The Ontario Securities Commission

OSC Bulletin

November 29, 2012

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

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Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

November 29, 2012

CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

- -

Temporary Change of Location of Ontario Securities Commission Proceedings

All hearings scheduled to be heard between November 22, 2012 and March 15, 2013 will take place at the following location:

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

SCHEDULED OSC HEARINGS

December 3, December 5-6, December 10-17 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)
December 7, 2012 9:00 a.m.	A. Heydon/Y. Chisholm in attendance for Staff Panel: EPK
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 5, 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

December 5, 2012 1:30 p.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 6, 2012 10:00 a.m.	**Children's Education Funds Inc.** s. 127 D. Ferris in attendance for Staff Panel: JEAT
December 7, 2012 10:00 a.m.	**Caroline Frayssignes Cotton** s. 127 C. Price in attendance for Staff Panel: JEAT
December 11, 2012 9:00 a.m.	**Systematech Solutions Inc., April Vuong and Hao Quach** s. 127 D. Ferris in attendance for Staff Panel: EPK
December 11 and December 14, 2012 9:30 a.m.	**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: JDC/MCH
December 13, 2012 10;00 a.m.	**Global RESP Corporation and Global Growth Assets Inc.** s. 127 D. Ferris in attendance for Staff Panel: JEAT
December 14, 2012 10:00 a.m.	**Frederick Johnathon Nielsen, previously known as Frederick John Gilliland** Subsections 127(1) and 127(10) S. Schumacher in attendance for Staff Panel: JEAT
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: MGC
December 20, 2012 10:00 a.m.	**New Hudson Television LLC & Dmitry James Salganov** s. 127 C. Watson in attendance for Staff Panel: MGC
December 20, 2012 11:00 a.m.	**Knowledge First Financial Inc.** s. 127 D. Ferris in attendance for Staff Panel: JEAT
December 20, 2012 11:30 a.m.	**Heritage Education Funds Inc.** s. 127 D. Ferris in attendance for Staff Panel: JEAT
January 10-11, 2013 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: CP

January 14, 2013 10:00 a.m.	**Roger Carl Schoer** s. 21.7 C. Johnson in attendance for Staff Panel: JEAT
January 14, January 16-28, January 30 – February 11 and February 13-22, 2013 10:00 a.m.	**Jowdat Waheed and Bruce Walter** s. 127 J. Lynch in attendance for Staff Panel: CP/SBK/PLK
January 17, 2013 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: TBA
January 17, 2013 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: TBA
January 17, 2013 2:00 p.m.	**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: EPK
January 18, 2013 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
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: EPK
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
January 28, 2013 10:00 a.m.	**AMTE Services Inc., Osler Energy Corporation, Ranjit Grewal, Phillip Colbert and Edward Ozga** s. 127 C. Rossi in attendance for Staff Panel: TBA
February 1, 2013 10:00 a.m.	**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

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: VK
February 11, February 13-15, February 19-25 and February 27 – March 6, 2013 10:00 a.m.	**David Charles Phillips and John Russell Wilson** s. 127 Y. Chisholm in attendance for Staff Panel: TBA
February 27, 2013 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: EPK
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
March 18-25 and March 27-28, 2013 10:00 a.m.	**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: EPK
April 8, April 10-16, April 22, April 24, April 29-30, May 6 and May 8, 2013 10:00 a.m.	**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
April 11-22 and April 24, 2013 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
April 15-22, April 25 – May 6 and May 8-10, 2013 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
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

May 9, 2013 10:00 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 Y. Chisholm in attendance for Staff Panel: TBA
September 16-23, September 25 –October 7, October 9-21, October 23 – November 4, November 6-18, November 20 – December 2, December 4-16 and December 18-20, 2013 10:00 a.m.	**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
To be held In-Writing	**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 Corp., (aka Liquid Gold International Inc.) and Nanotech Industries Inc.** s. 127 J. Feasby in attendance for Staff Panel: JDC
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 **FactorCorp Inc., FactorCorp Financial Inc. and Mark Twerdun**

s. 127

C. Price 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 **David M. O'Brien**

s. 37, 127 and 127.1

B. Shulman 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

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

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: TBA

TBA

Crown Hill Capital Corporation and Wayne Lawrence Pushka

s. 127

A. Perschy/A. Pelletier in attendance for Staff

Panel: TBA

TBA

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

TBA

Bernard Boily

s. 127 and 127.1

M. Vaillancourt/U. Sheikh in attendance
for Staff

Panel: TBA

TBA

New Found Freedom Financial, Ron Deonarine Singh, Wayne Gerard Martinez, Pauline Levy, David Whidden, Paul Swaby and Zompas Consulting

s. 127

A. Heydon/S. Horgan in attendance for Staff

Panel: TBA

TBA

Vincent Ciccone and Cabo Catoche Corp. (a.k.a. Medra Corp. and Medra Corporation)

s. 127

M. Vaillancourt 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

1.2 Notices of Hearing

1.2.1 Frederick Johnathon Nielsen, previously known as Frederick John Gilliland – ss. 127(1), 127(10)

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

AND

IN THE MATTER OF
FREDERICK JOHNATHON NIELSEN,
previously known as FREDERICK JOHN GILLILAND

NOTICE OF HEARING
(Subsections 127(1) and 127(10))

TAKE NOTICE THAT the Ontario Securities Commission (the "Commission") will hold a hearing, pursuant to subsections 127(1) and 127(10) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), at the temporary offices of the Commission, 333 Bay Street, Suite 900, Toronto, Ontario, commencing on December 14, 2012 at 10:00 a.m.;

TO CONSIDER whether, pursuant to paragraphs 4 and 5 of subsection 127(10), it is in the public interest for the Commission:

1. to make an order pursuant to paragraph 2 of subsection 127(1) of the Act that trading in any securities by Frederick Johnathon Nielsen, previously known as Frederick John Gilliland ("Nielsen") cease until March 25, 2036, except that Nielsen may trade in securities through a registrant in one cash and one RSP account if he first provides a copy of the order to the registrant;

2. to make an order pursuant to paragraph 2.1 of subsection 127(1) of the Act that the acquisition of any securities by Nielsen be prohibited until March 25, 2036 except that Nielsen may trade in securities through a registrant in one cash and one RSP account if he first provides a copy of the order to the registrant;

3. to make an order pursuant to paragraph 3 of subsection 127(1) of the Act that any exemptions contained in Ontario securities law do not apply to Nielsen until March 25, 2036;

4. to make an order pursuant to paragraph 7 of subsection 127(1) of the Act that Nielsen resign any positions that he holds as director or officer of an issuer;

5. to make an order pursuant to paragraph 8 of subsection 127(1) of the Act that Nielsen be prohibited from becoming or acting as an officer or director of an issuer until March 25, 2036;

6. to make an order pursuant to paragraph 8.5 of subsection 127(1) of the Act that Nielsen is prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter until March 25, 2036; and,

7. to make such other order or orders as the Commission considers appropriate.

BY REASON of the allegations set out in the Statement of Allegations of Staff dated November 22, 2012 and by reason of an order of the British Columbia Securities Commission dated March 25, 2011, and such additional allegations as counsel may advise and the Commission may permit;

AND TAKE FURTHER NOTICE that at the hearing on December 14, 2012, Staff will bring an application to proceed with the matter by written hearing, in accordance with Rule 11 of the Ontario Securities Commission *Rules of Procedure* (2012), 35 O.S.C.B. 10071, and section 5.1 of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22, as amended;

AND TAKE FURTHER NOTICE that any party to the proceeding may be represented by counsel if that party attends or submits evidence at the hearing;

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

DATED at Toronto this 23rd day of November, 2012.

"John Stevenson"
Secretary to the Commission

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

AND

IN THE MATTER OF
FREDERICK JOHNATHON NIELSEN,
previously known as FREDERICK JOHN GILLILAND

STATEMENT OF ALLEGATIONS OF STAFF OF
THE ONTARIO SECURITIES COMMISSION

Staff of the Ontario Securities Commission ("Staff") allege:

I. THE RESPONDENT

1. Frederick Johnathon Nielsen, previously known as Frederick John Gilliland ("Nielsen"), resided in British Columbia in 2009, and at least as recently as March 2011.

2. Neilsen has never been registered with the British Columbia Securities Commission ("BCSC") in any capacity.

II. OVERVIEW

3. Nielsen entered into a settlement agreement with the BCSC, dated March 25, 2011 (the "Settlement Agreement").

4. The Settlement Agreement was approved by order of the BCSC on March 25, 2011 (the "Order"), in which the BCSC imposed sanctions on Nielsen.

5. In the Settlement Agreement, Nielsen consented to any securities regulator in Canada relying on the facts admitted in his Settlement Agreement for the purpose of making a similar order.

6. The conduct for which Nielsen was sanctioned occurred between late March 2009 and early May 2009.

III. FACTS AGREED TO BY NIELSEN

Misconduct: Cold Calling and Trading without Registration

7. In his Settlement Agreement, Nielsen admitted the following:

   a. Between late March and early May 2009, Nielsen organized and operated a telephone room in Surrey, British Columbia for the purpose of marketing and selling shares in Green Farms International Inc. ("Green Farms"), a private United States ("U.S.") company.

   b. During that time, Nielsen hired, supervised and instructed four salespeople who placed hundreds of phone calls per day to U.S. residents in an attempt to sell shares in Green Farms.

   c. As a direct result of the calls made from the telephone room, two U.S. residents invested a total of $4,500 in Green Farms.

   d. Nielsen convinced another U.S. resident to invest $10,000 in Green Farms, independent of the telephone room operation.

   e. By engaging in the conduct above, Nielsen:

      i. contravened section 49 of the *Securities Act*, RSBC 1996, c. 418 (the "BC Act") by having salespeople telephone residences on his behalf from within British Columbia for the purpose of trading in securities; and

      ii. contravened section 34 of the BC Act by engaging in acts in furtherance of a trade in securities without being registered.

Aggravating Factor: Past Securities Misconduct and Sanctions

8. In his Settlement Agreement, Nielsen admitted the following aggravating factor:

   a. While residing in Florida in the late 1990s, Nielsen, then known as Gilliland ("Gilliland"), was involved in a Ponzi scheme throughout the United States, Canada and the United Kingdom, fraudulently soliciting more than $20 million from over 200 investors;

   b. In March, 2002, the Securities and Exchange Commission (the "SEC") filed a civil complaint against Gilliland in relation to the Ponzi scheme. The SEC was granted final judgement against Gilliland in October, 2004 for $10,141,179;

   c. In June, 2005, Gilliland pleaded guilty to conspiracy to commit wire fraud and securities fraud, and conspiracy to commit money laundering in relation to the Ponzi scheme. In October, 2005, he was sentenced to 60 months in prison and ordered to pay over $12 million in restitution;

   d. A receiver was appointed to recover assets from Gilliland's estate to satisfy the civil and criminal monetary orders. The receiver was able to seize and recover just over $3.6 million; and

   e. Gilliland was released from prison in October, 2008, moved to British Columbia, and changed his name to Nielsen.

The BCSC Order

9. In its Order dated March 25, 2011, the BCSC imposed the following sanctions:

   a. Pursuant to section 161(1)(b) of the BC Act, Nielsen is to cease trading or purchasing securities or exchange contracts for 25 years from the date of the Order, except that he may trade and purchase securities and exchange contracts through a registrant in one cash and one RSP account if he first provides a copy of the Order to the registrant;

   b. Pursuant to section 161(1)(d)(i) of the BC Act, Nielsen is to resign any position that he holds as a director or officer of any issuer;

   c. Pursuant to section 161(1)(d)(ii) of the BC Act, Nielsen is prohibited from acting as a director or officer of any issuer for 25 years from the date of the Order;

   d. Pursuant to section 161(1)(d)(iii) of the BC Act, Nielsen is prohibited from becoming or acting as a registrant, investment fund manager or promoter for 25 years from the date of the Order;

   e. Pursuant to section 161(1)(d)(iv) of the BC Act, Nielsen is prohibited from acting in a management or consultative capacity in connection with activities in the securities market for 25 years from the date of the Order; and

   f. Pursuant to section 161(1)(d)(v) of the BC Act, Nielsen is prohibited from engaging in investor relations activities for 25 years from the date of the Order.

IV. JURISDICTION OF THE ONTARIO SECURITIES COMMISSION

10. In the Settlement Agreement, Nielsen agreed with the BCSC to be made subject to sanctions, conditions, restrictions or requirements. Nielsen also consented to any securities regulator in Canada relying on the facts admitted in the Settlement Agreement for the purpose of making an order similar to the BC Order.

11. Pursuant to paragraphs 4 and 5, respectively, of subsection 127(10) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), an order made by a securities regulatory authority, derivatives regulatory authority or financial regulatory authority, in any jurisdiction, that imposes sanctions, conditions, restrictions or requirements on a person or company, or an agreement with a securities regulatory authority, derivatives regulatory authority or financial regulatory authority, in any jurisdiction, to be made subject to sanctions, conditions, restrictions or requirements on the person or company may form the basis for an order in the public interest made under subsection 127(1) of the Act.

12. Staff allege that it is in the public interest to make an order against Nielsen.

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

14. Staff request that this application be heard by way of a written hearing pursuant to Rules 2.6 and 11 of the Ontario Securities Commission *Rules of Procedure*.

DATED at Toronto, this 22nd day of November, 2012.

1.3 News Releases

1.3.1 Richvale Resource Corp. and Pasquale Schiavone

FOR IMMEDIATE RELEASE
November 22, 2012

OSC PANEL ISSUES SANCTIONS AGAINST
RICHVALE RESOURCE CORP. AND
PASQUALE SCHIAVONE

TORONTO – A panel of the Ontario Securities Commission (OSC) today released its Reasons and Decision on Sanctions and Costs, permanently banning Richvale Resource Corp. (Richvale) and its president, Pasquale Schiavone (Schiavone), from trading in securities for their roles in a mining fraud that bilked 27 Canadian investors out of $753,000.

In today's decision, the OSC panel observed that "the Respondents cannot be trusted to participate in the capital markets." Accordingly, the OSC panel ordered that Schiavone pay an administrative penalty of $300,000. Schiavone and Richvale were also ordered to jointly and severally pay a further $378,666 in disgorgement and costs.

The OSC panel found in its decision on the merits, released April 25, 2012, that of the $753,000 raised from investors, Richvale used only 6 per cent of that amount for mining claims. The remainder of the Richvale investor funds went to cash withdrawals, sales commissions, payments to directors, officers or employees, and undocumented loans to friends of employees. According to the OSC panel, "Richvale had no underlying legitimate business."

The remaining respondents in this matter, who settled with the Commission on October 14, 2011, were ordered to disgorge the remainder of the funds obtained as a result of the fraud.

A copy of the Reasons for Decision on Sanctions and Costs are available on the OSC website at www.osc.gov.on.ca.

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 Maitland Capital Ltd. et al.

FOR IMMEDIATE RELEASE
November 21, 2012

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

AND

IN THE MATTER OF
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

TORONTO – The Commission issued its Reasons and Decision on Sanctions and Costs and an Order with respect to Tom Mezinski in the above noted matter.

A copy of the Reasons and Decision on Sanctions and Costs and the Order with respect to Tom Mezinski dated November 20, 2012 are available at **www.osc.gov.on.ca**.

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1.4.2 International Strategic Investments et al.

FOR IMMEDIATE RELEASE
November 21, 2012

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

AND

IN THE MATTER OF
INTERNATIONAL STRATEGIC INVESTMENTS, INTERNATIONAL STRATEGIC INVESTMENTS INC., SOMIN HOLDINGS INC., NAZIM GILLANI AND RYAN J. DRISCOLL

TORONTO – The Commission issued an Order in the above named matter which provides that the confidential pre-hearing conference will continue on December 3, 2012 at 9:00 a.m. at which time the panel anticipates scheduling dates for a hearing on the merits in this matter.

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

A copy of the Order dated November 20, 2012 is available at **www.osc.gov.on.ca**.

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1.4.3 Jowdat Waheed and Bruce Walter

FOR IMMEDIATE RELEASE
November 22, 2012

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

AND

IN THE MATTER OF
JOWDAT WAHEED AND BRUCE WALTER

TORONTO – The Commission issued an Order in the above named matter which provides that a confidential pre-hearing conference will be held on November 22, 2012, at 3:30 p.m.

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

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

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1.4.4 Northern Securities Inc. et al.

FOR IMMEDIATE RELEASE
November 21, 2012

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

AND

IN THE MATTER OF
NORTHERN SECURITIES INC.,
VICTOR PHILIP ALBOINI,
DOUGLAS MICHAEL CHORNOBOY AND
FREDERICK EARL VANCE

AND

IN THE MATTER OF
DECISIONS OF A HEARING PANEL OF THE
INVESTMENT INDUSTRY REGULATORY
ORGANIZATION OF CANADA DATED JULY 23, 2012
and NOVEMBER 10, 2012

TORONTO – The Commission issued an Order in the above named matter, which provides that, (1) pursuant to section 21.7 and subsection 8(4) of the Act, the sanctions and penalties imposed by the IIROC Hearing Panel are stayed until December 18, 2012, or further order of the Commission; and (2) the Stay Motion is otherwise adjourned to December 17, 2012 at 11:00 a.m., or such other date and time as is agreed by the parties and fixed by the Office of the Secretary.

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

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1.4.5 Richvale Resource Corporation et al.

FOR IMMEDIATE RELEASE
November 22, 2012

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

AND

IN THE MATTER OF
RICHVALE RESOURCE CORPORATION,
MARVIN WINICK, HOWARD BLUMENFELD,
JOHN COLONNA, PASQUALE SCHIAVONE,
AND SHAFI KHAN

TORONTO – The Commission issued its Reasons and Decision on Sanctions and Costs and an Order in the above noted matter.

A copy of the Reasons and Decision on Sanctions and Costs and the Order dated November 21, 2012 are available at **www.osc.gov.on.ca**.

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1.4.6 Beryl Henderson

FOR IMMEDIATE RELEASE
November 23, 2012

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

AND

IN THE MATTER OF
BERYL HENDERSON

TORONTO – The Commission issued an Order in the above named matter which provides that the hearing is adjourned to a confidential pre-hearing conference to take place on March 4, 2013 at 10:00 a.m., or on such other date as agreed to by the parties and advised by the Office of the Secretary.

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

A copy of the Order dated November 22, 2012 is available at **www.osc.gov.on.ca**.

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1.4.7 Heritage Education Funds Inc.

FOR IMMEDIATE RELEASE
November 23, 2012

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

AND

IN THE MATTER OF
HERITAGE EDUCATION FUNDS INC.

TORONTO – The Commission issued an Order in the above named matter pursuant to section 127 of the Act and on consent of the parties which provides that:

1. the Temporary Order is extended until December 21, 2012 or until further order of the Commission; and

2. the hearing in this matter is adjourned to December 20, 2012 at 11:30 a.m. for the purpose of providing the Commission with an update on the work completed by the monitor and the consultant as required under the terms and conditions imposed on HEFI.

A copy of the Order dated November 22, 2012 is available at **www.osc.gov.on.ca**.

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1.4.8 Frederick Johnathon Nielsen, previously known as Frederick John Gilliland – ss. 127(1), 127(10)

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

AND

IN THE MATTER OF
FREDERICK JOHNATHON NIELSEN,
previously known as FREDERICK JOHN GILLILAND

TORONTO – The Office of the Secretary issued a Notice of Hearing on November 23, 2012 that the Commission will hold a hearing, pursuant to subsections 127(1) and 127(10) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), at the temporary offices of the Commission, 333 Bay Street, Suite 900, Toronto, Ontario, commencing on December 14, 2012 at 10:00 a.m.

A copy of the Notice of Hearing dated November 23, 2012 and Statement of Allegations of Staff of the Ontario Securities Commission dated November 22, 2012 are available at **www.osc.gov.on.ca**.

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1.4.9 Jowdat Waheed and Bruce Walter

FOR IMMEDIATE RELEASE
November 27, 2012

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

AND

IN THE MATTER OF
JOWDAT WAHEED AND BRUCE WALTER

TORONTO – The Commission issued an Order in the above named matter with certain provisions in the above matter. A confidential pre-hearing conference will take place on December 13, 2012, at 10:00 a.m.

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

A copy of the Order dated November 22, 2012 is available at **www.osc.gov.on.ca**.

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 iShares Natural Gas Commodity Index Fund 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 Fund 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.

November 16, 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
iSHARES NATURAL GAS COMMODITY INDEX FUND
AND
iSHARES BROAD COMMODITY INDEX FUND
(CAD-HEDGED)

AND

IN THE MATTER OF
BLACKROCK INVESTMENTS CANADA INC.
(the "Filer")

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of iShares Natural Gas Commodity Index Fund ("**GAS**" or the "**Terminating Fund**") and iShares Broad Commodity Index Fund (CAD-Hedged) ("**CBR**" or the "**Continuing Fund**") for a decision under the securities legislation of the Jurisdiction of the principal regulator (the "**Legislation**") for approval pursuant to subsection 5.5(1)(b) of National Instrument 81-102 *Mutual Funds* ("**NI 81-102**") in connection with the proposed merger of GAS and CBR (the "**Requested Approval**").

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

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

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

Interpretation

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

Representations

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

A. The Facts

The Filer

1. The Filer is the trustee and manager of GAS and CBR (the "**iShares Funds**") and is a registered portfolio manager, exempt market dealer and investment fund manager in the Province of Ontario. The Filer, formerly known as Claymore Investments, Inc., was previously an indirect, wholly-owned subsidiary of Guggenheim Partners, LLC and was acquired by BlackRock, Inc. ("**BlackRock**") effective March 7, 2012 (the "**Acquisition**"). As a result of the Acquisition, the Filer is an indirect, wholly-owned subsidiary of BlackRock, a leader in investment management, risk management and advisory services for institutional and retail clients worldwide.

2. The principal offices of the the Filer and the iShares Funds are located at 161 Bay Street, Suite 2500, Toronto, Ontario, M5J 2S1.

3. Neither the Filer nor either iShares Fund is in default of the securities legislation of any province or territory of Canada.

The iShares Funds

4. Each of GAS and CBR is an exchange-traded commodity pool governed by the laws of Alberta and subject to National Instrument 81-104 – *Commodity Pools* ("**NI 81-104**") and is a reporting issuer under the laws of all of the Passport Jurisdictions.

5. Each of GAS and CBR is a mutual fund subject to NI 81-102, subject to any exemptions therefrom that have been or may be granted by securities regulatory authorities.

6. Units of each iShares Fund are listed on the Toronto Stock Exchange (the "**TSX**") and are qualified for distribution in all Passport Jurisdictions.

7. The common units of GAS currently trade on the TSX under the ticker symbol GAS. The common units and advisor class units of CBR are currently trade on the TSX under the ticker symbols CBR and CBR.A, respectively

Similarities between the iShares Funds

8. The iShares Funds have substantially similar valuation procedures and the same management fee structure.

9. The iShares Funds are subject to the investment restrictions and practices contained in Canadian securities law, including NI 81-102, and are managed in accordance with these restrictions and practices. In addition, each iShares Fund is restricted to:

   (a) investing in a portfolio of constituent securities included in a portfolio or index or in securities, investments, forwards or other derivative contracts in accordance with its investment objective and strategy and provided that the use of such derivative instruments is in compliance with NI 81-102, except as otherwise permitted by NI 81-104;

   (b) holding cash and cash equivalents, paying expenses and paying amounts payable in connection with distributions to unitholders and exchanges and redemptions of units; and

   (c) not making or holding any investment that would result in the iShares Fund becoming a "SIFT trust", as defined in subsection 122.1(1) of the *Income Tax Act* (Canada) (the "**Tax Act**").

10. Units of each of the iShares Funds are qualified investments under the Tax Act for registered retirement savings plans, registered retirement income funds, tax-free savings accounts, registered education savings plans, deferred profit sharing plans and registered disability savings plans.

Differences between the iShares Funds

11. The investment objective of each iShares Fund is to seek to provide returns to investors by replicating, to the extent possible, the performance of an index, net of expenses.

12. GAS currently seeks to replicate the performance of the NGX Canadian Natural Gas Index (the "**Gas Index**"), net of expenses. The Gas Index tracks the forward purchase value of the AECO physical one month forward price of natural gas, in Canadian dollars. In order to track the Gas Index while maintaining an orderly transition from the prompt contract to the deferred contract, these contracts are "rolled" during an eight day period known as the "roll period" that begins on the thirteenth business day prior to the start of the delivery month. In order to ensure adequate liquidity during the roll period, the provider of the Gas Index uses a modified calendar which generally excludes both U.S. and Canadian holidays as eligible roll days.

13. CBR currently seeks to replicate the performance of the Auspice Broad Commodities Total Return Index, which seeks to benefit from upward trends in the broad commodity futures markets while at the same time minimizing downside risk during downtrends. CBR has exposure to the return and performance of futures contracts, forward contracts, total return swaps and physical commodities across three broad commodity sectors: energies, metals and agricultures.

14. The Filer is proposing to change the index which CBR, as the continuing fund, will seek to replicate. In the circumstances, the change of index will involve a change in the fundamental investment objectives of CBR (the "**Change in Investment Objective**"). Accordingly, the Filer has asked unitholders of CBR to consider and approve the Change in Investment Objective at a special meeting of unitholders of CBR. If the Change in Investment Objective is implemented, the new index will be the Morningstar® Long/Flat Global Commodity Index(SM) or such other broad-based commodity index as may be selected by the Filer and notified to unitholders.

15. The investment strategy of the iShares Funds is to invest in and hold the constituent securities of the applicable index in substantially the same proportion as they are reflected in the applicable index or to invest in a manner that causes the iShares Funds to replicate the performance of the applicable index.

16. To achieve its investment objective, GAS may use physical forward contracts, futures or swaps to create exposure to Alberta's natural gas market. The counterparties to such contracts may include Natural Gas Exchange Inc., Canadian financial institutions or other highly rated counterparties. Such counterparties may require GAS to post collateral when entering into forward contracts. The balance of GAS' assets are invested in cash and cash equivalents.

17. The investment strategy of CBR is to obtain economic exposure to the constituent securities of the Auspice Broad Commodities Total Return Index. In order to obtain exposure to the performance of the index, CBR invests in a portfolio of common shares of Canadian public companies listed on the TSX that qualify as "Canadian securities" for the purposes of the Tax Act (the "**Canadian Share Portfolio**"). CBR has entered into one or more forward purchase and sale agreements (collectively, the "**Forward**") with a Canadian chartered bank or an affiliate thereof pursuant to which CBR has agreed to sell securities in the Canadian Share Portfolio to the counterparty from time to time in exchange for a purchase price determined by reference to the Canadian dollar value of the performance of the index or of a fund that invests in or obtains exposure to the index or the constituent securities thereof or reference portfolio.

18. The Forward of CBR has the effect of hedging CBR's economic exposure to foreign currency denominated assets. Such hedging is intended to reduce the impact on the CBR of fluctuations in exchange rates and unitholders' exposure to foreign currency risk.

19. The Filer is of the view that the fundamental investment objective and strategy of CBR are not, or may be considered not to be, "substantially similar" to the fundamental investment objective and strategy of GAS because CBR aims to provide economic exposure to the constituent securities of a broad commodities index while GAS seeks to create exposure to the natural gas market through the use of physical forward contracts, futures and swaps.

B. The Merger

1. Prior to the date of the Merger, the Terminating Fund will terminate and sell all of the forward contracts, futures, swaps and other assets in its portfolio. As a result, the Terminating Fund will temporarily hold all or substantially all of its assets in cash and will not be invested in accordance with its investment objective for a brief period of time prior to the Merger.

2. The value of the Terminating Fund's assets will be determined at the close of business on the business day prior to the effective date of the Merger in accordance with the declaration of trust governing the Terminating Fund.

3. The Continuing Fund will acquire the assets (i.e. cash) of the Terminating Fund in exchange for units in the Continuing Fund.

4. The Continuing Fund will not assume liabilities of the Terminating Fund and the Terminating Fund will retain sufficient assets to satisfy its estimated liabilities, if any, as of the date of the Merger.

5. The units of the Continuing Fund received by the Terminating Fund will have an aggregate net asset value equal to the value of the Terminating Fund's portfolio assets and other assets that the Continuing Fund is acquiring, which units will be issued at the applicable net asset value per unit as of the close of business on the effective date of the Merger.

6. Immediately thereafter, the units of the Continuing Fund received by the Terminating Fund will be distributed to unitholders of the Terminating Fund on a dollar for dollar basis in exchange for their units in the Terminating Fund, with holders of units of the Terminating Fund receiving common units of the Continuing Fund.

7. As soon as reasonably possible following the Merger, the Terminating Fund will be wound up and the Continuing Fund will continue as a publicly offered open-end mutual fund existing under the laws of Alberta.

8. The Merger will constitute a material change for the Continuing Fund, as the net asset value of the Continuing Fund is smaller than the net asset value of the Terminating Fund.

9. Unitholders of GAS and CBR will be asked to approve the Merger at special meetings of unitholders to be held on November 16, 2012, as required pursuant to sections 5.1(f) and 5.1(g), respectively, of NI 81-102. In approving the Merger, unitholders of GAS will, in effect, indicate their acceptance of the fundamental investment objective of the Continuing Fund.

10. Subject to necessary regulatory approval and approval of unitholders of each iShares Fund, the Merger is expected to occur on or about November 30, 2012. Implementation of the Merger is also conditional upon approval of the

Change in Investment Objective by unitholders of CBR.

11. If all necessary approvals in respect of the Merger are not obtained, it is the intention of the Filer to terminate the Terminating Fund, in accordance with the declaration of trust governing the Terminating Fund and applicable securities laws.

12. A notice of meeting, a management information circular to be dated on or about October 12, 2012 (the "**Circular**") and a proxy in connection with the Merger will be mailed to the unitholders of GAS and CBR in accordance with applicable securities laws. The Circular will contain a description of the proposed Merger, information about GAS and CBR and the income tax considerations for unitholders of GAS and CBR. The Circular will disclose that unitholders of GAS and CBR may obtain in respect of CBR, at no cost, the most recent annual and interim financial statements, the current prospectus and the most recent management report on fund performance that have been made public by contacting the Filer or by accessing the website of the iShares Funds or the System for Electronic Document Analysis and Retrieval ("**SEDAR**").

13. The Filer will pay for the costs and expenses associated with the Merger, including the cost of holding the meetings in connection with the Merger and of soliciting proxies, including costs of mailing the Circular and accompanying materials. The iShares Funds will bear none of the costs and expenses associated with the Merger except that GAS will bear the portfolio transaction costs related to terminating all of GAS' assets, as it currently does in the ordinary course when the forward contracts in its portfolio are 'rolled' from time to time.

14. As required by National Instrument 81-107 – *Independent Review Committee*, the terms of the Merger were presented to the independent review committee (the "**Independent Review Committee**") of the iShares Funds for its review and recommendation. After considering the potential conflict of interest matter related to the Merger, the independent review committee provided its positive recommendation for the Merger.

15. Units of the Terminating Fund will continue to be offered, exchanged and redeemed on a daily basis up to the business day immediately prior to the effective date of the Merger, primarily through the designated brokers and underwriters of the Terminating Fund

16. In addition, unitholders of the Terminating Fund will be able to trade their units on the TSX in the ordinary course any time up to the close of business on the third business day prior to the effective date of the Merger. This will ensure that all outstanding trades will settled on a T+3 basis by the effective date of the Merger.

17. The cash and any other assets of the Terminating Fund acquired by the Continuing Fund in connection with the Merger will be acquired in compliance with NI 81-102.

18. The iShares Funds will comply with Part 11 of NI 81-106 in connection with the making of the decision to proceed with the Merger.

19. An amendment to the prospectus of the iShares Funds dated November 28, 2011, as amended by Amendment No. 1 dated January 13, 2012 and Amendment No. 2 dated March 16, 2012, announcing the Merger proposal and Change in Investment Objective proposal has been filed on SEDAR. An amendment to the prospectus of the iShares Funds with respect to the implementation of the Merger and/or Change in Investment Objective will be filed on SEDAR following the approval of the Merger and/or Change in Investment Objective at the special meetings of unitholders.

C. Securities Law Requirements for a Pre-Approved Transaction

1. Under section 5.6 of NI 81-102, approval of the Merger by the regulator is not required if all of the criteria for pre-approval listed in paragraphs 5.6(1)(a) through (i) are satisfied.

2. The foregoing representations contained in Parts A and B of this application, above, indicate that generally the merger will satisfy all the requirements of paragraphs 5.6(1)(a) through (i) of NI 81-102 with the exception of paragraph 5.6(1)(a)(ii), as a reasonable person would likely consider that the Terminating Fund does not have "substantially similar" fundamental investment objective as the Continuing Fund, and paragraph 5.6(1)(b), as the Merger is not a "qualifying exchange".

D. Requested Approval

After reviewing the fundamental investment objectives and strategies of the iShares Funds, the Filer has concluded in respect of the Terminating Funds the pre-approval under section 5.6 of NI 81-102 is not available because:

(a) the fundamental investment objective of the Continuing Fund is not, or may be considered not to be, "substantially similar" to the investment objective of the Terminating Fund; and

(b) the Merger will not be a "qualifying exchange" within the meaning of section 132.2 of the Tax Act or a tax deferred

transaction under subsection 85(1), 85.1(1), 86(1) or 87(1) of the Tax Act.

E. Submissions

It was submitted that the Requested Approval should be granted for the following reasons:

1. The notice of meeting sent to unitholders of the iShares Funds will contain, or will incorporate by reference, all the information and documents necessary for the unitholders to consider the Merger including a full description of the Merger, a full description of GAS and CBR and a summary of the Independent Review Committee's positive recommendation with respect to the proposed Merger. The Circular will contain a prominent statement that unitholders of GAS and CBR may obtain, free of charge, the most recent annual and interim financial statements, the current prospectus and the most recent management report on fund performance that have been made public by contacting the Filer or by accessing the website of the iShares Funds or SEDAR.

2. The structure, rationale, benefits and tax consequences of the Merger will be disclosed to unitholders of the iShares Funds in the meeting materials that will be mailed to unitholders of the iShares Funds in advance of the Meeting to be held for the purpose of considering and approving the Mergers. Unitholders of each of the iShares Funds will be given an opportunity to vote for or against the Mergers at such Meeting.

3. The Independent Review Committee has considered and provided its positive recommendation for the Merger.

4. Units of the Terminating Fund will continue to be offered, exchanged and redeemed on a daily basis up to the business day immediately prior to the effective date of the Merger, primarily through the designated brokers and underwriters of the Terminating Fund

5. In addition, unitholders of the Terminating Fund will be able to trade their units on the TSX in the ordinary course any time up to the close of business on the third business day prior to the effective date of the Merger. This will ensure that all outstanding trades will settled on a T+3 basis by the effective date of the Merger.

6. The Merger will be beneficial to unitholders of the Terminating Fund and Continuing Fund for the following reasons:

   (a) The Continuing Fund, as a result of its greater size, will benefit from a larger profile in the marketplace by potentially attracting more investors and enabling it to increase its asset base and enhance the trading liquidity of its units;

   (b) The net assets of the Terminating Fund have decreased significantly over the last two years such that it is not commercially viable and will be terminated if the Merger is not implemented;

   (c) The Continuing Fund will have a portfolio of greater size, allowing for more efficient implementation of its investment strategy, which may lead to improved tracking of its benchmark index; and

   (d) Unitholders of the Continuing Fund will have exposure to a diversified, futures based broad commodity portfolio that historically has had lower volatility than the current portfolio of the Terminating Fund.

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 Requested Approval is granted.

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

2.1.2 RBC Global Asset Management Inc.

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – exemptions granted from the mutual fund conflict of interest investment restrictions and management reporting requirements of the Securities Act (Ontario) and self-dealing prohibition of National Instrument 31–103 – Registration Requirements to permit pooled funds to invest with fund-of-fund structure – revocation and replacement of prior relief to remove the multi-tier restriction only in respect of certain top pooled funds that were formed and structured without such restriction – not a precedent decision.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 111(2)(b), 111(2)(c), 111(3), 113, 117(1)(a), 117(1)(d), 117(2).
National Instrument 31-103 Registration Requirements, ss. 13.5(2)(a), 15.1.

October 19, 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
RBC GLOBAL ASSET MANAGEMENT INC.
(the Filer)

AND

THE TOP FUNDS
(as defined below)

DECISION

Background

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

(a) to revoke and replace the Existing Relief (as defined below);

(b) under the securities legislation of the Investment Restriction Relief Jurisdictions (defined below) for an exemption from the restriction (the **Investment Restriction**) prohibiting a mutual fund in Ontario, or a mutual fund, as the case may be, from knowingly making or holding an investment in: (i) any person or company in which the mutual fund, alone or together with one or more related mutual funds, is a substantial security holder; or (ii) an issuer in which any officer or director of the mutual fund, its management company or distribution company or an associate of any of them, or 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 (the **Investment Restriction Relief**);

(c) under the securities legislation of the Consent Relief Jurisdictions (defined below) for an exemption from the restriction (the **Consent Requirement**) 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, to purchase securities of an issuer in which a responsible person or an associate of the responsible person is a partner, director or officer unless the fact is disclosed to the client and the written consent of the client to the purchase is obtained before the purchase (the **Consent Relief**); and

(d) under the securities legislation of the Reporting Relief Jurisdictions (defined below), for an exemption from the requirement (the **Reporting Requirement**) of a management company or, in the case of British Columbia, a mutual fund manager, to file a report of every transaction of purchase or sale of securities between a mutual fund it manages and any related person or company and any transaction in which, by arrangement other than an arrangement relating to insider trading in portfolio securities, a mutual fund is a joint participant with one or more of its related persons or companies, in respect of each mutual fund to which it provides services or advice, within 30 days after the end of the month in which it occurs (the **Reporting Relief**),

(collectively, 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;

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon (i) in respect of the Investment Restriction Relief, in British Columbia and Alberta (collectively with Ontario, the **Investment Restriction Relief Jurisdictions**), (ii) in respect of the Consent Relief, in British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, Nova Scotia, New Brunswick, Newfoundland and Labrador, Prince Edward Island, Yukon, Northwest Territories and Nunavut (collectively with Ontario, the **Consent Relief Jurisdictions**), and (iii) in respect of the Reporting Relief, in British Columbia, Alberta, Saskatchewan, Nova Scotia, New Brunswick and Newfoundland and Labrador (collectively with Ontario, the **Reporting Relief Jurisdictions**).

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision unless otherwise defined. The following additional terms shall have the following meanings:

BC Underlying Pooled Funds means the Underlying Pooled Funds organized or to be organized as trusts governed by the laws of British Columbia.

Specified Top Funds means, collectively, the Phillips, Hager & North Enhanced Total Return Bond Fund, Phillips, Hager & North PRisM Balanced Fund, Phillips, Hager & North Enhanced PRisM Long Fund, Phillips, Hager & North Extended Duration Long Bond Pension Trust and Phillips, Hager & North Long Bond Pension Trust, each of which is an existing mutual fund organized as a trust governed by the laws of British Columbia that is managed by the Filer, and that is offered for sale on a private placement basis pursuant to prospectus exemptions under applicable securities legislation.

Top Funds means, collectively, the mutual funds organized or to be organized as trusts governed by the laws of British Columbia or Ontario that are managed now or in the future by the Filer or an affiliate of the Filer, and that are or will be offered for sale on a private placement basis pursuant to prospectus exemptions under applicable securities legislation, including without limitation the Specified Top Funds.

Underlying Funds means the Underlying Pooled Funds, the Underlying 81-102 Funds and Underlying Offshore Funds.

Underlying Offshore Funds means, collectively, the investment funds organized or to be organized under the laws of a jurisdiction outside of Canada that are managed or promoted now or in the future by the Filer or an affiliate of the Filer, the securities of which are or will be primarily offered for sale to investors outside of Canada either on a private placement basis or pursuant to a prospectus or similar document filed with securities regulators outside of Canada.

Underlying Pooled Funds means, collectively, the investment funds organized or to be organized as trusts governed by the laws of British Columbia or Ontario that are managed now or in the future by the Filer or an affiliate of the Filer, and that are or will be offered for sale on a private placement basis pursuant to prospectus exemptions under applicable securities legislation.

Underlying 81-102 Funds means, collectively, the mutual funds organized or to be organized as trusts governed by the laws of British Columbia or Ontario that are managed now or in the future by the Filer or an affiliate of the Filer, and that are or will be offered for sale pursuant to a simplified prospectus and annual information form.

Representations

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

The Filer

1. The Filer is organized under the *Canada Business Corporations Act* with its head office in Ontario.

2. The Filer is registered under securities legislation in each of the jurisdictions of Canada as an adviser in the category of portfolio manager and as a dealer in the category of exempt market dealer, and under the *Securities Act* (Ontario) as an investment fund manager. The Filer is also registered as a commodity trading manager in Ontario only.

3. The Filer or an affiliate of the Filer is or will be the manager and principal portfolio adviser of the Top Funds, and the manager, promoter or portfolio adviser of the Underlying Funds.

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

Prior Relief and Existing Relief

5. A predecessor entity of the Filer, Phillips, Hager & North Investment Management Ltd., was granted an exemption from the Investment Restriction and the Reporting Requirement in the legislation of British Columbia and Alberta to exempt the Top Funds from the Investment Restriction and the Reporting Requirement pursuant to a decision dated January 31, 2007 (the **Prior Relief**).

6. The Filer was granted an exemption from the Investment Restriction in the legislation of the Investment Restriction Relief Jurisdictions, the Consent Requirement in the legislation of the Consent Relief Jurisdictions and the Reporting Requirement in the legislation of the Reporting Relief Jurisdictions to exempt the Top Funds from the Investment Restriction, the Consent Requirement and the Reporting Requirement pursuant to a decision dated October 20, 2011 (the **Existing Relief**).

7. The Filer is seeking to remove the restriction in the Existing Relief which prohibits a Specified Top Fund from investing 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" (as defined in National Instrument 81-102 *Mutual Funds* (**NI 81-102**)) or that issue "index participation units" (as defined in NI 81-102) (the 1**0% Restriction**).

8. The Prior Relief did not include the 10% Restriction. Accordingly, under the terms of the Prior Relief, an investment by a Specified Top Fund in an Underlying Fund was not subject to the 10% Restriction. The investment objectives and strategies of the Specified Top Funds and Underlying Funds were structured based on the terms of the Prior Relief and a fund-on-fund structure that does not impose the 10% Restriction on Underlying Funds and certain of the existing Underlying Funds have strategies that use a fund-on-fund investment structure for all or a substantial portion of their assets. Depending on a number of factors including the size and frequency of purchases and redemptions, imposing the 10% Restriction on Specified Top Funds and existing Underlying Funds could undermine the structure of such funds, and require those funds to alter their investment strategies in a way that the Filer believes could be detrimental to investors. For example, it may require a Specified Top Fund to attempt to recreate significantly smaller versions of some or all of the Underlying Funds' portfolios in the Specified Top Fund's portfolio on a segregated basis. Due to their small size, such segregated portfolios may not be able to replicate the performance or diversification characteristics of the reference Underlying Fund(s). Consequently, this would be particularly problematic for the Specified Top Funds that invest in a broad range of investment options through multiple investment funds.

9. Varying the Existing Relief to remove the 10% Restriction in relation to the Specified Top Funds will allow the Specified Top Funds to continue to follow their existing investment objectives and strategies and avoid changes thereto that the Filer believes may undermine the structure of these funds or be detrimental to investors.

10. As of the date of this decision, the Filer will no longer rely on the Existing Relief.

Underlying Funds

11. Each of the Underlying 81-102 Funds is or will be an open-ended trust organized under the laws of British Columbia or Ontario, the securities of which are or will be offered for sale to the public pursuant to simplified prospectuses and annual information forms qualified in some or all of the jurisdictions of Canada.

12. Each of the Underlying 81-102 Funds is, or will be, subject to NI 81-102, including restrictions with respect to investing in other mutual funds.

13. Each of the Underlying Pooled Funds is or will be an open-ended trust organized under the laws of British Columbia or Ontario, the securities of which are or will be offered for sale on a private placement basis pursuant to available prospectus exemptions under applicable securities legislation in some or all of the jurisdictions of Canada.

14. Each of the Underlying Pooled Funds is or will be an "investment fund" as defined in securities legislation of the jurisdictions in which the Underlying Pooled Funds are distributed.

15. Each of the Underlying Offshore Funds is or will be an investment fund organized under the laws of a jurisdiction outside of Canada, the securities of which are or will be primarily offered for sale to investors outside of Canada either on a private placement basis or pursuant to a prospectus or similar document filed with securities regulators in a jurisdiction outside of Canada.

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

17. Each of the Underlying 81-102 Funds is or will be a reporting issuer in some or all of the jurisdictions of Canada. None of the Underlying Pooled Funds or Underlying Offshore Funds is or will be a reporting issuer in any jurisdiction of Canada.

18. None of the Underlying Funds is in default of any securities legislation of any jurisdiction of Canada.

19. The Underlying Funds invest in equity securities, fixed income securities, mortgages and other types of permitted investments. To the extent the Underlying Pooled Funds and Underlying Offshore Funds invest in equity securities and fixed income securities, they will generally have liquid portfolios. However, certain Underlying Pooled Funds and Underlying Offshore Funds, including those that invest primarily in mortgages, may have restrictions or delays with respect to redemptions in order to allow adequate time to dispose of portfolio holdings needed to fund redemptions.

Top Funds

20. Each of the Top Funds is or will be an open-ended trust organized under the laws of British Columbia or Ontario, the securities of which are or will be offered for sale on a private placement basis pursuant to available prospectus exemptions under applicable securities legislation in some or all of the jurisdictions of Canada.

21. Each of the Top Funds is or will be a "mutual fund" as defined in securities legislation of the jurisdictions in which the Top Funds are distributed.

22. None of the Top Funds is or will be a reporting issuer in any jurisdiction of Canada.

23. None of the Top Funds is in default of any securities legislation of any jurisdiction of Canada.

24. Investors in the Top Funds are primarily sophisticated investors such as pension plans, foundations, crown agencies, other institutions and high net worth individuals; the Top Funds are primarily used to execute discretionary investment mandates for these investors. Units in the Top Funds are sold primarily in reliance on the accredited investor exemption, the minimum amount exemption, and the additional investment in investment funds exemption contained in National Instrument 45-106 *Prospectus and Registration Exemptions*.

Fund on Fund Structure

25. Each Top Fund may invest all or a certain portion of its assets in securities of one or more of the Underlying Funds (**Fund-on-Fund Investing**). The percentage invested in an Underlying Fund may fluctuate on a daily basis based on the investment decisions made by the portfolio advisor in order to meet the investment objectives of the Top Fund.

26. The actual weighting of the investment by each Top Fund in an Underlying Fund will be reviewed on a regular basis and adjusted to ensure that the investment weightings continue to be appropriate for that Top Fund's investment objectives. The portfolio advisor will actively manage the investment made by each Top Fund in an Underlying Fund on a regular basis.

27. An investment by a Top Fund in an Underlying Fund is or will be compatible with the investment objectives of the Top Fund.

28. Certain of the Underlying Funds calculate their net asset value daily and are redeemable daily. However, certain other of the Underlying Funds calculate their net asset value on a weekly or monthly basis, and are redeemable on a weekly or monthly basis. A Top Fund will not invest in an Underlying Fund that calculates net asset value with less frequency than the Top Fund. Similarly, a Top Fund will generally not invest in an Underlying Fund that is redeemable with less

frequency than the Top Fund, unless the portfolio adviser of the Top Fund believes that the liquidity of the Top Fund's portfolio is adequately managed through other strategies.

29. Through the Fund-on-Fund Investing, each Top Fund benefits from greater portfolio diversification. The structure of the Top Funds also allows investors with smaller investments to have access to a larger variety of investments than would otherwise be available.

30. The Fund-on-Fund Investing creates larger pools of assets for the Underlying Funds which should also provide additional benefits to investors of the Top Funds and the Underlying Funds, including, in particular, more favourable pricing and transaction costs on portfolio trades, increased access to investments where there is a minimum subscription or purchase amount and better economies of scale through lower custodian fees and greater administrative efficiency.

31. Clients who hold securities of a Top Fund will receive an account statement, prepared and delivered in accordance with National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*, showing the client's holdings of securities of a Top Fund.

32. Each of the Top Funds will prepare annual audited financial statements and interim audited 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. Each of the Underlying Funds that are subject to NI 81-106 will prepare annual audited financial statements and interim unaudited financial statements. The holdings by a Top Fund of securities of an Underlying Fund will be disclosed in the financial statements of the Top Fund.

33. No sales fees or redemption charges will be payable in connection with the acquisition, disposition or redemption by the Top Funds of securities of the Underlying Funds.

34. No management or other fee will be payable by the Top Funds that, to a reasonable person, would duplicate a fee payable by the applicable Underlying Fund for the same service.

35. Where a matter relating to an Underlying Fund requires a vote of security holders of the Underlying Fund, the Filer will not cause the securities of the Underlying Fund held by a Top Fund to be voted at such meeting. However, the Filer may pass on the right to vote to holders of the Top Fund.

36. Any investment by a Top Fund in securities of an Underlying Fund will represent the business judgment of responsible persons uninfluenced by considerations other than the best interests of the Top Fund and the Underlying Fund.

37. The investment objectives and strategies of Specified Top Funds were structured based on the terms of the Prior Relief. Under the terms of the Prior Relief (as defined below), an investment by a Specified Top Fund in an Underlying Fund was not subject to the 10% Restriction.

Generally

38. As a result of the 10% Restriction in the Existing Relief, the Top Funds are prohibited from investing in Underlying Funds except in accordance with the 10% Restriction.

39. As a result of the Fund-on-Fund Investing, a Top Fund, alone or in combination with other Top Funds, may own more than 20% of the outstanding units of an Underlying Fund and therefore be a "substantial security holder" (as defined in the Legislation) of an Underlying Fund. In addition, an officer or director of the Filer or associates of any of them, or a substantial security holder of the Top Fund or the Filer may have a significant interest in an Underlying Fund as a result of investing seed capital in, or as a result of making significant investments in, such Underlying Fund. Accordingly, in the absence of the Investment Restriction Relief, each Top Fund will be prohibited from investing in such Underlying Fund.

40. Since the Filer or an officer and/or director of the Filer may also be an officer and/or director of, or may perform a similar function for or occupy a similar position with, the Underlying Fund, in the absence of the Consent Relief, the portfolio manager of the Top Funds would be prohibited from knowingly causing the Top Funds to invest in the Underlying Funds in which a responsible person or an associate of a responsible person is an officer or director unless the specific fact is disclosed to security holders of the Top Funds and the written consent of the security holders of the Top Funds to the investment is obtained before the purchase.

41. In the absence of the Reporting Relief, the Filer would be required to file, in the Reporting Relief Jurisdictions, a report on every purchase or sale of securities of the Underlying 81-102 Funds by the Top Funds and, in British Columbia, a report on every purchase or sale of securities of the BC Underlying Pooled Funds by the Top Funds.

Decision

The principal regulator is satisfied that the decision meets the test contained 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 as follows:

(a) in the Investment Restriction Relief Jurisdictions under the legislation of the Investment Restriction Relief Jurisdictions, the Investment Restriction shall not apply to the Top Funds in respect of each Top Fund's investment in securities of the Underlying Funds;

(b) in the Consent Relief Jurisdictions under the legislation of the Consent Relief Jurisdictions, the Consent Requirement shall not apply to the Filer, or an affiliate of the Filer, as the manager of the Top Funds in respect of each Top Fund's investment in securities of the Underlying Funds;

(c) in the Reporting Relief Jurisdictions under the legislation of the Reporting Relief Jurisdictions, the Reporting Requirement shall not apply to the Filer, or an affiliate of the Filer, in respect of each Top Fund's purchase or sale of securities of an Underlying 81-102 Fund and in British Columbia in respect of each Top Fund's purchase or sale of securities of a BC Underlying Pooled Fund;

provided that, in each case:

(i) securities of each Top Fund are distributed only on a private placement basis pursuant to available prospectus exemptions in National Instrument 45-106 *Prospectus and Registration Exemptions*;

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

(iii) each Top Fund does not vote any of the securities it holds of an Underlying Fund except that the Top Fund may, if the Filer so chooses, arrange for all the securities it holds of an Underlying Fund to be voted by the beneficial holders of securities of the Top Fund;

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

(v) no sales fees or redemption charges are payable by the Top Fund in relation to its purchases or redemptions of securities of an Underlying Fund;

(vi) except in the case of a Specified Top Fund, 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" (as defined by NI 81-102) or that issue "index participation units" (as defined by NI 81-102);

(vii) the offering memorandum, statement of investment policy and procedure or a similar offering document of a Top Fund, or, if no offering memorandum, statement of investment policy and procedure or similar offering document is prepared, another document provided to investors in a Top Fund, will disclose:

(1) the intent of the Top Fund to invest its assets in securities of the Underlying Funds;

(2) that the Underlying Funds are managed by the Filer or an affiliate of the Filer;

(3) the approximate or maximum percentage of net assets of the Top Fund that is intended to be invested in securities of the Underlying Funds; and

(4) the process or criteria used to select the Underlying Funds;

(viii) investors in each Top Fund are entitled to receive from the Filer or its affiliate, on request and free of charge, a copy of the offering memorandum or other disclosure documents (if any), or the annual or semi-annual financial statements (if any) relating to all Underlying Funds in which the Top Fund may invest its assets; and

(ix) prior to the time of investment, investors in a Top Fund will (if applicable) be provided with disclosure that certain officers or directors of the Filer or associates of any of them may have a significant interest in the Underlying Funds through investments made in securities of such Underlying Funds and will be advised of the

potential conflicts of interest which may arise from such relationships. The foregoing disclosure will be contained in any offering memorandum, statement of investment policy and procedure or similar offering document of the Top Fund or, if no offering memorandum, statement of investment policy and procedure or similar offering document is prepared, in another document provided to investors in a Top Fund.

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

"James E.A. Turner"
Vice-Chair
Ontario Securities Commission

"Margot C. Howard"
Commissioner
Ontario Securities Commission

2.1.3 Score Media 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).

November 20, 2012

Score Media Inc.
370 King Street West
Suite 435
Toronto, Ontario M5J 1J9

Dear Sirs/Mesdames:

Re: Score Media Inc. (the Applicant) – application for a decision under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Newfoundland and Labrador 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.

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

The Applicant has represented to the Decision Makers that:

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

2. 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;

3. 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

4. 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.

"Shannon O'Hearn"
Manager, Corporate Finance
Ontario Securities Commission

2.1.4 Barrick Energy Inc. – s. 1(10)(a)(ii)

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.

Applicable Legislative Provisions

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

November 14, 2012

Davies LLP
44th Floor, 1 First Canadian Place
Toronto, ON M5X 1B1

Attention: Megan McLeese

Dear Madam:

Re: Barrick Energy Inc. (the Applicant) – Application for a decision under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland and Labrador (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, "securityholder" 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 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders 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

2.1.5 Celestica Inc.

Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Take-over Bids – Exemption from the Extension Take Up requirements in section 98.3(4) of the Securities Act (Ontario) – Dutch auction – An issuer conducting an issuer bid under a modified Dutch auction procedure requires relief from the requirement to take up and pay for securities if all terms and conditions are met and the issuer bid is under-subscribed. The issuer is disclosing the maximum number of shares it will acquire under the bid, and the minimum and maximum amount it will pay for shares tendered; as a result, the potential for confusion is minimal – the issuer will comply with the U.S. regime in connection with the Offer.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 98.3(4), 104(2)(c).
OSC Rule 62-504, s. 4.2(2).

November 20, 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
CELESTICA INC.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) that, in connection with the proposed purchase by the Filer of a portion of its outstanding subordinate voting shares (the **Shares**) pursuant to an issuer bid (the **Offer**), the Filer be exempt from the requirement in the Legislation to not extend the Offer if all the terms and conditions of the Offer have been complied with or waived unless the Filer first takes up all Shares validly deposited and not withdrawn under the Offer (the **Exemption Sought**).

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

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

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

Interpretation

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

Representations

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

1. The Filer is a corporation existing under the *Business Corporations Act* (Ontario) and a reporting issuer in each of the Reporting Issuer Jurisdictions. The Filer's head office is located in the Province of Ontario. To its knowledge, the Filer is not in default of any requirement of the securities legislation in the Reporting Issuer Jurisdictions.

2. The authorized share capital of the Filer consists of an unlimited number of Shares, an unlimited number of multiple voting shares (**Multiple Voting Shares**) and an unlimited number of preferred shares (**Preferred Shares**). As of October 25, 2012, 186,205,220 Shares, 18,946,368 Multiple Voting Shares and no Preferred Shares were issued and outstanding.

3. The Shares are listed and posted for trading on the Toronto Stock Exchange (**TSX**) and listed and traded on the New York Stock Exchange (**NYSE**) under the symbol 'CLS'.

4. On October 22, 2012, the last full trading day prior to the date of the announcement of the approval by the board of directors of the Filer for the Filer to conduct the Offer, the closing price of the Shares on the TSX was C$7.08 per Share and on the NYSE was US$7.13 per Share.

5. The Filer has made the Offer by way of a modified Dutch auction procedure as follows:

    a. the Circular specifies that the maximum aggregate purchase price of the Shares the Filer will purchase under the Offer is US$175,000,000 (the **Specified Dollar Amount**);

    b. the Circular specifies that the Filer is prepared to purchase the Shares at a price per Share not less than US$7.00 and not more than US$8.00 (the **Price Range**);

    c. the Filer will fund the purchase of Shares for cancellation pursuant to the Offer, together with the fees and expenses of the Offer, from available cash on hand and from cash drawn on the Filer's existing revolving credit facility;

    d. each holder of Shares (collectively, the **Shareholders**) wishing to tender to the Offer has the right either to:

        i. specify the lowest price within the Price Range (an **Auction Price**) at which that Shareholder is willing to sell its tendered Shares (an **Auction Tender**), or

        ii. elect to have tendered shares purchased by the Filer at the purchase price (**Purchase Price**) determined by the Filer (a **Purchase Price Tender**);

    e. Shareholders may make multiple Auction Tenders but not in respect of the same Shares (i.e. Shareholders may tender different Shares at different prices but cannot tender the same Shares at more than one price);

    f. Shareholders may make both an Auction Tender and a Purchase Price Tender; however, they may not be in respect of the same Shares;

    g. Shareholders who desire to tender Shares under an Auction Tender at different prices or who desire to tender certain Shares under an Auction Tender and other Shares under a Purchase Price Tender must complete a separate Letter of Transmittal for each tendered lot of Shares;

    h. in both the case of Auction Tenders and Purchase Price Tenders, Shareholders may tender less than all of their Shares;

    i. Shareholders who tender Shares without making a valid Auction Tender or Purchase Price Tender will be deemed to have made a Purchase Price Tender;

    j. any Shareholder who beneficially owns fewer than 100 Shares and tenders all of such Shareholder's Shares pursuant to an Auction Tender at a price at or below the Purchase Price, or pursuant to a Purchase Price Tender, will be considered to have made an "**Odd-Lot Tender**";

    k. for the purposes of determining the Purchase Price, Shares tendered pursuant to a Purchase Price Tender will be considered to have been tendered at the lowest price in the Price Range;

    l. the Purchase Price will be the lowest price per Share within the Price Range that enables the Filer to purchase the maximum number of Shares properly tendered and not withdrawn pursuant to the Offer having an aggregate purchase price not exceeding the Specified Dollar Amount;

m. the Purchase Price and the aggregate number of Shares that the Filer will purchase under the Offer will not be determined until after the Offer expires, provided that the aggregate amount that the Filer will pay for Shares under the Offer will not exceed the Specified Dollar Amount;

n. Shares tendered by a Shareholder pursuant to an Auction Tender will not be purchased by the Filer if the price specified by the Shareholder is greater than the Purchase Price;

o. if the aggregate purchase price for Shares validly tendered and not withdrawn pursuant to Purchase Price Tenders and Auction Tenders at a price equal to or less than the Purchase Price is greater than the Specified Dollar Amount, the Filer will purchase such deposited Shares on a *pro rata* basis according to the number of Shares deposited or deemed to have been deposited by the depositing Shareholders, except that Shares tendered pursuant to Odd-Lot Tenders will not be subject to proration;

p. all Shares purchased by the Filer pursuant to the Offer (including Shares tendered at Auction Prices at or below the Purchase Price) will be purchased at the Purchase Price; Shareholders will receive the Purchase Price in cash; all Auction Tenders and Purchase Price Tenders will be subject to adjustment to avoid the purchase of fractional Shares; all payments to Shareholders will be subject to deduction of applicable withholding taxes; and

q. certificates for all Shares not purchased under the Offer (including Shares tendered pursuant to an Auction Tender at prices greater than the Purchase Price and Shares not purchased because of pro-ration), or properly withdrawn before the expiry of the Offer, will be returned (in the case of certificates representing Shares all of which are not purchased) or replaced with new certificates representing the balance of Shares not purchased (in the case of certificates representing Shares of which less than all are purchased), promptly after the expiry of the Offer or the date of withdrawal of the Shares, without expense to the Shareholder.

6. the Offer is subject to Rule 13e-4 (**Rule 13e-4**) adopted under the United States *Securities Exchange Act of 1934*, as amended (the **Exchange Act**). A majority of the Filer's Shares are owned of record by residents of the United States. Pursuant to Rule 13e-4, the Filer will file with the Securities Exchange Commission a Tender Offer Statement on Schedule TO.

7. Assuming the Offer is fully subscribed:

a. if the Purchase Price is determined to be US$7.00 (being the minimum Purchase Price under the Offer), the maximum number of Shares that may be purchased by the Filer is 25,000,000, representing approximately 13.43% of the Filer's outstanding Shares as at October 25, 2012, and

b. if the Purchase Price is determined to be US$8.00 (being the maximum Purchase Price under the Offer), the maximum number of Shares that may be purchased by the Filer is 21,875,000, representing approximately 11.75% of the Filer's outstanding Shares as at October 25, 2012.

8. All information about the number of Shares tendered and the prices at which the Shares are tendered will be required to be kept confidential by the depositary and the Filer until the Purchase Price has been determined after expiry of the Offer.

9. Shareholders who do not tender to the Offer will continue to hold the number of Shares owned before the Offer and their proportionate Share ownership will increase following completion of the Offer subject to the Filer's right to issue additional Shares and other equity securities in the future.

10. The Filer may elect to extend the bid in circumstances where the Offer is undersubscribed. Under the Legislation, an issuer may not extend an issuer bid if all the terms and conditions of the issuer bid have been complied with or waived unless the issuer first takes up all the securities validly deposited and not withdrawn under the issuer bid (the **Extension Take Up Requirement**). Rule 13e-4 requires an issuer to pay for all equity securities deposited under an issuer bid promptly after the expiry of a tender offer and, as a consequence, prohibits an issuer from taking up securities prior to the expiry of an issuer bid.

11. The Filer intends to rely on the exemption from the formal valuation requirements applicable to issuer bids under Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (**MI 61-101**) set out in subsection 3.4(b) of MI 61-101 (the **Liquid Market Exemption**).

12. The Filer has determined that there will be a liquid market in the Shares because:

a. there is a published market for the Shares, namely the TSX and the NYSE;

b. during the 12-month period before the date the Offer was announced:

i. the number of issued and outstanding Shares was at all times at least 5,000,000, excluding Shares beneficially owned, directly or indirectly, or over which control or direction was exercised, by related parties and Shares that were not freely tradeable;

ii. the aggregate trading volume of the Shares on the TSX, being the published market on which the Shares are principally traded, was at least 1,000,000 Shares;

iii. there were at least 1,000 trades in Shares on the TSX;

iv. the aggregate trading value based on the price of the trades referred to in clause (iii) was at least C$15,000,000; and

c. the market value of the Shares on the TSX, as determined in accordance with applicable rules, was at least C$75,000,000 for September 2012, being the calendar month preceding the calendar month in which the Offer was publicly announced.

13. Based on the facts set forth in paragraph 12 and the maximum number of Shares that may be purchased under the Offer, assuming an aggregate purchase price equal to the Specified Dollar Amount, the Filer has determined that there is a liquid market for the Shares and that it is reasonable to conclude that, following the completion of the Offer, there will be a market for holders of Shares who do not tender to the Offer that is not materially less liquid than the market that existed at the time the Offer was announced.

14. The Circular:

a. discloses the mechanics for the take-up of and payment for Shares as described in paragraph 5 above;

b. explains that, by tendering Shares at the lowest price in the Price Range under an Auction Tender or by tendering Shares under a Purchase Price Tender, a Shareholder can reasonably expect that the Shares so tendered will be purchased at the Purchase Price, subject to proration and other terms of the Offer as specified in paragraph 5 above;

c. discloses that the Filer has filed for an exemption from the Extension Take Up Requirement;

d. discloses the facts supporting the Filer's reliance on the Liquid Market Exemption; and

e. except to the extent exemptive relief is granted pursuant to this Decision, contains the disclosure prescribed by the Legislation for issuer bids.

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. Shares validly deposited under the Offer and not withdrawn are taken up and paid for, or dealt with, in the manner described in paragraph 5 above;

b. the Filer is eligible to rely on the Liquid Market Exemption and complies with the representations in paragraph 12 above; and

c. the Filer complies with the requirements of Rule 13e-4 in respect of the conduct of the Offer.

"James D. Carnwath"
Ontario Securities Commission
Commissioner

"Sarah B. Kavanagh"
Ontario Securities Commission
Commissioner

2.1.6 Invesco Canada Ltd.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief granted from the mutual fund self-dealing restrictions in the Securities Act (Ontario) and the conflicts of interest provisions in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations to allow pooled funds to invest in securities of underlying funds under common management – relief subject to certain conditions.

Applicable Legislative Provisions

Securities Act (Ontario) R.S.O. 1990, c. S.5, as am., ss. 111(2)(b), 111(2)(c), 111(3), 113, 117(1)(a), 117(1)(d), 117(2).
National Instrument 31-103 Registration Requirements, Exemptions, and Ongoing Registrant Obligations, s. 13.5(2)(a), 15.1.

November 16, 2012

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

AND

IN THE MATTER OF
INVESCO CANADA LTD.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on its behalf and on behalf of Invesco Balanced-Risk Allocation Pool ("**IBRA Pool**") and other pooled funds that are currently in existence or may be established and managed by the Filer from time to time (the **"Future Pooled Funds**", together with IBRA Pool, the "**Pooled Funds**") for a decision under the securities legislation of the principal regulator (the "**Legislation**") pursuant to:

a) section 15.1 of National Instrument 31-103 *Registration Requirements and Exemptions* ("**NI 31-103**"), exempting the Filer from the prohibitions contained in paragraph 13.5(2)(a) of NI 31-103 that prohibit a registered adviser from knowingly causing an investment portfolio managed by it, including an investment fund for which it acts as an adviser, to purchase a security of an issuer in which a responsible person or an associate of a responsible person is a partner, officer or director unless this fact is disclosed to the client and the written consent of the client to the purchase is obtained before the purchase;

b) section 113 of the *Securities Act* (Ontario) ("**Act**") for relief from the following provisions:

   (i) paragraph 111(2)(b) of the Act which prohibits a mutual fund in Ontario 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 securityholder; and

   (ii) paragraph 111(2)(c) of the Act which prohibits a mutual fund in Ontario against knowingly holding an investment in an issuer in which any:

      a. officer or director of the mutual fund, its management company or distribution company or an associate of any of them, or

      b. person or company who is a substantial securityholder of the mutual fund, its management company or its distribution company,

      has a significant interest;

   (iii) subsection 111(3) of the Act which prohibits a mutual fund in Ontario or its management company or its distribution company against knowingly holding an investment described in (i) above;

to permit IBRA Pool or a Future Pooled Fund to invest in one or more Other Funds (as defined below) or ETFs (as defined below) (collectively, the "**Fund-of-Fund Relief**"); and

c) subsection 117(2) of the Act for relief from the requirement under section 117(1)(a) of the Act to file a report of every transaction of purchase or sale of securities between a mutual fund and any related person or company (the "**Reporting Relief**", and together with the Fund-of-Fund Relief, the "**Exemption Sought**").

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

a. the Ontario Securities Commission is the principal regulator for this application;

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

Interpretation

Defined terms contained in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision unless they are defined in this decision. The following additional terms shall have the following meanings:

"ETF" means an investment fund now or in the future managed by the Filer or its affiliates whose securities trade on a stock exchange in Canada or the United States that (i) seeks to replicate the performance of various widely quoted stock or bond indices; (ii) invests, directly or indirectly through derivatives, in commodities; or (iii) seeks to invest in a manner that causes it to replicate the performance of a commodity index.

"Other Fund" means a mutual fund now or in the future managed by the Filer or its affiliates that is subject to National Instrument 81-101 *Mutual Fund Prospectus Disclosure* and National Instrument 81-102 *Mutual Funds* ("**NI 81-102**").

Representations

1. The Filer (a) is a corporation amalgamated under the laws of Ontario; (b) is an indirect wholly-owned subsidiary of Invesco Ltd., a global investment manager; (c) is not in default of applicable securities legislation in any jurisdiction; (d) has a head office located in Toronto, Ontario; and (e) is not a reporting issuer in any jurisdiction of Canada.

2. The Filer is or will be the trustee, manager and adviser of the Pooled Funds.

3. The Filer may employ sub-advisors to provide advice on certain Pooled Funds.

4. The Filer is registered as (a) an investment fund manager in Ontario; (b) an adviser in the category of portfolio manager in all provinces of Canada; and (c) a commodity trading manager in Ontario pursuant to the Commodity Futures Act (Ontario).

5. Each Pooled Fund is, or will be, (a) a "mutual fund" and a "mutual fund in Ontario" as defined in the Act; and (b) sold solely to investors in Canada pursuant to exemptions from the prospectus requirements in accordance with National Instrument 45-106 *Prospectus and Registration Exemptions* ("**NI 45-106**").

6. The Pooled Funds that are currently in existence are not in default of securities legislation in any province or territory of Canada. None of the Pooled Funds that are currently in existence are a "reporting issuer" as defined in the Act but they may in the future become a "reporting issuer".

7. Each Other Fund is or will be an open-end investment fund available for purchase in Canada pursuant to a prospectus and will be a "reporting issuer" as defined in the Act.

8. Each ETF is or will be an investment fund whose securities trade on a stock exchange in Canada or the United States that (a) seek to replicate the performance of various widely quoted stock or bond indices, (b) invest, directly or indirectly through derivatives, in commodities, or (c) seek to invest in a manner that causes it to replicate the performance of a commodity index.

9. Each Other Fund and ETF (collectively, the "**Underlying Funds**") has, or will have, (a) its own investment objectives and investment strategies, (b) will generally have liquid portfolios and (c) will calculate their net asset value daily and are redeemable daily (subject to the conditions relating to redemptions set out in the prospectus in the case of ETFs). A Pooled Fund will generally not invest in an Underlying Fund that is redeemable with less frequency than the Pooled

Fund, unless the portfolio adviser of the Pooled Fund believes that the liquidity of the Pooled Fund's portfolio is adequately managed through other strategies.

10. The investment objectives of IBRA Pool are to seek to outperform the DEX 91 Day Treasury Bill Index over a rolling three- to five-year investment horizon. IBRA Pool strives to achieve this objective with a proprietary risk premium capture strategy that seeks to minimize the risk of large drawdowns with a risk-balanced investment process.

11. In furtherance of its investment objective, IBRA Pool may, in addition to entering into derivatives (including, futures and swaps on futures), exchange traded notes and other Pooled Funds, invest in securities of Other Funds or ETFs, this being a more cost efficient way for IBRA Pool to achieve exposure to money market instruments, commodities, equities or fixed income investments.

12. The amounts invested from time to time in an Underlying Fund by IBRA Pool, either alone or together with Future Pooled Funds or other mutual funds managed by the Filer, may exceed 20% of the outstanding voting securities of any single Underlying Fund. Accordingly, each Pooled Fund could, either alone or together with the other Pooled Funds or other mutual funds managed by the Filer, become a substantial securityholder of an Underlying Fund. The Pooled Funds, Underlying Funds and other mutual funds managed by the Filer are, or will be, related mutual funds by virtue of the common management of these funds by the Filer.

13. The vast majority of trading in securities of ETFs will typically occur in the secondary market

14. As is the case with the purchase or sale of any other equity security made on an exchange, brokers are typically paid a commission in connection with trading in securities of exchange-traded funds, including the ETFs.

15. Securities of the ETFs may only be directly purchased or redeemed from an ETF in large blocks called "creation units" by "authorized participants" that have entered into a contract with its manager to purchase and redeem such securities.

16. It is proposed that the Pooled Funds will purchase and sell securities of the ETFs on the applicable exchange using third party brokers and that the Pooled Funds will pay commissions to these brokers in connection with the purchase and sale of such securities.

17. Each Pooled Fund shall not pay any management fees or incentive fees that, to a reasonable person, would duplicate a fee payable by the Underlying Fund for the same service.

18. Each Pooled Fund shall not pay any sales fees or redemption fees in relation to its purchases or redemptions of securities of an Underlying Fund that, to a reasonable person, would duplicate a fee payable by an investor in the Pooled Fund.

19. In the absence of the Fund-of-Fund Relief, each Pooled Fund would be precluded from investing in an Underlying Fund due to the investment prohibitions in paragraphs 111(2)(b) and 111(2)(c) and subsection 111(3) of the Act and paragraph 13.5(2)(a) of NI 31-103.

20. Each investment by a Pooled Fund in an Underlying Fund represents the business judgment of responsible persons uninfluenced by considerations other than the best interests of the Pooled Fund.

21. In the absence of the Reporting Relief, the Filer would be required to file a report for every transaction between a Pooled Fund and an Underlying Fund under section 117(1)(a) of the Act.

Decision

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

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

(a) securities of a Pooled Fund are distributed in Canada solely pursuant to exemptions from the prospectus requirements in NI 45-106;

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

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

(d) no sales or redemption fees are payable by a Pooled Fund in relation to its purchases or redemptions of units of an Underlying Fund that, to a reasonable person, would duplicate a fee payable by an investor in the Pooled Fund;

(e) the Filer will not vote the securities of an Underlying Fund held by a Pooled Fund at any meeting of holders of such securities;

(f) no Pooled 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" (as defined by NI 81-102) or that issue "index participation units" (as defined by NI 81-102);

(g) a Pooled Fund's declaration of trust, which is provided to all investors immediately prior to purchase of securities of a Pooled Fund, will disclose that:

i. the Pooled Fund may purchase securities of an Underlying Fund;

ii. the Filer or its affiliates is the manager of both the Pooled Funds and the Underlying Funds;

iii. the approximate or maximum percentage of net assets of the Pooled Fund that it is intended be invested in securities of the Underlying Fund; and

iv. the process or criteria used to select Underlying Funds; and

(h) prior to the time of investment, securityholders of a Pooled Fund will be provided with disclosure that certain officers or directors of the Filer or associates of any of them may have a significant interest in the Underlying Funds through investments made in securities of such Underlying Funds and will be advised of the potential conflicts of interest which may arise from such relationships. The foregoing disclosure will be contained in a Pooled Fund's declaration of trust, subscription agreement or similar document of a Pooled Fund provided to investors in the Pooled Fund.

"Raymond Chan"
Manager, Investment Funds Branch
Ontario Securities Commission

"Christopher Portner"
Commissioner
Ontario Securities Commission

"Judith Robertson"
Commissioner
Ontario Securities Commission

2.1.7 Vanguard Investments Canada Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Exemptive relief granted to exchange-traded funds for initial and continuous distribution of units – Relief to revoke and replace existing relief – Relief to permit the funds' prospectus to not contain an underwriter's certificate and relief from take-over bid requirements in connection with normal course purchases of units on the Toronto Stock Exchange subject to undertaking by unitholders not to exercise any votes attached to units which represent more than 20% of the votes attached to all outstanding units of the funds – Certificate Relief subject to sunset clause. – Securities Act (Ontario).

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 74(1), 95-100, 104(2)(c), 144,147.

October 12, 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
VANGUARD INVESTMENTS CANADA INC.
(the Filer)

DECISION

Background

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

(a) Revokes and replaces the Existing Relief (as defined below);

(b) Exempts all purchasers of Units (as defined below) of Vanguard Canadian Aggregate Bond Index ETF, Vanguard Canadian Short-Term Bond Index ETF, Vanguard MSCI Canada Index ETF, Vanguard MSCI U.S. Broad Market Index ETF (CAD-hedged), Vanguard MSCI EAFE Index ETF (CAD-hedged) and Vanguard MSCI Emerging Markets Index ETF (the **Existing Funds**) and any additional exchange-traded funds of which the Filer, or an affiliate or associate of the Filer, is or may be the trustee and/or manager and which operate on a similar basis as the Existing Funds (the **Additional Funds**, which together with the Existing Funds are collectively referred to as the **Funds** and each is singularly referred to as a **Fund**) from the requirements of the Legislation related to take-over bids, including the requirement to file a report of a take-over bid and to pay the accompanying fee with each applicable jurisdiction in respect of take-over bids for the Funds (the **Take-over Bid Exemption**); and

(c) Exempts the Funds from the requirement that the prospectus of the Funds contain a certificate of the underwriter or underwriters who are in a contractual relationship with the Funds (the **Underwriter Certificate Exemption**, and, together with the Take-over Bid Exemption, the **Exemption Sought**).

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

(a) the OSC is the principal regulator for this application; and

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

Interpretation

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

Basket of Securities means (i) a group of the specific securities of the issuers included from time to time in the applicable Index (**Constituent Securities**) held, to the extent reasonably possible, in approximately the same proportion as they are reflected in the applicable Index; (ii) a broadly diversified subset of Constituent Securities and/or other securities selected by the sub-advisor of the applicable Fund from time to time that, in the aggregate, approximates the applicable Index in terms of primary risk factors and other key index characteristics; or (iii) securities of one or more Underlying Vanguard ETFs.

Designated Broker means a registered dealer that has entered into a designated broker agreement with the Filer, on behalf of one or more of the Funds, to perform certain duties in relation to the Funds.

Dealer means a registered broker or dealer that has entered into a continuous distribution dealer agreement with the Filer, on behalf of one or more of the Funds, and that subscribes for and purchases Units from the Funds.

Index means the benchmark or index that is used by a Fund in relation to that Fund's investment objective.

Prescribed Number of Units means the number of Units of a Fund determined by the Filer from time to time for the purpose of subscription orders, exchanges, redemptions or for other purposes.

Take-over Bid Requirements means the requirements of the Legislation relating to take-over bids, including the requirement to file a report of a take-over bid and to pay the accompanying fee, in each of the Jurisdiction and Passport Jurisdictions.

Underlying Vanguard ETF means an exchanged-traded share class of a fund managed by the Filer or an affiliate or associate of the Filer that either seeks to track the applicable Index or an unhedged version of the applicable Index or that has a similar investment objective or strategies.

Unitholders means beneficial or registered holders of Units, as applicable.

Units means the redeemable, transferable units of the Funds.

Representations

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

The Existing Relief

1. The Filer was provided relief similar to the Exemption Sought under a decision of the principal regulator dated October 21, 2011 (the **Existing Relief**).

2. The Existing Relief terminates on October 21, 2012.

3. As of the date of this decision, the Filer will no longer rely on the Existing Relief.

The Filer and the Funds

4. The Funds are, or will be, mutual fund trusts governed by the laws of Ontario and are, or will be, reporting issuers under the laws of each of the Jurisdiction and Passport Jurisdictions. The Filer is not, and the Funds are not, and will not be, in default of securities legislation in any of the Jurisdiction or Passport Jurisdictions.

5. Units of the Funds are, or will be, listed on the Toronto Stock Exchange (**TSX**) or another recognized stock exchange.

6. The Filer is a registered investment fund manager, portfolio manager and commodity trading manager in Ontario. The Filer is, or will be, the trustee and the manager of the Funds and is, or will be, responsible for the administration of the Funds.

7. The Filer is a wholly-owned indirect subsidiary of The Vanguard Group, Inc., which in turn is wholly-owned by approximately 36 U.S. registered investment companies that are part of the Vanguard family of mutual funds.

8. Each Fund seeks, or will seek, investment results that seek to track the performance of an Index, net of fees and expenses, by investing, directly or indirectly, in the securities that constitute, from time to time, the applicable Basket of Securities.

9. Generally, Units of the Funds may only be subscribed for or purchased directly from the Funds by Designated Brokers or Dealers and orders may only be placed for Units in the Prescribed Number of Units (or a multiple thereof) on any day where there is a trading session on the TSX.

10. The Funds appointed, or will appoint, Designated Brokers to perform certain functions, which include standing in the market with a bid and ask price for Units of the Funds for the purpose of maintaining liquidity for the Units.

11. Each Designated Broker or Dealer that subscribes for Units agrees to deliver, in respect of each Prescribed Number of Units to be issued, a Basket of Securities and/or cash in an amount sufficient so that the value of the securities and/or the cash received is equal to the aggregate net asset value per Unit of the Prescribed Number of Units next determined following the receipt of the subscription order.

12. The net asset value per Unit of a Fund is, or will be, calculated and published daily on the Filer's website.

13. The Filer may from time to time and, in any event not more than once quarterly, require a Designated Broker to subscribe for Units of a Fund in cash in an amount not to exceed 0.30% of the net asset value of the Fund or such other amount established by the Filer and disclosed in the prospectus of the Funds.

14. Neither the Designated Brokers nor the Dealers will receive any fee or commission in connection with the issuance of Units of the Funds to them. On the issuance of Units of a Fund, the Filer or

the Fund may, in the Filer's discretion, charge a fee to a Designated Broker or a Dealer to offset the expenses incurred in issuing the Units.

15. Except as described in paragraphs 9 through 14 above, Units may not be purchased directly from the Funds. Persons that are not Designated Brokers or Dealers are generally expected to purchase Units through the facilities of the TSX. However, Units may be issued directly to all Unitholders upon the reinvestment of distributions.

16. Unitholders that are not Designated Brokers or Dealers that wish to dispose of their Units may generally do so by selling their Units on the TSX, through a registered dealer, subject only to customary brokerage commissions. A Unitholder that holds a Prescribed Number of Units or a multiple thereof may exchange such Units for Baskets of Securities and/or cash, in the Fund's discretion. Unitholders may also redeem their Units for cash at a redemption price equal to 95% of the closing price of the Units on the TSX on the effective date of redemption.

17. Unitholders have, or will have, the right to vote at a meeting of Unitholders in respect of the matters prescribed by National Instrument 81-102 *Mutual Funds*.

18. The Filer, on behalf of the Funds, may enter into various continuous distribution dealer agreements with registered dealers (that may or may not be Designated Brokers) pursuant to which the Dealers may subscribe for Units of one or more of the Funds. However, no Dealer would be involved in the preparation of the Funds' prospectus and no Dealer would perform any review or any independent due diligence of the contents of the Funds' prospectus. In addition, the Funds will not pay any commission to the Dealers. As the Dealers will not receive any remuneration for distributing Units and as the Dealers will change from time to time, it is not practical to provide an underwriters' certificate in the prospectus of the Funds.

19. Although Units of the Funds will trade on the TSX and the acquisition of Units can therefore be subject to the Take-over Bid Requirements:

    (a) it is not, or will not, be possible for one or more Unitholders to exercise control or direction over a Fund as the declaration of trust of the Funds provides, or will provide, that a person who holds (either alone or jointly with another person or persons) 20% or more of the Units of a Fund may not exercise any voting rights attached to Units that represent more than 20% of the votes attached to all outstanding Units of that Fund;

    (b) it is, or will be, difficult for purchasers of Units of a Fund to monitor compliance with Take-over Bid Requirements because the number of outstanding Units will always be in flux as a result of the ongoing issuance and redemption of Units by each Fund; and

    (c) the way in which Units of a Fund are, or will be, priced deters anyone from either seeking to acquire control, or offering to pay a control premium, for outstanding Units because Unit pricing for each Fund is, or will be, dependent upon the performance of the portfolio of the Fund as a whole.

20. The application of the Take-over Bid Requirements to the Funds would have an adverse impact on Unit liquidity because they could cause Designated Brokers and other large Unitholders to cease trading Units once prescribed take-over bid thresholds are reached. This, in turn, could serve to provide conventional mutual funds with a competitive advantage over the Funds.

21. This decision shall not be construed as granting relief from any prospectus delivery requirement under the Legislation.

Decision

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

The decision of the principal regulator is that the Exemption Sought is granted so long as a purchaser of Units of a Fund (**Unit Purchaser**), and any person or company acting jointly or in concert with the Unit Purchaser (a **Concert Party**), prior to making any take-over bid for Units of the Fund that is not otherwise exempt from the Take-over Bid Requirements, provides the Filer with an undertaking not to exercise any votes attached to the Units held by the Unit Purchaser and any Concert Party that represent more than 20% of the votes attached to the outstanding Units of the Fund.

This decision as it relates solely to the Underwriter Certificate Exemption shall terminate on the earlier of (a) August 31, 2013 and (b) the granting of any similar decision to the Filer that addresses the applicable prospectus delivery obligations.

"Paulette Kennedy"
Commissioner
Ontario Securities Commission

"Edward P. Kerwin"
Commissioner
Ontario Securities Commission

2.1.8 Stanton Asset Management Inc. et al.

Headnote

One time trade securities between a non-redeemable investment fund and an affiliated fund, both advised by the same portfolio manager, to implement a merger – costs of the merger borne by the manager – sale of securities exempt from the self-dealing prohibitions in s. 13.5(2)(b)(ii)(iii), National Instrument 31-103 – Registration Requirements and Exemptions.

Applicable Legislative Provisions

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

November 12, 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
STANTON ASSET MANAGEMENT INC.
(the Filer)

AND

O'LEARY HARD ASSET INCOME FUND
(the Terminating Fund) AND
O'LEARY GLOBAL INFRASTRUCTURE YIELD FUND
(the Continuing Fund, and together with
the Terminating Fund, the Funds)

DECISION

Background

The securities regulatory authority or regulators in each of the Jurisdictions (**Decision Make**r) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) for exemptive relief from Section 13.5(2)(b)(ii) and (iii) of National Instrument 31-103 – *Registration Requirements and Exemptions* (**NI 31-103**) in connection with the transfer of the investment portfolio of the Terminating Fund to the Continuing Fund in order to implement the merger (the **Merger**) of the Terminating Fund into the Continuing Fund (the **Exemption Sought**).

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

(a) L'Autorité des marchés financiers is the principal regulator (the **Principal Regulator**) for this application;

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

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

Interpretation

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

Representations

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

1. The Filer is a corporation existing under the *Canada Business Corporations Act* with its head office in Montreal, Quebec.

2. The Filer is registered as a portfolio manager under the securities legislation of each of Québec and Ontario (the "**Legislation**").

3. The Filer is the portfolio manager of each Fund and O'Leary Funds Management LP (the "**Manager**") is the manager of each Fund.

4. The Manager proposes to effect the Merger of the Terminating Fund into the Continuing Fund, subject to regulatory approval, on or about November 1, 2012 (the "**Merger Date**").

5. Each Fund was established pursuant to a declaration of trust under the laws of the Province of Ontario.

6. The Funds are reporting issuers under the securities legislation of each province of Canada.

7. Neither the Filer nor either of the Funds is in default of securities legislation in any Canadian jurisdiction.

8. The Terminating Fund is a "non-redeemable investment fund" as defined in the Legislation and units of the Terminating Fund (the "**Units**") are listed on the Toronto Stock Exchange ("**TSX**").

9. The Terminating Fund was established under the laws of the Province of Ontario pursuant to a declaration of trust dated September 28, 2010 (the "**Terminating Fund Declaration**") and completed its initial public offering on October 20, 2010.

10. The original long form prospectus of the Terminating Fund and the Terminating Fund Declaration provided for the conversion of the Terminating Fund into an open end mutual fund on or about October 31, 2012. In line with the Manager's overall business plan to merge mutual funds with similar investment objectives (usually as a result of conversion or merger of closed-end funds) in order to streamline and consolidate its product line and to achieve the most cost-effective management of all its funds, the Manager proposes to merge the Terminating Fund into the Continuing Fund rather than proceed with the conversion of the Terminating Fund into an open end mutual fund and its subsequent merger into the Continuing Fund.

11. The Continuing Fund is a "mutual fund" as defined in the Legislation and is governed by National Instrument 81-102 – *Mutual Funds* ("**NI 81-102**"). The Continuing Fund was originally qualified for distribution by a simplified prospectus dated December 22, 2009 and merged with the closed end fund known as O'Leary Global Infrastructure Fund on June 1, 2010, with series X units of the Continuing Fund being issued to unitholders of the former closed end fund.

12. The Continuing Fund currently offers series A, series F, series H, series I, series M and series X units pursuant to a simplified prospectus dated June 18, 2012 (the "**Simplified Prospectus**").

13. The Continuing Fund proposes to file amendments to its Simplified Prospectus and annual information form (and to file an additional fund facts document) to qualify the Series Y Units to be used in the Merger on or about the Merger Date.

14. The Terminating Fund Declaration stipulates that "The investment activities of the Fund are to be conducted in accordance with, among other things, the investment guidelines and restrictions that are applicable to mutual funds pursuant to NI 81-102."

15. Unless an exemption has been obtained, each of the Funds follows the standard investment restrictions and practices established under the applicable securities legislation of each province of Canada.

16. Although not substantially similar in all respects, the Manager is of the view that the investment objectives and strategies of the two Funds are similar in many respects and that it would be in the best interests of each Fund for the Funds to be merged.

17. The investment objectives of the Terminating Fund, as stated in its most recent annual information form, are as follows: "(a) to maximize total return for holders of Units ("Unitholders"), consisting of interest and dividend income and capital appreciation, and (b) to provide Unitholders with monthly distributions currently targeted to be $0.065 per Unit ($0.78 per annum representing an annual yield of 6.5% based on the $12.00 per Unit issue price)."

18. The investment strategies of the Terminating Fund, as stated in its most recent annual information form, include the following: "The Fund invests in an actively-managed portfolio (the "Portfolio") that invests in Canada and globally primarily in publicly-traded dividend-paying equity securities of issuers owning or controlling significant tangible assets in industry sectors including real estate, pipelines, power utilities, transportation and telecommunications (the "Hard Asset Issuers") and having market capitalizations of at least $1 billion at the time of investment, as well as corporate bonds, including non-investment grade bonds, convertible debt securities and preferred shares. The Fund provides investors diversification across equities and fixed income securities of issuers in such industry sectors, with access to both Canadian and global markets, allowing investors to access what Stanton Asset Management Inc. ("Stanton" or the "Portfolio Advisor") believes to be the most attractive investments in each sector regardless of geography and to seek to benefit from the performance of each sector."

19. The investment objectives of the Continuing Fund, as stated in its Simplified Prospectus, are as follows: "to generate income and long-term capital growth by investing primarily in common equity and fixed income securities by global infrastructure issuers. The Fund will not be limited to how much it can invest or keep invested in a country or sector. This will vary according to market conditions."

20. The investment strategies of the Continuing Fund, as stated in its Simplified Prospectus, include the following:

> "In seeking to achieve its investment objectives, the Fund's investment strategies emphasize investments in publicly traded equity and debt securities issued by global infrastructure issuers as well as Canadian mid-cap and large cap infrastructure issuers with market capitalizations of at least $1 billion which will be diversified globally by region and by sector.
>
> The Fund may also invest up to 10% of its net assets in equity and debt securities of private issuers having infrastructure assets or operations.
>
> The Fund invests in publicly?traded equities of global issuers focused on infrastructure, which the portfolio advisor believes provide access to high quality long?term assets, predictable cash flow, high dividend yields, reduced volatility and positive correlation to inflation, and capital appreciation.
>
> The Fund invests in publicly?traded debt of global issuers focused on infrastructure, which the portfolio advisor believes provide a steady income stream."

21. Upon completion of the Merger, Unitholders of the Terminating Fund will receive Series Y Units of the Continuing Fund which will have a distribution policy which seeks to provide unitholders with monthly distributions. It is proposed that this policy will be stated in substantially the following manner in the amended Simplified Prospectus:

> "The Fund will seek to provide unitholders of series Y units with monthly distributions in cash. Initially, the Fund will endeavour to distribute $0.63 per annum representing an annual distribution of approximately 6.0%, based on a the NAV as of August 31, 2012 of O'Leary Hard Asset Income Fund (the closed-end fund which merged into the mutual fund, O'Leary Global Infrastructure Yield Fund, on [November 1, 2012]). This amount of annual distribution corresponds to a regular monthly distribution of $0.0525 per series Y unit. The monthly distribution amount will be determined by the Manager on an annual basis, taking into account the market conditions, the fees and expenses of the Fund and the portfolio performance. The Manager intends to make the determination in January of each year. The Manager will determine this amount by looking at the NAV of the series on December 31 of the previous year and determine the amount assuming that market conditions remain relatively constant over the coming year. There can be no assurance that the Fund will be able to achieve its monthly distribution objectives."

22. The Manager has reviewed the portfolio of the Terminating Fund and has determined that all of the assets of the Terminating Fund's portfolio are suitable investments for the Continuing Fund and fall within the investment objectives of the Continuing Fund.

23. The Merger could be considered a material change for the Continuing Fund, as the net asset value ("**NAV**") of the Continuing Fund is smaller than the NAV of the Terminating Fund. As a consequence of this, a unitholder meeting of the Continuing Fund has been called for October 31, 2012 at which meeting unitholder approval will be sought in accordance with the requirements of Section 5.1(g) of NI 81-102.

24. The Merger will be effected with respect to the Terminating Fund, in accordance with the Terminating Fund Declaration. The relevant provisions provide that the Manager may, upon obtaining approval of Unitholders by resolution passed by at least 66 2/3% of the votes cast at a meeting called and held for such purpose, merge the Terminating Fund with a mutual fund trust, provided that,

(a) the Fund ceases to continue after the reorganization or transfer of assets; and

(b) the transaction results in Unitholders becoming unitholders in the mutual fund trust.

As a consequence of this, a unitholder meeting of the Terminating Fund has been called for October 31, 2012 at which meeting unitholder approval will be sought in accordance with the Terminating Fund Declaration.

25. As required by National Instrument 81-107 – *Independent Review Committee for Investment Funds* ("**NI 81-107**"), an Independent Review Committee ("**IRC**") has been appointed for each of the Funds, and the Manager presented the terms of the Merger to the IRC at a special meeting called for this purpose on September 6, 2012, and requested the IRC's recommendation of the Merger. The IRC provided a positive recommendation that the Merger would achieve a fair and reasonable result for both Funds.

26. The board of directors of O'Leary Funds Management Inc., the general partner of the Manager, also approved the Merger and determined that it is in the best interests of each of the Funds. A press release was issued on September 7, 2012 announcing both the Board approval and the IRC recommendation. The press release and material change report in respect of the Merger were filed on SEDAR on September 12, 2012 under project numbers 01959995 and 01959996.

27. The press release announces the Merger more than 50 days prior to the Merger Date. The Unitholders of the Terminating Fund have ample opportunity to redeem their Units prior to the Merger in compliance with the redemption provisions set out in the Terminating Fund Declaration, should they wish to do so.

28. Notice of the special meeting, a form of proxy and a management information circular will be prepared and sent to unitholders of the Terminating Fund and the Continuing Fund in accordance with Part 12 of National Instrument 81-106 – *Investment Funds Continuous Disclosure* ("**NI 81-106**"). The Manager has sent written notice of the Merger to CDS on September 6, 2012 with respect each of the Funds announcing a record date of October 1, 2012 and the meeting date of October 31, 2012 for both Funds.

29. No TSX approval is required for the Merger. However, the Terminating Fund will need to comply with the requirements of the TSX to delist.

30. The NAV for units of each Fund is calculated on a daily basis on each day that the TSX is open for trading. The Funds have substantially similar valuation rules and procedures.

31. A second press release and material change report in respect of the Merger will be filed on SEDAR under the profile of each of the Funds upon receipt of approval for the Merger from the respective unitholders of each Fund and from the Principal Regulator as requested herein.

32. All costs and expenses associated with the Merger will be borne by the Manager. No sales charges, redemption fees or other fees or commissions will be payable by unitholders of the Funds in connection with the Merger.

33. The Merger will be implemented on a tax-deferred basis after the expiry of the annual redemption notice period of the Terminating Fund and as soon as practicable after October 31, 2012, the date originally scheduled for the conversion of the Terminating Fund into an open end mutual fund.

34. The Terminating Fund and the Continuing Fund are each a mutual fund trust under the *Income Tax Act* (Canada) ("**Tax Act**") and accordingly, units of the Funds are "qualified investments" under the Tax Act for registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered disability savings plans, registered education savings plans and tax-free savings accounts.

35. The Filer is a "responsible person" as defined in the Legislation as a result of being the portfolio manager of the Funds.

36. The transfer of the investment portfolio of the Terminating Fund to the Continuing Fund (and the corresponding purchase of such investment portfolio by the Continuing Fund) as a step in the Merger may be considered a purchase or sale of securities, knowingly caused by a registered adviser that manages the investment portfolio of the Funds, from or to the investment portfolio of (i) an associate of a responsible person (since each Fund is a trust which is an "associate" of the trustee of the Fund, which is also an affiliate of the adviser and thus a "responsible person"), and (ii) an investment fund for which a "responsible person" acts as an adviser, in each case, contrary to NI 31-103.

37. The Merger is expected to take place using the following steps:

(a) Prior to the Merger Date, the Terminating Fund will sell any securities in its portfolio necessary to meet redemption requests.

(b) Effective as of close of business on the Merger Date, the Units of the Terminating Fund will be de-listed from the TSX.

(c) The value of the Terminating Fund's portfolio and other assets will be determined at the close of business on the Merger Date in accordance with the Terminating Fund Declaration.

(d) The Continuing Fund will acquire the investment portfolio and other assets of the Terminating Fund in exchange for Series Y Units of the Continuing Fund.

(e) The Continuing Fund will not assume liabilities of the Terminating Fund and the Terminating Fund will retain sufficient assets to satisfy its estimated liabilities, if any, as of the Merger Date.

(f) The Series Y Units of the Continuing Fund received by the Terminating Fund will have an aggregate NAV equal to the value of the Terminating Fund's portfolio assets and other assets that the Continuing Fund is acquiring, and the Series Y Units will be issued at their applicable series NAV per unit as of the close of business on the Merger Date.

(g) The Terminating Fund will distribute to its Unitholders a sufficient amount of its net income and net realized capital gains so that it will not be subject to tax under Part I of the Tax Act for its taxation year ending on the Merger Date.

(h) Immediately thereafter, the Terminating Fund will be terminated and the Series Y Units of the Continuing Fund received by the Terminating Fund will be distributed to Unitholders of the Terminating Fund on a dollar for dollar basis in exchange for their Units in the Terminating Fund.

(i) As soon as reasonably possible following the Merger, the Terminating Fund will be wound up.

(j) The Manager will issue a press release forthwith after the Merger is completed announcing the completion of the Merger and the ratio by which Units of the Terminating Fund were exchanged for Series Y Units..

38. In the absence of this order, the Filer would be prohibited from purchasing and selling the securities of the Terminating Fund (and thereby transferring the investment portfolio of the Terminating Fund to the Continuing Fund) in connection with the Merger.

39. In the opinion of the Filer, the Merger will not adversely affect unitholders of the Terminating Fund or the Continuing Fund and will in fact be in the best interests of unitholders of both Funds. The Filer believes that the Merger will be beneficial to unitholders for the following reasons:

(a) the Merger will eliminate the administrative and regulatory costs of operating the Terminating Fund as a separate mutual fund;

(b) the Continuing Fund, after the merger of the two Funds' portfolios, will have a portfolio of considerable size and will have the potential to have an even larger portfolio, as the Continuing Fund will be in continuous distribution, and so should offer improved portfolio diversification to unitholders;

(c) Series Y Units of the Continuing Fund will have greater liquidity through daily purchases and redemptions than Units of the Terminating Fund and the Merger will eliminate the discount to NAV for the Terminating Fund;

(d) management fees for the Terminating Fund are the same as the management fees for the Series Y Units of the Continuing Fund;

(e) the Continuing Fund, as a result of its greater size, should benefit from a reduction of its management expense ratio as the fixed portion of its administrative and regulatory costs will be paid by a larger number of unitholders; and

(f) the Continuing Fund allows greater unitholder flexibility with respect to switches, reclassifications and conversions into other mutual funds managed by the Manager.

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 is that the Exemption Sought is granted provided that:

(a) upon a request by a Unitholder for financial statements, the Filer will make best efforts to provide the unitholder with financial statements of the Continuing Fund; and

(b) the Terminating Fund and the Continuing Fund with respect to the Merger have an unqualified audit report in respect of their last completed financial period.

"Eric Stevenson"

2.1.9 Sprott Power Corp.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief from requirement to file notice of intention to file a short form prospectus within stipulated time.

Applicable Legislative Provisions

National Instrument 44-101 Short Form Prospectus Distributions, s. 2.2.

February 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
SPROTT POWER CORP.
(the "Filer")

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer (the "Application") for a decision under the securities legislation of the Jurisdiction of the principal regulator (the "Legislation") that:

(a) the Filer be exempt from the requirement in National Instrument 44-101 *Short Form Prospectus Distributions* ("NI 44-101") to file a notice (a "Notice") declaring its intention to be qualified to file a short form prospectus at least 10 business days prior to the filing of its first preliminary short form prospectus (the "Exemption Sought"); and

(b) the Application and this decision document be held in confidence by the principal regulator, subject to certain conditions.

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

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

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

Interpretation

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

Representations

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

1. The Filer was incorporated under the *Canada Business Corporations Act* on May 26, 2010. On January 31, 2011, the Filer amalgamated with a wholly-owned subsidiary of First Asset PowerGen Fund (the "Fund") pursuant to a statutory plan of arrangement and the resulting combined company acquired all of the outstanding units of the Fund.

2. The principal office of the Filer is located at 200 Bay Street, Suite 2750, Royal Bank Plaza, South Tower, Toronto, Ontario, M5J 2J2.

3. The authorized share capital of the Filer consists of an unlimited number of common shares (the "Shares") and an unlimited number of preferred shares.

4. The Filer is a reporting issuer under applicable securities laws in each of the provinces of Canada and is not in default of securities legislation in any province of Canada.

5. The Shares of the Filer are listed for trading on the Toronto Stock Exchange under the symbol "SPZ".

6. The Filer is qualified to file a prospectus in the form of a short form prospectus pursuant to section 2.2 of NI 44-101 and filed a Notice with the Ontario Securities Commission dated February 9, 2012.

7. The Filer wishes to file a preliminary short form prospectus (a "Preliminary Prospectus") on or shortly after February 21, 2012 relating to the offering or potential offering of Share units and flow-through Shares.

8. Pursuant to the qualification criteria set forth in section 2.2 of NI 44-101 the Filer will be qualified to file a short form prospectus on the basis that it will satisfy the requirements of section 2.2 of NI 44-101.

9. Notwithstanding section 2.2 of NI 44-101, section 2.8(1) of NI 44-101 provides that an issuer is not qualified to file a short form prospectus unless it has filed a notice declaring its intention to be qualified to file a short form prospectus at least 10

business days prior to the issuer filing its first preliminary short form prospectus.

10. In the absence of the Exemption Sought, the Filer will not be qualified to file a Preliminary Prospectus until February 24, 2012, which is 10 business days from the date upon which the Notice was filed.

11. The Filer has determined that a favourable market window for an offering or potential offering of Share units and flow-through Shares currently exists. Due to the current levels of uncertainty existing with respect to global equity markets, the Filer cannot determine how long this favourable market window will last. As a result, the Filer wishes to be in the position to file a Preliminary Prospectus and commence the marketing of a public offering as soon as possible.

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 pursuant to the Legislation is that:

(a) the Exemption Sought is granted; and

(b) the principal regulator will hold in confidence the Application and this decision document will until the earlier of (i) the date that the Preliminary Prospectus has been filed; and (ii) the date that is 90 days after the date of this decision document.

"Shannon O'Hearn"
Manager, Corporate Finance Branch
Ontario Securities Commission

2.1.10 BMO Asset Management Inc. and BMO Covered Call Dow Jones Industrial Average Hedged to CAD ETF

Headnote

National Policy 11-203 – ETF granted concentration restriction relief on conditions to pursue its investment objective and strategy of purchasing, or gaining exposure to, securities of constituents of the Dow Jones Industrial Average in the proportions in which they are reflected in the index, the ETF also employs a covered call option writing strategy – ETF analogous to index mutual fund or partially-indexed mutual fund.

Applicable Legislative Provision

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

November 19, 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
BMO ASSET MANAGEMENT INC.
(the Filer)

AND

IN THE MATTER OF
BMO COVERED CALL DOW JONES INDUSTRIAL AVERAGE HEDGED TO CAD ETF (the Fund)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Fund for a decision under the securities legislation of the Jurisdiction (the **Legislation**) granting exemptive relief (the **Exemption Sought**) from section 2.1(1) (the **Concentration Restriction**) of National Instrument 81-102 *Mutual Funds* (**NI 81-102**) to permit the Fund to purchase, or obtain exposure to, a security of an issuer (a **DJIA Issuer**) included as a constituent in the Dow Jones Industrial Average (the **DJIA**) such that, immediately after the transaction, more than 10 percent of the Fund's net asset value (**NAV**) would be invested, either directly or indirectly, in securities of that DJIA Issuer for the purposes of determining compliance with the Concentration Restriction.

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

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

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

Interpretation

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

Representations

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

1. The Filer is a corporation incorporated under the laws of the province of Ontario. The Filer's head office is located in Toronto, Ontario. The Filer acts as the trustee, investment fund manager and portfolio manager of the Fund. The Filer is registered as an investment fund manager, a portfolio manager and an exempt market dealer under the *Securities Act* (Ontario) and as a commodity trading manager under the *Commodity Futures Act* (Ontario).

2. The Fund is:

   (a) an open-ended mutual fund established as a trust under the laws of the Province of Ontario;

   (b) a reporting issuer in each province and territory of Canada. The Fund's securities are distributed pursuant to a long-form prospectus (the **Prospectus**) filed with and receipted by the securities regulatory authority in each province and territory of Canada under National Instrument 41-101 *General Prospectus Requirements*;

   (c) subject to NI 81-102, subject to any exemptions therefrom that have been, or may in the future be, granted by the securities regulatory authorities; and

   (d) an exchange-traded fund or "ETF", and generally described as such. The units of the Fund are listed on the Toronto Stock Exchange.

3. The Fund's investment objective, as currently stated in the Prospectus, is to seek to provide its unitholders with exposure to the performance of a portfolio of U.S. stocks while mitigating downside risk, and also to seek to provide its unitholders with monthly distributions. The Fund will primarily invest in and hold a portfolio of securities selected from the constituents of the DJIA, although any investment in a single issuer will be made only in accordance with applicable Canadian securities legislation. In addition, depending on market volatility and other factors, the Fund will write covered call options on these securities.

4. The Filer seeks to replicate, to the extent possible subject to its option writing activities under its covered call option writing strategy, the performance of the DJIA. The Fund is not considered an "index mutual fund" for the purposes of NI 81-102 because its covered call option writing strategy results in the Fund earning option premiums and may require the Fund to sell securities to a counterparty exercising a covered call option written by the Fund, both of which impact the ability of the Fund to exactly track the DJIA at all times.

5. The Fund will seek to invest in DJIA Issuers in the proportions in which they are represented in the DJIA and in so doing, over time, the Fund will generally seek to replicate the performance of the DJIA, subject to its option writing activities under its covered call option writing strategy.

6. From time-to-time, the weight of a DJIA Issuer in the DJIA may exceed 10 percent. The Fund wishes to be able to purchase, or gain exposure to, securities of a DJIA Issuer such that, immediately after the transaction, more than 10 percent of the Fund's NAV would be invested, either directly or indirectly, in securities of that DJIA Issuer for the purposes of determining compliance with the Concentration Restriction. The Fund will invest, directly or indirectly, in securities of DJIA Issuers in weights that correspond to, and will not exceed, their weights in the DJIA.

7. The Exemption Sought would provide the Fund with the flexibility to manage its portfolio in a manner consistent with the make-up of the DJIA while pursuing its covered call option writing strategy in seeking to earn option premiums and mitigate downside risk.

8. The investment objectives and investment strategies of the Fund, as well as the risk factors associated therewith, including concentration risk, are disclosed in the Prospectus.

9. The Prospectus discloses that the Fund has applied for the Exemption Sought.

10. Before relying on this decision, the Filer and the Fund will:

    (a) clarify in the stated investment objectives of the Fund, as set out in each prospectus of the Fund filed after the date of this decision (each, a **Subsequent Prospectus**), that the Fund will primarily invest in and hold securities of DJIA Issuers in the proportions in which they are reflected in the DJIA, subject to its option writing activities under its covered call option writing strategy; and

(b) file a press release:

(i) describing the clarifications to the stated investment objectives of the Fund;

(ii) confirming that the Fund has obtained the relief applied for from the Concentration Restriction referred to in the Prospectus;

(iii) confirming that the Fund will commence investing in reliance on the relief obtained such that its investment in one or more DJIA Issuers may exceed the Concentration Restriction, limited only by the weight of the DJIA Issuer in the DJIA; and

(iv) making the disclosure contemplated in condition (c) of this decision.

11. The Filer and the Fund are not in default of any of their obligations under securities legislation in any of Ontario, British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon, Northwest Territories or Nunavut.

Decision

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

(a) the Fund's name includes the name of the DJIA;

(b) the Fund's investment in DJIA Issuers is consistent with the Fund's stated investment objectives as set out in each Subsequent Prospectus, which will specify that the Fund will primarily invest in and hold securities of DJIA Issuers in the proportions in which they are reflected in the DJIA, subject to its option writing activities under its covered call option writing strategy;

(c) each Subsequent Prospectus will include the disclosure required by section 2.1(5) of NI 81-102 for an index mutual fund;

(d) the Fund will not purchase, or gain exposure to, a security of a DJIA Issuer if, immediately after the transaction, more than the Threshold Percentage of the Fund's NAV would be invested, either directly or indirectly, in securities of that DJIA Issuer (for this purpose, **Threshold Percentage** means the weight of the DJIA Issuer in the DJIA, expressed as a percentage); and

(e) each Subsequent Prospectus discloses that the Filer has obtained the Exemption Sought on the terms described in this decision.

"Darren McKall"
Manager, Investment Funds
Ontario Securities Commission

2.1.11 Elad Canada Inc.

Headnote

Process for Exemptive Relief Application in Multiple Jurisdictions (passport application) – relief from take-over bid requirements – tender offers would be eligible for Foreign Take-over Bid Exemption but for shares held by offeror through Canadian partnerships and trusts – relief granted subject to conditions.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 104(2)(c).

November 7, 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
ELAD CANADA INC.
(the Company)

DECISION

Background

The principal regulator in the Jurisdiction (the **Decision Maker**) has received an application from Y.T. America Israel Investment Ltd. (the **Filer**) for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for:

(A) a decision under section 104(2)(c) of the Legislation exempting the Filer or any direct or indirect subsidiary of the Filer (the **Bidder**) from the requirements of sections 93 to 99.1 of the Legislation (the **Formal Bid Requirements**) in respect of tender offers to be made by the Bidder for certain securities of Elad Canada Inc. (the **Company**);

(B) an order pursuant to section 9.1 of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (**MI 61-101**), exempting the Filer from the requirements contained in Part 2 of MI 61-101 in connection with tender offers to be made by the Bidder for certain securities of the Company; and

(C) an order that the application for this decision and this decision (collectively, the **Confidential Materials**) be kept confidential and not be made public until the occurrence of the earliest of the following:

  (i) the date on which the Bidder publicly announces by way of a news release in Israel a tender offer for securities of the Company;

  (ii) the date on which the Filer advises the Decision Maker that there is no longer any need to hold the Confidential Materials in Confidence; or

  (iii) the date that is 60 days after the date of this decision (the **Confidentiality Sought**).

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

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

(ii) the Filer has provided notice that Section 4.7(1) of Multilateral Instrument 11-102 – *Passport System* (**MI 11-102**) is intended to be relied upon in each of the provinces of Canada other than Ontario (the **Non-Principal Passport Jurisdictions**).

Interpretation

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

Representations

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

1. The Filer is a private company incorporated under the laws of Israel. The shareholders of Filer are not resident in Canada.

2. The Filer directly or indirectly controls a number of entities (each an **Elad Subsidiary**, and collectively with the Filer, the **El-Ad Group**) worldwide in connection with its business of acquiring, developing and owning real estate assets worldwide.

3. The Company was incorporated pursuant to the *Business Corporations Act* (Ontario) on December 23, 2009. Its registered and head office is located at Suite 1405, 5001 Yonge Street, Toronto, Ontario, Canada M2N 6P6.

4. The Company owns a portfolio of real estate assets and development projects in Quebec, Ontario and Illinois. The Company completed, on August 31, 2010, an initial public offering (the **IPO**) of its common shares and warrants on the Tel Aviv Stock Exchange (the **TASE**) by way of a Hebrew language prospectus filed on August 23, 2010 in Israel pursuant to the securities laws of Israel.

5. Subsequent to the IPO, on May 23, 2011 the Company completed a public offering in Israel of Series A bonds on the TASE by way of a Hebrew language prospectus filed in Israel pursuant to the securities laws of Israel.

6. The Company's authorized share capital consists of an unlimited number of common shares without nominal or par value, of which 113,018,100 common shares are issued and outstanding as of September 2, 2012. In addition, the Company has warrants and options issued and outstanding, each of which is exercisable into one common share of the Company.

7. In August 2011, the Company filed in Israel a Hebrew language shelf prospectus pursuant to the securities laws of Israel, relating to the potential future offerings, pursuant to "shelf offering reports", of common shares, warrants, rights, bonds (convertible and/or non-convertible), options for bonds, and/or commercial debt securities of the Company.

8. The Company is not a reporting issuer in any province or territory in Canada.

9. The common shares, warrants and bonds of the Company are currently listed on the TASE.

10. To the knowledge of the Filer, the Company is not in default of securities legislation in Ontario or the Non-Principal Passport Jurisdictions.

11. The Filer owns securities of the Company through seven Alberta-resident trusts (collectively, the **Trusts**), including a portion of such securities that are held indirectly through a Canadian limited partnership (**Elad LP**), the limited partnership interests of which are held by the Trusts. In addition, a Bermudian incorporated subsidiary of the Filer holds 100 common shares of the Company.

12. The sole trustee of each Trust (the **Trustee**) is a corporation resident in Canada and an Elad Subsidiary. All of the issued and outstanding shares of the Trustee are beneficially owned, indirectly through a complex holding structure, by the Filer. The two individual directors of the Trustee are both residents of Canada. One of the two directors of the Trustee is an employee of the Company and an officer and director of an Elad Subsidiary.

13. The beneficiaries of each Trust (except Riviera Trust) consist of a subset of members of the Filer, together with persons who are related, within the meaning of the Income Tax Act (Canada), to existing beneficiaries.

14. Riviera Trust is a discretionary trust with beneficiaries consisting of a member of the Filer, together with such other beneficiaries as may be determined by the Trustee from time to time.

15. The ultimate beneficiaries of the Trusts and the ultimate beneficial owner of the Trustee are all not resident in Canada.

16. As at the date hereof, the Trusts hold in aggregate, directly or indirectly through Elad LP, approximately 88.7% of the issued and outstanding common shares and none of the issued and outstanding warrants of the Company.

17. All of the publicly listed securities of the Company trading on the TASE are held in book-entry only form, and are registered in the name of The Nominee Company of Bank Hapoalim Ltd., an Israeli financial institution that acts as registrar for the Company.

18. The Filer has obtained a report from Menora Mivtachim Group, a third party Israeli capital markets advisor, that purports to identify the holders of approximately 96% of the issued shares of the Company (i.e. El-Ad Group, which holds approximately 88% plus holders of an additional 8% of the shares based on market research done by Menora Mivtachim Group). Each of the additional shareholders identified by Menora Mivtachim Group is an Israeli institutional investor (mutual fund, life insurance company, etc.). Although the Filer is not responsible for the accuracy of the information in the report, the data in it is consistent with the Filer's belief regarding the identity of the shareholders of the Company and the Filer does not have any reason to believe that any of the information in the report is not correct.

19. It is possible for a listed issuer to request from the Tel Aviv Stock Exchange that it poll the brokers who have positions in the listed company's shares for a geographic breakdown of such holdings. The Filer understands that the Company made such a request in January 2011 and was advised that, at that time, none of the brokers were holding any shares of the Company on behalf of any shareholders whose addresses were in Canada.

20. As at October 26, 2012, aside from the Trusts and Elad LP, to the best knowledge of the Filer, none of the shareholders and none of the warrantholders of the Company were resident in Canada.

21. There are six Canadian employees of the Company that hold, in total, 1,101,000 options to acquire common shares of the Company. If all such options were vested and exercised, such common shares would represent approximately 1% of the issued and outstanding common shares of the Company.

22. The Bidder will inform each of the optionholders of the material terms of the Offer.

23. The Filer is considering a tender offer for the common shares of the Company not currently held by the Trusts and a tender offer for the warrants of the Company, each to be made pursuant to Israeli laws and in compliance with the rules and regulations of the TASE. The tender offers will be made through the Bidder, which will be a direct or indirect wholly-owned subsidiary of the Filer.

24. Provided there are no securityholders of the Company (other than the Trusts) that are in a Canadian jurisdiction or whose last address as shown on the books of the Company is in Canada, an offer to acquire the outstanding securities of the Company beneficially held by the securityholders (other than the Trusts) would not fit within the definition of "take-over bid" under Canadian securities laws and as such, Canadian securities laws relating to take-over bids would not apply.

25. If the Trusts and Elad LP were not resident in Canada and the tender offers were to be made to a *de minimis* number of securityholders in Canada, an exemption would be available from Canadian take-over bid rules pursuant to Section 100.3 (the **Foreign Take-Over Bid Exemption**) of the *Securities Act* (Ontario).

26. As a result of the securities of the Company being registered in book-entry only form, it is not possible to be certain whether securities of the Company are beneficially owned by Canadians. In any case, certain Canadian-resident employees of the Company hold options to purchase common shares of the Company, and it is possible that some of these options will be exercised prior the expiry of the tender offer in order for the common shares underlying those options to be tendered.

27. The conditions to the take-over bid exemption contained in section 100.3 of the Legislation (the **Foreign Take-Over Bid Exemption**) include (i) securityholders of the Company whose last address as shown on the books of the Company is in Canada hold less than 10% of the outstanding securities of the class subject to the bid at the commencement of the bid; (ii) the offeror reasonably believes that securityholders in Canada beneficially own less than 10% of the outstanding securities of the class subject to the bid at the commencement of the bid (collectively with (i) above, the **Bid Residency Test**); (iii) the published market on which the greatest dollar volume of trading in securities of that class occurred during the 12 months immediately preceding the commencement of the bid was not in Canada; and (iv) securityholders in Ontario are entitled to participate in the bid on terms at least as favourable as the terms that apply to the general body of security holders of the same class.

28. In the case of the Foreign Take-Over Bid Exemption, the relevant time for measuring whether the tests set out in the Foreign Take-Over Bid Exemption are met in respect of the Canadian ownership thresholds is the time of the commencement of the bid.

29. The Company is a non-reporting issuer none of whose securities, in substance, are held, to the best knowledge of the Filer, by residents in Canada. However, for tax planning purposes, the common shares of the Company that are beneficially owned by the Filer (the ultimate ownership of which is held by persons who are not residents of Canada) are held through one or more wholly-owned Canadian entities.

30. The Filer reasonably believes that securityholders in Canada, other than the Trusts, beneficially own less than 10% of the outstanding securities of the Company.

31. Securityholders in Canada, if any, will be entitled to participate in the bid on terms at least as favourable as the terms that apply to the general body of securityholders.

32. The tender offer process in Israel does not require the mailing of any material relating to the tender offer to be sent to securityholders of the Company, rather, the rules require such materials to be publicly filed through the MAGNA system in Israel (the Israeli equivalent to SEDAR).

33. The Company's securities are book-entry only, and as such, the Company essentially has one securityholder shown on the books of the Company, namely, The Nominee Company of Bank Hapoalim Ltd. The tender offer materials publicly filed on MAGNA will be in the Hebrew language and will contain a statement to the effect that securityholders that are resident of Canada may contact the El-Ad Group for a summary of the material terms of the tender offer in the English language.

34. The Bidder does not intend to publish a notice or advertisement relating to the tender offer in Ontario.

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:

1. pursuant to section 104(2)(c) of the Legislation the Bidder is exempt from the Formal Bid Requirements in respect of any tender offer to be made by the Bidder for securities of the Company provided that:

    (i) the requirements of the Foreign Take-Over Bid Exemption other than the Bid Residency Test are satisfied;

    (ii) the Filer's representations contained in paragraphs 15 and 29 remain true and correct at the date of commencement of the tender offer;

    (iii) the tender offer materials publicly filed on the MAGNA system in Israel in the Hebrew language contain a statement to the effect that securityholders that are resident of Canada may contact the El-Ad Group for a summary of the material terms of the tender offer in the English language;

    (iv) the tender offer to be made by the Bidder for securities of the Company is commenced within 60 days of this decision, and

2. the Confidentiality Sought is granted.

"Sarah B. Kavanagh"
Commissioner

"Christopher Portner"
Commissioner

The further decision of the principal regulator under the Legislation is that:

1. pursuant to section 9.1 of MI 61-101, any tender offer to be made by the Bidder for securities of the Company is exempt from Part 2 of MI 61-101, provided that:

(i) the requirements of the Foreign Take-Over Bid Exemption other than the Bid Residency Test are satisfied;

(ii) the Filer's representations contained in paragraphs 15 and 29 remain true and correct at the date of commencement of the tender offer;

(v) the tender offer materials publicly filed on the MAGNA system in Israel in the Hebrew language contain a statement to the effect that securityholders that are resident of Canada may contact the El-Ad Group for a summary of the material terms of the tender offer in the English language;

(vi) the tender offer to be made by the Bidder for securities of the Company is commenced within 60 days of this decision, and

2. the Confidentiality Sought is granted.

"Shannon O'Hearn
Manager, Corporate Finance

2.1.12 Vanguard Investments Canada Inc. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief granted from requirement in subsection 5.1(c) on a confidential basis to obtain prior unitholder approval to change the indices of certain mutual funds – change in indices related to changes made by U.S. parent across its global line-up – subject to IRC approval – unitholders provided 60 days' prior notice of change – unitholders are permitted to freely exchange their units on the Toronto Stock Exchange.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 5.1(c), 19.1.

September 27, 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
VANGUARD INVESTMENTS CANADA INC. (the Filer),
VANGUARD MSCI CANADA INDEX ETF,
VANGUARD MSCI U.S. BROAD MARKET INDEX ETF (CAD-HEDGED),
VANGUARD MSCI EAFE INDEX ETF (CAD-HEDGED) AND
VANGUARD MSCI EMERGING MARKETS INDEX ETF
(the Vanguard ETFs)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Vanguard ETFs for a decision under the securities legislation of the Jurisdiction (the **Legislation**) exempting the Vanguard ETFs from the requirement in subsection 5.1(c) of National Instrument 81-102 *Mutual Funds* (**NI 81-102**) requiring each Vanguard ETF to obtain the approval of its unitholders before changing its fundamental investment objective (the **Exemption Sought**).

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

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

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

Furthermore, the principal regulator in the Jurisdiction has received a request from the Filer for a decision that the application and this decision be kept confidential and not be made public until the earlier of the date: (a) on which the Filer publicly announces the change in indices the Vanguard ETFs track, as described below; (b) on which the Filer mails notice of the change to unitholders of each Vanguard ETF; (c) on which the Filer advises the principal regulator that there is no longer any need for the application and this decision to remain confidential; and (d) that is 30 days after the date of this decision.

Interpretation

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

Representations

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

1. The Filer is the trustee, investment fund manager and portfolio manager of each Vanguard ETF. The Filer is registered as a portfolio manager in the Province of Ontario and is registered under the *Commodity Futures Act* (Ontario) in the category of commodity trading manager. The head office of the Filer is in Toronto, Ontario.

2. The Vanguard Group, Inc. (**Vanguard U.S.**), an affiliate of the Filer, is the sub-adviser in respect of the Vanguard ETFs.

3. Each Vanguard ETF is an exchange-traded fund that was created under the laws of the Province of Ontario and is subject to the provisions of NI 81-102.

4. Neither the Filer nor the Vanguard ETFs are in default of securities legislation in any Jurisdiction.

5. The units of each Vanguard ETF are qualified for distribution pursuant to a prospectus dated November 8, 2011 that was prepared and filed in accordance with the securities legislation of the Jurisdictions. Accordingly, each Vanguard ETF is a reporting issuer or the equivalent in each of the Jurisdictions.

6. Each Vanguard ETF currently tracks an index offered by MSCI, Inc., as set out in the table below:

Vanguard ETF	**Current Index**
Vanguard MSCI Canada Index ETF	MSCI Canada Index
Vanguard MSCI U.S. Broad Market Index ETF (CAD-hedged)	MSCI US Broad Market 100% Hedged to CAD Index
Vanguard MSCI EAFE Index ETF (CAD-hedged)	MSCI EAFE 100% Hedged to CAD Index
Vanguard MSCI Emerging Markets Index ETF	MSCI Emerging Markets Index

7. A change in the index tracked by the Vanguard ETF is considered to be a change in the fundamental investment objective of that Vanguard ETF.

8. The Filer and the Vanguard ETFs are part of a global investment fund business operated by Vanguard U.S. The index that each Vanguard ETF seeks to track is licensed by Vanguard U.S. and Vanguard U.S. maintains the overall relationship with each index provider. Vanguard U.S. has indicated to the Filer that the indices that certain U.S.-domiciled Vanguard exchange-traded funds track, including those U.S. ETFs that are held by three of the Vanguard ETFs, will be changed in 2013. As a result, the applicable index of each Vanguard ETF, and the name of each Vanguard ETF, are to be changed in 2013 as follows:

Vanguard ETF	**Proposed Index**	**New Name of Vanguard ETF**
Vanguard MSCI Canada Index ETF	FTSE Canada Index	Vanguard FTSE Canada Index ETF
Vanguard MSCI U.S. Broad Market Index ETF (CAD-hedged)	CRSP US Total Market Hedged to CAD Index	Vanguard CRSP US Total Market Index ETF (CAD-hedged)
Vanguard MSCI EAFE Index ETF (CAD-hedged)	FTSE Developed ex North America Index – Hedged CAD	Vanguard FTSE ex North America Index ETF (CAD-hedged)
Vanguard MSCI Emerging Markets Index ETF	FTSE Emerging Index	Vanguard FTSE Emerging Markets Index ETF

9. The Filer anticipates that the changes will result in cost savings over time for the Vanguard ETFs. To the extent possible, some or all of these cost savings will be passed on directly or indirectly to investors in the Vanguard ETFs.

10. In each case, the existing index and the proposed index are highly correlated. As at June 29, 2012, other than in the case of Vanguard MSCI Emerging Markets Index ETF, the performance of the existing index and the proposed index were 100% correlated over a ten-year period. In the case of the two indices for Vanguard MSCI Emerging Markets Index ETF, the correlation is 98%.

11. The fundamental investment objective of each Vanguard ETF is broadly worded to refer to the type of index that the Vanguard ETF seeks to track. Although the objective goes on to state the name of the index that the Vanguard ETF currently tracks, it is clear that this is only a current statement and could change in the future.

12. The prospectus of the Vanguard ETFs discloses that the index tracked by a Vanguard ETF may be changed to another index in order to provide investors with substantially the same exposure to the asset class to that which the Vanguard ETF is currently exposed.

13. Notice of the applicable change of index and the resulting change in the fundamental investment objective will be given to all unitholders of each Vanguard ETF at least 60 days before the change is effective. In addition, the prospectus of the Vanguard ETFs will be amended to disclose the change of indices at least 60 days before the changes are effective.

14. The change of indices for the Vanguard ETFs, the resulting changes in the fundamental investment objectives of the Vanguard ETFs and the Filer's decision not to proceed with a unitholder vote will be approved by the independent review committee (the IRC) of the Vanguard ETFs.

15. At all times, investors will continue to be able to buy and sell units of the Vanguard ETFs through the Toronto Stock Exchange.

16. The Filer believes that the change of index of each Vanguard ETF will not affect the risk profile of that Vanguard ETF or the suitability of that Vanguard ETF for existing unitholders.

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) notice of the applicable change of index and the resulting change in the fundamental investment objective is given to all unitholders of each Vanguard ETF at least 60 days before the change is effective; and

(b) the change of indices for the Vanguard ETFs, the resulting changes in the fundamental investment objectives of the Vanguard ETFs and the Filer's decision not to proceed with a unitholder vote are approved by the IRC.

"Darren McKall"
Manager, Investment Funds
Ontario Securities Commission

2.1.13 Invesco Canada Ltd.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted from s. 13.5(2)(b) of NI 31-103 based on exceptionally unique factual circumstances to permit portfolio manager to purchase illiquid securities from mutual fund to reduce risk of over-concentration – Relief subject to conditions including IRC approval and objective pricing.

Applicable Legislative Provisions

National Instrument 31-103 Registration Requirements and Exemptions, ss. 13.5, 15.1.

November 15, 2012

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

AND

IN THE MATTER OF
INVESCO CANADA LTD.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the principal regulator (the "**Legislation**") pursuant to section 15.1 of National Instrument 31-103 *Registration Requirements and Exemptions* ("**NI 31-103**"), exempting the Filer from the prohibition contained in subsection 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, to purchase or sell a security from or to the investment portfolio of a responsible person, an associate of a responsible person or an investment fund for which a responsible person acts as an adviser to permit the Filer or ICHI to purchase the Indian Securities from the Fund (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;

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

Interpretation

Defined terms contained in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision unless they are defined in this decision. The following additional terms shall have the following meanings:

"FII" means foreign institutional investor.

"Filer" means Invesco Canada Ltd.

"Fund" means Invesco Global Equity Fund.

"Indian Securities" means Camara Bank, Grasim Industries Ltd., Oil and Natural Gas Corp. Ltd. and Tata Motors Ltd. being issuers that trade on the NSE held by the Fund.

"ICHI" means Invesco Canada Holdings Inc.

"Invesco Intactive Portfolios" means Invesco Intactive Diversified Income Portfolio, Invesco Intactive Balanced Income Portfolio, Invesco Intactive Balanced Growth Portfolio and Invesco Intactive Maximum Growth Portfolio.

"NSE" means the National Stock Exchange of India Ltd.

"SEBI" means the Securities and Exchange Board of India.

"Termination Date" means on or about December 21, 2012.

Representations

1. The Filer (a) is a corporation amalgamated under the laws of Ontario; (b) is an indirect wholly-owned subsidiary of Invesco Ltd., a global investment manager; (c) is not in default of applicable securities legislation in any jurisdiction; (d) has a head office located in Toronto, Ontario; and (e) is not a reporting issuer in any jurisdiction of Canada.

2. The Filer is the trustee and manager of the Fund and the Invesco Intactive Portfolios.

3. Invesco Advisers, Inc., an affiliate of the Filer, is the sub-advisor to the Fund and the Invesco Intactive Portfolios.

4. ICHI is (a) a corporation amalgamated under the laws of Ontario, and (b) a holding company not registered in any capacity in any province or territory of Canada. The Filer is a wholly-owned direct subsidiary of ICHI.

5. The Filer is registered as an investment fund manager in Ontario and an adviser in the category of portfolio manager in all provinces of Canada.

6. The Fund is (a) a "mutual fund" and a "mutual fund in Ontario" as defined in the *Securities Act* (Ontario); and (b) sold pursuant to a simplified prospectus dated July 30, 2012, as amended (the "**Prospectus**").

7. The Fund currently invests in the Indian Securities which as of October 31, 2012 constituted in aggregate 0.51% of the net asset value of the Fund.

8. On July 19, 2012 SEBI provided notice to the Filer that its registration as a FII had lapsed and as a result all investment funds managed by the Filer must immediately cease trading in securities listed on the NSE, including sales of such securities ("**Trade Prohibition**").

9. Due to the Trade Prohibition, the Indian Securities are deemed illiquid securities for the Fund.

10. The Fund is an underlying fund to Invesco Intactive Portfolios.

11. The Filer has taken the following steps to announce the termination of the Fund effective the Termination Date:

    (a) on October 1, 2012, the Filer issued a press release;

    (b) on October 2, 2012, the Filer filed a material change report;

    (c) on October 5, 2012, the Filer amended the Prospectus; and

    (d) on October 16, 2012, notice of termination of the Fund was sent to all investors in the Fund.

12. As of October 31, 2012, the Invesco Intactive Portfolios owned approximately 94.43% of the Fund and an institutional investor owned approximately 5.05% of the Fund.

13. Effective November 15, 2012, the Invesco Intactive Portfolios will redeem their holdings of the Fund.

14. The Filer anticipates that following the redemption by the Invesco Intactive Portfolios, the Indian Securities will constitute approximately 9% of the net asset value of the Fund.

15. As at October 31, 2012 the average global equity fund available for purchase in Canada, had approximately 0.3% exposure to India (source Morningstar Research Inc.).

16. Accordingly, the Filer or ICHI propose to purchase the Indian Securities from the Fund based on the closing share price of those securities on the NSE on the date the Exemption Sought is granted ("**Purchase Date**").

17. The Filer or ICHI will pay the Fund the purchase price in cash in Canadian dollars on the Purchase Date. From the Purchase Date, the Fund will continue to retain legal ownership of the Indian Securities but will hold them in trust for the benefit of the Filer or ICHI, as the case may be (either of which will hold beneficial ownership), until such time as SEBI permits disposition of the Indian Securities. The purchase agreement will require the Fund to sell the Indian Securities upon receipt of permission from SEBI and to remit the proceeds of sale to the Filer or ICHI, as the case may be. As such, the Filer or ICHI may realize a gain or loss on the eventual sale of the Indian Securities and investors in the Fund will no longer have exposure to those investments as of the Purchase Date.

18. The Filer or ICHI will provide the Fund with an indemnity against any loss (excluding any forgone gain associated with an increase in the value of the Indian Securities between the Purchase Date and the date the Trade Prohibition is lifted) suffered as a result of the sale of the Indian Securities to the Filer or ICHI.

19. In the absence of the Exemption Sought neither the Filer nor ICHI would be permitted to purchase the Indian Securities from the Fund.

20. The Filer referred the purchase of the Indian Securities to the Fund's independent review committee ("**IRC**") at a meeting held on Thursday, November 15, 2012. The IRC approved the transaction on the basis set out herein and after making the determinations provided under sub-section 5.2(2) of National Instrument 81-107 – *Independent Review Committee for Investment Funds*.

21. The Filer believes that the Exemption Sought is in the best interests of the Fund and investors of the Fund.

Decision

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

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

(a) Indian Securities are sold to the Filer or ICHI on the Purchase Date;

(b) price at which the Indian Securities are sold to the Filer or ICHI is the closing price of the Indian Securities on the NSE on the Purchase Date;

(c) Filer or ICHI shall provide the Fund with an indemnity against any loss it may suffer as a result of the sale of the Indian Securities to the Filer and ICHI except any forgone gain associated with the increase in value of the Indian Securities between the Purchase Date and the date the Trade Prohibition is lifted.

"Vera Nunes"
Manager, Investment Funds Branch
Ontario Securities Commission

2.2 Orders

2.2.1 Maitland Capital Ltd. et al. – s. 127

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

AND

IN THE MATTER OF
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

ORDER
with respect to Tom Mezinski
(Section 127 of the Securities Act)

WHEREAS on January 24, 2006, 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**") with respect to Maitland Capital Ltd., Allen Grossman, Hanouch Ulfan, Leonard Waddingham, Ron Garner, Gord Valde, Marianne Hyacinthe, Dianna Cassidy, Ron Catone, Steven Lanys, Roger Mckenzie, Tom Mezinski ("**Mezinski**"), William Rouse and Jason Snow, accompanied by a Statement of Allegations filed by Staff of the Commission ("**Staff**");

AND WHEREAS on September 2, 2011, the Commission ordered that the hearing on the merits with respect to the allegations against Mezinski would commence on February 15, 2012;

AND WHEREAS on February 15, 2012, the Commission held the hearing on the merits of the allegations against Mezinski;

AND WHEREAS on July 6, 2012, the Commission issued its Reasons and Decision on the merits of the allegations against Mezinski (the "**Merits Decision**");

AND WHEREAS the Commission found in the Merits Decision that Mezinski did not comply with Ontario securities law and acted contrary to the public interest;

AND WHEREAS on August 9, 2012, the Commission held a hearing with respect to the sanctions and costs to be imposed in this matter;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this Order;

IT IS HEREBY ORDERED THAT:

(a) pursuant to clause 2 of subsection 127(1) of the Act, Mezinski shall cease trading in

any securities for a period of three years from the date of this Order;

(b) pursuant to clause 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Mezinski is prohibited for a period of three years from the date of this Order;

(c) pursuant to clause 3 of subsection 127(1) of the Act, any exemptions in Ontario securities law do not apply to Mezinski for a period of three years from the date of this Order;

(d) pursuant to clause 6 of subsection 127(1) of the Act, Mezinski is reprimanded;

(e) pursuant to clause 10 of subsection 127(1) of the Act, Mezinski shall disgorge to the Commission $595.00, which is designated pursuant to section 3.4(2)(b)(i) or (ii) of the Act; and

(f) pursuant to section 37 of the Act, Mezinski shall be prohibited permanently from calling at a residence or telephoning from a location in Ontario to any residence located in or out of Ontario for the purpose of trading in any security or in any class of securities.

DATED at Toronto, Ontario this 20th day of November, 2012.

"Edward P. Kerwin"

2.2.2 International Strategic Investments et al.

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

AND

IN THE MATTER OF
INTERNATIONAL STRATEGIC INVESTMENTS, INTERNATIONAL STRATEGIC INVESTMENTS INC., SOMIN HOLDINGS INC., NAZIM GILLANI AND RYAN J. DRISCOLL

ORDER

WHEREAS on March 6, 2012, 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 a Statement of Allegations filed by Staff of the Commission ("Staff") on March 5, 2012, to consider whether it is in the public interest to make certain orders as against International Strategic Investments, International Strategic Investments Inc., (collectively, "ISI"), Somin Holdings Inc. ("Somin"), Nazim Gillani ("Gillani") and Ryan J. Driscoll ("Driscoll");

AND WHEREAS on April 3, 2012, a hearing was held before the Commission and Staff appeared and filed the Affidavit of Peaches A. Barnaby, sworn on March 29, 2012, evidencing service of the Notice of Hearing and the Statement of Allegations on ISI, Gillani and Driscoll;

AND WHEREAS counsel for ISI and Gillani and counsel for Driscoll appeared and made submissions;

AND WHEREAS on April 3, 2012, the Commission ordered that a status hearing take place on April 13, 2012, for Staff to update the Commission on the status of service on Somin (the "Status Hearing") and that a pre-hearing conference is scheduled for June 6, 2012;

AND WHEREAS on April 13, 2012, the Status Hearing was held and Staff provided the Commission with the Affidavit of Peaches A. Barnaby, sworn April 10, 2012, outlining efforts of service on Somin;

AND WHEREAS on April 13, 2012, Staff and counsel for Gillani appeared and made submissions;

AND WHEREAS on April 13, 2012, the Status Hearing was adjourned to April 30, 2012 to determine whether service had been effected on Somin pursuant to Rule 1.5.1 of the Commission's *Rules of Procedure* (2010), 33 O.S.C.B. 8017;

AND WHEREAS on April 30, 2012, Staff and counsel for Gillani appeared and made submissions and no one appeared on behalf of Somin or ISI;

AND WHEREAS on April 30, 2012, Staff provided the Commission with the Affidavit of Peaches A. Barnaby, sworn April 27, 2012;

AND WHEREAS on April 30, 2012, Staff undertook to continue to serve Somin through David F. Munro and Gillani;

AND WHEREAS on April 30, 2012, the Commission was satisfied that Somin had been served and accepted Staff's undertaking for future service;

AND WHEREAS on June 6, 2012, a confidential pre-hearing conference was held and Staff, counsel for Gillani and counsel for Driscoll appeared and made submissions and no one appeared on behalf of Somin or ISI;

AND WHEREAS on June 6, 2012, Staff agreed to continue to serve Somin through David F. Munro and Gillani personally;

AND WHEREAS on June 6, 2012, the Commission ordered that the confidential pre-hearing conference be adjourned to August 20, 2012;

AND WHEREAS on August 20, 2012, a confidential pre-hearing conference was held and Staff, counsel for Gillani and counsel for Driscoll appeared and made submissions and no one appeared on behalf of Somin or ISI;

AND WHEREAS on August 20, 2012, the Commission ordered that the confidential pre-hearing conference be adjourned to October 9, 2012;

AND WHEREAS on October 9, 2012, a confidential pre-hearing conference was held and Staff, counsel for Gillani and counsel for Driscoll appeared and made submissions and no one appeared on behalf of Somin or ISI;

AND WHEREAS on October 9, 2012, the Commission ordered that the confidential pre-hearing conference continue on November 20, 2012;

AND WHEREAS on November 20, 2012, the Commission was not available to hold the confidential pre-hearing conference, Staff, counsel for Gillani and counsel for Driscoll consented via email to adjourning the confidential pre-hearing conference and no one responded on behalf of Somin or ISI although duly notified via email;

IT IS ORDERED that the confidential pre-hearing conference will continue on December 3, 2012 at 9:00 a.m. at which time the panel anticipates scheduling dates for a hearing on the merits in this matter.

DATED at Toronto this 20th day of November, 2012.

"Edward P. Kerwin"

2.2.3 Jowdat Waheed and Bruce Walter

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

AND

IN THE MATTER OF
JOWDAT WAHEED AND BRUCE WALTER

ORDER

WHEREAS on January 9, 2012, 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 a Statement of Allegations filed by Staff of the Commission ("Staff") on January 9, 2012 with respect to Jowdat Waheed and Bruce Walter (collectively, the "Respondents");

AND WHEREAS the Notice of Hearing set a hearing in this matter for February 15, 2012;

AND WHEREAS on February 15, 2012, Staff and counsel for the Respondents appeared before the Commission and the Commission ordered that the matter be set down for a hearing on the merits commencing January 7, 2013, and continuing to and including February 5, 2013, or such further or other dates as may be agreed to by the parties and fixed by the Office of the Secretary;

AND WHEREAS on February 15, 2012, the Commission further ordered that a pre-hearing conference take place on April 2, 2012;

AND WHEREAS on April 2, 2012, Staff and counsel for the Respondents appeared and made submissions before the Commission and it was ordered that a pre-hearing conference take place on May 2, 2012;

AND WHEREAS on May 1, 2012, the Commission made an order on the consent of the parties adjourning the pre-hearing conference scheduled for May 2, 2012 to June 6, 2012;

AND WHEREAS on June 6, 2012, Staff and counsel for the Respondents appeared and made submissions before the Commission and it was ordered that a pre-hearing conference take place on September 19, 2012;

AND WHEREAS on September 19, 2012, Staff and counsel for the Respondents appeared and made submissions before the Commission and it was ordered that a pre-hearing conference take place on October 12, 2012;

AND WHEREAS on October 12, 2012, Staff and counsel for the Respondents appeared and made submissions before the Commission and it was ordered

that a confidential pre-hearing conference take place on November 19, 2012;

AND WHEREAS on November 19, 2012, Staff and counsel for the Respondents appeared and made submissions before the Commission;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this order;

IT IS ORDERED that a confidential pre-hearing conference will be held on November 22, 2012, at 3:30 p.m.

DATED at Toronto this 19th day of November, 2012.

"Mary G. Condon"

2.2.4 Northern Securities Inc. et al. – ss. 21.7 and 8

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

AND

IN THE MATTER OF
NORTHERN SECURITIES INC.,
VICTOR PHILIP ALBOINI,
DOUGLAS MICHAEL CHORNOBOY AND
FREDERICK EARL VANCE

AND

IN THE MATTER OF
DECISIONS OF A HEARING PANEL OF THE
INVESTMENT INDUSTRY REGULATORY
ORGANIZATION OF CANADA DATED JULY 23, 2012
and NOVEMBER 10, 2012

ORDER
(Sections 21.7 and 8 of the Securities Act)

WHEREAS on August 20, 2012, the applicants Northern Securities Inc. ("NSI"), Victor Philip Alboini ("Alboini"), Douglas Michael Chornoboy ("Chornoboy") and Frederick Earl Vance ("Vance") (collectively the "Applicants") filed with the Ontario Securities Commission (the "Commission") a notice of application (the "Application"), pursuant to section 21.7 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), for hearing and review of the decision of a hearing panel (the "Hearing Panel") of the Investment Industry Regulatory Organization of Canada ("IIROC") dated July 23, 2012 (the "Initial Decision");

AND WHEREAS on November 10, 2012, the Hearing Panel issued its final decision (the "Final Decision" and together with the Initial Decision, the "Decision");

AND WHEREAS on November 15, 2012, the Applicants brought a motion for an order granting a stay of the sanctions and penalties imposed on the applicants by the IIROC Hearing Panel in the Decision pending the determination of the Application and such further and other relief as counsel may advise and the Commission may determine is appropriate (the "Stay Motion");

AND WHEREAS on November 19, 2012 the Commission held a hearing to consider the Stay Motion;

AND WHEREAS the Commission heard submissions from counsel for the Applicants, counsel for IIROC Staff and counsel for Commission Staff;

AND WHEREAS the Commission received the Applicants' motion record, memorandum of argument, book of authorities and the affidavit of Alboini sworn November 19, 2012, IIROC Staff's motion record, memorandum of argument and authorities, and the supplementary affidavit

of Louis Piergeti sworn November 19, 2012, and Commission Staff's submissions and book of authorities;

AND WHEREAS upon considering the submissions of the Applicants, IIROC Staff and Commission Staff, the Commission is of the opinion that it is the public interest to order an interim stay, pursuant to section 21.7 and subsection 8(4) of the Act, of the sanctions and penalties imposed by the Decision, which shall continue until December 18, 2012 (the "Interim Stay");

AND WHEREAS the Applicants, IIROC Staff and Commission Staff agreed that a further hearing should be scheduled for December 17, 2012, at 11:00 a.m., for the purposes of setting a date for hearing of the Application (the "Application Hearing") and, if necessary, considering whether the Interim Stay should be continued or a stay pending disposition of the Application should be granted;

IT IS HEREBY ORDERED THAT:

1. pursuant to section 21.7 and subsection 8(4) of the Act, the sanctions and penalties imposed by the IIROC Hearing Panel are stayed until December 18, 2012, or further order of the Commission; and

2. the Stay Motion is otherwise adjourned to December 17, 2012 at 11:00 a.m., or such other date and time as is agreed by the parties and fixed by the Office of the Secretary.

DATED at Toronto this 19th day of November 2012.

"James D. Carnwath"

2.2.5 Richvale Resource Corporation et al. – ss. 37, 127, 127.1

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

AND

IN THE MATTER OF
RICHVALE RESOURCE CORPORATION,
MARVIN WINICK, HOWARD BLUMENFELD,
JOHN COLONNA, PASQUALE SCHIAVONE,
AND SHAFI KHAN

ORDER
(Sections 37, 127 and 127.1 of the Securities Act)

WHEREAS on November 10, 2010, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing, pursuant to sections 37, 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") (the "Notice of Hearing") in connection with a Statement of Allegations filed by Staff of the Commission ("Staff") on November 10, 2010, to consider whether it is in the public interest to make certain orders against Richvale Resource Corporation ("Richvale"), Marvin Winick ("Winick"), Howard Blumenfeld ("Blumenfeld"), Pasquale Schiavone ("Schiavone"), Shafi Khan ("Khan") and John Colonna ("Colonna");

AND WHEREAS on September 13, 2011, Staff filed an Amended Statement of Allegations;

AND WHEREAS on October 14, 2011, the Commission approved settlement agreements between Staff and each of Winick, Blumenfeld, Khan and Colonna (*Re Richvale Resource Corporation* (2011), 34 O.S.C.B. 10774; *Re Richvale Resource Corporation* (2011), 34 O.S.C.B. 10775; *Re Richvale Resource Corporation* (2011), 34 O.S.C.B. 10776; and *Re Richvale Resource Corporation* (2011), 34 O.S.C.B. 10778, respectively);

AND WHEREAS the Commission conducted the hearing on the merits, partially in writing, with respect to Richvale and Schiavone on October 26, 2011 and January 12, 2012;

AND WHEREAS on April 25, 2012, the Commission issued its Reasons and Decision on the merits in this matter (*Re Richvale Resource Corporation* (2011), 35 O.S.C.B. 4286 (the "Merits Decision"));

AND WHEREAS the Commission is satisfied that Richvale and Schiavone have not complied with Ontario securities law and have acted contrary to the public interest, as described in the Merits Decision;

AND WHEREAS on June 8 and 22, 2012, the Commission held a hearing with respect to the sanctions and costs to be imposed in this matter;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this order;

IT IS ORDERED:

1. With respect to Richvale that:

(a) Richvale shall cease trading in securities permanently, pursuant to clause 2 of subsection 127(1) of the Act;

(b) the acquisition of any securities by Richvale is prohibited permanently, pursuant to clause 2.1 of subsection 127(1) of the Act;

(c) any exemptions contained in Ontario securities law do not apply to Richvale permanently, pursuant to clause 3 of subsection 127(1) of the Act;

(d) Richvale is prohibited permanently from calling at any residence or telephoning from a location in Ontario to a residence located in or out of Ontario for the purpose of trading in any security or derivative or in any class of securities or derivatives, pursuant to subsection 37(1) of the Act;

(e) Richvale is jointly and severally liable, together with Schiavone, to disgorge to the Commission the amount of $295,700 obtained as a result of its non-compliance with Ontario securities law, pursuant to clause 10 of subsection 127(1) of the Act, to be designated by the Commission pursuant to subsection 3.4(2)(b) of the Act; and

(f) Richvale shall pay, on a joint and several basis with Schiavone, the amount of $39,666.62 representing costs and disbursements incurred by the Commission in the hearing of this matter, pursuant to subsection 127.1(2) of the Act.

2. With respect to Schiavone that:

(a) Schiavone shall cease trading in securities permanently, pursuant to clause 2 of subsection 127(1) of the Act;

(b) the acquisition of any securities by Schiavone is prohibited permanently, pursuant to clause 2.1 of subsection 127(1) of the Act;

(c) any exemptions contained in Ontario securities law do not apply to Schiavone permanently, pursuant to clause 3 of subsection 127(1) of the Act;

(d) Schiavone is reprimanded, pursuant to clause 6 of subsection 127(1) of the Act;

(e) Schiavone shall resign all positions as director or officer of an issuer, pursuant to clause 7 of subsection 127(1) of the Act;

(f) Schiavone is prohibited permanently from becoming or acting as officer or director of any issuer, registrant or investment fund manager, pursuant to clauses 8, 8.2 and 8.4 of subsection 127(1) of the Act;

(g) Schiavone is prohibited permanently from calling at any residence or telephoning from a location in Ontario to a residence located in or out of Ontario for the purpose of trading in any security or derivative or in any class of securities or derivatives, pursuant to subsection 37(1) of the Act;

(h) Schiavone shall pay an administrative penalty in the amount of $300,000, pursuant to clause 9 of subsection 127(1) of the Act, to be designated by the Commission pursuant to subsection 3.4(2)(b) of the Act;

(i) Schiavone shall disgorge the amount of $43,300 individually and shall be jointly and severally liable, together with Richvale, to disgorge the amount of $295,700 obtained as a result of his non-compliance with Ontario securities law, pursuant to clause 10 of subsection 127(1) of the Act, to be designated by the Commission pursuant to subsection 3.4(2)(b) of the Act; and

(j) Schiavone shall pay, on a joint and several basis with Richvale, the amount of $39,666.62 representing costs and disbursements incurred by the Commission in the hearing of this matter, pursuant to subsection 127.1(2) of the Act.

Dated at Toronto this 21st day of November, 2012.

“Edward P. Kerwin”

2.2.6 Beryl Henderson

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

AND

IN THE MATTER OF
BERYL HENDERSON

ORDER

WHEREAS on March 30, 2012, 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 a Statement of Allegations filed by Staff of the Commission ("Staff") on March 30, 2012 with respect to Beryl Henderson ("Henderson");

AND WHEREAS the Notice of Hearing set a hearing in this matter for May 2, 2012 at 11:30 a.m.;

AND WHEREAS on May 2, 2012, Staff appeared before the Commission and counsel for Henderson and a Crown Attorney attended the hearing via teleconference;

AND WHEREAS on May 2, 2012, the Commission ordered that the hearing of this matter be adjourned to November 22, 2012 for a confidential pre-hearing conference;

AND WHEREAS on November 22, 2012, Staff appeared before the Commission and counsel for Henderson attended the hearing via teleconference;

AND WHEREAS on November 22, 2012, the Commission heard submissions from Staff and from counsel for Henderson;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this order;

IT IS HEREBY ORDERED THAT the hearing is adjourned to a confidential pre-hearing conference to take place on March 4, 2013 at 10:00 a.m., or such other date as agreed to by the parties and advised by the Office of the Secretary.

DATED at Toronto this 22nd day of November, 2012.

"James E. A. Turner"

2.2.7 Heritage Education Funds Inc.

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

AND

IN THE MATTER OF
HERITAGE EDUCATION FUNDS INC.

ORDER

WHEREAS on August 13, 2012, the Ontario Securities Commission (the "Commission") ordered pursuant to subsections 127(1) and (5) of the *Securities Act*, R.S.O. 1990, c. S.5 as amended (the "Act") and with the consent of Heritage Education Funds Inc. ("HEFI") that the terms and conditions (the "Terms and Conditions") set out in Schedule "A" to the Commission order dated August 13, 2012 be imposed on HEFI (the "Temporary Order");

AND WHEREAS on August 21, 2012, the Commission extended the Temporary Order against HEFI until November 23, 2012;

AND WHEREAS the Terms and Conditions required HEFI to retain a consultant (the "Consultant") to prepare and assist HEFI in implementing plans to strengthen their compliance systems and to retain a monitor (the "Monitor") to review all applications of new clients and contact new clients as set out in the Terms and Conditions;

AND WHEREAS HEFI retained Deloitte & Touche LLP ("Deloitte") as both its Monitor and its Consultant;

AND WHEREAS HEFI brought an application for directions returnable on September 24, 2012 seeking interpretations of paragraphs 5 and 6 of the Terms and Conditions;

AND WHEREAS on October 10, 2012, the Commission clarified the process to be followed by the Monitor including the suitability guidelines to be applied, set out the content of the Monitor's bi-weekly reports and extended the time for the Monitor to complete calls to new clients and, in appropriate cases, to unwind clients' plans;

AND WHEREAS Deloitte filed its Consultant's plan on October 12, 2012 and has agreed to file an amended Consultant's plan with the OSC Manager;

AND WHEREAS Staff has filed an Affidavit of Lina Creta sworn November 20, 2012 setting out the work completed to date by the Monitor and the Consultant;

AND WHEREAS Staff requests that the Temporary Order be extended until January, 2013 and counsel for HEFI has advised that HEFI consents to the terms of the Order;

AND WHEREAS the Commission considers that it is in the public interest to provide this Order;

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

1. The Temporary Order is extended to December 21, 2012 or until such further order of the Commission; and

2. the hearing is adjourned to December 20, 2012 at 11:30 a.m. for the purpose of providing the Commission with an update on the work completed by the Monitor and the Consultant and to consider whether any changes are required to the Terms and Conditions.

DATED at Toronto this 22nd day of November, 2012.

"James E. A. Turner"

2.2.8 Flaherty & Crumrine Incorporated – s. 80 of the CFA

Headnote

Section 80 of the Commodity Futures Act (Ontario) – Relief from the adviser registration requirements of subsection 22(1)(b) of the CFA granted to sub-adviser not ordinarily resident in Ontario in respect of advice regarding trades in commodity futures contracts and commodity futures options, subject to certain terms and conditions – Renewal of previous relief – Relief mirrors exemption available in section 7.3 of OSC Rule 35-502 Non-Resident Advisers made under the Securities Act (Ontario).

Applicable Legislative Provisions

Commodity Futures Act, R.S.O. 1990, c. C.20, as am., ss. 22(1)(b), 80.
Securities Act, R.S.O. 1990, c. S.5, as am.
OSC Rule 35-502 Non-Resident Advisers

November 16, 2012

IN THE MATTER OF
THE COMMODITY FUTURES ACT,
R.S.O. 1990, CHAPTER C.20, AS AMENDED
(the CFA)

AND

IN THE MATTER OF
FLAHERTY & CRUMRINE INCORPORATED

ORDER
(Section 80 of the CFA)

UPON the application (the **Application**) of Flaherty & Crumrine Incorporated (**Flaherty & Crumrine**) to the Ontario Securities Commission (the **Commission**) for an order pursuant to section 80 of the CFA, that neither Flaherty & Crumrine, nor any of its directors, officers or employees acting on its behalf as an adviser (collectively, **Representatives**), shall be subject to paragraph 22(1)(b) of the CFA in respect of advice provided for the benefit of the Fund (as defined below), the principal investment adviser of which is an Ontario registrant, in respect of trades in commodity futures contracts and commodity futures options traded on commodity futures exchanges outside Canada and cleared through clearing houses outside Canada (the **Contracts**);

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

AND UPON Flaherty & Crumrine having represented to the Commission that:

1. Flaherty & Crumrine Investment Grade Fixed Income Fund (the **Fund**) is an investment trust established under the laws of Alberta pursuant to a declaration of trust. The Fund was established for the purpose of holding an actively managed

portfolio consisting primarily of various corporate debt securities and hybrid preferred securities of North American issuers (the **Fixed Income Portfolio**). At the time of purchase, all of the securities held in the Fixed Income Portfolio are required to be rated investment grade.

2. The Fund will not purchase or sell commodities or commodity contracts except that the Fund may purchase and sell financial futures contracts and related options as part of its hedging strategies. Substantially all of the Fixed Income Portfolio will be hedged to the Canadian dollar at all times.

3. Brompton Funds Limited (**Brompton**) is the principal investment adviser to the Fund and is registered as an investment fund manager, portfolio manager and exempt market dealer under the *Securities Act* (Ontario) (the **OSA**) and is registered as a commodity trading manager under the CFA.

4. Flaherty & Crumrine provides investment advisory and portfolio management services for the benefit of the Fund with respect to both the Fixed Income Portfolio and certain of the hedging strategies of the Fund.

5. Flaherty & Crumrine is a corporation headquartered in Pasadena, California and specializes in the active management of preferred shares, hybrid preferred securities and debt instruments for institutional investors and publicly traded closed-end funds. Flaherty & Crumrine is registered as an investment adviser under the Investment Advisers Act 1940, as amended, with the U.S. Commodities Futures Trading Commission as a commodity trading adviser and is a member of the U.S. National Futures Association.

6. In respect of its securities related investment advisory and portfolio management services for the benefit of the Fund, Flaherty & Crumrine and its Representatives rely on the exemption from registration under the OSA set out under section 7.3 of Ontario Securities Commission Rule 35-502 – *Non-Resident Advisers*, which provides that a non-resident adviser is exempt from the OSA registration requirement where the principal adviser is a registrant that irrevocably accepts responsibility for the services provided by the exempted non-resident. Flaherty & Crumrine is not registered in any capacity under the CFA and does not intend to seek registration under the CFA.

7. Pursuant to a written agreement among Flaherty & Crumrine, the Fund and Brompton, Brompton monitors the investment advice (both as relates to securities and as relates to commodity futures) provided for the benefit of the Fund by Flaherty & Crumrine and its Representatives and is responsible to the Fund for any loss that arises as a result of Flaherty & Crumrine or its Representatives failing to:

   (a) exercise their powers and discharge the duties of their office honestly, in good faith and in the best interests of Brompton and the Fund, or

   (b) exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances.

8. Continuous disclosure documents of the Fund disclose that Brompton, as the principal investment advisor of the Fund, is responsible to the Fund for the services provided by Flaherty & Crumrine, and that, to the extent applicable, there may be difficulty in enforcing any legal rights against Flaherty & Crumrine because it is resident outside of Canada and all or a substantial portion of its assets are situated outside of Canada.

AND UPON being satisfied that it would not be prejudicial to the public interest for the Commission to grant the exemptions requested on the basis of the terms and conditions proposed,

IT IS ORDERED pursuant to section 80 of the CFA that Flaherty & Crumrine and its Representatives are not subject to the requirements of paragraph 22(1)(b) of the CFA in respect of their investment advice and portfolio management services for the benefit of the Fund, provided that:

   (a) the obligations and duties of Flaherty & Crumrine as an adviser are set out in a written agreement with Brompton;

   (b) Brompton contractually agrees with the Fund, on whose behalf investment advice and portfolio management services are to be provided by Flaherty & Crumrine and its Representatives, to be responsible for any loss that arises out of the failure of Flaherty & Crumrine and its Representatives so acting as advisers

      (i) to exercise the powers and discharge the duties of their office honestly, in good faith and in the best interests of Brompton and the Fund, or

      (ii) to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances;

   (c) Brompton cannot be relieved by the Fund from its responsibility for loss under paragraph (b);

(d) Flaherty & Crumrine is registered as an investment adviser under the *Investment Advisers Act 1940*, as amended, with the U.S. Commodities Futures Trading Commission as a commodity trading adviser and is a member of the U.S. National Futures Association;

(e) Brompton is registered as an investment fund manager and portfolio manager under the OSA and is registered as a commodity trading manager under the CFA;

(f) continuous disclosure documents of the Fund disclose that Brompton, as the principal investment advisor of the Fund, is responsible to the Fund for the services provided by Flaherty & Crumrine, and that, to the extent applicable, there may be difficulty in enforcing any legal rights against Flaherty & Crumrine because it is resident outside of Canada and all or a substantial portion of its assets are situated outside of Canada; and

(g) this Order shall terminate on November 20, 2017.

November 16, 2012

"Christopher Portner"
Commissioner
Ontario Securities Commission

"Judith Robertson"
Commissioner
Ontario Securities Commission

2.2.9 The Streetwear Corporation – s. 144

Headnote

Application by an issuer for a revocation of a cease trade order – Issuer subject to cease trade order as a result of its failure to file financial statements – Issuer has brought its filings up-to-date – Issuer is otherwise not in default of applicable securities legislation, except for certain matters which it intends to remedy – Issuer is currently inactive, but intends to reactivate itself – Issuer has provided an undertaking to the Commission that it will not complete (a) a restructuring transaction involving, directly or indirectly, an existing or proposed, material underlying business which is not located in Canada, (b) a reverse takeover with a reverse takeover acquirer that has a direct or indirect, existing or proposed, material underlying business which is not located in Canada, or (c) a significant acquisition involving, directly or indirectly, an existing or proposed, material underlying business which is not located in Canada, unless the issuer files a preliminary prospectus and a final prospectus with the Ontario Securities Commission and obtains receipts for the preliminary prospectus and the final prospectus from the Director under the Act.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 127(1), 127(5), 127(8), 144.

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

AND

IN THE MATTER OF
THE STREETWEAR CORPORATION
(the "Applicant")

ORDER
(Section 144)

WHEREAS the securities of the Applicant are subject to a temporary order made by the Director dated June 14, 2005 under paragraph 2 and paragraph 2.1 of subsection 127(1) of the Act and a further cease trade order made by the Director dated June 24, 2005 under paragraph 2 and paragraph 2.1 of subsection 127(1) of the Act (collectively, the "**Cease Trade Order**") directing that all trading in the securities of the Applicant cease until the Cease Trade Order is revoked by the Director;

AND WHEREAS the Cease Trade Order was made on the basis that the Applicant was in default of certain filing requirements under Ontario securities law as described in the Cease Trade Order;

AND WHEREAS the Applicant has applied to the Ontario Securities Commission (the "**Commission**")

pursuant to section 144(1) of the Act for a revocation of the Cease Trade Order (the "**Application**");

AND WHEREAS the Applicant has applied to the Commission pursuant to National Instrument 52-107 – *Acceptable Accounting Principles and Auditing Standards* (**NI 52-107**) for an exemption from the requirements in section 4.2 of NI 52-107 that financial statements be prepared in accordance with Canadian Generally Accepted Accounting Principles – Part V, such that its financial statements are prepared in accordance with section 3.2 of NI 52-107 for periods beginning on and after February 1, 2009;

AND UPON the Applicant having represented to the Commission as follows:

1. The Applicant is a corporation amalgamated under the laws of the Province of Ontario effective on January 21, 1999.

2. The Applicant's registered and head office is located at 27 West Beaver Creek, Suite 101, Markham, Ontario, L4B 1M8.

3. The Applicant is a reporting issuer under the Act and is not a reporting issuer or equivalent under the securities legislation of any other jurisdiction in Canada.

4. The Applicant's authorized capital consists of an unlimited number of (i) common shares ("**Common Shares**"), (ii) Class A non-voting Preferred Shares, and (iii) Class A non-voting, non-cumulative Preferred Shares, of which 26,509,905 Common Shares are issued and outstanding.

5. Other than the Common Shares, the Applicant has no securities (including debt securities) issued and outstanding.

6. The Common Shares are not listed or quoted on any exchange or market in Canada or elsewhere.

7. The Cease Trade Order was issued due to the failure of the Applicant to file its audited financial statements for the year ended January 31, 2005 (the "**2005 Financial Statements**").

8. No trading in the Common Shares of the Applicant has taken place since the date of the Cease Trade Order.

9. The Applicant did not file any financial statements or continuous disclosure documents required to be filed by applicable securities legislation since the Applicant filed on the *System for Electronic Document Analysis and Retrieval* ("**SEDAR**") its consolidated financial statements for the nine-month period ending October 31, 2004 and related management's discussion and analysis.

10. The Applicant suffered financial distress caused by substantial decreases in sales due to cancelled orders as a result of a substantial appreciation in the value of the Canadian dollar against the US dollar and difficult capital market conditions beginning in 2004. As a result, the Applicant lacked the funds necessary to prepare, file, or deliver the 2005 Financial Statements and related management's discussion and analysis and any subsequent financial statements or other continuous disclosure documents required by Ontario securities legislation.

11. First-time adoption of International Financial Reporting Standards ("**IFRS**") is mandatory for interim and annual financial statements relating to annual periods beginning on or after January 1, 2011 by most publically accountable enterprises, including the Applicant.

12. The Applicant believes that earlier adoption of IFRS will provide users of its financial statements with significantly more disclosure, which will enhance their understanding of the Applicant's results from operations and its financial position and will eliminate complexity and costs from the Applicant's financial statement preparation process.

13. The Applicant has considered the implications of adopting IFRS on its obligations under securities legislation including, but not limited to, those relating to CEO and CFO certificates, offering documents, and continuous disclosure documents.

14. The Applicant has carefully assessed the readiness of its staff, board of directors, audit committee, auditors, investors and other market participants for the adoption by the Applicant of IFRS for the financial year beginning February 1, 2009 and has concluded that they are adequately prepared for the Corporation's adoption of IFRS.

15. The Applicant's Annual MD&A for the fiscal year ended January 31, 2011 will include relevant information about its adoption of IFRS, including:

    (a) the key elements of the Applicant's adoption plan;

    (b) the accounting policy and implementation decisions the Applicant has made or will have to make; and

    (c) the impact of adopting IFRS on the key line items in the Applicant's financial statements for the relevant period.

16. The Applicant filed on SEDAR its audited annual financial statements for the years ended January 31, 2012, 2011 and 2010, its interim financial statements for the three and six month periods

ended April 30, 2012, and July 31, 2012, the related management's discussion and analysis for these annual and interim periods, as well as the required CEO and CFO certificates (collectively, the "**Continuous Disclosure Documents**"). Copies of the Continuous Disclosure Documents are available under the Applicant's profile at www.sedar.com.

17. The Applicant considers that it should not be required to prepare and file its audited annual financial statements for the years ended January 31, 2005, 2006, 2007, 2008 and 2009, the related management's discussion and analysis for each such year, as well as its interim financial statements for the three-month periods ended April 30, 2005, 2006, 2007, 2008, 2009, 2010 and 2011, the six-month periods ended July 31, 2005, 2006, 2007, 2008, 2009, 2010 and 2011, and the nine-month periods ended October 31, 2005, 2006, 2007, 2008, 2009, 2010 and 2011, the related management's discussion and analysis for each such period, and the related CEO and CFO certificates (collectively, the "**Historical Documents**"), for the following reasons:

    (a) At January 31, 2005, the Applicant's management had determined that the potential to realize revenues or other proceeds from its remaining assets, including inventory, was severely limited in the environment at that time, and accordingly, the Applicant's business has remained substantially inactive since that time;

    (b) The Applicant has not undertaken any significant transactions since January 31, 2005, and it has not been involved in any litigation since that time;

    (c) The Applicant has extremely limited financial and administrative resources and, therefore, the preparation and filing of the Historical Documents would be an unnecessary financial and administrative burden;

    (d) The Applicant does not consider that the Historical Documents would provide any useful information to its investors or shareholders; and

    (e) The Applicant has filed its annual financial statements for the year ended January 31, 2012 and its interim financial statements for the periods ended April 30, 2012, and July 31, 2012 and related management's discussion and analysis, which provides the most current and meaningful information for investors.

18. Except for the failure to file the Historical Documents, and a material change report relating to the disposition of its subsidiaries, the Applicant (i) is up to date with all of its other continuous disclosure obligations; (ii) is not in default of any of its obligations under the Cease Trade Order; and (iii) is not in default of any requirements under the Act or the rules and regulations made pursuant thereto.

19. The Applicant currently has no assets and has no liabilities other than accounts payable and accrued liabilities.

20. The Applicant is currently inactive and following the revocation of the Cease Trade Order, the Applicant intends to reactivate itself. The Applicant does not have any definitive plans in place for the operation of the business going forward. In particular, the Applicant is not presently considering, nor is it involved in any discussions relating to, an acquisition, a reverse takeover or similar transaction. However, it is the intention of management of the Applicant to investigate opportunities going forward. The Applicant has provided the Commission with an undertaking that it will not complete:

    (a) a restructuring transaction involving, directly or indirectly, an existing or proposed, material underlying business which is not located in Canada,

    (b) a reverse takeover with a reverse takeover acquirer that has a direct or indirect, existing or proposed, material underlying business which is not located in Canada, or

    (c) a significant acquisition involving, directly or indirectly, an existing or proposed, material underlying business which is not located in Canada,

    unless

    (i) the Applicant files a preliminary prospectus and a final prospectus with the Ontario Securities Commission and obtains receipts for the preliminary prospectus and the final prospectus from the Director under the Act,

    (ii) the Applicant files or delivers with the preliminary prospectus and the final prospectus the documents required by Part 9 of National Instrument 41-101 *General Prospectus Requirements* ("**NI 41-101**") including a completed personal information form and authorization in the form set out in Appendix A of NI 41-101 for each current and incoming director,

executive officer and promoter of the Applicant , and

(iii) the preliminary prospectus and final prospectus contain the information required by applicable securities legislation, including the information required for a probable restructuring transaction, reverse takeover or significant acquisition (as applicable).

21. As a result of the filing on SEDAR of the Continuous Disclosure Documents, the Applicant's continuous disclosure record is up-to-date and complete (excluding the Historical Documents) and, accordingly, all continuous disclosure documents (other than the Historical Documents) have been filed with the Ontario Securities Commission.

22. The Applicant has not held an annual meeting of shareholders since September 14, 2004 and therefore has been in default of the annual meeting requirements under the *Business Corporations Act* (Ontario) (the "**OBCA**"). The Applicant has provided the Commission with an undertaking to hold an annual meeting of shareholders within three months after the date on which the Cease Trade Order is revoked. All matters relating to the meeting will be conducted in accordance with the OBCA and applicable securities legislation.

23. The Applicant has paid all outstanding fees (including late fees) to the Commission in connection with the filing of the Continuous Disclosure Documents.

24. The Applicant's profiles on SEDAR and the System for Electronic Disclosure by Insiders (SEDI) are up-to-date.

25. Other than for the Applicant's failure to file the Continuous Disclosure Documents and the Historical Documents when due, the Applicant is not, to its knowledge, in default of any of the requirements of the Act, or the rules and regulations made pursuant thereto, and other than in respect of the Cease Trade Order, the Applicant is not noted in default of any requirements of the Act.

26. Upon the issuance of the Revocation Order, the Applicant will issue a news release and file a material change report on SEDAR disclosing (i) the revocation of the Cease Trade Order; (ii) an outline of the Applicant's future plans regarding the investigation of opportunities going forward; (iii) prospectus level disclosure regarding each of the current directors and executive officers of the Applicant; (iv) disclosure of the audit committee members; (v) disclosure of the principal shareholder; (vi) a description of the undertakings referred to in paragraphs 20 and 22; and (vii) what remedial continuous disclosure documents have been filed on SEDAR.

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

AND UPON the Director being satisfied that it would not be prejudicial to the public interest to accept the financial statements of the Applicant for periods beginning on and after February 1, 2009 prepared in accordance with IFRS;

AND UPON the Director being satisfied that it would not be prejudicial to the public interest to revoke the Cease Trade Order;

IT IS ORDERED, pursuant to section 144 of the Act, that the Cease Trade Order is revoked.

DATED on this 21st day of November, 2012.

"Sonny Randhawa"
Manager, Corporate Finance
Ontario Securities Commission

2.2.10 Jowdat Waheed and Bruce Walter

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

AND

IN THE MATTER OF
JOWDAT WAHEED AND BRUCE WALTER

ORDER

WHEREAS on January 9, 2012, 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 a Statement of Allegations filed by Staff of the Commission ("Staff") on January 9, 2012 with respect to Jowdat Waheed and Bruce Walter (collectively, the "Respondents");

AND WHEREAS the Notice of Hearing set a hearing in this matter for February 15, 2012;

AND WHEREAS on February 15, 2012, Staff and counsel for the Respondents appeared before the Commission and the Commission ordered that the matter be set down for a hearing on the merits commencing January 7, 2013, and continuing to and including February 5, 2013, or such further or other dates as may be agreed to by the parties and fixed by the Office of the Secretary;

AND WHEREAS on February 15, 2012, the Commission further ordered that a pre-hearing conference take place on April 2, 2012;

AND WHEREAS on April 2, 2012, Staff and counsel for the Respondents appeared and made submissions before the Commission and it was ordered that a pre-hearing conference take place on May 2, 2012;

AND WHEREAS on May 1, 2012, the Commission made an order on the consent of the parties adjourning the pre-hearing conference scheduled for May 2, 2012 to June 6, 2012;

AND WHEREAS on June 6, 2012, Staff and counsel for the Respondents appeared and made submissions before the Commission and it was ordered that a pre-hearing conference take place on September 19, 2012;

AND WHEREAS on September 19, 2012, Staff and counsel for the Respondents appeared and made submissions before the Commission and it was ordered that a pre-hearing conference take place on October 12, 2012;

AND WHEREAS on October 12, 2012, Staff and counsel for the Respondents appeared and made submissions before the Commission and it was ordered that a confidential pre-hearing conference take place on November 19, 2012;

AND WHEREAS on November 19, 2012, Staff and counsel for the Respondents appeared and made submissions before the Commission and it was ordered that a confidential pre-hearing conference take place on November 22, 2012;

AND WHEREAS on November 22, 2012, Staff and counsel for the Respondents appeared and made submissions before the Commission;

AND WHEREAS the Respondents sought directions from the Panel with respect to Staff's disclosure obligations, including the timeliness and scope of these obligations;

AND WHEREAS the Respondents consented to paragraph 1 below, Staff consented to paragraph 2 below and the Commission is of the opinion that it is in the public interest to make this order;

IT IS ORDERED that:

1. Staff shall have 30 days commencing from the date Staff receives all documentary and other information listed and relied upon by Mr. Christopher Lattanzi and Mr. Bradley Heys, respectively, in preparing their respective expert reports, namely November 22, 2012 for Mr. Lattanzi and November 23, 2012 for Mr. Heys to deliver its responding expert reports;

2. Staff shall provide typewritten summaries of the following:

   (a) Staff's conference call with Jim Cameron on September 12, 2012; and

   (b) Staff's conference call with Russell Cranswick on October 15, 2012;

   and Staff shall identify any documents referred to in these summaries that have been previously disclosed, and if there are any documents referred to in these summaries which have not been previously disclosed, Staff shall disclose such documents as soon as reasonably practicable;

3. Staff shall provide all ongoing disclosure as soon as reasonably practicable in accordance with the Commission's Rules of Procedure;

4. The Respondent's motion regarding Staff's disclosure obligations will take place on November 29, 2012 commencing at 10:00 a.m.; and

5. A confidential pre-hearing conference will take place on December 13, 2012 at 10:00 a.m.

DATED at Toronto this 22nd day of November, 2012.

"Mary G. Condon"

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions, Orders and Rulings

3.1.1 Maitland Capital Ltd. et al. – s. 127

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

AND

IN THE MATTER OF
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

REASONS AND DECISION ON SANCTIONS AND COSTS
with respect to Tom Mezinski
(Section 127 of the Securities Act)

Hearing:	August 9, 2012		
Reasons:	November 20, 2012		
Panel:	Edward P. Kerwin	–	Commissioner
Counsel:	Derek J. Ferris	–	For Staff of the Ontario Securities Commission
		–	No one appearing for Tom Mezinski

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REASONS AND DECISION ON SANCTIONS AND COSTS

I. BACKGROUND

[1] This was a hearing before the Ontario Securities Commission (the "**Commission**"), pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "**Act**"), to consider whether it is in the public interest to make an order with respect to sanctions and costs (the "**Sanctions and Costs Hearing**") against Tom Mezinski ("**Mezinski**").

[2] This proceeding arose out of a Notice of Hearing issued on January 24, 2006, by the Ontario Securities Commission (the "**Commission**") and a Statement of Allegations filed by staff of the Commission ("**Staff**") on the same day. The Statement of Allegations contained allegations against Mezinski, Steven Lanys ("**Lanys**"), Maitland Capital Ltd. ("**Maitland**"), Allen Grossman ("**Grossman**"), Hanoch Ulfan ("**Ulfan**"), Leonard Waddingham ("**Waddingham**"), Ron Garner ("**Garner**"), Gord Valde ("**Valde**"), Marianne Hyacinthe ("**Hyacinthe**"), Dianna Cassidy ("**Cassidy**"), Ron Catone ("**Catone**"), Roger McKenzie ("**McKenzie**"), William Rouse ("**Rouse**") and Jason Snow ("**Snow**") (collectively the "**Maitland Respondents**").

[3] Staff alleged that between November 2004 and November 2005, inclusive, Maitland operated a "boiler room" from two locations in Toronto, Ontario and raised approximately $5.5 million through the sale of Maitland shares to approximately 1,200 investors across Canada and in other countries. Staff alleges that Maitland hired salespersons to telephone investors and sell Maitland shares to them, such salespersons being paid a commission ranging from 17% to 20% of the amounts paid for the purchase of Maitland shares.

[4] The specific allegations relating to Mezinski included the following:

i. Mezinski traded in securities as a salesperson for Maitland shares and received a commission on the sale of Maitland shares that he sold;

ii. Mezinski was not registered with the Commission in any capacity, and therefore traded in securities contrary to s. 25 of the Act and contrary to the public interest;

iii. No prospectus receipt had been issued to qualify the sale of Maitland shares by Mezinski, contrary to s. 53 of the Act and contrary to the public interest; and

iv. Mezinski made misleading representations to investors, including representations regarding the future listing and future value of Maitland shares with the intention of effecting sales of Maitland shares contrary to s. 38 of the Act and contrary to the public interest.

[5] A hearing to determine the merits of the allegations against Mezinski was conducted on February 15, 2012 (the "**Merits Hearing**"). Mezinski did not attend the Merits Hearing, but the Panel was satisfied that he had adequate notice of the proceeding.

[6] A decision on the merits was rendered on July 6, 2012 (*Re Maitland Capital Ltd. et al.* (2012), 35 O.S.C.B. 6489) (the "**Merits Decision**").

[7] The Sanctions and Costs Hearing was held on August 9, 2012. Mezinski did not appear before the Commission or make submissions in respect of the Sanctions and Costs Hearing. Staff made oral and written submissions to the Commission on sanctions and costs.

[8] While Mezinski did not attend the Sanctions and Costs Hearing, the Commission was satisfied that it had jurisdiction over Mezinski in this proceeding, all reasonable steps had been taken to provide gratuitous service on him and the Panel was entitled to proceed to hear the submissions of Staff as to sanctions and costs as permitted under section 7 of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22, as amended (the "**SPPA**"). Section 7 of the SPPA provides as follows:

> Where notice of an oral hearing has been given to a party to a proceeding in accordance with this Act and the party does not attend at the hearing, the tribunal may proceed in the absence of the party and the party is not entitled to any further notice in the proceeding.

[9] These are my reasons and decision as to the appropriate sanctions and costs against Mezinksi.

II. OTHER DECISIONS CONCERNING THE MAITLAND RESPONDENTS

A. The Decision of Justice Sparrow of the Ontario Court of Justice

[10] Maitland, Grossman and Ulfan were the subject of a criminal proceeding under section 122 of the Act. On March 23, 2011, Justice Sparrow of the Ontario Court of Justice convicted Maitland, Grossman and Ulfan of contraventions of the Act in the course of their operation of a "boiler room", which sold large volumes of Maitland shares through high pressure sales tactics to non-accredited investors across Canada and in other countries (*R. v. Maitland Capital Limited et al.*, 2011 ONCJ 168 (CanLII), hereafter "***R. v. Maitland***"). Specifically, Justice Sparrow convicted Grossman and Ulfan on the following offences:

(i) trading in securities of Maitland without registration contrary to subsections 25(1) and 122(1)(c) of the Act;

(ii) trading in securities of Maitland without a prospectus contrary to subsections 53(1) and 122(1)(c) of the Act;

(iii) giving prohibited undertakings as to the future value or price of the securities of Maitland with the intention of effecting trades contrary to subsections 38(2) and 122(1)(c) of the Act;

(iv) making prohibited representations regarding the future listing of the securities of Maitland on a stock exchange contrary to subsections 38(3) and 122(1)(c) of the Act.

[11] In addition, Grossman and Ulfan were convicted of the following offences arising from the fact that they were officers or directors of Maitland:

(i) authorizing, permitting or acquiescing in trades in securities of Maitland without Maitland and its salespersons being registered to trade in such securities contrary to subsection 122(3) of the Act;

(ii) authorizing, permitting or acquiescing in trades in securities of Maitland where such trading was a distribution of such securities without a prospectus contrary to subsection 122(3) of the Act;

(iii) authorizing, permitting or acquiescing in the giving of undertakings as to the future value or price of the securities of Maitland with the intention of effecting trades contrary to subsection 122(3) of the Act; and

(iv) authorizing, permitting or acquiescing in the making of prohibited representation by Maitland salespersons regarding the future listing of the securities of Maitland on a stock exchange with the intention of effecting trades contrary to subsection 122(3) of the Act;

[12] Finally, Grossman and Maitland were convicted of the offence of making a misleading or untrue statement contrary to subsection 122(1)(b) of the Act, and Ulfan was convicted of the offence of authorizing, permitting or acquiescing to the making of that misleading or untrue statement, contrary to subsection 122(3) of the Act.

[13] In a subsequent sentencing decision dated May 4, 2011, Justice Sparrow sentenced each of Grossman and Ulfan to 21 months in jail, and imposed a fine against Maitland in the amount of $1,000,000.

B. Commission Decision with respect to Maitland, Grossman and Ulfan

[14] On June 28, 2011, the Commission ordered that a hearing be conducted "…in respect of Grossman, Ulfan and Maitland to consider whether an order should be made against them under subsection 127(10) of the Act" and that such hearing "…shall proceed in writing."

[15] Subsection 127(10) of the Act reads as follows:

> **127(10)** – Without limiting the generality of subsections (1) and (5), an order may be made under subsection (1) or (5) in respect of a person or company if any of the following circumstances exist:
>
> 1. The person or company has been convicted in any jurisdiction of an offence arising from a transaction, business or course of conduct related to securities or derivatives.
>
> 2. The person or company has been convicted in any jurisdiction of an offence under a law respecting the buying or selling of securities or derivatives.
>
> 3. The person or company has been found by a court in any jurisdiction to have contravened the laws of the jurisdiction respecting the buying or selling of securities or derivatives.

4. The person or company is subject to an order made by a securities regulatory authority, derivatives regulatory authority or financial regulatory authority, in any jurisdiction, that imposes sanctions, conditions, restrictions or requirements on the person or company.

5. The person or company has agreed with a securities regulatory authority, derivatives regulatory authority or financial regulatory authority, in any jurisdiction, to be made subject to sanctions, conditions, restrictions or requirements.

[16] Following receipt of written submissions from Staff, and no submissions having been made by Grossman, Ulfan or Maitland, the Commission issued an Order on February 8, 2012, pursuant to subsection 127(1) and (10) of the Act, imposing the following sanctions:

(a) pursuant to clause 2 of subsection 127(1) of the Act, Grossman, Maitland and Ulfan shall permanently cease trading in any securities;

(b) pursuant to clause 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Grossman, Maitland or Ulfan is permanently prohibited;

(c) pursuant to clause 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Grossman, Maitland or Ulfan permanently;

(d) pursuant to clause 6 of subsection 127(1) of the Act, Grossman, Maitland and Ulfan are reprimanded;

(e) pursuant to clause 7 of subsection 127(1) of the Act, Grossman and Ulfan shall immediately resign all positions that they may hold as a director or officer of any issuer;

(f) pursuant to clause 8 of subsection 127(1) of the Act, Grossman and Ulfan are prohibited permanently from becoming or acting as a director or officer of any issuer;

(g) pursuant to clause 8.1 of subsection 127(1) of the Act, Grossman and Ulfan shall immediately resign all positions that they may hold as a director or officer of any registrant;

(h) pursuant to clause 8.2 of subsection 127(1) of the Act, Grossman and Ulfan are prohibited permanently from becoming or acting as a director or officer of any registrant;

(i) pursuant to clause 8.3 of subsection 127(1) of the Act, Grossman and Ulfan shall immediately resign all positions that they may hold as a director or officer of any investment fund manager;

(j) pursuant to clause 8.4 of subsection 127(1) of the Act, Grossman and Ulfan are prohibited permanently from becoming or acting as a director or officer of any investment fund manager;

(k) pursuant to clause 8.5 of subsection 127(1) of the Act, Grossman, Maitland and Ulfan are prohibited permanently from becoming or acting as a registrant, as an investment fund manager or as a promoter; and

(l) pursuant to subsection 37(1) of the Act, Maitland, Grossman and Ulfan are prohibited permanently from telephoning from a location within Ontario to residences within or outside Ontario for the purposes of trading in securities.

C. Commission Decision with respect to Valde, Waddingham, Cassidy and Garner

[17] On or about September 2, 2011, each of Valde, Waddingham, Cassidy and Garner entered into an agreed statement of facts with Staff in which each of them admitted certain breaches of the Act. The Commission conducted a sanctions hearing on September 2, 2011, on the basis of the four agreed statements of fact. On November 4, 2011, the Commission issued reasons, indicating that the Commission was satisfied that each of those four Maitland Respondents participated as salespersons in a fraudulent investment scheme, did not comply with Ontario securities law and acted contrary to the public interest, and accordingly the Commission issued an Order imposing the following sanctions against Valde, Waddingham, Cassidy and Garner:

(a) pursuant to clause 2 of subsection 127(1) of the Act, each of Valde, Waddingham, Cassidy and Garner shall cease trading in any securities for a period of three years, with the exception that each of them will be permitted to trade securities for the account of their respective registered retirement savings plans (as defined in the *Income Tax Act* (Canada)) in which the respondent and/or the spouse of the respondent have sole legal and beneficial ownership, provided that

(i) the securities are listed and posted for trading on the Toronto Stock Exchange, the New York Stock Exchange or NASDAQ (or their successor exchanges) or are issued by a mutual fund that is a reporting issuer;

(ii) the four subject Respondents do not own legally or beneficially (in the aggregate, together with the Respondents' spouse) more than one percent of the outstanding securities of the class or series of the class in question;

(iii) the four subject Respondents carry out any permitted trading through a registered dealer (who has been given a copy of the Order) and in accounts opened in the Respondents' name only, and the Respondents must close any accounts that are not in the Respondents' name only; and

(iv) no such trading shall be permitted unless and until the subject Respondent has paid in full the disgorgement order against the Respondent set out in subparagraph (e) of the Order;

(b) pursuant to clause 2.1 of subsection 127(1) of the Act, the acquisition of any securities by any of Valde, Waddingham, Cassidy and Garner is prohibited for a period of three years, subject to the same exception set out in subparagraph (a) of the Order;

(c) pursuant to clause 3 of subsection 127(1) of the Act, any exemptions in Ontario securities law do not apply to any of Valde, Waddingham, Cassidy and Garner for a period of three years, subject to the same exception set out in subparagraph (a) of the Order;

(d) pursuant to clause 6 of subsection 127(1) of the Act, each of Cassidy, Garner, Waddingham and Valde is reprimanded;

(e) pursuant to clause 10 of subsection 127(1) of the Act, the following amounts shall be disgorged by each of the four subject Respondents, respectively:

- Cassidy $10,000
- Garner $27,791.25
- Waddingham $32,857.59; and
- Valde $12,307.50

(f) pursuant to section 37 of the Act, each of Valde, Waddingham, Cassidy and Garner shall be prohibited permanently from calling or telephoning from a location in Ontario to any residence located in or out of Ontario for the purpose of trading in any security or in any class of securities.

D. Commission Decision with respect to Lanys

[18] On February 15, 2012, Staff filed an agreed statement of facts they had entered into with Lanys, in which Lanys admitted certain breaches of the Act. The Commission conducted a sanctions hearing on February 15, 2012, on the basis of the agreed statement of facts. On July 6, 2012, the Commission issued reasons, indicating that the Commission was satisfied that Lanys participated as a salesperson in a fraudulent investment scheme, did not comply with Ontario securities law and acted contrary to the public interest, and after hearing and considering the submissions of Staff and counsel for Lanys, the Commission issued an Order imposing the following sanctions against Lanys:

(a) pursuant to clause 2 of subsection 127(1) of the Act, Lanys shall cease trading in any securities for a period of three years from the date of this Order, with the exception that Lanys shall be permitted to trade securities for the account of his registered retirement savings plans (as defined in the *Income Tax Act* (Canada)) in which he has sole legal and beneficial ownership, provided that:

(i) the securities traded are listed and posted for trading on the Toronto Stock Exchange, the New York Stock Exchange or NASDAQ (or their successor exchanges) or are issued by a mutual fund which is a reporting issuer;

(ii) he does not own legally or beneficially more than one percent of the outstanding securities of the class or series of the class in question;

(iii) he carries out any permitted trading through a registered dealer (who has been given a copy of this Order) and in accounts opened in his name only, and he must close any accounts that are not in his name only; and

(iv) no such trading shall be permitted unless and until he has paid in full the disgorgement order set out in subparagraph (e) of the Order;

(b) pursuant to clause 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Lanys is prohibited for a period of three years from the date of this Order, subject to the same exception set out in subparagraph (a) of the Order;

(c) pursuant to clause 3 of subsection 127(1) of the Act, any exemptions in Ontario securities law do not apply to Lanys for a period of three years from the date of the Order, subject to the same exception set out in subparagraph (a) of the Order;

(d) pursuant to clause 6 of subsection 127(1) of the Act, Lanys is reprimanded;

(e) pursuant to clause 10 of subsection 127(1) of the Act, Lanys shall disgorge to the Commission $91,407.10;

(f) pursuant to section 37 of the Act, Lanys shall be prohibited permanently from calling at a residence or telephoning from a location in Ontario to any residence located in or out of Ontario for the purpose of trading in any security or in any class of securities; and

(g) the amount set out in subparagraph (e) of the Order shall be allocated by the Commission to or for the benefit of third parties, including investors who lost money as a result of investing in the Maitland shares, as permitted under subsection 3.4(2)(b) of the Act.

III. THE DECISION ON THE MERITS

[19] The Commission found in the Merits Decision that:

(a) Mezinski engaged in the trading of securities without registration where no exemption was available contrary to subsection 25(1) of the Act (Merits Decision, at para. 47 to 53);

(b) Mezinski engaged in the distribution of security where a preliminary prospectus and a prospectus had not been filed and receipts had not been issued for them by the Director, contrary to subsection 53(1) of the Act (Merits Decision, at para. 61);

(c) Mezinski, with the intention of effecting a trade in securities of Maitland, made a prohibited representation to a Maitland Investor concerning the future listing of Maitland shares, contrary to subsection 38(3) of the Act (Merits Decision, at para. 65);

(d) Mezinski received $595.00 in commission from the sale of Maitland securities (Merits Decision, at para. 40).

IV. SANCTIONS REQUESTED BY STAFF

[20] In their written and oral submissions, Staff requested the following sanctions be imposed against Mezinski:

(a) trading in any securities by Mezinski shall cease for a further three years from the date of the Order;

(b) the acquisition of any securities by Mezinski be prohibited for three years from the date of the Order;

(c) any exemptions contained in Ontario securities law do not apply to Mezinski for three years;

(d) Mezinski be reprimanded;

(e) Mezinski shall disgorge to the Commission the amount of $595.00 obtained as a result of his non-compliance with Ontario securities law to be allocated to or for the benefit of third parties including investors who lost money as a result of purchasing Maitland shares, in accordance with subsection 3.4(2) of the Act; and

(f) Mezinski shall cease permanently, from the date of the Order, to call at or telephone from a location within Ontario to any residence within or outside Ontario for the purpose of trading in any security or class of securities pursuant to section 37 of the Act.

V. THE SUBMISSIONS OF STAFF

[21] Staff submits that the sanctions requested are proportionate to Mezinski's conduct in this matter and will serve as a specific and general deterrent. In Staff's view, an order removing Mezinski from the capital markets for an additional period of three years and requiring disgorgement of all funds obtained by him as sales commissions will signal both to Mezinski and to like-minded individuals that disregard for the rules governing the sale of securities to investors will result in significant consequences and sanctions.

[22] Staff submitted that the sanctions sought against Mezinski are consistent with the sanctions imposed by the Commission against Lanys in its Order of July 6, 2012, as well as the sanctions imposed against Valde, Waddingham, Cassidy and Garner in its Order of November 4, 2011. Staff argued that the conduct of Valde, Waddingham, Cassidy and Garner, who were Maitland salespersons during the relevant time, was substantially similar to the conduct of Mezinski and justifies similar sanctions, including an order that Mezinski disgorge the funds he obtained in contravention of the Act.

[23] Staff submitted that an order requiring Mezinski to disgorge the funds he obtained in contravention of the Act would ensure that Mezinski does not benefit from his breaches of the Act. In Staff's view, it is not in the public interest to allow Mezinski to retain any of those funds.

[24] Staff sought to distinguish the Commission's Order of February 8, 2012, in which the Commission declined to order Grossman and Ulfan to disgorge the amounts they obtained in contravention of the Act. Staff argued that the case against Mezinski more closely resembles, both substantively and procedurally, the proceedings against Lanys, Valde, Waddingham, Cassidy and Garner, and a similar disgorgement order should follow. In particular, Staff submitted that the Commission's refusal to issue a disgorgement order against Grossman and Ulfan was procedurally due to the fact that the Grossman and Ulfan hearing was conducted pursuant to subsection 127(10) of the Act to determine whether a reciprocal order should be issued. In that sense, Staff submitted that the proceeding against Mezinski is procedurally similar to the case against Lanys, Valde, Waddingham, Cassidy and Garner, and a similar disgorgement order should follow.

[25] Finally, Staff is not seeking an order for investigation and hearing costs pursuant to section 127.1 of the Act.

VI. THE LAW ON SANCTIONS

[26] The Commission's mandate is to (a) provide protection to investors from unfair, improper or fraudulent practices; and (b) foster fair and efficient capital markets and confidence in capital markets (section 1.1 of the Act).

[27] In exercising its public interest jurisdiction, the Commission must act in a protective and preventative manner, as stated by the Commission in *Re Mithras Management Ltd.*:

> [T]he role of this Commission is to protect the public interest by removing from the capital markets – wholly or partially, permanently or temporarily, as the circumstances may warrant – those whose conduct in the past leads us to conclude that their conduct in the future may well be detrimental to the integrity of those capital markets. We are not here to punish past conduct; that is the role of the courts, particularly under section 118 [now 122] of the Act. We are here to restrain, as best we can, future conduct that is likely to be prejudicial to the public interest in having capital markets that are both fair and efficient. In so doing we must, of necessity, look to past conduct as a guide to what we believe a person's future conduct might reasonably be expected to be; we are not prescient, after all (*Re Mithras Management Ltd.* (1990), 13 O.S.C.B. 1600 at pp. 1610-1611).

[28] The Supreme Court of Canada has described the Commission's public interest jurisdiction as follows:

> The purpose of an order under s. 127 is to restrain future conduct that is likely to be prejudicial to the public interest in fair and efficient capital markets. The role of the [Commission] under s. 127 is to protect the public interest by removing from the capital markets those whose past conduct is so abusive as to warrant apprehension of future conduct detrimental to the integrity of the capital markets (*Committee for Equal Treatment of Asbestos Minority Shareholders v. Ontario (Securities Commission)*, [2001] 2 S.C.R. 132 at para. 43).

[29] In addition, the Commission should consider general deterrence as an important factor when determining appropriate sanctions. In *Re Cartaway Resources Corp.*, [2004] 1 S.C.R. 672 at para. 60, the Supreme Court of Canada stated that "… it is reasonable to view general deterrence as an appropriate, and perhaps necessary, consideration in making orders that are both protective and preventative".

[30] The Commission has previously identified the following as factors that the Commission should consider when imposing sanctions:

(i) the seriousness of the conduct and the breaches of the Act;

(ii) the respondent's experience in the marketplace;

(iii) the level of a respondent's activity in the marketplace;

(iv) whether or not there has been recognition by a respondent of the seriousness of the improprieties;

(v) whether or not the sanctions imposed may serve to deter not only those involved in the matter being considered, but any like-minded people, from engaging in similar abuses of the capital markets;

(vi) the size of any profit obtained or loss avoided from the illegal conduct;

(vii) the size of any financial sanction or voluntary payment;

(viii) the effect any sanctions may have on the ability of a respondent to participate without check in the capital markets;

(ix) the reputation and prestige of the respondent;

(x) the remorse of the respondent; and

(xi) any mitigating factors.

(See *Re Belteco Holdings Inc.* (1998), 21 O.S.C.B. 7743 at page 7746; *Re M.C.J.C. Holdings Inc. and Michael Cowpland*, (2002), 25 O.S.C.B. 1133 at para. 26; *Limelight Entertainment Inc. (Re)* (2008) 31 OSCB 12030 at para. 21 ("***Re Limelight***"); and *Re Sabourin* (2010), 33 OSCB 5299 at para. 57 ("***Re Sabourin***"))

VII. ANALYSIS

A. Findings with respect to Sanctions

[31] When the Commission imposes sanctions, it must do so (a) based only on the findings in the Merits Decision and on the other evidence presented at the merits hearing and the sanctions hearing (see for example *Re First Global et al.* (2008), 31 O.S.C.B. 10869, at para. 65); (b) in respect of trades and acts in furtherance of trades that occurred in or from Ontario; and (c) with the objective of protecting Ontario investors and Ontario capital markets.

[32] Overall, the sanctions imposed must protect investors and Ontario capital markets by barring or restricting the respondents from participating in those markets in the future and by sending a clear message to the respondents and to others participating in our capital markets that these types of illegal activities and abusive sales practices will simply not be tolerated.

[33] In considering the factors referred to in paragraph 30 of these Reasons and Decision, I find the following factors and circumstances to be particularly relevant:

(i) The seriousness of the allegations. I accept Staff's submission that the acts committed by Mezinski constitute serious breaches of the Act;

(ii) Mezinski made prohibited representations to vulnerable and unsophisticated investors;

(iii) None of the funds obtained from investors has been recovered;

(iv) Mezinski breached key provisions of the Act which are intended to protect investors from the very conduct that occurred in this matter. His actions caused serious financial harm to investors and to the integrity of Ontario's capital markets and were contrary to the public interest;

(v) Although Mezinski was a participant in the scheme, it was Grossman and Ulfan who orchestrated the fraudulent scheme and appear to be the directing minds of Maitland;

(vi) There is no evidence of any recognition by Mezinski of the seriousness of the conduct and the breaches of the Act;

(vii) There is no evidence of remorse of Mezinski; and

(viii) There is no evidence that Mezinski cooperated with Staff .

B. Trading and Other Prohibitions

[34] One of the Commission's principal objectives in imposing sanctions is to restrain future conduct that could be harmful to investors or Ontario capital markets. In this case, I find that the public interest requires that the Commission restrict the Respondent's future participation in Ontario's capital markets.

[35] I have concluded that it is in the public interest to make the following orders, substantially on the terms requested by Staff:

(i) trading in all securities by Mezinski shall cease for a further three years from the date of the Order;

(ii) the acquisition of any securities by Mezinski is prohibited for three years from the date of the Order;

(iii) any exemptions contained in Ontario securities law do not apply to Mezinski for three years from the date of the Order; and

(iv) Mezinski is reprimanded.

C. Disgorgement

i. *The Law on Disgorgement*

[36] Subsection 127(1)10 of the Act provides that a person or company that has not complied with Ontario securities law can be ordered to disgorge to the Commission "any amounts obtained" as a result of the non-compliance. The disgorgement remedy is intended to ensure that respondents do not retain any financial benefit from their breaches of the Act and to provide specific and general deterrence.

[37] In considering a disgorgement order, the Commission views the following issues and factors to be relevant:

(i) whether an amount was obtained by a respondent as a result of non-compliance with the Act;

(ii) the seriousness of the misconduct and the breaches of the Act and whether investors were seriously harmed;

(iii) whether the amount that a respondent obtained as a result of non-compliance with the Act is reasonably ascertainable;

(iv) whether the individuals who suffered losses are likely to be able to obtain redress [by other means]; and

(v) the deterrent effect of a disgorgement order on the respondents and other market participants.

(*Re Limelight*, *supra*, at para. 52)

[38] The disgorgement order being sought by Staff in this proceeding are consistent with the disgorgement orders issued in *Re York Rio Resources Inc. and Adam Sherman* (2011), 34 OSCB 5261, *Re York Rio Resources Inc. and Peter Robinson* (2010), 33 OSCB 10434 and *Re Sabourin* at para. 69. The disgorgement order requested against Mezinski is also consistent with the disgorgement orders issued by the Commission against Lanys, Valde, Waddingham, Cassidy and Garner, all of whom were Maitland salespersons. In each of those decisions, the salespersons were ordered to disgorge the entire amount earned in contravention of the Act. In *Re Sabourin*, the Commission stated:

> In our view, a disgorgement order is appropriate in these circumstances because it ensures that none of the respondents will benefit from their breaches of the Act and because such an order will deter them and others from similar conduct.

ii. *Findings on Disgorgement*

[39] I find that an order requiring Mezinski to disgorge to the Commission the specific amount that he earned in contravention of the Act is appropriate and in the public interest. I agree with Staff that a disgorgement order is necessary in these circumstances because it will ensure that Mezinski does not benefit from his breaches of the Act and because such an order will deter Mezinski and others from similar misconduct.

[40] In making my findings on this issue, I am not bound by the Commission's earlier Order against Grossman and Ulfan in which the Commission declined to order disgorgement. As in all cases, I must reach my decision on the basis of the facts and the hearing before me. The specific facts and the hearing which led the Commission to decline to order disgorgement against Grossman and Ulfan are not present in this case. In particular, the sanctions order sought by staff against Mezinski is sought in a hearing under subsection 127(1) of the Act and not in a hearing under subsection 127(10) of the Act.

[41] Finally, I believe that a disgorgement order against Mezinski is consistent with the principle of proportionality. With respect to the issue of proportionality, I find the appropriate comparator in this case is the other Maitland salespersons, each of whom were required to disgorge the amounts they obtained in contravention of the Act.

iii. *Conclusion as to Disgorgement*

[42] The Commission will order that Mezinski disgorge to the Commission pursuant to paragraph 10 of subsection 127(1) of the Act the amount of $595.00, which is designated pursuant to section 3.4(2)(b) (i) or (ii) of the Act.

D. Telephone Solicitation Ban

[43] Staff has requested a permanent ban be imposed prohibiting Mezinski from calling at a residence or telephoning from a location in Ontario to a residence located within or outside of Ontario for the purpose of trading in any securities, pursuant to section 37 of the Act. In my view, the public interest is served by a prohibition on calling and telephone solicitation, and I will so order.

VIII. ORDER

[44] For the reasons discussed above, I have concluded that the sanctions to be imposed are in the public interest and are proportionate to the circumstances of this matter. Accordingly, I order that:

(a) pursuant to clause 2 of subsection 127(1) of the Act, Mezinski shall cease trading in any securities for a period of three years from the date of this Order;

(b) pursuant to clause 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Mezinski is prohibited for a period of three years from the date of this Order;

(c) pursuant to clause 3 of subsection 127(1) of the Act, any exemptions in Ontario securities law do not apply to Mezinski for a period of three years from the date of this Order;

(d) pursuant to clause 6 of subsection 127(1) of the Act, Mezinski is reprimanded;

(e) pursuant to clause 10 of subsection 127(1) of the Act, Mezinski shall disgorge to the Commission $595.00, which is designated pursuant to section 3.4(2)(b) (i) or (ii) of the Act; and

(f) pursuant to section 37 of the Act, Mezinski shall be prohibited permanently from calling at a residence or telephoning from a location in Ontario to any residence located in or out of Ontario for the purpose of trading in any security or in any class of securities.

IX. CONCLUSION

[45] For the reasons set out above, I have concluded that it would be in the public interest to impose sanctions against Mezinski. I will issue a sanctions order in the form attached as Schedule "A" to these reasons.

Dated at Toronto, this 20th day of November, 2012.

"Edward P. Kerwin"

Schedule "A"

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

AND

IN THE MATTER OF
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

ORDER
with respect to Tom Mezinski
(Section 127 of the Securities Act)

WHEREAS on January 24, 2006, 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**") with respect to Maitland Capital Ltd., Allen Grossman, Hanouch Ulfan, Leonard Waddingham, Ron Garner, Gord Valde, Marianne Hyacinthe, Dianna Cassidy, Ron Catone, Steven Lanys, Roger Mckenzie, Tom Mezinski ("**Mezinski**"), William Rouse and Jason Snow, accompanied by a Statement of Allegations filed by Staff of the Commission ("**Staff**");

AND WHEREAS on September 2, 2011, the Commission ordered that the hearing on the merits with respect to the allegations against Mezinski would commence on February 15, 2012;

AND WHEREAS on February 15, 2012, the Commission held the hearing on the merits of the allegations against Mezinski;

AND WHEREAS on July 6, 2012, the Commission issued its Reasons and Decision on the merits of the allegations against Mezinski (the "Merits Decision");

AND WHEREAS the Commission found in the Merits Decision that Mezinski did not comply with Ontario securities law and acted contrary to the public interest;

AND WHEREAS on August 9, 2012, the Commission held a hearing with respect to the sanctions and costs to be imposed in this matter;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this Order;

IT IS HEREBY ORDERED THAT:

(a) pursuant to clause 2 of subsection 127(1) of the Act, Mezinski shall cease trading in any securities for a period of three years from the date of this Order;

(b) pursuant to clause 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Mezinski is prohibited for a period of three years from the date of this Order;

(c) pursuant to clause 3 of subsection 127(1) of the Act, any exemptions in Ontario securities law do not apply to Mezinski for a period of three years from the date of this Order;

(d) pursuant to clause 6 of subsection 127(1) of the Act, Mezinski is reprimanded;

(e) pursuant to clause 10 of subsection 127(1) of the Act, Mezinski shall disgorge to the Commission $595.00, which is designated pursuant to section 3.4(2)(b)(i) or (ii) of the Act; and

(f) pursuant to section 37 of the Act, Mezinski shall be prohibited permanently from calling at a residence or telephoning from a location in Ontario to any residence located in or out of Ontario for the purpose of trading in any security or in any class of securities.

DATED at Toronto, Ontario this th day of November, 2012.

_____
Edward P. Kerwin

3.1.2 Richvale Resource Corporation et al. – ss. 37, 127, 127.1

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

AND

IN THE MATTER OF
RICHVALE RESOURCE CORPORATION,
MARVIN WINICK, HOWARD BLUMENFELD,
JOHN COLONNA, PASQUALE SCHIAVONE,
AND SHAFI KHAN

REASONS AND DECISION ON SANCTIONS AND COSTS
(Sections 37, 127 and 127.1 of the Securities Act)

Hearing:	June 8 and 22, 2012	
Decision:	November 21, 2012	
Panel:	Edward P. Kerwin	Commissioner and Chair of the Panel
Appearances:	Jonathan Feasby Christie Johnson	For the Ontario Securities Commission
		No one appeared on behalf of Richvale Resource Corporation or Pasquale Schiavone

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I. INTRODUCTION

[1] This was a hearing before the Ontario Securities Commission (the "**Commission**") pursuant to sections 37, 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "**Act**") to consider whether it is in the public interest to make an order with respect to sanctions and costs against Richvale Resource Corporation ("**Richvale**") and Pasquale Schiavone ("**Schiavone**") (collectively, the "**Respondents**").

[2] The hearing on the merits commenced as an oral hearing on October 25, 2011, continued as a written hearing and concluded as an oral hearing on January 12, 2012 (the "**Merits Hearing**"). The decision on the merits was issued on April 25, 2012 (*Re Richvale Resource Corporation* (2012), 35 O.S.C.B. 4286 (the "**Merits Decision**")).

[3] Prior to the Merits Hearing, Marvin Winick ("**Winick**"), Howard Blumenfeld ("**Blumenfeld**"), Shafi Khan ("**Khan**"), and John Colonna ("**Colonna**"), also named as respondents in this matter, settled with the Commission (See *Re Richvale Resource Corporation* (2011), 34 O.S.C.B. 10805; *Re Richvale Resource Corporation* (2011), 34 O.S.C.B. 10813; *Re Richvale Resource Corporation* (2011), 34 O.S.C.B. 10821; and *Re Richvale Resource Corporation* (2011), 34 O.S.C.B. 10829 respectively ("**Settlement Agreements**")) .

[4] After the release of the Merits Decision, a separate hearing was held on June 8, 2012 and June 22, 2012 to consider submissions from Enforcement Staff of the Commission ("**Staff**") and the Respondents regarding sanctions and costs (the "**Sanctions and Costs Hearing**").

[5] On June 8, 2012, Staff appeared at the Sanctions and Costs Hearing and requested an adjournment to confirm that Schiavone had received Staff's closing submissions. Schiavone had previously advised the Registrar he would attend the Sanctions and Costs Hearing, but he did not appear or send written materials. The Panel granted a short two week adjournment. On June 22, 2012, Staff appeared at the Sanctions and Costs Hearing and made brief submissions. Staff's submissions were supported by Staff's written submissions on sanctions and costs dated May 30, 2012, the Affidavit of Kathleen McMillan, sworn May 30, 2012 with respect to costs and two Briefs of Authorities. Schiavone did not appear or make submissions.

[6] The Panel is satisfied that the Respondents received notice of the Sanctions and Costs Hearing. In accordance with subsection 7(1) of the Statutory Powers Procedure Act, R.S.O. 1990, c. S.22, the Panel is satisfied that it was entitled to proceed in the absence of the Respondents.

II. THE MERITS DECISION

[7] In the Merits Decision, supra at para. 142, the merits panel concluded that:

(a) Richvale and Schiavone traded in Richvale securities without registration, contrary to present subsection 25(1), former subsection 25(1)(a), of the Act and contrary to the public interest;

(b) Richvale and Schiavone engaged in an illegal distribution of securities contrary to subsection 53(1) of the Act and contrary to the public interest;

(c) Richvale and Schiavone engaged or participated in acts, practices or a course of conduct relating to Richvale shares that they knew or reasonably ought to have known perpetrated a fraud, contrary to subsection 126.1(b) of the Act and contrary to the public interest;

(d) Richvale made prohibited representations contrary to subsection 38(3) of the Act and contrary to the public interest; and

(e) Schiavone authorized, permitted or acquiesced in commission of violations of securities law by Richvale, contrary to section 129.2 of the Act and contrary to the public interest.

III. SANCTIONS AND COSTS REQUESTED BY STAFF

1. Staff's Position

[8] Staff has requested that the following sanctions orders and costs order be made against Richvale:

(a) Richvale cease trading in securities permanently, pursuant to clause 2 of subsection 127(1) of the Act;

(b) the acquisition of any securities by Richvale be prohibited permanently, pursuant to clause 2.1 of subsection 127(1) of the Act;

(c) any exemptions contained in Ontario securities law not apply to Richvale permanently, pursuant to clause 3 of subsection 127(1) of the Act;

(d) Richvale be prohibited permanently from calling at any residence or telephoning from a location in Ontario to a residence in or out of Ontario for the purpose of trading in any security or derivative or in any class of securities or derivatives, pursuant to subsection 37(1) of the Act;

(e) Richvale be jointly and severally liable, together with Schiavone, to disgorge to the Commission $339,000 obtained as a result of its non-compliance with Ontario securities law, pursuant to clause 10 of subsection 127(1) of the Act, to be allocated to or for the benefit of third parties pursuant to subsection 3.4(2)(b) of the Act; and

(f) Richvale pay, on a joint and several basis with Schiavone, $39,666.62 for costs incurred in the hearing, pursuant to section 127.1 of the Act.

[9] Staff has requested that the following sanctions orders and costs order be made against Schiavone:

(a) Schiavone cease trading in securities permanently, pursuant to clause 2 of subsection 127(1) of the Act;

(b) the acquisition of any securities by Schiavone be prohibited permanently, pursuant to clause 2.1 of subsection 127(1) of the Act;

(c) any exemptions contained in Ontario securities law not apply to Schiavone permanently, pursuant to clause 3 of subsection 127(1) of the Act;

(d) Schiavone be reprimanded, pursuant to clause 6 of subsection 127(1) of the Act;

(e) Schiavone resign all positions as director or officer of an issuer, pursuant to clause 7 of subsection 127(1) of the Act;

(f) Schiavone be prohibited permanently from becoming or acting as officer or director of any issuer, registrant or investment fund manager, pursuant to clauses 8, 8.2 and 8.4 of subsection 127(1) of the Act;

(g) Schiavone be prohibited permanently from calling at any residence or telephoning from a location in Ontario to a residence located in or out of Ontario for the purpose of trading in any security or derivative or in any class of securities or derivatives, pursuant to subsection 37(1) of the Act;

(h) Schiavone pay an administrative penalty of $300,000, pursuant to clause 9 of subsection 127(1) of the Act, to be allocated to or for the benefit of third parties pursuant to subsection 3.4(2)(b) of the Act;

(i) Schiavone be jointly and severally liable, together with Richvale, to disgorge $339,000, pursuant to clause 10 of subsection 127(1) of the Act, to be allocated to or for the benefit of third parties pursuant to subsection 3.4(2)(b) of the Act; and

(j) Schiavone pay, on a joint and several basis with Richvale, $39,666.62 for costs incurred in the hearing, pursuant to section 127.1 of the Act.

[10] Staff submitted that the sanctions requested are appropriate in light of the conduct of the Respondents and take into account multiple breaches of the Act. In addition, Staff submitted that their proposed sanctions will deter the Respondents, as well as like-minded individuals, from involvement in similar conduct in the future.

2. The Settlements

[11] As mentioned above, Winick, Blumenfeld, Khan and Colonna (the "**Settling Respondents**") entered into Settlement Agreements, supra with Staff. In my view, any sanctions imposed on the Respondents should be proportionate and take into consideration the sanctions imposed on the Settling Respondents in this matter. The following sanctions and costs were ordered against the Settling Respondents:

- Blumenfeld, Winick and Khan to cease trading permanently, and Colonna to cease trading for twenty (20) years, except that following full payment of amounts ordered as disgorgement and administrative penalties, Khan, Winick and Colonna shall be permitted to trade through a registrant in a registered retirement savings plan ("**RRSP**") account and Winick's trading ban shall be reduced to 20 years;

- Blumenfeld, Winick and Khan to cease acquisitions permanently, and Colonna to cease acquisitions for twenty (20) years, except that following full payment of amounts ordered as disgorgement and administrative penalties, Khan, Winick and Colonna shall be permitted to acquire securities through a registrant in an RRSP account and Winick's acquisition ban shall be reduced to 20 years;

- Any exemptions in Ontario securities law do not apply to Blumenfeld, Winick and Khan permanently, and Colonna for twenty (20) years, except that following full payment of amounts ordered as disgorgement and

administrative penalties, Khan, Winick and Colonna shall be permitted to use exemptions in connection with trades in his RRSP account and Winick's exemption ban shall be reduced to 20 years;

- Blumenfeld, Winick, Khan and Colonna were reprimanded;
- Blumenfeld, Winick and Khan are prohibited permanently and Colonna is prohibited for twenty (20) years, from becoming or acting as directors or officers of any issuer;
- Blumenfeld, Winick and Khan are prohibited permanently and Colonna is prohibited for twenty (20) years, from becoming or acting as registrants;
- Blumenfeld shall pay $250,000, Winick shall pay $160,000, Khan shall pay $40,000 and Colonna shall pay $65,000 as administrative penalties for non-compliance with Ontario securities law;
- Blumenfeld shall disgorge $113,000, Winick shall disgorge $42,000, Khan shall disgorge $239,000 and Colonna shall disgorge $20,000 as amounts obtained as a result of non-compliance with Ontario securities law; and
- Administrative penalties and disgorgement amounts were ordered to be allocated under s. 3.4(2)(b) of the Act to or for the benefit of third parties.

(*Re Richvale Resource Corporation* (2011), 34 O.S.C.B. 10774; *Re Richvale Resource Corporation* (2011), 34 O.S.C.B. 10775 (the "**Blumenfeld Settlement**"); *Re Richvale Resource Corporation* (2011), 34 O.S.C.B. 10776; and *Re Richvale Resource Corporation* (2011), 34 O.S.C.B. 10778 (collectively, the "**Richvale Settlement Orders**"))

IV. SANCTIONS ANALYSIS

1. Commission's Mandate and Public Interest

[12] Pursuant to section 1.1 of the Act, the Commission's mandate is to: (i) provide protection to investors from unfair, improper or fraudulent practices; and (ii) foster fair and efficient capital markets and confidence in capital markets. As stated by the Supreme Court of Canada in *Committee for Equal Treatment of Asbestos Minority Shareholders v. Ontario Securities Commission*, [2001] 2 S.C.R. 132 ("***Asbestos***") at para. 42, the Commission's public interest mandate in making an order under section 127 of the Act is neither remedial nor punitive; instead, it is protective and preventive, and it is intended to prevent future harm to Ontario's capital markets.

[13] The purpose of an order under section 127 of the Act is "to restrain future conduct that is likely to be prejudicial to the public interest in fair and efficient capital markets" and the role of the Commission under section 127 of the Act is "to protect the public interest by removing from the capital markets those whose past conduct is so abusive as to warrant apprehension of future conduct detrimental to the integrity of the capital markets" (*Asbestos*, *supra* at para. 43).

2. Specific Sanctioning Factors Applicable in this Matter

[14] Deterrence is an important factor that the Commission may consider when determining appropriate sanctions. In *Re Cartaway Resources Corp.*, [2004] 1 S.C.R. 672 at para. 60, the Supreme Court of Canada stated that: "…it is reasonable to view general deterrence as an appropriate, and perhaps necessary, consideration in making orders that are both protective and preventative". This consideration is indifferent as to the degree of culpability, but rather focuses on the harm done and the deterrence that is appropriate.

[15] In determining appropriate sanctions, the Commission is also guided by the factors set out in *Re Belteco Holdings Inc.* (1998), 21 O.S.C.B. 7743 at paras. 23-26; and *Re M.C.J.C. Holdings Inc.* (2002), 25 O.S.C.B. 1133 at para. 26). I have taken into account those factors summarized in the following subparagraphs.

a) Seriousness of misconduct and breaches of the Act: Fraud is among the most egregious securities law violations; it decreases confidence in the fairness and efficiency of the capital markets (*Re Al-Tar Energy Corp*. (2010), 33 O.S.C.B. 5535 ("***Al-Tar Merits Decision***") at para. 214). Registration is one of the cornerstones of securities law which serves as a gate-keeping function to ensure only properly qualified individuals are permitted to trade with, or on behalf of, the public (*Gregory & Co. v. Quebec (Securities Commission)*, [1961] S.C.J. No. 38 at p. 4 (QL); *Re Limelight Entertainment Inc.* (2008), 31 O.S.C.B. 1727 at para. 135). In the Merits Decision *supra*, it was found that Richvale and Schiavone perpetrated and participated in a fraud on investors contrary to subsection 126.1(b) of the Act and engaged in unregistered trading contrary to subsection 25(1), formerly 25(1)(a), of the Act and engaged in the distribution of securities without a prospectus or a prospectus exemption contrary to subsection 53(1) of the Act. Richvale engaged in

a deceitful course of conduct, which included its salesperson making prohibited representations to investors, contrary to subsection 38(3) of the Act, and disseminating promotional materials that contained false information. The Respondents also misappropriated investor funds, seventy-eight percent of which were paid to enrich directors, officers or employees of Richvale or withdrawn in cash (Merits Decision, *supra* at para. 111).

b) Level of activity in the marketplace: Richvale sold shares to 27 investors, raising a total of approximately $753,000 (Merits Decision, *supra* at para. 79).

c) Size of profit gained or loss avoided from illegal conduct: Of the approximate $753,000 raised, $380,650 of investor funds were deposited into the Richvale bank account, which Schiavone opened and for which he was signatory (Merits Decision, *supra* at para. 79). As a result of his conduct, Schiavone personally benefitted by: (a) receiving five cheques totalling $18,300 from Richvale's bank account; (b) writing a cheque for $20,000 from Richvale to a company that Schiavone personally owned; (c) receiving $2,000 worth of pre-paid Mastercards for promotional purposes, which he knew were purchased with investor funds; and (d) receiving a computer and digital camera worth approximately $3,000, which were purchased with investor funds (Merits Decision, *supra* at para. 119). The Respondents should not be allowed to profit from breaches of Ontario securities law.

d) Sanctions imposed on the Settling Respondents: As noted above at paragraph 11, four individual Settling Respondents were ordered to cease trading and acquiring securities and that exemptions would not apply to them, either permanently or for a period of twenty years, subject to certain exceptions for each Settling Respondent other than Blumenfeld. They were further prohibited from becoming or acting as directors or officers of any issuer or from becoming or acting as registrants, either permanently or for a period of twenty years. The Settling Respondents were further ordered to pay administrative penalties ranging from $40,000 to $250,000 and to disgorge various amounts totaling $414,000, (Richvale Settlement Orders, *supra*). I find that Schiavone's involvement is most comparable to Blumenfeld's. Blumenfeld and Schiavone were co-founders of Richvale, co-signatories to Richvale's first bank account and directors of Richvale, or a *de facto* director in the case of Schiavone. I note that Blumefeld was not granted exceptions with respect to trading and market prohibitions. I also note that the monetary sanctions reflect Blumenfeld's acknowledgement of wrongdoing and his cooperation with Staff; those mitigating factors are not present for Schiavone.

e) Specific and general deterrence: Given the seriousness of the conduct, it is important that the Respondents and like-minded individuals engaging in fraudulent activity, through a corporation with no apparent legitimate business purpose, should be deterred from doing so in the future by imposing appropriate sanctions which reflect the harm done to investors.

3. Trading and Other Market Prohibitions

[16] Staff submits it would be appropriate to order the Respondents to cease trading in securities and be prohibited from acquiring securities permanently and that exemptions contained in Ontario securities law not apply to them permanently. According to Staff, Schiavone should not be granted any exception for personal trading in an RRSP account because he cannot be trusted to participate in Ontario's capital markets even in a limited capacity. Staff also seek a permanent prohibition in respect of Richvale and Schiavone's ability to call at a residence or telephone from a location in Ontario to a residence located in or out of Ontario for the purpose of trading in any security.

[17] I agree that the Respondents cannot be trusted to participate in the capital markets. The Respondents raised approximately $753,000 from investors through the sale of securities in contravention of the Act (Merits Decision, *supra* at para. 79). This scheme was found to be fraudulent and affected at least 27 Canadian investors. Furthermore, Richvale deceived investors, disseminated misleading promotional materials in order to sell Richvale shares and solicited potential investors by telephone. Given this misconduct, the Respondents should not be permitted to trade in or acquire securities or rely on exemptions, nor should they be allowed to call at a residence or telephone from a location in Ontario to a residence located in or out of Ontario for such purposes. To protect the public, I find that it is appropriate to impose these market prohibitions on the Respondents on a permanent basis as requested by Staff.

4. Director and Officer Bans

[18] Staff requests that the Schiavone resign all positions that he may hold as a director or officer of an issuer and that he be permanently prohibited from becoming or acting as a director or officer of any issuer, registrant or investment fund manager. Staff submits that permanent director and officer bans, coupled with permanent trading and exemption prohibitions, are necessary where a respondent violated section 25 and engaged in misleading and deceptive behaviour (*Re Ochnik* (2006), 29 O.S.C.B. 3929 at paras. 108-113).

[19] In the Merits Decision, the panel found that Richvale, of which Schiavone was admittedly the co-founder and president, conducted a fraudulent scheme resulting from: (a) a salesperson of Richvale using aliases to solicit potential investors; (b) Richvale's salesperson leading investors to believe that Richvale was in the business of mining and that the company had achieved positive testing results when in reality Richvale had spent no money on exploration; (c) Richvale's salesperson disseminating promotional materials, including Richvale's Business Summary and website, which contained a number of falsehoods; and (d) the misappropriation of investors' funds, which were intended for the purpose of exploration, but went directly to benefit Richvale directors, officers or employees (Merits Decision, *supra* at paras. 108-112). In *Al-Tar*, the Commission ordered permanent director or officer bans for a fraudulent scheme where a similar amount was raised from sales of shares and investors were harmed (*Re Al-Tar Energy Corp.* (2011), 34 O.S.C.B. 447 ("***Al-Tar Sanctions Decision***") at paras. 12 and 82). In my view, the imposition of permanent director and officer bans requested by Staff will ensure that Schiavone will not be placed in a position of control or trust with respect to any issuer, registrant or investment fund manager in the future.

5. Reprimand

[20] I find it appropriate for Schiavone to be reprimanded given his multiple breaches of Ontario securities law, which include unregistered trading, illegal distribution of securities, fraud and authorizing, permitting or acquiescing in commission of violations of securities law by Richvale (Merits Decision, *supra* at para. 142). A reprimand will provide the appropriate censure of his misconduct and will impress on the public the importance of complying with the Act. Schiavone is hereby reprimanded for the conduct set out in the Merits Decision.

6. Disgorgement

[21] Subsection 127(1)10 of the Act provides that a person or company that has not complied with Ontario securities law can be ordered to disgorge to the Commission "any amounts obtained" as a result of the non-compliance. When determining the appropriate disgorgement orders, I am guided by a non-exhaustive list of factors set out in *Re Limelight Entertainment Inc.* (2008), 31 O.S.C.B. 12030 ("***Limelight Sanctions Decision***") at para. 52, including:

(a) whether an amount was obtained by a respondent as a result of non-compliance with the Act;

(b) the seriousness of the misconduct and the breaches of the Act and whether investors were seriously harmed;

(c) whether the amount that a respondent obtained as a result of non-compliance with the Act is reasonably ascertainable;

(d) whether the individuals who suffered losses are likely to be able to obtain redress; and

(e) the deterrent effect of a disgorgement order on the respondents and other market participants.

[22] Richvale raised approximately $753,000 from the illegal distribution of Richvale shares to 27 investors (Merits Decision, *supra* at para. 79). The sales were effected as a result of Richvale's acts of deceit or falsehood including making false and misleading statements to investors about its salesperson's identity, the nature of the business, and the allocation of investor funds (Merits Decision, *supra* at para. 113). The Settling Respondents have been ordered to disgorge various amounts totaling $414,000 under the Richvale Settlement Orders, supra. The amount obtained as a result of Richvale's non-compliance with Ontario securities law, which has not otherwise been ordered disgorged, is therefore $339,000.

[23] The Commission has found that where a scheme was wholly fraudulent and the respondent was a director or officer of the company, it is not necessary for the individual respondent to have obtained the funds "personally" for the Commission to order disgorgement (*Re Global Partners Capital* (2011), 34 O.S.C.B. 10023 at paras. 83-84; *Limelight Sanctions Decision*, *supra* at paras. 59-62).

[24] At subparagraph 15 (c) above, it is clear that Schiavone personally benefitted from approximately $43,300 of investor funds. In addition, of the approximate $753,000 raised from investors, a total of $380,650 was deposited into the Richvale bank account for which Schiavone was signatory (Merits Decision, supra at para. 79). Schiavone was found to be a *de facto* director and officer of Richvale and admitted to being co-founder, co-signatory to the first bank account and president of Richvale (Merits Decision, *supra* at paras. 135-136, 138 and 141).

[25] I accept Staff's submission that Richvale and Schiavone should be jointly and severally liable for the amount obtained from Richvale investors as a result of non-compliance with the Act, less the amounts that have already been ordered to be disgorged by the Settling Respondents. Given the reasonably ascertainable value of funds personally obtained by Schiavone, I order that Schiavone shall individually disgorge the amount of $43,300 and be jointly and severally be liable with Richvale to disgorge the amount of $295,700 obtained as a result of non-compliance with Ontario securities law.

7. Administrative Penalty

[26] Staff seeks an order for an administrative penalty against Schiavone in the amount of $300,000. Staff submit that this sum is appropriate in the circumstances because Schiavone committed multiple and repeated violations of the Act, including fraud, which caused serious harm to Richvale investors and requires a clear deterrent message.

[27] The panel in the *Limelight Sanctions Decision*, *supra* at para. 67, stated:

> The purpose of an administrative penalty is to deter the particular respondents from engaging in the same or similar conduct in the future and to send a clear deterrent message to other market participants that the conduct in question will not be tolerated in Ontario capital markets.

[28] Factors to be considered in determining an appropriate administrative penalty include: the scope and seriousness of the misconduct; whether there were multiple and/or repeated breaches of the Act; whether the respondent realized profit as a result of the misconduct; the amount of money raised from investors; and the level of administrative penalties imposed in other cases (*Re Rowan* (2010), 33 O.S.C.B. 91 at para. 67; *Limelight Sanctions Decision*, *supra* at paras. 71 and 78). Further, I agree that the penalty "may not act as a sufficient deterrent if its magnitude is inadequate compared with the benefit obtained by non-compliance" (*Re Rowan*, *supra* at para. 74).

[29] Schiavone violated several provisions of the Act, including fraud. Repeated violations continued over a one year period. Schiavone personally benefitted and authorized, permitted or acquiesced in the breaches which led to Richvale raising approximately $753,000 from the misconduct. I note that Blumenfeld was ordered to pay a $250,000 administrative penalty for his role as a director of Richvale (Blumenfeld Settlement, *supra*). In a similar case, where a total of $658,109 was raised from investors and the Commission also found breaches of sections 25, 53, 126.1(b) and 129.2 of the Act, it was ordered that the directors of the companies which had breached the Act pay $200,000 and $500,000, respectively (*Al-Tar Merits Decision*, *supra* at paras. 324-332 and 349; *Al-Tar Sanctions Decision*, *supra* at paras. 27, 53 and 55).

[30] Under the circumstances, I find that it would be appropriate to order Schiavone to pay an administrative penalty in the amount of $300,000 for his failure to comply with Ontario securities law.

V. COSTS

[31] Pursuant to subsections 127.1(1) and 127.1(2) of the Act, the Commission has discretion to order a person or company to pay the costs of an investigation and hearing if the Commission is satisfied that the person or company has not complied with the Act or has not acted in the public interest. Rule 18.2 of the Commission's *Rules of Procedure* (2010), 33 O.S.C.B. 8017 (the "***Rules of Procedure***") sets out a number of factors a panel may consider in exercising its discretion to order costs.

[32] Staff seeks costs of $39,666.62 on a joint and several basis. The total costs sought include the time of two Staff litigators and costs of copying and printing materials for the Merits Hearing. Costs are requested as incurred from the point that the Settling Respondents were no longer a part of the proceeding, and after which any amounts incurred were solely attributable to the hearing against Schiavone and Richvale. The total does not include investigation costs or costs of the ten additional members of the Enforcement Branch who worked on this matter.

[33] In support of this request, Staff provided written submissions, an affidavit of Kathleen McMillan dated May 30, 2012, supported by a summary timesheet (as required by Rule 18.1(2)(b) of the *Rules of Procedure*) and printing disbursement receipts. The timesheet provided dates, numbers of hours worked and details of the tasks performed by each of the Staff members listed.

[34] I agree with Staff's conservative estimate of costs in the circumstances. I find that it would be appropriate to order Schiavone and Richvale to pay hearing costs of $39,666.62 on a joint and several basis.

VI. CONCLUSION

[35] I consider that it is important in this case to: (1) impose sanctions that reflect the seriousness of the securities law violations that occurred in this matter; and (2) impose sanctions that not only deter the Respondents but also like-minded people from engaging in future conduct that violates securities law.

1. Richvale

[36] I make the following orders against Richvale:

(a) Richvale shall cease trading in securities permanently, pursuant to clause 2 of subsection 127(1) of the Act;

(b) the acquisition of any securities by Richvale is prohibited permanently, pursuant to clause 2.1 of subsection 127(1) of the Act;

(c) any exemptions contained in Ontario securities law do not apply to Richvale permanently, pursuant to clause 3 of subsection 127(1) of the Act;

(d) Richvale is prohibited permanently from calling at any residence or telephoning from a location in Ontario to a residence located in or out of Ontario for the purpose of trading in any security or derivative or in any class of securities or derivatives, pursuant to subsection 37(1) of the Act;

(e) Richvale is jointly and severally liable, together with Schiavone, to disgorge to the Commission the amount of $295,700 obtained as a result of its non-compliance with Ontario securities law, pursuant to clause 10 of subsection 127(1) of the Act, to be designated by the Commission pursuant to subsection 3.4(2)(b) of the Act; and

(f) Richvale shall pay, on a joint and several basis with Schiavone, the amount of $39,666.62 representing costs and disbursements incurred by the Commission in the hearing of this matter, pursuant to subsection 127.1(2) of the Act.

2. Pasquale Schiavone

[37] I make the following orders against Schiavone:

(a) Schiavone shall cease trading in securities permanently, pursuant to clause 2 of subsection 127(1) of the Act;

(b) the acquisition of any securities by Schiavone is prohibited permanently, pursuant to clause 2.1 of subsection 127(1) of the Act;

(c) any exemptions contained in Ontario securities law do not apply to Schiavone permanently, pursuant to clause 3 of subsection 127(1) of the Act;

(d) Schiavone is reprimanded, pursuant to clause 6 of subsection 127(1) of the Act;

(e) Schiavone shall resign all positions as director or officer of an issuer, pursuant to clause 7 of subsection 127(1) of the Act;

(f) Schiavone is prohibited permanently from becoming or acting as officer or director of any issuer, registrant or investment fund manager, pursuant to clauses 8, 8.2 and 8.4 of subsection 127(1) of the Act;

(g) Schiavone is prohibited permanently from calling at any residence or telephoning from a location in Ontario to a residence located in or out of Ontario for the purpose of trading in any security or derivative or in any class of securities or derivatives, pursuant to subsection 37(1) of the Act;

(h) Schiavone shall pay an administrative penalty in the amount of $300,000, pursuant to clause 9 of subsection 127(1) of the Act, to be designated by the Commission pursuant to subsection 3.4(2)(b) of the Act;

(i) Schiavone shall disgorge the amount of $43,300 individually and shall be jointly and severally liable, together with Richvale, to disgorge the amount of $295,700 obtained as a result of his non-compliance with Ontario securities law, pursuant to clause 10 of subsection 127(1) of the Act, to be designated by the Commission pursuant to subsection 3.4(2)(b) of the Act; and

(j) Schiavone shall pay, on a joint and several basis with Richvale, the amount of $39,666.62 representing costs and disbursements incurred by the Commission in the hearing of this matter, pursuant to subsection 127.1(2) of the Act.

[38] I will issue a separate order giving effect to my decision on sanctions and costs.

Dated this 21st day of November, 2012.

“Edward P. Kerwin”

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
Mexivada Mining Corp.	21 Nov 12	03 Dec 12		
Akela Pharma Inc.	26 Nov 12	07 Dec 12		
Yaletown Capital Corp.	13 Nov 12	26 Nov 12	26 Nov 12	
Streetwear Corporation, The	14 Jun 05	24 Jun 05	24 Jun 05	21 Nov 12
Corona Minerals Limited	21 Nov 12	03 Dec 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
Red Crescent Resources Ltd.	21 Nov 12	03 Dec 12			

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
Boyuan Construction Group, Inc.	02 Oct 12	15 Oct 12	15 Oct 12		

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5.1.1 Amendments to NI 54-101 Communication with Beneficial Owners of Securities of a Reporting Issuer and Companion Policy 54-101CP Communication with Beneficial Owners of Securities of a Reporting Issuer and Amendments to NI 51-102 Continuous Disclosure Obligations and Companion Policy 51-102CP Continuous Disclosure Obligations

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CSA Notice of Amendments to National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* and Companion Policy 54-101CP *Communication with Beneficial Owners of Securities of a Reporting Issuer*

and

Amendments to National Instrument 51-102 *Continuous Disclosure Obligations* and Companion Policy 51-102CP *Continuous Disclosure Obligations*

November 29, 2012

Introduction

We, the members of the Canadian Securities Administrators (**CSA**), are adopting amendments (the **Amendments**) intended to improve the process by which reporting issuers send proxy-related materials to and solicit proxies and voting instructions from registered holders and beneficial owners of their securities (the **Shareholder Voting Communication Process**).

The Amendments are set out in the following materials (the **Materials**) included in the relevant Annexes to this notice:

- an amendment instrument to National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (**NI 54-101**), including the enactment of a new Form 54-101F10 *Undertaking,* and the following forms:
    - Form 54-101F2 *Request for Beneficial Ownership Information;*
    - Form 54-101F5 *Electronic Format for NOBO List;*
    - Form 54-101 F6 *Request for Voting Instructions Made by Reporting Issuer;*
    - Form 54-101F7 *Request for Voting Instructions Made by Intermediary;*
    - Form 54-101F9 *Undertaking* (Annex B);
- an amendment instrument to National Instrument 51-102 *Continuous Disclosure Obligations* (**NI 51-102**) and Form 51-102F5 *Information Circular* (Annex C); and

- changes to:
    - Companion Policy 54-101CP *Communication with Beneficial Owners of Securities of a Reporting Issuer* (**54-101CP**) (Annex D); and
    - Companion Policy 51-102CP *Continuous Disclosure Obligations* (**51-102CP**) (Annex E).

The Materials are also available on the websites of CSA members, including the following:

- www.bcsc.bc.ca
- www.albertasecurities.com
- www.osc.gov.on.ca
- www.lautorite.qc.ca
- www.msc.gov.mb.ca
- www.nbsc-cvmnb.ca
- www.gov.ns.ca/nssc
- www.sfsc.gov.sk.ca

In some jurisdictions, ministerial approvals are required for the implementation of the Amendments. Provided all necessary ministerial approvals are obtained, the Amendments will come into force on **February 11, 2013**. However, please refer to **Effective Dates** for an explanation of the dates on which specific provisions of the Amendments will take effect.

Substance and Purpose

The most significant features of the Amendments are as follows:

- providing reporting issuers with a new notice-and-access mechanism to send proxy-related materials to registered holders and beneficial owners of securities (collectively, **shareholders)**;
- simplifying the process by which beneficial owners are appointed as proxy holders in order to attend and vote at shareholder meetings; and
- requiring reporting issuers to provide enhanced disclosure regarding the beneficial owner voting process.

Background

We published proposed versions of the Amendments on April 9, 2010 and again on June 17, 2011 (the **2011 Proposal**). For additional background and the summary of comments received during the first and second publication periods, please refer to the notices we published on April 9, 2010 and June 17, 2011.

Summary of Written Comments Received by the CSA

During the last comment period, we received submissions from eight commenters. We have considered the comments received and thank all of the commenters for their input. The names of commenters are contained in Annex A of this notice as well as a summary of their comments, together with our responses.

Summary of Changes to the Proposed Instrument/Policy

The following outlines the main changes from the 2011 Proposal. As these changes are not material, we are not republishing the Amendments for a further comment period.

1. Notice-and-access (sections 2.7.1 to 2.7.8 of NI 54-101; sections 9.1.1 to 9.1.4 of NI 51-102)

Under notice-and-access, a reporting issuer can deliver proxy-related materials by:

- posting the relevant information circular (and if applicable, other proxy-related materials) on a website that is not SEDAR; and
- sending a notice informing beneficial owners that the proxy-related materials have been posted, and explaining how to access them.

We have made the following changes to the notice-and-access provisions.

(a) Record date for notice

In order to use notice-and-access, a reporting issuer must set the record date for notice of the meeting date to be at least 40 days before the meeting. The 2011 Proposal would have permitted the record date to be set between 30 to 60 days before the meeting. The change to at least 40 days is intended to provide sufficient time for the website posting and delivery requirements under notice-and-access. See Annex A, Comment 1(g) for a further discussion of this issue.

(b) Notice in advance of first use of notice-and-access

A reporting issuer must file a notification of meeting and record dates containing information about the meeting and its use of notice-and-access on SEDAR. Where the issuer is using notice-and-access for the first time, the notification must be filed at least 25 days before the record date for notice (i.e., at least 65 days before the date of the meeting). This requirement replaces the proposed advance notice mechanism in the 2011 Proposal, which would require that a reporting issuer provide advance notice via a news release and a website posting 3 to 6 months before the expected date of the meeting. We believe this provides sufficient advance notice to shareholders. See Annex A, Comment 1(c) for a further discussion of this issue.

For meetings subsequent to the first meeting for which an issuer uses notice-and-access, the issuer can abridge the timeline for filing the notification of meeting and record dates to 3 business days before the record date for notice.

(c) Contents of notice package

Under notice-and-access, an issuer will send to shareholders a notice package that contains a notice and the relevant voting document (a form of proxy or voting instruction form as applicable).

(i) Notice

The notice must:

- contain basic information about the meeting and the matters to be voted on;
- explain how to obtain a paper copy of the information circular (and if applicable, annual financial statements and annual management discussion and analysis (**MD&A**)); and
- explain in plain language the notice-and-access process.

The 2011 Proposal as drafted contemplated that the notice-and-access explanation would be a separate document from the notice. The present requirement provides that the explanation will form part of the Notice. Note, however, that s.1.3 of NI 54-101 also is being amended to give issuers the flexibility to combine or substitute any form or document required by NI 54-101 with another form or document, provided the information required by NI 54-101 is included.[1]

We have also made changes to the information that must be included in the notice-and-access explanation:

- The explanation need only state an estimated date and time by which an issuer should receive a request for paper copies. The 2011 Proposal required a firm date and time to be specified.
- The explanation need only state the sections of the information circular where disclosure regarding each matter or group of related matters identified in the notice can be found. The 2011 Proposal required page numbers to be specified.

[1] The original s. 1.3 only applied to forms required by NI 54-101, and not documents generally.

(ii) Additional material

An issuer generally is prohibited from including material in the notice package other than the notice and the relevant voting document. However, an issuer can include financial statements which are to be approved at the meeting and MD&A related to such financial statements, which documents may be part of an annual report. Sections 2.7.1(2)(b) of NI 54-101 and 9.1.1(2)(b) of NI 51-102) have been modified from the 2011 Proposal to make this concept clearer.

(d) Sending of annual financial statements and MD&A as part of proxy-related materials

In the Notice accompanying the 2011 Proposal, we asked questions about how notice-and-access should interact with the sending of annual financial statements and annual MD&A. Having considered the issue, we think that an issuer should be able to use notice-and-access to send annual financial statements and annual MD&A pursuant to s. 4.6(5) of NI 51-102. Notice-and-access is consistent with the principles for electronic sending set out in National Policy 11-201 *Delivery of Documents by Electronic Means*. We therefore provide new policy guidance in 51-102CP to that effect. The net effect is that an issuer can choose between:

- sending annual financial statements and annual MD&A pursuant to the annual request mechanism set out in s. 4.6(1) of NI 51-102; or
- sending annual financial statements and annual MD&A under s. 4.6(5) of NI 51-102, for which notice-and-access is an acceptable delivery method.

An issuer who chooses the second option and uses notice-and-access must modify the information in the notice required by s. 2.7.1(1) of NI 54-101 and s. 9.1.1(1) of NI 51-102 to refer to the annual financial statements and annual MD&A.

(e) Other significant features of notice-and-access

(i) Methods of sending notice package

A notice package can be sent by mail or, if prior consent has been obtained, electronically. In addition, if a service provider offers an e-delivery method (e.g., an email is sent with hyperlinks to all the proxy-related materials) that is distinct from notice-and-access and that is otherwise compliant with securities legislation, such delivery method can continue to be used in conjunction with notice-and-access.

(ii) Website posting

There are a number of requirements relating to the posting of proxy-related materials on the non-SEDAR website and these generally remain unchanged from the 2011 Proposal. One change is that proxy-related materials need only be posted for one year from the date of posting. This harmonizes the posting period with the period for which a reporting issuer has an obligation to fulfill requests for paper copies of proxy-related materials in s. 2.7.1(1)(f)(ii) of NI 54-101.

(f) Use of notice-and-access for non-management solicitations

We have added a new s. 2.7.7 that is intended to clarify that notice-and-access can be used to deliver proxy-related materials to beneficial owners of a reporting issuer's securities in connection with a proxy solicitation that is not a solicitation by management of the reporting issuer.[2]

2. Simplification of beneficial owner proxy appointment process (sections 2.18 and 4.5 of NI 54-101)

An intermediary or management of a reporting issuer, as applicable, who has voting authority over the securities owned by a beneficial owner, must appoint the beneficial owner or its nominee as a proxy holder with authority to vote on any matters that come before the meeting. We have modified the 2011 Proposal to clarify that the required grant of authority is subject to any prohibitions under corporate law. We also have removed the provision that a beneficial owner can instruct the intermediary or reporting issuer management, as applicable, to limit the voting authority. See Annex A, Comment 5 for a further discussion of these changes.

3. Enhanced disclosure of voting process (s. 2.16 of NI 54-101 and Item 4.3 of Form 51-102F5)

Issuers must provide enhanced disclosure of the voting process in the information circular. We have modified the 2011 Proposal so that where the reporting issuer does not intend to pay for intermediaries to deliver proxy-related materials to OBOs, the information circular must include a statement that the OBO may not receive proxy-related materials unless the OBO's intermediary assumes the costs of delivery.

[2] The notice-and-access provisions in NI 51-102 contain an equivalent concept.

4. NOBO list

A reporting issuer or other person may request a NOBO list without using a transfer agent. We have modified the 2011 Proposal to add a self-certification process, whereby the requester certifies in the Form 54-101F9 *Undertaking* that accompanies the request for a NOBO list that it has the technological capacity to receive the list.

5. Other changes

We have made additional changes to several Forms that were not part of the 2011 Proposal.

(a) Form 54-101F2 *Request for Beneficial Ownership Information*

The following changes are intended to improve the process for obtaining beneficial ownership information:

- adding the reporting issuer's French name, if applicable (Item 1);
- adding a contact person at the reporting issuer to deal with invoices, if different from the person who making the request (Item 2);
- having the reporting issuer explicitly state whether it wants securityholder materials to be sent electronically where consent has been obtained from beneficial owners (Items 6.7, 7.9, 8.5 and 9.7);
- having the reporting issuer explicitly state whether securityholder materials are to be sent to all beneficial owners of securities (including beneficial owners that have declined to receive them), only beneficial owners who have requested to receive all securityholder materials, or only beneficial owners who have requested to receive all securityholder materials or special meeting materials (Items 6.9, 7.11, 8.6 and 9.8); and
- where the reporting issuer wishes to use stratification, clarifying that a reporting issuer should discuss with the relevant intermediary what criteria the intermediary is able to apply (Items 7.12 and 9.9).

(b) Form 54-101F5 *Electronic Format for NOBO List*

We are replacing the existing form with a new one that includes a new field for stratification instructions (to the extent those have been obtained) under notice-and-access.

Effective Dates

The Amendments will come into force on February 11, 2013, subject to the following implementation dates:

- notice-and-access can only be used in respect of meetings that occur on or after March 1, 2013;
- a reporting issuer may request beneficial ownership information without using a transfer agent for the sole purpose of obtaining a NOBO list only on or after February 15, 2013;
- a person or company need only provide the new Form 54-101F10 *Undertaking* for a request to send materials indirectly to beneficial owners made on or after February 15, 2013;
- the new Part 7 of NI 54-101 only applies to NOBO lists requested on or after February 15, 2013 and requests to send materials indirectly to beneficial owners made on or after February 15, 2013; and
- a reporting issuer may rely on the exemptions in sections 9.1.1 of National Instrument 54-101 and 9.1.5 of NI 51-102 only in respect of a meeting that takes place on or after February 15, 2013.

Local Matters

Annex F is being published in any local jurisdiction that is making related changes to local securities laws, including local notices or other policy instruments in that jurisdiction. It also includes any additional information that is relevant to that jurisdiction only.

Questions

If you have any questions, please refer them to any of the following:

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ANNEX A

SUMMARY OF COMMENTS AND RESPONSES ON NOTICE AND REQUEST FOR COMMENT

Amendments to
National Instrument 54-101
***Communication with Beneficial Owners of Securities of a Reporting Issuer* and Companion Policy 54-101CP**
Communication with Beneficial Owners of Securities of a Reporting Issuer

Amendments to
National Instrument 51-102 *Continuous Disclosure Obligations* and
Companion Policy 51-102CP *Continuous Disclosure Obligations*

This annex summarizes the written public comments we received on the 2011 Proposal. It also sets out our responses to those comments.

List of Parties Commenting on the 2011 Proposal

- Broadridge Financial Solutions, Inc.
- Canadian Bankers Association
- Computershare Trust Company of Canada, Computershare Investor Services Inc. and Georgeson Shareholder Communications (joint comment letter)
- Investment Industry Association of Canada
- Mouvement d'éducation et de défense des actionnaires
- National Bank of Canada
- Osler, Hoskin & Harcourt LLP
- Securities Transfer Association of Canada

1. Notice-and-access

(a) General comments on notice-and-access

We received a comment that notice-and-access should not be introduced without further study of the familiarity of shareholders with websites and appropriate regulations to facilitate their access and review of information circulars.

Response: Our view is that the notice-and-access provisions strike an appropriate balance between shareholder access to materials and a more streamlined delivery process. We will monitor the implementation of notice-and-access to assess the impact on shareholders.

We also received several comment letters recommending that investment funds be permitted to use notice-and-access.

Response: We are not prepared at this time to extend notice-and-access to investment funds without further study. We will consider this issue at a later date.

(b) Notice and permitted information in the notice package

We received a number of detailed comments on proposed s. 2.7.1 to 2.7.6 of NI 54-101, which set out the notice-and-access process. The main comments comprised the following recommendations:

- allowing or requiring all the requisite information to be provided in a single notice document, rather than a notice and a separate document explaining notice-and-access;
- removing the requirement to reference page numbers in the information circular;

- requiring a factual description of matters to be voted on only if the matter to be voted on is not otherwise fully described in the voting instruction form or proxy;
- removing the requirement to specify a date and time by which a request for a paper copy of the information circular must be received;
- removing the requirement for the reporting issuer to explain its reason for using notice-and-access;
- requiring the reporting issuer to disclose whether it is paying for intermediaries to forward proxy-related materials to OBOs.

Response: We generally have accepted most of the recommendations specified above, although in some cases we have made modifications to the specific alternatives proposed. We have, among other changes, amended s. 1.3 of NI 54-101 to clarify that any required document (and not just forms) that a person or company is required to send can be substituted for another form or document or combined with another form or document, so long as the form or document used requests or includes the same information contemplated by the required form or document.

However, we are not adopting the recommendation regarding disclosure of whether the reporting issuer is paying for intermediaries to forward proxy-related materials to OBOs. We do not think this information needs to be included in the notice, as it is already provided in the notification of meeting and record dates which is filed on SEDAR. We strongly encourage all market participants to work together to develop industry best practices and standards for the notice to make it as user-friendly and consistent for investors as possible.

(c) Notice in advance of first use of notice-and-access

We received several comments that questioned the utility of the requirement in proposed s. 2.7.2 that a reporting issuer provide advance notice not more than 6 months and not less than 3 months before the first meeting for which notice-and-access would be used. Several alternatives were suggested, including that the notification of meeting and record dates required by s. 2.2 of NI 54-101 filed on SEDAR would be adequate. It was noted by one commenter that shareholders would be unlikely to act upon three months advance notice to educate themselves on notice-and-access; that the need for advance notice for a reporting issuer adopting notice-and-access for the first time would diminish as shareholders became increasing familiar with the process; and that the concept of an "expected date" for the meeting is an unworkable standard.

Response: We have adopted this recommendation. A reporting issuer that uses notice-and-access for the first time must file the notification of meeting and record dates, which includes information on whether the issuer will use notice-and-access, on SEDAR at least 25 days before the record date for notice, which in turn must be at least 40 days before the meeting. We think that this greater lead time will enable issuers using notice-and-access for the first time to more smoothly implement notice-and-access. We strongly encourage all market participants to work together to develop industry best practices and standards as notice-and-access is introduced for the first time.

(d) Consent to other delivery methods/Electronic delivery of notice package

We received several comments and questions regarding how notice-and-access will interact with the delivery of proxy-related materials, including annual financial statements and related MD&A.

Response: We have made a number of changes to address these comments. In particular, please see new s. 3.5(2) of 51-102CP, which clarifies that annual financial statements and related MD&A can be sent for purposes of s. 4.6(5) using notice-and-access.

Our understanding is that currently, the primary service provider for intermediaries has a separate e-delivery platform for delivering proxy-related materials which is intended to be distinct from the notice-and-access platform. The guidance clarifies that this type of separate e-delivery platform can be used in conjunction with notice-and-access. In addition, the notice package can also be delivered electronically (subject to obtaining the beneficial owner's consent) if this delivery option is available.

(e) Standing instructions to receive paper copies of information circulars and/or annual financial statements and related MD&A

We received a comment proposing that changes be made to Form 54-101F1 *Client Response Form* to accommodate standing instructions, and requiring the provision of information on standing instructions in the explanation of notice-and-access required to be sent under s. 2.7.1. Another commenter also noted that some dealers expressed concern around implementation and management of a standing instruction database and that dealers wished to have the opportunity to consider and discuss the changes with regulators and service providers before stating a view.

We also received a comment that a reporting issuer should give effect to standing instructions it receives from registered shareholders whether or not it has taken steps to obtain standing instructions.

Response: The intent of the provisions relating to standing instructions and intermediaries is to permit ***but not require*** *intermediaries to obtain standing instructions on the inclusion of paper copies of the information circular and/or annual financial statements and related MD&A. It is ultimately the intermediaries' decision (in consultation with service providers) whether to implement operational procedures to obtain standing instructions, and whether, as a result, intermediaries will need to give additional information to clients in Form 54-101F1* Client Response Form *regarding provision of standing instructions.*

We have not adopted the recommendation that a reporting issuer give effect to standing instructions whether or not it has taken steps to obtain them. To require this would effectively require reporting issuers to implement and manage a database of standing instructions, and we do not think that this measure is warranted at this time.

(f) Stratification

One commenter cautioned that it may be necessary or advisable to limit the criteria applied to stratification and asked for clarification as to what other criteria for stratification it foresees as being acceptable.

Response: The intent of the provisions relating to stratification is to permit ***but not require*** *stratification to be used by, or available as an option to, reporting issuers and intermediaries. It is ultimately for reporting issuers and intermediaries (in consultation with the various service providers) to decide whether stratification is an appropriate and feasible feature for notice-and-access, subject to the guidance we have provided on the appropriate objectives for stratification. We do not propose to mandate specific permitted stratification criteria, although we will continue to monitor this issue. We strongly encourage market participants to develop best practices for stratification criteria should stratification be introduced as a feature of notice-and-access in the Canadian context. We note that stratification has been a feature of US notice-and-access for several years, and this experience may be helpful to market participants in developing stratification options and best practices.*

(g) Record date for notice

A commenter noted that if the record date for notice was set at 30 days before the meeting date as currently permitted in s. 2.1 of NI 54-101, there would be operational challenges for all parties in the process to verify the record date information and send the requisite materials no more than 30 days before the meeting. The commenter requested that s. 2.1 be modified so that the record date for notice under notice-and-access leaves sufficient time for compliance with the posting and delivery requirements.

Response: We have adopted this recommendation.

(h) Collection of information on websites

One commenter noted that there may be some significant practical problems associated with permitting the collection of information on some securityholders (i.e. registered holders) and not others (i.e., beneficial owners) on the website to which proxy-related materials are posted.

Response: It is up to the reporting issuer using notice-and-access, in conjunction with relevant service providers, to determine how to comply with the restrictions on collecting information in a cost-effective manner.

(i) Availability of exemption to use US notice-and-access

A commenter submitted that any issuer that is mandatorily subject to Rule 14a-16 should be able to use US notice-and-access exclusively, and not have to comply with the Canadian notice-and-access requirements. Alternatively, it proposed that any disqualifying criteria from accessing the exemption should be tied solely to the trading volume of the issuer's securities in Canada relative to its trading volume in the United States. Finally, it also proposed that an SEC issuer that voluntarily complies with Rule 14a-16 despite being an exempt "foreign private issuer" under the SEC's rules should also be entitled to rely on the Canadian notice-and-access requirements exemption, subject to whatever disqualification test based on connections to Canada is ultimately adopted.

Response: We are not adopting this recommendation at this time. Although the Shareholder Voting Communication Process in the United States and Canada are broadly similar, there are important differences. These include differences in the mechanisms by which a beneficial owner obtains authority to attend and vote at a meeting and differences in what documents are required to be sent as part of proxy-related materials. The Canadian notice-and-access procedures have been formulated to take these and other specific features of the Canadian Shareholder Voting

Communication Process into account. We note that there are a number of exemptions from Canadian securities legislation that also apply to "SEC issuers".

(j) Use of notice-and-access by third parties

A commenter requested clarification on the obligations and restrictions applicable to third parties in using notice-and-access, particularly in light of s. 6.2 of NI 54-101. For example, how would the restriction in s. 2.7.1(2) (requiring the reporting issuer to send a paper copy of the information circular if the notice-and-access package includes any particulars of any matter submitted to the meeting that go beyond what is permitted in s. 2.7.1) apply to third parties?

Response: We have added s. 2.7.7 to address this point. We note that notice-and-access is a delivery mechanism for proxy-related materials, and does not modify any existing legal obligations of third parties such as dissident shareholders in the Shareholder Voting Communication Process.

(k) Miscellaneous comments

We received a number of other detailed drafting and technical comments and have adopted a number of them.

2. Sending "notice only" package when reporting issuer decides not to pay for delivery to OBOs

A commenter asked that we mandate that a reporting issuer who chooses not to pay for an intermediary to forward proxy-related materials to OBOs pay for the forwarding of a "notice only" package, defined as a package without a paper copy of an information circular.

Response: We are not adopting this suggestion at this time, and will consider this issue separately. We note that we would have no concerns if, where a reporting issuer chose not to pay, an intermediary voluntarily sent the "notice only" package to its beneficial owner clients.

3. Indirect sending of securityholder materials by reporting issuer

A commenter took the view that removing the present s. 2.12(2) of NI 54-101 and instead providing guidance in 54-101CP effectively permits an issuer to choose to deliver materials for forwarding to beneficial owners to any office of an intermediary, rather than to the designated agent of that intermediary. The commenter noted that this would impede timely delivery of materials to investors, add costs and reduce the overall efficiency of the delivery process. The commenter also requested that s. 2.12 be amended to clearly require that reporting issuers pay for delivery of material to intermediaries for forwarding.

Response: Our view is that the present s. 2.12(2)'s use of the word "may" can be interpreted as permitting, but not requiring a reporting issuer to deliver materials to the intermediary's agent. This was not the intent of the provision, which was to clarify that a reporting issuer would not have failed to comply with its obligations to send securityholder materials because it followed an intermediary's instruction to send the materials to the intermediary's third-party agent. We have added language to s. 2.7 of 54-101CP to further clarify that we expect reporting issuers to send materials to the agent designated by the intermediary unless alternate arrangements have been made with that intermediary.

We think the wording of s. 2.12 (as amended) clearly states the reporting issuer's obligation to send a proximate intermediary the requisite number of sets of materials specified by the proximate intermediary. A reporting issuer that refuses to send these materials to a proximate intermediary is not complying with its obligations under this section. We have modified the guidance in s. 3.4.1(3) of 54-101CP to further clarify this point.

The same commenter took the view that an issuer should be obligated to deliver materials to all intermediaries in a foreign jurisdiction for forwarding to beneficial owners in that jurisdiction.

Response: NI 54-101 effectively only requires reporting issuers to send proxy-related materials to beneficial owners who hold their securities through intermediaries that are covered by the request for beneficial ownership information. Section 2.5(1) specifies that the request only applies to each proximate intermediary that is:

(a) identified by a depository (currently only CDS) as a participant in the depository holding securities that entitle the holder to receive notice of the meeting or to vote at the meeting; or

(b) listed as an intermediary on the intermediary master list provided by a depository where the intermediary, or a nominee of the intermediary that is identified on the intermediary master list, is a registered holder of securities that entitle the holder to receive notice of the meeting or to vote at the meeting.

We are not adopting this recommendation at this time and will consider this issue separately. In the meantime, we strongly encourage reporting issuers to send proxy-related materials to any intermediary in a foreign jurisdiction who requests them on behalf of beneficial owners.

4. Requests for NOBO lists

A commenter raised a concern that proposed s. 2.5(4) requires an intermediary to make an assessment about whether a person or company requesting a NOBO list has the technological capacity to receive the list. The commenter also noted concerns on the part of dealers about their ability to assess the technological capacities of a wide variety of reporting issuers and third parties, and also about issues that could arise should an intermediary determine not to provide the list. The commenter proposed an alternative self-certification process, whereby the requester certifies as to its technological capacity to receive the list.

Response: We have adopted this recommendation and made changes to the undertaking in Form 54-101F9.

Another commenter recommended that s. 2.5 be amended to not require any request for beneficial ownership information to come through a transfer agent, regardless of whether the request is only for the limited purpose of requesting a NOBO list.

Response: We are not adopting this recommendation.

5. Appointing beneficial owner as proxy holder

A commenter was concerned that requiring a beneficial owner or its nominee appointed under s. 2.18(2) or s. 4.5(2) be given authority to attend, vote and otherwise act for and on behalf of management of the reporting issuer or intermediary (as applicable) could conflict with the laws applicable to certain, largely foreign companies which only permit proxyholders to vote on items set out in the information circular. The commenter also was concerned that requiring that this authority be limited if expressly instructed by a beneficial owner would be difficult to implement.

Response: We have modified the relevant sections to clarify that the required grant of authority is subject to any prohibitions under corporate law. We have removed the reference to express limitations on voting authority by beneficial owner. In our view, a beneficial owner that wishes to provide more limited voting authority can make appropriate arrangements with its appointee without necessarily involving management of the reporting issuer or the intermediary (as applicable).

A commenter requested that proposed s. 2.18 be amended to permit management of the reporting issuer to use the power of substitution in the proxy they hold on behalf of NOBOs (where the reporting issuer is sending proxy-related materials directly to NOBOs) to send proxies instead of VIFs to NOBOs. Conversely, another commenter requested that s. 3.6 of 54-101CP be amended to expressly state that sending proxies instead of VIFs is not permitted.

Response: We are not adopting either recommendation at this time. We will consider this issue at a later date. While we support in principle measures to simplify the voting process of all beneficial owners, we believe the process described above needs to be studied further in the context of the larger Shareholder Voting Communication Process before determining whether it is appropriate to codify it in NI 54-101.

6. Use of alternate forms

A commenter requested that s. 1.3 of NI 54-101 be expanded to a more general provision that allows participants to use forms and documents that are acceptable for the purposes of corporate statutes and for achieving the purpose of NI 54-101. The objective would be to prevent technical non-compliance with the Instrument from being a factor that could potentially invalidate the vote for the meeting under corporate statutes, if otherwise acceptable documentation exists to allow non-registered holders to exercise their rights to vote.

Response: We are not adopting this recommendation at this time. We will consider this issue at a later date. We believe the issue described above is an important one, but that it needs to be studied further in the context of the larger Shareholder Voting Communication Process before determining whether it is appropriate to make the requested changes to NI 54-101.

7. Reconciliation of positions

A commenter called for NI 54-101 to explicitly require intermediaries to:

- Reconcile the files of beneficial ownership data with their registered, depository and nominee positions;

- Give clear direction to the tabulator regarding through which depository, nominee or intermediary securities being voted are held;

- Ensure that any omnibus proxy required from an intermediary or depository through whom they hold shares is being filed; and

- Ensure that a restricted proxy is not issued by the intermediary without verifying that a position has not been voted.

Response: We are not adopting this recommendation at this time. We will consider this issue at a later date. We believe the issue of reconciliation of voting positions is an important one and needs to be studied further in the context of the larger Shareholder Voting Communication Process before determining whether it is appropriate to codify provisions affecting this issue in NI 54-101 and the form those provisions should take.

ANNEX B

AMENDMENTS TO
NATIONAL INSTRUMENT 54-101
COMMUNICATION WITH BENEFICIAL OWNERS
OF SECURITIES OF A REPORTING ISSUER

1. National Instrument 54-101 Communication with Beneficial Owners of Securities of a Reporting Issuer is amended by this Instrument.

2. Section 1.1 is amended by

(a) repealing the definition of "legal proxy***",***

(b) adding the following definition:

"notice-and-access" means

(a) in respect of registered holders of voting securities of a reporting issuer, the delivery procedures referred to in section 9.1.1 of National Instrument 51-102 *Continuous Disclosure Obligations*, or

(b) in respect of beneficial owners of securities of a reporting issuer, the delivery procedures referred to in section 2.7.1;***,***

(c) in the definition of "proxy-related materials***", adding "***or beneficial owners***" between "***registered holders***" and "***of the securities***",***

(d) repealing the definition of "request for voting instructions***",***

(e) adding the following definition:

"SEC issuer" means an issuer that

(a) has a class of securities registered under section 12 of the 1934 Act or is required to file reports under section 15(d) of the 1934 Act, and

(b) is not registered or required to be registered as an investment company under the *Investment Company Act of 1940* of the United States of America, as amended;***,***

(f) in the definition of "securityholder materials***", adding "***or beneficial owners***" between "***registered holders***" and "***of securities***", and***

(g) adding the following definition:

"stratification", in relation to a reporting issuer using notice-and-access, means procedures whereby a paper copy of the information circular and, if applicable, the documents in paragraph 2.7.1(2)(b), are included with either or both of the following:

(a) the documents required to be sent to registered holders under subsection 9.1(1) of National Instrument 51-102 *Continuous Disclosure Obligations*;

(b) the documents required to be sent to beneficial owners under subsection 2.7.1(1);***.***

3. Subsection 1.3(1) is replaced with the following:

1.3 Use of required forms – (1) A person or company required to send or use a required form or document under a provision of this Instrument may substitute for that form or document another form or document, or combine the required form or document with another form or document, if the substituted or combined form or document requests or includes the same information contemplated by the form or document that is otherwise required.***.***

4. Paragraphs 2.2(2)(g) and (h) are replaced with the following:

(g) the classes or series of securities that entitle the holder to vote at the meeting;

(h) whether the meeting is a special meeting;**.**

5. Subsection 2.2(2) is amended by adding the following paragraphs:

(i) whether the reporting issuer is sending proxy-related materials to registered holders or beneficial owners using notice-and-access and, if stratification will be used, the types of registered holders or beneficial owners who will receive paper copies of the information circular or other proxy-related materials;

(j) whether the reporting issuer is sending the proxy-related materials directly to NOBOs; and

(k) whether the reporting issuer intends to pay for a proximate intermediary to send the proxy-related materials to OBOs**.**.

6. Subsection 2.5(4) is replaced with the following:

(4) A reporting issuer that requests beneficial ownership information under this section must do so through a transfer agent**.**.

7. Section 2.5 is amended by adding the following subsection:

(5) Despite subsection (4), a reporting issuer may request beneficial ownership information without using a transfer agent for the sole purpose of obtaining a NOBO list if the reporting issuer has provided an undertaking using Form 54-101F9**.**.

8. The Instrument is amended by adding the following sections:

2.7.1 Notice-and-Access – (1) A reporting issuer that is not an investment fund may use notice-and-access to send proxy-related materials relating to a meeting to a beneficial owner of its securities if all of the following apply:

(a) the beneficial owner is sent a notice that contains the following information and no other information:

(i) the date, time and location of the meeting for which the proxy-related materials are being sent;

(ii) a description of each matter or group of related matters identified in the form of proxy to be voted on, unless that information is already included in a Form 54-101F6 or Form 54-101F7 as applicable, that is being sent to the beneficial owner under paragraph (b);

(iii) the website addresses for SEDAR and the non-SEDAR website where the proxy-related materials are posted;

(iv) a reminder to review the information circular before voting;

(v) an explanation of how to obtain a paper copy of the information circular and, if applicable, the documents in paragraph (2)(b) from the reporting issuer;

(vi) a plain-language explanation of notice-and-access that includes the following information:

(A) if the reporting issuer is using stratification, a list of the types of registered holders or beneficial owners who will receive paper copies of the information circular, and if applicable, the documents in paragraph (2)(b);

(B) the estimated date and time by which a request for a paper copy of the information circular and, if applicable, the documents in paragraph (2)(b), is to be received in order for the requester to receive the paper copy in advance of any deadline for the submission of voting instructions and the date of the meeting;

(C) an explanation of how the beneficial owner is to return voting instructions, including any deadline for return of those instructions;

(D) the sections of the information circular where disclosure regarding each matter or group of related matters identified in the notice can be found;

(E) a toll-free telephone number the beneficial owner can call to get information about notice-and-access;

(b) using the procedures referred to in section 2.9 or 2.12, as applicable, the beneficial owner is sent, by prepaid mail, courier or the equivalent, the notice required by paragraph (a) and a Form 54-101F6 or Form 54-101F7, as applicable;

(c) the reporting issuer files on SEDAR the notification of meeting and record dates on the same date that it sends the notification under subsection 2.2(1);

(d) public electronic access to the information circular and the notice in paragraph (a) is provided on or before the date that the reporting issuer sends the notice in paragraph (a) to beneficial owners, in the following manner:

(i) the documents are filed on SEDAR;

(ii) the documents are posted until the date that is one year from the date that the documents are posted, on a website other than the website for SEDAR;

(e) a toll-free telephone number is provided for use by the beneficial owner to request a paper copy of the information circular and, if applicable, the documents in paragraph (2)(b), at any time from the date that the reporting issuer sends the notice in paragraph (a) to the beneficial owner up to and including the date of the meeting, including any adjournment;

(f) if a request for a paper copy of the information circular and, if applicable, the documents in paragraph (2)(b), is received at the toll-free telephone number provided under paragraph (e) or by any other means, a paper copy of any such document requested is sent free of charge by the reporting issuer to the requester at the address specified in the request in the following manner:

(i) in the case of a request received prior to the date of the meeting, within 3 business days after receiving the request, by first class mail, courier or the equivalent;

(ii) in the case of a request received on or after the date of the meeting, and within one year of the information circular being filed, within 10 calendar days after receiving the request, by prepaid mail, courier or the equivalent.

(2) Unless an information circular is included with the proxy-related materials, a reporting issuer that sends proxy-related materials to a beneficial owner of its securities using notice-and-access must not include with the proxy-related materials any information or document that relates to the particulars of any matter to be submitted to the meeting, except for the following:

(a) the information required to be included in the notice under paragraph (1)(a);

(b) financial statements of the reporting issuer to be approved at the meeting, and MD&A related to those financial statements, which may be part of an annual report.

2.7.2 Notice in advance of first use of notice-and-access – Despite paragraph 2.7.1(1)(c) and subsection 2.20(a.1), the first time that a reporting issuer uses notice-and-access to send proxy-related materials to a beneficial owner of its securities, the reporting issuer must file on SEDAR the notification of meeting and record dates at least 25 days before the record date for notice.

2.7.3 Restrictions on information gathering – (1) A reporting issuer that receives a request for a paper copy of the information circular or other documents referred to in paragraph 2.7.1(1)(e) using the toll-free telephone number or by any other means must not do any of the following:

(a) ask for any information about the requester, other than the name and address to which the information circular and, if applicable, the documents in paragraph 2.7.1(2)(b), are to be sent;

(b) disclose or use the name or address of the requester for any purpose other than sending the information circular and, if applicable, the documents in paragraph 2.7.1(2)(b).

(2) A reporting issuer that posts proxy-related materials pursuant to subparagraph 2.7.1(1)(d)(ii) must not collect information that can be used to identify a person or company who has accessed the website address where the proxy-related materials are posted.

2.7.4 Posting materials on non-SEDAR website – (1) A reporting issuer that posts proxy-related materials in the manner referred to in subparagraph 2.7.1(1)(d)(ii) must also post on the website the following documents:

(a) any disclosure material regarding the meeting that the reporting issuer has sent to registered holders or beneficial owners of its securities;

(b) any written communications the reporting issuer has made available to the public regarding each matter or group of matters to be voted on at the meeting, whether or not they were sent to registered holders or beneficial owners of its securities.

(2) Proxy-related materials that are posted under subparagraph 2.7.1(1)(d)(ii) must be posted in a manner and be in a format that permit an individual with a reasonable level of computer skill and knowledge to do all of the following easily:

(a) access, read and search the documents on the website;

(b) download and print the documents.

2.7.5 Consent to other delivery methods – For greater certainty, section 2.7.1 does not

(a) prevent a beneficial owner from consenting to a reporting issuer, an intermediary or another person or company's use of other delivery methods to send proxy-related materials,

(b) terminate or modify a consent that a beneficial owner of voting securities previously gave to a reporting issuer, an intermediary or another person or company regarding the use of other delivery methods to send proxy-related materials, or

(c) prevent a reporting issuer, an intermediary or another person or company from sending proxy-related materials using a delivery method to which a beneficial owner has consented prior to February 11, 2013.

2.7.6 Instructions to receive paper copies – (1) Despite section 2.7.1, an intermediary may obtain standing instructions from a beneficial owner that is a client of the intermediary that a paper copy of the information circular and, if applicable, the documents in paragraph 2.7.1(2)(b), be sent to the beneficial owner in all cases when a reporting issuer uses notice-and-access.

(2) If an intermediary has obtained standing instructions from a beneficial owner under subsection (1), the intermediary must do all of the following:

(a) if the reporting issuer is sending proxy-related materials directly under section 2.9, indicate in the NOBO list provided to the reporting issuer those NOBOs who have provided standing instructions under subsection (1) as at the date the NOBO list is generated;

(b) if the intermediary is sending proxy-related materials to a beneficial owner on behalf of a reporting issuer using notice-and-access, request appropriate quantities of paper copies of the information circular and, if applicable, the documents in paragraph 2.7.1(2)(b), from the reporting issuer for forwarding to beneficial owners who have provided standing instructions to be sent paper copies;

(c) include with the proxy-related materials a description, or otherwise inform the beneficial owner of, the means by which the beneficial owner may revoke the beneficial owner's standing instructions.

2.7.7 Application to non-management solicitations – (1) A person or company other than management of a reporting issuer that is required by law to send materials to registered holders or beneficial owners of securities in connection with a meeting may use notice-and-access to send the materials.

(2) Section 2.7.1, other than paragraph (1)(c), and sections 2.7.3, 2.7.4 and 2.7.5 apply to a person or company in subsection (1) as if the person or company were a reporting issuer.

(3) Paragraph 2.7.1(1)(c) and section 2.7.8 apply to a person or company referred to in subsection (1) only if the person or company has requisitioned a meeting.

2.7.8 Record date for notice – Despite subsection 2.1(b), a reporting issuer that uses notice-and-access must set a record date for notice that is no fewer than 40 days before the date of the meeting.*.*

9. Section 2.9 is replaced with the following:

2.9 Direct sending of proxy-related materials to NOBOs by a reporting issuer – (1) A reporting issuer that has stated in its request for beneficial ownership information sent in connection with a meeting, that it will send proxy-related materials to, and seek voting instructions from, NOBOs must send at its own expense the proxy-related materials for the meeting directly to the NOBOs on the NOBO lists received in response to the request.

(2) A reporting issuer that sends by prepaid mail, courier or the equivalent, paper copies of proxy-related materials directly to a NOBO must send the proxy-related materials at least 21 days before the date of the meeting.

(3) A reporting issuer that sends proxy-related materials directly to a NOBO using notice-and-access must send the notice required by paragraph 2.7.1(1)(a) and, if applicable, any paper copies of information circulars and documents in paragraph 2.7.1(2)(b), at least 30 days before the date of the meeting.*.*

10. Section 2.10 is amended by inserting "and despite subsection 2.9(1),***" after "***Except as required by securities legislation,***".***

11. Section 2.12 is replaced with the following:

2.12 Indirect sending of securityholder materials by a reporting issuer – (1) A reporting issuer sending securityholder materials indirectly to beneficial owners must send to each proximate intermediary that responded to the applicable request for beneficial ownership information the number of sets of those materials specified by that proximate intermediary for sending to beneficial owners.

(2) A reporting issuer that sends proxy-related materials indirectly to a beneficial owner by having the proximate intermediary send the proxy-related materials by prepaid mail must send the proxy-related materials to the proximate intermediary

(a) at least 3 business days before the 21st day before the date of the meeting, in the case of proxy-related materials that are to be sent on by the proximate intermediary by first class mail, courier or the equivalent, or

(b) at least 4 business days before the 21st day before the date of the meeting, in the case of proxy-related materials that are to be sent using any other type of prepaid mail.

(3) A reporting issuer that sends proxy-related materials indirectly to a beneficial owner using notice-and-access must send the notice required by paragraph 2.7.1(1)(a) and, if applicable, any paper copies of information circulars and documents in paragraph 2.7.1(2)(b), to the proximate intermediary

(a) at least 3 business days before the 30th day before the date of the meeting, in the case of proxy-related materials that are to be sent on by the proximate intermediary by first class mail, courier or the equivalent, or

(b) at least 4 business days before the 30th day before the date of the meeting, in the case of proxy-related materials that are to be sent using any other type of prepaid mail.

(4) A reporting issuer that sends securityholder materials that are not proxy-related materials indirectly to beneficial owners must send the securityholder materials to the intermediary on the date specified in the request for beneficial ownership information.

(5) Despite section 2.9, a reporting issuer must not send securityholder materials directly to a NOBO if a proximate intermediary in a foreign jurisdiction holds securities on behalf of the NOBO and one or both of the following applies:

(a) the law of the foreign jurisdiction does not permit the reporting issuer to send securityholder materials directly to NOBOs;

(b) the proximate intermediary has stated in a response to a request for beneficial ownership information that the law in the foreign jurisdiction requires the proximate intermediary to deliver securityholder materials to beneficial owners..

12. Section 2.16 is replaced with the following:

2.16 Explanation of voting rights – (1) If a reporting issuer sends proxy-related materials for a meeting to a beneficial owner of its securities, the materials must explain, in plain language, how the beneficial owner can exercise voting rights attached to the securities, including an explanation of how to attend and vote the securities directly at the meeting.

(2) Management of a reporting issuer must provide the following disclosure in the information circular:

(a) whether the reporting issuer is sending proxy-related materials to registered holders or beneficial owners using notice-and-access, and if stratification will be used, the types of registered holders or beneficial owners who will receive paper copies of the information circular and, if applicable, the documents in paragraph 2.7.1(2)(b);

(b) whether the reporting issuer is sending proxy-related materials directly to NOBOs;

(c) whether the reporting issuer intends to pay for an intermediary to deliver to OBOs the proxy-related materials and Form 54-101F7, and if the reporting issuer does not intend to pay for such delivery, a statement that OBOs will not receive the materials unless their intermediary assumes the costs of delivery..

13. Section 2.17 is replaced with the following:

2.17 Voting instruction form (Form 54-101F6) – A reporting issuer that sends proxy-related materials directly to a NOBO that solicit votes or voting instructions from securityholders must include with the proxy-related materials a Form 54-101F6..

14. Section 2.18 is replaced with the following:

2.18 Appointing beneficial owner as proxy holder – (1) A reporting issuer whose management holds a proxy in respect of securities beneficially owned by a NOBO must arrange, without expense to the NOBO, to appoint the NOBO or a nominee of the NOBO as a proxy holder in respect of those securities if the NOBO has instructed the reporting issuer to do so using either of the following methods:

(a) the NOBO filled in and submitted the Form 54-101F6 previously sent to the NOBO by the reporting issuer;

(b) the NOBO submitted any other document in writing that requests that the NOBO or a nominee of the NOBO be appointed as a proxyholder.

(2) If management appoints a NOBO or a nominee of the NOBO as a proxy holder under subsection (1), the NOBO or nominee of the NOBO, as applicable, must be given authority to attend, vote and otherwise act for and on behalf of management of the reporting issuer in respect of all matters that may come before the applicable meeting and at any adjournment or continuance, unless corporate law prohibits the giving of that authority.

(3) A reporting issuer who appoints a NOBO as a proxy holder pursuant to subsection (1) must deposit the proxy within any time specified for the deposit in the information circular if the reporting issuer obtains the instructions under subsection (1) at least one business day before the termination of that time.

(4) If corporate law requires an intermediary or depository to appoint the NOBO or nominee of the NOBO as a proxy holder in respect of securities beneficially owned by the NOBO in accordance with any written voting instructions received from the NOBO, and the intermediary has received the written voting instructions, the reporting issuer must provide, upon request by the intermediary, confirmation of both of the following:

(a) management of the reporting issuer will comply with subsections 2.18(1) and (2);

(b) management of the reporting issuer is acting on behalf of the intermediary or depository to the extent it appoints the NOBO or nominee of the NOBO as proxy holder in respect of the securities of the reporting issuer beneficially owned by the NOBO.

(5) A confirmation provided under subsection (4) must identify the specific meeting to which the confirmation applies, but is not required to specify each proxy appointment that management of the reporting issuer has made..

15. Subsection 2.20(a) is replaced with the following:

(a) arranges to have proxy-related materials for the meeting sent in compliance with the applicable timing requirements in sections 2.9 and 2.12;.

16. Section 2.20 is amended by adding the following subsection:

(a.1) if the reporting issuer uses notice-and-access, fixes the record date for notice to be at least 40 days before the date of the meeting and sends the notification of meeting and record dates under section 2.2 at least 3 business days before the record date for notice;.

17. Subsection 4.1(1) is amended by replacing "through the transfer agent of the reporting issuer that sent the request***" with "***through the transfer agent, or in the case of a NOBO list, a person or company described in subsection 2.5(5) that sent the request***".***

18. Section 4.4 is replaced with the following:

4.4 Voting instruction form (Form 54-101F7) – An intermediary that forwards proxy-related materials to a beneficial owner that solicit votes or voting instructions from securityholders must include with the proxy-related materials a Form 54-101F7..

19. Section 4.5 is replaced with the following:

4.5 Appointing beneficial owner as proxy holder – (1) An intermediary who is the registered holder of, or holds a proxy in respect of, securities owned by a beneficial owner must arrange, without expense to the beneficial owner, to appoint the beneficial owner or a nominee of the beneficial owner as a proxy holder in respect of those securities if the beneficial owner has instructed the intermediary to do so using either of the following methods:

(a) the beneficial owner filled in and submitted the Form 54-101F7 previously sent to the beneficial owner by the intermediary;

(b) the beneficial owner submitted any other document in writing that requests that the beneficial owner or a nominee of the beneficial owner be appointed as a proxy holder.

(2) If an intermediary appoints a beneficial owner or a nominee of the beneficial owner as a proxy holder under subsection (1), the beneficial owner or nominee of the beneficial owner, as applicable, must be given authority to attend, vote and otherwise act for and on behalf of the intermediary in respect of all matters that may come before the applicable meeting and at any adjournment or continuance, unless corporate law does not permit the giving of that authority.

(3) An intermediary who appoints a beneficial owner as proxy holder pursuant to subsection (1) must deposit the proxy within any time specified for deposit in the information circular if the intermediary obtains the instructions under subsection (1) at least one business day before the termination of that time..

20. Section 5.4 is amended by adding the following subsections:

(3) If corporate law requires a depository to appoint a beneficial owner or nominee of the beneficial owner as a proxy holder in respect of securities beneficially owned by the beneficial owner in accordance with any written voting instructions received from the beneficial owner, and the depository has received the written voting instructions, any participant described in subsection (1) must provide, upon request by the depository, confirmation of all of the following:

(a) the participant will comply with subsections 4.5(1) and (2);

(b) the participant is acting on behalf of the depository to the extent it appoints a beneficial owner or nominee of a beneficial owner as proxy holder in respect of the securities of the reporting issuer beneficially owned by the beneficial owner;

(c) if the participant is required to execute an omnibus proxy under section 4.1, that the participant will take reasonable steps to request the confirmation set out in subsection 2.18(4).

(4) A confirmation provided under subsection (3) must identify the specific securityholder meeting to which the confirmation applies, but is not required to specify each proxy appointment that the participant has made..

21. Subsection 6.2(6) is replaced with the following:

(6) A person or company, other than the reporting issuer to which the request relates, that sends materials indirectly to beneficial owners must comply with the following:

(a) the person or company must pay to the proximate intermediary a fee for sending the securityholder materials to the beneficial owners;

(b) the person or company must provide an undertaking to the proximate intermediary in the form of Form 54-101F10..

22. Part 7 is replaced with the following:

PART 7 – USE OF NOBO LIST AND INDIRECT SENDING OF MATERIALS

7.1 Use of NOBO list – (1) A reporting issuer may use a NOBO list, or a report prepared under section 5.3 relating to the reporting issuer and obtained under this Instrument, in connection with any matter relating to the affairs of the reporting issuer.

(2) A person or company that is not the reporting issuer must not use a NOBO list, or a report prepared under section 5.3 relating to the reporting issuer and obtained under this Instrument, in any manner other than any of the following:

(a) for sending securityholder materials directly to NOBOs in accordance with this Instrument;

(b) in respect of an effort to influence the voting of securityholders of the reporting issuer;

(c) in respect of an offer to acquire securities of the reporting issuer.

7.2 Sending of Materials – (1) A reporting issuer may send securityholder materials indirectly to beneficial owners of securities of the reporting issuer using the procedures in section 2.12, or directly to NOBOs of the reporting issuer using a NOBO list, in connection with any matter relating to the affairs of the reporting issuer.

(2) A person or company that is not the reporting issuer may send securityholder materials indirectly to beneficial owners of securities of the reporting issuer using the procedures in section 2.12, or directly to NOBOs of the reporting issuer using a NOBO list, only in connection with one or both of the following:

(a) an effort to influence the voting of securityholders of the reporting issuer;

(b) an offer to acquire securities of the reporting issuer..

23. The Instrument is amended by adding the following section:

9.1.1 Compliance with SEC Notice-and-Access Rules – (1) Despite section 2.7, a reporting issuer that is an SEC issuer can send proxy-related materials to beneficial owners using a delivery method permitted under U.S. federal securities law, if all of the following apply:

(a) the SEC issuer is subject to, and complies with Rule 14a-16 under the 1934 Act;

(b) the SEC issuer has arranged with each intermediary through whom the beneficial owner holds its interest in the reporting issuer's securities to have each intermediary send the proxy-related materials

to the beneficial owner by implementing the procedures under Rule 14b-1 or Rule 14b-2 of the 1934 Act that relate to the procedures in Rule 14a-16 under the 1934 Act;

(c) residents of Canada do not own, directly or indirectly, outstanding voting securities of the issuer carrying more than 50% of the votes for the election of directors, and none of the following apply:

(i) the majority of the executive officers or directors of the issuer are residents of Canada;

(ii) more than 50% of the consolidated assets of the issuer are located in Canada;

(iii) the business of the issuer is administered principally in Canada.

(2) Part 4 does not apply to an intermediary with whom a reporting issuer has made arrangements under paragraph (1)(b) if the intermediary implements the procedures under Rule 14b-1 or Rule 14b-2 of the 1934 Act that relate to the procedures in Rule 14a-16 under the 1934 Act..

24. Form 54-101F2 Request for Beneficial Ownership Information is amended by

(a) in Item 1, adding "in English and, if applicable, French***" after "***reporting issuer***";***

(b) replacing Item 2 with the following:

Item 2 – Contact person(s)

State the name, address, telephone number, facsimile number and email address of the contact person(s) of the reporting issuer, and of the reporting issuer's agent, if applicable, with whom the intermediary should deal. If different from the foregoing, also state the name, address, telephone number, facsimile number and email address of the contact person(s) of the reporting issuer responsible for dealing with invoices.***;***

(c) in Item 6.7, adding "State whether the reporting issuer would like materials to be sent electronically when consent has been obtained from the beneficial owner of securities.***" after "***National Instrument.***";***

(d) in Item 6.9, replacing "If the securityholder materials are to be sent to all beneficial owners of securities, including beneficial owners that have declined to receive them, so state.***" with "***State if securityholder materials are to be sent to (a) all beneficial owners of securities (including beneficial owners that have declined to receive them), (b) only those beneficial owners who have requested to receive all securityholder materials, or (c) only those beneficial owners who have requested to receive all securityholder materials or special meeting materials.***";***

(e) in Item 7.9, adding "State whether the reporting issuer would like materials to be sent electronically when consent has been obtained from the beneficial owner of securities.***" after "***National Instrument.***";***

(f) in Item 7.11, replacing "If the securityholder materials are to be sent to all beneficial owners of securities, including beneficial owners that have declined to receive them, so state.***" with "***State if securityholder materials are to be sent to (a) all beneficial owners of securities (including beneficial owners that have declined to receive them), (b) only those beneficial owners who have requested to receive all securityholder materials, or (c) only those beneficial owners who have requested to receive all securityholder materials or special meeting materials.***";***

(g) adding the following Item:

7.12 State whether the reporting issuer is using notice-and-access, and any stratification criteria to be used. *[Before completing this item, the reporting issuer should discuss with the intermediary what stratification criteria the intermediary is able to apply.]****;***

(h) in Item 8.5, adding "State whether the reporting issuer would like materials to be sent electronically when consent has been obtained from the beneficial owner of securities.***" after "***National Instrument.***";***

(i) in Item 8.6, replacing "If the securityholder materials are to be sent to all beneficial owners of securities, including beneficial owners that have declined to receive them, so state.***" with "***State if securityholder materials are to be sent to (a) all beneficial owners of securities (including beneficial owners that have declined to receive them), (b) only those beneficial owners who have requested to receive all securityholder

materials, or (c) only those beneficial owners who have requested to receive all securityholder materials or special meeting materials.***";***

(j) ***in Item 9.7, adding "***State whether the reporting issuer would like materials to be sent electronically when consent has been obtained from the beneficial owner of securities.***" after "***National Instrument.***";***

(k) ***in Item 9.8, replacing "***If the securityholder materials are to be sent to all beneficial owners of securities, including beneficial owners that have declined to receive them, so state.***" with "***State if securityholder materials are to be sent to (a) all beneficial owners of securities (including beneficial owners that have declined to receive them), (b) only those beneficial owners who have requested to receive all securityholder materials, or (c) only those beneficial owners who have requested to receive all securityholder materials or special meeting materials.***";***

(l) ***adding the following Item:***

9.9 State whether the reporting issuer is using notice-and-access, and any stratification criteria to be used. *[Before completing this item, the reporting issuer should discuss with the intermediary what stratification criteria the intermediary is able to apply.]**; and***

(m) ***replacing "***National Policy 11-201 and, in Québec, Staff Notice 11-201***" with "***National Policy 11-201 *Electronic Delivery of Documents****" wherever the expression occurs.***

25. Form 54-101F5 Electronic Format for NOBO List is repealed and replaced with the following:

FORM 54-101F5
ELECTRONIC FORMAT FOR NOBO LIST

HEADER RECORD DESCRIPTION	**TYPE**	**LENGTH**	**POSITION**	**COMMENTS**
RECORD TYPE	A	1	1	Header record = A
FINS NUMBER	A	4	2-5	Prefix T,M,V or C
ISIN	A	12	6-17	
FILLER	X	3	18-20	Blank
SECURITY DESC.	A	32	21-52	Security Description
REC ORD DATE	N	8	53-60	Format YYYYMMDD
CREATION DATE	N	8	61-68	Format YYYYMMDD
FILLER	X	250	69-318	Blank
DETAIL RECORD DESCRIPTION	**TYPE**	**LENGTH**	**POSITION**	**COMMENTS**
RECORD TYPE	A	1	1	Detail Record = B
FINS NUMBER	A	4	2-5	Same as in Header record
ISIN	A	12	6-17	
FILLER	X	3	18-20	Blank
FILLER	X	20	21-40	Blank
NAME	A	32	41-72	Holder Name
ADDRESS	A	32 x 6	73- 264	Occurs 6 times

FILLER	X	32	265- 296	Blank
POSTAL CODE	A	9	297- 305	
POSTAL REGION	A	1	306	C=Canada; U=USA; F=Foreign; (other than USA); H=Hand Deliver
NOTICE AND ACCESS	A	1	307	Y=Full Package; N=Notice Only
FILLER	X	1	308	Blank
E-MAIL ADDRESS	A	32	309- 340	
LANGUAGE CODE	A	1	341	E=English; F=French
NUMBER OF SHARES	N	9	342- 350	Shareholder Position
RECEIVE ALL MATERIAL	A	1	351	A – ALL Material, S – Material for SPECIAL Meetings only, D – DECLINE to receive Materials
AGREE TO ELECTRONIC DELIVERY BY INTERMEDIARY	A	1	352	Y/N
TRAILER RECORD DESCRIPTION	**TYPE**	**LENGTH**	**POSITION**	**COMMENTS**
RECORD TYPE	A	1	1	Trailer record = C
FINS NUMBER	A	4	2-5	Same as in Header Record
ISIN	A	12	6-17	
FILLER	X	3	18-20	
TOTAL SHAREHOLDERS	N	7	21-27	Number of "B" type records
TOTAL SHARES	N	11	27-38	Total Shares on "B" type records
FILLER	X	280	39-318	Blank

26. Form 54-101F6 Request for Voting Instructions Made by Reporting Issuer is amended by replacing the paragraph that begins "Should you wish to attend the meeting and vote in person…***" with the following:***

If you want to attend the meeting and vote in person, write your name in the place provided for that purpose in this form. You can also write the name of someone else whom you wish to attend the meeting and vote on your behalf. Unless prohibited by law, the person whose name is written in the space provided will have full authority to present matters to the meeting and vote on all matters that are presented at the meeting, even if those matters are not set out in this form or the information circular. Consult a legal advisor if you wish to modify the authority of that person in any way. If you require help, contact [*insert name*]**.**

27. Form 54-101F7 Request for Voting Instructions Made by Intermediary is amended by replacing the paragraph that begins "Should you wish to attend the meeting and vote in person…***" with the following:***

If you want to attend the meeting and vote in person, write your name in the place provided for that purpose in this form. You can also write the name of someone else whom you wish to attend the meeting and vote on your behalf. Unless prohibited by law, the person whose name is written in the space provided will have full authority to present

matters to the meeting and vote on all matters that are presented at the meeting, even if those matters are not set out in this form or the information circular. Consult a legal advisor if you wish to modify the authority of that person in any way. If you require help, contact [*insert name*]**..**

28. Form 54-101F8 Legal Proxy is repealed.

29. Form 54-101F9 Undertaking is amended by

(a) replacing paragraph 2 with the following:

<Option #1: *use this alternative if the reporting issuer is providing the undertaking*>

2. I undertake that the information set out on the NOBO list will be used only in connection with matters relating to the affairs of the reporting issuer.

<Option #2: *use this alternative if a person or company other than the reporting issuer is providing the undertaking*>

2. I undertake that the information set out on the NOBO list will be used only for one or more of the following purposes:

(a) sending securityholder materials directly to NOBOs in accordance with National Instrument 54-101;

(b) an effort to influence the voting of securityholders of the reporting issuer;

(c) an offer to acquire securities of the reporting issuer.***;***

(b) replacing paragraph 4 with the following:

4. I am aware that it is a contravention of the law to use a NOBO list for purposes other than in connection with one or more of the following:

(a) sending securityholder materials directly to NOBOs in accordance with National Instrument 54-101;

(b) an effort to influence the voting of securityholders of the reporting issuer;

(c) an offer to acquire securities of the reporting issuer.***;***

(c) adding the following paragraph:

5. I declare that I (or the person or company I am using to make this request) has the technological capacity to receive the NOBO list**.**

30. The Instrument is amended by adding the following form:

FORM 54-101F10
UNDERTAKING

Note: Terms used in this Form have the meaning given to them in National Instrument 54-101.

The use of this Form is referenced in section 6.2 of National Instrument 54-101.

I, _____, (Full Residence Address) _____
(If this undertaking is made on behalf of a person or company other than an individual, set out the full legal name of that person or company, position of the individual signing on behalf of that person or company and address for service.)
SOLEMNLY DECLARE AND UNDERTAKE THAT:

1. I wish to send materials to beneficial owners of securities of [*insert name of the reporting issuer*] on whose behalf intermediaries hold securities, using the indirect sending procedures provided in National Instrument 54-101 (the "NI 54-101 Procedures").

2. I undertake that I am using the NI 54-101 Procedures to send materials to beneficial owners only for the purpose of one or both of the following:

   (a) an effort to influence the voting of securityholders of the reporting issuer;

   (b) an offer to acquire securities of the reporting issuer.

3. I am aware that it is a contravention of the law to send materials using the NI 54-101 Procedures for purposes other than in connection with one or both of the following:

   (a) an effort to influence the voting of securityholders of the reporting issuer;

   (b) an offer to acquire securities of the reporting issuer.

_____
Signature

_____
Name of person signing

_____
Date

31. (1) Despite section 2.7.1 of National Instrument 54-101, as enacted by section 8 of this Instrument, a person or company must not use notice-and-access to send proxy-related materials to a beneficial owner of voting securities of a reporting issuer in respect of a meeting of the reporting issuer that takes place before March 1, 2013.

(2) Despite subsection 2.5(5) of National Instrument 54-101, as enacted by section 7 of this Instrument, a reporting issuer must not request beneficial ownership information without using a transfer agent for the sole purpose of obtaining a NOBO list before February 15, 2013.

(3) Despite paragraph 6.2(6)(b) of National Instrument 54-101, as enacted by section 21 of this Instrument, a person or company is not required to provide the undertaking for a request to send materials indirectly to beneficial owners made before February 15, 2013.

(4) Despite section 22 of this Instrument, sections 7.1 and 7.2 of National Instrument 54-101 do not apply to NOBO lists requested before February 15, 2013 and requests to send materials indirectly to beneficial owners made before February 15, 2013.

(5) Despite section 23 of this Instrument, a reporting issuer must not rely on section 9.1.1 of National Instrument 54-101 in respect of a meeting that takes place before February 15, 2013.

32. This Instrument comes into force on February 11, 2013.

BLACKLINE OF FINAL AMENDMENT INSTRUMENT TO
NATIONAL INSTRUMENT 54-101
COMMUNICATION WITH BENEFICIAL OWNERS OF SECURITIES OF A REPORTING ISSUER
(SHOWING CHANGES AGAINST VERSION PUBLISHED FOR COMMENT ON JUNE 11, 2011)

1. National Instrument 54-101 Communication with Beneficial Owners of Securities of a Reporting Issuer is amended by this Instrument.

2. Section 1.1 ~~of National Instrument 54-101~~ is amended by

(a) repealing the definition of "legal proxy***";~~,~~***

(b) ~~amending the definition of~~ "proxy-related materials" ***~~to insert~~*** "or beneficial owners" ***between*** "registered ~~holders~~" ***~~and~~*** "of the securities"***;~~(c) adding the following definition after the definition of~~*** ~~"non-objecting beneficial owner list"~~***:***

"notice-and-access" means

(a) in respect of registered holders of voting securities of a reporting issuer, the delivery procedures referred to in section 9.1.1 of National Instrument 51-102 *Continuous Disclosure Obligations*~~;~~, or

(b) in respect of beneficial owners of securities of a reporting issuer, the delivery procedures referred to in section 2.7.1 ~~of this Instrument;~~;~~.~~

(c) in the definition of "proxy-related materials***", adding "***or beneficial owners***" between "***registered holders***" and "***of the securities***",***

(d) repealing the definition of "request for voting instructions***",***

~~(d)~~(e) adding the following definition ~~after the definition of~~ ~~"request for beneficial ownership information"~~***:***

"SEC issuer" means an issuer that

(a) has a class of securities registered under section 12 of the 1934 Act or is required to file reports under section 15(d) of the 1934 Act~~;~~, and

(b) is not registered or required to be registered as an investment company under the *Investment Company Act of 1940* of the United States of America, as amended;~~,~~

(e) ~~repealing the definition of~~ ~~"request for voting instructions"~~***;(f) ~~amending~~in the definition of "***securityholder materials***" ~~to insert, adding~~ "***or beneficial owners***" between "***registered holders***" and "***of ~~the~~ securities***";~~,~~ and***

(g) adding the following definition ~~after the definition of "~~~~special meeting~~***":***

"stratification", in relation to a reporting issuer using notice-and-access, means procedures whereby a paper copy of the information circular ~~is~~and, if applicable, the documents in paragraph 2.7.1(2)(b), are included with either or both of the following:

(a) the documents required to be sent to registered holders under subsection 9.1(1) of National Instrument 51-102 *Continuous Disclosure Obligations*;

(b) the documents required to be sent to beneficial owners under subsection 2.7.1(1) ~~of this Instrument~~;~~.~~

3. Subsection 1.3(1) is replaced with the following:

1.3 Use of required forms – (1) A person or company required to send or use a required form or document under a provision of this Instrument may substitute for that form or document another form or document, or combine the required form or document with another form or document, if the substituted or combined form or document requests or includes the same information contemplated by the form or document that is otherwise required..

4. Paragraphs 2.2(2) is amended by striking out subparagraphs (g) and (h) and replacing themare replaced with the following:

(g) the classes or series of securities that entitle the holder to vote at the meeting;

(h) whether the meeting is a special meeting;.

5. Subsection 2.2(2) is amended by adding the following paragraphs:

(i) whether the reporting issuer is sending proxy-related materials to registered holders or beneficial owners using notice-and-access and, and if stratification will be used, the types of registered holders or beneficial owners who will receive paper copies of the information circular or other proxy-related materials;

(j) whether the reporting issuer is sending the proxy-related materials directly to NOBOs; and

(k) whether the reporting issuer intends to pay for deliverya proximate intermediary to send the proxy-related materials to OBOs. .

4.6. Subsection 2.5(4) of National Instrument 54-101 is repealed andis replaced with the following:

(4) A reporting issuer that requests beneficial ownership information under this section must do so through a transfer agent..

7. Section 2.5 is amended by adding the following subsection:

(5) Despite subsection (4), a reporting issuer may request beneficial ownership information without using a transfer agent for the sole purpose of obtaining a NOBO list if the intermediary to whom the request is being made reasonably believes that the reporting issuer, or if the reporting issuer has made the request through another person or company, the person or company making the request, has the technological capacity to receive the NOBO list.reporting issuer has provided an undertaking using Form 54-101F9..

5. The following is added after section 2.7 of National Instrument 54-101:

8. The Instrument is amended by adding the following sections:

2.7.1 Notice-and-Access – (1) A reporting issuer that is not an investment fund may use notice-and-access to send proxy-related materials relating to a meeting to a beneficial owner of its securities using notice-and-access that complies withif all of the following apply:

(a) the beneficial owner is sent the following:(i) a notice containing allthat contains the following information, and no other information:

A.(i) the date, time and location of the reporting issuer's meeting for which the proxy-related materials are being sent;

B. (ii) a factual description of each matter or group of related matters identified in the form of proxy to be voted on, unless that information is already included in a Form 54-101F6 or Form 54-101F7 as applicable, that is being sent to the beneficial owner under paragraph (b);

C.(iii) the website address other than the addressaddresses for SEDAR, and the non-SEDAR website where the proxy-related materials are located;posted;

D.(iv) a reminder to review the information circular before voting;

E.(v) an explanation of how to obtain a paper copy of the information circular and, if applicable, the documents in paragraph (2)(b) from the reporting issuer;

(iivi) a document in plain -language that explainsexplanation of notice-and-access andthat includes the following information:

A. why the reporting issuer is using notice-and-access;

~~B.~~(A) if the reporting issuer is using stratification, ~~which~~a list of the types of registered holders or beneficial owners ~~are receiving~~who will receive paper copies of the information circular, and if applicable, the documents in paragraph (2)(b);

~~C.~~(B) the estimated date and time by which a request for a paper copy of the information circular ~~should~~and, if applicable, the documents in paragraph (2)(b), is to be received in order for the requester to receive the ~~information circular~~paper copy in advance of any deadline for the submission of voting instructions and the date of the meeting;

~~D.~~(C) an explanation of how the beneficial owner is to return voting instructions, including any deadline for return of ~~such~~those instructions;

~~E.~~(D) the ~~page numbers~~sections of the information circular where disclosure regarding each matter or group of related matters identified in the notice ~~in clause (i)B~~ can be found;

~~F.~~(E) a toll-free telephone number the beneficial owner can call to ~~ask questions~~get information about notice-and-access;

(b) using the ~~direct or indirect~~ procedures referred to in section 2.9 or ~~2.12~~2.12, as applicable, the beneficial owner is sent, by prepaid mail, courier or the equivalent, the ~~documents~~notice required by paragraph (a)~~,~~ and a Form 54-101F6 or Form 54-101F7, as applicable;

(c) ~~at least 30 days before the date fixed for the meeting~~ the reporting issuer files on SEDAR the notification ~~required by~~of meeting and record dates on the same date that it sends the notification under subsection 2.2(1) ~~of this Instrument~~;

(d) public electronic access to the information circular and the ~~documents~~notice in paragraph (a) is provided on or before the ~~day~~date that the reporting issuer sends the ~~documents~~notice in paragraph (a) to ~~registered holders~~beneficial owners, in the following manner:

(i) the documents are filed on SEDAR;

(ii) the documents are posted~~, for a period ending no earlier than the date of the first annual meeting following the meeting to which~~ until the date that is one year from the date that the documents ~~relate, at~~are posted, on a website ~~address~~ other than the ~~address~~website for SEDAR;

(e) a toll-free telephone number is provided for use by the beneficial owner to request a paper copy of the information circular and, if applicable, the documents in paragraph (2)(b), at any time from the date that the reporting issuer sends the ~~documents~~notice in paragraph (a) to the beneficial owner~~,~~ up to and including the date of the meeting, including any adjournment;

(f) if a request ~~is received~~for a paper copy of the information circular and, if applicable, the documents in paragraph (2)(b), is received at the toll-free telephone number provided under paragraph (e) or by any other means, a paper copy of ~~the information circular~~any such document requested is sent free of charge by the reporting issuer to the ~~person or company~~requester at the address specified in the request in the following manner:

(i) in the case of a request received prior to the date of the meeting, within 3 business days after receiving the request, by first class mail, courier or the equivalent;

(ii) in the case of a request received on or after the date of the meeting, and within one year of the information circular being filed, within 10 calendar days after receiving the request, by prepaid mail, courier or the equivalent.

(2) ~~A~~Unless an information circular is included with the proxy-related materials, a reporting issuer that sends proxy-related materials to a beneficial owner of its securities using notice-and-access must not include with the proxy-related ~~material~~materials any information or document that relates to the particulars of any matter to be submitted to the meeting ~~unless an information circular also is included, other than any one or more of~~, except for the following ~~documents~~:

~~(a) a document set out in paragraphs (1)(a) or (b);~~

(a) the information required to be included in the notice under paragraph (1)(a);

~~(b) a document related to the approval of~~

(b) financial statements~~.~~ of the reporting issuer to be approved at the meeting, and MD&A related to those financial statements, which may be part of an annual report.

2.7.2 Notice in advance of first use of notice-and-access – A~~D~~espite paragraph 2.7.1(1)(c) and subsection 2.20(a.1), the first time that a reporting issuer ~~that~~ uses notice-and-access to send proxy-related materials to a beneficial owner of its securities ~~must do the following not more than 6 months and not less than 3 months before the expected date of the first meeting for which proxy-related materials will be sent by notice-and-access:~~

~~(a) post on a website that is not SEDAR a document in plain language that explains notice-and-access;(b) issue a news release stating that the reporting issuer intends to use notice-and-access to deliver proxy-related materials and providing the website address where the document in paragraph (a) is posted~~, the reporting issuer must file on SEDAR the notification of meeting and record dates at least 25 days before the record date for notice.

2.7.3 Restrictions on information gathering ~~–~~ —(1) A reporting issuer that receives a request ~~under~~for a paper copy of the information circular or other documents referred to in paragraph 2.7.1(1)(e) using the toll-free telephone number or by any other means must not do any of the following:

(a) ~~request~~ ask for any information about the ~~person or company making the request~~requester, other than the name and address to which the ~~paper copy of the~~ information circular ~~is~~and, if applicable, the documents in paragraph 2.7.1(2)(b), are to be sent;

(b) disclose or use the name or address of the ~~person or company making the request~~requester for any purpose other than sending the ~~paper copy of the~~ information circular and, if applicable, the documents in paragraph 2.7.1(2)(b).

(2) A reporting issuer that posts proxy-related materials pursuant to subparagraph 2.7.1(1)(d)(ii) must not collect information that can be used to identify a person or company who has accessed the website address where the proxy-related materials are ~~located~~posted.

2.7.4 Posting materials on non-SEDAR website – (1) A reporting issuer that posts proxy-related materials in the manner referred to in subparagraph 2.7.1(1)(d)(ii) must also post on the website the following documents:

(a) any ~~other~~ disclosure material regarding the meeting that the reporting issuer has sent to registered holders or beneficial owners of its securities;

(b) any written communications the reporting issuer has made available to the public regarding each matter or group of matters to be voted on at the meeting, whether or not they were sent to registered holders or beneficial owners of its securities ~~or not~~.

(2) Proxy-related materials that are posted under subparagraph 2.7.1(1)(d)(ii) must be posted in a manner and be in a format that permit an individual with a reasonable level of computer skill and knowledge to do all of the following ~~conveniently~~easily:

(a) access, read and search the documents on the website;

(b) download and print the documents.

2.7.5 Consent to other delivery methods – For greater certainty, section 2.7.1 does not

(a) prevent a beneficial owner from consenting to a reporting issuer's ~~or~~, an intermediary or another person or company's use of other delivery methods to send proxy-related materials~~; or~~,

(b) terminate or modify a consent that a beneficial owner of voting securities previously gave to a reporting issuer, an intermediary or another person or company regarding the use of other delivery methods to send proxy-related materials, or

(c) prevent a reporting issuer ~~or~~, an intermediary or another person or company from sending proxy-related materials using a delivery method to which a beneficial owner has ~~previously~~ consented~~.~~ prior to February 11, 2013.

2.7.6 Instructions to receive paper copies – (1) Despite section 2.7.1, an intermediary may obtain standing instructions from a beneficial owner that is a client of the intermediary that a paper copy of the information circular and, if applicable, the documents in paragraph 2.7.1(2)(b), be sent to the beneficial owner in all cases ~~where~~when a reporting issuer uses notice-and-access.

(2) If an intermediary has obtained standing instructions from a beneficial owner under subsection (1), the intermediary must do all of the following:

(a) if the reporting issuer is sending proxy-related materials directly under section ~~2.9 of this Instrument, provide~~2.9, indicate in the NOBO list provided to the reporting issuer ~~with the names of~~ those NOBOs who have provided standing instructions ~~to receive a paper copy of the information circular in all cases where a reporting issuer uses notice-and-access, at the same time as the intermediary provides the reporting issuer with~~under subsection (1) as at the date the NOBO list is generated;

(b) if the intermediary is sending proxy-related materials to a beneficial owner on behalf of a reporting issuer using notice-and-access, request appropriate quantities of paper copies of the information circular and, if applicable, the documents in paragraph 2.7.1(2)(b), from the reporting issuer for forwarding to beneficial owners who have provided standing instructions to be sent paper copies;

(c) ~~provide a mechanism for~~include with the proxy-related materials a description, or otherwise inform the beneficial owner ~~to~~of, the means by which the beneficial owner may revoke the beneficial owner's standing instructions.

2.7.7 Application to non-management solicitations – (1) A person or company other than management of a reporting issuer that is required by law to send materials to registered holders or beneficial owners of securities in connection with a meeting may use notice-and-access to send the materials.

(2) Section 2.7.1, other than paragraph (1)(c), and sections 2.7.3, 2.7.4 and 2.7.5 apply to a person or company in subsection (1) as if the person or company were a reporting issuer.

(3) Paragraph 2.7.1(1)(c) and section 2.7.8 apply to a person or company referred to in subsection (1) only if the person or company has requisitioned a meeting.

2.7.8 Record date for notice – Despite subsection 2.1(b), a reporting issuer that uses notice-and-access must set a record date for notice that is no fewer than 40 days before the date of the meeting.

~~6.~~9. Section 2.9 ~~of National Instrument 54-101 is repealed and~~is replaced with the following:

2.9 Direct sending of proxy-related materials to NOBOs by a reporting issuer – (1) A reporting issuer that has stated in its request for beneficial ownership information sent in connection with a meeting, that it will send proxy-related materials to, and seek voting instructions from, NOBOs must send at its own expense the proxy-related materials for the meeting directly to the NOBOs on the NOBO lists received in response to the request ~~at its own expense~~.

(2) A reporting issuer that sends by prepaid mail, courier or the equivalent, paper copies of proxy-related materials directly to a NOBO must send the proxy-related materials at least 21 days before the date ~~fixed for~~of the meeting.

(3) A reporting issuer that sends proxy-related materials directly to a NOBO using notice-and-access must send the ~~documents~~notice required by ~~paragraphs~~paragraph 2.7.1(1)(a) and ~~(b) and~~, if applicable, any paper copies of information circulars ~~required to comply with standing instructions under section 2.7.6 or requests under section 4.6 of National Instrument 51-102 *Continuous Disclosure Obligations*~~ and documents in paragraph 2.7.1(2)(b), at least 30 days before the date ~~fixed for~~of the meeting.

~~7.~~10. Section 2.10 ~~of National Instrument 54-101~~ is amended by inserting "and despite subsection 2.9(1),***" after "***Except as required by securities legislation,***".***

~~8.~~11. Section 2.12 ~~of National Instrument 54-101 is repealed and~~is replaced with the following:

2.12 Indirect sending of securityholder materials by a reporting issuer – (1) A reporting issuer sending securityholder materials indirectly to beneficial owners must send to each proximate intermediary that responded to the applicable request for beneficial ownership information the number of sets of those materials specified by that proximate intermediary for sending to beneficial owners.

(2) A reporting issuer that sends proxy-related materials indirectly to a beneficial owner by having the proximate intermediary send the proxy-related materials by prepaid mail must send the proxy-related materials to the proximate intermediary

(a) at least 3 business days before the 21st day before the date ~~fixed for~~of the meeting, in the case of proxy-related materials that are to be sent on by the proximate intermediary by first class mail, courier or the equivalent~~;~~, or

(b) at least 4 business days before the 21st day before the date ~~fixed for~~of the meeting, in the case of proxy-related materials that are to be sent using any other type of prepaid mail.

(3) A reporting issuer that sends proxy-related materials indirectly to a beneficial owner using notice-and-access must send the ~~documents~~notice required by paragraph 2.7.1(1)(a) and, if applicable, any paper copies of information circulars ~~to be included with such~~and documents in paragraph 2.7.1(2)(b), to the proximate intermediary

(a) at least 3 business days before the 30th day before the date ~~fixed for~~of the meeting, in the case of proxy-related materials that are to be sent on by the proximate intermediary by first class mail, courier or the equivalent~~;~~, or

(b) at least 4 business days before the 30th day before the date ~~fixed for~~of the meeting, in the case of proxy-related materials that are to be sent using any other type of prepaid mail.

(4) A reporting issuer that sends securityholder materials that are not proxy-related materials indirectly to beneficial owners must send the securityholder materials to the intermediary on the ~~day~~date specified in the request for beneficial ownership information.

(5) ~~A~~Despite section 2.9, a reporting issuer must not send securityholder materials directly to a NOBO if a proximate intermediary in a foreign jurisdiction holds securities on behalf of the NOBO and one or both of the following applies:

(a) the law of the foreign jurisdiction does not permit the reporting issuer to send securityholder materials directly to NOBOs;

(b) the proximate intermediary has stated in a response to a request for beneficial ownership information that the law in the foreign jurisdiction requires the proximate intermediary to deliver securityholder materials to beneficial owners.

~~9.~~12. Section 2.16 ~~of National Instrument 54-101 is repealed and~~is replaced with the following:

2.16 Explanation of voting rights – (1) If a reporting issuer sends proxy-related materials for a meeting to a beneficial owner of its securities, the materials must explain, in plain language, how the beneficial owner can exercise voting rights attached to the securities, including an explanation of how to attend and vote the securities directly at the meeting.

(2) Management of a reporting issuer must provide the following disclosure in the information circular:

(a) whether the reporting issuer is sending proxy-related materials to registered holders or beneficial owners using notice-and-access, and if stratification will be used, the types of registered holders or beneficial owners who will receive paper copies of the information circular and, if applicable, the documents in paragraph 2.7.1(2)(b);

(b) whether the reporting issuer is sending proxy-related materials directly to NOBOs;

(c) whether the reporting issuer intends to pay for ~~delivery~~an intermediary to deliver to OBOs~~,~~ the proxy-related materials and Form 54-101F7, and if the reporting issuer does not intend to pay for such

delivery ~~to OBOs, a statement that it is the OBO's responsibility to contact the OBO's intermediary to make any necessary arrangements to exercise voting rights attached to the OBO's securities.~~, a statement that OBOs will not receive the materials unless their intermediary assumes the costs of delivery..

~~10.~~13. Section 2.17 ~~of National Instrument 54-101 is repealed and~~is replaced with the following:

2.17 Voting instruction form (Form 54-101F6) – ~~(1)~~ A reporting issuer that sends proxy-related materials directly to a NOBO that solicit votes or voting instructions ~~directly to a NOBO must provide~~from securityholders must include with the proxy-related materials a Form 54-101F6~~ in substitution for the form of proxy.~~6..

~~11.~~14. Section 2.18 ~~of National Instrument 54-101 is repealed and~~is replaced with the following:

2.18 Appointing beneficial owner as proxy holder – (1) A reporting issuer whose management holds a proxy in respect of securities beneficially owned by a NOBO must arrange, without expense to the NOBO, to appoint the NOBO or a nominee of the NOBO as a proxy holder in respect of those securities if the NOBO has instructed the reporting issuer to do so using either of the following methods:

(a) the NOBO filled in and submitted the ~~completed~~ Form 54-101F6 previously sent to the NOBO by the reporting issuer;

(b) the NOBO submitted any other document in writing that requests that the NOBO or a nominee of the NOBO be appointed as a proxyholder.

(2) ~~Unless the NOBO has instructed otherwise, if~~If management appoints a NOBO or a nominee of the NOBO as a proxy holder under subsection (1), the NOBO or nominee of the NOBO, as applicable ~~also~~, must be given authority to attend, vote and otherwise act for and on behalf of management of the reporting issuer in respect of all matters that may come before the applicable meeting and at any adjournment or continuance, unless corporate law prohibits the giving of that authority.

(3) A reporting issuer who appoints a NOBO as a proxy holder pursuant to subsection (1) must deposit the proxy within any time specified ~~under corporate law~~ for the deposit ~~of proxies~~in the information circular if the reporting issuer obtains the instructions under subsection (1) at least one business day before the termination of ~~such~~that time.

(4) If ~~legislation~~corporate law requires an intermediary or depository to appoint the NOBO or nominee of the NOBO as a proxy holder in respect of securities beneficially owned by the NOBO in accordance with any written voting instructions received from the NOBO, and the intermediary ~~may ask for, and~~has received the written voting instructions, the reporting issuer must provide, upon request by the intermediary, confirmation of both of the following:

(a) management of the reporting issuer will comply with subsections 2.18(1) and (2);

(b) management of the reporting issuer is acting on behalf of the intermediary or depository to the extent it appoints a~~t~~the NOBO or nominee of the NOBO as proxy holder in respect of the securities of the reporting issuer beneficially owned by the NOBO.

(5) A confirmation provided under subsection (4) must identify the specific meeting to which the confirmation applies, but is not required to specify each proxy appointment that management of the reporting issuer has made..

~~12.~~15. Subsection 2.20(a) ~~of National Instrument 54-101 is repealed and~~is replaced with the following:

(a) arranges to have proxy-related materials for the meeting sent in compliance with the applicable timing requirements in sections 2.9 and 2.12;.

16. Section 2.20 is amended by adding the following subsection:

(a.1) if the reporting issuer uses notice-and-access, fixes the record date for notice to be at least ~~30~~40 days before the date of the meeting and sends the notification of meeting and record dates under section 2.2 at least ~~30~~3 business days before the record date ~~of the meeting;~~for notice;.

13.17. ***Subsection 4.1(1) of National Instrument 54-101 is amended by replacing "***through the transfer agent of the reporting issuer that sent the request***" with "***through the transfer agent, or in the case of a NOBO list, a person or company described in subsection 2.5(5) that sent the request***";.***

14.18. ***Section 4.4 of National Instrument 54-101 is repealed andis replaced with the following:***

4.4 **Voting instruction form (Form 54-101F7) –** An intermediary that forwards proxy-related materials to a beneficial ownersowner that solicit votes or voting instructions from securityholders must provideinclude with the proxy-related materials a Form 54-101F7 in substitution for the form of proxy.7..

15. 19. Section 4.5 of National Instrument 54-101 is repealed andis replaced with the following:

4.5 **Appointing beneficial owner as proxy holder –** (1) An intermediary who is the registered holder of, or holds a proxy in respect of, securities owned by a beneficial owner must arrange, at nowithout expense to the beneficial owner, to appoint the beneficial owner or a nominee of the beneficial owner as a proxy holder in respect of those securities if the beneficial owner has instructed the intermediary to do so using either of the following methods:

(a) the beneficial owner filled in and submitted the completed Form 54-101F7 previously sent to the beneficial owner by the intermediary;

(b) the beneficial owner submitted any other document in writing that requests that the beneficial owner or a nominee of the beneficial owner be appointed as a proxy holder.

(2) Unless the beneficial owner has instructed otherwise, ifIf an intermediary appoints a beneficial owner or a nominee of the beneficial owner as a proxy holder under subsection (1), the beneficial owner or nominee of the beneficial owner, as applicable also, must be given authority to attend, vote and otherwise act for and on behalf of the intermediary in respect of all matters that may come before the applicable meeting and at any adjournment or continuance, unless corporate law does not permit the giving of that authority.

(3) An intermediary who appoints a beneficial owner as proxy holder pursuant to subsection (1) must deposit the proxy within any time specified under corporate law for the deposit of proxiesin the information circular if the intermediary obtains the instructions under subsection (1) at least one business day before the termination of suchthat time..

16. The following is added after subsection 5.4(2) of National Instrument 54-101:

20. Section 5.4 is amended by adding the following subsections:

(3) If legislationcorporate law requires a depository to appoint a beneficial owner or nominee of the beneficial owner as a proxy holder in respect of securities that are beneficially owned by athe beneficial owner in accordance with any written voting instructions received from the beneficial owner, and the depository may askhas received the written voting instructions, any participant described in subsection (1) for, and the participant must provide, upon request by the depository, confirmation of all of the following:

(a) the participant will comply with subsections 4.5(1) and (2);

(b) the participant is acting on behalf of the depository to the extent it appoints a beneficial owner or nominee of a beneficial owner as proxy holder in respect of the securities of the reporting issuer beneficially owned by the beneficial owner;

(c) if the participant is required to execute an omnibus proxy under section 4.1, that the participant will obtaintake reasonable steps to request the confirmation set out in subsection 2.18(34).

(4) A confirmation provided under subsection (3) must identify the specific securityholder meeting to which the confirmation applies, but is not required to specify each proxy appointment that the participant has made..

17.21. ***Subsection 6.2(6) of National Instrument 54-101 is repealed andis replaced with the following:***

(6) A person or company, other than the reporting issuer to which the request relates, that sends materials indirectly to beneficial owners must comply with all of the following:

(a) the person or company must pay to the proximate intermediary a fee for sending the securityholder materials to the beneficial owners;

(b) the person or company must provide an undertaking to the proximate intermediary in the form of Form 54-101F~~10.~~10..

~~18.~~22. Part 7 is ~~repealed and~~ replaced with the following:

PART 7 – USE OF NOBO LIST AND INDIRECT SENDING OF MATERIALS

7.1 Use of NOBO list – —(1) A reporting issuer may use a NOBO list, or a report prepared under section 5.3 relating to the reporting issuer and obtained under this Instrument, in connection with any matter relating to the affairs of the reporting issuer.

(2) A person or company that is not the reporting issuer must not use a NOBO list, or a report prepared under section 5.3 relating to a~~t~~he reporting issuer and obtained under this Instrument, in any manner other than any of the following:

(a) for sending securityholder materials directly to NOBOs in accordance with this Instrument;

(b) in respect of an effort to influence the voting of securityholders of the reporting issuer;

(c) in respect of an offer to acquire securities of the reporting issuer.

7.2 Sending of Materials – —(1) A reporting issuer may send securityholder materials indirectly to beneficial owners of securities of the reporting issuer using the procedures in section 2.12, or directly to NOBOs of the reporting issuer using a NOBO list, in connection with any matter relating to the affairs of the reporting issuer.

(2) A person or company that is not the reporting issuer may send securityholder materials indirectly to beneficial owners of securities of the reporting issuer using the procedures in section 2.12, or directly to NOBOs of the reporting issuer using a NOBO list, only in connection with one or ~~more~~both of the following:

(a) an effort to influence the voting of securityholders of the reporting issuer;

(b) an offer to acquire securities of the reporting issuer..

~~19.~~23. The Instrument is amended by adding the following ~~is added after section 9.1 of National Instrument 54-101~~:

9.1.1 Compliance with SEC Notice-and-~~access~~Access Rules – (1) ~~Section 2.7 does not apply to~~Despite section 2.7, a reporting issuer that is an SEC issuer can send proxy-related materials to beneficial owners using a delivery method permitted under U.S. federal securities law, if ~~it satisfies~~ all of the following apply:

(a) the SEC issuer is subject to, and complies with ~~requirements under~~ Rule 14a-16 under the 1934 Act;

(b) the SEC issuer has arranged with each intermediary through whom the beneficial owner holds its interest in the reporting issuer's securities to have each ~~such~~ intermediary send the proxy-related materials to the beneficial owner by implementing the procedures under Rule 14b-1 or Rule 14b-2 of the 1934 Act that relate to the procedures in Rule 14a-16 under the 1934 Act;

(c) residents of Canada do not own, directly or indirectly, outstanding voting securities of the issuer carrying more than 50 ~~per cent~~% of the votes for the election of directors, and none of the following ~~applies~~apply:

(i) the majority of the executive officers or directors of the issuer are residents of Canada;

(ii) more than 50 ~~per cent~~% of the consolidated assets of the issuer are located in Canada;

(iii) the business of the issuer is administered principally in Canada.

(2) Part 4 ~~of this Instrument~~ does not apply to an intermediary with whom a reporting issuer has made arrangements under paragraph (1)(b) if the intermediary implements the procedures under Rule 14b-1 or Rule 14b-2 of the 1934 Act that relate to the procedures in Rule 14a-16 under the 1934 Act..

24. Form 54-101F2 Request for Beneficial Ownership Information is amended by

(a) in Item 1, adding "in English and, if applicable, French***" after "***reporting issuer***";***

(b) replacing Item 2 with the following:

Item 2 – Contact person(s)

State the name, address, telephone number, facsimile number and email address of the contact person(s) of the reporting issuer, and of the reporting issuer's agent, if applicable, with whom the intermediary should deal. If different from the foregoing, also state the name, address, telephone number, facsimile number and email address of the contact person(s) of the reporting issuer responsible for dealing with invoices***.;***

(c) in Item 6.7, adding "State whether the reporting issuer would like materials to be sent electronically when consent has been obtained from the beneficial owner of securities.***" after "***National Instrument.***";***

~~***20. Form 54-101F2 is amended as follows:***~~

(d) in Item 6.9, replacing "If the securityholder materials are to be sent to all beneficial owners of securities, including beneficial owners that have declined to receive them, so state.***" with "***State if securityholder materials are to be sent to (a) all beneficial owners of securities (including beneficial owners that have declined to receive them), (b) only those beneficial owners who have requested to receive all securityholder materials, or (c) only those beneficial owners who have requested to receive all securityholder materials or special meeting materials.***";***

~~***(a) in the following provisions, replacing "***National Policy 11-201 and, in Québec, Staff Notice 11-201***" with "***National Policy 11-201 *Electronic Delivery of Documents*"***:***~~

(e) in Item 7.9, adding "State whether the reporting issuer would like materials to be sent electronically when consent has been obtained from the beneficial owner of securities.***" after "***National Instrument.***";***

~~***(i) Item 6.7;***~~

~~***(ii) Item 7.8;***~~

~~***(iii)Item 8.5;***~~

~~***(iv) Item 9.7;***~~

(f) in Item 7.11, replacing "If the securityholder materials are to be sent to all beneficial owners of securities, including beneficial owners that have declined to receive them, so state.***" with "***State if securityholder materials are to be sent to (a) all beneficial owners of securities (including beneficial owners that have declined to receive them), (b) only those beneficial owners who have requested to receive all securityholder materials, or (c) only those beneficial owners who have requested to receive all securityholder materials or special meeting materials.***";***

(b(g) adding the following ~~after Item 7.11~~:

7.12 State whether the reporting issuer is using notice-and-access, and any stratification criteria ~~being used.~~to be used. *[Before completing this item, the reporting issuer should discuss with the intermediary what stratification criteria the intermediary is able to apply.]****;***

(h) in Item 8.5, adding "State whether the reporting issuer would like materials to be sent electronically when consent has been obtained from the beneficial owner of securities.***" after "***National Instrument.***";***

(i) in Item 8.6, replacing "If the securityholder materials are to be sent to all beneficial owners of securities, including beneficial owners that have declined to receive them, so state.***" with "***State if securityholder materials are to be sent to (a) all beneficial owners of securities (including beneficial owners that have declined to receive them), (b) only those beneficial owners who have requested to receive all securityholder materials, or (c) only those beneficial owners who have requested to receive all securityholder materials or special meeting materials.***";***

(j) in Item 9.7, adding "State whether the reporting issuer would like materials to be sent electronically when consent has been obtained from the beneficial owner of securities.***" after "***National Instrument.***";***

(k) in Item 9.8, replacing "If the securityholder materials are to be sent to all beneficial owners of securities, including beneficial owners that have declined to receive them, so state.***" with "***State if securityholder materials are to be sent to (a) all beneficial owners of securities (including beneficial owners that have declined to receive them), (b) only those beneficial owners who have requested to receive all securityholder materials, or (c) only those beneficial owners who have requested to receive all securityholder materials or special meeting materials.***";***

~~(c~~(l) adding the following ~~after~~ Item ~~9.8~~:

9.9 State whether the reporting issuer is using notice-and-access, and any stratification criteria ~~being used.~~ to be used. *[Before completing this item, the reporting issuer should discuss with the intermediary what stratification criteria the intermediary is able to apply.]****; and***

(m) replacing "National Policy 11-201 and, in Québec, Staff Notice 11-201***" with "***National Policy 11-201 *Electronic Delivery of Documents*" **wherever the expression occurs.***

25. Form 54-101F5 Electronic Format for NOBO List is repealed and replaced with the following:

FORM 54-101F5
ELECTRONIC FORMAT FOR NOBO LIST

HEADER RECORD DESCRIPTION	TYPE	LENGTH	POSITION	COMMENTS
RECORD TYPE	A	1	1	Header record = A
FINS NUMBER	A	4	2-5	Prefix T,M,V or C
ISIN	A	12	6-17	
FILLER	X	3	18-20	Blank
SECURITY DESC.	A	32	21-52	Security Description
REC ORD DATE	N	8	53-60	Format YYYYMMDD
CREATION DATE	N	8	61-68	Format YYYYMMDD
FILLER	X	250	69-318	Blank
DETAIL RECORD DESCRIPTION	**TYPE**	**LENGTH**	**POSITION**	**COMMENTS**
RECORD TYPE	A	1	1	Detail Record = B
FINS NUMBER	A	4	2-5	Same as in Header record
ISIN	A	12	6-17	
FILLER	X	3	18-20	Blank
FILLER	X	20	21-40	Blank
NAME	A	32	41-72	Holder Name
ADDRESS	A	32 x 6	73- 264	Occurs 6 times
FILLER	X	32	265- 296	Blank
POSTAL CODE	A	9	297- 305	
POSTAL REGION	A	1	306	C=Canada; U=USA;

				F=Foreign; (other than USA); H=Hand Deliver
NOTICE AND ACCESS	A	1	307	Y=Full Package; N=Notice Only
FILLER	X	1	308	Blank
E-MAIL ADDRESS	A	32	309- 340	
LANGUAGE CODE	A	1	341	E=English; F=French
NUMBER OF SHARES	N	9	342- 350	Shareholder Position
RECEIVE ALL MATERIAL	A	1	351	A – ALL Material, S – Material for SPECIAL Meetings only, D – DECLINE to receive Materials
AGREE TO ELECTRONIC DELIVERY BY INTERMEDIARY	A	1	352	Y/N
TRAILER RECORD DESCRIPTION	**TYPE**	**LENGTH**	**POSITION**	**COMMENTS**
RECORD TYPE	A	1	1	Trailer record = C
FINS NUMBER	A	4	2-5	Same as in Header Record
ISIN	A	12	6-17	
FILLER	X	3	18-20	
TOTAL SHAREHOLDERS	N	7	21-27	Number of "B" type records
TOTAL SHARES	N	11	27-38	Total Shares on "B" type records
FILLER	X	280	39-318	Blank

~~21.~~26. Form 54-101F6 – Request for Voting Instructions Made by Reporting Issuer is amended by ~~striking out~~replacing the paragraph that begins "Should you wish to attend the meeting and vote in person…***" ~~and substituting~~with the following:***

If you want to attend the meeting and vote in person, ~~please~~ write your name in the place provided for that purpose in this form. You can also write the name of someone else whom you wish to attend the meeting and vote on your behalf. Unless ~~you instruct otherwise~~prohibited by law, the person whose name is written in the space provided will have full authority to present matters to the meeting and vote on all matters that are presented at the meeting, even if ~~these~~those matters are not set out in this form or the information circular. Consult a legal advisor if you wish to modify the authority of that person in any way. If you require help, ~~please~~ contact [~~the undersigned~~*insert name*].**.**

~~22.~~27. Form 54-101F7 – Request for Voting Instructions Made by Intermediary is amended by ~~striking out~~replacing the paragraph that begins "Should you wish to attend the meeting and vote in person…***" ~~and replacing it~~ with the following:***

If you want to attend the meeting and vote in person, ~~please~~ write your name in the place provided for that purpose in this form. You can also write the name of someone else whom you wish to attend the meeting and vote on your behalf. Unless ~~you instruct otherwise~~prohibited by law, the person whose name is written in the space provided will have full authority to present matters to the meeting and vote on all matters that are presented at the meeting, even if ~~these~~those matters are not set out in this form or the information circular. Consult a legal advisor if you wish to modify the authority of that person in any way. If you require help, ~~please~~ contact [~~the undersigned~~*insert name*].**.**

~~23.~~28. Form 54-101F8 — Legal Proxy is repealed.

~~24.~~29. Form 54-101F9 — Undertaking is amended by

(a) ~~striking out~~replacing paragraph 2 ~~and substituting~~with the following:

<Option #1: *use this alternative if the reporting issuer is providing the undertaking*>

2. I undertake that the information set out on the NOBO list will be used only in connection with ~~one or more~~ matters relating to the affairs of the reporting issuer.

<Option #2: *use this alternative if a person or company other than the reporting issuer is providing the undertaking*>

2. I undertake that the information set out on the NOBO list will be used only for one or more of the following purposes:

(a) sending securityholder materials directly to NOBOs in accordance with National Instrument 54-101;

(b) an effort to influence the voting of securityholders of the reporting issuer;

(c) an offer to acquire securities of the reporting issuer.~~;~~

(b) ~~striking out~~replacing paragraph 4 ~~and substituting~~with the following:

4. I am aware that it is a contravention of the law to use a NOBO list for purposes other than in connection with one or more of the following:

(a) sending securityholder materials directly to NOBOs in accordance with National Instrument 54-101;

(b) an effort to influence the voting of securityholders of the reporting issuer;

(c) an offer to acquire securities of the reporting issuer.~~;~~

(c) adding the following paragraph:

5. I declare that I (or the person or company I am using to make this request) has the technological capacity to receive the NOBO list..

~~25.~~30. The Instrument is amended by adding the following ~~is added after Form 54-101F9:~~form:

~~Form~~FORM 54-101F10 ~~– Undertaking~~
UNDERTAKING

Note: Terms used in this Form have the meaning given to them in National Instrument 54-101.

The use of this Form is referenced in section 6.2 of National Instrument 54-101.

I, _____ (Full Residence Address) _____
(If this undertaking is made on behalf of a ~~body corporate~~person or company other than an individual, set out the full legal name of ~~the body corporate~~that person or company, position of ~~person~~the individual signing on behalf of that person or company and address for service ~~of the body corporate)~~.)
SOLEMNLY DECLARE AND UNDERTAKE THAT:

1. I wish to send materials to beneficial owners of securities of [*insert name of the reporting issuer*] on whose behalf intermediaries hold securities, using the indirect sending procedures provided in National Instrument 54-101 (the "NI 54-101 Procedures").

2. I undertake that I am using the NI 54-101 Procedures to send materials to beneficial owners only for the purpose of one or both of the following:

(a) an effort to influence the voting of securityholders of the reporting issuer;

(b) an offer to acquire securities of the reporting issuer.

3. I am aware that it is a contravention of the law to send materials using the NI 54-101 Procedures for purposes other than in connection with one or both of the following:

(a) an effort to influence the voting of securityholders of the reporting issuer;

(b) an offer to acquire securities of the reporting issuer.

_____
Signature

_____
Name of person signing

_____
Date

31. (1) Despite section 2.7.1 of National Instrument 54-101, as enacted by section 8 of this Instrument, a person or company must not use notice-and-access to send proxy-related materials to a beneficial owner of voting securities of a reporting issuer in respect of a meeting of the reporting issuer that takes place before March 1, 2013.

(2) Despite subsection 2.5(5) of National Instrument 54-101, as enacted by section 7 of this Instrument, a reporting issuer must not request beneficial ownership information without using a transfer agent for the sole purpose of obtaining a NOBO list before February 15, 2013.

(3) Despite paragraph 6.2(6)(b) of National Instrument 54-101, as enacted by section 21 of this Instrument, a person or company is not required to provide the undertaking for a request to send materials indirectly to beneficial owners made before February 15, 2013.

(4) Despite section 22 of this Instrument, sections 7.1 and 7.2 of National Instrument 54-101 do not apply to NOBO lists requested before February 15, 2013 and requests to send materials indirectly to beneficial owners made before February 15, 2013.

(5) Despite section 23 of this Instrument, a reporting issuer must not rely on section 9.1.1 of National Instrument 54-101 in respect of a meeting that takes place before February 15, 2013.

~~***26.***~~32. This Instrument ~~**is effective on [*].**~~comes into force on February 11, 2013.

ANNEX C

AMENDMENTS TO
NATIONAL INSTRUMENT 51-102
CONTINUOUS DISCLOSURE OBLIGATIONS

1. National Instrument 51-102 Continuous Disclosure Obligations is amended by this Instrument.

2. Section 1.1 is amended by adding the following definitions:

"corporate law" has the same meaning as in section 1.1 of NI 54-101;

"notice-and-access" has the same meaning as in section 1.1 of NI 54-101;

"proxy-related materials" means securityholder material relating to a meeting of securityholders that a person or company that solicits proxies is required under corporate law or securities legislation to send to the registered holders or beneficial owners of the securities;

"special meeting" has the same meaning as in section 1.1 of NI 54-101;

"special resolution" has the same meaning as in section 1.1 of NI 54-101;

"stratification" has the same meaning as in section 1.1 of NI 54-101;***.***

3. Section 4.6 of National Instrument 51-102 is amended by

(a) replacing subsection (1) with the following:

4.6 Delivery of Financial Statements – (1) Subject to subsection (2), a reporting issuer must send annually a request form to the registered holders and beneficial owners of its securities, other than debt instruments, that the registered holders and beneficial owners may use to request any of the following:

(a) a paper copy of the reporting issuer's annual financial statements and MD&A for the annual financial statements;

(b) a copy of the reporting issuer's interim financial reports and MD&A for the interim financial reports***., and***

(b) replacing "two years***" in subsection (4) with "***one year***".***

4. The Instrument is amended by adding the following sections:

9.1.1 Notice-and-Access – (1) A person or company soliciting proxies may use notice-and-access to send proxy-related materials to a registered holder of voting securities of a reporting issuer if all of the following apply:

(a) the registered holder of voting securities is sent a notice that contains the following information and no other information:

(i) the date, time and location of the reporting issuer's meeting for which the proxy-related materials are being sent;

(ii) a description of each matter or group of related matters identified in the form of proxy to be voted on, unless that information is already included in a form of proxy that is being sent to the registered holder of voting securities under paragraph (b);

(iii) the website addresses for SEDAR and the non-SEDAR website where the proxy-related materials are posted;

(iv) a reminder to review the information circular before voting;

(v) an explanation of how to obtain a paper copy of the information circular and, if applicable, the documents in paragraph (2)(b) from the person or company;

(vi) a plain-language explanation of notice-and-access that includes the following information:

(A) if the person or company is using stratification, a list of the types of registered holders or beneficial owners who will receive paper copies of the information circular and, if applicable, the documents in paragraph (2)(b);

(B) the estimated date and time by which a request for a paper copy of the information circular and, if applicable, the documents in paragraph (2)(b), is to be received in order for the requester to receive the paper copy in advance of any deadline for the submission of the proxy and the date of the meeting;

(C) an explanation of how the registered holder is to return the proxy, including any deadline for return of the proxy;

(D) the sections of the information circular where disclosure regarding each matter or group of related matters identified in the notice can be found;

(E) a toll-free telephone number the registered holder can call to get information about notice-and-access;

(b) the registered holder of voting securities is sent, by prepaid mail, courier or the equivalent, the notice required by paragraph (a) and a form of proxy for use at the meeting and, in the case of a solicitation by or on behalf of management of the reporting issuer, the notice and form of proxy are sent at least 30 days before the date of the meeting;

(c) in the case of a solicitation by or on behalf of management of the reporting issuer, the reporting issuer files on SEDAR the notification of meeting and record dates in the manner and within the time specified by NI 54-101;

(d) public electronic access to the information circular, form of proxy and the notice in paragraph (a) is provided on or before the date that the person or company soliciting proxies sends the notice in paragraph (a) to registered holders in the following manner:

(i) the documents are filed on SEDAR as required by section 9.3;

(ii) the documents are posted until the date that is one year from the date that the documents are posted, on a website other than the website for SEDAR;

(e) a toll-free telephone number is provided for use by the registered holder of voting securities to request a paper copy of the information circular and, if applicable, the documents in paragraph (2)(b), at any time from the date that the person or company soliciting proxies sends the notice in paragraph (a) to the registered holder up to and including the date of the meeting, including any adjournment;

(f) if a request for a paper copy of the information circular and, if applicable, the documents in paragraph (2)(b), is received at the toll-free telephone number provided under paragraph (e) or by any other means, a paper copy of any such document requested is sent free of charge by the person or company soliciting proxies to the requester at the address specified in the request in the following manner:

(i) in the case of a request received prior to the date of the meeting, within 3 business days after receiving the request, by first class mail, courier or the equivalent;

(ii) in the case of a request received on or after the date of the meeting, and within one year of the information circular being filed, within 10 calendar days after receiving the request, by prepaid mail, courier or the equivalent.

(2) Unless an information circular is included with the proxy-related materials, a reporting issuer that sends proxy-related materials to a registered holder of voting securities using notice-and-access must not include with the proxy-related materials any information or document that relates to the particulars of any matter to be submitted to the meeting, except for the following:

(a) the information required to be included in the notice under paragraph (1)(a);

(b) financial statements of the reporting issuer to be approved at the meeting and MD&A related to those financial statements, which may be part of an annual report.

(3) A notice under paragraph (1)(a) and the form of proxy may be combined in a single document.

9.1.2 Posting materials on non-SEDAR website – (1) A person or company that posts proxy-related materials in the manner referred to in subparagraph 9.1.1(1)(d)(ii) must also post on the website the following documents:

(a) any disclosure material regarding the meeting that the person or company has sent to registered holders or beneficial owners of voting securities;

(b) any written communications the person or company soliciting proxies has made available to the public regarding each matter or group of matters to be voted upon at the meeting, whether or not they were sent to registered holders or beneficial owners of voting securities.

(2) Proxy-related materials that are posted under subparagraph 9.1.1(1)(d)(ii) must be posted in a manner and be in a format that permit an individual with a reasonable level of computer skill and knowledge to do all of the following easily:

(a) access, read and search the documents on the website;

(b) download and print the documents.

9.1.3 Consent to other delivery methods – For greater certainty, section 9.1.1 does not

(a) prevent a registered holder of voting securities from consenting to a person or company's use of other delivery methods to send proxy-related materials,

(b) terminate or modify a consent that a registered holder of voting securities previously gave to a person or company regarding the use of other delivery methods to send proxy-related materials, or

(c) prevent a person or company from sending proxy-related materials using a delivery method to which a registered holder has consented prior to February 11, 2013.

9.1.4 Instructions to receive paper copies – (1) Despite section 9.1.1, a reporting issuer may obtain standing instructions from a registered holder of voting securities that a paper copy of the information circular and, if applicable, the documents in paragraph 9.1.1(2)(b), be sent to the registered holder in all cases when the reporting issuer uses notice-and-access.

(2) If a reporting issuer has obtained standing instructions from a registered holder under subsection (1), the reporting issuer must do both of the following:

(a) include with the notice required by paragraph 9.1.1(1)(a) any paper copies of information circulars and, if applicable, the documents in paragraph 9.1.1(2)(b), required to comply with standing instructions obtained under subsection (1);

(b) include with the notice under paragraph (a) a description, or otherwise inform the registered holder of, the means by which the registered holder may revoke the registered holder's standing instructions.

9.1.5 Compliance with SEC Notice-and-Access Rules – A reporting issuer that is an SEC issuer can send proxy-related materials to registered holders under section 9.1 using a delivery method permitted under U.S. federal securities law, if both of the following apply:

(a) the SEC issuer is subject to, and complies with Rule 14a-16 under the 1934 Act;

(b) residents of Canada do not own, directly or indirectly, outstanding voting securities carrying more than 50% of the votes for the election of directors, and none of the following apply:

(i) the majority of the executive officers or directors of the issuer are residents of Canada;

(ii) more than 50% of the consolidated assets of the issuer are located in Canada;

(iii) the business of the issuer is administered principally in Canada..

5. Form 51-102F5 Information Circular is amended by adding the following section:

4.3 The information circular must include the following, if applicable:

(a) a statement that the reporting issuer is sending proxy-related materials to registered holders or beneficial owners using notice-and-access and, if stratification will be used, a description of the types of registered holders or beneficial owners who will receive paper copies of the information circular and, if applicable, the documents in paragraph 9.1.1(2)(b);

(b) a statement that the reporting issuer is sending proxy-related materials directly to non-objecting beneficial owners under NI 54-101;

(c) a statement that management of the reporting issuer does not intend to pay for intermediaries to forward to objecting beneficial owners under NI 54-101 the proxy-related materials and Form 54-101F7 – Request for Voting Instructions Made by Intermediary, and that in the case of an objecting beneficial owner, the objecting beneficial owner will not receive the materials unless the objecting beneficial owner's intermediary assumes the cost of delivery..

6. (1) Despite section 9.1.1 of National Instrument 51-102, as enacted by section 4 of this Instrument, a person or company must not use notice-and-access to send proxy-related materials to a registered holder of voting securities of a reporting issuer in respect of a meeting of the reporting issuer that takes place before March 1, 2013.

(2) A reporting issuer must not rely on section 9.1.5 of National Instrument 51-102, as enacted by section 4 of this Instrument, in respect of a meeting that takes place before February 15, 2013.

7. This Instrument comes into force on February 11, 2013.

BLACKLINE OF FINAL AMENDMENT INSTRUMENT TO
NATIONAL INSTRUMENT 51-102
CONTINUOUS DISCLOSURE OBLIGATIONS
(SHOWING CHANGES AGAINST VERSION PUBLISHED FOR COMMENT ON JUNE 11, 2011)

1. ~~This Instrument amends~~ National Instrument 51-102 Continuous Disclosure Obligations is amended by this Instrument.

2. Section 1.1 is amended by ~~(a) adding the following definition after "~~common share***~~":~~ definitions:***

"corporate law" has the same meaning as in section 1.1 of NI 54-101;

~~(b) adding the following definition after "~~non-voting security***~~":~~***

"notice-and-access" has the same meaning as in section 1.1 of NI 54-101;

~~(c) adding the following definition after "~~proxy***~~":~~***

"proxy-related materials" means securityholder ~~materials~~material relating to a meeting ~~that the reporting issuer~~of securityholders that a person or company that solicits proxies is required under corporate law or securities legislation to send to the registered holders or beneficial owners of the securities;

~~(d) adding the following definitions after "~~solicit***~~":~~***

"special meeting" has the same meaning as in section 1.1 of NI 54-101;

"special resolution" has the same meaning as in section 1.1 of NI 54-101;

"stratification" has the same meaning as in section 1.1 of NI 54-101;.

3. ~~Subsection~~Section 4.6 of National Instrument 51-102 is amended by

(a) ~~repealing and~~ replacing subsection (1) with the following:

4.6 Delivery of Financial Statements – (1) Subject to subsection (2), a reporting issuer must send ~~an annual~~annually a request form to the registered holders and beneficial owners of its securities, other than debt instruments, that the registered holders and beneficial owners may use to request ~~one or both~~any of the following:

(a) a paper copy of the reporting issuer's annual financial statements and MD&A for the annual financial statements ~~and, where the reporting issuer uses notice-and-access to send proxy-related materials, a paper copy of the information circular~~;

(b) a copy of the reporting issuer's interim financial reports and MD&A for the interim financial reports.***, and***

(b) ~~inserting "~~using the request form in subsection (1)***~~" after "~~***requests the reporting issuer's annual financial statements or interim financial reports***~~" in subsection (3);(c) replacing "~~***two years***~~" in subsection (4) with "~~***one year***~~".***

4. ~~The following is added after section 9.1 of National Instrument 51-102 Continuous Disclosure Obligations~~Instrument is amended by adding the following sections:

9.1.1 Notice-and-Access – (1) A person or company soliciting proxies may use notice-and-access to send proxy-related materials to a registered holder of voting securities ~~by notice-and-access that complies with~~of a reporting issuer if all of the following apply:

(a) the registered holder of voting securities is sent ~~the following:(i)~~a notice ~~containing all of~~that contains the following information~~,~~ and no other information:

~~A.~~(i) the date, time and location of the reporting issuer's meeting for which the proxy-related materials are being sent;

B.(ii) a factual description of each matter or group of related matters identified in the form of proxy to be voted on;, unless that information is already included in a form of proxy that is being sent to the registered holder of voting securities under paragraph (b);

C.(iii) the website address other than the addressaddresses for SEDAR;, and the non-SEDAR website where the proxy-related materials are located;posted;

D.(iv) a reminder to review the information circular before voting;

E.(v) an explanation of how to obtain a paper copy of the information circular and, if applicable, the documents in paragraph (2)(b) from the person or company;

(iivi) a document in plain -language that explainsexplanation of notice-and-access andthat includes the following information:

A. why the person or company is using notice-and-access;

B.(A) if the person or company is using stratification, whicha list of the types of registered holders or beneficial owners are receivingwho will receive paper copies of the information circular and, if applicable, the documents in paragraph (2)(b);

C.(B) the estimated date and time by which a request for a paper copy of the information circular shouldand, if applicable, the documents in paragraph (2)(b), is to be received in order for the requester to receive the paper copy in advance of any deadline for the submission of the proxy and the date of the meeting;

D.(C) an explanation of how the registered holder is to return the proxy, including any deadline for return of the proxy;

E.(D) the page numberssections of the information circular where disclosure regarding each matter or group of related matters identified in the notice in clause (i)(B) can be found;

F.(E) a toll-free telephone number the registered holder can call to ask questionsget information about notice-and-access;

(b) the registered holder of voting securities is sent a form of proxy for use at the meeting;(c) the registered holder of voting securities is sent, by prepaid mail, courier or the equivalent, paper copies of the documentsnotice required by paragraphs (a) and (b), andparagraph (a) and a form of proxy for use at the meeting and, in the case of a solicitation by or on behalf of management of the reporting issuer the documents, the notice and form of proxy are sent at least 30 days before the date fixed forof the meeting;

(dc) in the case of a solicitation by or on behalf of management of the reporting issuer, at least 30 days before the date fixed for the meeting the reporting issuer files on SEDAR the notification required by subsection 2.2(1) ofof meeting and record dates in the manner and within the time specified by NI 54-101;

(ed) public electronic access to the information circular, form of proxy and the documentsnotice in paragraph (a) is provided on or before the daydate that the person or company soliciting proxies sends the documents in paragraphs (a),notice in paragraph (a) to registered holders in the following manner:

(i) the documents are filed on SEDAR as required by section 9.3;

(ii) the documents are posted, for a period ending no earlier than the date of the first annual meeting following the meeting to which until the date that is one year from the date that the documents relate, atare posted, on a website address other than the addresswebsite for SEDAR;

(fe) a toll-free telephone number is provided for use by the registered holder of voting securities to request a paper copy of the information circular and, if applicable, the documents in paragraph (2)(b), at any time from the date that the person or company soliciting proxies sends the documentsnotice in

paragraph (a) to the registered holder~~,~~ up to and including the date of the meeting~~,~~ including any adjournment;

(~~g~~f) if a request ~~is received~~for a paper copy of the information circular and, if applicable, the documents in paragraph (2)(b), is received at the toll-free telephone number provided under paragraph (~~f~~e) or by any other means, a paper copy of ~~the information circular~~any such document requested is sent free of charge ~~to~~by the person or company soliciting proxies to the requester at the address specified in the request in the following manner:

(i) in the case of a request received prior to the date of the meeting, within 3 business days after receiving the request, by first class mail, courier or the equivalent;

(ii) in the case of a request received on or after the date of the meeting, and within one year of the information circular being filed, within 10 calendar days after receiving the request, by prepaid mail, courier or the equivalent.

(2) ~~A person or company~~Unless an information circular is included with the proxy-related materials, a reporting issuer that sends proxy-related materials to a registered holder of voting securities using notice-and-access must not include with the proxy-related ~~material any documents other than the documents set out in paragraphs (1)(a) or (b) unless an information circular also is included.~~**9.1.2 Notice in advance of first use of notice-and-access** – ~~Management of a reporting issuer that uses notice-and-access to send proxy-related material to a registered holder of voting securities must do the following not more than six months and not less than three months before the expected date of the first meeting for which proxy-related materials will be sent by notice-and-access:~~materials any information or document that relates to the particulars of any matter to be submitted to the meeting, except for the following:

(a) the information required to be included in the notice under paragraph (1)(a);

~~(a) post on a website that is not SEDAR a document in plain language that explains notice-and-access;~~

(b) ~~issue a news release stating that the reporting issuer intends to use notice-and-access to deliver proxy-related materials and providing the website address where the document in paragraph (a) is posted.~~ financial statements of the reporting issuer to be approved at the meeting and MD&A related to those financial statements, which may be part of an annual report.

(3) A notice under paragraph (1)(a) and the form of proxy may be combined in a single document.

~~9.1.3~~9.1.2 **Posting materials on non-SEDAR website –** (1) A person or company that posts proxy-related materials in the manner referred to in subparagraph 9.1.1(1)(e~~d~~)(ii) must also post on the website the following documents:

(a) any ~~other~~ disclosure material regarding the meeting that the person or company has sent to registered holders or beneficial owners of voting securities;

(b) any written communications the person or company soliciting proxies has made available to the public regarding each matter or group of matters to be voted upon at the meeting, whether or not they were sent to registered holders or beneficial owners of voting securities ~~or not~~.

(2) Proxy-related materials that are posted under subparagraph 9.1.1(1)(e~~d~~)(ii) must be posted in a manner and be in a format that ~~permits~~permit an individual with a reasonable level of computer skill and knowledge to do all of the following ~~conveniently~~easily:

(a) access, read and search the documents on the website;

(b) download and print the documents.

~~9.1.4~~9.1.3 **Consent to other delivery methods –** ~~Nothing in~~ For greater certainty, section 9.1.1 ~~shall be interpreted as~~does not

(a) ~~restricting~~prevent a registered holder of voting securities from consenting to a ~~reporting issuer~~person or company's use of other delivery methods to send proxy-related materials~~;~~.

(b) ~~terminating~~terminate or ~~a modifying~~modify a consent that a registered holder of voting securities previously gave to ~~reporting issuer~~a person or company regarding ~~a reporting issuer's~~the use of other delivery methods to send proxy-related materials~~;~~, or

(c) ~~preventing a reporting issuer~~prevent a person or company from sending proxy-related materials using a delivery method to which a registered holder has ~~previously~~ consented~~.~~ prior to February 11, 2013.

~~9.1.5~~**9.1.4** **Instructions to receive paper copies –** (1) Despite section 9.1.1, a reporting issuer may obtain standing instructions from a registered holder of voting securities that a paper copy of the information circular and, if applicable, the documents in paragraph 9.1.1(2)(b), be sent to the registered holder in all cases ~~where~~when the reporting issuer uses notice-and-access.

(2) ~~Where~~If a reporting issuer has obtained standing instructions from a registered holder under subsection (1), the reporting issuer must do ~~all~~both of the following:

(a) include with the notice required by paragraph 9.1.1(1)(a) any paper copies of information circulars and, if applicable, the documents in paragraph 9.1.1(2)(b), required to comply with standing instructions obtained under subsection (1) ~~with the documents required by paragraphs 9.1.1(1)(a) and (b)~~;

(b) ~~provide a mechanism for~~include with the notice under paragraph (a) a description, or otherwise inform the registered holder of, the means by which the registered holder ~~to~~may revoke the registered holder's standing instructions.

~~(3) Where a reporting issuer has received a request for a paper copy of the information circular from a registered holder under paragraph 4.6(1)(a), the reporting issuer must include a paper copy of the information circular with the documents required by paragraphs 9.1.1(1)(a) and (b).~~

~~9.1.6~~**9.1.5** **Compliance with SEC Notice-and-Access Rules –** ~~Section 9.1 does not apply to a~~A reporting issuer that is an SEC issuer can send proxy-related materials to registered holders under section 9.1 using a delivery method permitted under U.S. federal securities law, if ~~it satisfies~~ both of the following apply:

(a) the SEC issuer is subject to, and complies with ~~requirements under~~ Rule 14a-16 under the 1934 Act;

(b) residents of Canada do not own, directly or indirectly, outstanding voting securities carrying more than 50 ~~per cent~~% of the votes for the election of directors, and none of the following ~~is true~~apply:

(i) the majority of the executive officers or directors of the issuer are residents of Canada;

(ii) more than 50 ~~per cent~~% of the consolidated assets of the issuer are located in Canada;

(iii) the business of the issuer is administered principally in Canada.~~.~~

5. Form 51-102F5 — Information Circular is amended by adding the following ~~after item 4.2~~section:

4.3 The information circular must ~~state~~include the following ~~information,~~ if applicable:

(a) a statement that the reporting issuer is sending proxy-related materials to registered holders or beneficial owners using notice-and-access~~,~~ and~~,~~ if stratification ~~is being~~will be used, a description of the types of registered holders or beneficial owners who will receive paper copies of the information circular and, if applicable, the documents in paragraph 9.1.1(2)(b);

(b) a statement that the reporting issuer is sending proxy-related materials directly to non-objecting beneficial owners under NI 54-101;

(c) a statement that management of the reporting issuer ~~has decided~~does not intend to pay for intermediaries to forward to objecting beneficial owners under NI 54-101 the proxy-related materials and Form 54-101F7 – Request for Voting Instructions Made by Intermediary, and that ~~it is~~in the ~~responsibility of objecting beneficial owners to contact their intermediaries to make any necessary~~

~~arrangements to exercise voting rights attached to securities they beneficially own.~~case of an objecting beneficial owner, the objecting beneficial owner will not receive the materials unless the objecting beneficial owner's intermediary assumes the cost of delivery..

6. (1) Despite section 9.1.1 of National Instrument 51-102, as enacted by section 4 of this Instrument, a person or company must not use notice-and-access to send proxy-related materials to a registered holder of voting securities of a reporting issuer in respect of a meeting of the reporting issuer that takes place before March 1, 2013.

(2) A reporting issuer must not rely on section 9.1.5 of National Instrument 51-102, as enacted by section 4 of this Instrument, in respect of a meeting that takes place before February 15, 2013.

~~6.~~7. This Instrument ~~is effective on [*].~~comes into force on February 11, 2013.

ANNEX D

CHANGES TO COMPANION POLICY 54-101CP
TO NATIONAL INSTRUMENT 54-101
COMMUNICATION WITH BENEFICIAL OWNERS
OF SECURITIES OF A REPORTING ISSUER

This Annex shows, by way of blackline, changes approved to Companion Policy 54-101CP *Communication with Beneficial Owners of Securities of a Reporting Issuer*. These changes become effective on February 11, 2013.

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PART1 BACKGROUND

1.1 History

(1) Obligations imposed on reporting issuers under corporate law and securities legislation to communicate with securityholders are typically cast as obligations in respect of registered holders and not in respect of beneficial owners. For purposes of market efficiency, securities are generally no longer registered in the names of the beneficial owners but rather in the names of depositories, or their nominees, who hold on behalf of intermediaries, such as dealers, trust companies or banks, who, in turn, hold on behalf of the beneficial owners. Securities may also be registered directly in the names of intermediaries who hold on behalf of the beneficial owners.

(2) Corporate law and securities legislation require reporting issuers to send to their registered holders information and materials that enable such holders to exercise their right to vote. To address concerns that beneficial owners who hold their securities through intermediaries or their nominees may not receive the information and materials, in 1987, the CSA approved National Policy Statement No. 41 ("NP41"), which has since been replaced by National Instrument 54-101 (the "Instrument").

(3) The purpose of this Policy is to state the views of the Canadian securities regulatory authorities on various matters relating to the Instrument in order to provide guidance and interpretation to market participants in the practical application of the Instrument.

1.2 Fundamental Principles — The following fundamental principles have guided the preparation of the Instrument:

(a) all securityholders of a reporting issuer, whether registered holders or beneficial owners, should have the opportunity to be treated alike as far as is practicable;

(b) efficiency should be encouraged; and

(c) the obligations of each party in the securityholder communication process should be equitable and clearly defined.

PART 2 GENERAL

2.1 Application of Instrument

(1) The securityholder communication procedures ~~contemplated by~~in the Instrument are ~~applicable~~relevant to all securityholder materials sent by a reporting issuer to ~~holders~~beneficial owners of its securities ~~of the reporting issuer~~ under Canadian securities legislation ~~including~~. Securityholder materials include, but are not limited to, proxy-related materials. Securityholder materials include :

(a) materials required by securities legislation or applicable corporate law to be sent to registered holders ~~of securities~~or beneficial owners of a reporting issuer's securities, such as interim financial reports or annual financial statements ~~and~~;

(b) materials required by securities legislation or applicable corporate law to be sent only to registered holders of a reporting issuer's securities, such as issuer bid and directors circulars~~. Securityholder~~ and dissident proxy-related materials ~~can also include~~ ;

(c) materials sent to registered holders or beneficial owners of a reporting issuer's securities absent any legal requirement to do so.

(2) As provided in section 2.7 of the Instrument, compliance with the procedures set out in the Instrument is mandatory for reporting issuers when sending proxy-related materials to beneficial owners, and, under section 2.8 of the Instrument, is optional for the sending of other materials. Once a reporting issuer, or another person or company pursuant to Part 6 of the Instrument, chooses to use the communications procedures specified in the Instrument for a reporting issuer, depositories, intermediaries and other persons or companies must comply with their corresponding obligations under the Instrument.

2.2 Application to Foreign Securityholders and U.S. Issuers

(1) As provided in subsection 2.12(~~3~~5) of the Instrument, a reporting issuer that is precluded from sending securityholder materials directly to NOBOs because of conflicting legal requirements in the United States or

elsewhere outside of Canada shall send the materials indirectly, i.e., by forwarding the materials to NOBOs through proximate intermediaries for those securities. Subsection 2.12(3) does not require a reporting issuer to send proxy-related materials to all beneficial owners outside Canada. A reporting issuer need only send proxy-related materials to beneficial owners who hold through proximate intermediaries that are either participants in a recognized depository, or intermediaries on the depository's intermediary master list.

(2) National Instrument 71-101 *The Multijurisdictional Disclosure System* provides, in Part 18, that a "U.S. issuer", as defined in that Instrument, is considered to satisfy the requirements of National Instrument 54-101, other than in respect of fees, if the issuer complies with the requirements of Rule 14a-13 under the 1934 Act for any Canadian clearing agency and any intermediary whose last address as shown on the books of the issuer is in the local jurisdiction. Those requirements are designed to achieve the same purpose as the requirements of the Instrument.

(3) A Canadian reporting issuer may be exempt from complying with U.S. requirements under a reciprocal provision in the U.S. Multijurisdictional Disclosure regime.

~~**2.3 Interim Financial Statements** - Interim financial statements sent to beneficial owners in accordance with National Instrument 54-102 *Interim Financial Statement and Report Exemption* are "securityholder materials" under the Instrument. However, financial statements sent under National Instrument 54-102 need not be sent using the mechanisms of National Instrument 54-101 as the reporting issuer will send them directly to persons on a supplemental list.~~

2.3 [Deleted]

2.4 "Client" and "Intermediary" to be Distinguished From "Beneficial Owner"

(1) Section 1.1 of the Instrument distinguishes between "client" and "beneficial owner". The two definitions recognize that, for many reporting issuers, there may be layers of intermediaries between the registered holder of a security and the ultimate beneficial owner. For example, a dealer could hold a security on behalf of another dealer that in turn holds the security for the beneficial owner.

(2) For the purposes of the Instrument, if an intermediary that holds securities has discretionary voting authority over the securities, it will be the beneficial owner of those securities for purposes of providing instructions in a client response form, and would not also be an "intermediary" with respect to those securities.

(3) The term "client" refers to the person or company for whom an intermediary directly holds securities, regardless of whether the client is a beneficial owner. For example, if a dealer holds securities on behalf of a bank that in turn holds the securities on behalf of the beneficial owner, the bank is a client of the dealer, and the beneficial owner is a client of the bank. The beneficial owner is not a client of the dealer. Section 1.2 of the Instrument recognizes that, under the Instrument, an intermediary may "hold" securities for a client, even if another person or company is shown on the books or records of the reporting issuer or the records of another intermediary or depository as the holder of the securities.

2.5 Definition of "Corporate Law" – Section 1.1 of the Instrument defines "corporate law" as any legislation, constating instrument or agreement that governs the affairs of a reporting issuer. The term "corporate law" therefore encompasses Canadian and foreign laws, a declaration or deed of trust in the case of a trust, and the partnership agreement in the case of a partnership.

2.6 Fees – Section 1.4 provides that fees payable under the Instrument, unless prescribed by the regulator or securities regulatory authority, shall be a reasonable amount. Section 2.13 provides that a reporting issuer shall pay a fee to a proximate intermediary for furnishing the information requested in a request for beneficial ownership information (which would be used by reporting issuer to request a NOBO list) made by the reporting issuer. Paragraph 2.14(1)(a) provides that a reporting issuer that sends securityholder materials indirectly to NOBOs through a proximate intermediary shall pay to the proximate intermediary, upon receipt by the reporting issuer of a certificate of sending to NOBOs in accordance with the instructions specified by the reporting issuer and the request for beneficial ownership information, a fee for sending the securityholder materials to the NOBOs. In determining what is a reasonable amount the Canadian securities regulatory authorities expect that market participants will be guided by fees previously prescribed by Canadian securities regulatory authorities and by the fees payable for comparable services in other jurisdictions such as the United States, as well as by technological developments. In the case of fees for sending securityholder materials to NOBOs, referred to in paragraph 2.14(1)(a), the CSA would regard as currently reasonable an amount not exceeding $1 (being the amount previously specified in NP41).

2.7 Agent – A depository, intermediary ~~or reporting issuer that uses an agent to comply with the requirements of the Instrument is reminded that it~~, reporting issuer or any other person or company subject to obligations under the Instrument's securityholder communication procedures may use a service provider as its agent to fulfil its obligations. A person or company that uses an agent remains fully responsible for ~~such compliance.~~ fulfilling its obligations under the Instrument, and for the conduct of the agent in this regard. In particular, section 11.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("NI 31-103") requires any person or company that is a registered firm under NI 31-103 to establish, maintain and apply policies and procedures that establish a system of controls and supervision sufficient to provide reasonable assurance that the firm and each individual acting on its behalf complies with securities legislation.

A person or company is permitted to fulfil its obligations relating to another party through an agent of that other party. For example, under section 2.12 of the Instrument, a reporting issuer fulfills its obligation to send securityholder materials to a proximate intermediary if the proximate intermediary designates an agent to whom the reporting issuer will provide the materials, and the reporting issuer sends the materials to such agent. If an intermediary has designated an agent in the foregoing circumstances, we expect reporting issuers to send materials to that designated agent unless a reporting issuer previously has made alternate arrangements agreeable to that intermediary well in advance of the reporting issuer's meeting. We expect that any such alternate arrangements would be at least as efficient and user-friendly as established industry practices.

PART 3 REPORTING ISSUERS

3.1 Timing for Notice of Meeting and Record Dates and Intermediary Searches

(1) ~~Subject to section 2.20, section~~Section 2.2 of the Instrument requires that, 25 days before the record date for notice of a meeting, a reporting issuer send to the entities named in that section a notification of meeting and record dates~~, and section~~ that includes certain basic information about the meeting. Section 2.5 of the Instrument requires that 20 days before the record date for notice, a reporting issuer send a request for beneficial ownership information to proximate intermediaries. Section 2.20 allows these timing requirements to be abridged so long as the reporting issuer arranges to have the proxy-related materials for the meeting sent in compliance with the applicable timing requirements in sections 2.9 and 2.12, and upon filing of an officer's certificate containing the information specified in section 2.20. Where the reporting issuer uses notice-and-access, the reporting issuer also must fix the record date for notice to be at least 40 days before the date of the meeting, and send the notification of meeting and record dates at least 25 days before the meeting.

Nevertheless, reporting issuers should commence the notice and searches referred to in sections 2.2, 2.3 and 2.5 at an early date and in sufficient time to allow the completion of all steps and actions required before the sending of materials, including allowing for the response time permitted for intermediaries in section 4.1 and depositories in section 5.3, so that the materials may be sent within the times contemplated by sections 2.9 and 2.12 of the Instrument.

(2) The time frames stipulated by sections 2.9 and 2.12 of the Instrument are minimum requirements. For a meeting that will deal with contentious matters, the CSA expect that good corporate practice will often require that materials be sent earlier than the minimum required dates to ensure that securityholders have a full opportunity to understand and react to the matters raised.

(3) It remains the reporting issuer's responsibility when planning a meeting timetable to factor in all timing considerations, including deadlines external to the Instrument. For example, reporting issuers that have obligations under corporate law to advertise in advance of a record date for notice, or satisfy other publication obligations, would need to comply with those obligations. Reporting issuers that intend to satisfy their advance publication obligation by relying upon publication by CDS of meeting and record dates under subsection 5.2(2) of the Instrument would need to factor in the timing of publication by CDS and the advance notice required by CDS, as described in section 3.4 of this Policy, in order to permit inclusion of meeting and record date information in the publication. Reporting issuers will also need to factor in the time needed to produce and assemble the relevant securityholder materials after quantities have been determined.

(4) Proximate intermediaries are required under section 4.1 of the Instrument to furnish the information requested in a request for beneficial ownership information, in certain circumstances, within three business days of receipt. It should be noted that this timing refers to receipt of the request by the proximate intermediary, which may not be the same date as the request was sent by the reporting issuer. The time necessary for a request for beneficial ownership information to be received by a proximate intermediary should be factored into a reporting issuer's planning.

3.2 Adjournment or Change in Meeting

(1) Under section 2.15, a reporting issuer that sends a notice of adjournment or other change for a meeting to registered holders of its securities shall concurrently send the notice, including any change in the beneficial ownership determination date, to the persons and companies listed in section 2.15. Issuers are reminded of a number of other potential implications associated with an adjournment or other change, including those set out below.

(2) If additional proxy-related materials are sent in connection with the meeting after proxy-related materials have previously been sent, a new intermediary search may be required if the beneficial ownership determination date for the meeting is changed.

(3) New intermediary searches may have to be conducted if the nature of the business to be transacted at the meeting is materially changed. If the nature of the business is changed to add business that results in the meeting becoming a special meeting, it may be necessary to conduct new intermediary searches in order to ensure that beneficial owners that had elected to receive only proxy-related materials that are sent in connection with a special meeting receive proxy-related materials for the meeting.

(4) If an adjournment or other change to the business of the meeting requires that new proxy-related materials be sent to securityholders, the meeting date or the date of the adjourned meeting may have to be delayed to satisfy the time periods specified in the Instrument, unless an exemption from the time periods of the Instrument is obtained. If the change in the business of the meeting is significant, such as a change from only routine business to special business, Canadian securities regulatory authorities will not generally grant exemptions from timing requirements for sending proxy-related materials in the absence of exceptional circumstances.

3.3 Request for Beneficial Ownership Information

(1) A request for beneficial ownership information made under subsection 2.5(2) of the National Instrument may be for any class or series of securities and is not restricted to only those securities carrying the right to receive notice of, or to vote at, a meeting, as is the case with a request under subsection 2.5(1). A request under subsection 2.5(2) need not necessarily be addressed to all proximate intermediaries holding the class or series of securities.

(2) If it is able to do so, a proximate intermediary is required to respond to a request for a NOBO list by providing the NOBO list in electronic format. ~~All requests~~Subsection 2.5(4) provides that a request for beneficial ownership information ~~including NOBO lists are required to~~must be made through a transfer agent. ~~A reporting issuer that wishes to receive a NOBO list in non-electronic format may make arrangements with its transfer agent to have the electronic format received by the transfer agent converted to a paper copy.~~However, where only a NOBO list is being requested, the request may be made by the reporting issuer (or another person or company retained by the reporting issuer), provided the requester has provided the necessary undertaking in Form 54-101F10.

3.4 Depository's Index of Meetings – CDS advises that the index referred to in section 5.2 of the Instrument is currently published in the Monday edition of *The Globe and Mail Report on Business* and in the Tuesday edition of *La Presse*. CDS advises that notices of meetings received by CDS by noon on Wednesday are usually published in *The Globe and Mail* on the following Monday and in *La Presse* on the following Tuesday. A reporting issuer should contact CDS for current forms and fee schedules of CDS.

3.4.1 Explanation of Voting Rights

(1) Subsection 2.16(1) of the Instrument requires a reporting issuer's proxy-related materials to contain a plain language explanation of how the beneficial owner can exercise the voting rights attached to the securities.

(2) Subsection 2.16(2) of the Instrument requires management of a reporting issuer to provide in the information circular disclosure about the following:

(a) whether the reporting issuer is sending proxy-related materials to registered holders or beneficial owners using notice-and-access, and if stratification will be used, the types of registered holders or beneficial owners who will receive paper copies of the information circular;

(b) whether the reporting issuer is sending proxy-related materials directly to NOBOs;

(c) whether the reporting issuer intends to pay for delivery to OBOs. If the reporting issuer does not intend to pay for such delivery, the information circular must disclose this fact and state that an OBO will not receive the materials unless the OBO's intermediary assumes the costs of delivery.

This disclosure is intended to explain to beneficial owners why they may receive different proxy-related materials than other beneficial owners and why they may not receive proxy-related materials even if they have requested them. Item 4.3 of Form 51-102F5 Information Circular also requires this disclosure.

We also encourage reporting issuers to disclose whether they are sending proxy-related materials to beneficial owners who have declined to receive them and explain their decision.

(3) If a reporting issuer has chosen not to pay for proximate intermediaries to deliver proxy-related materials and Form 54-101F7 to OBOs, section 2.12 still requires that it send to a proximate intermediary the number of sets of proxy-related materials that the proximate intermediary requested for forwarding to OBOs.

3.5 NOBO Voting Instructions –

(1) Voting instructions that the reporting issuer requests directly from NOBOs will be returned directly to the reporting issuer. Management of the reporting issuer will then vote the securities beneficially owned by NOBOs in accordance withaccording to the instructions received from the NOBOs to the extent that management has the corresponding proxy. That proxy is given to management by theThe proximate intermediary that provides the NOBO list under subsection 4.1(1) of the Instrument gives management that proxy.

We expect reporting issuers that choose to solicit voting instructions directly from NOBOs to have appropriate procedures for NOBO voting, which includes doing the following in a timely manner:

(a) responding to inquiries from NOBOs or intermediaries with NOBO clients about the voting process;

(b) appointing a NOBO or nominee of the NOBO as a proxyholder in respect of securities beneficially owned by the NOBO;

(c) generating a new Form 54-101F6 if a NOBO requests one. For example, a NOBO may have misplaced a Form 54-101F6 that he or she had received; or may now wish to provide voting instructions although he or she had previously indicated on his or her client response form that he or she did not wish to receive proxy-related materials.

We expect reporting issuers and intermediaries to work together to address any issues arising from the NOBO voting process.

3.6 Appointing NOBO as Proxy Holder – Section 2.18 of the Instrument requires reporting issuers who request voting instructions from NOBOs to:

- arrange to appoint the NOBO as proxy holder, if he or she so instructs, at no expense to the NOBO; and
- deposit the proxy within any time specified in the information circular for the deposit of proxies (a "proxy cut-off") if the reporting issuer obtains the instructions at least one business day before the proxy cut-off. We expect reporting issuers to make best efforts to deposit the proxy even if the instructions are obtained less than one business day before the proxy cut-off.

However, subject to these basic obligations, reporting issuers have flexibility as to the specific mechanism used to appoint the beneficial owner as proxy holder.

PART 4 INTERMEDIARIES

4.1 Client Response Form – By completing a client response form as provided in Part 3 of the Instrument, a beneficial owner gives notice of its choices concerning the receipt of materials and the disclosure of ownership information concerning it. Pursuant to section 3.4 of the Instrument, a beneficial owner may, by notice to the intermediary through which it holds, change any prior instructions given in a client response form. Proximate intermediaries should alert their clients to the costs and other consequences of the options in the client response form. Section 4.6 of National Instrument 51-102 *Continuous Disclosure Obligations* requires reporting issuers to send annually a request form to the registered holders and beneficial holders of its securities that the holders may use to request a copy of the reporting issuer's financial statements and MD&A. Failing to return the request form or otherwise specifically request a copy of

the financial statements or MD&A from the reporting issuer will override the beneficial owner's standing instructions under this Instrument in respect of the financial statements.

4.2 Separate Accounts – A client that wishes to make different choices concerning receipt of securityholder materials or disclosure of ownership information with respect to some of the securities beneficially owned by it should hold those securities in separate accounts.

4.3 Reconciliation of Positions

(1) The records of an intermediary must show which of its clients are NOBOs, OBOs or other intermediaries, and specify the holdings of each of those clients.

(2) In order that the Instrument work properly, it is important that the records of an intermediary be accurate. Its records must reconcile accurately with the records of the person or company through whom the intermediary itself holds the securities, which could either be another intermediary or a depository, or the security register of the relevant issuer, if the intermediary is a registered securityholder. This reconciliation must include securities held both directly and through nominees.

(3) A proximate intermediary should provide accurate responses to requests for beneficial ownership information. Information about the holdings of NOBOs, when added to the holdings of OBOs, the holdings of other intermediaries holding through the proximate intermediary and the holdings that the proximate intermediary holds as principal, must not exceed the total security holdings of the proximate intermediary, including its nominees, as shown on the register of the issuer or in the records of the depository.

(4) It is important as well that the total number of votes cast at a meeting by an intermediary or persons or companies holding through an intermediary not exceed the number of votes for which the intermediary itself is a proxyholder.

4.4 Identification of Intermediary

(1) A NOBO list with FINS numbers will only be provided where the list is sought by a reporting issuer in conjunction with a meeting of its securityholders in circumstances in which the issuer is sending proxy-related materials under paragraph 4.1(1)(c) of the Instrument. The FINS number should not be required in circumstances where it is not necessary to reconcile voting instructions and/or proxies.

(2) Identification of the intermediary and the holdings specified in the corresponding NOBO list on requests for voting instructions as required in Form 54-101F6 is necessary for the reporting issuer to be able to reconcile voting instructions received from a NOBO to the corresponding position registered in the name of the intermediary or its nominee or in respect of which the intermediary holds a proxy. In addition, should a NOBO wish to change its voting instructions, before or at a meeting of securityholders, knowledge of the corresponding intermediary and the NOBO's holdings is necessary.

4.5 Changes to Intermediary Master List – It is the obligation of intermediaries under section 3.1 of the Instrument to notify each depository of any changes in the information required to be provided under that section within five business days after the change. The five business days is a maximum requirement and it is expected that intermediaries will provide notice of such changes as soon as possible and, if possible in advance, in order that their clients not be prejudiced.

4.6 Incomplete or Late Deliveries – If sets of securityholder materials of a reporting issuer are incomplete or received after the prescribed time limits, the intermediary should advise the reporting issuer and request instructions.

4.7 Other Obligations of Intermediaries – The Instrument addresses the obligations of intermediaries in connection with the forwarding of securityholder materials. It is noted that intermediaries will have other obligations to the beneficial owners holding through them that arise from the nature of the relationship between the intermediary and the beneficial owners. These obligations will likely include advising the beneficial owners of the commencement of take-over bids, issuer bids, rights offerings and other events, and advising as to how the beneficial owners can obtain the relevant materials.

4.8 Instructions from Existing Clients – A client deemed to be a NOBO under NP41 can continue to be treated as a NOBO under paragraph 3.3(b)(ii) of this Instrument. However, intermediaries are responsible for ensuring that they comply with their obligations under privacy legislation with respect to their clients' personal information. Intermediaries may find that, notwithstanding paragraph 3.3(b)(ii), privacy legislation requires that they take measures to obtain their

clients' consent before they disclose their clients' names and security holdings to a reporting issuer or other sender of material.

4.9 Appointing Beneficial Owner as Proxy Holder – Section 4.5 of the Instrument requires intermediaries to:

- arrange to appoint the beneficial owner as proxy holder, if he or she so instructs, at no expense to the beneficial owner; and
- deposit the proxy within any proxy cut-off if the intermediary obtains the instructions at least one business day before the proxy cut-off. We encourage intermediaries to make best efforts to deposit the proxy even if the instructions are obtained less than one business day before the proxy cut-off.

However, subject to these basic obligations, intermediaries have flexibility as to the specific method used to appoint the beneficial owner as proxy holder. One method in current use and permitted under section 4.5 of the Instrument is the "appointee system". Under the appointee system, a beneficial owner who wishes to be appointed as proxy holder for the intermediary in respect of securities that he or she beneficially owns can print his or her name or the name of his or her appointee in a space provided on the voting instruction form. The name of the beneficial owner or her appointee is then recorded on a cumulative proxy, which is provided to the proxy tabulator or meeting scrutineer. When the beneficial owner or his or her appointee arrives at the meeting, the scrutineer has all the necessary proxies and information at hand to enable the beneficial owner or other appointees to vote at the meeting.

PART 5 ~~MEANS OF SENDING~~ – MEANS OF SENDING

5.1 General

~~**5.1 General** - All parties should use the most efficient means of sending information or securityholder material, including, if practicable, sending materials in bulk.~~

The following tables illustrate the options available for sending proxy-related materials to beneficial owners.

Table A: Direct Sending to NOBOs

Delivery Method	Documents Sent	Beneficial Owner Prior Consent Required?
Prepaid mail, courier or the equivalent	Reporting issuer sends paper copies of proxy-related materials, including notice of meeting, management information circular, Form 54-101F6 and, if applicable, annual financial statements and related MD&A, which may be part of an annual report.	No.
Notice-and-access	Reporting issuer files management information circular and notice on SEDAR and posts on non-SEDAR website. Reporting issuer sends notice and Form 54-101F6. Reporting issuer is responsible for providing on request paper copy of information circular and, if applicable, the annual financial statements and related MD&A. Reporting issuer may send some NOBOs paper copies of the information circular and, if applicable, the annual financial statements and related MD&A, pursuant to stratification and/or previously obtained or standing instructions.	No, if notice package is sent using prepaid mail, courier or the equivalent. Yes, if notice package is being sent by other method, i.e., electronically.
Other delivery method	Reporting issuer sends proxy-related materials and Form 54-101F6 using delivery method that is not (i) prepaid mail, courier or the equivalent, or (ii) notice-and-access, e.g., an e-mail with embedded links.	Yes.

~~**5.2 Materials in Bulk for**~~**Table B: Indirect Sending to Beneficial Owners** ~~- Securityholder materials sent to intermediaries for sending to beneficial owners by mail should be in uncollated bulk form. All materials forming part of a set to be delivered to securityholders should be delivered together. The intermediary will collate the materials; if the~~

~~materials are proxy-related materials the intermediary will substitute for any issuer proxy contained in the materials a request for voting instructions for matters to which the proxy-related materials relate.~~

Delivery Method	Documents Sent	Beneficial Owner Prior Consent Required?
Prepaid mail, courier or the equivalent	Reporting issuer sends paper copies of proxy-related materials, including notice of meeting, management information circular and, if applicable, annual financial statements and related MD&A, which may be part of an annual report. Proximate intermediary (or in some cases, intermediary) will add to that package a paper copy of Form 54-101F7.	No.
Notice-and-access	Reporting issuer files management information circular and notice on SEDAR and posts on non-SEDAR website. Reporting issuer sends requested number of copies of notice to proximate intermediaries (and in some cases, intermediaries) for sending to beneficial owners. Reporting issuer also sends appropriate numbers of paper copies of the information circular and, if applicable, annual financial statements and related MD&A, for proximate intermediaries (in some cases, intermediaries) to send pursuant to stratification and/or previously obtained or standing instructions. Proximate intermediary (or in some cases, intermediary) will add to that package a paper copy of Form 54-101F7.	No, if notice package is sent using prepaid mail, courier or the equivalent. Yes, if notice package is being sent by other method, i.e., electronically.
Other delivery method	Proximate intermediary (or in some cases, intermediary) sends proxy-related materials and Form 54-101F7 using delivery method that is not (i) prepaid mail, courier or the equivalent, or (ii) notice-and-access, e.g., email with embedded links.	Yes.

~~5.3 **Number of Sets of Materials**~~ **5.2 Securityholder Materials Sent to Intermediaries** – Reporting issuers and other persons or companies should make arrangements with proximate intermediaries to send securityholder materials to beneficial owners in a timely manner. A proximate intermediary should not request sets of securityholder materials for NOBOs if the reporting issuer will be sending the materials directly to those NOBOs.

5.3 Prepaid Mail, Courier or the Equivalent – Paper copies of proxy-related materials must be sent using prepaid mail, courier or an equivalent delivery method. We consider "first class mail" to be the equivalent of Canada Post Lettermail. An equivalent delivery method is any delivery method where the beneficial owner receives paper copies in a similar time frame as prepaid mail or courier. For example, a reporting issuer that sponsors an employee share purchase plan could arrange for the proximate intermediary to deliver proxy-related materials to beneficial owner employees through the reporting issuer's internal mail system.

5.4 Notice-and-Access

(1) The Instrument permits a reporting issuer to use notice-and-access to send proxy-related materials to beneficial owners. Notice-and-access cannot be used for sending proxy-related materials relating to meetings of investment fund reporting issuers. However, it can be used for all other types of meetings.

When using notice-and-access for the first time, a reporting issuer must file on SEDAR the notification of meeting and record dates at least 25 days before the record date for notice, i.e., the abridgment provisions in section 2.20 do not apply. We also encourage issuers to consider what additional methods of advance notice are appropriate. For example, an issuer could consider a special purpose mailing to its retail beneficial owners in advance of the first meeting for which notice-and-access is used.

We expect reporting issuers to evaluate the potential impact of using notice-and-access on beneficial owners of their voting securities when deciding whether to use notice-and-access. Factors that reporting issuers should take into account include:

- the nature of the meeting business (including whether it is expected to be contentious); and
- whether notice-and-access resulted in material declines in beneficial owner voting rates in prior meetings where notice-and-access was used.

(2) Notice-and-access can be used by reporting issuers to send proxy-related materials directly to NOBOs under section 2.9 of the Instrument or indirectly under section 2.12 of the Instrument.

Direct sending to NOBOs:

The reporting issuer must send at least 30 days before the meeting the notice required by paragraph 2.7.1(1)(a) and Form 54-101F6 (subsection 2.9(3) of the Instrument). The reporting issuer also must at the same time send any paper copies of the information circular and, if applicable, annual financial statements and annual MD&A required to comply with previously obtained or standing instructions.

Indirect sending to beneficial owners:

The reporting issuer must send within the relevant timelines set out in subsection 2.12(3) the notice required by paragraph 2.7.1(1)(a). The reporting issuer also must at the same time send any paper copies of the information circular and, if applicable, annual financial statements and annual MD&A required to comply with previously obtained or standing instructions. The proximate intermediary (or in some cases, the intermediary) must prepare a Form 54-101F7 and forward it with the foregoing documents (section 4.4 of the Instrument). The notice can be combined with Form 54-101F7 in a single document.

(3) With respect to matters to be voted on at the meeting, the notice must only contain a description of each matter or group of related matters identified in the form of proxy, unless the information is already included in an applicable voting instruction form. We expect that reporting issuers will state each matter or group of related matters in the proxy (or voting instruction form) in a reasonably clear and user-friendly manner. For example, it would be inappropriate to identify the matter to be voted on solely by referring to disclosure contained in the information circular as follows: “To vote For or Against the resolution in Schedule A of management’s information circular”.

The notice must contain a plain-language explanation of notice-and-access. The explanation also can address other aspects of the proxy voting process. However, there should not be any substantive discussion of the matters to be considered at the meeting.

(4) Paragraph 2.7.1(1)(b) of the Instrument requires the beneficial owner to be sent as part of the notice package the appropriate voting instruction form, i.e., a Form 54-101F6 where the reporting issuer is sending proxy-related materials directly and soliciting voting instructions from NOBOs, and a Form 54-101F7 where an intermediary is doing so.

(5) Paragraph 2.7.1(1)(c) of the Instrument requires the reporting issuer to file on SEDAR the notification of meeting and record dates required by subsection 2.2(1) on the same date that it sends the notification under subsection 2.2(1). This provision is subject to section 2.7.2, which specifies that the first time that a reporting issuer uses notice-and-access, the reporting issuer must file on SEDAR the notification of meeting and record dates at least 25 days before the record date for notice.

(6) Paragraph 2.7.1(1)(d) of the Instrument requires the notice and the information circular to be filed on SEDAR and posted on a website other than SEDAR. The non-SEDAR website can be the reporting issuer’s website or the website of a service provider.

(7) Paragraph 2.7.1(1)(e) of the Instrument requires the reporting issuer to establish a toll-free telephone number for the beneficial owner to request a paper copy of the information circular. A reporting issuer may choose to, but is not required to, provide additional methods for requesting a paper copy of the information circular. If a reporting issuer does so, it must still comply with the fulfillment timelines in paragraph 2.7.1(1)(f) of the Instrument and the restrictions on use of information obtained in connection with the request.

(8) Section 2.7.3 of the Instrument is intended to restrict intentional information gathering about beneficial owners by reporting issuers who receive requests for paper copies of information circulars or via the website other than SEDAR.

(9) Section 2.7.4 of the Instrument is intended to allow beneficial owners to access the posted proxy-related materials in a user-friendly manner. For example, requiring the beneficial owner to navigate through several

web pages to access the proxy-related materials would not be user-friendly. Providing the beneficial owner with the specific URL where the documents are posted would be more user-friendly. We encourage reporting issuers and their service providers to develop best practices in this regard.

(10) Where a reporting issuer uses notice-and-access, it generally must send the same basic notice package to all beneficial owners. However, the following are exceptions to this general principle:

~~5.4 Electronic Communication~~

- Section 2.7.5 of the Instrument provides that where a reporting issuer uses notice-and-access, a beneficial owner still can be sent proxy-related materials using an alternate method to which the beneficial owner has previously consented. For example, service providers acting on behalf of reporting issuers or intermediaries may have previously obtained (and continue to obtain) consents from beneficial owners for proxy-related materials to be sent by email. This delivery method would still be available.

- Section 2.7.6 of the Instrument permits an intermediary to obtain standing instructions from a beneficial owner client to be sent a paper copy of the information circular and if applicable, annual financial statements and annual MD&A in all cases where a reporting issuer uses notice-and-access. Where such standing instructions have been obtained, the notice package for the beneficial owner will contain a paper copy of the relevant documents.

- Subsection 4.6 of National Instrument 51-102 *Continuous Disclosure Obligations* ("NI 51-102") establishes an annual request form mechanism for registered holders and beneficial owners to request copies of a reporting issuer's annual financial statements and annual MD&A for the following year. A request for annual financial statements and annual MD&A can also contain a request that the notice package for the registered holder or beneficial owner contain a paper copy of the information circular.

- Notice-and-access also can be used to send annual financial statements and annual MD&A pursuant to subsection 4.6(5) of NI 51-102. Notice-and-access is consistent with the principles for electronic delivery set out in National Policy 11-201 *Electronic Delivery of Documents* ("NP 11-201").

~~(1) It is expected that most communication for the purposes of the Instrument between or among depositories, reporting issuers and intermediaries will, as far as practicable, be by electronic means, including fax, electronic mail or data transfer. The Instrument is intended by the CSA to promote and facilitate the use of electronic communication, within the limits imposed by corporate law and securities legislation.~~

(11) The addition of a paper information circular to the notice package sent to some beneficial owners is referred to as "stratification", and is a term defined in section 1.1 of the Instrument.

~~(2) The Instrument does not require manual signatures to the forms referred to in the Instrument. While manual signatures are permitted and may be included, the CSA are of the view that if the Instrument is to promote and facilitate the use of electronic communication, the obligation to include manual signatures would impede the promotion of this technology. Accordingly, the Instrument does not require authentication by manual signature, and persons or companies should satisfy themselves as to the authenticity of instructions or other communications received in electronic form.~~

We do not mandate the use of stratification, except if it is necessary to comply with standing instructions or other requests for paper copies of information circulars that reporting issuers or intermediaries have chosen to obtain from registered holders or beneficial owners. We expect that any additional stratification criteria will develop and evolve through market demand and practice. However, we expect that a reporting issuer that uses stratification for purposes other than complying with beneficial owner instructions does so in order to enhance effective communication, and not to disenfranchise beneficial owners. We require reporting issuers to disclose whether they are using stratification, and what criteria they are applying to determine which types of beneficial owners will receive a copy of the information circular.

One example of how stratification could enhance communication is where a reporting issuer wishes to send proxy-related materials to all its beneficial owners, including those who have declined to receive materials ("declining beneficial owners"). These declining beneficial owners could be sent a notice package only, while the reporting issuer would send other beneficial owners who wished to receive all materials the notice package and the information circular. All beneficial owners thus would receive the documentation necessary

to vote, but those declining to receive materials would not receive a paper copy of the information circular unless they requested it.

(3) In Quebec, Staff Notice 11-201, and, in the rest of Canada, National Policy 11-201 Delivery of Documents by Electronic Means (the "11-201 Documents") discuss**5.5 Consent to Electronic Delivery** – NP 11-201 discusses the sending of materials by electronic means. The guidelines set out in theNP 11-201 Documents,201, particularly the suggestion that consent be obtained to an electronic transmission of a document, are applicable to documents sent under the Instrument. Under the 11-201 Documents, securityholder materials could be sent to beneficial owners by electronic means in satisfaction of the requirements of the Instrument if the beneficial owner has consented to receive them in that form.

(4) Section 3.2 of the Instrument requires intermediaries that hold securities on behalf of a client in an account to obtain the electronic mail address of the client, if available, and if applicable, to enquire whether the client wishes to consent to electronic delivery of documents by the intermediary to the client. The client's electronic mail address and whether they have consented to electronic delivery by the intermediary forms part of the "ownership information" associated with a beneficial owner that will be contained in NOBO lists. The electronic form of NOBO list has a field for this information. Because the consent identified in the NOBO list relates to electronic delivery by the intermediary only, the reporting issuer cannot rely on the consent for its electronic delivery. However, the field in the NOBO list for this consent may be of interest to a reporting issuer. It may assist the reporting issuer in ascertaining whether the intermediary will forward electronically the securityholder materials that the reporting issuer elects to send indirectly through the intermediary. It may also assist the reporting issuer to determine the feasibility of sending materials directly to NOBOs and whether to use electronic delivery itself. Where the reporting issuer chooses to obtain consent for the purposes of satisfying the provisions of the 11-201 Documents, the Canadian securities regulatory authorities anticipate that the reporting issuer will use the electronic mail address contained in the NOBO list.

5.55.6 Multiple Deliveries to One Person or Company - It is noted that sometimes a– A single investor holdsmay hold securities of the same class in two or more accounts with the same address. The Canadian securities regulatory authorities note that the delivery ofDelivering a single set of securityholder materials to that person or company would satisfy the delivery requirements under the Instrument. The sending of a single document in those circumstances is encouraged in order toWe encourage this practice as a way to help reduce the costs of securityholder communications.

PART 6 USE OF NOBO LIST

6.1 Use of NOBO List - Market participants are reminded that the trafficking of a NOBO list,**Permitted Uses**

(1) A person or company that is not a reporting issuer may only use the NOBO list and the procedures in sections 2.9 or 2.12 of the Instrument in connection with an effort to influence voting or an offer to acquire securities of a reporting issuer. In our view, a person or company may obtain the NOBO list if the person or company, acting reasonably and in good faith, intends to use the NOBO list to determine whether to begin an effort to influence securityholder voting or an offer to acquire securities of the reporting issuer.

(2) Using a NOBO list contrary to Part 7 of the Instrument, will constitute a breach of the Instrument and securities legislation, and that the penalty. Penalty provisions of securities legislation may be applied.

PART 7 EXEMPTIONS

7.1 Materials Sent in Less Than 21the Required Number of Days Before Meeting - In the absence of extraordinary circumstances, the Canadian securities regulatory authorities will generally not consider shortening the 21-day period for the sending of proxy-related materials to beneficial owners of securities referred togeneral, exemptive relief to shorten the relevant periods in sections 2.9 and 2.12 of the Instrument. will not be granted, except in extraordinary circumstances.

7.2 Delay of Audited Annual Financial Statements or Annual Report - Section 9.1 of the Instrument recognizes that corporate law or securities legislation may permit a reporting issuer to send its audited annual financial statements or annual report to registered holders of its securities later than other proxy-related materials. The Instrument provides that the time periods applicable to sending proxy-related materials prescribed in the Instrument do not apply to the sending of proxy-related materials that are annual financial statements or an annual report if the statements or report are sent by the reporting issuer to beneficial owners of the securities within the time limitations established in applicable corporate law and securities legislation for the sending of the statements or report to registered holders of the securities. Reporting issuers are nonetheless encouraged to send their audited annual financial statements or annual report at the same time as other proxy-related materials.

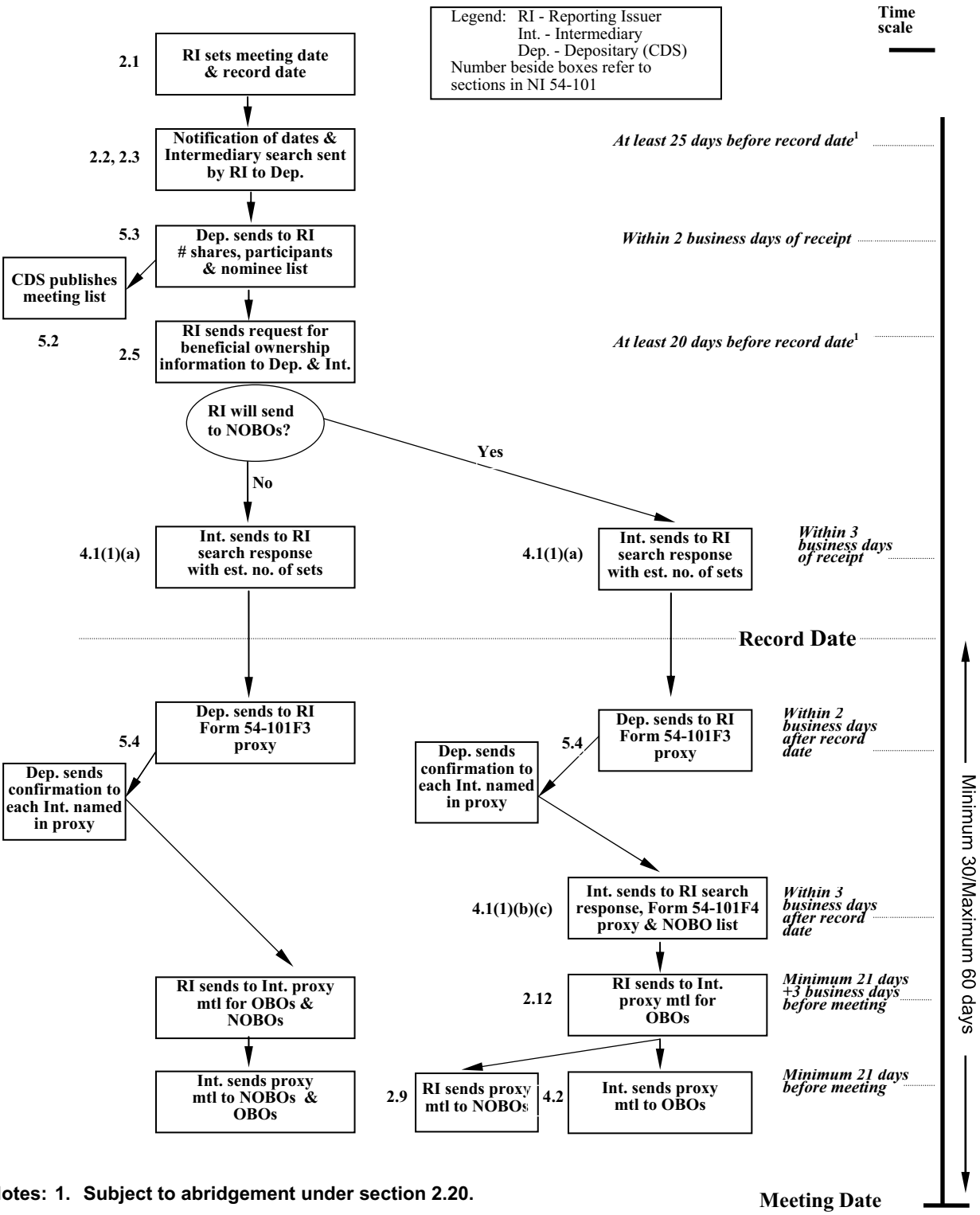
7.3 **Additional Costs ~~If Time Limitations Shortened~~** - ~~Section 4.2 of the Instrument allows a proximate intermediary three business days to prepare the securityholder materials for forwarding to beneficial owners after its receipt of the materials from the reporting issuer (four business days if the material is to be sent by mail other than first-class mail). Reporting issuers making arrangements with intermediaries to~~**for Expedited Processing** – Where reporting issuers wish to have intermediaries comply with the procedures in the Instrument within shorter time limits ~~may wish to~~than provided in the Instrument, they should provide for recovery by the intermediary of reasonable costs ~~attributable to the shorter time limits that it would not otherwise incur (for example,~~incurred in expedited processing of securityholder materials in order to ensure forwarding of the materials to beneficial owners. Examples of such costs include courier, long distance telephone and overtime costs~~) to ensure forwarding of the materials to OBOs~~.

7.4 **Applications** ~~- Applicants should be aware that major~~ – Major exemptions from the requirements of the Instrument will ~~probably~~likely be granted infrequently. ~~Exemptions to the predecessor policy statement to the Instrument that were granted typically involved reporting issuers that were incorporated or organized outside of Canada, that had only an insignificant connection to Canada in terms of the percentage of its securityholders that were resident in Canada and the percentage of its securities that were held by those securityholders, and in circumstances in which the reporting issuer was also subject to requirements imposed by securities or corporate legislation outside of Canada that served to ensure that beneficial owners would receive a comparable level of communication from the issuer~~We encourage applicants to discuss requests for exemptive relief on a pre-file basis with the relevant Canadian securities regulatory authorities.

PART 8 APPENDIX A

8.1 **Appendix A** – This Companion Policy contains, as Appendix A, a flow chart outlining the processes prescribed by the Instrument for the sending of proxy-related materials by prepaid mail.

Appendix A
Proxy Solicitation under NI 54-101



Notes: 1. Subject to abridgement under section 2.20.

ANNEX E

CHANGES TO COMPANION POLICY 51-102CP
CONTINUOUS DISCLOSURE OBLIGATIONS

This Annex shows, by way of blackline, changes approved to Companion Policy 51-102CP *Continuous Disclosure Obligations*. These changes become effective on February 11, 2013.

3.5 Delivery of Financial Statements and Paper Copies of Information Circulars

~~Section~~(1) Subsection 4.6(1) of the Instrument requires reporting issuers to send a request form to the registered holders and beneficial owners of their securities, other than debt instruments. The registered holders and beneficial owners may use the request form to request a paper copy of the reporting issuer's annual financial statements and related MD&A, ~~an~~ interim financial ~~report~~reports and related MD&A, or both.

In addition, the request form also may (but is not required to) be used to request a paper copy of the information circular and annual financial statements and related MD&A where a reporting issuer uses notice-and-access to deliver proxy-related materials.

Reporting issuers are only required to deliver financial statements and MD&A to the person or company that requests them. As a result, if a beneficial owner requests financial statements and MD&A through its intermediary, the issuer is only required to deliver the requested documents to the intermediary.

Failing to return the request form or otherwise specifically request a copy of the financial statements or MD&A from the reporting issuer will override the beneficial owner's standing instructions under NI 54-101 in respect of the financial statements.

The Instrument does not prescribe when the request form must be sent, or how it must be returned to the reporting issuer.

(2) Subsection 4.6(5) provides that subsection 4.6(1) and the requirement to send annual financial statements under subsection 4.6(3) do not apply to a reporting issuer that sends its annual financial statements to its securityholders, other than holders of debt instruments, within 140 days of the issuer's financial year-end and in accordance with NI 54-101. Notice-and-access can be used to send the annual financial statements and related MD&A under subsection 4.6(5). Notice-and-access is consistent with the principles for electronic delivery set out in National Policy 11-201 *Electronic Delivery of Documents*.

PART 10 ELECTRONIC DELIVERY OF DOCUMENTS

10.1 Electronic Delivery of Documents

~~Any~~Generally, any documents required to be sent under the Instrument may be sent by electronic delivery, as long as such delivery is ~~made in compliance with Québec Notice 11-201 *Relating to the Delivery of Documents by Electronic Means*, in Québec, and National Policy 11-201 *Delivery of Documents by Electronic Means*, in the rest of Canada,~~consistent with the guidance in National Policy 11-201 *Electronic Delivery of Documents*. However, if a reporting issuer is using notice-and-access to deliver proxy-related materials, it should refer to the specific guidance in section 10.3 of the Policy.

10.2 Delivery of Proxy-Related Materials

(1) This section provides guidance on delivery of proxy-related materials. Reporting issuers should also review any other applicable legislation, such as corporate legislation.

(2) Paper copies of proxy-related materials must be sent using prepaid mail, courier or an equivalent delivery method. An equivalent delivery method is any delivery method where the registered holder receives paper copies in a similar time frame as prepaid mail or courier. For example, a reporting issuer that sponsors an employee share purchase plan could arrange for the proximate intermediary to deliver proxy-related materials to registered holder employees through the reporting issuer's internal mail system.

10.3 Notice-and-access

(1) This Instrument permits a reporting issuer to use notice-and-access to send proxy-related materials to registered holders.

(2) With respect to matters to be voted on at the meeting, the notice must only contain a description of each matter or group of related matters identified in the form of proxy, unless such information is already included in the form of proxy. We expect that reporting issuers who use notice-and-access will state each matter or group of related matters in the proxy in a reasonably clear and user-friendly manner. For example, it would be inappropriate to identify the matter to be voted on solely by referring to disclosure contained in the information circular as follows: "To vote For or Against the resolution in Schedule A of management's information circular".

The notice must contain a plain-language explanation of notice-and-access. The explanation also can address other aspects of the proxy voting process. However, there should not be any substantive discussion of the matters to be considered at the meeting.

(3) Paragraph 9.1.1(1)(b) of the Instrument requires the registered holder to be sent the form of proxy as part of the notice package. The notice package must be sent by prepaid mail, courier or the equivalent; however, section 9.1.3 permits an alternate delivery method (e.g., email) to be used if the registered holder's consent has been or is obtained. In the case of a solicitation by reporting issuer management, the notice package must be sent at least 30 days before the date fixed for the meeting.

(4) Paragraph 9.1.1(1)(c) of the Instrument requires the reporting issuer to file the notification of meeting and record dates required by subsection 2.2(1) of NI 54-101 in the manner and within the time specified by NI 54-101. See the guidance in Companion Policy 54-101CP to NI 54-101.

(5) Paragraph 9.1.1(1)(d) of the Instrument requires the notice, information circular and form of proxy to be filed on SEDAR and posted on a website other than SEDAR. The non-SEDAR website can be the website of the person or company soliciting proxies (e.g., the reporting issuer's website) or the website of a service provider.

(6) Paragraph 9.1.1(1)(e) of the Instrument requires the person or company soliciting proxies to establish a toll-free telephone number for the registered holder to request a paper copy of the information circular. A person or company soliciting proxies may choose to, but is not required to, provide additional methods for requesting a paper copy of the information circular. If a person or company soliciting proxies does so, it must still comply with the fulfillment timelines in paragraph 9.1.1(1)(f) of the Instrument.

(7) Subsection 9.1.2(2) of the Instrument is intended to allow registered holders to access the posted proxy-related materials in a user-friendly manner. For example, requiring the registered holder to navigate through several web pages to access the proxy-related materials would not be user-friendly. Providing the registered holder with the specific URL where the documents are posted would be more user-friendly. We encourage reporting issuers and their service providers to develop best practices in this regard.

(8) Where a reporting issuer uses notice-and-access, it generally must send the same basic notice package to all registered holders. However, the following are exceptions to this general principle:

- Section 9.1.3 of the Instrument provides that where a reporting issuer uses notice-and-access, a registered holder still can be sent proxy-related materials using an alternate method to which the registered holder has previously consented. For example, service providers acting on behalf of reporting issuers or intermediaries may have previously obtained (and continue to obtain) consents from registered holders for proxy-related materials to be sent by email. This delivery method would still be available.

- Section 9.1.4 of the Instrument permits a reporting issuer to obtain standing instructions from a registered holder to be sent a paper copy of the information circular and if applicable, annual financial statements and annual MD&A in all cases where the reporting issuer uses notice-and-access. Where such standing instructions have been obtained, the notice package for the registered holder will contain a paper copy of the relevant documents.

(9) The addition of a paper information circular to the notice package sent to some registered holders is referred to as "stratification" and is a term defined in section 1.1 of the Instrument and in NI 54-101.

We do not mandate the use of stratification, except if it is necessary to comply with standing instructions or other requests for paper copies of information circulars that reporting issuers or intermediaries have chosen to obtain from registered holders or beneficial owners. We expect that any additional stratification criteria will develop and evolve through market demand and practice. However, we expect that a reporting issuer that uses stratification for purposes

other than complying with registered holder instructions does so in order to enhance effective communication, and not to disenfranchise registered holders. We require reporting issuers to disclose whether they are using stratification, and what criteria they are applying to determine which types of registered holders will receive a copy of the information circular.

ANNEX F

ADDITIONAL INFORMATION REQUIRED IN ONTARIO

Notice of Commission Approval

On October 23, 2012, the Ontario Securities Commission (the **Commission**) approved the amendment instruments to NI 54-101 and NI 51-102 (the **Amendment Instruments**) pursuant to section 143 of the *Securities Act* (Ontario) (the **Act**). Also on that day, the Commission adopted the changes to 54-101CP and 51-102CP.

On November 26, 2012, a quorum of the Commission approved non-material drafting changes to the Materials designed to achieve uniformity of drafting across Canada.

The Materials have an effective date of February 11, 2013.

Delivery to the Minister

The Materials were delivered to the Minister of Finance on November 28, 2012. The Minister may approve or reject the Amendment Instruments or return them for further consideration. If the Minister approves the Amendment Instruments or does not take any further action by January 27, 2013, the Amendment Instruments will come into force on February 11, 2013. The changes to 54-101CP and 51-102CP will take effect on February 11, 2013.

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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
11/14/2012	33	AndeanGold Ltd. - Units	997,500.00	9,975,000.00
10/31/2012	49	APIC Petroleum Corporation - Receipts	30,002,299.73	230,786,918.00
11/09/2012	1	Augustine Ventures Inc. - Common Shares	45,000.00	750,000.00
10/04/2012	27	Balmoral Resources Inc. - Flow-Through Shares	8,004,000.00	6,960,000.00
01/24/2011	51	Benzu Gold Limited - Common Shares	5,976,500.00	11,953,000.00
10/01/2012 to 10/05/2012	2	Bison Income Trust II - Trust Units	163,675.00	193,257.50
10/19/2012 to 10/26/2012	5	Bison Income Trust II - Trust Units	2,615,000.00	N/A
10/25/2012	1	BlueCrest Capital Management (New York) L.P. - Units	981,200.00	N/A
09/26/2012	2	Bravada Gold Corporation - Common Shares	313,500.00	570,000.00
11/01/2012	38	Brigus Gold Corp. - Flow-Through Shares	10,048,445.00	8,304,500.00
10/12/2012	9	Bristow Group, Inc. - Notes	18,375,000.00	9.00
11/01/2012	1	Carlisle Goldfields Limited - Common Shares	1,000,000.00	6,250,000.00
10/02/2012	49	Castle Resources Inc. - Common Shares	5,479,670.01	19,802,079.00
10/12/2012	4	CEMEX Finance LLC - Notes	3,674,625.00	3,750,000.00
11/05/2012 to 11/13/2012	59	Donner Metals Ltd. - Flow-Through Shares	5,010,500.00	25,052,500.00
08/03/2012	1	EconVerte Limited - Common Shares	5,000,000.00	2,777,778.00
10/31/2012	6	ePals Corporation - Debentures	8,000.00	8.00
10/19/2012	69	ePals Corporation - Debentures	12,000,000.00	12,000.00
10/01/2011 to 07/03/2012	2	Ethical American Multi-Strategy Fund - Units	2,216,986.75	410,939.00
10/01/2011 to 07/03/2012	3	Ethical Balanced Fund - Units	2,811,516.82	240,942.00
10/01/2011 to 07/03/2012	16	Ethical Canadian Dividend Fund - Units	9,960,952.00	530,899.00
10/01/2011 to 07/03/2012	13	Ethical Global Dividend Fund - Units	16,139,422.00	1,889,284.00
10/01/2011 to 07/03/2012	5	Ethical Global Equity Fund - Units	15,204,080.00	1,476,877.00

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
10/01/2011 to 07/03/2012	4	Ethical Growth Fund - Units	1,000,759.00	74,608.00
10/01/2011 to 07/03/2012	2	Ethical International Equity Fund - Units	6,766,439.00	606,844.00
10/01/2011 to 07/03/2012	14	Ethical Special Equity Fund - Units	1,593,832.00	95,391.00
08/30/2012	1	Fem Med Formulas Limited Partnership - Debentures	2,500,000.00	2,500,000.00
09/17/2012	2	Forest Oil Corporation - Notes	5,104,575.00	5,250,000.00
10/26/2012	101	Giyani Gold Corp. - Common Shares	7,140,748.80	11,901,247.00
10/31/2012	44	Gold Royalties Corporation - Units	1,000,000.80	1,111,112.00
11/13/2012 to 11/14/2012	2	Huldra Silver Inc. - Units	1,436,400.00	500,000.00
10/15/2012	1	Innovation Works Development Fund II, L.P. - Limited Partnership Interest	14,676,000.00	N/A
10/22/2012	180	Lara Exploration Ltd. - Units	5,000,000.00	4,083,135.00
09/10/2012 to 09/14/2012	6	League IGW Real Estate Investment Trust - Units	58,616.80	58,616.80
09/10/2012 to 09/14/2012	1	League IGW Real Estate Investment Trust - Units	6,000.00	7,430.34
09/10/2012 to 09/14/2012	2	League IGW Real Estate Investment Trust - Units	29,975.00	35,264.71
10/15/2012 to 10/19/2012	9	League IGW Real Estate Investment Trust - Units	202,042.68	212,042.68
10/15/2012 to 10/19/2012	3	League IGW Real Estate Investment Trust - Units	27,486.56	32,337.13
10/15/2012 to 10/19/2012	1	League IGW Real Estate Investment Trust - Units	1,400.00	1,715.68
10/25/2012	1	Legion Strategies Ltd. - Units	1,962,400.00	N/A
10/12/2012	33	Mansfield Minerals Inc. - Units	5,550,000.00	13,875,000.00
11/01/2012	1	Mesirow Absolute Return Fund (Institutional) Ltd. - Common Shares	5,983,800.00	N/A
10/17/2012	1	Morgan Stanley Bank of America Merrill Lynch Trust 2012-C6 - Certificates	2,522,298,750.25	25,000,000.00
10/12/2012	1	MultiCat Mexico Limited - Notes	2,551,250.00	2,551,250.00
10/01/2011 to 07/03/2012	14	NEI Canadian Bond Fund - Units	84,871,583.00	6,945,915.00
10/01/2011 to 07/03/2012	2	NEI Growth and Income Fund - Units	25,020,115.00	4,215,121.00
10/01/2011 to 07/03/2012	1	NEI Income Fund - Units	471,000.00	46,822.00

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
10/29/2012 to 11/07/2012	13	Newport Balanced Fund - Trust Units	128,607.71	N/A
10/29/2012 to 11/07/2012	2	Newport Canadian Equity Fund - Trust Units	151,676.81	N/A
10/29/2012 to 11/07/2012	6	Newport Fixed Income Fund - Trust Units	234,552.56	N/A
11/08/2012 to 11/16/2012	17	Newport Fixed Income Fund - Trust Units	877,603.00	N/A
10/29/2012 to 11/07/2012	8	Newport Global Equity Fund - Trust Units	196,758.75	N/A
10/29/2012 to 11/07/2012	22	Newport Strategic Yield Fund - Trust Units	2,251,485.66	N/A
10/29/2012 to 11/07/2012	10	Newport Yield Fund - Trust Units	882,505.29	N/A
10/01/2011 to 07/03/2012	1	Northwest Select Global Growth Portfolio - Units	5,887,223.00	687,048.00
10/01/2011 to 07/03/2012	1	Northwest Specialty Equity Fund - Units	2,816,313.00	172,193.00
10/01/2011 to 07/03/2012	2	Northwest Specialty Global High Yield Bond Fund - Units	84,156,347.00	10,264,070.00
10/01/2011 to 07/03/2012	1	Northwest Specialty Growth Fund Inc. - Units	1,920,023.00	N/A
10/26/2012	1	NWM Mining Corporation - Common Shares	630,000.00	10,500,000.00
10/26/2012	1	NWM Mining Corporation - Note	21,478,500.00	1.00
10/01/2012	8	Oak Point Energy Ltd. - Debentures	4,210,000.00	4,210.00
10/26/2012	1	Peregrine Diamonds Ltd. - Common Shares	1,800,000.00	3,600,000.00
10/26/2012	147	Petrocapita Income Trust - Units	2,610,423.00	2,610,423.00
11/06/2012	15	Powertech Uranium Corp. - Units	1,000,000.00	10,000,000.00
10/24/2012	2	Puma Biotechnology, Inc. - Common Shares	318,200.00	7,500,000.00
10/03/2012	1	P.H. Glatfelter Company - Note	987,000.00	1.00
08/14/2012	45	Raise Production Inc. - Units	3,499,999.95	23,333,333.00
11/15/2012	1	Sanatana Resources Inc. - Common Shares	315,000.00	1,500,000.00
11/09/2012	5	Sanatana Resources Inc. - Units	1,984,455.00	6,013,500.00
11/02/2012	24	Seafield Resources Ltd. - Units	2,806,429.96	21,587,922.00
10/31/2012	36	Solomon Resources Limited - Common Shares	404,000.00	8,080,000.00
09/26/2012	1	Tat Hong Holdings Ltd. - Common Shares	144,000.00	150,000.00
10/30/2012	2	Telefonica Deutschland Holding AG - Common Shares	22,880,844.00	3,150,000.00

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
11/09/2012	18	Tembo Gold Corp. - Units	844,500.00	1,689,000.00
10/31/2012	4	The WhiteWave Foods Company - Common Shares	3,398,000.00	23,000,000.00
10/31/2012	31	Times Three Wireless Inc. - Common Shares	1,997,500.00	39,950,000.00
11/02/2012	1	Touchstone Gold Limited - Common Shares	1,000,000.00	4,089,762.00
11/09/2012	15	Valencia Ventures Inc. - Units	499,999.95	5,555,554.00
09/27/2012	1	ViaSat, Inc. - Notes	1,962,800.00	1,932.37
10/26/2012 to 10/31/2012	23	Viking Gold Exploration Inc - Flow-Through Units	393,600.00	656,000.00
10/02/2012	12	Watson Pharmaceuticals, Inc. - Notes	21,427,150.00	12.00
10/31/2012	1	Z-Gold Exploration Inc. - Common Shares	30,000.00	300,000.00
11/21/2012	1	Zenyatta Ventures Ltd. - Common Shares	285,000.00	500,000.00

Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Allied Properties Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated November 20, 2012
NP 11-202 Receipt dated November 20, 2012
Offering Price and Description:
$100,100,000.00 - 3,250,000 Units
Price: $30.80 per Unit
Underwriter(s) or Distributor(s):
SCOTIA CAPITAL INC.
RBC DOMINION SECURITIES INC.
CIBC WORLDMARKETS INC.
TD SECURITIES INC.
BMO NESBITT BURNS INC.
MACQUARIE CAPITALMARKETS CANADA LTD.
NATIONAL BANK FINANCIAL INC.
CANACCORD GENUITY CORP.
DESJARDINS SECURITIES INC.
DUNDEE SECURITIES LTD.
GMP SECURITIES L.P.
Promoter(s):
-
Project #1984947

Issuer Name:
Allon Therapeutics Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Shelf Prospectus dated November 22, 2012
NP 11-202 Receipt dated November 22, 2012
Offering Price and Description:
$50,000,000.00 - Common Shares, Warrants, Units, Preferred Shares, Subscription Receipts, Debt Securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1986341

Issuer Name:
Black Widow Resources Inc.
Principal Regulator - Ontario
Type and Date:
Amended and Restated Preliminary Long Form Prospectus dated November 20, 2012
NP 11-202 Receipt dated November 21, 2012
Offering Price and Description:
* Units and * Flow-Through Units at
Price: $* per Unit and $* per Flow-Through Unit
Maximum Offering: $2,500,000.00
Minimum Offering: $1,000,000.00
Underwriter(s) or Distributor(s):
Jennings Capital Inc.
Promoter(s):
Neil Novak
Carmen Diges
George Duguay
Project #1981323

Issuer Name:
CB Gold Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated November 23, 2012
NP 11-202 Receipt dated November 23, 2012
Offering Price and Description:
$10,008,000.00 - 11,120,000 Common Shares
Price: C$0.90 per Offered Share
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
Promoter(s):
-
Project #1987132

Issuer Name:
Cequence Energy Ltd.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated November 20, 2012
NP 11-202 Receipt dated November 20, 2012
Offering Price and Description:
$16,007,200.00 - 8,560,000 Flow-Through Shares
Price: $1.87 per Flow-Through Share
Underwriter(s) or Distributor(s):
Peter & Co. Limited
Cormark Securities Inc.
CIBC World Markets Inc.
GMP Securities L.P.
National Bank Financial Inc.
Stifel Nicolaus Canada Inc.
Promoter(s):
-
Project #1985055

Issuer Name:
Cub Energy Inc. (formerly: 3P International Energy Corp.)
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated November 21, 2012
NP 11-202 Receipt dated November 21, 2012
Offering Price and Description:
Up to $15,000,000.00 - * Common Shares
Price: $* per Common Share
Underwriter(s) or Distributor(s):
GMP SECURITIES L.P.
CANACCORD GENUITY CORP.
CORMARK SECURITIES INC.
CASIMIR CAPITAL LTD.
Promoter(s):
-
Project #1985380

Issuer Name:
Dundee Industrial Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Shelf Prospectus dated November 19, 2012
NP 11-202 Receipt dated November 20, 2012
Offering Price and Description:
$1,000,000,000.00 – Units, Debt Securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1984713

Issuer Name:
Dundee International Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated November 23, 2012
NP 11-202 Receipt dated November 23, 2012
Offering Price and Description:
$100,013,000.00 - 9,710,000 Units
Price: $10.30 per Unit
Underwriter(s) or Distributor(s):
TD SECURITIES INC.
SCOTIA CAPITAL INC.
CIBC WORLD MARKETS INC.
RBC DOMINION SECURITIES INC.
BMO NESBITT BURNS INC.
CANACCORD GENUITY CORP.
DUNDEE SECURITIES LTD.
BROOKFIELD FINANCIAL CORP.
GMP SECURITIES L.P.
HSBC SECURITIES (CANADA) INC.
NATIONAL BANK FINANCIAL INC.
Promoter(s):
-
Project #1986922

Issuer Name:
Dundee Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Shelf Prospectus dated November 19, 2012
NP 11-202 Receipt dated November 20, 2012
Offering Price and Description:
$2,000,000,000.00 – Units, Debt Securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1984714

Issuer Name:
KEYreit (formerly Scott's Real Estate Investment Trust)
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated November 23, 2012
NP 11-202 Receipt dated November 23, 2012
Offering Price and Description:
$20,000,000.00 - Series 2012 7.00% Convertible Unsecured Subordinated Debentures
Price: $1,000 per Debenture
Underwriter(s) or Distributor(s):
NATIONAL BANK FINANCIAL INC.
BMO NESBITT BURNS INC.
CANACCORD GENUITY CORP.
DUNDEE SECURITIES LTD.
GMP SECURITIES L.P.
MACQUARIE CAPITAL MARKETS CANADA LTD.
Promoter(s):
-
Project #1986968

Issuer Name:
Killam Properties Inc.
Principal Regulator - Nova Scotia
Type and Date:
Preliminary Short Form Prospectus dated November 23, 2012
NP 11-202 Receipt dated November 23, 2012
Offering Price and Description:
$30,000,000.00 - 2,500,000 Common Shares
Price: $12.00 per Common Share
Underwriter(s) or Distributor(s):
RBC DOMINION SECURITIES INC.
BMO NESBITT BURNS INC.
CIBC WORLD MARKETS INC.
SCOTIA CAPITAL INC.
TD SECURITIES INC.
CANACCORD GENUITY CORP.
DUNDEE SECURITIES LTD.
MACQUARIE CAPITAL MARKETS CANADA LTD.
GMP SECURITIES L.P.
RAYMOND JAMES LTD.
BROOKFIELD FINANCIAL CORP.
Promoter(s):
-
Project #1986831

Issuer Name:
Lysander Balanced Fund
Lysander Bond Fund
Lysander Corporate Value Bond Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated November 20, 2012
NP 11-202 Receipt dated November 21, 2012
Offering Price and Description:
Series O Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
Lysander Funds Limited
Project #1985571

Issuer Name:
NorthWest International Healthcare Properties Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated November 23, 2012
NP 11-202 Receipt dated November 26, 2012
Offering Price and Description:
$* - * Units
Price: $* per Offered Unit
Underwriter(s) or Distributor(s):
GMP SECURITIES L.P.
NATIONAL BANK FINANCIAL INC.
Promoter(s):
-
Project #1987177

Issuer Name:
NovaCopper Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Shelf Prospectus dated November 21, 2012
NP 11-202 Receipt dated November 22, 2012
Offering Price and Description:
$100,000,000.00.00 - Common Shares, Warrants to Purchase Common Shares, Share Purchase Contracts, Share Purchase or Equity Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1986160

Issuer Name:
NUVISTA ENERGY LTD.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated November 23, 2012
NP 11-202 Receipt dated November 23, 2012
Offering Price and Description:
$20,776,000.00 - 4,240,000 Common Shares
Price $4.90 per Common Share
and $6,537,900 - 1,110,000 Flow-Through Shares
Price $5.89 per Flow-Through Share
Underwriter(s) or Distributor(s):
Peters & Co. Limited
BMO Nesbitt Burns Inc.
CIBC World Markets Inc
FirstEnergy Capital Corp.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
Promoter(s):
-
Project #1987083

Issuer Name:
PACEpartners Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Long Form Prospectus dated November 20, 2012
NP 11-202 Receipt dated November 21, 2012
Offering Price and Description:
Maximum Offering: $* - * Class A Common Shares
Minimum Offering: $* - * Class A Common Shares
Price: $* per Class A Common Share
Underwriter(s) or Distributor(s):
Macquarie Private Wealth Inc.
Promoter(s):
Philip A. Tuttle
Chester J. Jachimiec
Kevin Kuykendall
J.J. Moskal
Project #1985241

Issuer Name:
Peyto Exploration & Development Corp.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated November 26, 2012
NP 11-202 Receipt dated November 26, 2012
Offering Price and Description:
$100,021,250.00 - 4,025,000 Common Shares
Price: $24.85 per Common Share
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
FirstEnergy Capital Corp.
TD Securities Inc.
RBC Dominion Securities Inc.
Peters & Co. Limited
Stifel Nicolaus Canada Inc.
Haywood Securities Inc.
Scotia Capital Inc.
Promoter(s):
-
Project #1987607

Issuer Name:
Pure Industrial Real Estate Trust
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated
NP 11-202 Receipt dated November 26, 2012
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1987861

Issuer Name:
Rosa Capital Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary CPC Prospectus dated November 23, 2012
NP 11-202 Receipt dated November 26, 2012
Offering Price and Description:
Minimum Offering: $750,000.00 - 3,750,000 Common Shares
Maximum Offering: $1,500,000.00 - 7,500,000 Common Shares
Price: $0.20 per Common Share
Underwriter(s) or Distributor(s):
Integral Wealth Securities Limited
Promoter(s):
Danny Geremia
Project #1987320

Issuer Name:
Symbility Solutions Inc. (formerly Automated Benefits Corp.)
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated November 23, 2012
NP 11-202 Receipt dated November 23, 2012
Offering Price and Description:
$10,000,100.00 - 22,727,500 Common Shares
Price: $0.44 per Offered Share
Underwriter(s) or Distributor(s):
CORMARK SECURITIES INC.
PARADIGM CAPITAL INC.
STIFEL NICOLAUS CANADA INC.
SALMAN PARTNERS INC.
Promoter(s):
-
Project #1986871

Issuer Name:
Timbercreek Senior Mortgage Investment Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated November 16, 2012
NP 11-202 Receipt dated November 20, 2012
Offering Price and Description:
Minimum Offering: $* - * Class A Shares and/or Class B Shares
Maximum Offering: $100,000,000.00 - * Class A Shares and/or Class B Shares
Price: $* per Class A Share and $* per Class B Share
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
Raymond James Ltd.
RBC Dominion Securities Inc.
TD Securities Inc.
GMP Securities L.P.
National Bank Financial Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
Macquarie Capital Markets Canada Ltd.
Manulife Securities Incorporated
Canaccord Genuity Corp.
Promoter(s):
TIMBERCREEK ASSET MANAGEMENT LTD.
Project #1984547

Issuer Name:
Timbercreek Senior Mortgage Investment Corporation
Principal Regulator - Ontario
Type and Date:
Amended and Restated Preliminary Long Form Prospectus dated November 23, 2012
NP 11-202 Receipt dated November 23, 2012
Offering Price and Description:
Minimum Offering: $*-* Class A Shares and/or Class B Shares
Maximum Offering: $100,000,000.00 - * Class A Shares and/or Class B Shares
Price: $* per Class A Share and $* per Class B Share
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
Raymond James Ltd.
RBC Dominion Securities Inc.
TD Securities Inc.
GMP Securities L.P.
National Bank Financial Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
Macquarie Capital Markets Canada Ltd.
Manulife Securities Incorporated
Canaccord Genuity Corp.
Promoter(s):
TIMBERCREEK ASSET MANAGEMENT LTD.
Project #1984547

Issuer Name:
Tricon Capital Group Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated November 20, 2012
NP 11-202 Receipt dated November 20, 2012
Offering Price and Description:
$55,005,000.00 - 9,650,000 Common Shares
Price: $5.70 per Common Share
Underwriter(s) or Distributor(s):
GMP SECURITIES L.P.
RBC DOMINION SECURITIES INC.
CANACCORD GENUITY CORP.
CIBC WORLD MARKETS INC.
NATIONAL BANK FINANCIAL INC.
RAYMOND JAMES LTD.
FRASER MACKENZIE LIMITED
Promoter(s):
-
Project #1984984

Issuer Name:
AGF American Growth Class
AGF Canadian Asset Allocation Fund
AGF Canadian Bond Fund
AGF Canadian Stock Fund
AGF Diversified Income Class
AGF Diversified Income Fund (formerly, Acuity Diversified Income Fund)
AGF Dividend Income Fund
AGF EAFE Equity Fund (formerly, Acuity EAFE Equity Fund)
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AGF Elements Conservative Portfolio Class
AGF Elements Global Portfolio
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AGF Monthly High Income Fund
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AGF Traditional Balanced Fund
AGF Traditional Income Fund
Principal Regulator - Ontario
Type and Date:
Amendment #3 dated November 16, 2012 to Final Simplified Prospectus, Annual Information Form and Fund Facts (NI 81-101) dated April 19, 2012
NP 11-202 Receipt dated November 21, 2012
Offering Price and Description:
Mutual Fund Series, Series D, Series F, Series G, Series H, Series O, Series Q, Series S, Series T, Series V and Classic Series Securities
Underwriter(s) or Distributor(s):
AGF Funds Inc.
Promoter(s):
AGF Investments Inc.
Project #1873154

Issuer Name:
Atrium Mortgage Investment Corporation
Principal Regulator - Ontario
Type and Date:
Short Form Prospectus dated November 22, 2012
NP 11-202 Receipt dated November 22, 2012
Offering Price and Description:
$50,149,000.00 - 4,700,000 Common Shares
Underwriter(s) or Distributor(s):
TD Securities Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
Dundee Securities Ltd.
National Bank Financial Inc.
Canaccord Genuity Corp.
Raymond James Ltd.
Industrial Alliance Securities Inc.
M Partners Inc.
Promoter(s):
-
Project #1974044

Issuer Name:
RBC U.S. Mid-Cap Equity Fund
RBC U.S. Mid-Cap Equity Currency Neutral Fund
Principal Regulator - Ontario
Type and Date:
Amendment #2 dated November 16, 2012 to Simplified Prospectus dated June 29, 2012
NP 11-202 Receipt dated November 23, 2012
Offering Price and Description:
Series A, Advisor Series, Series D, Series F and Series O units @ Net Asset Value
Underwriter(s) or Distributor(s):
ROYAL MUTUAL FUNDS INC.
RBC DIRECT INVESTING INC.
RBC DOMINION SECURITIES INC.
RBC Global Asset Management Inc.
Royal Mutual Funds Inc./RBC Direct Investing Inc.
Royal Mutual Funds Inc.
RBC Dominion Securities Inc.
Royal Mutual Funds Inc./RBD Direct Investing Inc.
Promoter(s):
RBC Global Asset Management Inc.
Project #1912784

Issuer Name:
Canadian Apartment Properties Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Short Form Prospectus dated November 26, 2012
NP 11-202 Receipt dated November 26, 2012
Offering Price and Description:
$160,800,000.00 - 6,700,000 Units Price: $24.00 per Unit
Underwriter(s) or Distributor(s):
RBC DOMINION SECURITIES INC.
SCOTIA CAPITAL INC.
TD SECURITIES INC.
BMO NESBITT BURNS INC.
CIBC WORLD MARKETS INC.
MACQUARIE CAPITAL MARKETS CANADA LTD.
NATIONAL BANK FINANCIAL INC.
CANACCORD GENUITY CORP.
RAYMOND JAMES LTD.
DUNDEE SECURITIES LTD.
Promoter(s):
-
Project #1983862

Issuer Name:
Continental Gold Limited (formerly Cronus Resources Ltd.)
Principal Regulator - Ontario
Type and Date:
Short Form Prospectus dated November 26, 2012
NP 11-202 Receipt dated November 26, 2012
Offering Price and Description:
$75,063,000.00 - 7,860,000 Common Shares Price: $9.55 per Offered Share
Underwriter(s) or Distributor(s):
DUNDEE SECURITIES LTD.
CLARUS SECURITIES INC.
GMP SECURITIES L.P.
TD SECURITIES INC.
RBC DOMINION SECURITIES INC.
BMO NESBITT BURNS INC.
Promoter(s):
Robert Allen
Project #1983865

Issuer Name:
First Asset Global Dividend Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated November 15, 2012 to Final Simplified Prospectus dated June 5, 2012
NP 11-202 Receipt dated November 22, 2012
Offering Price and Description:
Class A, Class B, Class D, Class F, Class L, Class M, Class O and Class P Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
Criterion Investments Inc.
Project #1900220

Issuer Name:
Pinnacle Balanced Growth Portfolio
Pinnacle Balanced Income Portfolio
Pinnacle Conservative Balanced Growth Portfolio
Pinnacle Conservative Growth Portfolio
Pinnacle Growth Portfolio
Principal Regulator - Ontario
Type and Date:
Simplified Prospectus dated November 19, 2012
NP 11-202 Receipt dated November 23, 2012
Offering Price and Description:
Series A Units
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
Promoter(s):
-
Project #1971936

Issuer Name:
Primerica Aggressive Growth Fund
Primerica Canadian Money Market Fund
Primerica Conservative Growth Fund
Primerica Growth Fund
Primerica Income Fund
Primerica Moderate Growth Fund
Principal Regulator - Ontario
Type and Date:
Simplified Prospectus dated November 21, 2012
NP 11-202 Receipt dated November 22, 2012
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
PFSL Investments Canada Ltd.
Promoter(s):
-
Project #1970992

Issuer Name:
RBC Private U.S. Mid Cap Equity Pool
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated November 16, 2012 to Final Simplified Prospectus dated August 17, 2012
NP 11-202 Receipt dated November 21, 2012
Offering Price and Description:
Series O and Series F Units @ Net Asset Value
Underwriter(s) or Distributor(s):
RBC Global Asset Management Inc.
The Royal Trust Company
Promoter(s):
RBC Global Asset Management Inc.
Project #1933389

Issuer Name:
Scotia Bond Fund
Scotia Canadian Balanced Fund
Scotia Canadian Blue Chip Fund
Scotia Canadian Bond Index Fund
Scotia Canadian Dividend Fund
Scotia Canadian Dividend Income Fund
Scotia Canadian Growth Fund
Scotia Canadian Income Fund
Scotia Canadian Index Fund
Scotia Canadian Small Cap Fund
Scotia Canadian Tactical Asset Allocation Fund
Scotia CanAm Index Fund
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Scotia European Fund
Scotia Global Balanced Fund
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Scotia Global Opportunities Fund
Scotia Global Small Cap Fund
Scotia Income Advantage Fund
Scotia International Index Fund
Scotia International Value Fund
Scotia Latin American Fund
Scotia Money Market Fund
Scotia Mortgage Income Fund
Scotia Nasdaq Index Fund
Scotia Pacific Rim Fund
Scotia Partners Aggressive Growth Portfolio
Scotia Partners Balanced Income & Growth Portfolio
Scotia Partners Diversified Income Portfolio
Scotia Partners Income & Modest Growth Portfolio
Scotia Partners Moderate Growth Portfolio
Scotia Premium T-Bill Fund
Scotia Resource Fund
Scotia Selected Aggressive Growth Portfolio
Scotia Selected Balanced Income & Growth Portfolio
Scotia Selected Income & Modest Growth Portfolio
Scotia Selected Income Portfolio
Scotia Selected Moderate Growth Portfolio
Scotia T-Bill Fund
Scotia U.S. $ Balanced Fund
Scotia U.S. $ Bond Fund
Scotia U.S. $ Money Market Fund
Scotia U.S. Blue Chip Fund
Scotia U.S. Dividend Fund
Scotia U.S. Index Fund
Scotia U.S. Opportunities Fund (formerly Scotia U.S. Value Fund)
Scotia Vision Aggressive 2010 Portfolio
Scotia Vision Aggressive 2015 Portfolio
Scotia Vision Aggressive 2020 Portfolio
Scotia Vision Aggressive 2030 Portfolio
Scotia Vision Conservative 2010 Portfolio
Scotia Vision Conservative 2015 Portfolio
Scotia Vision Conservative 2020 Portfolio
Scotia Vision Conservative 2030 Portfolio
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated November 20, 2012
NP 11-202 Receipt dated November 23, 2012
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Scotia Securities Inc.
Scotia Securities Inc.
Scotia Securites Inc.
Scotia SecurititeInc.
Promoter(s):
Scotia Asset Management L.P.
Project #1971949

Issuer Name:
Scotia Canadian Dividend Fund
Scotia Canadian Growth Fund
Scotia Canadian Income Fund
Scotia Canadian Tactical Asset Allocation Fund
Scotia Diversified Monthly Income Fund
Scotia Global Climate Change Fund
Scotia Global Growth Fund
Scotia Global Opportunities Fund
Scotia International Value Fund
Scotia Money Market Fund
Scotia Selected Aggressive Growth Portfolio
Scotia Selected Balanced Income & Growth Portfolio
Scotia Selected Income & Modest Growth Portfolio
Scotia Selected Moderate Growth Portfolio
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated November 20, 2012
NP 11-202 Receipt dated November 23, 2012
Offering Price and Description:
Advisor Series Units
Underwriter(s) or Distributor(s):
Scotia Securities Inc.
Scotia Securites Inc.
Promoter(s):
-
Project #1972004

Issuer Name:
Scotia INNOVA Balanced Growth Portfolio
Scotia INNOVA Balanced Income Portfolio
Scotia INNOVA Growth Portfolio
Scotia INNOVA Income Portfolio
Scotia INNOVA Maximum Growth Portfolio
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated November 19, 2012
NP 11-202 Receipt dated November 22, 2012
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Scotia Securities Inc.
Promoter(s):
-
Project #1971935

Issuer Name:
Magnum Energy Inc.
Principal Jurisdiction - Alberta
Type and Date:
Preliminary Short Form Prospectus dated November 7, 2012
Withdrawn on November 26, 2012
Offering Price and Description:
Maximum Offering: $1,725,000.00 and Minimum Offering: $600,000.00 Comprised of:
Maximum of $862,500.00 - 6,634,615 Common Shares and Minimum of $300,000.00 - 2,307,692 Common Shares
Price: $0.13 per Common Share
Maximum of $862,500.00 - 5,750,000 Flow-Through Shares and Minimum of $300,000.00 - 2,000,000 Flow-Through Shares
Price: $0.15 per Flow-Through Share
Underwriter(s) or Distributor(s):
Macquarie Private Wealth Inc.
Promoter(s):
-
Project #1979390

Issuer Name:
Puget Ventures Inc.
Principal Jurisdiction - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated January 13, 2012
Amended and Restated Preliminary Short Form Prospectus dated June 20, 2012
Withdrawn on November 26, 2012
Offering Price and Description:
Minimum $6,187,500.00 (10,312,500 Subscription Receipts)
Maximum $16,000,950.00 (26,668,250 Subscription Receipts)
each Subscription Receipt representing the right to receive one Unit
Price: $0.60 per Subscription Receipt
Underwriter(s) or Distributor(s):
EURO PACIFIC CANADA INC.
JACOB SECURITIES INC.
D&D SECURITIES INC.
Promoter(s):
Erin Chutter
Alexei Musteatsa
Project #1848712

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Voluntary Surrender	Cork Capital Markets Inc.	Exempt Market Dealer	November 21, 2012
Consent to Suspension (Pending Surrender)	Sentry Select Investments Inc.	Exempt Market Dealer, Portfolio Manager and Investment Fund Manager	November 23, 2012

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Chapter 25

Other Information

25.1 Approvals

25.1.1 Portland Investment Counsel Inc. – s. 213(3)(b) of the LTCA

Headnote

Clause 213(3)(b) of the Loan and Trust Corporations Act – application by manager, with 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).

November 23, 2012

Borden Ladner Gervais LLP
Scotia Plaza, 40 King St. W.
Toronto, ON M5H 3Y4

Attention: Lynn McGrade

Dear Sirs/Medames:

Re: Portland Investment Counsel Inc. (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. 2012/0552

Further to your application dated August 29, 2012, as supplemented on November 13, 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 Portland Private Income 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 Portland Private Income 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,

"Edward P. Kerwin"
Commissioner

"Paulette Kennedy"
Commissioner

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