection 3.4(2)(b) of the Act for allocation to or for the benefit of third parties;

(j) pursuant to clause 10 of subsection 127(1) of the Act, Swaby and Zompas shall disgorge to the Commission the amount of $7,500, on a joint and several basis, obtained as a result of their non-compliance with Ontario securities law, which is designated under subsection 3.4(2)(b) of the Act for allocation to or for the benefit of third parties;

(k) pursuant to section 127.1 of the Act, Swaby and Zompas shall pay costs to the Commission in the amount of $3,000, on a joint and several basis;

(l) in regard to the payments set out in paragraphs (i), (j) and (k) above, Swaby shall make a payment of $1,500 by certified cheque or bank draft on the date of this Order and shall pay at least $200 every month thereafter until the amounts set out in paragraphs (i), (j) and (k) above are paid in full; and

(m) until the entire amount of payments set out in paragraphs (i), (j) and (k) above are paid in full, the orders in paragraphs (b), (c), (d), (g) and (h) above shall continue in force without any limitation as to time period.

DATED at Toronto this 26th day of July, 2012

"Paulette L. Kennedy"

2.2.5 iShares MSCI Canada Minimum Volatility Index Fund et al. – s. 1.1 of OSC Rule 48-501 Trading During Distributions, Formal Bids and Share Exchange Transactions

Headnote

Certain mutual funds designated as exchange-traded funds for the purposes of OSC Rule 48-501.

Rules Cited

Ontario Securities Commission Rule 48-501 Trading During Distributions, Formal Bids and Share Exchange Transactions, s. 1.1.

IN THE MATTER OF
ONTARIO SECURITIES COMMISSION RULE 48-501 –
TRADING DURING DISTRIBUTIONS, FORMAL BIDS AND SHARE EXCHANGE TRANSACTIONS (Rule)

AND

IN THE MATTER OF
iSHARES MSCI CANADA MINIMUM VOLATILITY INDEX FUND
iSHARES MSCI USA MINIMUM VOLATILITY INDEX FUND
iSHARES MSCI EAFE MINIMUM VOLATILITY INDEX FUND
iSHARES MSCI EMERGING MARKETS MINIMUM VOLATILITY INDEX FUND
iSHARES MSCI ALL COUNTRY WORLD MINIMUM VOLATILITY INDEX FUND
iSHARES U.S. HIGH DIVIDEND EQUITY INDEX FUND (CAD-HEDGED)
(the Funds)

DESIGNATION ORDER
Section 1.1

WHEREAS each of the Funds is or will be listed on the Toronto Stock Exchange;

AND WHEREAS under the Universal Market Integrity Rules (UMIR), each Fund is considered an Exempt Exchange-traded Fund that is not subject to prohibitions related to trading during certain securities transactions;

AND WHEREAS the definition of "exchange-traded fund" in the Rule is substantially similar to the definition of Exempt Exchange-traded Fund in UMIR, and the purpose of the Rule and UMIR are substantially similar;

THE DIRECTOR HEREBY DESIGNATES each of the Funds as an exchange-traded fund for the purposes of the Rule.

Dated July 24, 2012

"Susan Greenglass"
Director, Market Regulation

2.2.6 Maple Group Acquisition Corporation et al. – ss. 144, 147

Headnote

Order exempting TSX Venture Exchange Inc. from recognition as an exchange, and revoking previous exemption order.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 21, 144, 147.

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

AND

IN THE MATTER OF
MAPLE GROUP ACQUISITION CORPORATION
TMX GROUP INC.
TSX INC.
AND
TSX VENTURE EXCHANGE INC.

EXEMPTION ORDER
(Sections 144 and 147 of the Act)

WHEREAS the Ontario Securities Commission (Commission) issued an order dated August 12, 2005 exempting TSX Venture Exchange Inc. (TSX Venture Exchange) from recognition as an exchange pursuant to section 147 of the Act. (Existing Order);

AND WHEREAS Maple Group Acquisition Corporation (Maple) commenced a transaction (Transaction), consisting of a take-over bid (the Offer) involving the initial take up by Maple of a minimum of 70% of the outstanding shares of TMX Group Inc. (Initial Take Up) and a subsequent arrangement the result of which would be the acquisition by Maple of all of the issued and outstanding voting securities of TMX Group Inc. (TMX Group), the holding company parent which indirectly holds all of the issued and outstanding voting securities of TSX Venture Exchange through its subsidiary TSX;

AND WHEREAS Maple, TMX Group, TSX and TSX Venture Exchange have filed an application with the Commission requesting that the Existing Order be revoked and replaced with an order pursuant to section 147 of the Act exempting TSX Venture Exchange from recognition under section 21 of the Act for the purposes of carrying on business as an exchange in Ontario as a result of the Transaction (the "Application").

AND WHEREAS Maple, TMX Group, TSX and TSX Venture Exchange have represented to the Commission as follows:

1. TSX Venture Exchange was incorporated on October 29, 1999 pursuant to the *Business Corporations Act* (Alberta) and is a wholly-owned subsidiary of TSX, which is itself a wholly-owned subsidiary of TMX Group.

2. Subsequent to the Transaction, TSX Venture Exchange will continue to be a wholly-owned subsidiary of TSX, and TSX will continue to be a wholly-owned subsidiary of TMX Group.

3. TSX Venture Exchange operates an exchange for junior issuers which is separate from the exchange operated by TSX, and which has a separate TSX Venture Exchange brand identity.

4. TSX Venture Exchange provides Ontario market participants with access to trading in those securities and is considered to be "carrying on business as an exchange in Ontario", and must therefore be either recognized or exempted from recognition as an exchange under section 21 of the Act.

5. TSX Venture Exchange wholly-owns Canadian Unlisted Board Inc. ("CUB"), which operates an internet web-based system for the reporting by dealers of trading in unlisted and unquoted equity securities in Ontario.

6. TSX Venture Exchange is recognized as an exchange by the Alberta Securities Commission (ASC) under the *Securities Act* (Alberta) and by the British Columbia Securities Commission (BCSC) under the *Securities Act* (British Columbia), pursuant to orders issued by the ASC and BCSC attached as Schedules A and B, respectively (Recognition Orders), as amended from time to time, and is subject to joint regulatory oversight by both the ASC and the BCSC.

7. TSX Venture Exchange has been advised that the Commission, ASC and BCSC are each party to the Memorandum of Understanding Respecting the Oversight of Exchanges and Quotation and Trade Reporting Systems (MOU), as amended from time to time, respecting oversight of exchanges and quotation and trade reporting systems, which applies to the regulatory oversight of TSX Venture Exchange, and under which the ASC and BCSC are identified as the Lead Regulators that are responsible for the oversight of TSX Venture Exchange.

8. The ASC and BCSC discharges their responsibilities for the oversight of TSX Venture Exchange as an exchange through ongoing reporting requirements and by conducting periodic oversight assessments of TSX Venture Exchange's operations to confirm that TSX Venture Exchange is in compliance with the terms and conditions of the Recognition Orders.

AND WHEREAS based on the Application and the representations that Maple, TMX Group, TSX and TSX Venture Exchange have made to the Commission, the Commission is satisfied that it is not prejudicial to the public interest to revoke the Existing Order and issue a new order exempting TSX Venture Exchange from recognition as an exchange;

AND WHEREAS Maple, TMX Group, TSX and TSX Venture Exchange have agreed to the applicable terms and conditions set out in Schedule C to this order;

IT IS ORDERED by the Commission that, pursuant to section 147 of the Act, TSX Venture Exchange is exempt from recognition under section 21 of the Act provided that Maple, TMX Group, TSX and TSX Venture Exchange comply with the terms and conditions set out in Schedule C to this order, as applicable;

AND IT IS ORDERED that, pursuant to subsection 144(1) of the Act, the Existing Order is revoked;

DATED this 27th day of July, 2012, and effective upon the completion of the Initial Take Up pursuant to the Offer.

"Mary G. Condon"
Vice-Chair

"Sarah B. Kavanagh"
Commissioner

SCHEDULE A

ALBERTA SECURITIES COMMISSION
RECOGNITION ORDER: EXCHANGE

Citation: TSX Venture Exchange Inc., Re, 2012 ABASC 308 **Date: 20120711**

TSX Venture Exchange Inc.

Background

1. The Alberta Securities Commission (the Commission) recognized TSX Venture Exchange Inc. (the Exchange) as an exchange under section 62 of the *Securities Act* (Alberta), R.S.A. 2000, c. S-4 (the Act) by Commission order *Re TSX Venture Exchange Inc.*, 2005 ABASC 686 (the 2005 TSXV Recognition Order).

2. The Exchange is a subsidiary of TMX Group Inc. (TMX Group).

3. TMX Group is the subject of a take-over bid by Maple Group Acquisition Corporation (Maple) which, if successful, is to be followed by an arrangement (together with the take-over bid, the Transaction), the result of which would be the acquisition by Maple of all the issued and outstanding voting securities of TMX Group.

4. The Commission considers it appropriate to revise the terms and conditions of the recognition of the Exchange as an exchange following the Transaction.

5. The Exchange will be subject to the joint regulatory oversight of the Commission and the British Columbia Securities Commission.

Interpretation

6. Unless otherwise defined herein, terms used in this order have the same meaning as in the Act, National Instrument 14-101 *Definitions* or National Instrument 21-101 *Marketplace Operation.*

Representations and Undertakings

7. The Exchange will operate in accordance with the terms and conditions set out in the Schedule hereto (the Revised Terms and Conditions).

8. Maple, TMX Group, TSX Inc. (TSX), and the original shareholders of Maple will:

   (a) deliver to the Commission on or before completion of the Transaction written undertakings satisfactory to the Executive Director of the Commission (the Undertakings); and

   (b) fulfil their respective Undertakings.

Order

9. The Commission, considering that it would not be prejudicial to the public interest to do so, orders:

   (a) under section 62 of the Act, the continued recognition of the Exchange provided that and for so long as it adheres to the Revised Terms and Conditions and Maple, TMX Group, TSX and the original shareholders of Maple fulfil their respective Undertakings; and

   (b) under section 214(1) of the Act, that the 2005 TSXV Recognition Order is revoked.

For the Commission:

"original signed by"
Glenda Campbell, QC
Vice-Chair

"original signed by"
Stephen Murison
Vice-Chair

Schedule
to
Recognition Order: Exchange

Definitions

1. For the purposes of this order:

"affiliated entity" has the meaning ascribed to it in section 1.3 of NI 21-101 *Marketplace Operation*;

"Exchange" means the TSX Venture Exchange Inc.;

"Maple clearing agency" means any clearing agency owned or operated by Maple or Maple's affiliated entities;

"Maple marketplace" means any marketplace owned or operated by Maple or Maple's affiliated entities;

"Maple marketplace participant" means a marketplace participant of any Maple marketplace;

"Maple nomination agreement" means a nomination agreement provided for under section 12(h) of the *Amended and Restated Acquisition Governance Agreement* of June 10, 2011 of Maple, as amended;

"marketplace" has the meaning ascribed to it in NI 21-101 *Marketplace Operation*;

"marketplace participant" has the meaning ascribed to it in NI 21-101 *Marketplace Operation*;

"original Maple shareholder" means each of the Alberta Investment Management Corporation, AIMCo Maple 1 Inc., AIMCo Maple 2 Inc., Caisse de dépôt et placement du Québec, Canada Pension Plan Investment Board, CIBC World Markets Inc., Desjardins Financial Corporation, Dundee Capital Markets Inc., Fonds de solidarité des travailleurs du Québec (F.T.Q.), The Manufacturers Life Insurance Company, National Bank Financial & Co. Inc., National Bank Financial Inc., Ontario Teachers' Pension Plan Board, Scotia Capital Inc., and TD Securities Inc.; and

"significant Maple shareholder" means a person or company that:

(a) beneficially owns or exercises control or direction over more than 5% of the outstanding shares of Maple provided, however, that the ownership of or control or direction over additional Maple shares in connection with the following activities shall not be included for the purposes of determining whether the 5% threshold has been exceeded:

(i) investment activities on behalf of the person or company or its affiliated entity where such investments are made (I) by a bona fide third party investment manager with discretionary authority (subject to such retained discretion in order for the person or company or its affiliated entity to fulfil its fiduciary duties); or (II) by an investment fund or other pooled investment vehicle in which the person or company or such affiliated entity has directly or indirectly invested and which is managed by a third party who has not been provided with confidential, undisclosed information about Maple;

(ii) acting as a custodian for securities in the ordinary course;

(iii) normal course trading (including proprietary client facilitation trading) and wealth management activities (including, for greater certainty, in connection with the management of any mutual funds, pooled funds, trust accounts, estate portfolios and other investor funds and portfolios), including electronic securities trading, conducted for or on behalf of clients of the person or company, provided that any fund manager with discretionary authority carrying out such activities on behalf of such clients, or such clients, have not been provided with confidential, undisclosed information about Maple;

(iv) the acquisition of Maple shares in connection with the adjustment of index-related portfolios or other "basket" related trading;

(v) making a market in securities to facilitate trading in shares of Maple by third party clients or to provide liquidity to the market in the person's or company's capacity as a designated market-maker for shares of Maple, in the person's or company's capacity as designated market-maker for derivatives on Maple shares, or in the person's or company's capacity as market-maker or "designated broker" for exchange traded funds which may have investments in shares of Maple, in each case in the

ordinary course (which, for greater certainty, shall include acquisitions or other derivative transactions undertaken in connection with hedging positions of, or in relation to, Maple shares); or

(vi) providing financial services to any other person or company in the ordinary course of business of its and their banking, securities, wealth and insurance businesses, provided that such other person or company has not been provided with confidential, undisclosed information about Maple;

and subject to the conditions that the ownership of or control or direction over Maple shares by a person or company in connection with the activities listed in (i) through (vi) above:

(vii) is not intended by that person or company to facilitate evasion of the 5% threshold set out in clause (a); and

(viii) does not provide that person or company the ability to exercise voting rights over more than 5% of the voting shares of Maple in a manner that is solely in the interests of that person or company as it relates to that person's or company's ownership of or control or direction over the subject shares, except where the ability to exercise voting rights over more than 5% of the voting shares arises as a result of the activities listed in (v) above in which case the person or company must not exercise its voting rights with respect to those excess voting shares;

(b) is an original Maple shareholder that is a party to a Maple nomination agreement, for as long as its Maple nomination agreement is in effect; or

(c) is an original Maple shareholder (A) whose obligations by way of undertakings to the Commission in connection with this order have not terminated and (B) that has a partner, officer, director or employee who is a director on the Maple board other than pursuant to a Maple nomination agreement, for so long as such partner, officer, director or employee remains a director of Maple.

2. For the purposes of this order, an individual is unrelated to an original Maple shareholder if the individual:

(a) is not a partner, officer or employee of an original Maple shareholder or any of its affiliated entities or an associate of that partner, officer or employee;

(b) is not nominated under a Maple nomination agreement;

(c) is not a director of an original Maple shareholder or any of its affiliated entities or an associate of that director; and

(d) does not have, and has not had, any relationship with an original Maple shareholder that could, in the view of the Maple governance committee having regard to all relevant circumstances, be reasonably perceived to interfere with the exercise of the individual's independent judgment as a director of the Exchange.

3. For the purposes of section 2, the Maple governance committee may waive the restriction in section 2(c) if:

(a) the individual being considered does not have, and has not had, any relationship with an original Maple shareholder that could, in the view of the Maple governance committee having regard to all relevant circumstances, be reasonably perceived to interfere with the exercise of his or her independent judgment as a director of the Exchange;

(b) the Exchange publicly discloses the use of the waiver with reasons why the particular candidate was selected;

(c) the Exchange provides advance notice to the Commission, at least 15 business days before the public disclosure in section 3(b) is made; and

(d) the Commission does not object within 15 business days of its receipt of the notice provided under section 3(c).

4. For the purposes of this order, an individual is independent if the individual is "independent" within the meaning of sections 1.4 and 1.5 of National Instrument 52-110 *Audit Committees*, as amended from time to time, and is not:

(a) a partner, director, officer or employee of a Maple marketplace participant or an associate of a partner, director, officer or employee of a Maple marketplace participant; or

(b) a partner, director, officer or employee of an affiliated entity of a Maple marketplace participant, who is responsible for or is actively or significantly engaged in the day-to-day operations or activities of that Maple marketplace participant.

Mission

5. The Exchange will adopt a mission statement that includes the objective of maintaining and growing a competitive Canadian public venture market.

6. The Exchange will operate a national exchange for venture issuers under a separate brand identity and separately from the national exchange for senior issuers operated by TSX.

7. The Exchange will maintain an office in Alberta that has a significant role in the Exchange's:

(a) development of expertise in the public venture market;

(b) maintenance and growth of a competitive Canadian public venture market;

(c) development of innovations in the public venture market; and

(d) development of policy that enhances the competitive position of the Exchange.

8. From its office in Alberta, the Exchange will also:

(a) provide corporate finance services to, and perform corporate finance functions for, its listed issuers and applicants for listing; and

(b) perform issuer regulation functions.

9. The Exchange will locate in its Alberta office the executive, management, and operations personnel necessary to ensure it meets the requirements of paragraphs 7 and 8.

Public interest

10. The Exchange will operate in the public interest.

Regulation functions of the Exchange

11. The Exchange will set, maintain and enforce rules, policies, and other similar instruments that:

(a) govern listing and corporate finance requirements for its listed issuers;

(b) govern the conduct of and trading by Exchange marketplace participants;

(c) require listed issuers and Exchange marketplace participants to comply with securities legislation and the rules, policies or other instruments of the Exchange;

(d) foster investor protection; and

(e) permit those seeking access to the listing, trading and other services of the Exchange to be granted access without unreasonable discrimination.

12. The Exchange will promptly notify the Commission upon becoming aware that a listed issuer, Exchange marketplace participant, or a director, officer or employee of a listed issuer or Exchange marketplace participant has:

(a) committed a significant violation of securities legislation or of the Exchange's rules, policies or similar instruments; or

(b) engaged in conduct contrary to the public interest.

Reporting and approvals

13. The Exchange will report to the Commission:

    (a) at the times;

    (b) in the form; and

    (c) containing the information;

    that the Commission specifies from time to time.

14. The Exchange will not, without prior Commission approval, make any changes to its rules, policies or other similar instruments or introduce any new rules, policies or other similar instruments.

15. The Exchange will not, without prior Commission approval, make any change to its business or operations that:

    (a) is outside the ordinary course of its business or operations; or

    (b) is inconsistent with its past business or operational practices and presents a risk of adverse consequences to investors, issuers listed on the Exchange or the Canadian public venture market.

Industry advisory committees

16. The Exchange will establish regional industry advisory committees comprised of participants in the Canadian public venture capital market with mandates to provide advice and recommendations to the Exchange board on all policy, operational, and strategic issues that are likely to have a significant impact on the Canadian public venture market. The Exchange will also establish a national advisory committee made up of representatives from the regional advisory committees. The Exchange will allocate financial and other resources to these advisory committees that are sufficient to ensure the committees can meaningfully fulfil their mandates.

17. The national advisory committee will report to the board of the Exchange, at least quarterly, and to the Commission, at least annually. The reports will include the issues the regional and national advisory committees considered and information about what the committees recommended, including whether the national advisory committee rejected or only partially adopted a recommendation of a regional advisory committee.

18. In each case where the Exchange board has not followed or has only partially implemented the recommendation or advice of the national advisory committee, it will provide a report to the Commission as soon as practicable with a written explanation. The report will include a response from the national advisory committee and why it agrees or disagrees with the Exchange board's report.

Corporate governance

19. The Exchange will ensure:

    (a) that its board composition provides a reasonable balance between the interests of the different entities using its services and facilities;

    (b) fair and meaningful representation of stakeholders on the board and any board or advisory committee, having regard to the fact that it is a national public venture exchange; and

    (c) that it has appropriate qualification, remuneration and conflict of interest provisions and limitation of liability and indemnification protections for its directors, officers and employees generally.

20. At least 25% of the directors of the Exchange will, at all times, be persons who have currently relevant expertise in the Canadian public venture market whose expertise comes from experience acquired during a significant period:

    (a) as a director or officer of an issuer in the Canadian public venture market;

    (b) as a director or officer of an investment dealer, and in that capacity, engaged in underwriting, financing, or trading securities of Canadian public venture issuers;

(c) as a business adviser to issuers in the Canadian public venture market on financing, trading, or mergers and acquisitions;

(d) as a senior officer of an exchange or alternative trading system that lists or trades the securities of a significant number of issuers in the Canadian public venture market; or

(e) making or directing significant investments in the Canadian public venture market.

21. Upon the appointment of a person as a director to fulfill the requirement in section 20, the Exchange will promptly notify the Commission of the appointment, with an explanation about how the person's expertise satisfies the requirements in section 20.

22. The Exchange must require that the quorum for its board meetings include at least two directors appointed to satisfy the venture experience requirement in section 20.

23. The Exchange will:

(a) ensure that at least 50% of its directors are independent, as defined in this order; and

(b) ensure that as long any Maple nomination agreement is in effect, at least 50% of its directors are unrelated to original Maple shareholders.

24. The Exchange must provide the Commission notice of and promptly remedy any instance where the thresholds in sections 20 or 23 are not met.

25. The standards for independence set out in this order will be made available on the Exchange's website.

26. The Exchange will provide the Commission with prior written notice of any changes to its governance structure, including changes to the composition and terms of reference of its board committees and advisory committees, and will obtain Commission approval before implementing any substantive changes.

27. The Commission may approve the appointment of a director who does not meet the criteria set out in subsections 20(a) to (e), to satisfy the requirement for 25% venture representation set out in section 20.

Fitness

28. The Exchange must consider that the past conduct of a director or officer affords reasonable grounds to believe that the director or officer will perform his or her duties with integrity and in a manner that is consistent with the public interest responsibilities of the Exchange.

Conflicts of interest and confidentiality

29. The Exchange must:

(a) establish, maintain, comply with and require compliance with policies and procedures that:

(i) identify and manage any conflicts of interest or potential conflicts of interest arising from the management or operation of the Exchange or the services and products it provides;

(ii) ensure that a person who is a director, officer, employer or partner of a Maple shareholder does not have any involvement with oversight or management of the Exchange, except in the capacity of a director of the Exchange;

(iii) require that confidential information regarding the Exchange's operations or regulatory functions, or regarding an Exchange marketplace participant or listed issuer, which is obtained by a director of the Exchange through their involvement in the management or oversight of the Exchange:

A. be kept separate and confidential from the business or other operations of the director, their employer or their business, except with respect to information regarding Exchange operations where disclosure is necessary to carry out the individual's responsibilities for the management or oversight of the Exchange and the individual exercises due care in disclosing the information; and

B. not be used to provide an advantage to the director, their employer, their business or any of their affiliated entities;

(b) review, at least annually, compliance with the policies and procedures established in accordance with paragraph (a), and document each such review, any deficiencies it identifies and how it remedied those deficiencies; and

(c) make the policies established in accordance with paragraph (a) publicly available on the Exchange's website.

Due process

30. The Exchange will ensure that:

(a) a party to any of its decisions to deny access to its trading and listing facilities is given notice and an opportunity to be heard or make representations; and

(b) it keeps a record, gives reasons and provides for reviews of its decisions.

Fees

31. The Exchange will have a fair and appropriate process for setting fees and incentives.

32. These fees and incentives will:

(a) be allocated on an equitable basis among the Exchange's listed issuers and applicants for listing, Exchange marketplace participants, and other marketplace participants;

(b) not have the effect of creating barriers to access;

(c) be balanced with the Exchange's need to have sufficient revenues to satisfy its responsibilities; and

(d) be fair, reasonable and appropriate.

33. The Exchange will not, without prior approval of the Commission, make any changes to its fees or incentives.

34. The Exchange must not, through any fee schedule, any fee model or any contract, agreement or other arrangement with any Exchange marketplace participant or any other person or company, provide:

(a) any discount, rebate, allowance, price concession or other similar arrangement on any services or products offered by the Exchange that is conditional upon the purchase of any other service or product provided by the Exchange or any affiliated entity;

(b) any discount, rebate, allowance, price concession or other similar arrangement that is accessible only to, whether as designed or by implication, a particular marketplace participant or any other particular person or company; or

(c) any discount, rebate, allowance, price concession or other similar arrangement for any service or product offered by the Exchange that is conditional upon an Exchange marketplace participant:

(i) routing trades to a Maple marketplace as the default or first marketplace to which a marketplace routes; or

(ii) using a Maple marketplace router as its primary router.

35. Except with the prior approval of the Commission, the Exchange must not, through any fee schedule, fee model or contract, agreement or other arrangement with any marketplace participant or any other person or company, provide any discount, rebate, allowance, price concession or other similar arrangement that is accessible only to, whether as designed or by implication, a class of marketplace participants or of any other persons or companies.

36. The Exchange must obtain prior Commission approval before implementing or amending any fees or fee models, including any new or amended incentives, relating to arrangements that provide for equity ownership in Maple for Exchange marketplace participants or their affiliated entities based on trading volumes or values on the Exchange.

37. The Exchange must not require another person or company to purchase or otherwise obtain products or services from any Maple clearing agency as a condition of the Exchange supplying or continuing to supply a product or service.

38. The Exchange must not, without prior Commission approval, require another person or company to purchase or otherwise obtain products or services from the Exchange, any Maple marketplace, or a significant Maple shareholder as a condition of the Exchange supplying or continuing to supply a product or service.

Order Routing

39. The Exchange must not support or encourage, either through fee incentives or otherwise, Exchange marketplace participants to coordinate the routing of any of their orders to a particular Maple marketplace or trading facility owned by Maple or using a particular Maple clearing agency**.**

Financial viability

40. The Exchange will notify the Commission immediately upon becoming aware that it does not or will not have sufficient financial and other resources to perform its functions in a manner that is consistent with its mission statement, the public interest or the terms and conditions of this order.

Outsourcing

41. The Exchange will obtain prior Commission approval for any outsourcing arrangements related to any of its key services or systems with any third party, including entities affiliated or associated with the Exchange.

Related party transactions

42. Any agreement or transaction entered into between the Exchange and:

    (a) Maple, TMX Group, TSX; or

    (b) any affiliate or associate of Maple, TMX Group or TSX;

    will be on terms and conditions that an independent third party would negotiate, acting at arm's length.

Change in operations or ownership

43. The Exchange must, before ceasing to operate; before suspending, discontinuing or winding up all or a significant portion of its operations; or before disposing of all or substantially all of its assets:

    (a) provide the Commission at least six months' prior written notice; and

    (b) comply with any requirements the Commission may impose.

44. The Exchange will not cease to be wholly owned by TSX or indirectly wholly owned by TMX Group or Maple without:

    (a) providing the Commission at least three months' prior notice; and

    (b) complying with any requirements the Commission may impose.

Records and information sharing

45. The Exchange will ensure the Commission can promptly access the information and records, or a copy of the information and records, the Exchange is required to create, maintain, collect or keep under securities legislation or that it otherwise creates, maintains, collects or keeps in the course of its business. The Exchange will ensure the Commission can promptly access information and records obtained by a person or company to whom the Exchange has outsourced a function.

46. The Exchange will provide the Commission all information the Commission requests, in the form and within the times it specifies, and will otherwise co-operate with the Commission and its staff.

47. The Exchange will disclose or share information of a regulatory nature and will otherwise cooperate with other Canadian recognized or exempt exchanges, quotation and trade reporting systems, clearing agencies and self-regulatory organizations, and Canadian regulatory authorities responsible for the supervision or regulation of securities.

Clearing and settlement

48. The Exchange will impose a requirement on Exchange marketplace participants to have appropriate arrangements in place for clearing and settlement.

49. The Exchange will not establish requirements relating to clearing and settlement of trades that would result in:

    (a) unfair discrimination of or between Exchange marketplace participants based on the clearing agency used;

    (b) an imposition of any burden on competition among clearing agencies or back-office or post-trade service providers that is not reasonably necessary or appropriate; or

    (c) an unreasonable prohibition, condition or limitation relating to access by a person or company to services offered by the Exchange or a Maple clearing agency.

Commission approval

50. When seeking the approval of the Commission under these terms and conditions, the Exchange will comply with the procedures established from time to time by the Commission for the regulatory oversight of the Exchange.

SCHEDULE B

2012 BCSECCOM 273

Recognition Order

TSX Venture Exchange Inc.

Section 24(b) of the *Securities Act*, RSBC 1996, c. 418

Maple Group Acquisition Corporation (Maple) intends to acquire TMX Group Inc. (TMX Group), a subsidiary of which is TSX Venture Exchange Inc. (TSX Venture). Maple applied to the Commission to confirm its recognition of TSX Venture.

The Commission considers it appropriate to revise the terms and conditions of the continued recognition of TSX Venture as an exchange following the acquisition.

TSX Venture will be subject to the joint regulatory oversight of the Commission and the Alberta Securities Commission.

Based on the application and representations of Maple in connection with the application, and on the condition that Maple, TMX Group, TSX and the original Maple shareholders provide undertakings to the Commission, the Commission is satisfied that the continued recognition of TSX Venture following the acquisition will not be prejudicial to the public interest.

The Commission orders the continued recognition of TSX Venture as an exchange under section 24(b) of the Act, effective on the completion of the initial take-up by Maple of a minimum of 70% of the outstanding shares of TMX Group in connection with the acquisition and the delivery of signed undertakings from Maple, TMX Group, TSX and all original Maple shareholders to the Commission. While this order is effective, TSX Venture must meet and continue to meet the revised terms and conditions set out in Schedule A.

Recognition will continue until the Commission, after giving TSX Venture an opportunity to be heard, revokes it.

July 11, 2012

Brenda M. Leong
Chair and CEO

Schedule A

Definitions

1. For the purposes of this order:

"affiliated entity" has the meaning ascribed to it in section 1.3 of NI 21-101 *Marketplace Operation*;

"Exchange" means the TSX Venture Exchange Inc.;

"Maple clearing agency" means any clearing agency owned or operated by Maple or Maple's affiliated entities;

"Maple marketplace" means any marketplace owned or operated by Maple or Maple's affiliated entities;

"Maple marketplace participant" means a marketplace participant of any Maple marketplace;

"Maple nomination agreement" means a nomination agreement provided for under section 12(h) of the *Amended and Restated Acquisition Governance Agreement* of June 10, 2011 of Maple, as amended;

"marketplace" has the meaning ascribed to it in NI 21-101 *Marketplace Operation*;

"marketplace participant" has the meaning ascribed to it in NI 21-101 *Marketplace Operation*;

"original Maple shareholder" means each of the Alberta Investment Management Corporation, AIMCo Maple 1 Inc., AIMCo Maple 2 Inc., Caisse de dépôt et placement du Québec, Canada Pension Plan Investment Board, CIBC World Markets Inc., Desjardins Financial Corporation, Dundee Capital Markets Inc., Fonds de solidarité des travailleurs du Québec (F.T.Q.), The Manufacturers Life Insurance Company, National Bank Financial & Co. Inc., National Bank Financial Inc., Ontario Teachers' Pension Plan Board, Scotia Capital Inc., and TD Securities Inc.; and

"significant Maple shareholder" means a person that:

(a) beneficially owns or exercises control or direction over more than 5% of the outstanding shares of Maple provided, however, that the ownership of or control or direction over additional Maple shares in connection with the following activities shall not be included for the purposes of determining whether the 5% threshold has been exceeded:

(i) investment activities on behalf of the person or its affiliated entity where such investments are made (I) by a bona fide third party investment manager with discretionary authority (subject to such retained discretion in order for the person or its affiliated entity to fulfil its fiduciary duties); or (II) by an investment fund or other pooled investment vehicle in which the person or such affiliated entity has directly or indirectly invested and which is managed by a third party who has not been provided with confidential, undisclosed information about Maple;

(ii) acting as a custodian for securities in the ordinary course;

(iii) normal course trading (including proprietary client facilitation trading) and wealth management activities (including, for greater certainty, in connection with the management of any mutual funds, pooled funds, trust accounts, estate portfolios and other investor funds and portfolios), including electronic securities trading, conducted for or on behalf of clients of the person, provided that any fund manager with discretionary authority carrying out such activities on behalf of such clients, or such clients, have not been provided with confidential, undisclosed information about Maple;

(iv) the acquisition of Maple shares in connection with the adjustment of index-related portfolios or other "basket" related trading;

(v) making a market in securities to facilitate trading in shares of Maple by third party clients or to provide liquidity to the market in the person's s capacity as a designated market-maker for shares of Maple, in the person's capacity as designated market-maker for derivatives on Maple shares, or in the person's capacity as market-maker or "designated broker" for exchange traded funds which may have investments in shares of Maple, in each case in the ordinary course (which, for greater certainty, shall include acquisitions or other derivative transactions undertaken in connection with hedging positions of, or in relation to, Maple shares); or

(vi) providing financial services to any other person in the ordinary course of business of its and their banking, securities, wealth and insurance businesses, provided that such other person has not been provided with confidential, undisclosed information about Maple;

and subject to the conditions that the ownership of or control or direction over Maple shares by a person in connection with the activities listed in (i) through (vi) above:

(vii) is not intended by that person to facilitate evasion of the 5% threshold set out in clause (a); and

(viii) does not provide that person the ability to exercise voting rights over more than 5% of the voting shares of Maple in a manner that is solely in the interests of that person as it relates to that person's ownership of or control or direction over the subject shares, except where the ability to exercise voting rights over more than 5% of the voting shares arises as a result of the activities listed in (v) above in which case the person must not exercise its voting rights with respect to those excess voting shares;

(b) is an original Maple shareholder that is a party to a Maple nomination agreement, for as long as its Maple nomination agreement is in effect; or

(c) is an original Maple shareholder (A) whose obligations by way of undertakings to the Commission in connection with this order have not terminated and (B) that has a partner, officer, director or employee who is a director on the Maple board other than pursuant to a Maple nomination agreement, for so long as such partner, officer, director or employee remains a director of Maple.

2. For the purposes of this order, an individual is unrelated to an original Maple shareholder if the individual:

(a) is not a partner, officer or employee of an original Maple shareholder or any of its affiliated entities or an associate of that partner, officer or employee;

(b) is not nominated under a Maple nomination agreement;

(c) is not a director of an original Maple shareholder or any of its affiliated entities or an associate of that director; and

(d) does not have, and has not had, any relationship with an original Maple shareholder that could, in the view of the Maple governance committee having regard to all relevant circumstances, be reasonably perceived to interfere with the exercise of the individual's independent judgment as a director of the Exchange.

3. For the purposes of section 2, the Maple governance committee may waive the restriction in section 2(c) if:

(a) the individual being considered does not have, and has not had, any relationship with an original Maple shareholder that could, in the view of the Maple governance committee having regard to all relevant circumstances, be reasonably perceived to interfere with the exercise of his or her independent judgment as a director of the Exchange;

(b) the Exchange publicly discloses the use of the waiver with reasons why the particular candidate was selected;

(c) the Exchange provides advance notice to the Commission, at least 15 business days before the public disclosure in section 3(b) is made; and

(d) the Commission does not object within 15 business days of its receipt of the notice provided under section 3(c).

4. For the purposes of this order, an individual is independent if the individual is "independent" within the meaning of sections 1.4 and 1.5 of National Instrument 52-110 *Audit Committees*, as amended from time to time, and is not:

(a) a partner, director, officer or employee of a Maple marketplace participant or an associate of a partner, director, officer or employee of a Maple marketplace participant; or

(b) a partner, director, officer or employee of an affiliated entity of a Maple marketplace participant, who is responsible for or is actively or significantly engaged in the day-to-day operations or activities of that Maple marketplace participant.

Mission

5. The Exchange will adopt a mission statement that includes the objective of maintaining and growing a competitive Canadian public venture market.

6. The Exchange will operate a national exchange for venture issuers under a separate brand identity and separately from the national exchange for senior issuers operated by TSX.

7. The Exchange will maintain an office in Vancouver that has a significant role in the Exchange's:

   (a) development of expertise in the public venture market;

   (b) maintenance and growth of a competitive Canadian public venture market;

   (c) development of innovations in the public venture market; and

   (d) development of policy that enhances the competitive position of the Exchange.

8. From its office in Vancouver, the Exchange will also:

   (a) provide corporate finance services to, and perform corporate finance functions for, its listed issuers and applicants for listing; and

   (b) perform issuer regulation functions.

9. The Exchange will locate in its Vancouver office the executive, management, and operations personnel necessary to ensure it meets the requirements of paragraphs 7 and 8.

Public interest

10. The Exchange will operate in the public interest.

Regulation functions of the Exchange

11. The Exchange will set, maintain and enforce rules, policies, and other similar instruments that:

   (a) govern listing and corporate finance requirements for its listed issuers;

   (b) govern the conduct of and trading by Exchange marketplace participants;

   (c) require listed issuers and Exchange marketplace participants to comply with securities legislation and the rules, policies or other instruments of the Exchange;

   (d) foster investor protection; and

   (e) permit those seeking access to the listing, trading and other services of the Exchange to be granted access without unreasonable discrimination.

12. The Exchange will promptly notify the Commission upon becoming aware that a listed issuer, Exchange marketplace participant, or a director, officer or employee of a listed issuer or Exchange marketplace participant has:

   (a) committed a significant violation of securities legislation or of the Exchange's rules, policies or similar instruments; or

   (b) engaged in conduct contrary to the public interest.

Reporting and approvals

13. The Exchange will report to the Commission:

   (a) at the times;

   (b) in the form; and

(c) containing the information;

that the Commission specifies from time to time.

14. The Exchange will not, without prior Commission approval, make any changes to its rules, policies or other similar instruments or introduce any new rules, policies or other similar instruments.

15. The Exchange will not, without prior Commission approval, make any change to its business or operations that:

(a) is outside the ordinary course of its business or operations; or

(b) is inconsistent with its past business or operational practices and presents a risk of adverse consequences to investors, issuers listed on the Exchange or the Canadian public venture market.

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16. The Exchange will establish regional industry advisory committees comprised of participants in the Canadian public venture capital market with mandates to provide advice and recommendations to the Exchange board on all policy, operational, and strategic issues that are likely to have a significant impact on the Canadian public venture market. The Exchange will also establish a national advisory committee made up of representatives from the regional advisory committees. The Exchange will allocate financial and other resources to these advisory committees that are sufficient to ensure the committees can meaningfully fulfil their mandates.

17. The national advisory committee will report to the board of the Exchange, at least quarterly, and to the Commission, at least annually. The reports will include the issues the regional and national advisory committees considered and information about what the committees recommended, including whether the national advisory committee rejected or only partially adopted a recommendation of a regional advisory committee.

18. In each case where the Exchange board has not followed or has only partially implemented the recommendation or advice of the national advisory committee, it will provide a report to the Commission as soon as practicable with a written explanation. The report will include a response from the national advisory committee and why it agrees or disagrees with the Exchange board's report.

Corporate governance

19. The Exchange will ensure:

(a) that its board composition provides a reasonable balance between the interests of the different entities using its services and facilities;

(b) fair and meaningful representation of stakeholders on the board and any board or advisory committee, having regard to the fact that it is a national public venture exchange; and

(c) that it has appropriate qualification, remuneration and conflict of interest provisions and limitation of liability and indemnification protections for its directors, officers and employees generally.

20. At least 25% of the directors of the Exchange will, at all times, be persons who have currently relevant expertise in the Canadian public venture market whose expertise comes from experience acquired during a significant period:

(a) as a director or officer of an issuer in the Canadian public venture market;

(b) as a director or officer of an investment dealer, and in that capacity, engaged in underwriting, financing, or trading securities of Canadian public venture issuers;

(c) as a business adviser to issuers in the Canadian public venture market on financing, trading, or mergers and acquisitions;

(d) as a senior officer of an exchange or alternative trading system that lists or trades the securities of a significant number of issuers in the Canadian public venture market; or

(e) making or directing significant investments in the Canadian public venture market.

21. Upon the appointment of a person as a director to fulfill the requirement in section 20, the Exchange will promptly notify the Commission of the appointment, with an explanation about how the person's expertise satisfies the requirements in section 20.

22. The Exchange must require that the quorum for its board meetings include at least two directors appointed to satisfy the venture experience requirement in section 20.

23. The Exchange will:

    (a) ensure that at least 50% of its directors are independent, as defined in this order; and

    (b) ensure that as long any Maple nomination agreement is in effect, at least 50% of its directors are unrelated to original Maple shareholders.=

24. The Exchange must provide the Commission notice of and promptly remedy any instance where the thresholds in sections 20 or 23 are not met.

25. The standards for independence set out in this order will be made available on the Exchange's website.

26. The Exchange will provide the Commission with prior written notice of any changes to its governance structure, including changes to the composition and terms of reference of its board committees and advisory committees, and will obtain Commission approval before implementing any substantive changes.

27. The Commission may approve the appointment of a director who does not meet the criteria set out in subsections 20(a) to (e), to satisfy the requirement for 25% venture representation set out in section 20.

Fitness

28. The Exchange must consider that the past conduct of a director or officer affords reasonable grounds to believe that the director or officer will perform his or her duties with integrity and in a manner that is consistent with the public interest responsibilities of the Exchange.

Conflicts of interest and confidentiality

29. The Exchange must:

    (a) establish, maintain, comply with and require compliance with policies and procedures that:

        (i) identify and manage any conflicts of interest or potential conflicts of interest arising from the management or operation of the Exchange or the services and products it provides;

        (ii) ensure that a person who is a director, officer, employer or partner of a Maple shareholder does not have any involvement with oversight or management of the Exchange, except in the capacity of a director of the Exchange;

        (iii) require that confidential information regarding the Exchange's operations or regulatory functions, or regarding an Exchange marketplace participant, or listed issuer, which is obtained by a director of the Exchange through their involvement in the management or oversight of the Exchange:

            A. be kept separate and confidential from the business or other operations of the director, their employer or their business, except with respect to information regarding Exchange operations where disclosure is necessary to carry out the individual's responsibilities for the management or oversight of the Exchange and the individual exercises due care in disclosing the information; and

            B. not be used to provide an advantage to the director, their employer, their business or any of their affiliated entities;

    (b) review, at least annually, compliance with the policies and procedures established in accordance with paragraph (a) and document each such review, any deficiencies it identifies and how it remedied those deficiencies; and

    (c) make the policies established in accordance with paragraph (a) publicly available on the Exchange's website.

Due process

30. The Exchange will ensure that:

    (a) a party to any of its decisions to deny access to its trading and listing facilities is given notice and an opportunity to be heard or make representations; and

    (b) it keeps a record, gives reasons and provides for reviews of its decisions.

Fees

31. The Exchange will have a fair and appropriate process for setting fees and incentives.

32. These fees and incentives will:

    (a) be allocated on an equitable basis among the Exchange's listed issuers and applicants for listing, Exchange marketplace participants, and other marketplace participants;

    (b) not have the effect of creating barriers to access;

    (c) be balanced with the Exchange's need to have sufficient revenues to satisfy its responsibilities; and

    (d) be fair, reasonable and appropriate.

33. The Exchange will not, without prior approval of the Commission, make any changes to its fees or incentives.

34. The Exchange must not, through any fee schedule, any fee model or any contract, agreement or other arrangement with any Exchange marketplace participant or any other person, provide:

    (a) any discount, rebate, allowance, price concession or other similar arrangement on any services or products offered by the Exchange that is conditional upon the purchase of any other service or product provided by the Exchange or any affiliated entity;

    (b) any discount, rebate, allowance, price concession or other similar arrangement that is accessible only to, whether as designed or by implication, a particular marketplace participant or any other particular person; or

    (c) any discount, rebate, allowance, price concession or other similar arrangement for any service or product offered by the Exchange that is conditional upon an Exchange marketplace participant:

        (i) routing trades to a Maple marketplace as the default or first marketplace to which a marketplace routes; or

        (ii) using a Maple marketplace router as its primary router.

35. Except with the prior approval of the Commission, the Exchange must not, through any fee schedule, fee model or contract, agreement or other arrangement with any marketplace participant or any other person, provide any discount, rebate, allowance, price concession or other similar arrangement that is accessible only to, whether as designed or by implication, a class of marketplace participants or of any other persons.

36. The Exchange must obtain prior Commission approval before implementing or amending any fees or fee models, including any new or amended incentives, relating to arrangements that provide for equity ownership in Maple for Exchange marketplace participants or their affiliated entities based on trading volumes or values on the Exchange.

37. The Exchange must not require another person to purchase or otherwise obtain products or services from any Maple clearing agency as a condition of the Exchange supplying or continuing to supply a product or service.

38. The Exchange must not, without prior Commission approval, require another person to purchase or otherwise obtain products or services from the Exchange, any Maple marketplace, or a significant Maple shareholder as a condition of the Exchange supplying or continuing to supply a product or service.

Order Routing

39. The Exchange must not support or encourage, either through fee incentives or otherwise, Exchange marketplace participants to coordinate the routing of any of their orders to a particular Maple marketplace or trading facility owned by Maple or using a particular Maple clearing agency.

Financial viability

40. The Exchange will notify the Commission immediately upon becoming aware that it does not or will not have sufficient financial and other resources to perform its functions in a manner that is consistent with its mission statement, the public interest or the terms and conditions of this order.

Outsourcing

41. The Exchange will obtain prior Commission approval for any outsourcing arrangements related to any of its key services or systems with any third party, including entities affiliated or associated with the Exchange.

Related party transactions

42. Any agreement or transaction entered into between the Exchange and:

    (a) Maple, TMX Group, TSX; or

    (b) any affiliate or associate of Maple, TMX Group or TSX;

    will be on terms and conditions that an independent third party would negotiate, acting at arm's length.

Change in operations or ownership

43. The Exchange must, before ceasing to operate; before suspending, discontinuing or winding up all or a significant portion of its operations; or before disposing of all or substantially all of its assets:

    (a) provide the Commission at least six months' prior written notice; and

    (b) comply with any requirements the Commission may impose.

44. The Exchange will not cease to be wholly owned by TSX or indirectly wholly owned by TMX Group or Maple without:

    (a) providing the Commission at least three months' prior notice; and

    (b) complying with any requirements the Commission may impose.

Records and information sharing

45. The Exchange will ensure the Commission can promptly access the information and records, or a copy of the information and records, the Exchange is required to create, maintain, collect or keep under securities legislation or that it otherwise creates, maintains, collects or keeps in the course of its business. The Exchange will ensure the Commission can promptly access information and records obtained by a person to whom the Exchange has outsourced a function.

46. The Exchange will provide the Commission all information the Commission requests, in the form and within the times it specifies, and will otherwise cooperate with the Commission and its staff.

47. The Exchange will disclose or share information of a regulatory nature and will otherwise cooperate with other Canadian recognized or exempt exchanges, quotation and trade reporting systems, clearing agencies and self-regulatory organizations, and Canadian regulatory authorities responsible for the supervision or regulation of securities

Clearing and settlement

48. The Exchange will impose a requirement on Exchange marketplace participants to have appropriate arrangements in place for clearing and settlement.

49. The Exchange will not establish requirements relating to clearing and settlement of trades that would result in:

    (a) unfair discrimination of or between Exchange marketplace participants based on the clearing agency used;

    (b) an imposition of any burden on competition among clearing agencies or back-office or post-trade service providers that is not reasonably necessary or appropriate; or

    (c) an unreasonable prohibition, condition or limitation relating to access by a person to services offered by the Exchange or a Maple clearing agency.

Commission approval

50. When seeking the approval of the Commission under these terms and conditions, the Exchange will comply with the procedures established from time to time by the Commission for the regulatory oversight of the Exchange.

SCHEDULE C

TERMS AND CONDITIONS

Meeting Criteria for Exemption from Recognition

1. TSX Venture Exchange will continue to meet the criteria for exemption from recognition attached as Appendix 1 to this schedule.

Regulation and Oversight of Maple, TMX Group, TSX and TSX Venture Exchange

2. TSX Venture Exchange will maintain its recognition as an exchange with the ASC and the BCSC and will continue to be subject to the joint regulatory oversight of the ASC and BCSC.

3. TSX Venture Exchange will comply with the ongoing requirements set out in the Recognition Orders issued by the ASC and BCSC, as amended from time to time.

4. Maple, TMX Group, and TSX will comply with any orders issued by or undertakings provided to the ASC or BCSC in connection with the recognition of TSX Venture Exchange as an exchange, as applicable, and as amended from time to time.

5. Each of Maple, TMX Group and TSX must do everything within its control, which would include cooperating with the Commission as needed, to cause TSX Venture Exchange to carry out its activities as an exchange exempted from recognition under section 21 of the OSA and in compliance with Ontario securities law.

6. TSX Venture Exchange will do everything within its control, which would include cooperating with the Commission as needed, to cause CUB to comply with the agreement attached as Appendix 2 to this schedule, as amended from time to time.

Submission to Jurisdiction and Agent for Service

7. For greater certainty, TSX Venture Exchange submits to the non-exclusive jurisdiction of (i) the courts and administrative tribunals of Ontario and (ii) an administrative proceeding in Ontario, in a proceeding arising out of, related to or concerning or in any other manner connected with the activities of TSX Venture Exchange in Ontario.

8. For greater certainty, TSX Venture Exchange will file with the Commission a valid and binding appointment of an agent for service in Ontario upon whom may be served 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 activities of TSX Venture Exchange in Ontario.

Rules and Filings

9. TSX Venture Exchange will concurrently provide to the Commission copies of all rules, policies and other similar instruments (Rules) that it files for review and approval with the ASC and/or BCSC. Once approved by the ASC and/or BCSC, as applicable, TSX Venture Exchange will provide to the Commission copies of all final Rules within two weeks of approval by the ASC and/or BCSC.

10. TSX Venture Exchange will maintain certain previously adopted amendments to its Corporate Finance Policies in the form attached as Appendix 3 to this schedule, as may be amended from time to time, which require that TSX Venture Exchange issuers that are not otherwise reporting issuers in Ontario and have a “significant connection to Ontario” make application to the Commission and become reporting issuers in Ontario;

11. TSX Venture Exchange continues to maintain previously adopted Corporate Finance Policy 5.9, entitled “Protection of Minority Security Holders in Special Transactions” in the form attached as Appendix 4 to this schedule.

12. TSX Venture Exchange will not make any changes to the amendments to its Corporate Finance Policies referred to in section 10 above, or to the Corporate Finance Policy referred to in section 11 above, without the prior consent of the Commission;

13. TSX Venture Exchange will file with the Commission any information concerning TSX Venture Exchange that is required to be filed with the ASC and/or BCSC pursuant to National Instrument 21-101 *Marketplace Operation.*

Prompt Notice

14. TSX Venture Exchange will promptly notify staff of the Commission of any of the following:

    (a) any material change to the business or operations of TSX Venture Exchange or the information as provided in the Application;

    (b) any change or proposed change to the Recognition Orders of the ASC and BCSC, attached as Schedules A and B to this order, respectively; and

    (c) any change to the regulatory oversight of TSX Venture Exchange by the ASC and BCSC;

Quarterly Reporting

15. TSX Venture Exchange will maintain the following updated information and submit such information to the Commission on at least a quarterly basis, and at any time promptly upon the request of staff of the Commission:

    (a) a list of all participating organizations of TSX Venture Exchange registered in Ontario (Ontario Participating Organizations) against whom disciplinary action has been taken in the last quarter by TSX Venture Exchange with respect to activities on TSX Venture Exchange; and

    (b) a list of all investigations by TSX Venture Exchange relating to Ontario Participating Organizations.

Information Sharing

16. Upon request by the Commission, directly or through the ASC and BCSC as the case may be, TSX Venture Exchange must, and must cause its affiliated entities to, promptly provide the Commission any and all data, information and analyses in the custody or control of TSX Venture Exchange or any of its affiliated entities, without limitations, redactions, restrictions or conditions, including without limiting the generality of the foregoing:

    (a) data, information and analyses relating to all of its or their businesses;

    (b) data information and analyses of third parties in its or their custody or control;

    (c) any information in the possession of TSX Venture Exchange, or over which TSX Venture Exchange has control, relating to members, shareholders and the market operations of TSX Venture Exchange, including, but not limited to, shareholder and participating organization lists, products, trading information and disciplinary decisions; and

    (d) any information required to be provided by TSX Venture Exchange to the Investment Industry Regulatory Organization of Canada, including any and all order and trade information, as required by the Commission.

17. TSX Venture Exchange will share information and otherwise cooperate with other recognized or exempt exchanges, recognized self-regulatory organizations, other recognized or exempt clearing agencies, investor protection funds, and other appropriate regulatory bodies.

18. The disclosure or sharing of information by or pertaining to an affiliated entity of TSX Venture Exchange in accordance with sections 16 and 17 above will be subject to any provisions contained in any order issued by the Commission recognizing the affiliated entity as an exchange under section 21 of the Act or as a clearing agency under section 21.2 of the Act that would otherwise have limited the information required to be provided by the affiliated entity if the request had instead been made by the Commission to the affiliated entity pursuant to such order.

APPENDIX 1

CRITERIA FOR EXEMPTION FROM RECOGNITION OF AN EQUITY EXCHANGE RECOGNIZED IN ANOTHER JURISDICTION OF THE CANADIAN SECURITIES ADMINISTRATORS

PART 1 REGULATION OF THE EXCHANGE

Regulation of the Exchange

The exchange is recognized or authorized by another securities commission or similar regulatory authority in Canada and, where applicable, is in compliance with National Instrument 21-101 – *Marketplace Operation* (NI 21-101), and National Instrument 23-101 – *Trading Rules*, each as amended from time to time, which include requirements relating to:

(a) access;

(b) marketplace operations;

(c) exchange rules, policies and other similar instruments;

(d) order and trade transparency;

(e) transparency of marketplace operations;

(f) record keeping;

(g) marketplace systems and business continuity planning;

(h) confidentiality of information;

(i) outsourcing;

(j) clearing and settlement;

(k) fair and orderly markets;

(l) the management of conflicts of interest; and

(m) filing of financial statements.

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 the 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, 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.

PART 3 ACCESS

3.1 Fair Access

(a) The exchange has established appropriate written standards for access to its services including requirements to ensure participants are appropriately registered under Ontario securities laws, or exempted from these requirements.

(b) The access standards and the process for obtaining, limiting and denying access are fair, transparent and applied reasonably.

PART 4 REGULATION OF PARTICIPANTS AND ISSUERS ON THE EXCHANGE

4.1 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 and issuers, monitoring their conduct, and appropriately disciplining them for violations of exchange requirements.

PART 5 RULES AND RULEMAKING

5.1 Rules and Rulemaking

(a) The exchange has rules, policies, and other similar instruments (Rules) that are designed to appropriately govern and regulate the operations and activities of participants and issuers.

(b) In addition to meeting the requirements of NI 21-101 relating to market operations and exchange rules, policies and other similar instruments as referred to in paragraphs 1.1(b) and (c) of this appendix, respectively, the Rules are also are designed to

(i) ensure a fair and orderly market; and

(ii) provide a framework for disciplinary and enforcement actions.

PART 6 DUE PROCESS

6.1 Due Process

For any decision made by the exchange that affects a participant or issuer, or an applicant to be a participant or issuer, including a decision in relation to access, listing, 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 7 CLEARING AND SETTLEMENT

7.1 Clearing Arrangements

The exchange has appropriate arrangements for the clearing and settlement of trades.

PART 8 SYSTEMS AND TECHNOLOGY

8.1 Information Technology Risk Management Procedures

The exchange has appropriate risk management procedures in place including those that handle trading errors, trading halts and circuit breakers.

PART 9 FINANCIAL VIABILITY

9.1 Financial Viability

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

PART 10 FEES

10.1 Fees

(a) All fees imposed by the exchange are reasonable and equitably allocated and are consistent with the requirements in NI 21-101, including those listed in paragraphs 1.1(a) and (e) of this appendix;

(b) The process for setting fees is fair and appropriate, and the fee model is transparent.

PART 11 INFORMATION SHARING AND REGULATORY COOPERATION

11.1 Information Sharing and Regulatory Cooperation

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

APPENDIX 2

OTC AGREEMENT
(the "Agreement")

THIS AGREEMENT made as of the 6th day of October, 2000,

AMONG:
CANADIAN UNLISTED BOARD INC.
("CUB")

AND

CANADIAN VENTURE EXCHANGE INC.
("CDNX")

AND

THE ONTARIO SECURITIES COMMISSION
("OSC")

WHEREAS:

A. By an agreement made as of February 28, 1991 among The Toronto Stock Exchange (the "TSE"), the OSC and the Canadian Dealing Network Inc. ("CDN"), CDN (a wholly-owned subsidiary of the TSE) took on assignment from the OSC and has been operating a trade reporting system (the "CDN Reporting System") and a quotation system (the "CDN Quotation System") (collectively, the "CDN System") to provide visibility for over-the-counter ("OTC") trading of equity securities in the Province of Ontario;

B. By an agreement made as of September 29, 2000 among CDNX, the TSE and CDN (the "CDN Agreement"), the TSE and CDN have agreed to cease operating the CDN System;

C. The OSC wishes to ensure that a system continues to exist in the Province of Ontario through which OSC registered dealers can continue their mandatory reporting of all OTC trading in unlisted and unquoted equity securities in the Province of Ontario not specifically excluded from the reporting requirements of the *Securities Act, R.S.O. 1990, Chapter S.5* and the regulations thereto (collectively, the "Act");

D. Subject to the terms and conditions of this Agreement, CUB, a wholly owned subsidiary of CDNX, is prepared to operate an internet web-based reporting system for the reporting by registered dealers of OTC trading in unlisted and unquoted equity securities in the Province of Ontario (the "OTC System") and to provide certain services to the OSC with respect thereto; and

E. Subject to the terms and conditions of this Agreement, CDNX has agreed to ensure that CUB fulfils its obligations hereunder and has adequate resources (including those made available to it by CDNX) to operate the OTC System and to provide to the OSC those services called for by this Agreement;

NOW THEREFORE in consideration of the premises and the mutual covenants, terms and conditions herein contained, the parties hereto do hereby mutually covenant and agree as follows:

1. THE OTC SYSTEM

1.1 The OTC System to be operated by CUB pursuant to this Agreement shall possess the characteristics and functionality described in Schedule "A" which is attached hereto and forms a part of this Agreement; provided, however, and the parties further agree that for greater certainty the OTC System will not provide for visible trade reporting.

1.2 The OTC System shall commence operation as at 5:00 p.m. EST on October 6, 2000 such that mandatory reporting by OSC registered dealers of all OTC trading in unlisted and unquoted equity securities in the Province of Ontario not specifically excluded from the reporting requirements of the Act (hereinafter referred to as "Ontario OTC trading") via the OTC System will commence on October 10, 2000.

1.3 All right, title and interest in and to the OTC System shall be owned solely by CUB, its successors and permitted assigns. For greater certainty, the right, title and interest in and to all registered and unregistered trademarks, trade names, service marks, copyrights, designs, inventions, patents, patent applications, patent rights, licenses, franchises,

processes, technology, trade secrets and other industrial property pertaining to the OTC System developed by CUB (or on behalf of CUB by CDNX) or to any developments or enhancements of the OTC System implemented by CUB shall be owned solely by CUB, its successors and permitted assigns and, subject as herein otherwise provided, the OSC, OSC registered dealers who report trades on the OTC System ("Users") and any other parties shall acquire no rights in or license to use the OTC System except as may be necessary for the due implementation of this Agreement.

2. ADMINISTRATION/OPERATION OF THE OTC SYSTEM

2.1 Subject to the terms and conditions of this Agreement, CUB shall administer and operate the OTC System by providing:

(i) trade reporting services in respect of Ontario OTC trading by Users;

(ii) surveillance services as referred to in Part 4 of this Agreement in respect of Ontario OTC trading by Users; and

(iii) such services as may be required to record and account for the fees referred to in subsection 2.3 below and charged by CUB for use of the OTC System.

2.2 CUB will provide such staff as are necessary to operate the OTC System with the functionality described in Schedule "A".

2.3 CUB may establish and from time to time amend a schedule of fees that it will be entitled to charge for use of the OTC System. Such fees shall be established at a level which, in the aggregate, will permit CUB to be reimbursed for all costs associated with the development and ongoing operation of the OTC System, including all operating, capital and related costs. All fees charged by CUB will be consistent with CUB's status as a not-for- profit entity and, though not subject to prior approval by the OSC, may be reviewed by the OSC.

2.4 All fees and other revenue derived from the operation of the OTC System will be retained by CUB.

2.5 CUB will ensure that each User shall, as a condition of using the OTC System, enter into an agreement with CUB (the "User Agreement") in the form and upon substantially the terms attached hereto as Schedule "B".

3. REGULATION OF THE OTC SYSTEM

3.1 In the event that the OTC System is implemented prior to the implementation of the OSC's rules governing alternative trading systems (the "ATS Rules") and unless otherwise agreed, the parties agree that the OTC System will be regulated in two phases as follows:

(i) for the period commencing on the date of implementation of the OTC System and ending on the date of implementation in Ontario of a local rule relating to Ontario OTC trading which will be implemented concurrently with the ATS Rules or such other rules as the OSC may apply to Ontario OTC trading (the "Ontario Local Rule"), the OTC System will be regulated in accordance with the OTC Terms and Conditions which are attached as Schedule "A" to the User Agreement (the "User Obligations"); and

(ii) commencing on the date of implementation of the Ontario Local Rule and ending on the date of the termination of this Agreement, the OTC System will be regulated in accordance with the Ontario Local Rule.

3.2 In the event that the OTC System is implemented after implementation of the Ontario Local Rule, the OTC System will be regulated in accordance with the Ontario Local Rule.

3.3 It is recognized and agreed that CUB shall not make any rules or regulations regarding Ontario OTC trading and that until such time as the Ontario Local Rule is implemented the OTC System will be operated and governed in accordance with the User Obligations.

4. SURVEILLANCE SERVICES IN RESPECT OF THE OTC SYSTEM

4.1 CUB will provide surveillance services as described in confidential Schedule "C" which is attached hereto and forms a part of this Agreement in respect of Ontario OTC trading that is reported to the OTC System; provided, however, and it is further understood and agreed, that the responsibility for enforcement regulatory activity pertaining to Ontario OTC trading will rest exclusively with the OSC and CUB will not provide enforcement services in respect of the market participants using the OTC System.

4.2 The surveillance services described in confidential Schedule "C" and provided by CUB in respect of Ontario OTC trading that is reported to the OTC System will be comprised generally of and limited to the following:

(i) exception monitoring for Ontario OTC trading activity in violation of the terms of any User Agreement, applicable trading rules or applicable securities laws; and

(ii) press release monitoring for issuer disclosure in respect of Ontario OTC trading in violation of applicable securities laws.

4.3 All matters requiring enforcement action will be referred to the applicable securities regulatory body which it is anticipated will be the OSC in most cases involving the OTC System.

4.4 CUB will impose no trading halts in respect of any Ontario OTC trading reported to the OTC System.

4.5 CUB will provide to the OSC on request all such Ontario OTC trading and surveillance data respectively reported to the OTC System and collected by CUB as the OSC may require for its investigative and enforcement purposes.

5. MAINTENANCE OF TRADING DATA

5.1 Ontario OTC reporting and surveillance data respectively reported to the OTC System and collected by CUB will be maintained by CUB for its surveillance and the OSC's enforcement purposes only, and will not be published. For greater certainty, CUB shall ensure that such data is retained for a period of at least seven (7) years and accessible to OSC staff for investigative and enforcement purposes.

5.2 CUB recognizes its obligation to provide the OSC access (via the OTC System) to data collected by CUB in respect of Ontario OTC trading reported to the OTC System so as to assist the OSC in carrying out its regulatory responsibilities.

6. ACKNOWLEDGEMENTS OF THE OSC

6.1 Effective as at 5:00 p.m. EST on October 6, 2000, the OSC by separate instrument has appointed CUB as the OSC's agent as contemplated in Part VI of the Regulation, for the purpose of operating the OTC System.

6.2 In order to assist CUB in its operation of the OTC System, the OSC may obtain and provide to CUB such information as the OSC deems appropriate, including information:

(i) on disciplinary or other action the OSC determines to take against a User which, in the OSC's view, will have a material impact on the User's participation in the OTC System; and

(ii) relating to issuers of OTC Securities (being the same as "COATS Securities" as defined in section 152 of Part VI of the Regulation), OSC registered dealers or any other Persons (as such latter term is defined in the Act) that leads the OSC to believe that there has been or will be a breach of the terms and conditions of Part VI of the Regulation.

7. COVENANTS OF CDNX

7.1 CDNX agrees to ensure that CUB fulfils its obligations under this Agreement and has adequate resources (including those made available to it by CDNX) to operate the OTC System and to provide to the OSC those services called for by this Agreement.

8. CUB TO LIMIT THE LIABILITY OF CDNX

8.1 CUB agrees that it will, in connection with the performance by it of its obligations under this Agreement, take reasonable precautions to limit the liability, if any, of CDNX to any third party in connection with the operation of the OTC System, such precautions to include, where possible, the use of disclaimers in connection with the supply of information and the insertion of appropriate limiting conditions in contracts entered into by CUB.

9. TERM AND TERMINATION

9.1 This Agreement shall come into force and effect as at 5:00 p.m. EST on October 6, 2000 (the “Effective Date”) such that the reporting of Ontario OTC trading via the OTC System will commence on October 10, 2000 and (provided that it is not terminated due to termination of the CDN Agreement pursuant to the terms thereof) shall survive from such date until the earlier of the day upon which it is terminated pursuant to subsection 9.2 hereof or the day upon which this Agreement is replaced by a new agreement entered into amongst the parties by reason of implementation by the OSC

of the Ontario Local Rule; provided, however, that if this Agreement is so replaced the replacement agreement will not itself be able to be terminated before the earliest date that this Agreement can be terminated pursuant to subsection 9.2 hereof.

9.2 At any time at least three (3) years after the Effective Date, any of the parties may give one (1) year's written notice to the others of its decision to terminate its obligations hereunder, and this Agreement shall thereafter terminate on the expiry of such notice.

10. NON PERFORMANCE

10.1 If a party to this Agreement believes that another party is not performing satisfactorily its obligations under this Agreement, it may give written notice to the other party stating that belief accompanied by particulars in reasonable detail of the alleged failure to perform. If the party receiving such notice has not satisfied the notifying party within one (1) month of the delivery of the notice either that its performance is satisfactory or that it has taken or will take acceptable steps to rectify its performance, the notifying party may by written notice to the other parties terminate this Agreement on a date not less than three (3) months following delivery of such notice.

11. NOTICE

Any notice or other communication required or permitted to be given hereunder shall be sufficiently given if delivered in person or if sent by facsimile transmission:

11.1 in the case of CUB, both for itself and on behalf of CDNX, at the following address:

Canadian Unlisted Board Inc.
c/o Canadian Venture Exchange Inc.
10th Floor, 300 Fifth Avenue S.W.
Calgary, Alberta T2P 3C4

Attention: CDNX Vice President, Regulatory Affairs & Corporate Secretary
Facsimile No: (403) 237-0450

11.2 in the case of the OSC, at the following address:

The Ontario Securities Commission
Suite 1800, P.O. Box 55
20 Queen Street West
Toronto, Ontario M5H 3S8

Attention: Manager, Market Regulation
Facsimile No: (416) 593-8240

or at such other address as the party to which such notice or other communication is to be given has last notified to the other parties in the manner provided in this section, and if so given the same shall be deemed to have been received on the date of such delivery or sending.

12. FURTHER ASSURANCES, AMENDMENTS AND WAIVERS

12.1 Each party hereto covenants and agrees that it shall from time to time and at all times execute and deliver all such further documents and assurances as shall be reasonably required in order to fully perform and carry out the intent of this Agreement. This Agreement can only be amended with the consent in writing of both parties and no party shall be deemed to have waived any provision of this Agreement unless such waiver is in writing.

13. APPLICABLE LAW

13.1 This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

14. COUNTERPARTS AND FACSIMILE SIGNATURE

14.1 This Agreement may be executed in separate counterparts and all such counterparts shall together constitute one and the same instrument.

14.2 The parties agree that executed copies of this Agreement may be delivered by fax or similar device and that the signatures appearing on the copies so delivered will be as binding as if copies bearing original signatures had been delivered; each party undertakes to deliver to the other party a copy of this Agreement bearing original signatures, forthwith upon demand.

15. FORCE MAJEURE

15.1 No party shall be responsible for delays or failures in performance resulting from acts beyond the control of such party. Such acts shall include, but not be limited to, acts of God, the operation of any law, regulation or order of government or other similar authority, any labour disparity or dispute, strike, lockout, riot, explosion, war, invasion, epidemic, fire, earthquake or other natural disaster, power failure or system failure including network failures.

16. SUCCESSORS AND ASSIGNS

16.1 Neither CUB, CDNX nor the OSC shall assign this Agreement or any of their respective rights or obligations hereunder without the prior written consent of the others. This Agreement shall enure to the benefit of and be binding upon the respective successors and permitted assigns of the parties hereto.

IN WITNESS WHEREOF, the parties have hereunto duly executed this Agreement as of the day and year first above written.

CANADIAN UNLISTED BOARD INC.

Per: _____
Authorized Signatory

Per: _____
Authorized Signatory

CANADIAN VENTURE EXCHANGE INC.

Per: _____
Authorized Signatory

Per: _____
Authorized Signatory

THE ONTARIO SECURITIES COMMISSION

Per: _____
Authorized Signatory

Per: _____
Authorized Signatory

This is Schedule "A" to that certain Agreement made as of the 6th day of October, 2000, among Canadian Unlisted Board Inc., Canadian Venture Exchange Inc. and The Ontario Securities Commission

OTC SYSTEM CHARACTERISTICS AND FUNCTIONALITY

1.1 Characteristics- Included Characteristics

The OTC System will be a CUB-developed internet web-based system solution for the reporting of Ontario OTC trading the general characteristics of which will be a system:

1. providing a secure, reliable environment to enable registered dealers to report trades in securities according to the Securities Act (Ontario).

2. providing a basic reporting, surveillance, and administrative functionality with unexplained trading and disclosure anomalies being forwarded to the OSC for enforcement and further investigation.

3. providing a separation of Ontario OTC trading from CDNX and the CDNX brand.

4. separable from CDNX technology operations and deployable to other technical environments should the OSC choose to change service providers.

5. extendable to other provincial jurisdictions in support of possible national trade reporting.

6. possessing a separate logical billing system within CDNX's Oracle Financials to generate invoices and statements for CUB that are distinct from those of CDNX.

7. possessing a backup OTC System application server (existing disaster recovery hardware at CDNX Business Continuity Planning ("BCP") recovery sites having sufficient capacity to accommodate the OTC System application).

1.2 Functionality

1.2.1 Included Functionality

The OTC System will possess the following functionality:

1.2.1.1. Registered Dealer Functionality:

1. Registered Dealer administrative functions

    1.1. Provide the ability for the registered dealer (who may or may not be TSE or CDNX members) to logon, logoff and change their passwords

2. Report a trade

    2.1. Report a trade done today (typically reported by the selling registered dealer)

        2.1.1. Data includes: symbol, volume, price, contra-broker, time-stamp, identification of which side reported the trade.

    2.2. Limit or restrict the registered dealer from reporting a trade that was executed prior to the current day. 'As of' reporting to be handled by the administrative or market regulation function of CUB (see Administrative Functionality below).

3. Report a trade cancellation

4. Inquire on trading activity for an issue

    4.1. The reporting functions proposed with respect to Ontario OTC trading are purposely limited.

    4.2. Data attributes to be displayed are:

        4.2.1. For today: high price, low price, last price, net change, volume, value, # trades and list of all trades

4.2.2. For historical periods: high price, low price, last price, net change, volume, value, # trades

5. View Administrative Notice Board

5.1. Contains textual information posted by CUB administrative and market regulation staff

6. Online Help

6.1. Display of "How To" information explaining the operation of the OTC System

6.2. Inquiries to list:

6.2.1. Securities on the system that have reported activity (stock list) that would include the issue name, symbol, and Cusip number (if applicable)

6.2.2. Yesterday's and today's add's, delete's and changes to the stock list

6.2.3. A directory of registered dealer users Ids and names

1.2.1.2. Administrative Functionality:

Administrative functionality will be used by CUB staff to administer the OTC System.

1. UserID administration

1.1. Setup new UserID

1.2. Maintain UserID (change, delete, force password changes)

2. Security Master maintenance

2.1. Add, change, delete issues that can be reported. This functionality can be done in real-time.

2.2. Update Trading status to restrict the reporting of trades

3. Report trade (on behalf of a registered dealer)

3.1. Similar to the registered dealer function to report a trade.

3.2. This functionality can also serve as a short-term backup service should operational problems arise with accessing the system.

4. Report a trade done up to 364 days ago ("as of")

4.1. 'As of' reporting is done by CUB staff on behalf of the registered dealer. The registered dealer would send (via fax) to CUB the particulars of the delayed trade report.

4.2. Historical information to be updated to reflect the reported trade.

5. Report trade cancellation (on behalf of a registered dealer)

5.1. Similar to the registered dealer function to report a trade cancellation.

5.2. This functionality can also serve as a short-term backup service should operational problems arise with accessing the system.

5.3. Historical information would be updated to reflect the cancelled trade.

6. Post and clear notices and other textual information to Administrative Notice Board

6.1. The transaction is logged to an audit trail file

7. Online Help maintenance

    7.1. Update static “How To” information

1.2.1.3. Regulatory Functionality:

Regulatory functionality will be that employed by CUB staff to provide regulatory oversight or surveillance of Ontario OTC trading (it being understood that all enforcement action arising from CUB's surveillance activities in respect of Ontario OTC trading that is reported to the OTC System will be undertaken by the OSC). Due to the nature of Ontario OTC trading, all such regulatory functionality will be of a post-trade nature.

1. Alerts of reported trades that cause exceptions to price change and volume tolerance parameters.

2. OSC access to the OTC System to perform specified inquiry functions:

    2.1. Today and historical trading inquiries (see Registered Dealer Functionality above)

    2.2. Generate reports on trading activity per Registered Dealer firm, per security, and for all securities per specified (flexible) date range.

    2.3. Access to Online Help inquiries (see Registered Dealer Functionality above)

3. Ad hoc reports for investigations forwarded to the OSC.

4. Data extracts for investigations forwarded to the OSC.

1.2.1.4. Operational Functionality:

Operational functionality will be global in nature and apply to the entire OTC System.

- Implement a standalone OTC System application server (NT operating system), separate from CDNX systems.

- Establish recovery procedures to transfer the application to an existing CDNX NT server on an interim basis in the event of a CUB/OTC System server failure.

- Store trade summaries for surveillance purposes (history)

- Store detail trade records for investigative purposes (history)

- Conduct daily backup of files and databases

- Include OTC System in CDNX BCP and provide 48 hour recovery time for the CUB OTC System at the CDNX BCP recovery site(s)

- Generate billing reports

- Generate monthly reports of trading activity for invoice preparation.

1.3 Excluded Functionality

The OTC System will NOT possess the following functionality:

• Capability regarding investigation and enforcement of trading and disclosure anomalies generated by the system.

• Capability to prioritize price/volume exceptions.

• Capability to generate real time data feeds or press reports.

• Capability to transfer historical trade information from the TSE/CATS system.

This is Schedule “B” to that certain Agreement made as of the 6th day of October, 2000, among Canadian Unlisted Board Inc., Canadian Venture Exchange Inc. and The Ontario Securities Commission

CANADIAN UNLISTED BOARD INC. USER AGREEMENT (THE “AGREEMENT”)

WHEREAS the Canadian Venture Exchange Inc. (“CDNX” or the “Exchange”) has entered into an agreement with the Toronto Stock Exchange Inc. (“TSE”) and the Canadian Dealing Network Inc. (“CDN”) whereby:

(i) as at 5:00 p.m. EST on September 29, 2000, the TSE and CDN shall cease operating the CDN Quotation System such that eligible CDN quoted issuers that have filed complete applications as determined by CDNX shall commence trading on CDNX Tier 3 as at the start of business on October 2, 2000; and

(ii) as at 5:00 p.m. EST on October 6, 2000, the TSE and CDN shall cease operating the CDN Reporting System such that as of the start of business on October 10, 2000, OSC registered dealers can continue their mandatory reporting of all OTC trading in unlisted and unquoted equity securities in the province of Ontario not specifically excluded from the reporting requirements of the Act and the regulations thereto via the OTC System;

WHEREAS the Canadian Unlisted Board Inc., a wholly owned subsidiary of CDNX ("CUB"), CDNX and the Ontario Securities Commission (the “Commission”) have entered into an agreement pursuant to which CUB will operate an internet web-based reporting system for the reporting by dealers of trading in unlisted and unquoted equity securities in Ontario (the “OTC System”) for the purposes of Part VI of Regulation 1015 (“Part VI”);

WHEREAS CUB has been appointed as an agent of the Commission for the purposes of developing computer software and providing and operating computer facilities for the reporting of trading in unlisted and unquoted equity securities in Ontario pursuant to section 153 of Part VI;

WHEREAS for the purposes of this agreement the following definitions shall apply:

“Act” means the *Securities Act*, R.S.O. 1990, c. S.5 as amended;

“CDN Policy” means that policy which has been adopted by CDN board of directors respecting trading in unlisted and unquoted equity securities in Ontario;

“OTC security” shall have the same meaning as “COATS security” as defined in section 152 of Part VI;

“Person” means a “person” as that term is defined in the Act;

“User” means a registrant under the Act and who reports trades on the OTC System;

WHEREAS in order to assist CUB in its operation of the OTC System, the Commission may obtain and provide to CUB such information as the Commission deems appropriate, including information:

(i) on disciplinary or other action the Commission determines to take against a User which, in the Commission’s view, will have a material impact on the User’s participation in the OTC System; and

(ii) relating to issuers of OTC Securities, registrants under the Act or any other Persons that leads the Commission to believe that there has been or will be a breach of the terms and conditions of Part VI.

WHEREAS the Commission and CUB have agreed that in the event that the OTC system is implemented prior to the implementation of the OSC's rules governing alternative trading systems (the "ATS Rules") the OTC System shall be regulated in the following two phases:

(i) for the period commencing on the date of implementation of the OTC System and ending on the date of the implementation of a local Ontario rule relating to Ontario OTC trading which will be implemented concurrently with the ATS Rules or such other rules as the OSC may apply to Ontario OTC trading (the "Ontario Local Rule"), the OTC System will be regulated in accordance with Part VI and those portions of the CDN Policy pertaining to trade reporting of unlisted and unquoted equity securities in Ontario as in effect at 5:00 p.m. EST October 6, 2000; and

(ii) commencing on the date of the implementation of the Ontario Local Rule and ending on the date of the termination of the Agreement, the OTC System will be regulated in accordance with the Ontario Local Rule.

WHEREAS CUB will provide monitoring and surveillance services to the OSC in respect of trading in securities reported through the OTC System. CUB will not provide enforcement services in respect of the market participants using the OTC System.

WHEREAS CUB will refer any matters relating to a suspected violation of applicable trading rules or securities laws to the OSC or other applicable securities regulatory body.

WHEREAS CUB has agreed to provide to the OSC on request all such trading and surveillance data collected by CUB in respect of the OTC System as the OSC may require.

WHEREAS the OSC requires registered dealers to act in accordance with applicable securities legislation including but not limited to the obligation to deal fairly, honestly and in good faith with its customers.

WHEREAS the OSC expects registered dealers, as part of their general obligations, to have policies and procedures which enable them to operate in a manner which is consistent with the requirements set out in the OTC Terms and Conditions (as defined below);

NOW, THEREFORE, in consideration of CUB permitting the undersigned User to utilize the OTC System, the User agrees with CUB as follows:

1. The User is a registered dealer within the meaning of the Act and shall at all times act in accordance with applicable securities legislation including but not limited to the obligation to deal fairly, honestly and in good faith with its customers and shall have policies and procedures which enable them to operate in a manner which is consistent with the requirements set out in the OTC Terms and Conditions (as defined below);

2. Until such time as the Ontario Local Rule is implemented, the User agrees that the OTC System will be operated and governed in accordance with:

    (i) Part VI and those portions of the CDN Policy pertaining to trade reporting of unlisted and unquoted equity securities in Ontario as in effect at 5:00 p.m. EST on October 6, 2000; and

    (ii) such directives as may be issued by authority of the Board of Directors of CUB in respect of the use of the OTC System;

(collectively, the “OTC Terms and Conditions” which are attached as Schedule “A” to this Agreement) and the User shall comply with the OTC Terms and Conditions.

3. The User shall promptly communicate to CUB transaction reports with respect to OTC securities in accordance with the OTC Terms and Conditions;

4. The User shall comply with all requirements of the OTC Terms and Conditions and without limiting the generality of the foregoing, all Users acknowledge and agree:

    (i) that they will provide to CUB any and all records, reports, and information required or requested by CUB in order for CUB to satisfy its regulatory obligations, in such manner and form, including electronically, as may be required by CUB from time to time;

    (ii) that they will permit CUB or its designate to inspect their records at any time;

    (iii) that CUB may suspend the User’s access to the OTC System pending a determination of the OSC in respect of any referral by CUB to the OSC of any suspected violation of the User’s obligation to comply with section 1 above; and

    (iv) that CUB may terminate the User’s access to the OTC System upon notification to CUB by the OSC that the User has violated the OTC Terms and Conditions.

5. The User shall pay, when due, any applicable fees or charges established by CUB from time to time and which current fees and charges are attached as Schedule “B” to this Agreement.

6. The User acknowledges that it is possible that from time to time the OTC System may be disrupted, contain inaccurate information, omit required information or may otherwise operate in an unsatisfactory manner (such events being hereinafter referred to as "Errors") whether through malfunction of equipment, power failure, human error or other reason. The causes of such Errors may be attributable to CUB, the Exchange, negligent or wilful acts or omissions of

current or former directors, governors, officers, employees or committee members of CUB or the Exchange (hereinafter collectively referred to as "Personnel") or persons or companies who have supplied goods or services to either CUB or the Exchange in connection with the OTC System (hereinafter referred to as “Contractors”).

7. It is acknowledged that neither CUB nor the Exchange assumes any responsibility with respect to the use to which the User, its employees or agents puts the facilities, services or the information obtained therefrom or with respect to the results of such use. It is further acknowledged that the information, services and facilities provided hereunder are provided on the express condition that Users making use of them assent that no liability whatsoever in relation thereto shall be incurred by CUB, the Exchange or Personnel.

8. The User agrees that none of CUB, the Exchange or Personnel shall have any liability whatsoever to the User with respect to any loss, damage, cost, expense or other liability or claim suffered or incurred by or made against the User, directly or indirectly, by reason of Errors, or arising from any negligent, reckless or wilful act or omission or out of the use, operation or regulation of the OTC System by CUB, the Exchange, Personnel or Contractors, or otherwise as a result of the use by the User of the facilities, services or information provided by CUB or the Exchange. By making use of the facilities, services or information provided by CUB or the Exchange the User expressly agrees to accept all liability arising from such use.

9. It is acknowledged by the User that the sole remedy for any wilful or negligent act or omission of any Personnel or Contractors shall be appropriate action, of a disciplinary nature or otherwise, instituted solely at the discretion of CUB or the Exchange.

10. CUB may terminate or amend this Agreement, subject to the approval of its Board of Directors and upon notice to the User, and any subsequent participation of the User in the OTC System shall constitute acceptance by the User of any such amendment.

11. It is acknowledged that neither CUB nor the Exchange shall incur any liability to the User with respect to any loss or damage whatsoever that the User may suffer, directly or indirectly, by reason of any termination of this Agreement.

12. In the event that any legal proceeding is brought or threatened against CUB, the Exchange, Personnel or Contractors to impose liability which arises directly or indirectly from the use by the User of the OTC System or from the use by the User of the facilities, services or information provided by CUB or the Exchange, the User agrees to indemnify and save CUB and the Exchange harmless from and against:

    (i) all liabilities, damages, losses, costs, charges and expenses of every nature and kind (including, without limitation, legal and professional fees) incurred by CUB or the Exchange in connection with the proceeding, including costs incurred to indemnify Personnel;

    (ii) any recovery adjudged against CUB, the Exchange or Personnel in the event that any of them is found to be liable; and

    (iii) any payment by CUB or the Exchange, made with the consent of the User, in settlement of such proceeding.

13. Except as otherwise expressly provided herein, all of the terms used in this Agreement which are defined in OTC Terms and Conditions are used herein as so defined.

14. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.

15. The Agreement shall not be binding until accepted in writing by CUB.

16. The Agreement shall be effective as of the date accepted in writing by CUB.

[Insert Name of User]

By: _____
Authorized Signatory

_____
Name and Title of Authorized Signatory
(Please Print Name and Title)

By: _____
Authorized Signatory

_____
Name and Title of Authorized Signatory
(Please Print Name and Title)

Accepted this ___ day of _____, 200__

CANADIAN UNLISTED BOARD INC.

By: _____

Schedule "A" to User Agreement

OTC Terms and Conditions

A. Transaction Reporting

1. Operation and Administration of OTC System

1.1. All Users shall comply with the Terms and Conditions governing the operation and administration of the OTC System, which Terms and Conditions shall include:

1.2. those matters set forth in Part VI applicable to trade reporting in respect of over-the-counter equity securities in Ontario;

1.3. those portions of the former CDN Policy pertaining to trade reporting of unlisted and unquoted equity securities in Ontario as in effect at 5:00 p.m. EST on October 6, 2000 and incorporated herein; and

1.4. such directives as may be issued by authority of the Board of Directors of CUB in respect of the use of the OTC System.

2. Trades to be Reported

2.1 Pursuant to Part VI, every purchase or sale in Ontario of an OTC security made by a registered dealer, as principal or agent, must be reported through the OTC System, with the following exceptions (which shall not be reported through the OTC System):

2.1.1 a trade made through the facilities of a stock exchange or other organized market recognized and identified in this section A-2;

2.1.2. a distribution effected in accordance with the Act by or on behalf of an issuer; or

2.1.3. a secondary trade made in reliance on the exemptions in clauses 72(1)(a), (c) or (d) of the Act.

2.2. Where a security that is listed on one or more of the Canadian stock exchanges becomes suspended (i.e., it is no longer posted for trading) on all such exchanges, then any trade in that security by a registered dealer shall become reportable through the OTC System if that security and trade is otherwise required to be reported through the OTC System.

2.3. The obligation to report a trade in an OTC security applies only with respect to purchases and sales in Ontario of such security. A purchase or sale in Ontario for the purpose of these OTC Terms and Conditions is one in which either:

2.3.1. the person to whom the trade is confirmed (other than a User) is a resident of Ontario; or

2.3.2. the User's trader or sales representative handling the trade is acting from an Ontario office (irrespective of whether the User is acting as principal or agent).

2.4. Transactions that are merely booked through a User's inventory for purposes of adding a usual mark-up or commission in respect of trades which, for all intents and purposes, are agency trades on NASDAQ or a foreign stock exchange, need not be reported through the OTC System. Such transactions are considered to be trades made through the facilities of a foreign stock exchange or NASDAQ.

2.5. With respect to clause 2.1.1 above, CUB recognizes NASDAQ, The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited, and all stock exchanges outside of Canada that require participants to report details of transactions and publish such details.

2.6. Trades may not be aggregated for reporting purposes except that trades from orders received prior to the opening of the OTC System and simultaneously reported at the opening may be aggregated into a single transaction report.

3. Who Reports Trades

3.1. Every purchase or sale in an OTC security that is required to be reported under subsection A-2 above shall be reported on the OTC System in accordance with the following provisions:

3.1.1. Where the transaction involves only one User, that User shall report the trade.

3.1.2. Where the transaction involves two Users, the User by or through whom the sale is made shall report the trade.

3.1.3. Where the transaction is not a trade in Ontario for the seller, the User by or through whom the purchase is made must report the trade.

4. Method, Timing and Content of Trade Reports

4.1. For reporting purposes, a trade is a transaction between a User and a given client, or another User, in a specific OTC security, at a given price, and executed at a certain time.

4.2. For the purposes of this section A-4, "Reportable Trades" shall mean every purchase or sale in an OTC security that is required to be reported under subsection A-3.

4.3. All trade tickets for Reportable Trades shall be time stamped at the time of execution.

4.4. All Reportable Trades taking place at or between 9:30 A.M. and 5:00 P.M. on a business day shall be reported through the OTC System within three minutes after execution.

4.5. All Reportable Trades taking place after 5:00 P.M. on a business day and prior to 9:30 A.M. the next business day shall be reported through the OTC System between 8:30 A.M. and 9:30 A.M. the next business day and shall form part of the trading statistics for the next business day.

4.6. All reports of Reportable Trades shall contain the following information:

4.6.1. symbol of the OTC security traded;

4.6.2. number of shares traded;

4.6.3. price of the trade as required by section A-5;

4.6.4. the identities of the purchasing and selling Users;

4.6.5. the time of execution of the transaction; and

4.6.6. any trade marker required by these OTC Terms and Conditions.

5. Price to be Reported

5.1. The price to be reported is the price at which the User actually traded with its customer, adjusted by the amount that would be customary as a commission or spread in such transaction.

5.2 A trade with another User is to be reported at the actual price agreed upon. This applies to a trade in which the reporting User is acting as agent for a customer, as well as to a trade in which the User acts as principal vis-a-vis the other User.

B. Dealers' Obligations

1. Prices to Customers

1.1. Spread or Mark-Up: Where a trade is substantially an agency transaction, the size of any spread or "mark-up" should reflect the riskless nature of the transaction.

1.2 *Interpositioning*: Users shall not arrange or otherwise participate in any transaction which interpositions an intermediary or other third party in a way that will result in an unfavourable price for a customer of any User.

1.3 Users shall not enter into any transaction with a customer for any OTC security at any price that is not reasonably related to the then current market price of that security or charge a customer a commission or service charge that is not fair and reasonable in all the circumstances.

2. Fair Dealings

2.1 Users shall transact business openly and fairly and in accordance with just and equitable principles of trade. No fictitious sale or contract shall be made in an OTC security.

3. Customer Priority

3.1. No User Shall:

3.1.1 buy or initiate the purchase of a OTC security for its own account or for any account in which it or any person associated with it is directly or indirectly interested, while such User holds or has knowledge that any person associated with it holds an unexecuted market order or limit price order to buy such security for a customer;

3.1.2 sell or initiate the sale of any OTC security for its own account or for any account in which it or any person associated with it is directly or indirectly interested, while it holds or has knowledge that any person associated with it holds an unexecuted market order or limit price order to sell such security for a customer.

3.2. The provisions of this section shall not apply:

3.2.1 to any purchase or sale of any OTC security in an amount less than the customary unit of trading made by a User to offset odd-lot orders for customers;

3.2.2 to any purchase or sale of any OTC security upon terms for delivery other than those specified in such unexecuted market or limit price order; or

3.2.3 to any unexecuted order that is subject to a condition that has not been satisfied.

3.3. For purposes of this section a User may include a reasonable commission charge in determining whether its customer's order is at the same price as a principal order.

4. Best Market Price

4.1 Where a User executes a trade with or for its client for an OTC security that is posted for trading on a foreign market recognized under this subsection, the User shall execute the trade on behalf of the client at a price equal to or better than the market price in the foreign market (taking exchange rates into account), plus or minus (as the case may be) a reasonable commission and any added cost of executing the order in the foreign market.

4.2. For the purpose of this subsection, CUB presently recognizes any foreign stock exchange or organized market that provides real time public dissemination of information, including firm market quotations and trading statistics.

5. Manipulative or Deceptive Trading

5.1. A User shall not use or knowingly participate in the use of any manipulative or deceptive method of trading in connection with the purchase or sale of an OTC security that creates or may create a false or misleading appearance of trading activity or an artificial price for the said security. Without in any way limiting the generality of the foregoing, the following shall be deemed manipulative or deceptive methods of trading:

5.1.1 making a fictitious trade or giving or accepting an order which involves no change in the beneficial ownership of an OTC security;

5.1.2 entering an order or orders for the purchase of an OTC security with the knowledge that an order or orders of substantially the same size, at substantially the same time and at substantially the same price for the sale of any such security, has been or will be entered by or for the same or different persons and with the intention of creating a false or misleading appearance of active public trading in a security or with respect to the market price of an OTC security;

5.1.3 entering an order or orders for the sale of an OTC security with the knowledge that an order or orders of substantially the same size, at substantially the same time and at substantially the same price for the purchase of such security, has been or will be entered by or for the same or different person and with the intention of creating a false or misleading appearance of active public trading in a security or with respect to the market price of an OTC security;

5.1.4 making purchases of, or offers to purchase an OTC security at successively higher prices, or sales of or offers to sell any such security at successively lower prices for the purpose of creating or inducing a false or misleading appearance of trading in such security or for the purpose of unduly or improperly influencing the market price of such security; or

5.1.5 effecting, alone or with one or more persons, a series of trades in an OTC security, for the purpose of inducing the purchase or sale of such security, which creates actual or apparent trading in such security or raises or depresses the price of such security.

6. Restrictions on Trading During Distributions

Restricted Users

6.1 The restrictions on trading during a distribution set out in this part 6.1 entitled “Restricted Users” apply to a User (a “restricted User”) involved in a distribution by prospectus of an OTC security or a distribution by prospectus, Exchange Offering Prospectus, Statement of Material Facts or "wide distribution" of a security that is related to an OTC security. The restrictions do not apply to a User involved in a distribution only as a selling group member that is not obligated to purchase any unsold securities.

6.1.1 Two securities are “related” if they have substantially the same characteristics, or

(a) one is immediately convertible, exercisable or exchangeable into the other; and

(b) the conversion, exercise or exchange price at the beginning of the restricted period (as defined below) is less than 110% of the offer price of the underlying security on the principal market where the underlying security is traded.

6.1.2 A “wide distribution” means a series of distribution principal trades to not less than 25 separate and unrelated client accounts, no one of which participate to the extent of more than 50% of the total value of the distribution

Restrictions

6.1.3 During the restricted period, a restricted User shall not bid for or purchase an OTC security that is being distributed or that is related to a security being distributed except as follows:

Distributed Securities

6.1.4. Restricted User Not Short. A restricted User that is not short the OTC security being distributed may bid for or purchase it at or below the lower of the highest independent bid price at the time of the bid or purchase and the distribution price.

(a) A restricted User may bid for or purchase the OTC security being distributed at or below the distribution price.

(b) A restricted User that makes an initial bid below the distribution price shall not raise that bid price during the restricted period.

6.1.5. Restricted User Short. A restricted User that is short the OTC security being distributed may bid for or purchase it at or below the distribution price.

Related Securities

6.1.6. A restricted User may bid for or purchase a related OTC security at or below the highest independent bid price.

6.1.7. If there is no independent bid price for a related OTC security, a restricted User shall not bid for or purchase that security without the prior consent of CUB.

(a) A bid price is "independent" if it is for the account of a User that is not involved in the distribution or is involved only as a member of a selling group.

(b) A restricted User shall not solicit purchase orders for the OTC security being distributed or any related OTC security during the restricted period except orders to purchase OTC securities being sold pursuant to the distribution.

(c) The above restrictions do not affect sales by restricted Users to unsolicited client buy orders. In the case of an OTC security that will be listed on the Toronto Stock Exchange ("TSE") or the Canadian Venture Exchange Inc. ("CDNX") and until such time as the OTC security is actually listed and posted for trading on the TSE or CDNX and the TSE's or CDNX's market stabilization rules apply, Users must comply with the above market stabilization restrictions.

All Users

6.2. The restrictions on trading during a distribution set out in this part 6.2 entitled "All Users" apply to all Users

Restrictions

6.2.1 During the restricted period, no User shall participate in a trade of an OTC security that is being distributed or that is related to an OTC security being distributed involving a purchase by or on behalf of:

(a) the issuer of the OTC security;

(b) a selling OTC security holder whose securities are being distributed;

(c) an affiliate of the issuer or selling OTC security holder; or

(d) a person acting jointly or in concert with any of the foregoing.

6.3. The "restricted period" begins on the later of:

6.3.1. the ninth trading day (or, in the case of a OTC security that is related to a TSE or CDNX-listed security, the second trading day) prior to the date on which the offering price of the OTC securities to be distributed is determined; and

6.3.2. the date on which the restricted User agrees to participate in a distribution, whether or not the terms and conditions of such participation have been agreed upon.

6.3.3. The restricted period ends on the earlier of:

(a) the ninth trading day (or, in the case of a OTC security that is related to a TSE or CDNX listed security, the second trading day) prior to the date on which the offering price of the OTC securities to be distributed is determined; and

(b) the date on which the restricted User has sold all of the OTC securities allotted to it (including all securities acquired by it in connection with the distribution) and any stabilization arrangements to which it is a party have been terminated; and

(c) the date on which the distribution has been terminated pursuant to applicable securities legislation,

provided that, if purchasers of 5% or more of the OTC securities allotted to or acquired by a restricted User in connection with a distribution give notice that they intend to exercise their statutory rights of withdrawal, the restricted period shall again apply to that User until the OTC securities are resold or the distribution ends, as provided above. Securities are not considered "sold" before the receipt for the final prospectus has been issued.

7. Disclosure of Interest or Control

7.1. Any User that is an insider (as that term is defined in the Act) or is controlled by, directly or indirectly, controls, or is under common control of any issuer must disclose to its customers prior to, and confirm, in writing, at the time of buying or selling any OTC security of such an issuer, the nature and existence of any such relationship.

8. System Failures

8.1. Trades made during an OTC system power failure or any other event that would fully or partially disable the system or cause it to malfunction must be reported on the system immediately upon the system being available to accept such data.

9. Settlement Rules

9.1. The settlement of transactions shall conform to the rules and practices of the TSE, CDNX and The Canadian Depository for Securities Limited.

C. Fees And Charges

1. Every User shall pay the applicable OTC System fees.

2. All fees and charges of CUB, including, but not limited to, the fees charged for transaction reports shall be determined by CUB's board of directors.

D. Access

1. Where the Commission has provided CUB with information relating to:

   1.1. disciplinary or other action the Commission determines to take against a User which, in the Commission's view will have a material impact on the User's participation in the OTC System; or

   1.2. the issuers of OTC Securities, registrants under the Act or any other persons that leads the Commission to believe that there has been or will be a breach of the terms and conditions of Part VI.

2. CUB may suspend the Users access to the OTC System pending a determination by the Commission in respect of such matters.

3. Where CUB has referred any matter relating to a suspected violation by a User of the OTC Terms and Conditions, CUB may suspend the Users access to the OTC System pending a determination by the Commission in respect of such matters.

4. Where the Commission has notified CUB that a User has violated the OTC Terms and Conditions, CUB may terminate the User's access to the OTC System

E. Miscellaneous

1. All references to a "business day" in this Schedule "A" shall mean any day from Monday to Friday inclusive.

2. All references to a time of day in the Schedule "A" shall mean Eastern Standard Time.

Schedule "B" to User Agreement

Canadian Unlisted Board Inc. User and Transaction Fees

1. USER TRANSACTION FEE

   $1.95/trade (each side)

2. USER FEE:

   Monthly Fee of $150.00
   per Employee CUB access ID granted,
   up to a maximum of $500.00/month per User

APPENDIX 3

REVISIONS TO CORPORATE FINANCE MANUAL
RE: REPORTING ISSUER STATUS OF EXCHANGE
LISTED ISSUERS

Policy 1.1 – Interpretation

The following definitions will be included in Policy 1.1:

"BHs" means those beneficial shareholders of an Issuer that are included in either:

(a) a DSR for the Issuer and whose shares were disclosed in the Issuer's books and records or list of registered shareholders as being held by an intermediary; or

(b) after the implementation of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*, a NOBO list for the Issuer.

"DSR" means the Demographic Summary Report available from the International Investors Communications Corporation ("IICC").

"NOBO list" refers to a 'non-objecting beneficial owner list' as defined in National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*.

"NOBOs" refers to non objecting beneficial owners as defined in National Instrument 54-101.

"RHs" means the registered shareholders of the Issuer that are beneficial owners of the equity securities of the Issuer. For the purposes of this definition, where the beneficial owner controls or is an affiliate of the registered shareholder, the registered shareholder shall be deemed to be the beneficial owner.

"Significant Connection to Ontario" exists where an Issuer has:

(a) RHs and BHs resident in Ontario who beneficially own more than 20% of the total number of equity securities beneficially owned by the RHs and the BHs of the Issuer; or

(b) its mind and management principally located in Ontario and has RHs and BHs resident in Ontario who beneficially own more than 10% of the number of equity securities beneficially owned by the RHs and the BHs of the Issuer.

The residence of the majority of the board of directors in Ontario or the residence of the President or the Chief Executive Officer in Ontario may be considered determinative in assessing whether the mind and management of the Issuer is principally located in Ontario.

Policy 2.3 – Listing Procedures

The following section 5 will be included in Policy 2.3:

5. Significant Connection to Ontario

5.1 Where it appears to the Exchange that an Issuer undertaking an Initial Listing on the Exchange has a Significant Connection to Ontario, the Exchange will, as a condition of its acceptance of the Initial Listing, require the Issuer to provide the Exchange with evidence that it has made a bona fide application to become a reporting issuer in Ontario. See Policy 3.1 - *Directors, Officers, Other Insiders & Personnel, and Corporate Governance* for details on becoming a reporting issuer in Ontario.

Policy 2.4 – Capital Pool Companies

The following subsection 12.6 will be included in Section 12, Qualifying Transaction, of Policy 2.4:

12.6 Assessment of a Significant Connection to Ontario

Where a Resulting Issuer, upon Completion of a Qualifying Transaction, is aware that it has a Significant Connection to Ontario, it must immediately notify the Exchange and make application to the Ontario Securities Commission to be deemed a reporting issuer pursuant to section 18.2 of Policy 3.1 – *Directors, Officers, Other Insiders & Personnel, and Corporate Governance*.

Policy 2.9 – Trading Halts, Suspensions and Delisting

The following clause (h) will be included in section 3.1, *Reasons for Suspension*, of Policy 2.9:

3.1 The Exchange may impose a suspension in a variety of circumstances including where:

(h) an Issuer fails to comply with a direction or requirement of the Exchange to make application for and obtain reporting issuer status in Ontario when it has a Significant Connection to Ontario.

Policy 3.1 – Directors, Officers, Other Insiders & Personnel and Corporate Governance

The following sections will be included in Policy 3.1:

Subsection 5.20 will be included in section 5, *Qualifications and Duties of Directors and Officers*:

5.20 Refusal or Revocation of Exchange Acceptance – Ontario

5.20 Where an Issuer has a Significant Connection to Ontario, and has not complied with a direction or requirement of the Exchange to make application or to become a reporting issuer in Ontario, the Exchange may refuse to grant Exchange Acceptance of any application relating to the acceptability of any Insider. The Exchange may also revoke, amend or impose conditions in connection with a previous Exchange Acceptance of any such application, until such time as the Issuer has complied with a direction or requirement (See section 18, *Assessment of a Significant Connection to Ontario* of this Policy).

Section 18 will be included in Policy 3.1

18. Assessment of a Significant Connection to Ontario

18.1 All Issuers, that are not otherwise reporting issuers in Ontario are required to assess whether they have a Significant Connection to Ontario.

18.2 Where an Issuer that is not otherwise a reporting issuer in Ontario becomes aware that it has a Significant Connection to Ontario as a result of complying with subsection 18.1 above or otherwise, the Issuer is required to immediately notify the Exchange, and promptly make a bona fide application to the Ontario Securities Commission to be deemed a reporting issuer in Ontario. The Issuer must become a reporting issuer in Ontario within six months of becoming aware that it has a Significant Connection to Ontario.

18.3 All Issuers, that are not otherwise reporting issuers in Ontario are required to assess on an annual basis, in connection with the preparation for mailing of their annual financial statements, whether they have a Significant Connection to Ontario. All Issuers must obtain and maintain for a period of three years after each annual review, evidence of the residency of the RHs and BHs of the Issuer.

18.4 If requested, Issuers must provide the Exchange with evidence of the residency of their NOBOs.

Policy 5.2 – Changes of Business and Reverse Takeovers

The following subsection 10.6 will be included in Section 10, Other Requirements, of Policy 5.2:

10.6 Assessment of a Significant Connection to Ontario

Where, pursuant to an RTO, a Resulting Issuer will have a Significant Connection to Ontario, it must immediately notify the Exchange and make an application to be deemed a reporting issuer pursuant to section 19.2 of Policy 3.1 – *Directors, Officers, Other Insiders & Personnel and Corporate Governance*.

APPENDIX 4

POLICY 5.9
PROTECTION OF MINORITY SECURITY HOLDERS
IN SPECIAL TRANSACTIONS

Scope of Policy

This Policy incorporates Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*, together with the Companion Policy 61-101CP (collectively the "MI 61-101"). Copies of MI 61-101 can be found on the website of the Ontario Securities Commission (www.osc.gov.on.ca) or the Autorité des marches financiers (www.lautorite.qc.ca)

The main headings of this Policy are:

1. Definitions
2. Application of the MI 61-101
3. Exemptions

1. Definitions

1.1 Definitions contained in MI 61-101 that are inconsistent with definitions contained within other Policies are applicable only to the interpretation of this Policy.

2. Application of MI 61-101

2.1 This Policy applies to all Issuers listed on the Exchange or Companies seeking listing on the Exchange.

2.2 Subject to the exemptions in section 3 of this Policy, MI 61-101 is adopted, in its entirety, as a Policy of the Exchange.

2.3 In addition to insider bids and issuer bids, this Policy may be applicable to certain transactions undertaken pursuant to the following Policies:

(a) *Policy 2.4 – Capital Pool Companies*,

(b) *Policy 4.1 – Private Placements*,

(c) *Policy 5.2 – Changes of Business and Reverse Takeovers*, and

(d) *Policy 5.3 – Acquisitions and Dispositions of Non-Cash Assets*.

3. Exemptions

Applicability of Valuation Exemptions

3.1 Issuers should note that MI 61-101 provides exemptions from the valuation requirements in respect of business combinations and related party transactions for Exchange-listed Issuers that do not have their securities interlisted on certain specified markets. However, the Exchange may nonetheless require an Issuer to provide evidence of value to the Exchange in accordance with sections 4.1, 4.2, 4.3, 4.4 or 4.5 of Policy 5.4.

Exemptions from other MI 61-101 Requirements

3.2 An Issuer that is subject to MI 61-101 may apply, independently of this Policy, to the appropriate securities regulator or securities regulatory authority in Ontario or Québec, as the case may be, for a discretionary exemption from any requirements of MI 61-101. However, the Issuer must concurrently make an application to the Exchange and provide a copy of any subsequent and related correspondence to the Exchange. The Exchange will consider such applications on a case by case basis, and may elect not to grant an exemption despite a favourable decision of a securities regulator or securities regulatory authority. Issuers should consult with the Exchange in advance of any application for exemption to a securities regulator, or securities regulatory authority, to determine whether or not the Exchange will grant an exemption.

3.3 For more certainty, where an Issuer seeking an exemption from this Policy is not subject to MI 61-101, an application need only be made to the Exchange.

2.2.7 Maple Group Acquistion Corporation et al. – ss. 144, 147 of the Act, s. 80 of the CFA and s. 6.1 of OSC Rule 91-502

Headnote

Order exempting Bourse de Montréal Inc. from recognition as an exchange and from registration as a commodity futures exchange, and revoking previous exemption order.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 21, 144, 147.
Commodity Futures Act, R.S.O. 1990, c. C.20, as am., ss. 15, 80.
OSC Rule 91-502 Trades in Recognized Options, Part 4 and s. 6.1.

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

AND

IN THE MATTER OF
THE COMMODITY FUTURES ACT,
R.S.O. 1990 CHAPTER C.20, AS AMENDED
(THE "CFA")

AND

IN THE MATTER OF
MAPLE GROUP ACQUISITION CORPORATION
TMX GROUP INC.

AND

BOURSE DE MONTRÉAL INC.

ORDER
(Sections 144 and 147 of the OSA, section 80 of the CFA and section 6.1 of OSC Rule 91-502)

WHEREAS the Commission issued an order dated March 16, 2004, as amended on April 30, 2008, exempting Bourse de Montréal Inc. (the Bourse), pursuant to section 147 of the OSA, from recognition as a stock exchange under section 21 of the OSA, and exempting Bourse de Montréal Inc., pursuant to section 80 of the CFA, from registration as a commodity futures exchange under section 15 of the CFA (Previous Commission Order);

AND WHEREAS the Director issued an order dated March 16, 2004, as amended on April 30, 2008, exempting Bourse de Montréal Inc. from Part 4 of OSC Rule 91-502 *Trades in Recognized Options* (Rule 91-502) (Previous Director's Order);

AND WHEREAS Maple Group Acquisition Corporation (Maple) commenced a transaction (Transaction), consisting of a take-over bid (the Offer) involving the initial take up by Maple of a minimum of 70% of the outstanding shares of TMX Group Inc. (Initial Take Up) and a subsequent arrangement the result of which would be the acquisition by Maple of all of the issued and outstanding voting securities of TMX Group Inc. (TMX Group) , the holding company parent of the Bourse;

AND WHEREAS Maple, TMX Group and the Bourse have filed an application (Application) with the Commission and the Director requesting that the Previous Commission Order and Previous Director's Order be revoked and replaced as a result of the Transaction;

AND WHEREAS Maple, TMX Group and the Bourse have represented to the Commission and the Director as follows:

1. The Bourse, based in Montréal, Québec, is a company formed under the *Companies Act* (Québec), and is a wholly-owned subsidiary of TMX Group.

2. Subsequent to the Transaction, the Bourse will continue to be a wholly-owned subsidiary of TMX Group.

3. The Bourse operates an exchange for options, commodity futures contracts and commodity futures options, and offers access to trading in those to Ontario market participants. In carrying out these activities, the Bourse is considered to be "carrying on business as an exchange in Ontario" and must either be recognized or exempted from recognition as an exchange under section 21 of the OSA. The Bourse is also considered to be "carrying on business as a commodity futures exchange in Ontario" and must either be registered or exempted from registration as a commodity futures exchange under section 15 of the CFA.

4. The Bourse is recognized by the Autorité des marches financiers (AMF) as a self-regulatory organization in Québec under both the *Act respecting the Autorité des marchés financiers*, R.S.Q., c. A-33.2 and the *Derivatives Act*, R.S.Q., c. I-14.01, and each of Maple, TMX Group. and the Bourse is recognized by the AMF as an exchange in Québec under the *Derivatives Act*, R.S.Q., c. I 14.01 pursuant to a decision issued by the AMF attached as Schedule "A" (AMF Decision), as amended from time to time.

5. The Bourse is subject to regulatory oversight by the AMF.

6. The Bourse has been advised that the Commission and the AMF are each party to the Memorandum of Understanding Respecting the Oversight of Exchanges and Quotation and Trade Reporting Systems (MOU), as amended from time to time, respecting oversight of exchanges and quotation and trade reporting systems, which applies to the oversight of the Bourse, and under which the AMF is identified as the Lead Regulator that is responsible for the oversight of the Bourse.

7. The AMF discharges its responsibilities for the oversight of the Bourse through ongoing reporting requirements and by conducting periodic oversight assessments of the Bourse's operations to confirm that the Bourse is in compliance with the terms and conditions of the AMF Decision.

8. The Canadian Derivatives Clearing Corporation ("CDCC") is a wholly-owned subsidiary of the Bourse and is subject to the regulatory oversight of the AMF. The Commission has also granted to CDCC a temporary exemption from the requirement to be recognized as a clearing agency pursuant to subsection 21.2(0.1) of the OSA, subject to terms and conditions;

9. CDCC is the clearing agency for all trades in options, commodity futures contracts and commodity futures options traded on the Bourse.

AND WHEREAS based on the Application and the representations made by Maple, TMX Group and the Bourse to the Commission and the Director, the Commission is satisfied that it is not prejudicial to the public interest to revoke the Previous Commission Order and issue a new order exempting the Bourse from recognition as an exchange and from registration as a commodity futures exchange;

AND WHEREAS based on the Application and the representations made by Maple, TMX Group and the Bourse to the Commission and the Director, the Commission is satisfied that it is not prejudicial to the public interest to revoke the Previous Director's Order and the Director is satisfied that it is not prejudicial to the public interest to issue a new order exempting the Bourse from Part 4 of Rule 91-502;

AND WHEREAS Maple, TMX Group and the Bourse have agreed to the applicable terms and conditions set out in Schedule "B" to this order, as applicable;

IT IS ORDERED by the Commission that:

(a) pursuant to section 147 of the OSA, the Bourse is exempt from recognition as an exchange under section 21 of the OSA; and

(b) pursuant to section 80 of the CFA, the Bourse is exempt from registration as a commodity futures exchange under section 15 of the CFA;

provided that Maple, TMX Group, and the Bourse comply with the terms and conditions attached hereto as Schedule "B", as applicable;

AND IT IS ORDERED by the Director that, pursuant to section 6.1 of Rule 91-502, the Bourse is exempted from Part 4 of Rule 91-502, provided that Maple, TMX Group and the Bourse comply with the terms and conditions attached hereto as Schedule "B", as applicable.

AND IT IS ORDERED by the Commission that, pursuant to subsection 144(1) of the Act, each of the Previous Commission Order and the Previous Director's Order is revoked;

Dated this 27th day of July, 2012, and effective upon the completion of the Initial Take Up pursuant to the Offer.

"Mary G. Condon"
Vice-Chair

"Sarah B. Kavanagh"
Commissioner

"Antoinette Leung"
Manager, Market Regulation

SCHEDULE "A"

[Translation]

DECISION No. 2012-PDG-0075

Recognition of Maple Group Acquisition Corporation as an exchange under section 12 of the *Derivatives Act,* R.S.Q., c. I-14.01

Recognition of TMX Group Inc. as an exchange under section 12 of the *Derivatives Act,* R.S.Q., c. I-14.01

Recognition of Bourse de Montréal Inc., as an exchange under section 12 of the *Derivatives Act*, R.S.Q., c. I-14.01

Recognition of Bourse de Montréal Inc. as a self-regulatory organization under section 68 of the *Act respecting the Autorité des marchés financiers*, R.S.Q., c.-A.33.2 and section 12 of the *Derivatives Act*, R.S.Q., c. I-14.01

Whereas on October 3, 2011, Maple Group Acquisition Corporation ("Maple") filed with the Autorité des marchés financiers (the "Autorité") respecting a two-stage integrated transaction with a view to the acquisition of all the issued and outstanding common shares of TMX Group Inc. ("TMX Group"):

1. an application for recognition of Maple as an exchange, as the projected parent holding company of TMX Group;

2 an application for recognition of TMX Group as an exchange, as the parent holding company of Bourse de Montréal Inc. (the "Bourse"); and

3. an application for amendment of the authorization to carry on business as an exchange in Québec and recognition as a self-regulatory organization to carry on the business of the Bourse in Québec

(collectively, the "Application");

Whereas Maple is a corporation formed by Alberta Investment Management Corporation, Caisse de dépôt et placement du Québec, Canada Pension Plan Investment Board, CIBC World Markets Inc., Desjardins Financial Corporation Inc., Dundee Capital Markets, Fonds de solidarité des travailleurs du Québec (F.T.Q.), GMP Capital Inc., The Manufacturers Life Insurance Company, National Bank Financial & Co. Inc., Ontario Teachers' Pension Plan Board, Scotia Capital Inc. and TD Securities Inc. (individually, an "Original Maple Shareholder", and collectively, the "Original Maple Shareholders");

Whereas in connection with the application, Maple filed an application for authorization to become the beneficial owner of more than 10% of the voting securities of TMX Group and the Bourse;

Whereas on April 10, 2008, the Autorité rendered decision No. 2008-PDG-0102 [(2008) Vol. 5, No. 14, B.A.M.F., 286] to the effect of authorizing the Bourse to carry on business as an exchange in Québec under section 170 of the *Securities Act,* R.S.Q., c. V-1.1 (the "SA") and recognizing it as a self-regulatory organization to carry on business in Québec under section 68 of the *Act respecting the Autorité des marchés financiers,* R.S.Q., c.-A.33.2 (the "AAMF") ("Decision No. 2008-PDG-0102");

Whereas on February 17, 2012, the Autorité rendered decision No. 2012-PDG-0030 [(2012) Vol. 9, No. 8, B.A.M.F., 329] to the effect of suspending the application of the condition set forth in paragraph *IX. Ratios and Financial Reports* of decision No. 2008-PDG-0102 ("Decision No. 2012-PDG-0030");

Whereas under paragraph a) of section I. of Decision No. 2008-PDG-0102, no person or company and no combination of persons or companies acting jointly or in concert shall own or exercise control or direction, over more than 10% of any class or series of voting shares of the Bourse without the prior approval of the Autorité, except for TMX Group or an affiliate of TMX Group;

Whereas under paragraph a) of section I. of the letter of undertaking appended to Decision No. 2008-PDG-0102 (the "Letter of Undertaking"), TMX Group is subject to the restriction whereby no person or company and no combination of persons or companies acting jointly or in concert shall be the beneficial owner of or have control over more than 10% of any class or series of voting shares of TMX Group without the prior approval of the Autorité;

Whereas on October 7, 2011, the Autorité published a notice of the application in its Bulletin [(2011) Vol. 8, No. 40, B.A.M.F., 237] and invited interested persons to submit their observations in writing, under section 14 of the *Derivatives Act,* R.S.Q., c. I-14.01, (the "DA") and section 66 of the AAMF;

Whereas, on November 24 and 25, 2011, the Autorité held public hearings on the occasion of which the interested persons were able to present their observations;

Whereas on April 30, 2012, Maple submitted to the Autorité a letter of amendment of the application, acting on the comments formulated, in particular, regarding Maple's governance, including the representation of directors Unrelated to Original Maple Shareholders and the filing with the Autorité of an annual certificate by each of the Original Maple Shareholders that it is not acting jointly or in concert with another Original Maple Shareholder, as long as it holds any right to nominate a director to Maple's board of directors or as long as a partner, officer, director or employee of this Original Maple Shareholder is a director on Maple's board of directors, the creation of a Derivatives Committee, and the undertakings made to the Autorité (the "Letter of April 30, 2012");

Considering the results of the analysis of the application regarding, in particular, the guiding principles and issues presented in the Autorité's notice published on October 7, 2011;

Whereas under section 230 of the DA, an exchange authorized under Title VI of the SA or a self-regulatory organization recognized under Title III of the AAMF before February 1, 2009, that carries on activities relating to transactions to which the DA applies is authorized to continue to carry on its activities in Québec in accordance with the terms and conditions prescribed by the Autorité under those Acts, as of the date the Autorité may determine, in accordance with the new conditions prescribed under the DA;

Whereas under section 12 of the DA, no regulated entity may carry on derivatives activities in Québec unless it is recognized by the Autorité as an exchange, a published market, a clearing house, an information processor or a self-regulatory organization;

Whereas the Autorité, under section 15 of the DA, may recognize a regulated entity on the terms and conditions it determines;

Whereas under section 17 of the DA, the Autorité may in addition require an exchange to obtain recognition as a self-regulatory organization under Title III of the AAMF in order to carry on business as an exchange;

Whereas the Autorité has verified the compliance with sections 69 and 70 of the AAMF of the constituting documents, by-laws and operating rules proposed by the Bourse;

Whereas the Autorité considers that the Bourse has the administrative structure and the financial and other resources necessary to exercise its functions and powers in an objective, fair and efficient manner in accordance with section 68 of the AAMF;

Whereas the Bourse will maintain an independent division responsible for the regulatory function (the "Division"), with the primary mission of supervising the Bourse's regulatory functions and activities;

Whereas the Autorité considers it expedient to grant Maple the authorization to become the beneficial owner of more than 10% of the voting securities of TMX Group, and, indirectly, of the Bourse;

Whereas the Autorité considers it expedient to grant Maple the recognition as an exchange in Quebec, as the projected parent holding company of TMX Group, subject to Maple's compliance with certain conditions established by this decision and honouring the undertakings made to the Autorité on April 30, 2012 ("Maple's Undertakings");

Whereas Maple's Undertakings with respect to the Bourse are repeated as conditions in this decision;

Whereas the Autorité considers it expedient to grant TMX Group the recognition as an exchange in Québec, as the parent holding company of the Bourse, subject to TMX Group's compliance with certain conditions established by this decision;

Whereas the Autorité considers it expedient to grant the Bourse the recognition as an exchange in Québec, subject to Bourse's compliance with certain conditions established by this decision;

Whereas the Autorité considers it expedient to grant the Bourse the recognition as a self-regulatory organization to carry on its business in Québec, subject to Bourse's compliance with certain conditions established by this decision;

Whereas the Autorité considers that the rendering of this decision is not contrary to the public interest;

Therefore:

The Autorité authorizes Maple to become the beneficial owner of more than 10% of the voting securities of TMX Group and, indirectly, of the Bourse;

The Autorité, under section 12 of the DA, recognizes as an exchange in Québec:

1. Maple Group Acquisition Corporation;

2. TMX Group Inc.; and

3. Bourse de Montréal Inc.

Moreover, the Autorité, under section 68 of the AAMF and section 12 of the DA, recognizes Bourse de Montréal Inc. as a self-regulatory organization that may carry on business in Québec.

In addition, the Autorité revokes and replaces Decision No. 2008-PDG-0102 and Decision No. 2012-PDG-0030 with this decision.

CONDITIONS

This decision is subject to the terms and conditions set out in Parts I to III hereinafter.

INTERPRETATION

For the purposes of Parts I to III:

(a) a person resident of the Province of Québec means an individual who is considered to be a resident of the Province of Québec under the *Taxation Act*, R.S.Q., c. I-3;

(b) the expressions “control”, “beneficial ownership” and “acting jointly or in concert” have the meaning provided under section 1.4, paragraph 1.8(5) and section 1.9 of *Regulation 62-104 respecting take-over bids and issuer bids,* R.R.Q., c. V-1.1, r.35, as amended from time to time, *mutatis mutandis*, and, for greater certainty, including the persons deemed or presumed to be acting jointly or in concert within the meaning of that expression, and the exercise of control or direction over any class or series of voting shares of Maple, TMX Group and the Bourse shall be determined in accordance with section 90 of the SA;

(c) a person is independent if this person fulfills the independence criteria set out in section 1.4 of *Regulation 52-110 respecting Audit Committees,* R.R.Q., c. V-1.1, r.28, as amended from time to time, but is not independent if this person is:

(i) a partner, director, officer or employee of a "marketplace participant" of a "marketplace" owned or operated by Maple or its affiliates or an associate of a partner, director, officer or employee of a "marketplace participant" of a "marketplace" owned or operated by Maple or its affiliates (in each case, the terms "marketplace participant" and "marketplace" having the meaning set out in *Regulation 21-101 respecting Marketplace Operation*); or

(ii) a partner, director, officer or employee of a "marketplace participant" of a “marketplace” owned or operated by Maple or its affiliates or an associate of a partner, director, officer or employee of a “marketplace participant” of a "marketplace" owned or operated by Maple (in each case, the terms “marketplace participant” and “marketplace” having the meaning set out in *Regulation 21-101 respecting Marketplace Operation*) who is responsible for or is actively and significantly engaged in the day-to-day operations and activities of this marketplace participant;

(d) a director is Unrelated to Original Maple Shareholders if this person:

(i) is not a partner, officer or an employee of an Initial Maple Shareholder or one of its affiliates (or an associate of that partner, officer or employee) and for this purpose “officer” means (A) a chief executive officer, a chief operating officer, a chief financial officer, a president, a vice-president, a secretary, an assistant secretary, a treasurer, an assistant treasurer and a manager, (B) every individual who is designated as an officer under a by-law or similar authority, and (C) every individual who performs functions similar to those normally performed by an individual referred to in clause (A) or (B) ;

(ii) is not nominated under a Maple Nomination Agreement;

(iii) is not a director of an Original Maple Shareholder or any of its affiliates (or a partner of that director); and

(iv) does not have, and has not had, any relationship with an Original Maple Shareholder that could, in the opinion of Maple's Governance Committee, having regard to all relevant circumstances, be reasonably perceived to interfere with the exercise of his or her independent judgment as a director of Maple; and

(e) The Maple's Governance Committee may waive the restrictions set out in subparagraph (d)(iii) above provided that:

(i) the individual being considered does not have, and has not had, any relationship with an Original Maple Shareholder that could, in the view of Maple's Governance Committee having regard to all relevant circumstances, be reasonably perceived to interfere with the exercise of his or her independent judgment as a director of Maple;

(ii) Maple publicly discloses use of the waiver with the reasons of why the particular candidate was selected;

(iii) Maple provides advance notice to the Autorité, at least 15 business days before the public disclosure in subparagraph (e)(ii) is made; and

(iv) the Autorité does not object within 15 business days of the receipt of the notice under subparagraph (e)(iii).

For the purposes of Section V of Part I, Section IV of Part II and Section III of Part III:

(a) all references to derivatives (whether exchange-traded, over-the-counter or otherwise) and related products pertain to (i) equity, interest rate, currency, index and exchange traded fund derivatives, (ii) the clearing of fixed income transactions ("fixed income transactions" means "Repurchase Transactions" and "Cash Buy or Sell Trades" on securities that are eligible for Repurchase Transactions (i.e., on "Acceptable Securities"), with each of these capitalized terms having the meaning given thereto in the Canadian Derivatives Clearing Corporation ("CDCC") Rules), and (iii) other types of derivatives and related products under the responsibility of the Bourse or CDCC, as the case may be, on the date hereof or which may reasonably be developed under the responsibility thereof, but excludes iv) the types of derivatives and related products under the responsibility of Natural Gas Exchange Inc., Shorcan Brokers Limited and Shorcan Energy Brokers Inc. on the date hereof or which may reasonably be developed under the responsibility thereof.

PART I – MAPLE

I. SHARE OWNERSHIP

(a) No person or company and no combination of persons or companies acting jointly or in concert shall beneficially own or exercise control or direction over more than 10% of any class or series of voting shares of Maple, without the prior approval of the Autorité.

(b) Maple shall promptly inform the Autorité in writing if it becomes aware that any person or company or any combination of persons or companies acting jointly or in concert beneficially own or exercise control or direction over more than 10% of any class or series of voting shares of Maple without having obtained the prior approval of the Autorité, and Maple shall take the necessary steps to immediately remedy the situation, in compliance with Maple's articles of incorporation.

(c) Maple shall promptly inform the Autorité in writing of any agreement related to the exercise of voting rights attached to the common shares of Maple, of which it has been informed.

II. GOVERNANCE STRUCTURE

(a) Arrangements made by Maple shall ensure fair, meaningful and diverse representation of the interested parties, given the nature and structure of Maple, TMX Group and the Bourse, on Maple's board of directors and any Maple board committees, and the maintenance of a reasonable number and proportion of directors unrelated to Maple, TMX Group and the Bourse, and their participants, clearing members, users of services or exchange facilities, or shareholders, for the purpose of ensuring the diversity of the board.

(b) Maple's board of directors shall be comprised of:

(i) such number of directors who are independent and represent at least 50% of the total number of directors nominated for election;

(ii) such number of directors who are resident of the Province of Québec and represent at least 25% of the total number of directors nominated for election;

(iii) such number of directors who have expertise in derivatives and represent at least 25% of the total number of directors nominated for election; and

(iv) one director drawn from the Canadian independent investment dealer community (for greater certainty, excluding investment dealers which are affiliates of Canadian Schedule I banks under the *Bank Act*, S.C. 1991, c. 46 (the "Bank Act")) and for so long as a Maple Nomination Agreement is in effect, that is Unrelated to Original Maple Shareholders.

(c) Maple's governance structure shall provide:

(i) for an independent director to be selected for the position of chair of the board of Maple;

(ii) that so long as a Maple Nomination Agreement entitling an Original Maple Shareholder to nominate a candidate for election to a position on Maple's board of directors is in force between Maple and an Original Maple Shareholder, at least 50% of the directors, excluding the chief executive officer of Maple if he or she is also a director, will be Unrelated to Original Maple Shareholders; and

(iii) for a revised code of conduct and ethics and a revised written policy concerning potential conflicts of interest of members of the board of directors and committees and the officers of Maple, which provide for disclosure of interests and the possibility for a person to withdraw from a file or a decision, to be filed with the Autorité within the year following the date of this decision.

Maple shall take reasonable steps to ensure that each director of Maple is a fit and proper person and that the past conduct of each director affords reasonable grounds for belief that the director will perform his or her duties with integrity.

Any amendment to Maple's code of conduct and ethics and written conflicts of interest policy must be filed with the Autorité, forthwith upon its approval.

(d) Unless it obtains the prior authorization of the Autorité to make changes, Maple will maintain identical boards of directors for Maple, TMX Group and the Bourse.

(e) Maple shall establish and maintain a committee of Maple's board of directors called the Governance Committee that:

(i) will be made up of independent directors and, for so long as any Maple Nomination Agreement is in effect, a majority of members that are Unrelated to Original Maple Shareholders;

(ii) will confirm the status of nominees to the board of directors as independent from and Unrelated to Original Maple Shareholders, as appropriate, before the individual is submitted to shareholders as a nominee for election to the Maple board;

(iii) will confirm on an annual basis that the status of the directors that are independent from and Unrelated to Original Maple Shareholders, as appropriate, has not changed;

(iv) will assess and approve all nominees of management to the Maple board of directors, and any nominees pursuant to any Maple Nomination Agreement; and

(v) will establish that the quorum consists of a majority of independent directors, and, for so long as a Maple Nomination Agreement is in effect, a majority of directors that are Unrelated to Original Maple Shareholders.

(f) Maple shall establish and maintain a committee of Maple's board of directors called the Derivatives Committee, in accordance with Maple's Undertakings.

(g) Maple shall ensure that the Bourse maintains the Special Committee - Regulatory Division, at least 50% of the members of which will be comprised of individuals who have expertise in derivatives.

(h) Maple shall ensure that it publishes the charter of the board of directors and the charters of the board committees, including the standards and criteria of a person's independence, on its Internet site. Maple shall obtain the Autorité's prior approval before proceeding with any change to the charter of its board of directors and the charters of the board committees.

(i) Maple shall obtain the prior approval of the Autorité before entering into any nomination agreement with a person or company who or which is not a party to a Maple Nomination Agreement on the date of this decision.

(j) If, at a given time, Maple does not satisfy the requirements of this section regarding the governance structure, it shall remedy this situation promptly.

III. GOVERNANCE REVIEW

(a) No later than three years after the effective date of this decision, or at any other time required by the Autorité, Maple shall engage an independent consultant or consultants acceptable to the Autorité, to prepare a report assessing the governance structure of Maple, TMX Group and the Bourse (the "Governance Review").

(b) Maple shall deliver the report to its board of directors promptly after its completion and then to the Autorité within 30 days of its delivery to the board of directors.

(c) The Governance Review shall include at least:

(i) a review of the composition of the board of directors and committees of Maple, TMX Group and the Bourse, in particular whether the composition of such boards of directors and committees continues to fulfill the criteria of fair, meaningful and diverse representation;

(ii) a review of the impacts of all the compositional requirements of the board of directors with which Maple must comply and its ability to comply with them;

(iii) a review of appropriateness and effectiveness of identical boards of directors for Maple, TMX Group and the Bourse;

(iv) a review of how the Maple's Governance Committee fulfills its mandate and performs its role and its functions; and

(v) an assessment of how the Special Committee – Regulatory Division of the Bourse fulfills its mandate and performs its role and its functions, including how it manages conflicts of interest, the description of any deficiency identified and the solutions provided or that would be necessary to remedy the situation.

IV. CHANGE OF OWNERSHIP

(a) Maple will not complete or authorize a transaction that would result in any person or company or any combination of persons or companies acting jointly or in concert, beneficially owning or exercising control or direction over more than 10% of any class or series of voting shares of TMX Group or the Bourse, without obtaining the prior authorization of the Autorité.

(b) Maple must continue to own, directly or indirectly, all of the issued and outstanding voting shares of TMX Group and the Bourse.

(c) Maple will not complete or authorize a transaction that would result in more than 50% of any class or series of voting shares of TMX Group or the Bourse ceasing to be controlled by Maple, directly or indirectly, without obtaining the prior authorization of the Autorité and complying with the terms and conditions that the Autorité might establish in the public interest.

V. CONTINUITY OF ACTIVITIES IN QUÉBEC

(a) The head office and executive office of the Bourse and any business unit established under paragraph (c) will be or will continue to be located in Montréal. The mind and management of the Bourse and any business unit

established under paragraph (c) responsible for overseeing the annual operating plans and budgets thereof will be or will continue to be located in Montréal.

(b) The most senior officer of Maple (other than Maple's chief executive officer) with direct responsibility for the Bourse and any business unit established under paragraph (c) shall be a resident of the Province of Québec at the time of his or her appointment, or as soon as reasonably practicable thereafter, and for the duration of his or her term of office and shall work in Montréal. The executives responsible for managing the development and execution of the policy and direction of the Bourse and any business unit established under paragraph (c) will remain sufficient to permit such most senior officer to execute his or her responsibilities, and will work in Montréal.

(c) If Maple establishes an exchange in Canada (or participates in a joint venture or a partnership) for trading derivatives that are presently over-the-counter derivatives, that exchange (or the principal Maple business unit that manages Maple's interest in that joint venture or partnership) will comply with the foregoing paragraphs (a) and (b).

(d) Maple will not do anything to cause the Bourse, directly or indirectly, to cease to be the Canadian national exchange for all derivatives trading and related products, including being the sole platform for trading of carbon and other emission credits in Canada, without obtaining the prior authorization of the Autorité and complying with any terms and conditions that the Autorité may set in the public interest in connection with any change to the Bourse's operations.

(e) Maple will ensure that the existing derivatives trading and related products operations of the Bourse remain in Montréal and that the Bourse will continue as Maple's exclusive Canadian business unit responsible for exchange traded derivatives and related products.

(f) Maple will maintain, and continue to develop, Montréal as a centre of excellence in derivatives and a hub of attraction for Maple's derivatives trading and related products operations, including over-the-counter derivatives.

(g) Maple will use commercially reasonable efforts to continue to grow the business of trading derivatives and related products in Montréal.

(h) If the Bourse determines from time to time to export its expertise in derivatives and related products trading and clearing, such international activity will be directed from Montréal.

(i) Maple will ensure that further enhancements to the SOLA application software will be developed in Montréal.

(j) Maple will submit annually to the Autorité, within 30 days of its approval by the board of directors, its strategic plan for its activities, including derivatives and related products, equity securities and fixed income securities. The strategic plan will address the progress achieved during the past year in the fulfillment of the previous strategic plan for derivatives and related products.

VI. LANGUAGE OF SERVICES

(a) Maple will ensure that it maintains:

(i) the broad range of the Bourse's services in Québec required to be offered hereunder, in French and English, including with respect to membership, regulation and supervision of the activities of the participants of the Bourse;

(ii) simultaneous availability in French and English of any information documents of the Bourse intended for participants or for the public; and

(iii) French as the language used in all communications and correspondence with the Autorité.

VII. ALLOCATION OF COSTS

The costs or expenses borne by Maple, TMX Group and the Bourse, and indirectly by the users of the services of Maple, TMX Group and the Bourse, for each of the services offered by Maple, TMX Group and the Bourse, shall not include the costs or expenses incurred by Maple, TMX Group or the Bourse in connection with any activity carried on by Maple, TMX Group or the Bourse that is unrelated to this service.

VIII. INTERNAL COST ALLOCATION MODEL AND TRANSFER PRICING

(a) Maple must obtain the Autorité's prior approval before implementing any internal cost allocation model and policies with respect to the allocation of costs and transfer pricing, including amendments thereof, which may be made between Maple and its affiliates.

(b) Maple must annually engage an independent auditor to conduct a review and prepare a written report in accordance with established audit standards regarding compliance by Maple and its affiliates with the internal cost allocation model and transfer pricing policies.

(c) Maple must provide the written report of the independent auditor to its board of directors promptly after the report's completion and then to the Autorité within 30 days of providing it to its board of directors.

IX. FEES

(a) Maple shall ensure that all fees imposed by Maple, TMX Group and the Bourse are reasonable and equitably allocated, the process for setting fees is fair and appropriate, and the fee model is transparent.

(b) Within three years of the effective date of this decision and every three years thereafter, or at any other time determined by the Autorité, Maple shall:

(i) conduct a review of the fees and fee models of Maple, TMX Group and the Bourse that are related to the trading, clearing, settlement, depository, data transmission or other services specified by the Autorité that includes, among other things, a benchmarking or other comparison of the fees and fee models against the fees and fee models of similar services in other jurisdictions; and

(ii) file the report with its board of directors promptly after the report's completion and then to the Autorité, within 30 days following its filing with the board of directors.

X. RESOURCES

(a) Maple will, subject to paragraph (b) and for so long as TMX Group and the Bourse carry on business as an exchange, allocate sufficient financial or other resources to TMX Group and the Bourse to ensure:

(i) their financial viability and the proper performance of their functions; and

(ii) the exercise of the self-regulatory functions of the Bourse and its Division.

(b) Maple will promptly notify the Autorité upon becoming aware that it is no longer or will no longer be able to allocate sufficient financial or other resources to TMX Group or the Bourse to ensure their financial viability and the performance of their functions as exchanges or self-regulatory organizations, as the case may be, in a manner that is consistent with the public interest and in accordance with the terms and conditions of this decision.

XI. MATERIAL INTEGRATION AND OPERATIONS

(a) Maple shall obtain the Autorité's prior approval before implementing any material integration, combination, merger or restructuring of businesses, operations or corporate functions related to trading, clearing and settlement of the exchange and clearing house operations between Maple and its affiliates;

(b) Maple shall promptly notify the Autorité of any other integration, combination or restructuring of businesses, operations or corporate functions related to trading, clearing and settlement of the exchange and clearing house operations between Maple and its affiliates;

(c) Maple shall promptly notify the Autorité of any decision to implement any transaction likely to have material consequences for Maple, TMX Group and the Bourse, including:

(i) any material alliance or merger, combination or acquisition transaction;

(ii) any shareholder agreement or reciprocal access agreement involving Maple, TMX Group or the Bourse;

(iii) any listing on the exchange of one of its subsidiaries, including the clearing houses, or any public offering by its subsidiaries.

(d) Maple shall promptly notify the Autorité of any decision to engage, either directly or through an affiliate, in a new material business activity or to cease to carry on a material business activity operated at that time by Maple, TMX Group or the Bourse.

XII. FINANCIAL REPORTS

(a) Maple shall file with the Autorité its annual audited consolidated financial statements, its annual unaudited non-consolidated financial statements without notes, its quarterly unaudited consolidated financial statements without notes, and its quarterly unaudited non-consolidated financial statements without notes, in accordance with the time limit prescribed in the Reports and Documents to be Submitted table, found in Appendix A of this decision.

(b) Maple shall file with the Autorité its annual budget, accompanied by the underlying assumptions, approved by its board of directors in accordance with the time limit prescribed in the Reports and Documents to be Submitted table, found in Appendix A of this decision.

XIII. RISK MANAGEMENT

(a) Maple shall have adequate risk management measures related to its activities.

(b) Maple shall provide notice to the Autorité before making any material change to its organizational structure or that of TMX Group or the Bourse, or in the manner in which it and its subsidiaries exercise their functions, powers and activities, when such a measure is likely to have an impact on the Bourse's internal controls.

(c) Maple shall file its annual risk assessment, including the commercial risks and its plans to respond to these risks, at least once a year or at the Autorité's request, in accordance with the time limit prescribed in the Reports and Documents to be Submitted table, found in Appendix A of this decision.

(d) Maple shall file with the Autorité any other internal audit report or risk management report in accordance with the time limit prescribed in the Reports and Documents to be Submitted table, found in Appendix A of this decision.

XIV. ACCESS TO INFORMATION

Maple shall make available and ensure that its subsidiaries make available to the Autorité, on request, all the data and information in their possession and which the Autorité needs to evaluate the performance by Maple, TMX Group and the Bourse of their regulatory functions and the compliance of these entities with the conditions of the Autorité's decisions.

XV. COMPLIANCE

(a) Maple shall carry on its exchange activities in compliance with the applicable requirements of the DA, including *Regulation 21-101 respecting Marketplace Operation,* R.R.Q., c. V-1.1, r.5 ("Regulation 21-101").

(b) Maple will ensure that TMX Group and the Bourse comply with the terms and conditions of this decision.

XVI. NON-COMPLIANCE

If Maple fails to comply with any of the terms and conditions set forth in this decision or in Maple's undertakings, the Autorité may amend, suspend or revoke this decision, in whole or in part.

XVII. APPLICABLE LAW

Maple shall comply with applicable law in Québec.

PART II – TMX GROUP

I. SHARE OWNERSHIP

(a) No person or company and no combination of persons or companies acting jointly or in concert shall beneficially own or exercise control or direction over more than 10% of any class or series of voting shares of TMX Group, without the prior approval of the Autorité, except for Maple.

(b) TMX Group shall promptly inform the Autorité in writing if it becomes aware that any person or company, other than Maple, or any combination of persons or companies acting jointly or in concert beneficially own or

exercise control or direction over more than 10% of any class or series of voting shares of TMX Group, without having obtained the prior approval of the Autorité, and TMX Group shall take the necessary steps to immediately remedy the situation.

(c) TMX Group shall promptly inform the Autorité in writing of any change in its share ownership.

(d) TMX Group shall promptly inform the Autorité in writing of any agreement related to the exercise of voting rights attached to the common shares of TMX Group, of which it has been informed.

II. GOVERNANCE STRUCTURE

(a) Arrangements made by TMX Group shall ensure fair, meaningful and diverse representation of the interested parties, given the nature and structure of TMX Group and the Bourse, on TMX Group's board of directors and any TMX Group board committees, and the maintenance of a reasonable number and proportion of directors unrelated to TMX Group and the Bourse, and their participants, clearing members, users of services or exchange facilities, or shareholders, for the purpose of ensuring the diversity of the board.

(b) TMX Group's board of directors shall be comprised of:

(i) such number of directors who are independent and represent at least 50% of the total number of directors nominated for election;

(ii) such number of directors who are resident of the Province of Québec and represent at least 25% of the total number of directors nominated for election;

(iii) such number of directors who have expertise in derivatives and represent at least 25% of the total number of directors nominated for election; and

(iv) one director drawn from the Canadian independent investment dealer community (for greater certainty, excluding investment dealers which are affiliates of Canadian Schedule I banks under the Bank Act) and for so long as a Maple Nomination Agreement is in effect, that is Unrelated to Original Maple Shareholders.

(c) The TMX Group governance structure shall provide:

(i) for an independent director to be selected for the position of chair of the board of TMX Group;

(ii) that so long as a Maple Nomination Agreement entitling an Original Maple Shareholder to nominate a candidate for election to a position on Maple's board of directors is in force between Maple and an Original Maple Shareholder, at least 50% of the directors of TMX Group, excluding the chief executive officer of Maple if he or she is also a director, will be Unrelated to Original Maple Shareholders; and

(iii) for a revised code of conduct and ethics and a revised written policy concerning potential conflicts of interest of members of the board of directors and committees and the officers of TMX Group, which provides for disclosure of interests and the possibility for a person to withdraw from a file and/or a decision, to be filed with the Autorité within the year following the date of this decision.

TMX Group shall take reasonable steps to ensure that each director of TMX Group is a fit and proper person and that the past conduct of each director affords reasonable grounds for belief that the director will perform his or her duties with integrity.

Any amendment to TMX Group's code of conduct and ethics and written conflicts of interest policy must be submitted to the Autorité, forthwith upon its approval.

(d) TMX Group shall ensure that it publishes the charter of the board of directors and the charters of any board committees, including the standards and criteria of a person's independence, on its Internet site. TMX Group shall obtain the Autorité's prior approval before proceeding with any change to the charter of its board of directors and the charters of any board committees.

(e) If, at a given time, TMX Group does not satisfy the requirements of this section regarding the governance structure, it shall remedy this situation promptly.

III. CHANGE OF OWNERSHIP

(a) TMX Group will not complete or authorize a transaction that would result in any person or company, or any combination of persons or companies acting jointly or in concert, beneficially owning or exercising control or direction over more than 10% of any class or series of voting shares of the Bourse, without obtaining the prior authorization of the Autorité.

(b) TMX Group shall continue to be the owner, directly or indirectly, of all the issued and outstanding voting shares of the Bourse.

(c) TMX Group will not complete or authorize any transaction that would result in more than 50% of any class or series of voting shares of the Bourse ceasing to be controlled by TMX Group, directly or indirectly, without obtaining the prior authorization of the Autorité and complying with the terms and conditions that the Autorité might establish in the public interest.

IV. CONTINUITY OF ACTIVITIES IN QUÉBEC

(a) The head office and executive office of the Bourse will remain in Montréal. The mind and management of the Bourse responsible for overseeing the annual operating plans and budgets thereof will remain in Montréal.

(b) The most senior officer of Maple (other than Maple's chief executive officer) with direct responsibility for the Bourse shall be a resident of the Province of Québec at the time of his or her appointment, or as soon as reasonably practicable thereafter, and for the duration of his or her term of office, and shall work in Montréal. The executives responsible for managing the development and execution of the policy and direction of the Bourse will continue to be sufficient to permit such most senior officer to execute his or her responsibilities, and will work in Montréal.

(c) TMX Group will not do anything to cause the Bourse, directly or indirectly, to cease to be the Canadian national exchange for all derivatives trading and related products, including being the sole platform for trading of carbon and other emission credits in Canada, without obtaining the prior authorization of the Autorité and complying with any terms and conditions that the Autorité may set in the public interest in connection with any change to the Bourse's operations.

(d) TMX Group shall ensure that the existing derivatives trading and related products operations of the Bourse remain in Montréal and that the Bourse will continue as Maple's exclusive Canadian business unit responsible for exchange traded derivatives and related products.

(e) If the Bourse determines from time to time to export its expertise in derivatives and related products trading and clearing, such international activity will be directed from Montréal.

(f) TMX Group will ensure that further enhancements to the SOLA application software will be developed in Montréal.

(g) TMX Group will submit annually to the Autorité, within 30 days of its approval by the board of directors, its strategic plan for its activities, including derivatives and related products, equity securities and fixed income securities. The strategic plan will address the progress achieved during the past year in the fulfillment of the previous strategic plan for derivatives and related products.

V. LANGUAGE OF SERVICES

(a) TMX Group shall ensure that it maintains:

(i) the broad range of the Bourse's services in Québec required to be offered hereunder, in French and English, including with respect to membership, regulation and supervision of the activities of the participants of the Bourse;

(ii) simultaneous availability in French and English of any information documents of the Bourse intended for participants or for the public; and

(iii) French as the language used in all communications and correspondence with the Autorité.

VI. ALLOCATION OF COSTS

The costs or expenses borne by TMX Group and the Bourse, and indirectly by the users of the services of TMX Group and the Bourse, for each of the services offered by TMX Group and the Bourse, shall not include the costs or expenses incurred by TMX Group and the Bourse in connection with any activity carried on by TMX Group or the Bourse that is unrelated to this service.

VII. FEES

TMX Group will ensure that all the fees imposed by TMX Group and the Bourse are reasonably and equitably allocated, the process for setting fees is fair and appropriate, and the fee model is transparent.

VIII. RESOURCES

(a) Subject to paragraph (b) and for so long as the Bourse carries on its exchange activities, TMX Group shall ensure that the Bourse has sufficient financial and other resources to ensure:

(i) its financial viability and the proper performance of its functions, and

(ii) the exercise of its self-regulatory functions and those of the Division.

(b) TMX Group shall promptly notify the Autorité upon becoming aware that it is no longer or will no longer be able to allocate sufficient resources to the Bourse, in particular financial, which the Bourse needs to ensure its financial viability and the performance of its exchange or self-regulatory organization functions in a manner that is consistent with the public interest and in accordance with the terms and conditions of this decision.

IX. FINANCIAL REPORTS

(a) TMX Group shall file with the Autorité its annual audited consolidated financial statements, its annual unaudited non-consolidated financial statements without notes, its quarterly unaudited consolidated financial statements without notes, and its quarterly unaudited non-consolidated financial statements without notes, in accordance with the time limit prescribed in the Reports and Documents to be Submitted table, found in Appendix A of this decision.

(b) TMX Group shall file with the Autorité its annual budget, accompanied by the underlying assumptions, approved by its board of directors in accordance with the time limit prescribed in the Reports and Documents to be Submitted table, found in Appendix A of this decision.

X. RISK MANAGEMENT

(a) TMX Group shall have adequate risk management measures related to its activities.

(b) TMX Group shall file its annual risk assessment, including the commercial risks and its plans to respond to these risks, at least once a year or at the Autorité's request, in accordance with the time limit prescribed in the Reports and Documents to be Submitted table, found in Appendix A of this decision.

(c) TMX Group shall file with the Autorité any other internal audit report or risk management report in accordance with the time limit prescribed in the Reports and Documents to be Submitted table, found in Appendix A of this decision.

XI. ACCESS TO INFORMATION

TMX Group shall make available and ensure that its subsidiaries make available to the Autorité, on request, all the data and information in their possession and which the Autorité needs to evaluate the performance by TMX Group and the Bourse of their regulatory functions and the compliance of these entities with the conditions of the Autorité's decisions.

XII. COMPLIANCE

(a) TMX Group shall carry on its exchange activities in compliance with the applicable requirements of the DA, including Regulation 21-101.

(b) TMX Group will ensure that the Bourse complies with the terms and conditions of this decision.

XIII. NON-COMPLIANCE

If TMX Group fails to comply with any of the terms and conditions set forth in this decision, the Autorité may amend, suspend or revoke this decision, in whole or in part.

XIV. APPLICABLE LAW

TMX Group shall comply with applicable law in Québec.

PART III – BOURSE

I. SHARE OWNERSHIP

(a) No person or company and no combination of persons or companies acting jointly or in concert shall beneficially own or exercise control or direction over more than 10% of any class or series of voting shares of the Bourse without the prior approval of the Autorité, with the exception of Maple and TMX Group.

(b) The Bourse shall promptly inform the Autorité in writing if it becomes aware that any person or company or any combination of persons or companies acting jointly or in concert beneficially own or exercise control or direction over more than 10% of any class or series of voting shares of the Bourse without having obtained the prior approval of the Autorité, and the Bourse shall take the necessary steps to immediately remedy the situation.

(c) The Bourse shall promptly inform the Autorité in writing of any change in its share ownership.

(d) The Bourse shall promptly inform the Autorité in writing of any agreement related to the exercise of voting rights attached to the common shares of the Bourse, of which it has been informed.

II. GOVERNANCE STRUCTURE

(a) Arrangements made by the Bourse shall ensure fair, meaningful and diverse representation of the interested parties, given the nature and structure of the Bourse, on the Bourse's board of directors and any Bourse board committees, and the maintenance of a reasonable number and proportion of directors unrelated to the Bourse, and their participants, clearing members, users of services or exchange facilities, or shareholders, for the purpose of ensuring the diversity of the board.

(b) The Bourse's board of directors shall be comprised of:

(i) such number of directors who are independent and represent at least 50% of the total number of directors nominated for election;

(ii) such number of directors who are resident of Québec and represent at least 25% of the total number of directors nominated for election;

(iii) such number of directors who have expertise in derivatives and represent at least 25% of the total number of directors nominated for election; and

(iv) one director drawn from the Canadian independent investment dealer community (for greater certainty, excluding investment dealers which are affiliates of Canadian Schedule I banks under the Bank Act) and for so long as a Maple Nomination Agreement is in effect, that is Unrelated to Original Maple Shareholders.

(c) The Bourse's governance structure shall provide:

(i) for an independent director to be selected for the position of chair of the board of the Bourse;

(ii) that as long as a Maple Nomination Agreement entitling an Original Maple Shareholder to nominate a candidate for election to a position on Maple's board of directors is in force between Maple and an Original Maple Shareholder, at least 50% of the directors of the Bourse, excluding the chief executive officer of Maple if he or she is also a director, will be Unrelated to Original Maple Shareholders;

(iii) for appropriate arrangements relating to qualifications and remuneration, limitation of liability and indemnification measures for directors, officers and employees generally; and

(iv) for a revised code of conduct and ethics and a revised written policy concerning potential conflicts of interest of members of the board of directors and committees and the officers of the Bourse, including the Division and the Special Committee, which provides for disclosure of interests and the possibility for a person to withdraw from a file or a decision, to be filed with the Autorité within the year following the date of this decision.

The Bourse shall take reasonable steps to ensure that each director of the Bourse is a fit and proper person and that the past conduct of each director affords reasonable grounds for belief that the director will perform his or her duties with integrity.

Any amendment to the Bourse's code of conduct and ethics and written conflict of interest policy must be submitted to the Autorité, forthwith upon its approval.

(d) The Bourse shall ensure that the quorum for meetings of the directors is not less than the majority of the directors holding office.

(e) The Bourse shall ensure that it publishes the charter of the board of directors and the charters of any board committees, including the standards and criteria of a person's independence, on its Internet site. The Bourse shall obtain the Autorité's prior approval before proceeding with any change to the charter of its board of directors and the charters of any board committees.

(f) If, at any time, the Bourse does not satisfy the requirements of this section regarding the governance structure, it shall remedy the situation promptly.

III. CONTINUITY OF ACTIVITIES IN QUÉBEC

(a) The head office and executive office of the Bourse will continue to be located in Montréal. The mind and management of the Bourse responsible for overseeing the annual operating plans and budgets thereof will remain in Montréal.

(b) The most senior officer of Maple (other than Maple's chief executive officer) with direct responsibility for the Bourse shall be a resident of the Province of Québec at the time of his or her appointment, or as soon as reasonably practicable thereafter, and for the duration of his or her term of office, and shall work in Montréal. The executives responsible for managing the development and execution of the policy and direction of the Bourse will continue to be sufficient to permit such most senior officer to execute his or her responsibilities, and will work in Montréal.

(c) The Bourse will retain and use the name "Bourse de Montréal Inc./Montréal Exchange Inc.".

(d) The Bourse will not cease to operate or suspend, discontinue or wind up all or a significant portion of its operations, or dispose of all or substantially all of its assets, without:

(i) providing the Autorité with at least six months' prior written notice of its intention; and

(ii) complying with any terms and conditions that the Autorité may impose in the public interest for the orderly discontinuance of its operations or the orderly disposition of its assets.

(e) The Bourse will file annually with the Autorité, within 30 days of its approval by the board of directors, its strategic plan for its activities, including derivatives and related products, equity securities and fixed income securities. The strategic plan will address the progress achieved during the past year in the fulfillment of the previous strategic plan for derivatives and related products.

(f) If the Bourse determines from time to time to export its expertise in derivatives and related products trading and clearing, such international activity will be directed from Montréal.

IV. LANGUAGE OF SERVICES

(a) The Bourse will ensure that it maintains:

(i) the broad range of the Bourse's services in Québec required to be offered hereunder, in French and English, including with respect to membership, regulation and supervision of the activities of the participants of the Bourse;

(ii) simultaneous availability in French and English of any information documents of the Bourse intended for participants or for the public; and

(iii) French as the language used in all communications and correspondence with the Autorité.

V. ACCESS

(a) The Bourse shall permit any person who satisfies the applicable membership criteria to trade on the Bourse.

(b) Without limiting the generality of the foregoing, the Bourse shall:

(i) establish written criteria a person must satisfy in order to trade on the Bourse;

(ii) not unreasonably prohibit or limit access by a person to services offered by it; and

(iii) keep records of:

(1) all granted membership requests, specifying the persons to whom access was granted and the grounds for its decision; and

(2) all denials of membership requests or access limitations, specifying the grounds for its decision.

VI. FEES

(a) The Bourse will ensure that all the fees it imposes are reasonably and equitably allocated, the process for settling fees is fair and appropriate, and the fee model is transparent.

(b) Fees shall not have the effect of creating barriers to access; however, they must take into consideration that the Bourse must have sufficient revenues to perform its functions, its regulatory activities and its exchange operations.

(c) The Bourse shall file concurrently with the Autorité all the reports filed with other regulators regarding the review of the fees and fee models related to the trading, clearing, settlement, depository, data transmission or other services of markets owned or operated by the Bourse or its affiliates.

VII. ALLOCATION OF COSTS

The costs or expenses borne by the Bourse, and indirectly by the users of the Bourse's services, for each of the services offered by the Bourse, shall not include the costs or expenses incurred by the Bourse in connection with any activity carried on by the Bourse that is unrelated to this service.

VIII. REGULATORY DIVISION

(a) The Bourse shall maintain the independent Division under the control of the Special Committee, named by the board of directors of the Bourse, with clearly defined regulatory responsibilities for its market and for its participants, and a separate administrative structure.

(b) The Bourse shall obtain prior approval from the Autorité before making any changes to the Division's administrative and organizational structure or to the Special Committee which may materially affect regulatory functions and operations.

(c) The Division shall be completely autonomous in accomplishing its functions and in its decision-making process. The independence of the Division and its personnel shall be ensured and strict partition measures shall be established in order to prevent conflicts of interest with the Bourse's other activities and with TMX Group and Maple.

(d) The Division shall provide the Autorité with a quarterly activity report in accordance with the time limit prescribed in the Reports and Documents to be Submitted table found in Appendix A of this decision.

(e) Every year, the Bourse shall provide the Autorité with an activity report, including a report on the Division's operations prepared by the latter. This report shall include information that may be requested by the Autorité. It shall take into consideration the observance of terms and conditions related to the Division. Moreover, it

shall be in a form acceptable to the Autorité, in accordance with the time limit prescribed in the Reports and Documents to be Submitted table found in Appendix A of this decision.

(f) The Division shall promptly report to the Autorité when it has reason to believe that there has been any misconduct or fraud by participants or other persons, where investors, participants, the Canadian Investor Protection Fund or the Bourse may reasonably be expected to suffer serious damages as a consequence thereof.

(g) The Autorité shall be notified of the following on a monthly basis, in accordance with the time limit prescribed in the Reports and Documents to be Submitted table found in Appendix A of this decision:

(i) all new analyses or investigations initiated by the Division, including the name of the approved participant and the authorized person and the name of the investigator in charge, the date the file was opened and the nature of the investigation; and

(ii) all analyses or investigations which do not lead to disciplinary proceedings and which are closed, including the date the investigation started, the conduct and the persons involved and the disposition of the investigation.

(h) A conflict of interest policy shall be maintained by the Bourse to allow the personnel and members of the Special Committee to disclose their interests and to foresee the possibility that a person may withdraw from a file or a decision.

(i) Any amendment to the conflict of interest policy shall be submitted to the Autorité, forthwith upon its approval.

(j) Subject to any changes that may be agreed upon between the Bourse and the Autorité, the Division shall be operated on the following basis:

(i) the Division's functions and operations shall be independent and structurally separated from the for-profit operations of the Bourse. The Division shall perform its functions and operations based on the principle of self-financing and shall be not-for-profit;

(ii) the Division shall be a separate business unit of the Bourse, which shall be governed by the board of directors of the Bourse;

(iii) the board of directors shall establish a Special Committee to oversee the functions and activities of the Division, which shall be made up of:

1) no less than 50% of persons who are residents of Québec at the time of their appointment and for the duration of their terms of office;

2) no less than 50% of persons who satisfy the independence criteria applicable to the directors of the Bourse; and

3) no less than 50% of persons who have expertise in derivatives;

(iv) the quorum for the Special Committee shall be a majority of members holding office, within which there must be:

1) a majority of residents of Québec at the time of their appointment and for the duration of their term of office; and

2) a majority of persons who satisfy the independence criteria applicable to the directors of the Bourse;

(v) the chief operating officer of the Division (the "Vice-President – Regulatory Division") shall report any regulatory or disciplinary issues to the Special Committee. The Vice-President – Regulatory Division, or the person designated by the Vice-President – Regulatory Division, shall be present at all meetings of the Special Committee relating to the functions and operations of the Division, unless otherwise indicated by the Special Committee, and shall provide information upon request to the Special Committee with respect to the functions and operations of the Division. The Special Committee and the Vice-President – Regulatory Division shall both be responsible for ensuring that the functions and operations of the Division are conducted appropriately;

(vi) the Division's financial structure shall be separate from that of the Bourse and it shall operate on a cost-recovery basis. Any surplus, other than the fines and other sums mentioned in subparagraph (j) (vii) below, shall be redistributed to the participants and any shortfall shall be made up by a special assessment levied on the participants, or by the Bourse upon recommendation to the board of directors by the Special Committee;

(vii) fines and other sums received by the Division pursuant to out-of-court settlements with the Division or disciplinary proceedings shall be treated as follows:

1) no amount shall be redistributed to the participants of the Bourse;

2) a separate account shall be kept to account for revenues and expenses associated with disciplinary files;

3) any amount received shall be used first to compensate for direct costs incurred in connection with such proceedings; and

4) any net surplus shall be used, with the prior approval of the Special Committee:

A) for training and information of participants in the derivatives markets and for members of the public or for research costs in this area;

B) for payments made to a not-for-profit tax exempt body whose purpose is, inter alia, to protect investors or carry on the activities mentioned in subparagraph VII. (j) (vii) (4) (A);

C) for education projects; and

D) for such other purposes as may be approved by the Autorité;

(viii) the Division shall have a separate budget, which shall be approved by the board of directors upon recommendation by the Special Committee and shall be administered by the Vice-President – Regulatory Division and submitted annually to the Autorité, together with the underlying assumptions, in accordance with the time limit prescribed in the Reports and Documents to be Submitted table found in Appendix A of this decision;

(ix) the Bourse shall allocate the necessary support to the Division from its other departments, including in the technology area, in accordance with the budgets and reasonable requirements, while ensuring its independence;

(x) the Bourse shall adopt and use all reasonable efforts to comply with policies and procedures designed to ensure that confidential information concerning the Division's functions and operations is maintained in confidence and not shared inappropriately with the for-profit operations of the Bourse, TMX Group, Maple or other persons;

(xi) the Vice-President – Regulatory Division, the President of the Bourse, the Special Committee and the board of directors shall provide information with respect to the functions and operations of the Division to the Autorité upon request;

(xii) in addition to the information required in IX.b), the Bourse shall inform the Autorité, on a semi-annual basis, of the Division's staffing, by function, specifying authorized, filled and vacant positions and any material changes or reductions in Division personnel, by function, in accordance with the time limit prescribed in the Reports and Documents to be Submitted table found in Appendix A of this decision;

(xiii) the Management of the Bourse, including the Division Vice-President, shall at least annually self-assess the performance by the Division of its regulatory functions and report thereon to the Special Committee, together with any recommendations for improvements. The Special Committee shall in turn report to the board of directors as to the performance by the Division of its regulatory functions. The Bourse shall provide the Autorité with copies of such reports and shall advise the Autorité of any proposed measures arising therefrom, in accordance with the time limit prescribed in the Reports and Documents to be Submitted table found in Appendix A of this decision; and

(xiv) the decisions made by the Special Committee with respect to disciplinary matters are reviewable in accordance with the law.

IX. RESOURCES

(a) The Bourse shall maintain sufficient financial and other resources to ensure in accordance with the terms and conditions set out in this Decision:

(i) its financial viability and the proper performance of its functions; and

(ii) the exercise of its self-regulatory functions and those of the Division.

(b) The Bourse shall file with the Autorité, within 30 days of the effective date of this decision and annually thereafter, an organization chart that will present, by location, the Bourse's different service units, the number of employees per job title of each unit, and the relationships between each unit and with the management of the Bourse, in accordance with the time limit prescribed in the Reports and Documents to be Submitted table, found in Appendix A of this decision. This organization chart shall be accompanied by a declaration by the Bourse's president and chief executive officer, confirming that the Bourse has sufficient and adequate human resources, in terms of number, skills and experience, to carry on its activities as an exchange and self-regulatory organization or, as the case may be, indicating any deficiencies identified and the corrective measures that will be implemented.

X. FINANCIAL RATIOS AND REPORTS

In accordance with the time limits prescribed in the Reports and Documents to be Submitted table, found in Appendix A of this decision;

(a) The Bourse shall be in default and shall inform the Autorité in writing when, calculated based on its consolidated financial statements:

(i) its working capital ratio is less than or equal to 1.5:1 (current liquid assets, i.e. cash, short-term investments, accounts receivable and long-term investments cashable at any time / current liabilities);

(ii) its cash flow/total debt outstanding is less than or equal to twenty percent (20%) (net earnings for the 12 most recent months adjusted for items that do not affect liquidities i.e., amortization, deferred taxes and any other expenses that do not impact liquidities / short and long-term debts); and

(iii) its financial leverage ratio is greater than or equal to 4.0 (total assets / capital).

The above-mentioned ratios calculated based on consolidated financial statements shall exclude the following items:

(1) daily settlements receivable from clearing members;

(2) daily settlements payable to clearing members;

(3) clearing members' cash margin deposits (in assets and liabilities);

(4) clearing cash fund deposits (in assets and liabilities);

(5) amounts receivable under fixed income securities transactions (both current and long-term); and

(6) amounts payable under fixed income securities transactions (both current and long-term).

(b) Should the Bourse fail to respect the financial ratios for a period exceeding three (3) months, the Bourse shall inform the Autorité, in writing, of the reasons for the deficiency and the steps being taken to rectify the problem and restore its financial equilibrium. Furthermore, from the point at which the Bourse fails to respect the financial ratios for a period exceeding three (3) months and until the ratio deficiencies have been eliminated for at least six (6) months, the Bourse shall not, without the prior approval of the Autorité, make any capital expenditures not already reflected in the financial statements or make any loans, bonuses, dividends or other asset distributions to any director, senior executive, related company or shareholder.

(c) The Bourse shall provide a report presenting the monthly calculation of each ratio based on the consolidated financial statements, along with the quarterly financial statements for the first three quarters of the fiscal year and the annual audited financial statements for the fourth quarter.

(d) The Bourse shall file its annual audited consolidated financial statements.

(e) The Bourse shall file the annual unaudited financial statements excluding notes of its subsidiaries and companies constituting a long-term investment in an affiliated company, other than CDCC.

(f) The Bourse shall file its annual unaudited non-consolidated financial statements excluding notes, its quarterly consolidated financial statements including notes and its quarterly non-consolidated financial statements excluding notes.

(g) The annual and quarterly financial statements of the Bourse, stipulated in paragraphs d) and f) of this section X, shall include a budget analysis of the results, as well as a comparative analysis of the results in relation to the corresponding period of the previous fiscal year.

(h) The annual unaudited financial statements of subsidiaries and companies constituting a long-term investment in an affiliated company of the Bourse, other than CDCC, stipulated in paragraph e) of this section X, shall include a budget analysis of the results, if necessary, as well as a comparative analysis of the results in relation to the corresponding period of the previous fiscal year.

(i) The Bourse shall provide segmented information on the Division's quarterly and annual results, including a budget analysis of the results.

(j) The Bourse shall file its annual consolidated and non-consolidated budget, along with underlying assumptions, in addition to that of each of its subsidiaries for which a budget was prepared for management, as well as, if necessary, any long-term budget forecasts.

(k) The Bourse shall inform the Autorité, in writing, of any material change to the consolidated and non-consolidated budgets approved by the board of directors.

(l) The Bourse shall provide any other financial information required by the Autorité.

XI. OUTSOURCING

(a) The Bourse shall obtain the prior approval of the Autorité before entering into or implementing any outsourcing transaction in respect of its regulatory functions or regulatory activities as an exchange or a self-regulatory organization.

(b) During any outsourcing of its regulatory functions or activities as an exchange or a self-regulatory organization with other parties, the Bourse shall adhere to industry best practices.

(c) The Bourse shall obtain the prior approval of the Autorité before entering into or implementing any transaction with a view to providing regulatory functions or regulatory activities as an exchange or as a self-regulatory organization to other derivatives or securities exchanges, self-regulatory organizations, persons operating parallel trading systems or other persons.

(d) Without limiting the generality of paragraph (b), during the outsourcing of any of its key services or systems to a service provider, including an affiliate or an associate, the Bourse shall:

(i) establish and apply policies and procedures that are approved by its board of directors for the evaluation and approval of such outsourcing arrangements;

(ii) in entering into any such outsourcing arrangement, the Bourse shall:

(1) assess the risks of such arrangement, the quality of the service to be provided and the degree of control to be maintained by the Bourse; and

(2) execute a contract with the service provider addressing all significant elements of such arrangement, including service levels and performance standards;

(iii) ensure that any contract implementing such outsourcing arrangement that is likely to impact on the Bourse's regulatory functions permits the Bourse, its agents, and the Autorité to have access to all data and information maintained by the service provider that the Bourse is required to share in accordance with section 115 of the DA or that is necessary for the assessment by the Autorité of the performance by the Bourse of its regulatory functions and the compliance of the Bourse with the terms and conditions of this decision; and

(iv) monitor the performance of the services provided under any such outsourcing arrangement.

XII. SYSTEMS

For each of its systems used for order entry, order routing, order execution, trade reporting, trade comparison, trade clearing, data feeds and market surveillance, the Bourse shall promptly notify the Autorité in writing of any material systems failure, delay or malfunction.

XIII. CLEARING AND SETTLEMENT

The Bourse shall ensure that settlement and clearing services are provided by a clearing agency recognized by the Autorité and shall have rules and policies in place to deal with problems related to settling and clearing negotiated contracts.

XIV. RULES

(a) The Bourse and the Division shall establish such rules, regulations, policies, procedures, practices or other similar instruments (together the "Rules") as are necessary or appropriate to govern and regulate all aspects of its business and internal affairs so as to:

(i) ensure compliance with derivatives legislation;

(ii) prevent fraudulent and manipulative acts and practices;

(iii) promote just and equitable principles of trade; and

(iv) foster cooperation and coordination with persons engaged in regulating, clearing, settling and facilitating transactions in derivatives or securities, and processing information concerning these transactions.

(b) The Bourse shall approve all amendments to its rules simultaneously in French and English.

XV. DISCIPLINE OF PARTICIPANTS AND THEIR REPRESENTATIVES

The Bourse, through the Division, shall appropriately discipline its participants and their representatives for violations of the Bourse's Rules. In addition, the Bourse will provide notice to the Autorité of any violations of derivatives or securities legislation of which it becomes aware in the normal course of its activities.

XVI. DUE PROCESS

(a) The Bourse, including the Division, shall ensure that the requirements of the Bourse relating to access to the facilities of the Bourse, the imposition of limitations or conditions on access and denial of access are fair and reasonable, including in respect of notices, an opportunity to be heard or make representations, the keeping of records, the giving of reasons and the provisions for appeals.

(b) The Bourse, including the Division, shall ensure that disciplinary matters are heard in a public hearing.

(c) Notwithstanding paragraph b), the Bourse, including the Division, may, automatically or on request, order that hearings be held in camera or prohibit the publication or dissemination of information or documents it identifies, in the interest of good morals or public order.

(d) The Bourse, including the Division, shall maintain in writing criteria to determine whether a decision is required in the interest of good morals or public order and file them with the Autorité within six months of this decision.

XVII. INSIDER TRADING AND INFORMATION SHARING

(a) The Bourse, including the Division, shall maintain:

(i) rules related to insider trading;

(ii) adequate insider trading oversight systems;

(iii) a written agreement with all markets where underlying securities or securities related to its products are traded, or with the regulation services provider for the market, in order to detect insider trading activities, abusive practices and manipulation and to enforce related rules and implement procedures to coordinate the supervision of insider trading activities and the implementation of rules governing these activities with this market; and

(iv) written procedures aimed at coordinating cease trade orders, in addition to circuit breakers, with all markets where underlying securities or securities related to its products are traded, or with the regulation services provider for this market.

(b) The Bourse, including the Division, shall cooperate, in the sharing of information and otherwise, with the Autorité and its personnel, with the Canadian Investor Protection Fund and other exchanges, self-regulatory organizations and regulatory authorities responsible for the supervision or regulation of securities or derivatives, subject to the applicable laws concerning the sharing of information and the protection of personal information.

XVIII. RELATED PARTY TRANSACTIONS

Any material transactions or agreements between the Bourse, Maple or TMX Group and any related companies shall contain conditions that are at least as favorable to the Bourse as market conditions in such circumstances.

XIX. RISK MANAGEMENT

(a) The Bourse shall have adequate risk management measures related to its activities.

(b) The Bourse shall file its annual risk assessment, including the commercial risks and its plans to respond to these risks, at least once a year or at the Autorité's request, in accordance with the time limit prescribed in the Reports and Documents to be Submitted table, found in Appendix A of this decision.

(c) The Bourse shall file with the Autorité any other internal audit report or risk management report, in accordance with the time limit prescribed in the Reports and Documents to be Submitted table, found in Appendix A of this decision.

XX. ACCESS TO INFORMATION

The Bourse shall make available and ensure that its subsidiaries make available to the Autorité, on request, all the data and information in their possession and which the Autorité needs to evaluate the performance by the Bourse of their regulatory functions and the compliance of these entities with the conditions of the Autorité's rulings.

XXI. COMPLIANCE

The Bourse shall carry on its operations as an exchange and self-regulatory organization in accordance with the requirements of the DA and the AAMF, including Regulation 21-101.

XXII. NON-COMPLIANCE

If the Bourse fails to comply with any of the terms and conditions set forth in this decision, the Autorité may amend, suspend or revoke this decision, in whole or in part.

XXIII. APPLICABLE LAW

The Bourse shall comply with applicable law in Québec.

COMING INTO EFFECT OF THE DECISION

This decision is subordinated to, and will take effect upon, take-up of the common shares of TMX Group under the offer made by Maple in the take-over bid circular dated June 10, 2011, such as it has been and may be amended, date that will be confirmed in a notice published by the Autorité in the *Bulletin de l'Autorité des marchés financiers.*

Made on May 2, 2012.

Mario Albert
President and Chief Executive Officer

APPENDIX A

Relevant article	Wording of relevant article in the recognition decision	Frequency	Time limit or deadline
PART I – Reports and Documents to be Submitted by Maple			
III(b)	Governance review report	Once	30 days following delivery to the board of directors
V(j)	File its strategic plan	Yearly	30 days following approval by the board of directors
VIII(c)	Report concerning the internal cost allocation model and transfer pricing	Yearly	30 days following delivery to the board of directors
IX(b)(ii)	Fee model review report	Every three years	30 days following delivery to the board of directors
IX(b)(ii)	Fee model review report	As needed	30 days following delivery to the board of directors
XII(a)	File the annual audited consolidated financial statements and the annual unaudited non-consolidated financial statements without notes	Yearly	90 days following the fiscal year end
XII(a)	File the quarterly unaudited consolidated financial statements and the quarterly unaudited non-consolidated financial statements without notes	Quarterly	45 days following the quarter end
XII (b)	File the annual budget accompanied by the underlying assumptions	Yearly	30 days following the fiscal year end
XIII (c)	File the risk assessment	Yearly	30 days following approval by the Board of directors
XIII (c)	File the risk assessment	As needed	30 days following approval by the board of directors
XIII (d)	File any other internal audit report or risk management report	As needed	30 days following approval by the board of directors
PART II – Reports and Documents to be Submitted by TMX Group			
IV (g)	File its strategic plan	Yearly	30 days following approval by the board of directors
IX (a)	File the annual audited consolidated financial statements and the annual unaudited non-consolidated financial statements without notes	Yearly	90 days following the fiscal year end
IX (a)	File the quarterly unaudited consolidated financial statements and	Quarterly	45 days following the quarter end

Relevant article	Wording of relevant article in the recognition decision	Frequency	Time limit or deadline
	the quarterly unaudited non-consolidated financial statements without notes		
IX (b)	File the annual budget accompanied by the underlying assumptions	Yearly	30 days following the fiscal year end
X (b)	File the risk assessment	Yearly	30 days following approval by the board of directors
X (c)	File any other internal audit report or risk management report	As needed	30 days following approval by the board of directors
PART III – Reports and Documents to be Submitted by the Bourse			
III (d)(i)	Prior notice of its intention to terminate a material part of its activities	As needed	At least 6 months in advance
III (e)	File its strategic plan	Yearly	30 days following approval by the board of directors
VI (c)	Any fee report filed with other regulators	As needed	Concurrently with the filing with other regulators
VIII (d)	Deliver to the Autorité a Division Activity Report	Quarterly	45 days following each quarter end
VIII (e)	Deliver to the Autorité an activity report of the Bourse including a Division report prepared by the Division, which report shall report on compliance to the conditions relating to the Division and be presented in a form acceptable by the Autorité	Yearly	60 days following the fiscal year end
VIII (g) (i)	Inform the Autorité of any new analysis or investigation initiated by the Division, including the name of the participant and the approved person concerned and the name of the investigator in charge, the date the file was opened and the nature of the investigation	Monthly	30 days following the month end
VIII (g) (ii)	Inform the Autorité of any new analyses or investigations which did not translate into disciplinary proceedings and which are closed and, in particular, the date on which the investigation	Monthly	30 days following the month end

Relevant article	Wording of relevant article in the recognition decision	Frequency	Time limit or deadline
	started, its conduct and the persons involved, and the outcome of the investigation		
VIII (j) (viii)	File with the Autorité the Division budget, together with underlying assumptions	Yearly	Upon its approval
VIII (j) (xii)	Report to the Autorité on the Division staff, by function, specifying the authorized positions filled and vacant and any reduction or material change in personnel, by function	Semi-annually	30 days following the end of the semi-annual period
VIII (j) (xiii)	Deliver to the Autorité copies of the reports prepared by the Bourse management, including the Vice-President—Regulatory Division, resulting from the internal assessment of the performance by the Division of its regulatory functions and presented to the Special Committee—Regulatory Division together with its recommendations as to possible improvements, if any, and reports prepared by the Special Committee on the performance by the Division of its regulatory functions. The Bourse shall also inform the Autorité of any measure proposed arising from such assessments	At least once a year	30 days following delivery to the Special Committee or the board of directors
IX (b)	Report concerning the Bourse's human resources	Once	30 days after the effective date of this decision
IX (b)	Report concerning the Bourse's human resources	Yearly	90 days after the fiscal year end
X (a)	Inform the Autorité of its failure to meet financial ratios	From time to time	Promptly, upon the occurrence of a default
X (b)	Inform the Autorité of its failure to meet the financial ratios for a period exceeding 3 months	From time to time	Promptly, upon the occurrence of a default, for a period exceeding 3 months

Relevant article	Wording of relevant article in the recognition decision	Frequency	Time limit or deadline
X (c)	Provide a report setting forth each of the ratios, computed monthly, based on the consolidated financial statements, attached to the quarterly financial statements for the first three quarters of the fiscal year and to the annual audited financial statements for the fourth quarter	Quarterly and yearly	45 days following the end of each quarter and 90 days following the end of each fiscal year
X (d)	File its consolidated audited annual statements	Yearly	90 days following the fiscal year end
X (e)	File the annual unaudited financial statements, without the notes, of its subsidiaries and companies constituting a long-term investment in an affiliated company of the Bourse, other than CDCC	Yearly	90 days following each fiscal year end
X (f)	File its annual unaudited non-consolidated financial statements, without the notes, its quarterly unaudited consolidated financial statements, with the notes, and its quarterly unaudited non-consolidated financial statements, without the notes	Quarterly and yearly	45 days following the end of each quarter and 90 days following the end of each fiscal year
X (g)	File, together with the Bourse's annual and quarterly financial statements, pursuant to paragraphs (d) and (f) of Appendix I of this decision a budget analysis of the results as well as a comparative analysis of the results in relation to the same period of the previous fiscal year	Quarterly and yearly	45 days following the end of each quarter and 90 days following the end of each fiscal year
X (h)	File together with the annual unaudited financial statements of the subsidiaries and companies constituting a long-term investment in an affiliated company of the Bourse, other than CDCC, pursuant to paragraph (e) of Appendix 1 to this	Yearly	90 days following the end of each fiscal year

Relevant article	Wording of relevant article in the recognition decision	Frequency	Time limit or deadline
	decision, a budget analysis of the results, if any, as well as a comparative analysis of the results in relation to the same period of the previous fiscal year		
X (i)	File the segmented information relating to the Division's annual and quarterly results, including a budget analysis of the results	Quarterly and yearly	45 days following the end of each quarter and 90 days following the end of each fiscal year.
X (j)	File its annual consolidated and non-consolidated budget, together with the underlying assumptions, as well as that of each of its subsidiaries for which a budget has been prepared for management as well, where applicable, the long-term budget forecasts	Yearly	Upon their approval
X (k)	Inform the Autorité in writing, of any material amendment to the consolidated and non-consolidated budgets approved by the board of directors	As needed	Upon their approval
X (l)	File any other financial information required by the Autorité	As needed	Upon request by the Autorité
XIX (b)	File the risk assessment	Yearly	30 days following approval by the board of directors.
XIX (c)	File any other internal audit report or risk management report	As needed	30 days following approval by the board of directors

SCHEDULE "B"

TERMS AND CONDITIONS

Meeting Criteria for Exemption from Recognition

1. The Bourse will continue to meet the criteria for exemption from recognition included in Appendix 1 to this schedule.

Regulation and Oversight of Maple, TMX Group and the Bourse

2. The Bourse will maintain its recognition as an exchange and as a self-regulatory organization with the AMF and will continue to be subject to the regulatory oversight of the AMF.

3. Maple, TMX Group and the Bourse will continue to comply with the ongoing requirements set out in the AMF Decision, as applicable, and as amended from time to time.

4. Each of Maple and TMX Group must do everything within its control, which would include cooperating with the Commission as needed, to cause the Bourse to carry out its activities as an exchange exempted from recognition under section 21 of the OSA and as a commodity futures exchange exempted from registration under section 15 of the CFA and in compliance with Ontario securities law.

5. The Bourse will continue to operate an exchange for options, commodity futures contracts and commodity futures options.

Submission to Jurisdiction and Agent for Service

6. For greater certainty, the Bourse submits to the non-exclusive jurisdiction of (i) the courts and administrative tribunals of Ontario and (ii) an administrative proceeding in Ontario, in a proceeding arising out of, related to or concerning or in any other manner connected with the activities of the Bourse in Ontario.

7. For greater certainty, the Bourse will file with the Commission a valid and binding appointment of an agent for service in Ontario upon whom may be served 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 activities of the Bourse in Ontario.

Conflicts of Interest

8. As part of policies and procedures to appropriately identify and manage conflicts of interest that are to be maintained in connection with the criteria for exemption from recognition included in Appendix 1 to this schedule, the Bourse will ensure there are appropriate conflict of interest provisions between

   (a) the Bourse and CDCC;

   (b) the directors, officers and employees of CDCC and the directors, officers and employees of the Bourse; and

   (c) the Bourse and the Bourse's Regulatory Division.

Rules and Filings

9. The Bourse will concurrently provide to the Commission copies of all Rules that it files with the AMF in both English and French. Once the Rules are approved by the AMF or have been self-certified by the Bourse, as applicable, in English and in French (which should be approved or self-certified at the same time), the Bourse will provide copies of all final Rules to the Commission within two weeks of approval by the AMF or self-certification by the Bourse. The Bourse will post the final Rules, in English and French, on its website or will make them publicly available, as soon as practicable.

10. The Bourse will concurrently provide to the Commission copies of all contract specifications and amended contract specifications that it files with the AMF, in both English and French. The Bourse will provide copies of all approved or self-certified contracts to the Commission within two weeks of approval by the AMF or self-certification by the Bourse.

11. The Bourse will file with the Commission any information concerning the Bourse that is required to be filed with the AMF pursuant to National Instrument 21-101 *Marketplace Operation.*

Prompt Notice

12. The Bourse will promptly notify staff of the Commission of any of the following:

    (a) any material change to the business or operations of the Bourse or the information as provided in the Application;

    (b) any change or proposed change to the recognition orders included as part of the AMF Decision; and

    (c) any change to the regulatory oversight of the Bourse by the AMF.

Quarterly Reporting

13. The Bourse will maintain the following updated information and submit such information to the Commission on at least a quarterly basis, and at any time promptly upon the request of staff of the Commission:

    (a) a list of all Approved Participants and Restricted Trading Permit Holders registered in Ontario (Ontario Participants) against whom disciplinary action has been taken in the last quarter by the Bourse with respect to activities on the Bourse; and

    (b) a list of all investigations by the Bourse relating to Ontario Participants.

Information Sharing

14. Upon request by the Commission, directly or through the AMF as the case may be, the Bourse must, and must cause its affiliated entities to, promptly provide to the Commission any and all data, information and analyses in the custody or control of the Bourse or any of its affiliated entities, without limitations, redactions, restrictions or conditions, including without limiting the generality of the foregoing:

    (a) data, information and analyses relating to all of its or their businesses;

    (b) data, information and analyses of third parties in its or their custody or control;

    (c) any information in the possession of the Bourse, or over which the Bourse has control, relating to Approved Participants, Foreign Approved Participants and Restricted Trading Permit Holders and their representatives and the market operations of the Bourse, including, but not limited to, Approved Participant, Foreign Approved Participant and Restricted Trading Permit Holder lists, shareholder lists, products, trading information and disciplinary decisions; and

    (b) any information provided by the Bourse to its Regulatory Division for market regulation purposes, including any and all order and trade information, as required by the Commission.

15. The Bourse will share information and otherwise cooperate with other recognized or exempt exchanges, recognized self-regulatory organizations, other recognized or exempt clearing agencies, investor protection funds, and other appropriate regulatory bodies.

16. The disclosure or sharing of information by or pertaining to an affiliated entity of the Bourse in accordance with sections 14 and 15 above will be subject to any provisions contained in any order issued by the Commission recognizing the affiliated entity as an exchange under section 21 of the Act or as a clearing agency under section 21.2 of the Act that would otherwise have limited the information required to be provided by the affiliated entity if the request had instead been made by the Commission to the affiliated entity pursuant to such order.

Regulation of CDCC

17. The Bourse will, to the extent that CDCC is recognized by the Commission as a recognized clearing agency under the OSA or recognized clearing house under the CFA, or is exempted from any requirement to be recognized,

    (a) cause CDCC to carry out its activities as a clearing agency recognized or exempted from recognition under section 21.2 of the OSA and in compliance with Ontario securities law, as and where applicable;

    (b) cause CDCC to comply with any terms and conditions imposed on CDCC through any order recognizing it as a clearing agency, or exempting it from recognition as a clearing agency, under section 21.2 of the OSA;

(c) cause CDCC to carry out its activities as a clearing house recognized or exempted from recognition under section 17 of the CFA and in compliance with Ontario commodity futures law, as and where applicable; and

(d) cause CDCC to comply with any terms and conditions imposed on CDCC through any order recognizing it as a clearing house, or exempting it from recognition as a clearing house, under section 17 of the CFA;

Coordination of Regulation

18. The Bourse will maintain procedures to co-ordinate trading halts, in addition to circuit breakers, between the Bourse and any marketplace on which any security underlying the Bourse's products are traded, or its regulation services provider, and any other marketplace on which any related security is traded, or its regulation services provider.

APPENDIX 1

CRITERIA FOR EXEMPTION FROM RECOGNITION OF A DERIVATIVES EXCHANGE RECOGNIZED IN ANOTHER JURISDICTION OF THE CANADIAN SECURITIES ADMINISTRATORS

PART 1 REGULATION OF THE EXCHANGE

1.1 Regulation of the Exchange

The exchange is recognized or authorized by another securities commission or similar regulatory authority in Canada and, where applicable, is in compliance with National Instrument 21-101 – *Marketplace Operation* and National Instrument 23-101 – *Trading Rules*, each as amended from time to time.

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, 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.

PART 3 REGULATION OF PRODUCTS

3.1 Review and Approval of Products

The products traded on the exchange and any changes thereto are reviewed by the appropriate securities commission or similar regulatory authority, and are either approved by the appropriate authority or are subject to requirements established by the authority that must be met before implementation of a product or of 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 including, but not limited to, margin requirements, intra-day margin calls, 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 Ontario commodity futures 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

(i) permit unreasonable discrimination among participants, or

(ii) impose any burden on competition that is not reasonably necessary and appropriate.

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 service 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.

(b) The Rules are not contrary to the public interest and are designed to

(i) ensure compliance with securities legislation and derivatives legislation, as applicable,

(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 securities or derivatives, as applicable,

(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 appropriate arrangements for the clearing and settlement of transactions through a clearing agency[1].

8.2 Regulation of the Clearing Agency

The clearing agency is subject to acceptable regulation.

8.3 Access to the Clearing Agency

(a) The clearing agency has established appropriate written standards for access to its services.

(b) The access standards for clearing members and the process for obtaining, limiting and denying access are fair, transparent and applied reasonably.

8.4 Sophistication of Technology of Clearing Agency

The exchange has assured itself that the information technology used by the clearing agency has been adequately reviewed and tested and provides at least the same level of safeguards as required of the exchange.

8.5 Risk Management of Clearing Agency

The exchange has assured itself that the clearing agency 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 Information Technology Risk Management Procedures

The exchange has appropriate risk management procedures in place including those that handle trading errors, trading halts and circuit breakers.

[1] For the purposes of these criteria, "clearing agency" also means a "clearing house".

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 TRANSPARENCY

11.1 Transparency

The exchange has adequate arrangements to record and publish accurate and timely trade and order information. This information is provided to all participants on an equitable basis.

PART 12 RECORD KEEPING

12.1 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 13 OUTSOURCING

13.1 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 14 FEES

14.1 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 15 INFORMATION SHARING AND REGULATORY COOPERATION

15.1 Information Sharing and Regulatory Cooperation

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

2.2.8 Maple Group Acquistion Corporation et al. – ss. 38, 80 of the CFA and ss. 144, 147 of the Act

Headnote

Order exempting Natural Gas Exchange Inc. from recognition as an exchange and from registration as a commodity futures exchange, and revoking previous exemption order.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 21, 144, 147.
Commodity Futures Act, R.S.O. 1990, c. C.20, as am., ss. 15, 22, 33, 38, 80.
OSC Rule 91-503 Trades in Commodity Futures Contracts and Commodity Futures Options Entered into on Commodity Futures Exchanges Situate Outside of Ontario.

IN THE MATTER OF
THE COMMODITY FUTURES ACT,
R.S.O. 1990, CHAPTER C.20, AS AMENDED
(CFA)

AND

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

AND

IN THE MATTER OF
MAPLE GROUP ACQUISITION CORPORATION
TMX GROUP INC.

AND

NATURAL GAS EXCHANGE INC. (NGX)

ORDER
(Sections 38 and 80 of the CFA and Sections 144 and 147 of the OSA)

WHEREAS the Commission granted an order dated February 1, 2011 (2011 Order):

(a) pursuant to section 80 of the CFA, exempting NGX from the requirement to be registered as a commodity futures exchange under section 15 of the CFA;

(b) pursuant to section 38 of the CFA, exempting trades by NGX participants (Participants) in Ontario (Ontario Participants) in contracts on NGX (Contracts) from the registration requirement under section 22 of the CFA;

(c) pursuant to section 38 of the CFA, exempting trades by Ontario Participants in Contracts from the requirements under section 33 of the CFA; and

(d) pursuant to section 147 of the OSA, exempting NGX from the requirement to be recognized as a stock exchange under section 21 of the OSA;

AND WHEREAS Rule 91-503 *Trades in Commodity Futures Contracts and Commodity Futures Options Entered into on Commodity Futures Exchanges Situate Outside of Ontario* exempts trades of commodity futures contracts or commodity futures options made on a commodity futures exchange not registered with or recognized by the Commission under the CFA from sections 25 and 53 of the OSA;

AND WHEREAS Maple Group Acquisition Corporation (Maple) commenced a transaction (the Transaction), consisting of a take-over bid (the Offer) involving the initial take up by Maple of a minimum of 70% of the outstanding shares of TMX Group Inc. (Initial Take Up) and a subsequent arrangement the result of which would be the acquisition by Maple of all of the issued and outstanding voting securities of TMX Group Inc. (TMX Group), the holding company parent of NGX;

AND WHEREAS Maple, TMX Group and NGX filed an application (2012 Application) requesting the 2011 Order be revoked and replaced as a result of the Transaction;

AND WHEREAS Maple, TMX Group and NGX have represented to the Commission as follows.

1. NGX is a private company and is a wholly-owned subsidiary of TMX Group Inc., and will continue to be such upon completion of the Transaction.

2. NGX operates an electronic trading system (Trading System), and a clearing and settlement system (Clearing System), based in Calgary, Alberta, for the trading, and/or clearing and settlement, respectively, of Contracts in natural gas, electricity, heat rate and crude oil products.

3. NGX developed the Trading System to provide an electronic platform for trading of energy related commodities by sophisticated parties in a principal to principal market, and as such, the timing of settlement aligns with either standard over-the-counter market settlement conventions or with futures-style settlement conventions.

4. NGX is recognized by the Alberta Securities Commission (ASC) under the *Securities Act* (Alberta) as an exchange and as a clearing agency by orders dated October 9, 2008 (Exchange Recognition Order and Clearing Agency Recognition Order set out in Schedules "A" and "B", respectively), as amended from time to time, as varied by orders dated April 9, 2009 and July 11, 2012 (Variation Orders set out in Schedules "C" and "D", respectively), and is subject to regulatory oversight by the ASC.

5. NGX has been advised that the Commission and the ASC are each party to the Memorandum of Understanding Respecting the Oversight of Exchanges and Quotation and Trade Reporting Systems (MOU), as amended from time to time, respecting oversight of exchanges and quotation and trade reporting systems, which applies to the oversight of NGX, and under which the ASC is identified as the Lead Regulator that is responsible for the oversight of NGX.

6. The ASC discharges its regulatory oversight over NGX as an exchange and clearing agency through ongoing reporting requirements and by conducting periodic oversight assessments of NGX's operations to confirm that NGX is in compliance with the operating and clearing principles set out in the Exchange Recognition Order and Clearing Agency Recognition Order, respectively.

7. NGX is registered as a Derivatives Clearing Organization by the Commodity Futures Trading Commission (CFTC) under the Commodity Exchange Act (CEA) and is subject to oversight by the CFTC pursuant to the CEA.

8. Access to the Trading System and the Clearing System is restricted to Participants, each of which:

   a. has entered into a Contracting Party's Agreement; and

   b. has, or is controlled directly or indirectly, by an entity which has a net worth exceeding $5,000,000 or total assets exceeding $25,000,000 (NGX Sophistication Thresholds); and

   c. uses the Trading System and Clearing System (if applicable) only as principal.

9. NGX applies its qualification criteria by subjecting each applicant to a due diligence process, which includes: review of constituent documentation and financial statements, conducting searches of relevant financial services information databases and conducting other know-your-client procedures.

10. NGX is required under its regulations to provide to the ASC, on request, access to all records and to cooperate with any other regulatory authority, including making arrangements for information-sharing.

11. Contracts traded on the Trading System are cleared and settled either through NGX's central counterparty clearing house or by the Participants themselves, independent of NGX.

12. Contracts fall under the definitions of "commodity futures contract" or "commodity futures option" set out in section 1 of the CFA. NGX is therefore considered a "commodity futures exchange" as defined in section 1 of the CFA and is prohibited from carrying on business in Ontario unless it is registered or exempt from registration as an exchange under section 15 of the CFA.

13. NGX has been, and seeks to continue, providing Ontario market participants with access to trading in Contracts and as a result, is considered to be "carrying on business as a commodity futures exchange" in Ontario.

14. NGX is not registered with or recognized by the Commission as a commodity futures exchange under the CFA and no Contracts have been accepted by the Director as contemplated under clause 33(a) the CFA, therefore, Contracts are considered "securities" under paragraph (p) of the definition of "security" in subsection 1(1) of the OSA and NGX is considered an "exchange" under the OSA and is prohibited from carrying on business in Ontario unless it is recognized or exempt from recognition under section 21 of the OSA.

15. Ontario Participants may be (i) utilities and other commercial enterprises that are exposed to risks attendant upon fluctuations in the price of a commodity and, to the extent applicable, (ii) investment banking arms of banks and (iii) hedge funds and other proprietary trading firms.

AND WHEREAS subsection 21.2(0.1) of the OSA prohibits a clearing agency from carrying on business in Ontario unless it is recognized by the Commission as a clearing agency or is exempt from the requirement to be recognized by order of the Commission;

AND WHEREAS the definition of clearing agency in the OSA does not include an exchange;

AND WHEREAS NGX is an exchange that also engages in certain clearing agency functions;

AND WHEREAS based on the 2012 Application and the representations made by Maple, TMX Group and NGX to the Commission, the Commission is satisfied that it is not prejudicial to the public interest to revoke the 2011 Order and issue a new order exempting NGX from recognition as an exchange and from registration as a commodity futures exchange, and exempting certain trades in Contracts by Ontario Participants from specified requirements under the CFA;

AND WHEREAS Maple, TMX Group and NGX have agreed to the applicable terms and conditions set out in Schedule E to this order;

IT IS ORDERED by the Commission that:

(a) pursuant to section 80 of the CFA, NGX is exempt from registration as a commodity futures exchange under section 15 of the CFA;

(b) pursuant to section 38 of the CFA, trades in Contracts by Ontario Participants are exempt from the registration requirement under section 22 of the CFA;

(c) pursuant to section 38 of the CFA, trades in Contracts by Ontario Participants are exempt from the requirements under section 33 of the CFA; and

(d) pursuant to section 147 of the OSA, NGX is exempt from recognition as an exchange under section 21 of the OSA;

provided that Maple, TMX Group, and NGX comply with the terms and conditions attached hereto as Schedule "E", as applicable;

AND IT IS ORDERED that, pursuant to subsection 144(1) of the Act, the 2011 Order is revoked.

DATED this 27th day of July, 2012, and effective upon the completion of the Initial Take Up pursuant to the Offer.

"Mary G. Condon"
Vice-Chair

"Sarah B. Kavanagh"
Commissioner

SCHEDULE "A"

ALBERTA SECURITIES COMMISSION

RECOGNITION ORDER
EXCHANGE

Natural Gas Exchange Inc.

Background

1. Natural Gas Exchange Inc. (**NGX**) has applied to the Alberta Securities Commission (the **Commission**), pursuant to the *Securities Act* (Alberta), R.S.A. 2000, c. S-4 (the **Act**), for the following:

   (a) recognition as an exchange for the trading of Contracts (as defined below);

   (b) an exemption of NGX's form of exchange contracts;

   (c) a registration exemption for the contracting parties (the **Contracting Parties**) who enter into NGX's standard form trading agreement with NGX (the **Contracting Party's Agreement**) (the **Registration Relief**); and

   (d) revocation of the Current Decision (as defined below) in Alberta.

2. NGX has concurrently applied to the Commission for recognition as a clearing agency as it also provides clearing and settlement services to Contracting Parties.

Interpretation

3. Unless otherwise defined, terms used in this order have the same meaning as in the Act or in National Instrument 14-101 *Definitions.*

Representations

4. NGX represents as follows:

   (a) NGX operates an electronic trading system (the **Trading System**) based in Calgary, Alberta, for the trading of natural gas, electricity and related contracts (the **Contracts**).

   (b) NGX has operated the Trading System since 1993 in accordance with the terms and conditions of a series of exemptive relief orders granted by the Commission and other Canadian securities regulatory authorities, the most recent of which is MRRS decision #1662761 dated December 1, 2004 (the **Current Decision**).

   (c) Access to the Trading System in respect of exchange contracts is restricted to Contracting Parties, each of which:

      (i) has entered into a Contracting Party's Agreement; and

      (ii) has, or has a majority of its voting shares owned by one or more entities each of which has, a net worth exceeding $5 000 000 or total assets exceeding $25 000 000 (the **NGX Sophistication Thresholds**).

   (d) The Contracting Parties use the Trading System only as principals.

Undertakings

5. NGX undertakes:

   (a) to comply with applicable securities legislation;

   (b) to operate the Trading System in accordance with the operating principles set out in Appendix A to this order (the **Operating Principles**);

(c) to report to the Commission in accordance with the reporting requirements set out in Appendix B to this order (the **Reporting Requirements**);

(d) not to enter into any contract, agreement or arrangement that may limit its ability to comply with applicable securities legislation or this order;

(e) to take reasonable steps to ensure that each officer or director of NGX is a fit and proper person for that role and that the 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;

(f) to have appropriate conflict of interest provisions for all directors, officers and employees;

(g) to notify the Commission at least 10 business days in advance of entering into any agreement to outsource key Trading System functions;

(h) to notify the Commission at least 10 business days in advance of any significant change in the operation of the Trading System;

(i) to notify the Commission at least 10 business days in advance of any change in the beneficial ownership of NGX;

(j) to use its best efforts to provide the information required in paragraphs 5(g) to (i) above earlier than specified, when possible;

(k) to seek the Commission's prior approval of any significant changes to the NGX Sophistication Thresholds;

(l) to seek the Commission's acceptance of, or an exemption for, any new or revised Contract that differs significantly from the exchange contracts that have already been exempted by the Commission;

(m) to notify the Commission immediately upon NGX becoming aware that any of its representations in this order are no longer true and accurate or that it becomes unable to fulfil any of its undertakings set out in this order; and

(n) to comply with any request from the Executive Director of the Commission for electronic or any other form of access to the Trading System to assist the Commission in its oversight of NGX as an exchange.

Decision

6. Based on the above representations and undertakings the Commission, being satisfied that it would not be prejudicial to the public interest, recognizes NGX as an exchange pursuant to section 62 of the Act, exempts NGX from section 106(b), which requires the Commission's acceptance of the form of NGX's Current Contracts as exchange contracts, pursuant to section 213 and grants the Registration Relief pursuant to section 144(1) of the Act, provided that:

   (a) subject to paragraph 5(m) above, the representations made by NGX remain true and accurate; and

   (b) NGX fulfils the undertakings given above.

7. Pursuant to section 214 of the Act, the Current Decision is revoked in Alberta.

"original signed by"
Glenda A. Campbell, QC
Alberta Securities Commission

"original signed by"
Stephen R. Murison
Alberta Securities Commission

APPENDIX A

Operating Principles

1. ***Financial Resources –*** The exchange shall maintain adequate financial, operational and managerial resources to operate the Trading System and support its trade execution functions.

2. ***Operational Information Relating to Trading System and Contracts –*** The exchange shall provide disclosure to its participants of information about contract terms and conditions, trading conventions, mechanisms and practices, trading volume and other information relevant to participants.

3. ***Market Oversight –*** The exchange shall establish appropriate minimum standards for participants and programs for on-going monitoring of the financial status or credit-worthiness of participants; monitor trading to ensure an orderly market; maintain authority to collect or capture and retrieve all necessary information; and to intervene as necessary to ensure an orderly market.

4. ***Rule Enforcement –*** The exchange shall maintain adequate arrangements and resources for the effective monitoring and enforcement of its rules and for resolution of disputes and shall have the capacity to detect, investigate and enforce those rules (including the authority and ability to discipline, limit, suspend or terminate a participant's activities for violations of system rules).

5. ***System Safeguards –*** The exchange shall establish and maintain a program of oversight and risk analysis to ensure systems function properly and have adequate capacity and security, including emergency procedures and a plan for disaster recovery to ensure daily processing of transactions; and a program of periodic objective system testing and risk review to assess the adequacy and effectiveness of the Trading System's internal control systems, including a risk review of every new service and significant enhancement to existing services.

6. ***Record keeping –*** The exchange shall maintain records of all activities related to the Trading System's business in a form and manner acceptable to the Commission for a period of five years and provide an undertaking to make books and records available for inspection by Commission representatives on request.

7. ***Risk management –*** The exchange shall identify and manage the risks associated with exchange operations through the use of appropriate tools and procedures such as risk analysis tools and procedures.

8. ***Governance and Conflicts of Interest –*** Establish and enforce rules to minimize conflict of interest in the exchange's decision-making process and appropriate limitations on the use or disclosure of significant non-public information gained through the performance of official duties by board members, committee members or exchange employees or gained through an ownership interest in the exchange.

APPENDIX B

Reporting Requirements

In addition to fulfilling any reporting requirements in applicable securities legislation, the exchange will report as follows to the Commission:

Immediate Reporting

1. NGX will report immediately upon occurrence or upon becoming aware of the existence of:

   (a) any event or circumstance or situation that renders, or is likely to render, NGX unable to comply with applicable securities legislation or this order;

   (b) any default by NGX that affects its financial resources or its ability to meet its obligations as an exchange, including the particulars of the default and the resolution proposed. NGX shall also provide the Commission with information regarding the impact of the default on the adequacy of NGX's financial resources;

   (c) any order, sanction or directive received from, or imposed by, a regulatory or government body;

   (d) any investigations of NGX by a regulatory or government body;

   (e) any criminal or quasi-criminal charges brought against NGX, any of its subsidiaries, or any of the officers or directors of NGX or its subsidiaries; and

   (f) any civil suits brought against NGX, any of its subsidiaries, or any of the officers or directors of NGX or its subsidiaries, that would likely have a significant impact on NGX's business.

Key Event Reporting

2. NGX will report no later than 2 business days of the date of occurrence:

   (a) the appointment or resignation of one or more directors of NGX's board of directors,

   (b) a change to the senior management team;

   (c) any significant changes to the Contracting Party's Agreement.

   In the event that a default by a Contracting Party under the Contracting Party's Agreement is not resolved within 2 business days, NGX will report:

   (a) such default including particulars of the default, the parties involved in the default, and the method of resolution proposed.

Quarterly Reporting

3. NGX will provide, within 60 days of the end of each fiscal quarter:

   (a) an up-to-date list of Contracting Parties; and

   (b) interim financial statements.

Annual Reporting

4. NGX will provide, within 90 days of the end of each fiscal year:

   (a) audited financial statements; and

   (b) a self-assessment of the accomplishments and the challenges faced during the year which will include, but is not limited to:

      (i) a summary of NGX's business activity for the year;

(ii) a report of NGX's market share throughout the year;

(iii) a summary of new products introduced and expansion plans that were implemented during the year;

(iv) a report detailing the testing undertaken to ensure the adequacy of system safeguards, including, but not limited to, risk management methodologies, emergency procedures and disaster recovery plans, business continuity and proper functionality of backup facilities;

(v) a summary of staffing changes at NGX during the year; and

(vi) any additional information that NGX considers important.

Other

5. The Executive Director may direct the form of the reporting required and may, pursuant to applicable securities legislation, require further information from NGX.

SCHEDULE "B"

RECOGNITION ORDER
CLEARING AGENCY

Natural Gas Exchange Inc.

Background

1. Natural Gas Exchange Inc. (**NGX**) has applied to the Alberta Securities Commission (the **Commission**) for recognition under the *Securities Act* (Alberta), R.S.A. 2000, c. S-4 (the **Act**) as a clearing agency.

2. NGX has concurrently applied to the Commission for recognition under the Act as an exchange because it also operates an electronic trading system.

3. The definition of "clearing agency" in the Act does not contemplate an entity that is also an exchange (the **Definition Limitation**).

Interpretation

4. Unless otherwise defined, terms used in this order have the same meaning as in the Act or in National Instrument 14-101 *Definitions*.

Representations

5. NGX represents as follows:

   (a) NGX operates an electronic clearing system (the **Clearing System**) based in Calgary, Alberta, for clearing and settlement of natural gas, electricity and related commodity contracts, certain of which constitute exchange contracts, futures contracts or options under the Act (the **Contracts**).

   (b) NGX has operated an electronic trading system (the **Trading System**) since 1993 in accordance with the terms and conditions of exemptive relief granted by the Commission and other Canadian securities regulatory authorities.

   (c) NGX provides clearing and settlement services for Contracts traded through the Trading System and on third party marketplaces.

   (d) NGX also provides clearing services for certain over-the-counter transactions that are entered into the Clearing System.

   (e) Access to the Clearing System is restricted to entities **(Contracting Parties**) each of which:

      (i) has entered into a contractual agreement (the **Contracting Party's Agreement**) with NGX; and

      (ii) has, or has a majority of its voting shares owned by one or more entities each of which has, a net worth exceeding $5 000 000 or total assets exceeding $25 000 000 (the **NGX Sophistication Thresholds**).

   (f) The Contracting Parties use the Clearing System only as principals.

Undertakings

6. NGX undertakes:

   (a) to comply with applicable securities legislation;

   (b) to operate the Clearing System in accordance with the clearing principles set out in Appendix A to this order (the **Clearing Principles**);

   (c) to report to the Commission in accordance with the reporting requirements set out in Appendix B to this order (the **Reporting Requirements**);

(d) not to enter into any contract, agreement or arrangement that may limit its ability to comply with applicable securities legislation or this order;

(e) to take reasonable steps to ensure that each officer or director of NGX is a fit and proper person for that role and that the 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;

(f) to notify the Commission at least 10 business days in advance of entering into any agreement to outsource key Clearing System functions;

(g) to notify the Commission at least 10 business days in advance of any significant change in the operation of the Clearing System;

(h) to notify the Commission at least 10 business days in advance of any change in the beneficial ownership of NGX;

(i) to use its best efforts to provide the information required in paragraphs 6(f) to (h) above earlier than specified, when possible;

(j) to seek the Commission's prior approval of any significant changes to the NGX Sophistication Thresholds;

(k) to notify the Commission immediately upon NGX becoming aware that any of its representations in this order are no longer true and accurate or that it becomes unable to fulfil any of its undertakings set out in this order; and

(l) to comply with any request from the Executive Director of the Commission for electronic or any other form of access to the NGX Clearing System to assist the Commission in its oversight of NGX as a clearing agency.

Decision

7. Based on the above representations and undertakings and notwithstanding the Definition Limitation, the Commission, being satisfied that it would not be prejudicial to the public interest, recognizes NGX as a clearing agency pursuant to sections 67 and 213 of the Act, provided that:

(a) subject to paragraph 6(k) above, the representations made by NGX remain true and accurate; and

(b) NGX fulfils the undertakings given above.

"original signed by"
Glenda A. Campbell, QC
Alberta Securities Commission

"original signed by"
Stephen R. Murison
Alberta Securities Commission

APPENDIX A

Clearing Principles

1. **Core Principle 1: Financial Resources** – The clearing agency shall demonstrate on an ongoing basis that it has adequate financial, operational, and managerial resources to discharge the responsibilities of a clearing agency.

2. **Core Principle 2: Participant and Product Eligibility** – The clearing agency shall maintain: (i) appropriate admission and continuing eligibility standards (including appropriate minimum financial requirements) for its members or participants; and (ii) appropriate standards for determining eligibility of products, agreements, contracts or transactions submitted to the clearing agency.

3. **Core Principle 3: Risk Management** – The clearing agency shall maintain the ability to manage the risks associated with discharging the responsibilities of a clearing agency through the use of appropriate tools and procedures.

4. **Core Principle 4: Settlement Procedures** – The clearing agency shall maintain the ability to: (i) complete settlements on a timely basis under varying circumstances; (ii) maintain an adequate record of the flow of funds associated with each transaction cleared; and (iii) comply with the terms and conditions of any permitted netting or offset arrangements with other clearing organizations.

5. **Core Principle 5: Treatment of Funds** – The clearing agency shall maintain standards and procedures designed to protect and ensure the safety of member or participant funds.

6. **Core Principle 6: Default Rules and Procedures** – The clearing agency shall maintain rules and procedures designed to allow for the efficient, fair, and safe management of events of member or participant insolvency or default by the member or participant with respect to its obligations to the clearing agency.

7. **Core Principle 7: Rule Enforcement** – The clearing agency shall: (i) maintain adequate arrangements and resources for the effective monitoring and enforcement of compliance with the rules of the clearing agency and for resolution of disputes; and (ii) maintain the authority and ability to discipline, limit, suspend, or terminate a member's or participant's activities for violations of rules of the clearing agency.

8. **Core Principle 8: System Safeguards** – The clearing agency shall: (i) maintain a program of oversight and risk analysis to ensure that the automated systems of the clearing agency function properly and have adequate capacity and security; (ii) maintain emergency procedures and a plan for disaster recovery; and (iii) ensure that its systems, including back-up facilities, are annually tested by a qualified professional, sufficient to ensure timely processing, clearing and settlement of transactions.

9. **Core Principle 9: Reporting** – The clearing agency shall provide to the Commission all information necessary for the Commission to conduct its oversight function of the clearing agency with respect to the activities of the clearing agency.

10. **Core Principle 10: Recordkeeping** – The clearing agency shall maintain records of all activities related to its business as a clearing agency, in a form and manner acceptable to the Commission, for a period of 5 years. The clearing agency shall also maintain a record of allegations or complaints it receives concerning instances of suspected fraud or manipulation in clearing activity.

11. **Core Principle 11: Public Information** – The clearing agency shall make information concerning the rules and operating procedures governing the clearing and settlement systems (including default procedures) available to its market participants.

12. **Core Principle 12: Information Sharing** – The clearing agency shall: (i) enter into and abide by the terms of all appropriate and applicable domestic and international information-sharing agreements; and (ii) use relevant information obtained from the agreements in carrying out the clearing agency's risk management program.

13. **Core Principle 13: Restraint of Trade** – The clearing agency shall avoid: (i) adopting any rule or taking any action that results in any unreasonable restraint of trade; or (ii) imposing any material anticompetitive burden on trading in the regulated markets.

APPENDIX B

Reporting Requirements

In addition to fulfilling any reporting requirements in applicable securities legislation, the clearing agency will report as follows to the Commission:

Immediate Reporting

1. NGX will report immediately upon occurrence or upon becoming aware of the existence of:

   (a) any event or circumstance or situation that renders, or is likely to render, NGX unable to comply with applicable securities legislation or this order;

   (b) any default by NGX that affects its financial resources or its ability to meet its obligations as a clearing agency, including the particulars of the default and the resolution proposed. NGX shall also provide the Commission with information regarding the impact of the default on the adequacy of NGX's financial resources;

   (c) any order, sanction or directive received from, or imposed by, a regulatory or government body;

   (d) any investigations of NGX by a regulatory or government body;

   (e) any criminal or quasi-criminal charges brought against NGX, any of its subsidiaries, or any of the officers or directors of NGX or its subsidiaries; and

   (f) any civil suits brought against NGX, any of its subsidiaries, or any of the officers or directors of NGX or its subsidiaries, that would likely have a significant impact on NGX's business.

Key Event Reporting

2. NGX will report no later than 2 business days of the date of occurrence:

   (a) the appointment or resignation of one or more directors of NGX's board of directors;

   (b) a change to the senior management team;

   (c) any significant changes to the Contracting Party's Agreement.

   In the event that a default by a Contracting Party under the Contracting Party's Agreement is not resolved within 2 business days, NGX will report:

   (a) such default including particulars of the default, the parties involved in the default, and the method of resolution proposed.

Quarterly Reporting

3. NGX will provide, within 60 days of the end of each fiscal quarter:

   (a) a description of any significant margin requirement exceptions that NGX allowed during that quarter;

   (b) an up-to-date list of Contracting Parties; and

   (c) interim financial statements.

Annual Reporting

4. NGX will provide, within 90 days of the end of each fiscal year:

   (a) audited financial statements; and

   (b) a self-assessment of the accomplishments and the challenges faced during the year, which will include, but is not limited to:

(i) a summary of NGX's business activity for the year;

(ii) a summary of new products introduced and expansion plans that were implemented during the year;

(iii) a report detailing the testing undertaken to ensure the adequacy of system safeguards including, but not limited to, risk management methodologies, emergency procedures and disaster recovery plans, business continuity and proper functionality of backup facilities;

(iv) a summary of staffing changes at NGX during the year; and

(v) any additional information that NGX considers important.

Triennial Reporting

5. Every three years NGX will provide a report of a review conducted by an independent party, assessing NGX's clearing operations risk and controls.

Other

6. The Executive Director may direct the form of the reporting required and may, pursuant to applicable securities legislation, require further information from NGX.

SCHEDULE "C"

ALBERTA SECURITIES COMMISSION

VARIATION ORDER

Natural Gas Exchange Inc.

Background

1. Natural Gas Exchange Inc. (**NGX**) has applied to the Alberta Securities Commission (**Commission**) for an order under sections 63(1)(b) and 67(3)(b) of the *Securities Act* (Alberta) (**Act**) to vary two orders dated October 9, 2008 recognizing NGX as a clearing agency and as an exchange (the **Recognition Orders**, cited respectively as *Natural Gas Exchange Inc.*, 2008 ABASC 583 and *Natural Gas Exchange Inc.*, 2008 ABASC 584).

Interpretation

2. Unless otherwise defined, terms used in this order have the same meaning as in the Act, in National Instrument 14-101 *Definitions*, or in the Recognition Orders.

Representations

3. NGX represents that:

   (a) the variation would allow NGX to offer crude oil commodity contracts (**Crude Oil Contracts**) on the NGX Trading and Clearing Systems and, in turn, allow NGX's Contracting Parties to transact in Crude Oil Contracts on the NGX Trading and Clearing Systems;

   (b) the addition of Crude Oil Contracts will not impact NGX's ability to comply with the terms and conditions of the Recognition Orders; and

   (c) NGX will continue to comply with all terms and conditions of the Recognition Orders, including the Operating Principles and Clearing Principles.

Decision

4. Based on the above representations, the Commission, considering that it would not be prejudicial to the public interest to do so, orders pursuant to section 214(1) of the Act that paragraph 5(a) of the clearing agency Recognition Order and paragraph 4(a) of the exchange Recognition Order are varied by deleting "natural gas, electricity and related contracts" and substituting "natural gas, electricity, crude oil and related contracts".

"original signed by"
Glenda A. Campbell, QC

"original signed by"
Stephen R. Murison

SCHEDULE "D"

ALBERTA SECURITIES COMMISSION

EXCHANGE AND CLEARING AGENCY RECOGNITIONS: VARIATION

Citation: Natural Gas Exchange Inc., Re, 2012 ABASC 307 Date: 20120711

Natural Gas Exchange Inc.

Background

1. The Alberta Securities Commission (the **Commission**) recognized Natural Gas Exchange Inc. (**NGX**) as an exchange under section 62 of the *Securities Act* (Alberta), R.S.A. 2000, c. S-4 (the **Act**) by Commission order *Re Natural Gas Exchange Inc.*, 2008 ABASC 584 and as a clearing agency under section 67 of the Act by Commission order *Re Natural Gas Exchange Inc.*, 2008 ABASC 583 (respectively, each as varied by *Re Natural Gas Exchange Inc.*, 2009 ABASC 163, the **NGX Exchange Recognition Order** and the **NGX Clearing Agency Recognition Order**; together, the **NGX Recognition Orders**).

2. NGX is a subsidiary of TMX Group Inc. (**TMX Group**).

3. TMX Group is the subject of a take-over bid by Maple Group Acquisition Corporation (**Maple**) which, if successful, is to be followed by an arrangement (together with the take-over bid, the **Transaction**), the result of which would be the acquisition by Maple of all the issued and outstanding voting securities of TMX Group.

4. Variation of the NGX Recognition Orders is appropriate in light of the Transaction.

Interpretation

5. Unless otherwise defined herein, terms used in this order have the same meaning as in the Act or in National Instrument 14-101 *Definitions.*

Order

6. The Commission, considering that it would not be prejudicial to the public interest, orders under section 214(1) of the Act that the NGX Recognition Orders are varied by adding, as paragraph 5(f.1) to the NGX Exchange Recognition Order and as paragraph 6(e.1) to the NGX Clearing Agency Recognition Order, the following undertaking of NGX:

   to establish, maintain and require compliance with policies and procedures that:

   (i) identify and manage any conflicts of interest or potential conflicts of interest, real or perceived, arising from NGX's operations or regulatory functions;

   (ii) require that confidential information regarding NGX's operations or regulatory functions, or regarding an NGX marketplace participant, which is obtained by an individual who is a partner, director, officer or employee of a shareholder of Maple through that individual's involvement in the management or oversight of NGX's operations or regulatory functions:

      A. be kept separate and confidential from the business or other operations of the individual and the relevant Maple shareholder, except with respect to information the disclosure of which is necessary to carry out the individual's responsibilities for the management or oversight of NGX's operations or regulatory functions and with respect to which the individual exercises due care in disclosing the information; and

      B. not be used to provide an advantage to the Maple shareholder or its affiliated entities;

   (iii) require a review, not less frequently than annually, of the effectiveness of and compliance with the policies and procedures established in accordance with this paragraph [f.1; / e.1;]; and

   (iv) require NGX to make publicly available on its website the policies it establishes in accordance with this paragraph [f.1; / e.1;].

For the Commission:

"original signed by"
Glenda Campbell, QC
Vice-Chair

"original signed by"
Stephen Murison
Vice-Chair

SCHEDULE "E"

TERMS AND CONDITIONS

MEETING CRITERIA FOR EXEMPTION FOR RECOGNITION

1. NGX will continue to meet the criteria for exemption from recognition for a derivatives exchange attached as Appendix 1 to this schedule, as applicable.

2. NGX will continue to meet the criteria for recognition and exemption from recognition for a clearing agency attached as Appendix 2 to this schedule, as applicable.

REGULATION AND OVERSIGHT OF MAPLE, TMX GROUP AND NGX

3. NGX will maintain its recognition as an exchange and a clearing agency with the ASC and will continue to be subject to the regulatory oversight of the ASC.

4. NGX will comply with the ongoing requirements set out in the ASC Exchange Recognition Order, Clearing Agency Recognition Order, and Variation Orders, as amended from time to time.

5. Maple and TMX Group will cause NGX to comply with the ongoing requirements set out in the ASC Exchange Recognition Order, Clearing Agency Recognition Order, and Variation Orders, as amended from time to time.

6. Each of Maple and TMX Group must do everything within its control, which would include cooperating with the Commission as needed, to cause NGX to carry out its activities as an exchange exempted from recognition under section 21 of the OSA and as a commodity futures exchange exempted from registration under section 15 of the CFA and in compliance with Ontario securities law.

ACCESS

7. Each Participant is a sophisticated party that meets the NGX Sophistication Thresholds.

8. All orders for Contracts transmitted to the Trading System by an Ontario Participant pursuant to the relief herein will be solely as principal.

PRODUCTS

9. Contracts traded on the Trading System are only for natural gas, electricity, oil, heat rate products related to the gas and electricity markets, and renewable energy certificates.

SUBMISSION TO JURISDICTION AND AGENT FOR SERVICE

10. For greater certainty, NGX submits to the non-exclusive jurisdiction of (i) the courts and administrative tribunals of Ontario and (ii) an administrative proceeding in Ontario, in a proceeding arising out of, related to or concerning or in any other manner connected with the activities of NGX in Ontario.

11. For greater certainty, NGX will file with the Commission a valid and binding appointment of an agent for service in Ontario upon whom may be served 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 activities of NGX in Ontario.

FILING REQUIREMENTS

ASC Filings

12. NGX will provide to staff of the Commission, concurrently, all notices and reports it is required to provide to or file with the ASC pursuant to the undertakings given by NGX in the Exchange Recognition Order and Clearing Agency Recognition Order, except:

    (a) reports on defaults by a contracting party not resolved within 2 days;

    (b) with respect to the self-assessment to be provided on an annual basis;

i. the summary of NGX's business activities,

ii. the report on NGX's market share,

iii. the summary of new products and expansion plans implemented during the year, and

iv. the summary of staffing changes; and

(c) the description of significant margin exceptions.

Prompt Notice

13. NGX will promptly notify staff of the Commission of any of the following:

(a) any material change to the business or operations of NGX or the information as provided in the Application;

(b) any change in the NGX Sophistication Thresholds;

(c) any change or proposed change to the Exchange Recognition Order or the Clearing Agency Recognition Order;

(d) any proposed undertaking, or any proposed change to an undertaking, provided by NGX, Maple or TMX Group to the ASC in connection with the recognition of NGX as an exchange or a clearing agency;

(e) any change to the regulatory oversight of NGX by the ASC; and

(f) any material problem with the clearance and settlement of transactions in contracts cleared by NGX that could materially affect the viability of NGX.

Quarterly Reporting

14. NGX will maintain the following updated information and submit such information to the Commission on at least a quarterly basis, and at any time promptly upon the request of staff of the Commission:

(a) a current list of all Ontario Participants;

(b) a list of all Ontario Participants against whom disciplinary action has been taken in the last quarter by NGX or the ASC with respect to activities on NGX;

(c) a list of all investigations by NGX relating to Ontario Participants; and

(d) a list of all Ontario applicants who have been denied membership to NGX.

INFORMATION SHARING

15. Upon request by the Commission, directly or through the ASC as the case may be, NGX must, and must cause its affiliated entities to, promptly provide the Commission any and all data, information and analyses in the custody or control of NGX or any of its affiliated entities, without limitations, redactions, restrictions or conditions, including, without limiting the generality of the foregoing:

(a) data, information and analyses relating to all of its or their businesses;

(b) data, information and analyses of third parties in its or their custody or control;

(c) any information within the possession of NGX, or over which NGX has control, relating to Participants and the market, clearing and settlement operations of NGX, including, but not limited to, lists of Participants, products, trading information, clearing and settlement information, and disciplinary decisions; and

(d) any information used by NGX in carrying out its responsibilities for market oversight, including any and all order and trade information, as required by the Commission.

16. NGX will share information and otherwise cooperate with other recognized or exempt exchanges, recognized self-regulatory organizations, other recognized or exempt clearing agencies, investor protection funds, and other appropriate regulatory bodies.

17. The disclosure or sharing of information by or pertaining to an affiliated entity of NGX in accordance with sections 15 and 16 above will be subject to any provisions contained in any order issued by the Commission recognizing the affiliated entity as an exchange under section 21 of the Act or as a clearing agency under section 21.2 of the Act that would otherwise have limited the information required to be provided by the affiliated entity if the request had instead been made by the Commission to the affiliated entity pursuant to such order.

APPENDIX 1

CRITERIA FOR EXEMPTION FROM RECOGNITION OF A DERIVATIVES EXCHANGE RECOGNIZED IN ANOTHER JURISDICTION OF THE CANADIAN SECURITIES ADMINISTRATORS

PART 1 REGULATION OF THE EXCHANGE

1.1 Regulation of the Exchange

The exchange is recognized or authorized by another securities commission or similar regulatory authority in Canada and, where applicable, is in compliance with National Instrument 21-101 – *Marketplace Operation* and National Instrument 23-101 – *Trading Rules*, each as amended from time to time.

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, 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.

PART 3 REGULATION OF PRODUCTS

3.1 Review and Approval of Products

The products traded on the exchange and any changes thereto are reviewed by the appropriate securities commission or similar regulatory authority, and are either approved by the appropriate authority or are subject to requirements established by the authority that must be met before implementation of a product or of 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 including, but not limited to, margin requirements, intra-day margin calls, 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 Ontario commodity futures 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

(i) permit unreasonable discrimination among participants, or

(ii) impose any burden on competition that is not reasonably necessary and appropriate.

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 service 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.

(b) The Rules are not contrary to the public interest and are designed to

(i) ensure compliance with securities legislation and derivatives legislation, as applicable,

(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 securities or derivatives, as applicable,

(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 appropriate arrangements for the clearing and settlement of transactions through a clearing agency[1].

8.2 Regulation of the Clearing Agency

The clearing agency is subject to acceptable regulation.

8.3 Access to the Clearing Agency

(a) The clearing agency has established appropriate written standards for access to its services.

(b) The access standards for clearing members and the process for obtaining, limiting and denying access are fair, transparent and applied reasonably.

8.4 Sophistication of Technology of Clearing Agency

The exchange has assured itself that the information technology used by the clearing agency has been adequately reviewed and tested and provides at least the same level of safeguards as required of the exchange.

8.5 Risk Management of Clearing Agency

The exchange has assured itself that the clearing agency 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 Information Technology Risk Management Procedures

The exchange has appropriate risk management procedures in place including those that handle trading errors, trading halts and circuit breakers.

[1] For the purposes of these criteria, "clearing agency" also means a "clearing house".

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 TRANSPARENCY

11.1 Transparency

The exchange has adequate arrangements to record and publish accurate and timely trade and order information. This information is provided to all participants on an equitable basis.

PART 12 RECORD KEEPING

12.1 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 13 OUTSOURCING

13.1 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 14 FEES

14.1 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 15 INFORMATION SHARING AND REGULATORY COOPERATION

15.1 Information Sharing and Regulatory Cooperation

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

APPENDIX 2

CRITERIA FOR RECOGNITION AND EXEMPTION FROM RECOGNITION AS A CLEARING AGENCY

PART 1 GOVERNANCE

1.1 The governance structure and governance arrangements of the clearing agency ensures:

(a) effective oversight of the clearing agency;

(b) the clearing agency's activities are in keeping with its public interest mandate;

(c) fair, meaningful and diverse representation on the governing body (Board) and any committees of the Board, including a reasonable proportion of independent directors;

(d) a proper balance among the interests of the owners and the different entities seeking access (participants) to the clearing, settlement and depository services and facilities (settlement services) of the clearing agency;

(e) the clearing agency has policies and procedures to appropriately identify and manage conflicts of interest;

(f) each director or officer of the clearing agency, and each person or company that owns or controls, directly or indirectly, more than 10 percent of the clearing agency is a fit and proper person; and

(g) there are appropriate qualifications, limitation of liability and indemnity provisions for directors and officers of the clearing agency.

PART 2 FEES

2.1 All fees imposed by the clearing agency are equitably allocated. The fees do not have the effect of creating unreasonable barriers to access.

2.2 The process for setting fees is fair and appropriate, and the fee model is transparent.

PART 3 ACCESS

3.1 The clearing agency has appropriate written standards for access to its services.

3.2 The access standards and the process for obtaining, limiting and denying access are fair and transparent. A clearing agency keeps records of:

(a) each grant of access including, for each participant, the reasons for granting such access; and

(b) each denial or limitation of access, including the reasons for denying or limiting access to an applicant.

PART 4 RULES AND RULEMAKING

4.1 The clearing agency's rules are designed to govern all aspects of the settlement services offered by the clearing agency, and

(a) are not inconsistent with securities legislation;

(b) do not permit unreasonable discrimination among participants; and

(c) do not impose any burden on competition that is not necessary or appropriate.

4.2 The clearing agency's rules and the process for adopting new rules or amending existing rules should be transparent to participants and the general public.

4.3 The clearing agency monitors participant activities to ensure compliance with the rules.

4.4 The rules set out appropriate sanctions in the event of non-compliance by participants.

PART 5 DUE PROCESS

5.1 For any decision made by the clearing agency that affects an applicant or a participant, including a decision in relation to access, the clearing agency ensures that:

(a) an applicant or a participant is given an opportunity to be heard or make representations; and

(b) the clearing agency keeps a record of, gives reasons for, and provides for appeals or reviews of, its decisions.

PART 6 RISK MANAGEMENT

6.1 The clearing agency's settlement services are designed to minimize systemic risk.

6.2 The clearing agency has appropriate risk management policies and procedures and internal controls in place.

6.3 Without limiting the generality of the foregoing, the clearing agency's services or functions are designed to achieve the following objectives:

(a) Where the clearing agency acts as a central counterparty, it rigorously controls the risks it assumes.

(b) The clearing agency minimizes principal risk by linking securities transfers to funds transfers in a way that achieves delivery versus payment.

(c) Final settlement occurs no later than the end of the settlement day. Intraday or real-time finality is provided where necessary to reduce risks.

(d) Where the clearing agency extends intraday credit to participants, including a clearing agency that operates net settlement systems, it institutes risk controls that, at a minimum, ensure timely settlement in the event that the participant with the largest payment obligation is unable to settle.

(e) Assets used to settle the ultimate payment obligations arising from securities transactions carry little or no credit or liquidity risk. If central bank money is not used, steps are to be taken to protect participants in settlement services from potential losses and liquidity pressures arising from the failure of the cash settlement agent whose assets are used for that purpose.

(f) If the clearing agency establishes links to settle cross-border trades, it designs and operates such links to reduce effectively the risks associated with cross-border settlements.

6.4 The clearing agency engaging in activities not related to settlement services carries on such activities in a manner that prevents the spillover of risk to the clearing agency that might affect its financial viability or negatively impact any of the participants in the settlement service.

PART 7 SYSTEMS AND TECHNOLOGY

7.1 For its settlement services systems, the clearing agency:

(a) develops and maintains,

(i) reasonable business continuity and disaster recovery plans,

(ii) an adequate system of internal control,

(iii) adequate information technology general controls, including controls relating to information systems operations, information security, change management, problem management, network support, and system software support;

(b) on a reasonably frequent basis, and in any event, at least annually, and in a manner that is consistent with prudent business practice,

(i) makes reasonable current and future capacity estimates,

(ii) conducts capacity stress tests to determine the ability of those systems to process transactions in an accurate, timely and efficient manner,

(iii) tests its business continuity and disaster recovery plans; and

(c) promptly notifies the regulator of any material systems failures.

7.2 The clearing agency annually engages a qualified party to conduct an independent systems review and prepare a report in accordance with established audit standards regarding its compliance with paragraph 7.1(a).

PART 8 FINANCIAL VIABILITY AND REPORTING

8.1 The clearing agency has sufficient financial resources for the proper performance of its functions and to meet its responsibilities and allocates sufficient financial and staff resources to carry out its functions as a clearing agency in a manner that is consistent with any regulatory requirements.

PART 9 OPERATIONAL RELIABILITY

9.1 The clearing agency has procedures and processes to ensure the provision of accurate and reliable settlement services to participants.

PART 10 PROTECTION OF ASSETS

10.1 The clearing agency has established accounting practices, internal controls, and safekeeping and segregation procedures to protect the assets that are held by the clearing agency.

PART 11 OUTSOURCING

11.1 Where the clearing agency has outsourced any of its key functions, 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. The outsourcing arrangement provides regulatory authorities with access to all data, information, and systems maintained by the third party service provider required for the purposes of regulatory oversight of the agency.

PART 12 INFORMATION SHARING AND REGULATORY COOPERATION

12.1 The clearing agency cooperates by sharing information or otherwise with the Commission and its staff, self-regulatory organizations, exchanges, quotation and trade reporting systems, alternative trading systems, other clearing agencies, investor protection funds, and other appropriate regulatory bodies.

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions, Orders and Rulings

3.1.1 New Found Freedom Financial et al.

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

AND

IN THE MATTER OF
NEW FOUND FREEDOM FINANCIAL,
RON DEONARINE SINGH, WAYNE GERARD MARTINEZ,
PAULINE LEVY, DAVID WHIDDEN, PAUL SWABY AND
ZOMPAS CONSULTING

AND

SETTLEMENT AGREEMENT BETWEEN STAFF OF
THE ONTARIO SECURITIES COMMISSION AND
PAUL SWABY AND ZOMPAS CONSULTING

PART I – INTRODUCTION

1. The Ontario Securities Commission (the "Commission") will issue a Notice of Hearing to announce that it will hold a hearing to consider whether, pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S-5, as amended (the "Act"), it is in the public interest for the Commission to make certain orders in respect of Paul Swaby ("Swaby") and Zompas Consulting ("Zompas").

PART II – JOINT SETTLEMENT RECOMMENDATION

2. Staff of the Commission ("Staff") agree to recommend settlement of the proceeding commenced by Notice of Hearing dated November 2, 2011 (the "Proceeding") against Swaby and Zompas (collectively, the "Respondents") in accordance with the terms and conditions set out below. The Respondents consent to the making of an order in the form attached as Schedule "A", based on the facts set out below.

PART III – AGREED FACTS

3. For this proceeding, and any other regulatory proceeding commenced by a securities regulatory authority, the Respondents agree with the facts as set out in Part III of this Settlement Agreement. To the extent the Respondents do not have personal knowledge of certain facts as described below, the Respondents believe those facts to be true and accurate.

4. Swaby is an Ontario resident and has never been registered with the Commission in any capacity.

5. Zompas is a sole proprietorship owned and operated by Swaby. Zompas has never been a reporting issuer in Ontario and has never been registered with the Commission in any capacity.

6. During the period of December 2008 to August 2009 (the "Material Time"), the Respondents accepted funds from New Found Freedom Financial ("NFF") for the purpose of engaging in foreign exchange trading (the "Swaby Investment"). The Swaby Investment was an "investment contract" within the definition of a "security" in section 1(1) of the Act.

7. NFF is a general partnership owned and operated by Ron Deonarine Singh and Wayne Gerard Martinez. NFF operated a foreign exchange ("Forex") investment program during the Material Time, pursuant to which it accepted funds from investors and provided part of those funds to several Forex traders, including the Respondents.

8. Between December 2008 and January 2009, the Respondents accepted approximately $198,000 from NFF in relation to the Swaby Investment. The Respondents agreed to conduct Forex trading with these funds and to provide NFF with all trading profits generated up to 8% per month. Trading profits beyond 8% per month were to be retained by the Respondents.

9. Between December 2008 and August 2009, Swaby transferred approximately $139,000 of the funds received from NFF to a trading account held in his name at Interbank FX, LLC, an online Forex trading platform. At least $133,000 of that amount was lost in Forex trading. Of the remaining funds the Respondents received from NFF, approximately $51,500 was repaid to NFF, directly or indirectly. The remaining balance of approximately $7,500 was never used for Forex trading, nor was it returned to NFF.

PART IV – CONDUCT CONTRARY TO ONTARIO SECURITIES LAW AND THE PUBLIC INTEREST

10. By engaging in the conduct described above, the Respondents traded in securities without being registered to do so and without an exemption from the registration requirement, contrary to section 25(1)(a) of the Act, and engaged in trades in securities which were distributions for which no preliminary prospectus or prospectus was filed or receipted by the Director, contrary to s. 53(1) of the Act.

11. The Respondents' conduct was contrary to the public interest and harmful to the integrity of the capital markets.

PART V – TERMS OF SETTLEMENT

12. The Respondents agree to the terms of settlement listed below.

13. The Commission will make an order pursuant to section 127(1) and section 127.1 of the Act that:

    (a) The Settlement Agreement is approved;

    (b) Trading in any securities by Swaby and Zompas shall cease for a period of ten (10) years commencing from the date of the order approving this Settlement Agreement (this "Order"), with the exception that, once the entire amount of payments set out in sub-paragraphs 13(i), (j) and (k) are paid in full, Swaby be permitted to trade securities for the account of his registered retirement savings plan as defined in the *Income Tax Act*, 1985, c.1 as amended (the "*Income Tax Act*") solely through a registered dealer or, as appropriate, a registered dealer in a foreign jurisdiction (which dealer must be given a copy of this Order) in (a) any "exchange-traded security" or "foreign exchange-traded security" within the meaning of National Instrument 21-101 provided that he does not own beneficially or exercise control or direction over more than 5 percent of the voting or equity securities of the issuer(s) of any such securities, or (b) any security issued by a mutual fund that is a reporting issuer;

    (c) The acquisition of any securities by Swaby and Zompas is prohibited for a period of ten (10) years commencing from the date of this Order, with the exception that Swaby be permitted to acquire securities for the account of his registered retirement savings plan as defined in the *Income Tax Act* once the entire amount of payments set out in sub-paragraphs 13(i), (j) and (k) are paid in full, in accordance with the exception requirements as set out in paragraph (b) above;

    (d) Any exemptions contained in Ontario securities law do not apply to Swaby and Zompas for a period of ten (10) years commencing from the date of this Order;

    (e) Swaby and Zompas are reprimanded;

    (f) Swaby shall resign any positions he holds as a director or officer of an issuer;

    (g) Swaby is prohibited for a period of ten (10) years from the date of this Order from becoming or acting as a director or officer of an issuer, registrant or investment fund manager;

    (h) Swaby is prohibited for a period of ten (10) years from the date of this Order from becoming or acting as a registrant, investment fund manager or promoter;

    (i) Swaby and Zompas shall pay to the Commission an administrative penalty in the amount of $7,500, on a joint and several basis, for their failure to comply with Ontario securities law, to be designated under subsection 3.4(2)(b) of the Act;

(j) Swaby and Zompas shall disgorge to the Commission the amount of $7,500, on a joint and several basis, obtained as a result of their non-compliance with Ontario securities law, to be designated under subsection 3.4(2)(b) of the Act;

(k) Swaby and Zompas shall pay costs to the Commission in the amount of $3,000, on a joint and several basis; and

(l) Until the entire amount of payments set out in sub-paragraphs 13(i), (j) and (k) are paid in full, the provisions of sub-paragraph 13(b), (c), (d), (g) and (h) shall continue in force without any limitation as to time period.

14. In regard to the payments set out in sub-paragraphs 13(i), (j) and (k) above, Swaby agrees to make a payment of $1,500 by certified cheque or bank draft on the date of this Order. Swaby further agrees to pay at least $200 every month thereafter until the amounts set out in sub-paragraphs 13(i), (j) and (k) above are paid in full.

15. The Respondents undertake to consent to a regulatory Order made by any provincial or territorial securities regulatory authority in Canada containing any or all of the prohibitions set out in sub-paragraphs 13(b) to (h) above. These prohibitions may be modified to reflect the provisions of the relevant provincial or territorial securities law.

PART VI – STAFF COMMITMENT

16. If the Commission approves this Settlement Agreement, Staff will not initiate any other proceeding under Ontario securities law in relation to the facts set out in Part III of this Settlement Agreement, subject to the provisions of paragraph 17 below.

17. If the Commission approves this Settlement Agreement and the Respondents fail to comply with any of the terms of the Settlement Agreement, Staff reserve the right to bring proceedings under Ontario securities law against the Respondents. These proceedings may be based on, but are not limited to, the facts set out in Part III of this Settlement Agreement as well as the breach of the Settlement Agreement. In addition, if this Settlement Agreement is approved by the Commission, and the Respondents fail to comply with the terms of the Settlement Agreement, the Commission is entitled to bring any proceedings necessary to recover the amounts set out in sub-paragraphs 13(i), (j) and (k) above.

PART VII – PROCEDURE FOR APPROVAL OF SETTLEMENT

18. The parties will seek approval of this Settlement Agreement at a public hearing before the Commission scheduled for July 26, 2012, or on another date agreed to by Staff and the Respondents, according to the procedures set out in this Settlement Agreement and the Commission's Rules of Procedure.

19. Staff and the Respondents agree that this Settlement Agreement will form all of the agreed facts that will be submitted at the settlement hearing regarding the Respondents' conduct, unless the parties agree that additional facts should be submitted at the settlement hearing.

20. If the Commission approves this Settlement Agreement, the Respondents agree to waive all rights to a full hearing, judicial review or appeal of this matter under the Act.

21. If the Commission approves this Settlement Agreement, neither party will make any public statement that is inconsistent with this Settlement Agreement or with any additional agreed facts submitted at the settlement hearing.

22. Whether or not the Commission approves this Settlement Agreement, the Respondents will not use, in any proceeding, this Settlement Agreement or the negotiation or process of approval of this agreement as the basis for any attack on the Commission's jurisdiction, alleged bias, alleged unfairness, or any other remedies or challenges that may otherwise be available.

PART VIII – DISCLOSURE OF SETTLEMENT AGREEMENT

23. If the Commission does not approve this Settlement Agreement or does not make the order attached as Schedule "A" to this Settlement Agreement:

i. this Settlement Agreement and all discussions and negotiations between Staff and the Respondents before the settlement hearing takes place will be without prejudice to Staff and the Respondents; and

ii. Staff and the Respondents will each be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing of the allegations contained in the Statement of Allegations. Any

proceedings, remedies and challenges will not be affected by this Settlement Agreement, or by any discussions or negotiations relating to this agreement.

24. Both parties will keep the terms of the Settlement Agreement confidential until the Commission approves the Settlement Agreement. At that time, the parties will no longer have to maintain confidentiality. If the Commission does not approve the Settlement Agreement, both parties must continue to keep the terms of the Settlement Agreement confidential, unless they agree in writing not to do so or if required by law.

PART IX – EXECUTION OF SETTLEMENT AGREEMENT

25. The parties may sign separate copies of this agreement. Together, these signed copies will form a binding agreement.

26. A fax copy of any signature will be treated as an original signature.

Dated this 23 day of July, 2012

"Deborah Deerr"
Witness

"Paul Swaby"
Paul Swaby

Dated this 23 day of July, 2012

"Deborah Deerr"
Witness

"Paul Swaby"
Zompas Consulting

Dated this 23 day ofJuly, 2012

STAFF OF THE ONTARIO SECURITIES COMMISSION

"Tom Atkinson"
Director, Enforcement Branch

SCHEDULE "A"

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

AND

IN THE MATTER OF
NEW FOUND FREEDOM FINANCIAL,
RON DEONARINE SINGH, WAYNE GERARD MARTINEZ,
PAULINE LEVY, DAVID WHIDDEN, PAUL SWABY AND
ZOMPAS CONSULTING

ORDER

WHEREAS on November 2, 2011, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), in connection with the allegations set out in the Statement of Allegations filed by Staff of the Commission ("Staff") on November 1, 2011;

AND WHEREAS Paul Swaby ("Swaby") and Zompas Consulting ("Zompas") entered into a settlement agreement with Staff dated ● (the "Settlement Agreement") in relation to the matters set out in the Statement of Allegations;

AND WHEREAS on ●, the Commission issued a Notice of Hearing pursuant to section 127 of the Act to announce that it proposed to hold a hearing to consider whether it is in the public interest to approve the Settlement Agreement;

AND UPON reviewing the Settlement Agreement, the Notice of Hearing, and the Statement of Allegations, and upon hearing submissions from Staff and counsel for Swaby and Zompas;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this Order;

IT IS HEREBY ORDERED, PURSUANT TO SECTIONS 127(1) AND 127.1 OF THE ACT, THAT:

(a) the Settlement Agreement is approved;

(b) pursuant to clause 2 of subsection 127(1) of the Act, trading in any securities by Swaby and Zompas shall cease for a period of ten (10) years commencing from the date of this Order, with the exception that, once the entire amount of payments set out in paragraphs (i), (j) and (k) below are paid in full, Swaby shall be permitted to trade securities for the account of his registered retirement savings plan as defined in the *Income Tax Act*, 1985, c.1 as amended (the "*Income Tax Act*") solely through a registered dealer or, as appropriate, a registered dealer in a foreign jurisdiction (which dealer must be given a copy of this Order) in (a) any "exchange-traded security" or "foreign exchange-traded security" within the meaning of National Instrument 21-101 provided that he does not own beneficially or exercise control or direction over more than 5 percent of the voting or equity securities of the issuer(s) of any such securities, or (b) any security issued by a mutual fund that is a reporting issuer;

(c) pursuant to clause 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Swaby and Zompas is prohibited for a period of ten (10) years commencing from the date of this Order, with the exception that Swaby shall be permitted to acquire securities for the account of his registered retirement savings plan as defined in the *Income Tax Act* once the entire amount of payments set out in paragraphs (i), (j) and (k) below are paid in full, in accordance with the exception requirements as set out in paragraph (b) above;

(d) pursuant to clause 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Swaby and Zompas for a period of ten (10) years commencing from the date of this Order;

(e) pursuant to clause 6 of subsection 127(1) of the Act, Swaby and Zompas are reprimanded;

(f) pursuant to clause 7 of subsection 127(1) of the Act, Swaby shall resign any positions he holds as a director or officer of an issuer;

(g) pursuant to clauses 8, 8.2 and 8.4 of subsection 127(1) of the Act, Swaby is prohibited for a period of ten (10) years from the date of this Order from becoming or acting as a director or officer of an issuer, registrant or investment fund manager;

(h) pursuant to clause 8.5 of subsection 127(1) of the Act, Swaby is prohibited for a period of ten (10) years from the date of this Order from becoming or acting as a registrant, investment fund manager or promoter;

(i) pursuant to clause 9 of subsection 127(1) of the Act, Swaby and Zompas shall pay to the Commission an administrative penalty in the amount of $7,500, on a joint and several basis, for their failure to comply with Ontario securities law, to be paid to or for the benefit of third parties in accordance with subsection 3.4(2) of the Act;

(j) pursuant to clause 10 of subsection 127(1) of the Act, Swaby and Zompas shall disgorge to the Commission the amount of $7,500, on a joint and several basis, obtained as a result of their non-compliance with Ontario securities law, to be paid to or for the benefit of third parties in accordance with subsection 3.4(2) of the Act;

(k) pursuant to section 127.1 of the Act, Swaby and Zompas shall pay costs to the Commission in the amount of $3,000, on a joint and several basis;

(l) in regard to the payments set out in paragraphs (i), (j) and (k) above, Swaby shall make a payment of $1,500 by certified cheque or bank draft on the date of this Order and shall pay at least $200 every month thereafter until the amounts set out in paragraphs (i), (j) and (k) above are paid in full; and

(m) until the entire amount of payments set out in paragraphs (i), (j) and (k) above are paid in full, the orders in paragraphs (b), (c), (d), (g) and (h) above shall continue in force without any limitation as to time period.

DATED at Toronto this _____ day of July, 2012

_____

_____

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
Regal Resources Inc.	13 Jul 12	25 Jul 12		27 Jul 12
Hi Ho Silver Resources Inc.	13 Jul 12	25 Jul 12		27 Jul 12
Westline Resources Ltd.	17 Jul 12	30 Jul 12	30 Jul 12	

4.2.1 Temporary, Permanent & Rescinding Management 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

THERE ARE NO ITEMS FOR 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

THERE ARE NO ITEMS FOR THIS WEEK.

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Chapter 7

Insider Reporting

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

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

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

Chapter 8

Notice of Exempt Financings

REPORTS OF TRADES SUBMITTED ON FORMS 45-106F1 AND 45-501F1

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
07/02/2012	1	ABCA Funds Ireland PLC - Common Shares	20,382,000.00	14,738.18
06/30/2012	85	ACM Commercial Mortgage Fund - Units	9,884,156.05	86,906.67
06/19/2012	19	Adroit Resources Inc. - Common Shares	440,400.94	8,808,018.00
06/29/2012	1	Appinions Inc. - Debentures	1,964,443.57	2,000.00
06/28/2012	13	APT Pipelines Limited - Notes	299,991,000.00	300,000,000.00
06/26/2012	35	Argus metals Corp - Units	260,500.00	5,210,000.00
07/11/2012	2	Auriga Gold Corp. - Units	400,000.14	2,352,942.00
07/05/2012	1	Axela Inc. - Debentures	750,000.00	750,000.00
05/28/2012 to 06/19/2012	5	Bennett Jones Services Trust - Trust Units	1,517,760.00	1,517,760.00
10/31/2011 to 05/31/2012	80	Brookstreet MIC Inc. - Special Shares	7,120,654.00	7,120,654.00
06/01/2012 to 07/01/2012	1	BTG Pactual Global Asset Management Limited - Common Shares	257,000,000.00	250,000.00
06/25/2012	1	Canadian Arrow Mines Limited - Units	500,000.00	5,000,000.00
06/14/2012	15	CareVest Blended MIC Fund Inc. - Preferred Shares	354,824.00	N/A
06/14/2012	8	CareVest Capital Blended Mortgage Investment Corp. - Preferred Shares	161,871.00	161,871.00
06/14/2012	22	CareVest First MIC Fund Inc. - Preferred Shares	1,631,555.00	N/A
06/29/2012	121	Centurion Apartment Real Estate Investment Trust - Units	8,783,441.00	787,752.63
07/26/2012	1	Champion Minerals Inc. - Common Shares	25,500.00	25,000.00
06/25/2012 to 06/29/2012	13	Colwood City Centre Limited Partnership - Notes	842,091.00	842,091.00
06/18/2012 to 06/21/2012	8	Colwood City Centre Limited Partnership - Notes	481,484.00	481,484.00
03/28/0211 to 06/26/2012	4	Conundrum Residential Property Income Fund III - Units	14,700,000.00	14,700,000.00
06/29/2012	5	CVG Chicago Management Limited Partnership - Limited Partnership Units	53.20	53.19
07/18/2012	13	Cynapsus Therapeutics Inc. - Common Shares	100,000.00	2,000,000.00

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
07/24/2012	11	Debut Diamonds Inc. - Common Shares	134,000.00	2,680,000.00
07/10/2012	18	Decade Resources Ltd. - Common Shares	1,200,000.00	24,000,000.00
01/01/2011 to 12/31/2011	1	Donald Smith: Small Cap Value [Series] Offshore - Common Shares	310,185.00	305,000.00
06/01/2012	5	East Coast Energy Inc. - Units	84,000.00	240,000.00
01/01/2011 to 12/31/2011	1	Emerging Markets Equity Managers: Portfolio 1 Offshore L.P. - Common Shares	366,120.00	360,000.00
07/22/2011 to 04/27/2012	3	Emerging Markets Growth Fund Inc. - Common Shares	77,341,090.00	9,584,698.00
06/29/2012	51	eSight Corp. - Preferred Shares	1,880,774.46	12,147,908.00
06/28/2012	8	Excelsior Mining Corp. - Units	1,015,000.20	3,383,334.00
01/01/2011 to 12/31/2011	15	FBDC Offshore Investors L.P. - Common Shares	30,001,500.00	29,500,000.00
06/19/2012	4	First Mexican Gold Corp. - Units	215,000.00	2,150,000.00
07/04/2012	5	FLYHT Aerospace Solutions Ltd. - Common Shares	981,000.00	4,905,000.00
06/22/2012	25	FLYHT Aerospace Solutions Ltd. - Units	1,838,300.00	N/A
07/01/2011 to 06/30/2012	29	FTIF Franklin Euro Small-Mid Cap Growth Fund - Common Shares	24,725,487.48	N/A
07/01/2011 to 06/30/2012	29	FTIF Franklin Mutual European Fund - Common Shares	71,418,176.69	N/A
07/01/2011 to 06/30/2012	30	FTIF Templeton Latin America Fund - Common Shares	69,629,862.19	N/A
06/12/2012	1	Fuel Transfer Technologies Inc. - Preferred Shares	500,000.00	250,000.00
07/01/2011 to 06/30/2012	43	Genuity Fund Corp. - Common Shares	7,149,333.17	7,651,093.17
07/01/2011 to 06/30/2012	33	Genuity Fund Corp. - Common Shares	9,992,203.43	9,992,203.43
04/03/2012 to 06/06/2012	1	GMO Developed World Equity Investment Fund PLC - Units	474,058.55	17,445.00
07/01/2011 to 06/30/2012	1	GMO Emerging Markets Equity Fund - Units	4,949,584.00	149,007.12
04/02/2012 to 06/22/2012	1	GMO Int'l Intrinsic Value Fund- II - Units	516,828.76	27,634.99
04/02/2012 to 06/01/2012	1	GMO Int'l Opportunities Eqty Allocation Fund-III - Units	730,448.23	57,374.43
01/01/2011 to 12/31/2011	1	Goldman Sachs Capital Growth Fund A - Common Shares	2,620.77	119.03
07/01/2011 to 12/31/2011	3	Goldman Sachs Corporate Credit Investment Fund - Common Shares	3,559,500.00	3,500,000.00

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
01/01/2011 to 12/31/2011	2	Goldman Sachs Global Tactical Trading plc - Common Shares	2,034,000.00	2,000,000.00
01/01/2011 to 12/31/2011	2	Goldman Sachs Hedge Fund Opportunities Ltd. - Common Shares	1,525,500.00	1,500,000.00
01/01/2011 to 12/31/2011	3	Goldman Sachs Investment Partners Private Opportunities Fund Offshore, L.P. - Common Shares	2,542,500.00	2,500,000.00
01/01/2011 to 12/31/2011	2	Goldman Sachs Princeton Fund Ltd. - Common Shares	7,119,000.00	7,000,000.00
02/06/2012	17	Greystone Real Estate Fund Inc. - Common Shares	85,442,000.00	1,053,811.72
01/01/2011 to 12/31/2011	1	GS Strategic International EQ Fund A - Common Shares	69.55	5.59
01/01/2011 to 12/31/2011	1	GS Structured U.S. Equity Fund A - Common Shares	786.25	31.45
07/04/2012 to 07/06/2012	26	Guinea Iron Ore Limited - Common Shares	807,000.00	4,035,000.00
07/02/2012	1	Harbour Group Investments VI, L.P. - Limited Partnership Interest	10,235,183.98	10,235,183.98
01/01/2011 to 12/31/2011	8	Hedge Fund Seeding Strategy Offshore: 2011 LP - Common Shares	14,238,000.00	14,000,000.00
05/16/2012	55	Highland Resources Inc. - Units	4,734,340.00	59,179,250.00
06/18/2012 to 06/22/2012	4	IGW Diversified Redevelopment Fund Limited Partnership - Units	395,000.00	395,000.00
05/08/2012	7	IMMY INC. - Notes	293,911.80	7.00
07/03/2012	1	Imperial Capital Acquisition Fund IV (Institutional) 2 Limited Partnership - Units	21,675.00	40,499.00
07/03/2012	1	Imperial Capital Acquisition Fund IV (Institutional) 4 Limited Partnership - Limited Partnership Units	10,836.00	10,836.00
07/03/2012	1	Imperial Capital Acquisition Fund IV (Institutional) 5 Limited Partnership - Limited Partnership Units	10,836.00	10,836.00
07/03/2012	1	Imperial Capital Acquisition Fund IV (Institutional) 3 Limited Partnership - Limited Partnership Units	21,675.00	21,675.00
07/03/2012	58	Imperial Capital Partners Ltd. - Capital Commitment	72,350,000.00	72,350,000.00
05/22/2012	30	Kellogg Canada Inc. - Notes	299,931,000.00	30.00
07/04/2012	6	Kilkenny Capital Corporation - Common Shares	100,000.00	1,000,000.00
05/16/2012 to 05/23/2012	52	Kinwest 2008 Energy Inc. - Common Shares	3,337,120.55	2,152,981.00
06/18/2012	1	KKR Asian Fund II L.P. - Limited Partnership Interest	394,214,400.00	1.00

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
01/01/2011 to 12/31/2011	2	Lateef: Dynamic Equity Offshore, L.P. - Common Shares	2,542,500.00	2,500,000.00
06/25/2012 to 06/29/2012	10	League IGW Real Estate Investment Trust - Units	244,500.00	244,500.00
06/25/2012 to 06/29/2012	4	League IGW Real Estate Investment Trust - Units	310,000.00	396,419.00
07/01/2011 to 06/30/2012	2	Legg Mason Accufund - Units	3,205,921.49	145,445.94
07/01/2011 to 06/30/2012	10	Legg Mason Batterymarch Canadian Core Equity Fund - Units	23,110,994.27	229,404.58
07/01/2011 to 06/30/2012	1	Legg Mason Batterymarch Canadian Small Cap Fund - Units	2,142,519.71	93,752.19
07/01/2011 to 06/30/2012	1	Legg Mason Batterymarch North American Equity Fund - Units	937,761.72	4,406.15
07/01/2011 to 06/30/2012	3	Legg Mason Batterymarch U.S. Equity Fund - Units	13,496,080.95	147,317.96
07/01/2011 to 06/30/2012	7	Legg Mason Brandywine Classic Value U.S. Equity Fund - Units	7,238,198.04	908,428.24
07/01/2011 to 06/30/2012	6.1	Legg Mason Brandywine Global Fixed Income Fund - Units	65,881,787.15	6,680,590.32
07/01/2011 to 06/30/2012	8	Legg Mason Diversified - Units	9,274,321.42	64,205.19
07/01/2011 to 06/30/2012	4	Legg Mason GC Global Equity Fund - Units	2,661,816.70	398,827.33
07/01/2011 to 06/30/2012	20	Legg Mason GC International Equity Fund - Units	16,583,921.86	1,091,072.21
07/01/2011 to 06/30/2012	14	Legg Mason Western Asset Canadian Core Bond Fund - Units	25,082,220.28	965,654.74
07/01/2011 to 06/30/2012	6	Legg Mason Western Asset Canadian Core Plus Bond Fund - Units	13,930,208.95	1,372,798.26
07/01/2011 to 06/30/2012	4	Legg Mason Western Asset Canadian Income Fund - Units	10,485,499.27	63,971.88
07/01/2011 to 06/30/2012	41	Legg Mason Western Asset Canadian Money Market Fund - Units	189,399,575.27	189,399,575.00
01/01/2011 to 12/31/2011	2	Liberty Harbor Natural Resources Fund Offshore, L.P. - Common Shares	966,150.00	950,000.00
07/11/2012	2	Macquarie European Infrastructure Fund 4 LP - Limited Partnership Interest	64,911,600.00	N/A
06/28/2012	26	MCW Energy Group Limited - Receipts	1,400,000.00	2,800,000.00
01/01/2011 to 12/31/2011	6	Mount Kellett Capital Partners II Access Fund Offshore, L.P. - Common Shares	7,424,100.00	7,300,000.00
07/09/2012	10	Mountain Lake Minerals Inc. - Common Shares	668,082.20	840,410.00

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
03/06/2012	14	New Carolin Gold Corp. (Formerly Module Resources Inc.) - Units	386,934.00	2,976,415.00
03/06/2012	9	New Carolin Gold Corp. (Formerly Module Resources Inc.) - Flow-Through Units	367,600.00	2,450,666.00
07/01/2012	11	New Haven Mortgage Income Fund (1) Inc. - Common Shares	952,414.46	N/A
06/26/2012 to 07/05/2012	8	Newport Balanced Fund - Trust Units	186,396.50	N/A
07/06/2012 to 07/13/2012	5	Newport Canadian Equity Fund - Trust Units	100,000.00	N/A
06/26/2012 to 07/05/2012	2	Newport Canadian Equity Fund - Trust Units	60,000.00	N/A
07/06/2012 to 07/13/2012	5	Newport Fixed Income Fund - Trust Units	186,500.00	N/A
06/26/2012 to 07/05/2012	8	Newport Fixed Income Fund - Trust Units	407,837.59	N/A
06/26/2012 to 07/05/2012	14	Newport Strategic Yield Fund - Trust Units	779,313.96	N/A
07/06/2012 to 07/13/2012	11	Newport Yield Fund - Trust Units	688,287.32	N/A
06/26/2012 to 07/05/2012	10	Newport Yield Fund - Trust Units	637,726.83	N/A
02/13/2012 to 05/21/2012	27	Offshore Oil Vessel Supply Services L.P. - Units	465,000.00	75.00
07/03/2012	15	Olympic Resources Ltd. - Common Shares	100,000.00	1,000,000.00
07/04/2012	14	Optimus US Real Estate Fund - Units	314,841.55	299,849.00
06/26/2012	2	Parkside Resources Corporation - Flow-Through Units	27,000.00	225,000.00
06/26/2012	6	Parkside Resources Corporation - Units	97,500.00	975,000.00
06/29/2012 to 07/05/2012	31	Petrus Resources Ltd. - Common Shares	91,427,472.50	52,244,270.00
06/27/2012 to 06/28/2012	2	Place Trans Canadienne Commercial Limited Partnership - Notes	40,000.00	40,000.00
06/18/2012	1	Place Trans Canadienne Commercial Limited Partnership - Notes	300,000.00	300,000.00
01/01/2011 to 12/31/2011	1	Private Equity Conentrated Energy Fund II - Common Shares	1,271,250.00	1,250,000.00
06/15/2012	1	Procuritas Capital Investors V, L.P. - Limited Partnership Interest	29,764,300.00	29,764,300.00
06/07/2012	2	R-Cat Oilfield Corp. - Preferred Shares	27,500.00	275.00
06/28/2012	2	Radiant Energy Corporation - Debentures	70,000.00	2.00
04/24/2012	2	Range Royalty Limited Partnership - Limited Partnership Units	47,548,898.00	2,796,994.00

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
04/24/2012	196	Range Royalty Trust - Units	47,458,798.00	2,791,694.00
07/19/2012	3	Red Crescent Resources Limited - Units	3,103,033.00	62,066,660.00
07/04/2012	1	Richmond Hill Appletree Ltd. - Common Shares	1,750,000.00	100.00
07/20/2012	9	Rockex Mining Corporation - Units	110,000.00	440,000.00
07/13/2012	7	Royal Bank of Canada - Notes	6,369,752.50	62,750.00
07/24/2012	1	Royal Bank of Canada - Notes	2,041,600.00	20,000.00
07/24/2012	1	Royal Bank Of Canada - Notes	2,041,600.00	20,000.00
07/23/2012	15	Shield Gold Inc. - Flow-Through Units	197,500.00	1,975,000.00
06/27/2012	1	Shoal Point Energy Ltd. - Units	14,000.00	100,000.00
06/25/2012	37	Shoreline China Value II, L.P. - Limited Partnership Interest	270,258,840.00	270,258,840.00
06/29/2012 to 07/04/2012	2	Sinclair-Cockburn Mortgage Investment Corporation - Common Shares	300,000.00	300,000.00
06/25/2012 to 07/01/2012	65	Skyline Commercial Real Estate Investment Trust - Units	7,973,500.00	797,250.00
06/26/2012	3	SM Energy Company - Notes	1,781,500.00	875.00
07/20/2012	10	Sniper Resources Ltd. - Units	228,000.00	2,280,000.00
06/22/2012	10	Spire US Limited Partnership - Units	8,721,000.00	80,188.68
01/01/2011 to 12/31/2011	2	Sprucegrove: Non-US Eq - Common Shares	2,542,500.00	2,500,000.00
06/22/2012	3	Standard Graphite Corporation - Common Shares	66,000.00	330,000.00
07/03/2012	4	TerraX Minerals Inc. - Common Shares	12,500.00	100,000.00
05/09/2012	22	The Carlyle Group L.P. - Units	769,650.00	N/A
07/19/2012	1	The Medipattern Corporation - Common Shares	2,850,000.00	11,400,000.00
07/06/2012	29	The Medipattern Corporation - Units	1,792,500.00	7,170,000.00
06/28/2012	12	TheraVitae Inc. - Units	211,530.00	21,153,000.00
06/27/2012	6	Timbercreeek Asset Management Inc. - Debentures	15,000,000.00	15,000.00
06/29/2012	4	TribeHR Corp. - Preferred Shares	2,547,749.70	5,519,905.00
06/30/2012	37	Vertex Fund - Trust Units	3,596,380.96	N/A
06/20/2012	2	ViXS Systems Inc. - Preferred Shares	3,000,000.22	2,982,108.00
06/28/2012	1	VMS Ventures Inc. - Common Shares	117,500.00	500,000.00
01/01/2011 to 12/31/2011	5	Vontobel: Non-US Equity Offshore L.P. - Common Shares	9,153,000.00	9,000,000.00

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
06/28/2012	23	Walton NC Concord LP - Limited Partnership Units	1,096,106.83	106,729.00
06/28/2012	19	Walton NC Westlake Investment Corporation - Common Shares	508,080.00	50,808.00
06/14/2012	22	Walton NC Westlake Investment Corporation - Common Shares	681,150.00	68,115.00
06/28/2012	6	Walton NC Westlake LP - Limited Partnership Units	698,164.87	67,981.00
07/04/2012	4	Well.Ca Inc. - Preferred Shares	1,000,000.20	192,678.27
06/30/2012	14	WF Fund IV Limited Partnership - Limited Partnership Units	89,755,000.00	89,755.00

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
407 International Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Base Shelf Prospectus dated July 26, 2012
NP 11-202 Receipt dated July 26, 2012
Offering Price and Description:
$1,200,000,000.00 - Medium-Term Notes (Secured)
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
Scotia Capital Inc.
National Bank Financial Inc.
Casgrain & Company Limited
CIBC World Markets Inc.
Merrill Lynch Canada Inc.
Promoter(s):
-
Project #1935849

Issuer Name:
Allied Properties Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated July 30, 2012
NP 11-202 Receipt dated July 30, 2012
Offering Price and Description:
$100,020,000.00 - 3,334,000 Units Price: $30 per Unit
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
RBC Dominion Securities Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
Macquarie Capital Markets Canada Ltd.
National Bank Financial Inc.
Canaccord Genuity Corp.
Desjardins Securities Inc.
Dundee Securities Ltd.
GMP Securities L.P.
Promoter(s):
-
Project #1937220

Issuer Name:
Alimentation Couche-Tard Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated July 25, 2012
NP 11-202 Receipt dated July 25, 2012
Offering Price and Description:
$300,037,500.00 - 6,350,000 Class B Subordinate Voting Shares Price: 47.25 per Subordinate Voting Share
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
Scotia Capital Inc.
UBS Securities Canada Inc.
HSBC Securities (Canada) Inc.
Desjardins Securities Inc.
Barclays Capital Canada Inc.
Promoter(s):
-
Project #1935397

Issuer Name:
Quartet Resources Limited
Principal Regulator - Alberta
Type and Date:
Preliminary CPC Prospectus dated July 27, 2012
NP 11-202 Receipt dated July 30, 2012
Offering Price and Description:
$200 000.00 – 2,000, 000 Ordinary Shares Price: $0.10 per Ordinary Share
Underwriter(s) or Distributor(s):
Mackie Research Capital Corporation
Promoter(s):
James Varanese
Project #1936747

Issuer Name:
Red Hut Metals Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Long Form Prospectus dated July 30, 2012
NP 11-202 Receipt dated
Offering Price and Description:
Offering of $210,000.00 - 1,400,000 Shares @ $0.15 per Share and Distribution of 4,875,000 Shares issuable upon the conversion of 4,875,000 previously issued Special Warrants
Price: $0.15 per Special Warrant
Underwriter(s) or Distributor(s):
Jordan Capital Markets Inc.
Promoter(s):
Robert Eadie
Project #1937372

Issuer Name:
All-Weather Profit Canada Investment Pool
All-Weather Profit Commodities Investment Pool
All-Weather Profit Conservative Growth 2022 Principal-Protected Investment Pool
All-Weather Profit Emerging Markets Investment Pool
All-Weather Profit Europe & Asia Investment Pool
All-Weather Profit Global Diversified Growth Investment Pool
All-Weather Profit Global Diversified Investment Pool
All-Weather Profit Growth & Income Balanced Investment Pool
All-Weather Profit Monthly ROC Income 2022 Principal-Protected Investment Pool
All-Weather Profit Monthly Bond Investment Pool
All-Weather Profit Short-term Savings Investment Pool
All-Weather Profit U.S. Investment Pool
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Non-Offering Prospectus dated July 20, 2012
NP 11-202 Receipt dated July 25, 2012
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
One Financial Corporation
Project #1934969

Issuer Name:
AlphaNorth Technology and Life Sciences Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated July 23, 2012
NP 11-202 Receipt dated July 24, 2012
Offering Price and Description:
Series A and F Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
AlphaNorth Mutual Funds Limited
Project #1934621

Issuer Name:
BMG BullionFund
BMG Gold Advantage Return BullionFund
BMG Gold BullionFund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated July 24, 2012
NP 11-202 Receipt dated July 25, 2012
Offering Price and Description:
Class A, Class F, Class S1 and Class S2 Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
Bullion Management Services Inc.
Project #1935056

Issuer Name:
CWN Mining Acquisition Corporation
Principal Regulator - British Columbia
Type and Date:
Preliminary CPC Prospectus dated July 27, 2012
NP 11-202 Receipt dated July 27, 2012
Offering Price and Description:
$200 000.00 – 2,000,000 common shares Price:$0.10 per common share
Underwriter(s) or Distributor(s):
Jordon Capital Markets Inc.
Promoter(s):
Kin Foon Tai
Project #1936406

Issuer Name:
Deveron Resources Ltd.
Principal Regulator - Ontario
Type and Date:
Amended and Restated Preliminary Long Form Prospectus dated July 26, 2012
NP 11-202 Receipt dated July 26, 2012
Offering Price and Description:
$750,000.00 - 3,000,000 Common Shares Price: $0.25 per common share
Underwriter(s) or Distributor(s):
Leede Financial Markets Inc.
Promoter(s):
Greencastle Resources Ltd.
Project #1882899

Issuer Name:
DirectCash Payments Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated July 25, 2012
NP 11-202 Receipt dated July 25, 2012
Offering Price and Description:
$65,380,000.00 - 2,800,000 Common Shares Price: $23.35 per Common Share
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
Acumen Capital Finance Partners Limited
Scotia Capital Inc.
Promoter(s):
-
Project #1935360

Issuer Name:
Discovery 2012 Flow-Through Limited Partnership
Principal Regulator - Alberta
Type and Date:
Preliminary Long Form Prospectus dated July 24, 2012
NP 11-202 Receipt dated July 24, 2012
Offering Price and Description:
$50,000,000.00 – 2,000,000 Units PRICE: $25.00 PER UNIT$5,000,000 (minimum) (minimum – 200,000 Units)
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
TD Securities Inc.
Manulife Securities Incorporated
GMP Securities L.P.
Macquarie Private Wealth Inc.
Canaccord Genuity Corp.
Middlefield Capital Corporation
Raymond James Ltd.
Dundee Securities Ltd.
Promoter(s):
Middlefield Limited
Project #1934825

Issuer Name:
Dynamic Alternative Yield Class
Dynamic Corporate Bond Strategies Class
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated July 24, 2012
NP 11-202 Receipt dated July 27, 2012
Offering Price and Description:
Series A, F, FH, H, IP and T
Underwriter(s) or Distributor(s):
GCIC Ltd.
GCIC Ltd.
Promoter(s):
-
Project #1936379

Issuer Name:
Element Financial Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated July 24, 2012
NP 11-202 Receipt dated July 25, 2012
Offering Price and Description:
$87,128,475.00 - 16,595,900 Common Shares Issuable on Exercise of Outstanding Special Warrants Price: $5.25 per Special Warrant
Underwriter(s) or Distributor(s):
GMP Securities L.P.
Barclays Capital Canada Inc.
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
Promoter(s):
-
Project #1935189

Issuer Name:
KEYreit
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated July 24, 2012
NP 11-202 Receipt dated July 24, 2012
Offering Price and Description:
$10,004,000.00 - 1,640,000 Units PRICE: $6.10 per Units
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
Canaccord Genuity Corp.
Dundee Securities Ltd.
Macquarie Capital Markets Canada Ltd.
Promoter(s):
-
Project #1934917

Issuer Name:
Safi Ventures Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary CPC Prospectus dated July 24, 2012
NP 11-202 Receipt dated July 26, 2012
Offering Price and Description:
$200,000.00 - 2,000,000 Common Shares PRICE: $0.10 per Common Share
Underwriter(s) or Distributor(s):
Macquarie Private Wealth Inc.
Promoter(s):
Graham Keevil
Iqbal Boga
Project #1935931

Issuer Name:
Secure Energy Services Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated July 27, 2012
NP 11-202 Receipt dated July 27, 2012
Offering Price and Description:
$75,000,006.00 - 9,554,141 Common Shares Price: $7.85
Underwriter(s) or Distributor(s):
Raymond James Ltd.
FirstEnergy Capital Corp.
National Bank Financial Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
Peters & Co. Limited
Paradigm Capital Inc.
Promoter(s):
-
Project #1936762

Issuer Name:
Tanq Capital Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary CPC Prospectus dated July 26, 2012
NP 11-202 Receipt dated July 27, 2012
Offering Price and Description:
$400,000.00 – 4,000,000 Common Shares Price: $0.10 per common share - Minimum Subscription (per subscriber): $100 (1000 common shares) Maximum Subscription (per subscriber): $8000 (80 000 common shares)
Underwriter(s) or Distributor(s):
Raymond James Ltd.
Promoter(s):
-
Project #1936109

Issuer Name:
Adira Energy Ltd.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated July 25, 2012
NP 11-202 Receipt dated July 26, 2012
Offering Price and Description:
Minimum Offering of $10,000,000.00 or 71,428,571 Units; Maximum Offering of $15,000,000 or 107,142,857 Units Price $0.14 per Unit
Underwriter(s) or Distributor(s):
GMP SECURITIES L.P.
CORMARK SECURITIES INC
DUNDEE SECURITIES LTD.
CLARUS SECURITIES INC.
FIRSTENERGY CAPITAL CORP.
Promoter(s):
-
Project #1886771

Issuer Name:
Series A, E, F, J, O and W Securities (and other securities as noted) of:
Symmetry Equity Class (also offers Series AR, E6, G, T6 and T8 Securities)*
Symmetry Fixed Income Class (also offers Series E6, O6, T6 and T8 Securities)*
Symmetry Registered Fixed Income Fund (also offers Series AR Securities)
*Class of Mackenzie Financial Capital Corporation
Principal Regulator - Ontario
Type and Date:
Amendment #6 dated July 23, 2012 to the Simplified Prospectuses and Annual Information Form dated September 30, 2011
NP 11-202 Receipt dated July 26, 2012
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Quadrus Investment Services Ltd.
Promoter(s):
MACKENZIE FINANCIAL CORPORATION
Project #1789999

Issuer Name:
Series A, Series I and Series T Units (unless otherwise indicated) of
MD Equity Fund
MD Select Fund
MD American Growth Fund
MD American Value Fund
MDPIM Canadian Equity Pool (Series A Units)
MDPIM US Equity Pool (Series A Units)
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated July 17, 2012 to the Simplified Prospectuses and Annual Information Form dated June 20, 2012
NP 11-202 Receipt dated July 26, 2012
Offering Price and Description:
Series A, Series and Series T Units @ Net Asset Value
Underwriter(s) or Distributor(s):
MD Management Limited
Promoter(s):
MD Physician Services Inc.
Project #1909864

Issuer Name:
MDPIM Canadian Equity Pool
(Private Trust Series Units and Series T Units)
MDPIM US Equity Pool
(Private Trust Series Units and Series T Units)
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated July 17, 2012 to the Simplified Prospectuses and Annual Information Form dated June 20, 2012
NP 11-202 Receipt dated July 25, 2012
Offering Price and Description:
Private Trust Series Units and Series T Units @ Net Asset Value
Underwriter(s) or Distributor(s):
MD Management Limited
MD Management Ltd.
Promoter(s):
-
Project #1909882

Issuer Name:
Northwest Macro Canadian Equity Corporate Class
(formerly Northwest Specialty Innovations Corporate Class)
(Series A and Series F Shares)
Principal Regulator - Ontario
Type and Date:
Amendment #3 dated July 13, 2012 to the Simplified Prospectus and Annual Information Form dated November 8, 2011
NP 11-202 Receipt dated July 24, 2012
Offering Price and Description:
Series A and Series F Shares
Underwriter(s) or Distributor(s):
Credential Asset Management Inc.
Promoter(s):
Northwest & Ethical Investments L.P.
Project #1807928

Issuer Name:
North American Palladium Ltd.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated July 24, 2012
NP 11-202 Receipt dated July 24, 2012
Offering Price and Description:
$43,000,000.000.00 - 6.15% Convertible Unsecured Subordinated Debentures Due September 30, 2017
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
Raymond James Ltd.
RBC Dominion Securities Inc.
Macquarie Capital Markets Canada Ltd.
CIBC World Markets Inc.
Cormark Securities Inc.
GMP Securities L.P.
Haywood Securities Inc.
Promoter(s):
-
Project #1932752

Issuer Name:
TD Canadian T-Bill Fund (Investor Series Securities)
TD Canadian Money Market Fund (Investor Series, Institutional Series and O-Series Securities)
TD Premium Money Market Fund (Investor Series Securities)
TD U.S. Money Market Fund (Investor Series and Premium Series Securities)
TD Ultra Short Term Bond Fund (Investor Series Securities)
TD Short Term Bond Fund (Investor Series, Institutional Series, O-Series and Premium Series Securities)
TD Mortgage Fund (Investor Series and O-Series Securities)
TD Canadian Bond Fund (Investor Series, Institutional Series, O-Series and Premium Series Securities)
TD Income Advantage Portfolio (Investor Series, Institutional Series, O-Series, Premium Series and H-Series Securities)
TD Canadian Core Plus Bond Fund (Investor Series, O-Series and Premium Series Securities)
TD Corporate Bond Capital Yield Fund (Investor Series and Premium Series Securities)
TD Real Return Bond Fund (Investor Series and O-Series Securities)
TD Global Bond Fund (Investor Series and Institutional Series Securities)
TD High Yield Bond Fund (Investor Series, Institutional Series, O-Series, H-Series and Q-Series Securities)
TD Monthly Income Fund (Investor Series, H-Series and D-Series Securities)
TD Tactical Monthly Income Fund (Investor Series, O-Series and H-Series Securities)
TD U.S. Monthly Income Fund (Investor Series and H-Series Securities)
TD Balanced Income Fund (Investor Series and D-Series Securities)
TD Diversified Monthly Income Fund (Investor Series, O-Series and H-Series Securities)
TD Strategic Yield Fund (Investor Series and H-Series Securities)
TD Balanced Growth Fund (Investor Series Securities)
TD Dividend Income Fund (Investor Series, Institutional Series, O-Series and H-Series Securities)
TD Dividend Growth Fund (Investor Series, Institutional Series, O-Series and H-Series Securities)
TD Canadian Blue Chip Equity Fund (Investor Series, Institutional Series and O-Series Securities)
TD Canadian Equity Fund (Investor Series, Institutional Series and O-Series Securities)
TD Canadian Value Fund (Investor Series, Institutional Series and O-Series Securities)
TD Canadian Small-Cap Equity Fund (Investor Series, Institutional Series and O-Series Securities)
TD North American Dividend Fund (Investor Series and Institutional Series Securities)
TD U.S. Blue Chip Equity Fund (Investor Series, Institutional Series and O-Series Securities)
TD U.S. Quantitative Equity Fund (Investor Series Securities)
TD U.S. Large-Cap Value Fund (Investor Series, Institutional Series and O-Series Securities)
TD U.S. Large-Cap Value Currency Neutral Fund (Investor Series Securities)
TD U.S. Equity Portfolio (Investor Series Securities)
TD U.S. Equity Currency Neutral Portfolio (Investor Series Securities)
TD U.S. Mid-Cap Growth Fund (Investor Series, Institutional Series and O-Series Securities)
TD U.S. Small-Cap Equity Fund (Investor Series and O-Series Securities)
TD Global Low Volatility Fund (Investor Series and O-Series Securities)
TD Global Dividend Fund (Investor Series, Institutional Series, O-Series and H-Series Securities)
TD Global Value Fund (Investor Series and O-Series Securities)
TD Global Growth Fund (Investor Series and O-Series Securities)
TD Global Equity Portfolio (Investor Series Securities)
TD Global Multi-Cap Fund (Investor Series, Institutional Series and O-Series Securities)
TD Global Sustainability Fund (Investor Series, Institutional Series and O-Series Securities)
TD International Value Fund (Investor Series, Institutional Series and O-Series Securities)
TD International Growth Fund (Investor Series, Institutional Series and O-Series Securities)
TD European Growth Fund (Investor Series Securities)
TD Japanese Growth Fund (Investor Series and Institutional Series Securities)
TD Asian Growth Fund (Investor Series, Institutional Series and O-Series Securities)
TD Pacific Rim Fund (Investor Series Securities)
TD Emerging Markets Fund (Investor Series and O-Series Securities)
TD Latin American Growth Fund (Investor Series Securities)
TD Resource Fund (Investor Series Securities)
TD Energy Fund (Investor Series Securities)
TD Precious Metals Fund (Investor Series Securities)
TD Entertainment & Communications Fund (Investor Series Securities)
TD Science & Technology Fund (Investor Series Securities)
TD Health Sciences Fund (Investor Series and O-Series Securities)
TD Canadian Bond Index Fund (Investor Series, e-Series, Institutional Series and O-Series Securities)
TD Balanced Index Fund (Investor Series Securities)
TD Canadian Index Fund (Investor Series, e-Series, Institutional Series and O-Series Securities)
TD Dow Jones Industrial AverageSM Index Fund (Investor Series and e-Series Securities)
TD U.S. Index Fund (Investor Series, e-Series, Institutional Series and O-Series Securities)
TD U.S. Index Currency Neutral Fund (Investor Series, e-Series, Institutional Series and O-Series Securities)
TD Nasdaq® Index Fund (Investor Series and e-Series Securities)
TD International Index Fund (Investor Series, e-Series, Institutional Series and O-Series

Securities)
TD International Index Currency Neutral Fund (Investor Series and e-Series Securities)
TD European Index Fund (Investor Series and e-Series Securities)
TD Japanese Index Fund (Investor Series and e-Series Securities)
TD Target Return Conservative Fund (Investor Series Securities)
TD Target Return Balanced Fund (Investor Series Securities)
TD Advantage Balanced Income Portfolio (Investor Series and H-Series Securities)
TD Advantage Balanced Portfolio (Investor Series and H-Series Securities)
TD Advantage Balanced Growth Portfolio (Investor Series and H-Series Securities)
TD Advantage Growth Portfolio (Investor Series Securities)
TD Advantage Aggressive Growth Portfolio (Investor Series Securities)
TD Comfort Conservative Income Portfolio (Investor Series Securities)
TD Comfort Balanced Income Portfolio (Investor Series Securities)
TD Comfort Balanced Portfolio (Investor Series Securities)
TD Comfort Balanced Growth Portfolio (Investor Series Securities)
TD Comfort Growth Portfolio (Investor Series Securities)
TD Comfort Aggressive Growth Portfolio (Investor Series Securities)
TD Short Term Investment Class (Investor Series Securities) (A class of TD Mutual Funds Corporate Class Ltd.)
TD Fixed Income Capital Yield Pool Class (Investor Series Securities) (A class of TD Mutual Funds Corporate Class Ltd.)
TD Global High Yield Capital Class (Investor Series Securities) (A class of TD Mutual Funds Corporate Class Ltd.)
TD Tactical Monthly Income Class (Investor Series Securities) (A class of TD Mutual Funds Corporate Class Ltd.)
TD Dividend Income Class (Investor Series Securities) (A class of TD Mutual Funds Corporate Class Ltd.)
TD Canadian Low Volatility Class (Investor Series Securities) (A class of TD Mutual Funds Corporate Class Ltd.)
TD Dividend Growth Class (Investor Series Securities) (A class of TD Mutual Funds Corporate Class Ltd.)
TD Canadian Blue Chip Equity Class (Investor Series Securities) (A class of TD Mutual Funds Corporate Class Ltd.)
TD Canadian Equity Class (Investor Series Securities) (A class of TD Mutual Funds Corporate Class Ltd.)
TD Canadian Value Class (Investor Series Securities) (A class of TD Mutual Funds Corporate Class Ltd.)
TD Canadian Small-Cap Equity Class (Investor Series Securities) (A class of TD Mutual Funds Corporate Class Ltd.)
TD U.S. Large-Cap Value Class (Investor Series Securities) (A class of TD Mutual Funds Corporate Class Ltd.)
TD U.S. Mid-Cap Growth Class (Investor Series Securities) (A class of TD Mutual Funds Corporate Class Ltd.)
TD Global Low Volatility Class (Investor Series Securities) (A class of TD Mutual Funds Corporate Class Ltd.)
TD Global Growth Class (Investor Series Securities) (A class of TD Mutual Funds Corporate Class Ltd.)
TD Global Multi-Cap Class (Investor Series Securities) (A class of TD Mutual Funds Corporate Class Ltd.)
TD Global Sustainability Class (Investor Series Securities) (A class of TD Mutual Funds Corporate Class Ltd.)
TD International Growth Class (Investor Series Securities) (A class of TD Mutual Funds Corporate Class Ltd.)
TD Asian Growth Class (Investor Series Securities) (A class of TD Mutual Funds Corporate Class Ltd.)
TD Emerging Markets Class (Investor Series Securities) (A class of TD Mutual Funds Corporate Class Ltd.)
Principal Regulator - Ontario

Type and Date:
Final Simplified Prospectuses dated July 25, 2012
NP 11-202 Receipt dated July 27, 2012

Offering Price and Description:
-

Underwriter(s) or Distributor(s):
TD Investment Services Inc. (for Investor Series units)
TD Investment Services Inc. (for Investor Series and e-Series units)
TD Investment Services Inc.(for Investor Series units)
TD Investment Services Inc. (for Investor Series and e-Series Units)
TD Investment Services Inc. (for Investor Series)
TD Waterhouse Canada Inc.
TD Asset Management Inc. (for Investor Series units)
TD Investment Services Inc. (for Investor Series and Premium Series units)

Promoter(s):
TD Asset Management Inc.

Project #1920544

Issuer Name:
TD Canadian Money Market Fund (Advisor Series and F-Series Securities)
TD Premium Money Market Fund (F-Series Securities)
TD Ultra Short Term Bond Fund (Advisor Series and F-Series Securities)
TD Short Term Bond Fund (Advisor Series and F-Series Securities)
TD Mortgage Fund (Advisor Series and F-Series Securities)
TD Canadian Bond Fund (Advisor Series and F-Series Securities)
TD Income Advantage Portfolio (Advisor Series, F-Series, T-Series and S-Series Securities)
TD Canadian Core Plus Bond Fund (Advisor Series and F-Series Securities)
TD Corporate Bond Capital Yield Fund (Advisor Series and F-Series Securities)
TD Real Return Bond Fund (Advisor Series and F-Series Securities)
TD Global Bond Fund (Advisor Series and F-Series Securities)
TD High Yield Bond Fund (Advisor Series, F-Series, T-Series and S-Series Securities)
TD Monthly Income Fund (Advisor Series, F-Series, T-Series and S-Series Securities)
TD Tactical Monthly Income Fund (Advisor Series, F-Series, T-Series and S-Series Securities)
TD U.S. Monthly Income Fund (Advisor Series, F-Series, T-Series and S-Series Securities)
TD Balanced Income Fund (Advisor Series and F-Series Securities)
TD Diversified Monthly Income Fund (Advisor Series, F-Series, T-Series and S-Series Securities)
TD Strategic Yield Fund (Advisor Series, F-Series, T-Series and S-Series Securities)
TD Balanced Growth Fund (Advisor Series and F-Series Securities)
TD Dividend Income Fund (Advisor Series, F-Series, T-Series and S-Series Securities)
TD Dividend Growth Fund (Advisor Series, F-Series, T-Series and S-Series Securities)
TD Canadian Blue Chip Equity Fund (Advisor Series and F-Series Securities)
TD Canadian Equity Fund (Advisor Series and F-Series Securities)
TD Canadian Value Fund (Advisor Series and F-Series Securities)
TD Canadian Small-Cap Equity Fund (Advisor Series and F-Series Securities)
TD North American Dividend Fund (Advisor Series and F-Series Securities)
TD U.S. Blue Chip Equity Fund (Advisor Series and F-Series Securities)
TD U.S. Large-Cap Value Fund (Advisor Series and F-Series Securities)
TD U.S. Large-Cap Value Currency Neutral Fund (Advisor Series and F-Series Securities)
TD U.S. Equity Portfolio (Advisor Series and F-Series Securities)
TD U.S. Equity Currency Neutral Portfolio (Advisor Series and F-Series Securities)
TD U.S. Mid-Cap Growth Fund (Advisor Series and F-Series Securities)
TD U.S. Small-Cap Equity Fund (Advisor Series and F-Series Securities)
TD Global Low Volatility Fund (Advisor Series and F-Series Securities)
TD Global Dividend Fund (Advisor Series, F-Series, T-Series and S-Series Securities)
TD Global Value Fund (Advisor Series and F-Series Securities)
TD Global Growth Fund (Advisor Series and F-Series Securities)
TD Global Equity Portfolio (Advisor Series and F-Series Securities)
TD Global Multi-Cap Fund (Advisor Series and F-Series Securities)
TD Global Sustainability Fund (Advisor Series and F-Series Securities)
TD International Value Fund (Advisor Series and F-Series Securities)
TD International Growth Fund (Advisor Series and F-Series Securities)
TD Japanese Growth Fund (Advisor Series and F-Series Securities)
TD Asian Growth Fund (Advisor Series and F-Series Securities)
TD Emerging Markets Fund (Advisor Series and F-Series Securities)
TD Latin American Growth Fund (Advisor Series and F-Series Securities)
TD Resource Fund (Advisor Series and F-Series Securities)
TD Energy Fund (Advisor Series and F-Series Securities)
TD Precious Metals Fund (Advisor Series and F-Series Securities)
TD Entertainment & Communications Fund (Advisor Series and F-Series Securities)
TD Science & Technology Fund (Advisor Series and F-Series Securities)
TD Health Sciences Fund (Advisor Series and F-Series Securities)
TD Canadian Bond Index Fund (F-Series Securities)
TD Canadian Index Fund (F-Series Securities)
TD Dow Jones Industrial AverageSM Index Fund (F-Series Securities)
TD U.S. Index Fund (F-Series Securities)
TD U.S. Index Currency Neutral Fund (F-Series Securities)
TD Nasdaq® Index Fund (F-Series Securities)
TD International Index Fund (F-Series Securities)
TD International Index Currency Neutral Fund (F-Series Securities)
TD European Index Fund (F-Series Securities)
TD Japanese Index Fund (F-Series Securities)
TD Target Return Conservative Fund (F-Series Securities)
TD Target Return Balanced Fund (F-Series Securities)
TD Advantage Balanced Income Portfolio (Advisor Series, F-Series, T-Series and S-Series Securities)
TD Advantage Balanced Portfolio (Advisor Series, F-Series, T-Series and S-Series Securities)
TD Advantage Balanced Growth Portfolio (Advisor Series, F-Series, T-Series and S-Series Securities)

TD Advantage Growth Portfolio (Advisor Series and F-Series Securities)
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TD Short Term Investment Class (Advisor Series and F-Series Securities) (A class of TD Mutual Funds Corporate Class Ltd.)
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TD Canadian Value Class (Advisor Series and F-Series Securities) (A class of TD Mutual Funds Corporate Class Ltd.)
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TD Global Low Volatility Class (Advisor Series and F-Series Securities) (A class of TD Mutual Funds Corporate Class Ltd.)
TD Global Growth Class (Advisor Series and F-Series Securities) (A class of TD Mutual Funds Corporate Class Ltd.)
TD Global Multi-Cap Class (Advisor Series and F-Series Securities) (A class of TD Mutual Funds Corporate Class Ltd.)
TD Global Sustainability Class (Advisor Series and F-Series Securities) (A class of TD Mutual Funds Corporate Class Ltd.)
TD International Growth Class (Advisor Series and F-Series Securities) (A class of TD Mutual Funds Corporate Class Ltd.)
TD Asian Growth Class (Advisor Series and F-Series Securities) (A class of TD Mutual Funds Corporate Class Ltd.)
TD Emerging Markets Class (Advisor Series and F-Series Securities) (A class of TD Mutual Funds Corporate Class Ltd.)
TD Fixed Income Pool (F-Series Securities)
TD Fixed Income Capital Yield Pool Class (Advisor Series and F-Series Securities)
TD Canadian Equity Pool Class (F-Series Securities) (A class of TD Mutual Funds Corporate Class Ltd.)
TD Global Equity Pool Class (F-Series Securities) (A class of TD Mutual Funds Corporate Class Ltd.)
TD Tactical Pool Class (F-Series Securities) (A class of TD Mutual Funds Corporate Class Ltd.)
Principal Regulator - Ontario

Type and Date:
Final Simplified Prospectuses dated July 25, 2012
NP 11-202 Receipt dated July 27, 2012

Offering Price and Description:
-

Underwriter(s) or Distributor(s):
TD Investment Services Inc. (for Investor Series units)
TD Investment Services Inc.(for Investor Series units)
TD Investment Services Inc. (for Investor Series and e-Series Units)
TD Waterhouse Canada Inc.
TD Investment Services Inc. (for Investor Series and e-Series units)
TD Asset Management Inc. (for Investor Series units)

Promoter(s):
TD Asset Management Inc.

Project #1920556

Issuer Name:
TD Canadian Low Volatility Pool
TD Global High Yield Pool
TD Global High Yield Pool Trust
Principal Regulator - Ontario

Type and Date:
Final Simplified Prospectuses dated July 25, 2012
NP 11-202 Receipt dated July 27, 2012

Offering Price and Description:
O-SERIES UNITS

Underwriter(s) or Distributor(s):
-

Promoter(s):
TD Asset Management Inc.

Project #1920516

Issuer Name:
Vela Minerals Ltd.
Principal Regulator - British Columbia
Type and Date:
Amended and Restated Long Form Prospectus dated July 17, 2012 to the Long Form Prospectus dated April 23, 2012
NP 11-202 Receipt dated July 25, 2012
Offering Price and Description:
$1,500,000.00 - 10,000,000 SHARES PRICE: $0.15 PER SHARE
Underwriter(s) or Distributor(s):
MACQUARIE PRIVATE WEALTH INC.
Promoter(s):
-
Project #1859428

Issuer Name:
Commonwealth Silver and Gold Mining Inc.
Principal Jurisdiction - Ontario
Type and Date:
Preliminary Long Form Prospectus dated March 23, 2012
Withdrawn on July 24, 2012
Offering Price and Description:
$ * - * Units Price: $ * per Unit
Underwriter(s) or Distributor(s):
Frazer Mackenzie Limited,
Haywood Securities Inc.
Canaccord Genuity Corp.
Sprott Private Wealth LP
Promoter(s):
Michael Farrant,
Hall Stewart
Donald Greco
Project #1876577

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Trez Capital Fund Management Limited Partnership	Exempt Market Dealer	July 25, 2012
New Registration	Imperial Capital, LLC	Restricted Dealer	July 27, 2012
New Registration	HarbourEdge Asset Management Corporation	Exempt Market Dealer	July 30, 2012
Amalgamation	Galileo Global Equity Advisors Inc. and Galileo Funds Inc. To Form: Galileo Global Equity Advisors Inc.	Investment Fund Manager, Portfolio Manager and Exempt Market Dealer	July 31, 2012

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Chapter 13

SROs, Marketplaces and Clearing Agencies

13.2 Marketplaces

13.2.1 Chi-X Canada ATS – Notice of Commission Approval of Proposed Changes

CHI-X CANADA ATS
NOTICE OF COMMISSION APPROVAL OF PROPOSED CHANGES

Chi-X Canada ATS Limited has announced its plans to implement changes to its Form 21-101F2 introducing three new specialty crosses: basis cross, VWAP cross and contingent cross (Proposed Changes). A notice describing the Proposed Changes was published in accordance with OSC Staff Notice 21-703 – *Transparency of the Operations of Stock Exchanges and Alternative Trading Systems* on June 28, 2012 in this Bulletin. Pursuant to OSC Staff Notice 21-703, market participants were also invited by OSC staff to provide the Commission with feedback on the proposed changes. No comments were received.

The Proposed Changes were approved on July 30, 2012. Chi-X Canada ATS is expected to publish a notice indicating the intended implementation date of the proposed changes.

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Chapter 25

Other Information

25.1 Approvals

25.1.1 Optimize Asset Management Incorporated – s. 213(3)(b) of the LTCA

Headnote

Clause 213(3)(b) of the Loan and Trust Corporations Act – application by manager, with no prior track record acting as trustee, for approval to act as trustee of pooled funds and future pooled funds to be managed by the applicant and offered pursuant to a prospectus exemption.

Statutes Cited

Loan and Trust Corporations Act, R.S.O. 1990, c. L.25, as am., s. 213(3)(b).

July 24, 2012

Optimize Asset Management Incorporated
15 Toronto Street, Suite 602
Toronto, ON M5C 2E3

Attention: Jeffrey Kreps / David Taggart

Dear Sirs/Medames:

Re: Optimize Asset Management Incorporated (the "Applicant")

Application pursuant to clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario) for approval to act as trustee

Application No. 2012/0059

Further to your application dated January 27, 2012 (the "Application") filed on behalf of the Applicant, and based on the facts set out in the Application and the representation by the Applicant that the assets of Optimize Yield Fund and any other future mutual fund trusts that the Applicant may establish and manage from time to time will be held in the custody of a trust company incorporated and licensed or registered under the laws of Canada or a jurisdiction, or a bank listed in Schedule I, II or III of the *Bank Act* (Canada), or an affiliate of such bank or trust company, the Ontario Securities Commission (the "Commission") makes the following order.

Pursuant to the authority conferred on the Commission in clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario), the Commission approves the proposal that the Applicant act as trustee of Optimize Yield Fund and any other future mutual fund trusts which may be established and managed by the Applicant from time to time, the securities of which will be offered pursuant to prospectus exemptions.

Yours truly,

"Wes M. Scott"

"Sarah B. Kavanagh"

25.2 Consents

25.2.1 Active Growth Capital Inc. – s. 4(b) of the Regulation

Headnote

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

Statutes Cited

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

Regulations Cited

Regulation made under the Business Corporations Act, O. Reg. 289/00, as am., s. 4(b).

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

AND

IN THE MATTER OF
ACTIVE GROWTH CAPITAL INC.

CONSENT
(Subsection 4(b) of the Regulation)

UPON, the application of Active Growth Capital Inc, (the "Applicant") to the Ontario Securities Commission (the "Commission") requesting the consent of the Commission to continue into another jurisdiction pursuant to subsection 4(b) of the Regulation;

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

AND UPON the Applicant having represented to the Commission that:

1. The Applicant is a corporation existing under the OBCA by virtue of its Certificate of Incorporation dated July 19, 2007, and its Articles of Amendment dated October 26, 2007.

2. The Applicant's registered office is located at 3621, Highway 7 East, Suite 306, Makham, Ontario L3R 0G6.

3. The authorized capital of the Applicant consists of an unlimited number of common shares, of which 15,066,689 were outstanding as at July 4, 2012;

4. The Applicant's issued and outstanding common shares are listed for trading on the TSX Venture Exchange under the symbol ACK;

5. The Applicant is not in default of any rules, regulations or policies of the TSX Venture Exchange.

6. The Applicant proposes to make an application (the "Application for Continuance") to the Director under the OBCA pursuant to section 181 of the OBCA for authorization to continue under the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44 (the "CBCA");

7. The Applicant is a reporting issuer within the meaning of the *Securities Act* (Ontario) (the "Act"). In addition, the Applicant is a reporting issuer or the equivalent in British Columbia and Alberta.

8. The Applicant is not in default of any requirements of the Act or regulations or rules promulgated thereunder, and the Applicant is not in default of any of its obligations as a reporting issuer under the legislation of any other jurisdiction;

9. The Applicant is an offering corporation under the provisions of the OBCA and the Applicant is not in default of any of the provisions, rules or regulations of the OBCA.

10. Pursuant to clause 4(b) of the Regulation, where the corporation is an offering corporation, as defined in the OBCA, the Application for Continuance must be accompanied by the consent of the Commission;

11. The Applicant is not a party to any proceedings or to the best of its knowledge, information of belief, any pending proceeding under the Act, the OBCA or the Legislation;

12. The Applicant currently intends to continue to be a reporting issuer in each of Ontario, British Columbia and Alberta following the proposed Continuance;

13. The Applicant's continuance under the provisions of the CBCA was approved at an annual and special meeting of shareholders by 99.79% of the vote on July 4, 2012;

14. The management information circular dated June 5, 2012 (the "Information Circular") provided to all Shareholders in connection with the Meeting included full disclosure of the reasons for, and the implications of, the proposed Continuance, a summary of the material differences between the OBCA and the CBCA and advised the Shareholders of their dissent rights in connection with the application for continuance pursuant to section 185 of the OBCA.

15. Pursuant to section 185 of the OBCA, all Shareholders of record as of the record date for the Meeting were entitled to exercise dissent rights with respect to the Application for Continuance. The management information circular provided to the shareholders in connection with the Meeting advised the Shareholders of their dissent rights under the OBCA.

16. The continuance is proposed to be made in order for the Applicant to conduct its business and affairs in accordance with the provisions of the CBCA;

17. The material rights, duties and obligations of a corporation existing under the CBCA are substantially similar to those of a corporation governed by the OBCA.

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

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

DATED this 25th day of July 2012.

"Wesley M. Scott"
Commissioner
Ontario Securities Commission

"Sarah B. Kavanagh"
Commissioner
Ontario Securities Commission

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